

# Asian Strategic Review



Editors: S D Muni | Vivek Chadha

ASIAN  
STRATEGIC  
REVIEW



# ASIAN STRATEGIC REVIEW

*Editors*

S.D. MUNI  
VIVEK CHADHA



INSTITUTE FOR DEFENCE STUDIES & ANALYSES  
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## Foreword

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The strategic environment in Asia is shifting. The growing assertiveness of China and its resultant manifestations, US pivot to Asia, instability in the Af-Pak region, threat of growing nuclearisation and the Arab Spring have been subjects of strategic analysis. This issue of *Asian Strategic Review* (ASR) focuses on security and military modernisation in the backdrop of these trends, with specific reference to military modernisation, defence budgets, arms pursuant in different Asian countries. The issue also analyses the US pivot, strategy and its implications for the Asian security environment.

The contributions to this issue of ASR have all come from the scholars of IDSA, which in itself is an indicator of the evolution of the institution and its endeavour to bring greater focus on issues of defence and security.

I would like to thank Prof S D Muni, an academic, strategic affairs analyst of repute and a Distinguished Fellow at IDSA, for heading this effort. I hope that this volume will be found useful by the strategic community.

New Delhi  
April 2013

**Arvind Gupta**  
Director General, IDSA



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# Introduction

*S.D. Muni*

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Asia is in the process of a radical transformation and appears eager, not only to take charge of its own destiny, but, to redefine the contours and dynamics of world politics. In these changes, its strategic parameters are being shaped by a number of forces and factors; four of which stand out for the depth and extent of their impact. They are: (i) the economic dynamism of Asia, marked particularly by the rise of giants like China and India, (ii) the growing perception of a US decline along with its strategic 'pivot' or 'rebalancing' towards the Asia-pacific region, (iii) internal turbulence in the Muslim world sparked by what has come to be widely known as the 'Arab Spring', and (iv) and the challenge of nuclear proliferation in Asia.

## Asia's Strategic Parameters

The rise of China is by now an acknowledged fact. The Chinese economy overtook that of Japan for first time in 2010 and by February 2011, it was widely acknowledged as the world's second largest economy which had grown 90 fold from what it was in 1978, when its leader, Deng Xiao Peng, gave the call for economic reforms and liberalisation. After overtaking Japan, the Chinese economy has been on course to overtake the US economy to emerge as the world's largest economy. According to the latest assessment by the Organisation for Economic Cooperation and Development (OECD), this will take place by 2016.<sup>1</sup> *The Economist* (London)<sup>2</sup> had predicted in December 2011 that China would overtake the US economy in 2018, and hit the \$20 trillion mark, while the Chinese sources have indicated that China would overtake the US economy in 2019.<sup>3</sup> China's rise however is not only an economic rise. China's claims that its rise is, and will remain peaceful, are increasingly being questioned and debated. This is mainly due to the faster pace of its military modernisation fuelled by its economic rise leading to a rapidly growing defence budget and its political ambitions. Within the past decade, China has made phenomenal strides in acquiring impressive

military capabilities in the realms of cyber security and space and by acquiring submarines and aircraft carriers for its navy. These capabilities have startled its neighbours, and put other world powers, including the United States of America on alert. China seems to be developing A2AD (Anti-Access and Area Denial) capabilities to deter-even-US naval missions in the Asia-Pacific region. A US Congressional Research Service report analysing China's naval modernisation and its implications for the US in December 2012 stated that:

... observers believe that China wants its military to be capable of acting as a so-called anti-access force—a force that can deter U.S. intervention in a conflict involving Taiwan, or failing that, delay the arrival or reduce the effectiveness of intervening U.S. naval and air forces.<sup>4</sup>

The real problem however, may not be with the pace and formidable dimensions of China's military modernisation. After all, a country of China's size and dimensions, with a huge economic surplus is expected to enhance its defence capabilities. China's military modernisation has become a matter of controversy and debate because of its unusually fast pace and, even more because of its unexpected, and to many, incomprehensible, assertiveness and aggressive behaviour. China's assertion of territorial claims in the South China Sea, particularly vis-à-vis Vietnam and the Philippines has taken many in the region by surprise. These claims have been projected by China as a part of its 'core national interests'. The concept of 'core interests' implies that if need be, force can and will be used for the protection of these interests, as in the case of Taiwan and Tibet. Such assertions are not confined only to South China Sea, but have also been visible in the East Asia Sea vis-à-vis Japan over the disputed Senkaku Island which have whipped up emotive nationalism and public protests. China has stepped up its naval movements in the disputed area. The equally robust Japanese response has generated sharp tensions between the two neighbours.

China's territorial claims have also been amply evident in the Himalayan region in its unresolved border dispute with India. Not only has the military infrastructure in the Himalayan region been vastly improved and upgraded, but China has gone back on some of its understandings arrived with India, as in the case of Sikkim and Arunachal Pradesh, and is also indifferent to any concrete negotiations for resolution of the border dispute. Besides asserting its territorial claims, China is also seen to be increasing its access and strategic presence in a number of Indian Ocean countries. Its support for building and upgrading ports in Pakistan (Gwadar), Sri Lanka (Hambantota), Bangladesh (Chittagong) and Myanmar (Sittwe) has been noted by a number of strategic analysts in the region. These ports are apparently commercial facilities for facilitating China's growing energy imports and trade but the possibility of their strategic use in any future eventuality cannot be ruled out.

China's rise coupled with the creeping perception of a US decline was one of the drivers for the US president Obama's 'pivot' or 'rebalancing' strategic shift towards the Asia-Pacific region announced in November 2011.<sup>5</sup> The stated

justification for the shift was based on two developments; (i) the rise of Asia and the economic dynamism of the Asia-Pacific region, and (ii) the approaching end of US engagement in Afghanistan in 2014. However, in view of China's rise and assertiveness, the US has equally been concerned about reinforcing its leadership in Asia and the world. The US was also seeking to extricate itself from the unwinnable 'war on terror' in Afghanistan. The killing of the Al Qaeda leader Osama bin Laden in a covert US operation in May 2011 in Pakistan, had created a flimsy, though acceptable, justification for the US domestic constituencies to announce the 2014 disengagement from Afghanistan. The strategic shift from Central and West Asia to the Asia-Pacific region also provides the US with a face saver to counter the perception of a 'declining US' and prevents the costly military involvement in the Muslim world from turning into a civilisation war (recall President Bush's call for a 'crusade' in his first reaction to the 9/11 attacks on the US) between a Christian US and an Islamic West/Central Asian region. The strategy has enabled the US to reinforce its presence in the region, as the US is now being welcomed by regional countries, to counter China's military modernisation. This will help the US in protecting, even promoting its traditional economic interests (also by boosting its arms sales to China's frightened neighbours) in the region. As spelt out by President Obama, this strategy will enable the US to strengthen its traditional alliances with countries like Japan, South Korea, Australia, the Philippines and Thailand and also build strategic partnerships with other important players in the region like Vietnam, Singapore, Indonesia and India. While the revival and augmenting of the US presence in the region has generally been welcomed, there are doubts if its economic difficulties, and cuts in defence spending will allow the US new Asia-Pacific strategy to have the desired effect in the face of unmitigated Chinese growth.

China is irked by the new US strategic shift. It views this shift as a move to contain China, notwithstanding repeated denials by the US, and blames it for encouraging countries like Vietnam, the Philippines and Japan to challenge China. While the US has repeatedly promised to stay neutral on the territorial claims and counter claims of China and its neighbours in the region, it cannot but assure security support to its traditional allies. The efforts of both the US and China to keep their bilateral and multi-dimensional engagement creative and constructive in the face of conflicting pulls and pressures is raising questions about the ultimate strategic equation between them in the region. No one in the region is comfortable about a US-China equation which either takes the shape of a G2 (Group of Two) domination or degenerates into a new Cold War between the two, with the possibility of an open conflict. There are strong advocates for both possibilities in the policy establishments of the US as well as China but both have thus far been cautious enough to maintain a level of bilateral engagement. China's periodic moderation of its assertive stance and the US advice to Japan to lower its pitch on the territorial dispute with China are indications to this effect.

Internal political turbulence in the Islamic world that started with the so-

called 'Arab Spring' in Tunisia and Egypt in December 2010 and January 2011 respectively has engulfed almost the whole of West Asia and North Africa. This has led to systemic transformations in Tunisia, Egypt, Libya and Yemen. Syria is in the throes of a civil war and Bahrain is still under considerable pressure from the seemingly suppressed popular revolt for political change. Popular protests and demonstrations have not spared even traditionally stable regimes like those in Algeria, Jordan, Kuwait, Lebanon and Saudi Arabia. Situations resulting from the internal turbulence have not only sucked in the neighbours of the countries affected, but also the United Nations and the great powers like the US, UK, France and Germany. The turbulence has disturbed the ethnic and sectarian (Shias/Sunnis/Arabs/Non-Arabs) balance as well as the peace and stability of the region. Consequently the region is now a fertile ground for extremist and fundamentalist forces like Al Qaeda and Muslim Brotherhood to play with popular emotions and identity assertions. The security of the region has become fragile and strategic equations are being redefined.

In the midst of all this turmoil, new challenges relating to nuclear non-proliferation have emerged in Asia. In North Korea, neither diplomatic initiatives like the Six Party Talks involving great powers like China and the US, nor the pressure of sanctions imposed by the UN Security Council Resolutions have succeeded in settling the question of nuclear proliferation. The hopes raised by the political transition and leadership change following the death of Kim Jong II at the age of 69 following a long ailment, regarding North Korea's retreat from the nuclear path have by now mostly been belied and the security of East Asian region continues to be a worry. The same is also true of Iran. Neither Israeli threats of war or UN sanctions, or diplomatic facilitation by Europe and others have succeeded in resolving the issue of IAEA safeguards and inspections relating to Iran's nuclear facilities and enrichment plants. While the Iranian nuclear issue keeps Israel agitated and itching for war, the Korean nuclear proliferation has induced possible re-think in the nuclear policies and options of its neighbours like South Korea and Japan.

The threat of nuclear proliferation in Asia does not come only from the new proliferators. The established and acknowledged nuclear weapons states in Asia like China, Pakistan and India are also expanding and upgrading their arsenals and enhancing the ranges and efficiencies of their delivery systems. The most frightening prospect of nuclear proliferation and threat is however in relation to Pakistan where possibility of jihadi extremists getting access to, and even control of nuclear weapons or material is not ruled out. God forbid, but if and when that happens, not only South Asia would become a nuclear tinder box but the security of whole of the world would be threatened.

## **Responses and Consequences**

The redefining and reshaping of the strategic parameters of Asia is evoking diverse and varied responses from Asian countries. China's growth and its military

assertiveness have created a hiatus in its economic and strategic engagement with several Asian countries. Asian countries have generally been admiring and emulating China's growth trajectory as it has benefitted them in terms of their own trade and investments. This engagement is economically stimulating for the Asian countries, though it is one sided. This is generating an undercurrent of unease and discomfort because of the prospects of Chinese dominance in the areas of trade and investments. China has tried to soften this discomfort by offering alternatives to reduce the negative trade balance and change its investment pattern and practices in order to keep up the momentum of economic engagement. However, in contrast to the economic engagement, there is a marked hesitation and reservation in the Asian countries' strategic response towards China. Strategically, the Asian countries are seeking confidence and reassurance in the enhanced US presence in the region and a new strategic balance to be created with greater involvement of other Asian powers like India, Australia and Japan. Russia and Europe are also looking eastward to participate in the emerging strategic balance in Asia which will ensure that no single power, surely not China, is able to dominate the region. There are of course exceptions, such as Iran and Pakistan who have no problems with a rising and assertive China.

The strategic dilemma of an economic engagement with China and the need for a multi-polar strategic balance to prevent China's dominance in the region is resulting in new strategic equations and partnerships. The changing stance of Myanmar and Vietnam towards the US, and vice-versa gives a clear strategic message to China that its rise has to be peaceful and gentle. India's strategic relations with Japan have improved remarkably making both countries the "strategic and global" partners of each other. At the last summit between the two on the sidelines of the ASEAN summit in Cambodia on November 20, 2012. India and Japan agreed to enhance their cooperation in the field of maritime security by strengthening the engagement between Japan's Maritime Self-Defence Force and the Indian Navy. India and Japan are also seeking to involve South Korea with them in a triangular strategic partnership. The strategic partnership between India and Australia established in 2009 is also being energised as was evident by the Australian Prime Minister Julia Gillard's state visit to India in 2012 where she promised to set aside her country's reservations on selling uranium to India. After talking to his Australian counterpart in New Delhi on January 21, 2013, India's foreign minister Salman Khurshid disclosed that the India-Australia strategic partnership has "grown in strength and expanded in scope". The US has been encouraging the strategic partnerships between India, Japan and Australia. There exist triangular strategic equations between US, Japan and India as also between US, Japan and Australia. The quadrilateral equation among the US, Japan Australia and India, which is based on the coordination between these four countries during the relief efforts for the Asian Tsunami in December 2004, was initiated in 2007. There is a strong possibility of institutionalising such a quadrilateral strategic equation in the near future, which, to begin with, may take up the issues such as

disaster relief, counter-terrorism and maritime security. The US has also floated the idea of a triangular strategic equation between the US, India and China, but China may not wish to share its strategic perspectives, specially on regional and nuclear issues with India and the US.

While crafting their responses to a rising and assertive China and forging new and multiple strategic equations, the Asian countries have also stepped up their efforts to enhance their defence capabilities. Asian defence budgets are rising and Asia has emerged as the world's largest arms bazaar. China tops the world and in Asia in its defence spending which has registered an annual double digit growth over the past five years (17.6 per cent in 2009, 15.1 per cent in 2009, 10.7 per cent in 2010, 13.05 per cent in 2011 and 11.5 per cent in 2012).<sup>6</sup> China is gradually emerging as an important arms exporter in Asia. India is also seen, by arms suppliers, as one of the biggest markets for weapons and military technologies as it is expected to spend \$100 billion on its military modernisation in the next 10 years. Besides China and India, the military modernisation spree is also evident in Pakistan, Vietnam, Malaysia, Thailand, Indonesia and Singapore. The emphasis has mainly been on strengthening navies, air forces and missile development in these countries. The launching of China's first aircraft carrier in 2012, the US rebalancing that aims to shift 60 per cent of its naval strength to the Pacific and the elaborate plans of India to turn its Andaman and Nicobar islands into a formidable tri-service military base in the Indian Ocean have the potential to radically restructure the existing balance of forces in the region. Japan is relaxing its constitutional constraints on military deployments and has given up its reservations regarding arms spending. This development is not only on account of economic growth and dynamism in the region but mainly because China's assertion and the US rebalancing have given rise to security fears and tensions in the region.

Regional security implications of the US strategic shift are still evolving and are being evaluated. Of particular concern in this respect is the situation in Afghanistan after the draw down of US and NATO forces is completed in 2014. There are scary scenarios of: the Taliban taking over Kabul; Afghanistan breaking apart; jihadis and extremists dictating and dominating the political process in Pakistan and even gaining access to Pakistan's nuclear assets; Pakistan, India, the Central Asian Republics and even the western periphery of China in Xinjiang being threatened by terrorism and de-stabilisation and escalation of terrorist attacks against Europe and the US.<sup>7</sup> No one really seems to be having a satisfactory answer or a credible clue to the worst-case security challenges emanating from a post-2014 Afghanistan.

## **This Volume**

Some of the critical Asian security issues arising from the developments identified in the foregoing paragraphs have been addressed in this volume—18 chapters of which have been contributed by scholars of IDSA. While writing these chapters,

their authors have kept in mind possible implications of these developments for India's security concerns and strategic priorities. The volume sincerely tries to present objective, academic analyses of policies, developments and issues which do not in any way constitute the official position of the Government of India nor the opinions of the Institute for Defence Studies and Analyses, New Delhi.

China looms large in the volume because the Asian security situation is revolving around a rising and assertive China. There are several chapters devoted, not only to China's rise and military modernisation, but also to its relations with India and Afghanistan, the turbulence and tensions in South China Sea and the generally overlooked aspect of the political implications of China's rise on its internal system and leadership. The volume also critically examines Russia's military modernisation, India's defence spending in comparison with that of its immediate neighbours and defence and security policies of Japan. There is a separate chapter on the US re-balancing strategy in Asia-Pacific region. The growing defence cooperation between India and the US has been discussed in a full chapter that takes into account the history of this relationship and the changes that have taken place in its content and thrust in recent years. For the West Asian region, the 'Arab Spring' and its fall out on regional security have been carefully studied. The role of Iran in the security dynamics of the region around it has been dispassionately discussed in another chapter. There is also a special focus on nuclear proliferation in Asia and full length chapters have been devoted to nuclear modernisation in China and Pakistan, the nuclear defiance of North Korea and the failure of the international community to restrain Iran from its nuclear quest.

This volume is not intended to be either comprehensive or exhaustive. It could not have been given the constraints of the scholarship available in IDSA and the time devoted to the planning and the completion of the volume. It is however hoped that the volume will be of interest to various sections of strategic community in India and abroad including scholars, policy analysts and practitioners, journalists and concerned individuals. The readers may find the volume worth its effort. The data base added to the volume in the form of maps and tables will help in understanding the intricacies of the analyses presented in the volume and also serve for ready reference. Serious efforts will be made in the next volume to improve upon the shortcoming experienced during the present effort.

#### NOTES

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# South Asia

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## Defence Spending in India and its Neighbourhood

*Laxman Kumar Behera*

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This chapter examines the military expenditure trends in China, India and Pakistan. In doing so, it also examines the key drivers of military expenditure and the military capability that these countries try to achieve.

### CHINA

China's primary security challenges during the Cold War came from the superpower politics of the US and the Soviet Union. Under the impact of bipolar politics, survival and security of the physical existence of the state emerged as predominant concerns. As sovereignty and territorial integrity were the overriding security goals, the Taiwan issue dominated China's security imperative. Taiwan not only represented an incomplete nationalism and divided sovereignty but also posed a grave security threat owing to the US military support to the Island nation. Post-Cold War, there has however been a perceptible shift in China's notion of security owing to changes in the international system. The end of the Cold War also ended the Soviet threat on its borders. The US-China rapprochement that followed neutralised the direct US threat, which in turn, reduced the threat from Taiwan. Further and more importantly, globalisation and China's own economic growth imperative put the onus on Beijing for creating a peaceful external and internal security environment. However, the favourable security environment of the post-Cold War era changed with the 9/11 terror attacks on the US. The US once again emerged as a primary threat owing to its growing unilateralism and predominant presence around China's periphery, in Central Asia, South Asia, North East Asia and South East Asia. China felt itself encircled from all sides. It also came to believe that the US presence had spurred the security dilemma in East Asia and that the current turmoil in the South-China Sea is attributable to the US' strategy of containment against China. Apart from the external challenges, China is also facing intense internal challenges emanating primarily from its

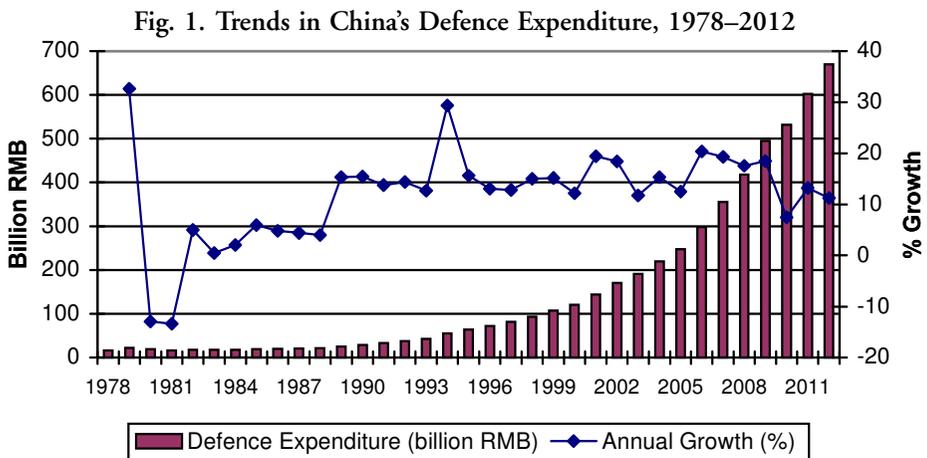
minority dominated areas of Xinjiang and Tibet. In fact, Tibet is today a greater threat to China than Taiwan. Also, with China's rapid economic growth, its need for resources and minerals has grown manifold. This has further increased its security concerns, as now they do not only focus on territorial integrity and sovereignty but are increasingly focused on securing its energy resources and the sea lines of communication. Indeed the need for resources for energy security has entwined China's security interests with maritime security.

In this expanding notion of security, the current US 'pivot' to Asia has further complicated China's security environment. China is rapidly enhancing its security by swift economic development and building up of military capabilities. Also, it is maintaining an external balance by promoting multilateralism and building strategic partnerships globally.

In March 2012 China announced an 11.2 per cent increase in its official defence budget which went up to 670 billion yuan (\$106.4 billion).<sup>1</sup> The double digit increase in the latest budget is a continuum of a trend of substantial level of military spending that has been sustained over a long period. Except for 2010 when defence expenditure went up by 7.5 per cent, there has been a more than 10 per cent increase in Chinese military spending for almost a quarter century. Consequently, Beijing whose military spending was less than that of major global military spenders including France, UK and Japan, now has the second-largest military spend after the US.

### Transparency in Chinese Military Spending

Many observers believe that China spends much more on defence than what it shows in the official budget. According to the US Department of Defense (DoD),



Source: China's Defence White Papers of 2006, 2008 and 2010 (available at official site of Information Office of the State Council of the People's Republic of China, [http://english.gov.cn/official/2005-08/17/content\\_24165.htm](http://english.gov.cn/official/2005-08/17/content_24165.htm)); and *China Daily* (for figures of 2010, 2011 and 2012).

China's 2011 defence spending is in the range of \$120-160 billion,<sup>2</sup> in comparison to Beijing's official figure of \$ 91.5 billion.<sup>3</sup> The difference is attributed to non-inclusion of some major items of expenditure, including foreign purchase and state subsidies to the defence industry among others.

Since 1998 China has been publishing a bi-annual Defence White Paper, in order to enhance the transparency issue. The latest white paper, issued in March 2011, is the seventh such exercise. The paper attributes the growth in defence spending to: increase in the pay and allowances of the servicemen in view of the rise in the general income levels; disaster and peacekeeping engagements; and a revolution in military affairs (RMA)-driven military modernisation.<sup>4</sup> The white paper like any other Chinese published official document does not however provide any details beyond a few aggregate figures.

Since 2007, China has been reporting its military expenditure to the United Nations (UN). So far it has submitted four reports, the latest one being submitted in August 2010. China claims that these reports are to demonstrate "great importance to the issue of military transparency, and actively improved mutual trust with other countries in the military field".<sup>5</sup> However, China uses the UN's Simplified Reporting Form rather than the Standardised Reporting Form,<sup>6</sup> thus suppressing critical information regarding expenditure on the individual armed forces (army, navy and air force). The latest information furnished for the financial year 2009 provides aggregates, confined to only three categories: personnel, training and maintenance, and equipment (see Table 1). Even the simplified reporting is not consistent with UN requirements. The information on R&D is clubbed with that on equipment, thus concealing how much China spends on defence innovation.

**Table 1. China's Defence Expenditure in 2009 (RMB billion)**

	<i>Active Force</i>	<i>Reserve Force</i>	<i>Militia</i>	<i>Total</i>	<i>(%)</i>
Personnel	167.063	1.465	0	168.528	34.04
Training and Maintenance	152.171	1.965	12.859	166.995	33.73
Equipment	157.426	1.431	0.73	159.587	32.23
Total	476.66	4.861	13.589	495.11	100

- Notes:*
1. Personnel expenses cover salaries, allowances, food, clothing, and bedding, insurance, welfare benefits and pensions for officers, non-ranking cadres, enlisted men and contracted civilians.
  2. Training and maintenance expenses cover troop training, institutional education, running and development of daily work and activities.
  3. Equipment expenses cover research and development, procurement maintenance, transportation and storage of weaponry and equipment.

*Source:* United Nations Office for Disarmament Affairs, Instrument for standardized reporting of military expenditures, <http://unhq-appspub-01.un.org/UNODA/Milex.nsf>

## Explaining China's Rising Military Expenditure

China's defence white paper divides the growth of defence expenditure since the late eighties into three phases: phase-I (1988–1997), phase-II (1998–2007) and

phase-III (post-2007). The growth in the first phase is ascribed to the need to “make up for the inadequacy of defence development (that resulted from relatively greater focus on economic development in the first decade post liberalisation) and maintain national security and unity...” The growth in the second phase is explained as being necessitated to meet the “requirements of RMA”. The post-2007 growth is mostly attributed to the need to insulate service personnel against price rise and increase in general living standards, and to “push forward the RMA”.<sup>7</sup>

China’s prolonged and sustained economic growth has been the main driver for sustaining the growth momentum in military expenditure. From around a trillion dollar economy in the late nineties, China’s GDP increased to \$7.3 trillion by 2011, and in the process it has overtaken Japan to become the biggest Asian economy and the second biggest in the world.<sup>8</sup> With its impressive economic growth, China has sought a greater role in international affairs, hitherto underplayed in accordance with the long-held Deng Xiaoping-influenced policy of low-profile external engagement. The willingness to assert itself in international affairs is embedded in China’s concept of Comprehensive National Power (CNP), which supports, among other things, a strong military that is commensurate with its “great power” status. This has led China to pursue a comprehensive yet very expensive military transformation from a ‘mass army designed for protracted wars of attrition on its territory to one capable of fighting and winning short-duration, high intensity conflicts against high-tech adversaries.’<sup>9</sup> China refers to this approach as preparation for fighting and winning “wars under conditions of informationisation”.<sup>10</sup> Towards this end China has invested hugely in domestic research and development, modern technology and weapon acquisitions from abroad.

### **Strategic Military Modernisation**

Although China has a long-term military modernisation plan stretching up to 2050, in the last two decades or so, it has acquired a range of capabilities that have considerable strategic implication for its neighbourhood and beyond. The 2009 US DOD Report states that China has fielded the three-stage road mobile, solid-propellant intercontinental ballistic missile (ICBM) DF-31 and its improved version DF-31A, which has a range of over 11,200 km and the capability to hit “any location in the continental United States”. On its western front near India, China has reportedly replaced the older liquid-fuelled nuclear-capable CSS-3 intermediate range ballistic missile (IRBM) with more advanced solid-fuelled CSS-5 medium-range ballistic missile (MRBM).<sup>11</sup> The latter can hit almost the entire Indian subcontinent.

The Report also notes that China is “qualitatively and quantitatively” improving the inventory of its strategic missile forces (see Table 2) and is working on a number of technologies and weapon systems in a move to strengthen deterrence, enhance strategic strike capabilities, and improve the “survivability, flexibility and effectiveness of its nuclear forces”.<sup>12</sup>

Table 2: Select Nuclear-Tipped Missiles of China

<i>Inventory</i>	<i>No. of Missiles</i>	<i>No. of Launchers</i>	<i>Estimated Range</i>
CSS-4	20	20	13,000+ km
DF-31	<10	<10	7000+ km
DF-31A	<10	<10	11,200+ km
CSS-3	15–20	10–15	5400+ km
CSS-2	15–20	5–10	3000+ km
CSS-5	60–80	70–90	1750+ km

*Source:* US Department of Defence, *Military Power of the People's Republic of China 2009*, Annual Report to Congress, p. 66.

To boost its nuclear strike capability, China is in the process of developing a 7400+ km range JL-2 nuclear-capable submarine-based ballistic missile (SLBM), which is likely to achieve its Initial Operational Capability (IOC) by 2014.<sup>13</sup> The JL-2 will be part of the new Jin-class (Type 094) nuclear-powered ballistic missile submarines (SSBN), the first of which entered service in 2004; the second is currently being fitted out and the third is under construction.<sup>14</sup> In 2007, the Federation of American Scientists confirmed the existence of two Type 094 SSBNs, each with 12 launch tubes for JL-2 SLBMs.<sup>15</sup> In 2006 the US Office of Naval Intelligence estimated that a fleet of five such submarines would be built by China. The Type 094 SSBN along with the JL-12 would give Beijing its first credible sea-based nuclear strike capability.<sup>16</sup>

In April 2008 media reports confirmed earlier reports regarding the construction of a major underground naval facility on Hainan Island in the South China Sea.<sup>17</sup> The facility is large enough to accommodate aircraft carriers, attack and ballistic missile submarines and other power projection ships.<sup>18</sup> With water depths of over 5000 m, this facility is an ideal location for China's nuclear-powered submarines, which besides Type 094 SSBN include six other nuclear attack submarines. The location of Hainan along with the lethal warships and weapons has implications not only in the South China Sea but to the south of it, deep into the Indian Ocean. From New Delhi's perspective, once the Type 094 SSBN moves into the Indian Ocean, it will "severely complicate India's security calculus by presenting an all-round and indeterminate nuclear threat".<sup>19</sup>

### High-End Platforms and Asymmetric Warfare

Besides nuclear and related programmes, China as part of its military modernisation is also engaged in developing high-end military platforms besides developing asymmetric capabilities. In January 2011, China conducted the first flight trial of J-20 fighter aircraft in an effort to develop a 5<sup>th</sup> generation fighter aircraft with features of super-cruise, advanced avionics and stealth. Although doubts still persists as to China's ability to match the technological capability of US and Russia in such combat planes, what is undisputable is Beijing's progress in the military aviation industry over the past 15 years or so, which has narrowed

the technological gap with advanced countries. If the rapid progress made over the past years continues, China in the next decade or so could well be the third country (after the US and Russia) to have top-end aviation technological capability.<sup>20</sup>

Following the J-20 flight test, China in September 2012 commissioned its first aircraft carrier, "*Liaoning*". Although the carrier is a refitted Soviet era ship bought from Ukraine, its commissioning nonetheless made Beijing's rising naval ambitions clear. It is believed that China has already started working on its indigenous carrier programme and may eventually build up to four carriers, including nuclear ones.<sup>21</sup>

In January 2007, China became the third country after the US and Russia to conduct a successful anti-satellite (ASAT) weapon test, by destroying a low earth orbiting satellite. The test, which took place unannounced, raised concerns in many nations, including the US, Japan and Australia, in view of possible harm that could be caused to space assets by the debris resulting from the test.<sup>22</sup> However, a far-reaching implication of the successful test is China's new-found ability to use space to acquire an asymmetric military advantage against any adversary.

## INDIA

India faces multiple threats and challenges to its security from land, sea and air. India shares approximately 15,000 km of land border with six of its neighbours and long stretches of these are under dispute. Some neighbours, including nuclear Pakistan and China have also fought wars with India. The existence of terrorist camps in Pakistan and continued infiltrations from across the Line of Actual Control (LOC) remain a source of concern for India. The rise of China, both economically and militarily, and its growing military footprint in India's immediate and extended neighbourhood has created a sense of urgency in New Delhi's security establishment. The urgency has further been accentuated by Beijing's rapid infrastructure development in Tibet Autonomous Region (TAR) and Xinjiang Province which has enhanced China's force projection and military capability besides giving it increased strategic and operational flexibility vis-à-vis India.

The internal security situation too, continues to pose multifarious challenges, in particular the proxy war in Jammu and Kashmir, insurgencies in the Northeast, terrorist attacks in the hinterland and the spread of left-wing extremism, each of which require an effective and coordinated inter-agency response at the national level. India also has a vital stake in the security of the SLOCs, a concern that will acquire increasing significance in the times to come. This is more so in view of the rapid globalisation of Indian economy. In 1990-91, India's total external trade accounted for a mere 6 per cent of the GDP; by 2010-11, it had increased to 52 per cent. In view of the finite availability of resources and keeping in view the security and developmental needs of the country, there would always be a resource

gap. An analysis of the total resource availability and its utilisation service-wise is discussed below.

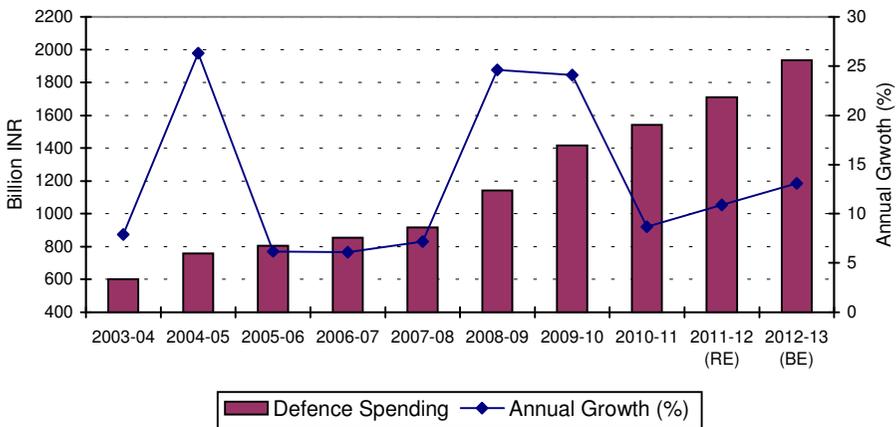
In March 2012 the central government raised the defence budget for 2012-13 to Rs. 1934.1 billion (or \$35.3 billion<sup>23</sup>).

This amounts to 17.6 per cent increase over the previous year's allocations. With the latest budget, India's defence spending in the 10-year period from 2003-04 to 2012-13 has increased by a factor of 3.2 (or by 222 per cent) from Rs. 600.7 billion. However, the growth lacks consistency. Unlike China, where there has been a sustained and rapid growth in defence spending in the past several years, India has seen growth in excess of 10 per cent in five years in the same period (see Figure 2). The uneven growth in defence expenditure notwithstanding, the capital expenditure—most of which is spent on modernisation of armed forces—has grown at a hefty pace. In a 10-year period, the capital expenditure has grown by 372 per cent, in comparison to the 163 per cent increase in revenue expenditure, the bulk of which is spent for the pay and allowances of the armed forces.

### Army

The Indian army, which has an active strength of some 1.1 million, is the third-largest land force in the world.<sup>24</sup> In 2012-13 its budget was Rs. 972.9 billion, which was 50.3 per cent of the total defence budget.<sup>25</sup> Although the army's budget is mostly revenue-intensive (around 80 per cent in 2012-13), its capital expenditure has nonetheless increased by 270.7 per cent over ten years, to reach Rs. 191.8 billion in 2012-13. The capital budget increase has however not translated into a comprehensive modernisation of the Indian army. Compared

Fig. 2. Trends in India's Defence Expenditure, 2003-04 to 2012-13



Note: RE—revised estimate; BE—budget estimate.

Source: Figure prepared by the author based on data taken from Ministry of Defence, Government of India, *Defence Services Estimates* (from 2005-06 to 2012-13)

to the other services, the Indian army seems to be lagging behind in its modernisation drive which the outgoing Chief of Army Staff, Gen VK Singh, described as ‘hollowness’ in his confidential March 2012 letter to the PM which was leaked to the media and created an uproar both in Parliament and outside. Among other issues the army chief noted that the tanks are “devoid of critical ammunition”; the air defence is “97 per cent obsolete”; the special forces are “woefully short of essential weapons”; and there is a large scale void in critical surveillance and night-fighting capabilities.<sup>26</sup> Although the defence minister has refuted the claims of the Army Chief, saying “these are all rumours ... and India is in much more strong position as compared to the past”,<sup>27</sup> the ground reality is somewhat different. The Parliamentary Standing Committee on Defence while examining the 2012-13 budgetary provisions of the defence services has pointed out key deficiencies in the country’s defence preparedness. The report of the Committee presented to the Parliament on April 30, 2012, noted “huge gaps between the sanctioned and the existing machines with Army Aviation”, shortage of tank ammunition, huge delays in the induction of artillery guns and even shortages of bullet proof jackets for the troops.<sup>28</sup>

The above controversy notwithstanding, the Indian army is moving ahead both in terms of size and modernisation. In an effort to bolster its defence along the north eastern front, the army has raised two mountain divisions with 15,000 personnel each under the Eastern Command of the Indian army.<sup>29</sup> The mountain divisions will be part of a new mountain strike corps which has been sanctioned by the MoD at an estimated cost of Rs. 640 billion.

Some of the major ongoing modernisation-driven inductions of the Indian army are mentioned below:

- Induction of T-90 and MBT Arjun tanks along with capability enhancement by providing night fighting capability.
- Consolidation and enhancement of long range and precision fire power through induction of SMERCH, BrahMos and Pinaka rocket systems.
- Induction of camera mounted Unmanned Aerial Vehicles (UAVs) for improved battlefield surveillance.
- Induction of medium- and short-range surface to air missiles for air defence.
- Replacement of Cheetah/Chetak helicopter with advanced light helicopters.

## **Air Force**

The Indian Air Force (IAF) is the fourth-largest air arm in the world. In 2012-13 its budget was raised to Rs. 481.9 billion, constituting 24.9 per cent of total defence budget. Among the three services, the IAF is the most capital-intensive, accounting for about 38 per cent of total capital expenditure (in 2012-13). During the period 2003-04 to 2012-13, IAF’s total capital expenditure has increased by 459 per cent to Rs. 304.9 billion.

The increase in the IAF's capital expenditure has however not prevented the depletion of its combat force strength to 34 squadrons, against the government-authorised number of 42 squadrons. The number of squadrons is further likely to be reduced to 31 during the 12<sup>th</sup> Plan period (2012-2017). Nonetheless the IAF has taken some major initiatives to increase its squadron strength including the induction of new fighter aircraft, and the up-gradation of the existing ones in its armoury. The IAF is hopeful that by the 15<sup>th</sup> Plan (2027-2032) the number of fighter squadrons will eventually go up to 45.<sup>30</sup>

In August 2007, the Ministry of Defence issued a Request for Proposal for the procurement of 126 Medium Multi-Role Combat Aircraft (MMRCA) at an estimated cost of Rs. 420 billion to six global vendors from five countries: Russia's MiG-35 (RAC MiG); Swedish JAS-39 (Gripen); Dassault Rafale (France); American F-16 Falcon (Lockheed Martin); and Boeing's F/A-18 Super Hornet and Eurofighter Typhoon (manufactured by a consortium of British, German, Spanish and Italian firms).<sup>31</sup> The RFP stipulates that the first 18 aircraft will be bought off-the-shelf, while the remaining 108 will be manufactured locally under transfer of technology. The procurement process has however been progressing at a slow pace. Compared to the 2-3 years timeframe (as mandated in the MoD's capital procurement manual) for contract signing, the MMRCA has so far taken more than five years since the RFP was floated in 2007. The delay notwithstanding, the French Rafale has been chosen over of the Eurofighter which lost out on cost parameters (both the fighters were qualified after the gruesome flight trials conducted by the IAF).

Besides the planned induction of new aircraft, the IAF is in the process of acquiring new platforms, such as early-warning and mid-air refuelling aircraft, with force multiplier roles. In May 2009, after a delay of nearly one and a half years, it inducted the first IL-76 based AWACS aircraft, followed by two more in 2010 and 2011.<sup>32</sup> Under the option clause, India is also planning to acquire two more of these planes. The AWACS plane features the advanced Israeli Phalcon early warning radar and communication suite on the Russia-made IL-76 aircraft, under a tripartite \$1.1 billion deal signed in 2004 among India, Israel and Russia. Popularly known as the "eye in the sky", the significance of the AWACS lies in its surveillance capabilities with regard to troops build-up or aircraft movement deep inside enemy territory, while flying well within Indian airspace. "It can even listen to highly confidential communication among enemy frontline units."<sup>33</sup>

In addition to the IL-76 based AWACS, India's Defence Research and Development Organisation (DRDO) is also developing an Airborne Early Warning and Control (AEW&C) system—dubbed as 'mini AWACS—to be mounted on Brazilian aircraft. In 2008, India and Brazil signed an agreement under which the latter will supply three of its modified regional jet aircraft, EMB-145 at a cost of \$210 million.<sup>34</sup> The first aircraft with several DRDO systems including the Active Electronically Scanned Array (AESA) antenna was handed over to India in late August 2012 for further integration. The developmental flight trial of the complete system is planned in 2013.<sup>35</sup>

## Navy

The Indian Navy (IN), the fifth-largest maritime force in the world, is responsible for protecting India's maritime interests along the 7516.6 km coastline, the 2.01 million km<sup>2</sup> EEZ, distant islands, and its vast SLOCs. Among the three services the IN, however, has the lowest budget although its share of the defence budget is increasing. In 2012-13 its budget was raised to Rs. 373.1 billion. This constitutes over 19 per cent of the defence budget—a noticeable increase from the less than 15 per cent in early 2000s. Over the years the IN is becoming increasingly capital-intensive. From less than 50 per cent in 1999-2000, the capital expenditure amount in IN's total expenditure has shot up to over 66 per cent in 2012-13. In 2012-13 its total budgeted capital expenditure reached Rs. 247.7 billion, representing a 362 per cent increase over a 10 year period.

The increases in the IN's total budgetary resources and particularly the capital expenditure, has however not enabled it to sustain its force level at the government-mandated level. In 2003 the government had directed that the IN's force level consisting of ships and submarines should not be below 140 ships. However, at the end of 2011, the number of ships came down to 132 ships.<sup>36</sup> Besides the budgetary constraints, delay in procurement has left the IN struggling to replace most of its ageing vital maritime assets. The INS *Viraat*, currently the sole aircraft carrier with the IN, is nearly 50 years old and was scheduled for decommissioning in 2008. However, over four years of delay in the induction schedule of the *Admiral Gorshkov* (renamed INS *Vikramaditya*) to 2013, has once again extended the operational availability of INS *Viraat*. The submarine strength of the IN is also facing depletion, and is at 67 per cent of the force level envisaged in a 1985 plan. Moreover, the "prolonged refit" schedule has brought down the operational availability of the submarines to as low as 48 per cent.<sup>37</sup>

In May 2006 the IN released its Vision Document which stated, among others, that the navy would "create and sustain a three dimensional, technology enabled and networked force capable of safeguarding our maritime interests on the high seas and projecting combat power across the littoral."<sup>38</sup> To realise this vision, the IN is working towards having three carrier battle groups supported by a host of supporting ships and the air- and space-based communication/surveillance. Post the induction of the *Vikramaditya*, the navy is seeking to induct an Indigenous Aircraft Carrier (IAC) which is presently being constructed at the state-owned Cochin Shipyard and is expected to be launched in 2013 and inducted in 2018.<sup>39</sup> Besides the *Vikramaditya* and the IAC, the navy is also reportedly planning for its third aircraft carrier also most likely to be built at the Cochin shipyard. During the Tenth Plan the IN had inducted a total of 12 ships and 24 aircrafts including 12 unmanned aerial vehicles (UAVs). In 2012-13, Navy plans to induct 8 ships including the aircraft carrier (*Vikramaditya*), frigates, destroyers, and offshore patrol vessels.<sup>40</sup>

To further boost the under-water combat capability of the navy, and more importantly, to provide India with a credible nuclear deterrence through second-

strike capability, India is actively pursuing a nuclear powered submarine programme. On July 26, 2009, the Indian PM launched *Arihant*, the first indigenously built nuclear propelled strategic submarine. The submarine is likely to be fitted with 750 km-range K-15 SLBM, which is being developed by the DRDO. To train the Indian naval personnel who will eventually man the indigenously developed nuclear submarines, India entered into an agreement with Russia in 2004, for a ten-year lease of an *Akula*-class nuclear submarine. The submarine, named *INS Chakra* was inducted into the Indian Navy on April 4, 2012.<sup>41</sup>

The communication/surveillance capability of the Indian navy is being strengthened by the launch of dedicated military satellite and the induction of advanced surveillance aircraft. In June 2012 it was reported that a dedicated satellite for surveillance and communication was ready for launch by the ISRO. The naval satellite, the first among the three services, with coverage of 1,000 nautical miles over the Indian Ocean Region (IOR) would enable the navy to “network all its warships, submarines and aircraft with operational centres ashore through high-speed data-links.”<sup>42</sup>

The surveillance capability of the IN has been further boosted by the induction of P-8I maritime reconnaissance aircraft. In 2008, India and the US signed a \$2.2 billion contract for eight Boeing P8-I maritime patrol aircraft.<sup>43</sup> Under the terms of the contract Boeing will deliver the first P-8I within four years of the signing of the contract, and the remaining seven by 2015.

## Nuclear Deterrence

Apart from the nuclear submarine *Arihant*, India also continues to strengthen other means of nuclear deterrence, with particular focus on missile delivery system. Presently, India’s nuclear forces comprises of aircrafts and land- and sea-based ballistic missiles. According to SIPRI, India’s air based nuclear deterrence revolves around two types of aircraft of the Indian Air Force—Mirage 2000H *Vajra* and Jaguar IS *Shamsher*, with a range of 1850 KM and 1400 KM, respectively.<sup>44</sup> The land-based missile systems consist of the Prithvi and Agni series of missiles indigenously developed by the DRDO as part of Integrated Guided Missile Development Programme which were sanctioned by the Indian government in 1983.<sup>45</sup> The sea-based missiles consist of *Dhanush* (a naval version of the Prithvi class missile) and K-15 missiles. The Prithvi missile which has three variants with ranges of 150 KM, 250 KM and 350 KM, is operational with the armed forces.<sup>46</sup> The 350 KM range *Dhanush* was last tested successfully on October 5, 2012 from a naval ship.

India’s nuclear deterrence got a major boost on April 19, 2012 when the 5000 KM plus range ‘new generation strategic missile’ Agni-V was test fired successfully.<sup>47</sup> The test was the result of years of efforts spent in the development of four other Agni series of missiles, including Agni-IV which has a range of 4000 KM.<sup>48</sup> With the Agni-V test, India became only the sixth country in the world

after all the P-5 members of the UN Security Council with the capability to develop inter continental ballistic missile (ICBM). The Agni-V also gives India the ability to hit targets anywhere in Asia and parts of Europe and Africa<sup>49</sup>—a feat no other Indian missile had achieved so far. The other notable aspect of the Agni V missile is its ‘booster technology’ which can be used to develop anti satellite weapons, although the government has so far not given its nod.<sup>50</sup>

### **Ballistic Missile Defence**

To counter the missile threat from the neighbouring countries, India is actively developing a two-layered ballistic missile defence (BMD) system. A number of tests have been conducted in recent years, starting from November 2006 when a modified Prithvi missile mimicking enemy missile was intercepted by another missile in the exo-atmospheric region at 48 km.<sup>51</sup> The 2006 test was followed by an endo-atmospheric test at an altitude of 15 km in 2007. The DRDO which is spearheading the programme with the involvement of 40-odd Indian industries is confident that the BMD is mature for induction and is capable of intercepting incoming missiles with range of up to 2000 km. New Delhi and Mumbai are the two cities reportedly identified for the missile shield, before it is expanded to other cities.<sup>52</sup>

### **Cyber Security**

India has of late stepped up its efforts to counter the growing cyber attacks on its military and civil infrastructure. The Indian armed forces, which have often come under attack from neighbouring countries, look set to form an integrated cyber command to be headed by an officer of the navy which reportedly has greater expertise in the field. The command, which is expected to draw manpower and other assets from the three services and other government departments is however still at the conceptual stage and is yet to get formal government approval.<sup>53</sup>

Apart from the armed forces-led initiative, The National Security Council Secretariat (NSCS) under the National Security Advisor (NSA) has taken certain initiatives to safeguard India’s vast computer networks and systems. As a first step, a Joint Working Group (JWG) has been set up under the aegis of NSCS with members drawn from both public and private sector. The report of the JWG submitted on August 16, 2012, recognises the need for a PPP (public private partnership) approach for strengthening India’s cyber security. The report also identifies the guiding principles and objectives of PPP in cyber security besides providing a roadmap and a permanent JWG to implement the recommendations. Among others, the report highlights the need for increasing the number of cyber security professionals on ‘mission mode’.<sup>54</sup>

## **PAKISTAN**

Historically, Pakistan defence budget is influenced by its perceived ‘existential

threat' from India. This continues to be the case till today although in recent years its attention has been diverted to tackling the growing internal security challenges, including military operations in areas bordering Afghanistan. The internal security situation in Pakistan shows no sign of improving. Apart from the radical threat in the tribal areas where army is deployed along the porous Durand line with Afghanistan; sectarian violence, the continuing violence in Karachi and the festering political problem in Balochistan is increasing day-by-day. Radical infiltration of the Pakistan army seems to be a reality now, as the recent attacks on GHQ Rawalpindi, Mehran Naval base and Kamra air base suggest.

Pakistan's raised its defence budget for 2012-13 by 10.2 per cent to Pakistan Rupee (PKR) 545.4 billion (\$6.1 billion<sup>55</sup>).<sup>56</sup> The budget, however, excludes the allocations made separately under the classifications of Military Pension, Defence Division, Defence Production Division for which PKR 98.2 billion, PKR 3.2 billion, PKR 2.0 billion were allocated, respectively (Table 3). The total official defence-related outlays amount to PKR 648.8 billion, or 20.3 per cent of total Federal Government budget of 2012-13. Among the armed forces, the army with an outlay of PKR 264.1 billion accounts for 48.4 per cent of total defence budget, distantly followed by the air force (PKR 114.2 billion; 20.9 per cent) and navy (PKR 52.7 billion; 9.7 per cent).

**Table 3: Details of Estimates of Pakistan's Expenditure on Defence Affairs and Services, 2011-12 and 2012-13 (Rs. in million PKR)**

<i>Classification</i>	<i>Budget 2011-12</i>	<i>Budget 2012-13</i>
A. Defence Administration	1470	1564
B. Military Defence:	493745	543823
<i>Employees Related Expenses</i>	206488	229577
<i>Operating Expenses</i>	128283	143544
<i>Physical Assets</i>	117591	120522
<i>Civil Works</i>	42638	51356
<i>Less Recoveries</i>	-1255	-1178
C. Sub-total (A+B)	495215	545386

*Source:* Ministry of Finance, Government of Pakistan, *Federal Budget 2012-13*.

The budget estimates presented in Table 3 do not, however, include expenditures on numerous accounts. According to the IISS, the defence budget "omits items such as defence pensions, benefits for retired and serving personnel, military aid from Gulf states, space and nuclear programmes and income generated by the armed forces' diverse business interests".<sup>57</sup> Moreover, Pakistan also receives Chinese-produced weapons at favourable prices and has been obtaining, since 2001, substantial US military assistance, thanks to its support for the US-led "anti-terrorism campaign".<sup>58</sup>

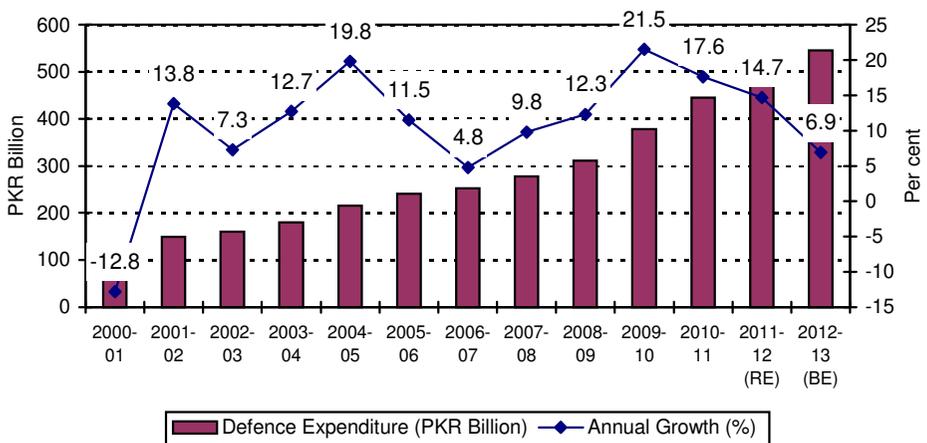
Pakistan's official defence budget has been on the rise, growing at an annual average of 13.1 per cent in the 10-year period between 2003-04 and 2012-13.

The highest growth was in 2009-10, when the defence expenditure was increased by 21.5 per cent. Partly this was due to the army's involvement in counter insurgency operations, as part of the US-led war on terror, which has imposed a heavy burden on the Pakistan economy. In her budget speech for the FY 2009-10 the then financial minister had informed the National Assembly that the "war on terror has already cost us over \$35 billion since 2001-02 in economic costs."<sup>59</sup> Although Pakistan's defence expenditure in absolute terms is much less than India's (about one-fifths to one-sixth), it nonetheless places a much higher burden on the government budget. Compared to the defence spend of 13 per cent in India's total central government expenditure, Pakistan spends nearly 17 per cent.

### Modernisation of Armed Forces

In late March 2008 senior armed forces and government officials, including the prime minister, reviewed and revised the Armed Forces Development Plan (AFDP) that sets the course for new procurement and the arms manufacturing capability of the domestic industry.<sup>60</sup> The plan, which commenced in 2004-5 and was initially expected to be completed by 2014-15, has been extended to 2025. The total planned expenditure for the entire period—apparently to be funded separately from the defence budget—is reported to be around \$24–28 billion.<sup>61</sup> Though details of the planned expenditure are not publicly known, it is believed

Fig. 3. Trends in Pakistan's Defence Expenditure, 2003-04 to 2012-13



Note: Figures up to 2010-11 are actual expenditure, and for 2011-12 and 2012-13 are revised estimate and budget estimate, respectively.

Source: Figure prepared by the author based on data obtained from State Bank of Pakistan, *Statistical Bulletin* (various years), available at [http://www.sbp.org.pk/reports/stat\\_reviews/Bulletin/2011/index.htm](http://www.sbp.org.pk/reports/stat_reviews/Bulletin/2011/index.htm)

that the plan funds would be used for procurement of JF-17 (Thunder) and J-10 fighter jets for the air force; Cobra and Apache helicopters for the army, and German-made U-214 submarines for the navy.<sup>62</sup>

China and Pakistan have cooperated on a number of high-profile defence manufacturing projects, including F-22P frigates, the JF-17 Thunder aircraft and the Al-Khalid MBT. An agreement for serial production of the aircraft in Pakistan was signed in March 2009. Pakistan intends to produce a total of 42 JF-17s and expects that by 2013–2015 a fleet of 250 JF-17s would form the backbone of its combat fighter strength. Cementing their ties further, they signed an agreement in 2006 for the joint development of an Airborne Early Warning and Control (AEW&C) aircraft.<sup>63</sup> The first of the four reconnaissance aircraft was rolled out in 2010 during President Zardari's visit to China. In 2005 Pakistan also signed a \$1.2 billion deal with Sweden for the purchase of Saab 2000 Erieye AEW&C. The first of the five aircraft was delivered to Pakistan Air Force in 2009.<sup>64</sup>

### US Military Aid/Sales to Pakistan

After a long hiatus, since the US suspension of military cooperation and arms sales to Pakistan in 1990, Pakistan-US defence cooperation post-2001 has progressed at a rapid pace. In 2002 the US allowed military commercial sales to Pakistan, which enabled Pakistan to refurbish its F-16 fighter aircraft purchased earlier. In another development, the Bush Administration in June 2004 designated Pakistan as a major non-NATO ally, which was followed by a major arms transfer agreement worth over \$5.1 billion, signed in June 2006 under Foreign Military Sales (FMS). The 2006 deal, the single largest in that year, is significantly higher than total US military aid (through FMS) to Pakistan between 1950 and 2001.<sup>65</sup> Till 2011, the US has given Pakistan nearly \$12.5 billion in the form of Coalition Support Funds (CSF) and Foreign Military Financing (FMF). The US has also allowed Pakistan access to US military equipment under the Excess Defence Articles (EDA).

Post-2001, major arms supplies, including possible future supplies, by the US to Pakistan include:<sup>66</sup>

#### *Under FMF*

- eight P-3C Orion maritime patrol aircraft and their refurbishment (valued at \$474 million, four delivered, but two of these were destroyed in a March 2011 attack by Islamist militants);
- about 6,312 TOW anti-armour missiles (\$186 million; at least 2,007 delivered);
- more than 5,600 military radio sets (\$163 million);
- six AN/TPS-77 surveillance radars (\$100 million);
- six C-130E transport aircraft and their refurbishment (\$76 million);
- the Perry-class missile frigate USS *McInerney*, via EDA (\$65 million for refurbishment; delivered);

- 20 AH-1F Cobra attack helicopters via EDA (\$48 million, 12 refurbished and delivered); and
- 121 refurbished TOW missile launchers (\$25 million).

#### *Under FMF and FMS*

- up to 60 Mid-Life Update kits for F-16A/B combat aircraft (valued at \$891 million, with \$477 million of this in FMF; Pakistan's current plans are to purchase 45 such kits); and
- 115 M-109 self-propelled howitzers (\$87 million, with \$53 million in FMF).

#### *Under FMS*

- 18 new F-16C/D Block 52 combat aircraft, with an option for 18 more (valued at \$1.43 billion, all delivered<sup>37</sup>);
- F-16 armaments including 500 AMRAAM air-to-air missiles; 1,450 2,000-pound bombs; 500 JDAM bomb tail kits for gravity bombs; and 1,600 Enhanced Paveway laser-guided bomb kits, also for gravity bombs (\$629 million);
- 100 Harpoon anti-ship missiles (\$298 million);
- 500 Sidewinder air-to-air missiles (\$95 million); and
- six Phalanx Close-In Weapons System naval guns (\$80 million).

#### *Under CSF*

- 26 Bell 412 helicopters along with related parts and maintenance (\$235 million; all delivered)

#### *Under EDA*

- 14 F-16A/B combat aircraft; and
- 59 T-37 military trainer jets.

While the US continues to provide a huge amount of military assistance to Pakistan to ensure Islamabad's support for counterinsurgency operations, it has not put any strict conditions on its intended use. This has led Pakistan to divert huge chunk of military assistance towards building up its conventional capability against India. As the report of the Congressional Research Service notes, Pakistan diverted more than half of \$2.1 billion worth of Foreign Military Financing towards purchase of weapons of "limited use in the context of counter-terrorism." The purchase includes "maritime patrol aircraft, anti-armor missiles, surveillance radars, update kits for F-16 combat aircraft, and self-propelled howitzers."<sup>67</sup>

### **Pakistan's Growing Nuclear Weapon Programme**

Nuclear weapons constitute the most powerful strategic asset in Pakistan's armoury, and Islamabad continues to expand the warhead technology and also the delivery mechanisms. Moreover, it has reportedly overcome the problem of second-strike

capability through “hard and deeply buried storage and launch facilities, road-mobile missiles, air defences around strategic sites, and concealments measures”, says a 2008 report of the US Congressional Research Service (CRS).<sup>68</sup> The CRS also states that Pakistan has about 90-110 nuclear warheads.<sup>69</sup> In addition, since the 1990s Pakistan has been developing plutonium-based warheads with Chinese assistance, which in turn indicates its intention to increase the nuclear arsenal in the future. Pakistan’s present nuclear delivery system consists primarily of F-16s purchased from the US (and modified later to carry out nuclear missions) and a family of surface-to-surface missiles. The operational SSM family with a nuclear role consists of solid-fuel *Hatf-III* (*Ghaznavi*: 300-400 km), solid-fuel *Haft-IV* (*Shaheen*: 450 km), *Hatf-V* (*Ghauri*: 1300 km).<sup>70</sup> Besides, *Shaheen-II* (2500 KM), and Multi Tube Ballistic Missile *Haft-IX* or *NASR* (60 KM) two more SAMs are expected to be operational in the near future. Pakistan is also developing *Hatf-VII* (*Babur*), a nuclear-capable cruise missile with land, sea and air launched versions.

## Conclusion

China, Pakistan and India continue to increase their military expenditure, although Beijing has been far ahead of the rest two, both in term of absolute spending and the capacity to sustain it over a long period. Supported by a rapidly growing economy, China has been able to sustain an annual double digit growth in its military expenditure for about quarter century. Consequently it has been able to vastly modernise its armed forces with the development and induction of state-of-the art weaponry. Compared to China, the military modernisation of India and Pakistan has been less vigorous but definite progress has been achieved by these two countries.

The military modernisation by China and Pakistan is bound to have impact on India. Given the political mistrust and unresolved border problems, India is likely to continue taking measures to counter any threats from its eastern and northern neighbours, as is indicated by India raising two mountain divisions along its north-eastern border; the planned BMD for cities like New Delhi and Mumbai, and the increased focus on naval modernisation. However it is unlikely that New Delhi will ever be able to match China’s military modernisation, because of its relatively smaller economy, resource constraints and delays in procurement.

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## Afghanistan Beyond 2014: The China Factor

*Vishal Chandra and Ashok K. Beburia*

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*Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership.*

—Deng Xiaoping

China has long been part of the Afghan maze. While the role of other regional actors in the three-decade old Afghan conflict has been widely debated and analysed, China's role and position remains somewhat ambiguous and under examined. Interestingly, China is often seen as a minor or distant player in the Afghan conflict, not only in the Western analyses but in Afghan perceptions as well. Though China may not have been directly involved, in terms of aiding or siding with any particular faction in the Afghan civil war, it has, from time to time, played a significant role in the long-drawn Afghan conflict.

Right from supporting Pakistan in the anti-Soviet 'jihad' in the late 1970s to engaging the Taliban regime in late 1990s; from being a member of the 'Six-plus-Two' Group to supporting the US' *Operation Enduring Freedom* (OEF) against the Taliban regime in October-November 2001; and thereafter in the post-Taliban period, from emerging as the largest foreign direct investor in the Afghan mining industry to finally concluding a *Strategic and Cooperative Partnership*<sup>1</sup> with Afghanistan in June 2012, China has all through been involved in the larger politics of the Afghan war. It is noteworthy that China is the second regional country, after India, to have institutionalised a supposedly long-term partnership with Afghanistan. Today, China also has the strongest economic presence ever, in Afghanistan, since the establishment of full diplomatic ties between the two countries in 1955.

China's Afghan engagement has largely been governed by its wider geo-strategic interests and regional security concerns than by any cultural or historical ties. Chinese interest and involvement in Afghan affairs has in the past grown during

periods of external intervention or internationalisation of conflict in the country i.e. in the years following the Soviet intervention in 1979; and, in more recent times, since the US-led War on Terror in Afghanistan. Broadly, with the exception of the years of Soviet occupation, China has felt comfortable dealing with whosoever has been in power in Kabul, including the Taliban. There has also been a strong Pakistani influence on its Afghan policy, especially since the 1990s.

Unlike the 1980s and early 1990s, China today is clearly worried about the post-2014 situation and the prospect of a fresh civil war in Afghanistan. Chinese concerns mainly stem from the rising Uyghur secessionism in its western Xinjiang Uyghur Autonomous Region bordering Pakistan Occupied Kashmir (PoK) and Afghanistan; its increased economic stake in the Afghan mining sector; its growing investments in Central Asian energy resources; the growing narco-menace; and the possibility of a prolonged US presence in Afghanistan. The growth in religious extremism and sectarian violence within Pakistan, particularly the proliferation of various militant Islamist networks/groups in the Pakistani polity, is also a concern for Beijing. The Uyghur secessionists have been known to be operating from Pakistan's tribal areas since long. Until the emergence of the Taliban regime in mid-1990s, China was never threatened by the spectre of religious extremism or the spilling over of violence from the Pakistan-Afghanistan frontiers into its predominantly Muslim Xinjiang region.

The paper attempts to identify the broad trends in the China-Afghanistan engagement, past and present, and China's potential role and position as the US and NATO-led forces draw down from Afghanistan. A broad understanding of the nuances of the past and present levels of interaction and engagement between China and Afghanistan is pertinent here to comprehend China's likely future role and response to the Afghanistan-Pakistan challenge.

A brief overview of the trends in the evolution and development of China-Afghanistan ties, including its current status, is being provided here:

## **Evolution of China-Afghanistan Relations\***

### *A Steady and Modest Beginning (1949-79)*

Afghanistan was among the first few countries to recognise the communist government in Peking on January 12, 1950. However, the two countries established formal diplomatic relations five years later on January 20, 1955. In the intervening years, Kabul supported China's bid for permanent membership of the United Nations (UN). Afghanistan was perhaps among the last of the

\* The history of China-Afghanistan engagement since the establishment of full diplomatic relations in 1955, including the engagement in Taliban and post-Taliban period to the present times, is largely drawn (and modified and updated) from Vishal Chandra's unpublished seminar presentation on "China's Afghan Policy: Trends and Determinants" at IDSA in February 2007, and his earlier publication on "Sino-Afghan Relations since 2001: An Assessment", *World Focus*, 29 (3), March 2008, pp. 106-15.

bordering states with which the People's Republic of China (PRC) established diplomatic links, the other exceptions being Nepal and Laos. The Chinese premier Zhou Enlai had visited Kabul on his way back from Moscow in January 1957.

In the 1960s, against the backdrop of Tibetan uprising and non-resolution of Sino-Indian border dispute, China began warming up to its other neighbours in the region, including Pakistan and Afghanistan, and tried to settle its borders with them. The Chinese Vice-Premier and Foreign Minister Chen Yi visited Kabul and signed a *Treaty of Friendship and Mutual Non-Aggression* in August 1960. He also extended an invitation to the Afghan king, Mohammad Zahir, to visit Peking which he did in late 1964.

In the immediate aftermath of the Sino-Indian war of 1962, China in 1963 moved to settle its borders with both Pakistan and Afghanistan. The nearly 48 mile long boundary with Afghanistan along the Wakhan region was settled through talks which began in May 1963 and finally led to the signing of the *Sino-Afghan Boundary Treaty* in November the same year. The boundary was finally demarcated in 1964.<sup>2</sup> Meanwhile, the China-Afghanistan Friendship Association was formed in Peking, and an air link agreement was also signed in December 1963. In March 1964, the Chinese Foreign Minister Chen Yi visited Kabul to sign a boundary protocol, and agreements on cultural and a technical and economic cooperation agreement between the two countries. The third agreement, under which China provided an interest free long-term loan equivalent to £10 million to Afghanistan, signalled the beginning of Chinese involvement in Afghan economy.<sup>3</sup> Though no match for the huge aid and investment being made by the US and the Soviet Union since mid-1950s, China had reportedly committed aid amounting to nearly \$76.5 million to Afghanistan by 1973—less than 3 per cent of the total foreign aid Afghanistan received at that point of time.<sup>4</sup>

The bilateral relations slowed down when former Afghan Prime Minister Sardar Mohammad Daud Khan, who was regarded by Chinese as the architect of the special relationship between Afghanistan and the Soviet Union, staged a coup against King Zahir Shah and assumed the presidency of Afghanistan in 1973. Initially, China perceived the coup as being part of a “Soviet plot” and “another move in the Soviet drive southward to the Indian Ocean” as well as an attempt to “encircle China”.<sup>5</sup> However, the Chinese soon resumed their economic aid to Afghanistan until the direct Soviet intervention in 1979 dramatically changed the geo-political environment.<sup>6</sup>

According to analysts, China's relationship with Afghanistan was initially hampered for various reasons. China did not take the communist movement in Afghanistan seriously, because it saw tribalism and Islamic religious fanaticism as potential inhibitors.<sup>7</sup> It had its reservations about Soviet influence on Afghanistan and never endorsed Kabul's irredentist claims on the Pashtun majority areas of Pakistan, which also stifled the process of bilateral engagement.<sup>8</sup>

### *The Anti-Soviet Resistance and Beyond (1979-1990s)*

The *Saur* or April Revolution in 1978, which overthrew the Daud regime in a coup led by the pro-Soviet People's Democratic Party of Afghanistan (PDPA) under Nur Muhammad Taraki, took China by surprise. China did not take any initiative to recognise and establish relations with the Taraki regime despite its stated commitment to non-alignment.<sup>9</sup> China remained wary of the PDPA regime and the Soviet machinations as Kabul and Moscow signed the *Treaty of Peace and Friendship* in December 1978.

The role of the Soviet Union in the power struggle that followed between the two key constituents of the PDPA—the Parcham and the Khalq factions—soon confirmed China's fears as the Soviet Red Army marched into Afghanistan in December 1979. The Soviet-Afghan border agreement pertaining to the Wakhan Corridor bordering China in June 1981 further reinforced Chinese concerns relating to the Soviet Union's continued attempts to encircle China after having entered into peace and friendship treaties with Afghanistan, Mongolia, Vietnam and India, i.e. basically countries bordering China. China saw a connection between the Soviet invasion of Afghanistan and the Moscow-backed Vietnamese intervention in Cambodia, which it believed was a part of larger Soviet game plan to expand its influence from the Strait of Hormuz in the Persian Gulf to the Malacca Straits in South-East Asia.<sup>10</sup>

China decided to support the Afghan resistance which it regarded as “people's war” or “national liberation struggle,” against both the pro-Soviet communist PDPA Government and the invading Soviet Army. It is noteworthy that in supporting the anti-Soviet Afghan *mujahideen* whom it regarded as “Muslim clergy-inspired elements opposed to modernisation, to land reforms and to greater economic and social justice”, the PRC leadership did not mind compromising its political and economic ideals.<sup>11</sup> Moreover, the global power equations had changed by then. The Sino-Soviet relationship had soured. Henry Kissinger's shuttle diplomacy had reconciled China to the US. Thus, China had joined the anti-Soviet front supported by the US, Pakistan, Iran, Saudi Arabia and West European countries; and Chinese leader Deng Xiaoping declared: “The task of opposing the Soviet hegemonism will be on our daily agenda.”<sup>12</sup> China reportedly supplied anti-Soviet Afghan fighters with “recoilless rifles, Soviet designed rifles and light machine guns, and mines.”<sup>13</sup> Soviet media talked of a Sino-Pak conspiracy to support Afghan insurgency in close cooperation with the US.<sup>14</sup> In fact, there were detailed reports of Chinese instructors training Afghan rebels not only in the training camps located within Pakistan but also in its Xinjiang Province.<sup>15</sup>

Apprehensive of a possible Soviet invasion of Pakistan, China further consolidated its ties with Pakistan by enhancing bilateral defence cooperation and even declared that it would stand “by the side of the Pakistan people and armed forces in their just struggle against hegemonic aggression and intervention to safeguard national independence and state sovereignty”.<sup>16</sup> China consistently demanded the complete and an unconditional withdrawal of the Soviet forces

from Afghanistan fearing that consolidation of Soviet control would be detrimental to its long term interests.

The contours of global politics changed again with the ascendance of Mikhail Gorbachev in 1985. The Soviet Union agreed to the Geneva peace process which began in 1987. Though China was not part of the process, it stood by Pakistan in its efforts to bring peace to Afghanistan after the Soviet withdrawal. It also offered to be a guarantor of the Geneva Accords which was turned down by the UN Secretary General. However, when the Geneva Accords finally came through in April 1988, China welcomed it as a “positive development”, and looked upon it as the “new thinking” in the Soviet foreign policy.

As the Soviet forces withdrew from Afghanistan and subsequently the Soviet Union disintegrated, China’s domestic and foreign policy priorities changed. At the domestic level, there were challenges in the form of pro-democracy movements in Beijing leading to the Tiananmen Square episode in 1989. At the external level, the emergence of resource-rich Central Asian Republics (CARs) close to its borders afforded an entirely new range of both opportunities and challenges to its foreign policy. China was no more interested in the faction-ridden domestic politics of post-Soviet Afghanistan, especially after the closure of its embassy in Kabul in 1993 as the capital city turned into a battleground for rival resistance groups. Like the West, China too forgot Afghanistan until its south western frontiers were threatened by the emergence of a new radical force, the Taliban. However, China had taken note of the rising power of the Taliban since mid-1990s, and was later part of the ‘Six-plus-Two’ Group, the UN-sponsored initiative comprising of Afghanistan’s six neighbouring countries and Russia and the US that was formed to explore peaceful ways to resolve the Afghan conflict.

### *Engaging the Taliban Regime (1999-2001)*

In early February 1999, China began to engage the Taliban following reports that the Taliban had allowed Chinese experts, perhaps on Pakistani direction, to inspect and examine wreckage of some of the cruise missiles that the US had fired on alleged Al Qaeda camps in eastern Afghanistan in August 1998.<sup>17</sup> A Chinese delegation of five senior diplomats reportedly arrived in Kabul and met the ruling Taliban officials. China soon announced direct flights between Kabul and Urumqi, the capital of its restive western Xinjiang Province; and formal trade ties with Afghanistan. There were also reports that China offered to train Taliban pilots at Jalalabad and on December 10, 1998 an agreement on military cooperation was signed between the senior commanders of the PLA and the Taliban military representatives.<sup>18</sup> By this time, Xinjiang had already emerged as a trouble spot for the Chinese authorities. In fact, there was a flurry of activity relating to Xinjiang before China initiated talks with the Taliban.<sup>19</sup>

However, from China’s point of view, it was the fear of Taliban-style radical Islam spreading among its Muslim Uyghur population in the Xinjiang Province bordering Afghanistan, and the cheap Afghan heroin flooding into the Chinese

market, that necessitated its engagement with the Taliban. Uyghur militants were known to have fought along with the Afghan resistance fighters, at least since 1986. China's use of the Karakoram Highway to transport assistance to the anti-Soviet 'jihad' had also invariably opened the way for the Uyghur militants to enter Afghanistan, and especially Pakistan, where they still have a presence in the Pashtun tribal areas. The prospects of an abiding nexus between Uyghur separatists and drug mafias to destabilise the region further propelled China towards engaging the Taliban who in turn were desperate for international recognition and legitimacy. It was probably for the first time since the Soviet withdrawal in 1989 that Afghanistan had again appeared in China's security calculus. However, this time the Sino-Afghan or Sino-Taliban relations do not seem to have been prompted by any larger geo-strategic calculus or great power politics, but by domestic considerations. China's concerns over the Xinjiang arise from the fact that it has its nuclear testing site at Lop Nor, and the region is also supposed to have about 30 billion tonnes of proven petroleum reserves, with more expected to be found in the Tarim Basin.

There is no doubt that China's engagement with the Taliban was facilitated by Pakistan, which had enormous influence over the Taliban and was one of the three countries to have recognised the Taliban regime. According to Ahmed Rashid, Pakistan had been trying "to convince Beijing that the Taliban, to which it gives substantial military and financial aid, are willing to clamp down on the drug trade and have no desire to fund or support Islamic Uyghurs in their fight for independence."<sup>20</sup>

Whatever might have been the nature of relationship or the level of interaction between China and the Taliban, the most notable aspect of it was that China dealt with the Taliban regime without ever extending official recognition to it. Interestingly, despite engaging the Taliban, it had endorsed the UN Security Council's partial as well as additional sanctions against the Taliban in 1999 and 2000 respectively. Moreover, China did not have any formal diplomatic relationship with Afghanistan during 1993-2001. China also used the Shanghai Cooperation Organisation (SCO) forum to evolve a detailed plan of action with Afghanistan to combat "terrorism, illicit drug trafficking and organised crime in the region."<sup>21</sup>

However, China was opposed to any military action against the Taliban regime by external powers. Instead, it advocated a more active role for the UN.<sup>22</sup> Perhaps, China's Afghan policy preferred accommodation to confrontation, and advocated non-militaristic means which included a combination of diplomatic coercion and engagement. In fact, China's decision to engage the Taliban was driven by caution and compulsion<sup>23</sup> and it was apparently part of its larger efforts to delink the Uyghur separatists from their external linkages and to deny them support bases in countries bordering Xinjiang.

## China's Role in Afghanistan Since 2001

China did not protest when the US decided to launch *Operation Enduring Freedom* in October 2001 in response to 9/11. Soon after 9/11, the Chinese President Jiang Zemin reportedly called up President Bush and offered to cooperate on the issue of terrorism. China, like many other countries plagued by separatist movements, was rather busy building a case for the acceptance of its own war on terror against the Uyghur militants, especially those belonging to the Eastern Turkestan Islamic Movement (ETIM). It was perhaps looking upon the US re-engagement in Afghanistan as an opportunity for both countries to work together against the menace of terrorism.

At the U.N. Security Council, as a permanent member, China voted in favour of Resolution 1368 (to combat terrorism) on September 12, 2001. On September 20, 2001, Beijing offered “unconditional support” to the US-led War on Terror. Initially the discussions covered intelligence-sharing but not military cooperation. On September 28, 2001, China voted in favour of Resolution 1373, reaffirming the need to combat terrorism. At the same time, according to media reports, Jiang in a telephonic conversation with the then British Prime Minister Tony Blair on September 18, said that the US-led War on Terror required conclusive evidence, specific targets to avoid hurting innocent people, compliance with the U.N. Charter, and a role for the Security Council. Testifying to US Congress in February 2002, the then secretary of state, Colin Powell, had praised Beijing's diplomatic support, saying “China has helped in the war against terrorism.”<sup>24</sup> Against this backdrop, President George Bush's visit to Shanghai in October 2001 to attend the APEC Forum was seen as an opportunity to further advance Sino-US relations. Be that as it is, China's cooperation with the US in the wake of 9/11 helped both countries to tide over the tension in the bilateral relationship occasioned by the EP-3/F-8 aircraft collision in April 2001. However, there were fundamental differences between the two countries in their respective approaches towards Afghanistan as was observed in the subsequent years.<sup>25</sup>

However, China endorsed the Bonn Agreement that was signed by diverse Afghan groups on December 5, 2001. Notably, there was a series of high-level visits between the two countries soon afterwards. The Chinese Foreign Minister Tang Jiaxuan was the first senior Chinese official to visit Kabul on May 15, 2002. He welcomed the idea of holding a *Loya Jirga* (assembly of tribal elders and chieftains) to elect the leader of the Afghan transitional government in June 2002 and expressed the hope that all groups and factions would “conscientiously abide by the Bonn Agreement and work for national reconciliation, peace and prosperity.”<sup>26</sup> Jiaxuan took care to reiterate in a joint statement with Afghan Government “their common stance on fighting against East Turkistan terrorists.”<sup>27</sup> An agreement on economic and technological cooperation was also signed during the visit. When the Afghan Vice-President Niamatullah Shahrani visited China on May 27, 2003, and met his Chinese counterpart Zeng Qinghong, the two leaders again reiterated their cooperation against East Turkistan terrorists. During

this visit, China announced a \$15 million grant to Afghanistan; another \$1 million in cash to support the Afghan Government budget; resumption of the China-Afghanistan Friendship Association and inter-college relations between Beijing University and Kabul University.<sup>28</sup>

On March 10, 2004, Chinese foreign minister met his Afghan counterpart, Abdullah, who reiterated Afghanistan's support for "one-China policy", and the former appreciated Afghan Government for its support on the Taiwan issue and the fight against East Turkistan militants. On December 7, 2004, China sent a special envoy to attend the inauguration of Hamid Karzai as the elected president of Afghanistan. It is interesting to note that in most of the meetings between the senior leaders and officials of the two countries, China always emphasised on "good neighbourliness", and appreciated Afghanistan's support for its "one-China policy" *vis-à-vis* Taiwan and the issue of cooperation against the activities of the East Turkistan militants, which were of prime concern for the Chinese security.

On June 10, 2004, about 11 Chinese workers engaged in a World Bank-funded road construction project in northern Kunduz Province were killed.<sup>29</sup> Though not much was stated about the identity of perpetrators of this attack and their objectives, it is significant that it did not deter China from bidding for huge mining contracts in Afghanistan in times to come.

Karzai visited China for the third time as an elected president on June 19, 2006 when the two countries signed the *Treaty on Good Neighbourliness and Friendly Cooperation*.<sup>30</sup> The Standing Committee of China's National People's Congress and the Afghan Parliament ratified the treaty subsequently. The ceremony for exchange of instrument of ratification was organised in Beijing on August 14, 2008, the date on which the treaty came into force.

The Uyghur riots of July 2009 heightened Chinese concerns regarding the impact of an unstable Afghanistan on Xinjiang. The riots came on the heels of the US decision for a troops surge in Afghanistan in March 2009. In retrospect, it is quite clear that China accelerated its process of engagement with Karzai Government thereafter.

Karzai paid his fourth visit to China on March 23-25, 2010, after he was elected president for the second time. During the visit, he had a meeting with the Chinese President Hu Jintao on March 24 in the Great Hall of the People, where Hu identified five priority areas for both the countries to build a "comprehensive cooperative partnership of good-neighbourliness, mutual trust and friendship for generations": (i) strengthen overall bilateral ties by engaging in more regular meetings and exchanges; (ii) promote further bilateral economic collaboration; (iii) deepen cooperation in the humanities" in areas "such as personnel training, education, culture and public health"; (iv) enhance security and police collaboration by combating "cross-border organised crimes and the three evil forces of terrorism, extremism and separatism"; and (v) "coordinate with each other in multilateral affairs."<sup>31</sup>

The two presidents oversaw the signing of three bilateral cooperation

agreements on aid, tax reduction and personnel training. Hu emphasised that both sides should work together against cross-border crimes and their reiterated commitment to fight “the three evil forces of terrorism, extremism and separatism”. Hu also expressed his concerns about security of Chinese citizens working in Afghanistan and urged Karzai to ensure a sound environment for bilateral cooperation.<sup>32</sup>

On June 8, 2012, during Karzai’s visit to Beijing to attend the SCO summit, Hu Jintao had a bilateral meeting with Karzai on the side lines in the Great Hall of the People (they had met in the same Hall earlier in March 2010) and came out with his five-point suggestions for both sides: (i) to deepen political mutual trust and maintain high level close contact; (ii) to expand cooperation in areas including economy and trade, contracted projects, resource and energy development, agriculture and infrastructure based on mutual benefit and common development; (iii) to expand cultural and people-to-people exchanges; (iv) to enhance security cooperation and jointly combat the “three forces” of terrorism, separatism and extremism as well as transnational crimes, including drug trafficking; and (v) expand multilateral coordination and cooperation within the framework of the SCO and the South Asian Association for Regional Cooperation.<sup>33</sup> Taking a cue from the *India-Afghanistan Strategic Partnership Agreement* signed on October 4, 2011, China and Afghanistan decided to upgrade their relationship and “establish the China-Afghanistan Strategic and Cooperative Partnership”, building on the June 2006 *Treaty of Good-neighbourliness and Friendly Cooperation*.<sup>34</sup>

At the SCO summit, China also backed Afghanistan’s observer status and discussed the evolving situation in Afghanistan. Chinese President Hu laid emphasis on strengthening cooperation through SCO to turn it into “a fortress of regional security and stability” and urged the members to fully implement the Shanghai Pact on fighting the “three evil forces” of terrorism, separatism and extremism, establish and perfect the security cooperative mechanism and take consistent actions to strike on the “three evil forces”.<sup>35</sup> In November 2012, at the Vice Foreign Ministerial Level Consultation on Regional Security of the SCO in Moscow, which was also attended by Jan Kubis, the Special Representative of the UN Secretary General for Afghanistan, China pushed for a greater role for the SCO in the Afghanistan issue and held that China “support[ed] the international community’s efforts in Afghanistan’s peaceful reconstruction, and [was] willing to contribute to maintaining security and stability in Afghanistan and promoting its economic growth”.<sup>36</sup>

On September 22, 2012, Zhou Yongkang, a senior member of the standing committee of the politburo of the Communist Party of China, and also the minister for public security (responsible for counter-terrorism, counter-insurgency, intelligence and internal security), went to Kabul for an unannounced four-hour-long visit. The media termed it as the most important visit by a senior Chinese leader since 1966, when the then president, Liu Shaoqi, had visited Afghanistan.

It was reported in the media that the two sides signed a formal security liaison agreement which provided for Chinese support for Afghan efforts “to counter terrorism and maintain national security and is willing to provide help within its ability to improve Afghanistan’s security capacity-building”.<sup>37</sup>

Reports quoting diplomatic cables exposed by *Wikileaks*, show how the US efforts to gain Chinese cooperation for opening up alternate overland transit supply routes for US and NATO troops and delivery of non-lethal aid to Afghanistan were earlier rebuffed by China.<sup>38</sup> It is pertinent to mention here that in May 2010, Robert Blake, the US assistant secretary of state for South and Central Asian Affairs, had visited Beijing and expressed the hope that China would contribute more to the ongoing process of reconstruction in Afghanistan. In his meeting with Hu Jintao, the Chinese media reported, Blake “suggested that Beijing provide more aid in agriculture, education and training of officials”. Hu also agreed that China should “actively contribute to helping Afghanistan with people’s livelihood, economic growth and social stability”.<sup>39</sup> Thus, the US Government looked forward to the greater involvement of China in Afghanistan as a stabilising force during the transition process in Afghanistan.

### Chinese Assistance and Investments

In Tokyo, on January 21, 2002, at a conference on reconstruction aid to Afghanistan, China pledged \$1 million, in addition to humanitarian assistance worth \$3.6 million. Interestingly, days after his appointment as head of the Afghan interim administration on December 22, 2001, China was among the first countries that Hamid Karzai visited in January 2002. Chinese President Jiang Zemin promised him an additional reconstruction aid of \$150 million spread over four to five years.<sup>40</sup> Karzai made his second good-will visit to Beijing on June 5, 2002.

Karzai’s government opened up Afghanistan’s energy, mineral and raw materials to foreign investment in 2006-2007 and Chinese interests in Afghanistan continued to grow subsequently. In 2007, China followed Pakistan, the European Union (EU), the US and India (in that order) as the fifth largest trading partner of Afghanistan. It has been involved in infrastructure development in Afghanistan in a major way including irrigation projects, public hospitals, setting up telephone networks and other reconstruction projects. Chinese telecom companies like Huawei Technology Company Ltd. and Zhong Xing Telecommunication Equipment Company Limited (ZTE) have provided equipment to the Afghan ministry of communications and information technology (MCIT),<sup>41</sup> and in November 2012, Afghan Telecom and ZTE signed a contract amounting to \$32 million for implementing a part of the MCIT plan to apply GSM and 3G services with a \$100 million investment during 2012-2014. Afghan Telecom will receive 700 telecommunication towers from ZTE. Many development projects sponsored by the EU, and even USAID, are being executed by Chinese companies and workers.

China provided Afghanistan with aid worth 1.3 billion Yuan (\$203 million) and waived a debt of \$19.5 million during 2002-2010. While entering into a strategic partnership with Afghanistan in June 2012, China pledged an additional assistance of 150 million Yuan (\$23.7 million). Altogether, Chinese assistance is a small fraction (about 0.60 per cent) of the total global assistance that Afghanistan has received since 2002. On an average, Chinese assistance to Afghanistan amounts to approximately \$22-23 million per year which is about 1.1-1.47 per cent of the total assistance China commits annually around the world.<sup>42</sup> It has so far built the state hospital in Kabul, renovated the Parwan irrigation project, and provided training to Afghan officials and technicians.<sup>43</sup> To encourage trade, it has progressively withdrawn tariff from about 278 items.<sup>44</sup> The volume of trade between the two countries, however, remains very modest.

Even before the US media reported the findings of US geologists (June 2010)<sup>45</sup> about the vast untapped mineral wealth of Afghanistan to the tune of \$3 trillion, China had already become gainfully engaged in the Afghan mining sector. China's hunger for resources is well known. One of its senior diplomats speaking in the context of Chinese investments in a conflict-ridden state like Afghanistan, in October 2011 was quoted as saying that "a gold mine in one person's eyes may be a pile of dirt for another", stating further that: "You have to take risks in running a business anywhere. Even if you are running a business selling French fries, you take the risk of being burned by the hot oil".<sup>46</sup>

In late 2007, China emerged as the largest source of foreign direct investment (FDI) in Afghanistan when state-owned China Metallurgical Group (MCC) in collaboration with two other Chinese mining groups, Jiangxi Copper, the biggest copper producer in the country, and Zijin Mining Group, China's leading gold mining company, won the contract for exploring the Aynak copper mines in the Logar Province south of Kabul. The Aynak mine is projected to have some of the largest untapped reserves of copper in the world. The \$3.5 billion copper mining contract was the first big Chinese investment in Afghanistan.<sup>47</sup> This project is likely to be expanded to involve potential Chinese investment up to \$10 billion.<sup>48</sup> In late 2008 and early 2009, through additional agreements, China secured a commitment from the Afghan Government to secure the project area, agreed to develop an ancillary 400-MW thermal power plant, and in return the Afghan Government agreed to provide water supply, and other minerals, including coal and limestone, required as inputs for copper production. Subsequently, in mid-2010, an agreement for a proposed regional shared-use railroad was finalised.<sup>49</sup> According to some estimates this will enable Afghan government to earn about \$808 million from the Chinese as payment for the rights for exploitation of its resources, and about \$70 million per year as taxes over a period of about ten years.<sup>50</sup>

In 2010, the total bilateral trade stood at \$715.7 million, a rise of 94 per cent from the previous year, and Chinese imports from Afghanistan were worth just \$7.9 million.<sup>51</sup> However, more than trade, it is China's direct investments which

could be in danger as evident from local media reports suggesting that the Chinese workers had to withdraw from the Aynak site in September 2012 due to security reasons.<sup>52</sup>

In December 2011, the state-owned China National Petroleum Corporation (CNPC) became the first foreign firm to sign a deal to jointly explore oil blocks with Afghanistan's Watan Group in the Amu Darya Basin in the north-western provinces of Sar-e-Pul and Faryab.<sup>53</sup> Under this deal, the Afghan Government will earn 70 per cent from sales apart from CNPC's commitment to pay 15 per cent royalty and other corporate taxes and land-rents. CNPC has also offered to build an oil refinery which will be a money spinner and may help Afghanistan to earn about \$7 billion over next 25 years.<sup>54</sup> All this seems very rosy and reassuring from Afghanistan's point of view. However, some analysts suggest that Chinese bids are sometimes unrealistically generous and often re-negotiated with governments. Chinese deals are also marked by "a lack of transparency", "miscommunication of partnership terms", "lax environmental standards", and "disputes with local communities over working conditions, biased hiring and procurement practices and inadequate assistance for villages displaced by mining".<sup>55</sup> In view of this, China has to take its involvement seriously if it wants to stabilise Afghanistan and immunise itself from the undesirable effects of an otherwise unstable and radicalised Afghanistan.

### Chinese Perspectives

China, in its official communications, regards Afghanistan as a "regional hotspot", and aims at an end-state where Afghan people would govern Afghanistan. Even if China refrains from making any direct linkage between its Xinjiang concerns and Afghan instability, the prospect of long-term threat emerging from Afghanistan and Pakistan is too serious for China to ignore. As a Chinese scholar argues, China maintains an independent but low key policy *vis-à-vis* Afghanistan which reflects "the peculiarities of its interests, concerns and priorities", however, "domestic concerns about the security and stability of the largely Muslim region of Xinjiang, overwhelm all others"<sup>56</sup> and China views Afghanistan as "an inseparable part of building Xinjiang's security".<sup>57</sup>

In its position paper presented at the UN General Assembly, in September 2012, without directly establishing the linkage between terrorism and insurgency in Xinjiang and the situation in Afghanistan, China in the section on "counter terrorism", stated that despite the efforts of the international community "the breeding ground of terrorism has not been removed", and China has been a victim of terrorist plots instigated by "Eastern Turkestan" terrorist forces, to fight against whom "is an important part of the international anti-terrorism campaign". It then goes on to state that the "situation in Afghanistan concerns peace and stability in the region and the world at large and affects the progress of the international counter-terrorism effort".<sup>58</sup>

However, China has taken absolute care not to mention the Taliban as a

source of concern. It is, therefore, no surprise that China has not issued any official reaction on the issue of Taliban resurgence, despite having “friendly” relations with the Karzai Government in Kabul. There are reports that China has established indirect contact with the *Quetta Shura*<sup>59</sup> through Pakistan, and its approach towards the Taliban stems from its larger policy towards Pakistan.

An analysis of Chinese behaviour indicates that like Pakistan, its all-weather friend, it believes that a long-term international military presence is counterproductive and inimical to its interests, and it considers the role of the Taliban as critical for Afghan stability. Moreover, given its long-standing strategic relationship with Islamabad and latter’s control over the Taliban, China may be considering a Taliban-inclusive (and perhaps a Taliban-dominated?) dispensation in Kabul that is favourable to its interests. Driven by its economic interests, and its investments in the Afghan resources, it may also be interested in the political stability of Afghanistan; for which, China may not be averse to the idea of the Taliban being part of a broad coalition in Kabul, as the latter has re-emerged as a force to reckon with.

Interestingly, like Pakistan, it may not be too comfortable with India’s continuing presence beyond the withdrawal. China’s increasing stakes in Afghan future exemplified by its growing investments in Afghan economy, may induce a sense of intense competition with Indian investors. Therefore, even if some Chinese observers would grudgingly accept a role for India in post-withdrawal Afghanistan,<sup>60</sup> China has not yet officially commented on India’s engagement in Afghanistan. It is likely to continue to work closely with Pakistan in future, which may influence its approach to India’s role in Afghanistan beyond 2014.<sup>61</sup>

China apparently looks at Afghan conflict in the context of the old geo-political rivalries in the region. The opinion piece published in the state-owned *People’s Daily Online* on February 23, 2009, perhaps the first clear articulation of Chinese position on the evolving situation in Afghanistan, had stated that ‘the “Afghan problem”, the “Pakistani problem” and the “Indian-Pakistani problem” are all related.’ Questioning the Obama administration’s decision to send additional troops to Afghanistan, the opinion piece argued that first the US “must stabilise South Asia, especially Pakistan and the India Pakistan relationship” and added that:

... without Pakistan’s cooperation, the US cannot win the war on terror. Therefore, to safeguard its own interests in the fight against terrorism in South Asia, the US must ensure a stable domestic and international environment for Pakistan and ease the tension between Pakistan and India.<sup>62</sup>

Despite its efforts to scale up inter-state cooperation through the SCO to ensure regional security in post-withdrawal Afghanistan, China is extremely shy of committing either itself or the SCO to any combat role in Afghanistan in future. The Chinese offer to train Afghan security forces has been pretty minimal, i.e. about 300 Afghan police officers will be sent to China for training over the next four years. While China would be happy to see the back of the American troops,

it is mindful of its own limitations to engage militarily in the Afghan theatre and therefore it understands the necessity of international policing of some sort to ensure long-term Afghan stability. In the near-term, Beijing might acquiesce to an extended but reduced Western presence in Afghanistan. Otherwise, it remains reflexively allergic to continued US presence in the region. Since the US forces are likely to maintain a minimal presence beyond 2014, the Afghan Government has not yet articulated its thinking on the prospects of direct military role for any of the countries in the neighbourhood, including China, in the security sector.

While China continues to support the larger international and multilateral endeavours in Afghan reconstruction, it has hardly evinced any serious interest in making common cause with West's Af-Pak strategy, partly because of Pakistan factor and partly due to its competitive relationship and conflicting interests with the US at the wider regional and global levels. Perhaps, the dynamics of US-Pakistan, China-Pakistan and US-China relations are too intricate and complex to cause any strategic shift in their respective regional strategies. The same remains the case with the various trilateral initiatives in the region, including the US-Pakistan-Afghanistan and Pakistan-Afghanistan-China Trilateral Dialogue which has started recently.

### **Will China Change its Overall Approach?**

It remains to be seen as to what extent Pakistan would be central to China's policy towards post-2014 Afghanistan. Though, as of now, there are no discernible trends indicating any strategic shift in China's thinking as far as its relationship with Pakistan or its response to Afghan uncertainty is concerned, the prospect of China re-strategising or re-aligning its Asia policy in the long-term is not ruled out. A combination of several factors that directly impact Chinese interests in its geographical proximity, are discussed below:

The prolonged, though reduced, US presence in Afghanistan beyond 2014 as sufficiently indicated in the US-Afghanistan strategic partnership agreement and the ongoing negotiations for a bilateral security agreement, coupled with the planned shift in the US strategy in the Asia-Pacific region, could present an altogether new regional context for China. It has direct implications for the wider Asian geo-politics. Though it is too early to project possible Chinese responses, but as the balance of power changes, China may try to re-align and re-adjust its regional strategies by increased cooperation, competition, and if needed, even confrontation to further its perceived interests.

Where would Afghanistan figure in China's long-term regional and overall security calculus, and whether Pakistan would continue to be an asset or prove to be a growing liability in China's own re-balancing of foreign policy priorities, is difficult to envision. Nevertheless, continued Western presence amidst the rising threat of religious extremism and narcotics from Afghanistan-Pakistan will, in all likelihood, necessitate a greater Chinese interest in developments close to its south western frontiers.

Although China has expectedly avoided articulating its anxieties about Pakistan's ability or inability to control the extremist and terrorist groups operating out of its tribal borderlands, it understands quite well that it would be difficult for China to insulate itself from the continued turbulence along and across the Durand Line. The sheer range of extremist and terrorist groupings active along the Pakistan-Afghanistan frontiers with continued support from sections of the Pakistani establishment, and their proven ability to mount offensives, both physical and ideological, is likely to pose a more serious ideological and political threat for the region including China after 2014. Never before did China face a direct security threat of this scale and scope from both Pakistan and Afghanistan.

It is expected that given its security concerns in Xinjiang, its growing economic interests and investments in Afghanistan and its inclination to enhance its stature in the southern-central Asian region, China may play a relatively more active diplomatic role in Afghanistan as time passes by. China hopes to contain the negative influence of possible Afghan instability beyond 2014 by engaging various Afghan factions, including the Taliban, and also by continuing to work closely with the Pakistan security establishment. Its recent decision to undertake the management of Gwadar Port in Pakistan is likely to reinforce China's strategic presence in the region.

However, China is unlikely to assume any direct military role inside Afghanistan in foreseeable future. Instead, China may assert its position through declarations and joint statements in multilateral forums like the SCO. It seems to prefer a broader security approach towards Afghanistan, perhaps, under the UN aegis. In the long run, much would depend on the level of future US presence and the nature of its engagement in Afghanistan and Pakistan, the shape of US-China relations, and the nature of wider regional power politics.

#### NOTES

1. "Joint Declaration between the People's Republic of China and the Islamic Republic of Afghanistan on Establishing Strategic and Cooperative Partnership," *Ministry of Foreign Affairs of the People's Republic of China*, June 8, 2012, at <http://www.fmprc.gov.cn/eng/zxxx/t939517.htm>, accessed June 9, 2012.
2. It is interesting to note that around this time, China was also able to settle its borders peacefully with its other south Asian neighbours, especially Pakistan, Nepal, Burma (now Myanmar) though unsuccessful with Bhutan.
3. Yaacov Vertzberger, "Afghanistan in China's Policy," *Problems of Communism*, Vol. XXXI, May-June 1982, p. 221.
4. Sreedhar, "Sino-Afghan Economic Relations," *China Report*, 12 (5-6), 1976, p. 7. According to the author, some of the major projects undertaken by China in Afghanistan during the period were: construction of Bagrami textile, printing & dyeing combined mill near Kabul; Darunta Experimental Fish-Breeding Centre in Nangarhar Province; development of Parwan Irrigation Project, including construction of a hydro-electric power station on the Charikar Canal in the north east and a water storage dam; extension of aid in developing the Farah Rud River Project; and an experimental tea growing firm in the eastern Kunar Province.
5. Sreedhar, "Sino-Afghan Economic Relations," *China Report*, 12 (5-6), 1976, p. 9.

6. Though China recognised the regime of Sardar Daud Mohammad Khan the same year in July 1973, it remained apprehensive of the new Afghan government as the pro-Soviet Parcham Party was a partner in the coup. In December 1974, in order to allay China's apprehensions, President Daud sent his brother Mohammad Naim Khan as his special ambassador to China who met ailing Chinese Premier Chou En-Lai and other senior Chinese officials. In return, China announced a long-term and an interest free loan of \$55 million to Afghanistan.
7. Yaacov Vertzberger, "Afghanistan in China's Policy," *Problems of Communism*, Vol. XXXI, May-June 1982, p. 1.
8. Gerald Segal, "China and Afghanistan," *Asian Survey*, 21 (11), November 1981, p. 1161.
9. However, at the request of the Taraki Government, PRC extended recognition to his regime on May 7, 1978. Soon Kabul received Chinese Foreign Minister Haung Mingta on May 16, 1978.
10. *The New York Times*, December 30, 1979 as cited in A.Z. Hilali, "China's response to the Soviet invasion of Afghanistan," *Central Asian Survey*, 20 (3), September 2001, p. 328.
11. Gargi Dutt, "China and the development in Afghanistan," in K. P. Misra, (ed.), *Afghanistan in Crisis*, Vikas Publishing House, New Delhi, 1981, p. 43.
12. A.Z. Hilali, n.10, p. 334.
13. *Far Eastern Economic Review* (Hong Kong), May 8, 1981; also see, "Arming Afghan Rebels," *Foreign Report* (London), August 13, 1981, p. 3.
14. Y. Agranov, "The Afghan Revolution and Peking's Treacherous Course," *Far Eastern Affairs* (Moscow), No. 3, 1980, p. 13.
15. China reportedly supplied nearly 2,000 heavy machine guns, 1,000 anti-tank rockets, Chinese version of AK-47, nearly half a million rounds of ammunition and also mules to carry the weapons and armaments. See, S.K. Ramazani, "Weapons can't replace words," *Newsweek*, September 27, 1980, p. 17.
16. Yaacov Vertzberger, "Afghanistan in China's Policy," *Problems of Communism*, Vol. XXXI, May-June 1982, p. 14.
17. Surya Gangadharan, "The China-Taliban Equation," *Aakrosh*, 3 (6), January 2000, p. 58.
18. *Ibid.* pp. 67-68.
19. Ahmed Rashid writes that on January 29, 1999, Chinese authorities arrested some 29 Uyghurs for allegedly masterminding the bloody riots in the city of Yining which went on for two days in February 1997, before it was suppressed by the Chinese forces. The situation in the Yining city was reportedly still volatile when the Chinese delegation went to meet the Taliban in February 1999. See, Ahmed Rashid, "Taliban Temptation," *Far Eastern Economic Review* (Hong Kong), March 11, 1999, p. 22.
20. *Ibid.*, p. 21.
21. The plan of action also spoke of "counter terrorist collaboration for comprehensive measures to jointly respond to terrorist threats" in the region. For details, see, "Plan of Action of the Shanghai Cooperation Organization Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime", SCO Summit, Yekaterinburg, Russia, March 2009, at <http://www.sectsc.org/EN123/show.asp?id=99>. Also see, "Declaration of the special Conference on Afghanistan convened under the auspices of the Shanghai Cooperation Organization" in the special conference during the same summit meeting, at <http://www.sectsc.org/EN123/show.asp?id=98>, both accessed January 11, 2013.
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China

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## Domestic Developments in China: Issues of Stability

*Rukmani Gupta*

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In view of the 18<sup>th</sup> Party Congress in November 2012, which formalized the transition to the fifth generation of leaders in China, the overwhelming concern for the Chinese state and its leaders has been the maintenance of ‘stability’. Stability generally encompasses both political and social aspects, but the social aspects of stability are emphasised even more so in the Chinese context. This has much to do with the nature of the Chinese state and the discourse on Chinese regime legitimization, especially in the era of reform and opening up. Deng Xiaoping was emphatic about the linkages between social and political stability on one hand; and economic growth on the other. According to Deng, “Without a stable environment, nothing can be achieved, and what has already been attained will be lost.”<sup>1</sup> China could not develop without economic growth, the precondition for which was political stability. Social stability was considered the bedrock of political stability that would in turn facilitate the formulation and implementation of economic policies engineered for rapid economic growth. Thus, the linkages between social, political and economic spheres as highlighted by Deng, required the maintenance of ‘stability’ at all levels. Stability, therefore became the national priority because it was linked to the national interests of economic growth and the continuation of the Communist Party of China’s (CPC) leadership.

The centrality of ‘stability’ has remained despite the changes that the reform and opening policy has brought to China over the last three decades. It is the fourth generation of leadership<sup>2</sup> that has witnessed increased challenges to the accepted notion of stability, mainly as a result of economic restructuring and the ensuing dismantling of the ‘cradle to grave’ system engendered by the compulsions of Chinese participation in the global economy. Rising economic inequality and a concurrent rise in the perception of endemic government corruption have meant that the sources of instability are growing. These issues are expected to pose continuing challenges as the new generation of leaders—Xi Jinping and

Li Keqiang—take charge in March 2013. This is evident from Hu Jintao's report to the 18<sup>th</sup> Party Congress which focused primarily on domestic challenges and reiterated the need for the CPC to ensure the continued support of the people.<sup>3</sup>

That the state is well aware of the challenges to “stability” in the domestic realm is attested to by the fact that expenditure on “public security” has outstripped that on “national defence” for two consecutive years now. For 2012 the central and local government budget for “public security” grew by 11.5 per cent to reach 701.8 billion yuan (\$111.4 billion), compared with 629.3 billion yuan in 2011,<sup>4</sup> while the defence budget rose by 11.2 percent to 670.3 billion yuan (\$106.4 billion).

The establishment of a “social management system” for maintaining social stability involves not only the civilian component of the Chinese state but also the military. During the National People's Congress in March 2012, President Hu Jintao called upon the People's Liberation Army (PLA) and People's Armed Police (PAP) “to pay more attention to safeguarding social stability, including that of military personnel.” Not only are the PLA and PAP to help the state in combating the sources of instability but must also stay vigilant against such forces within the armed forces themselves.<sup>5</sup> It is abundantly clear that for China's leaders the core interest of “maintaining stability in the form of government, political system and social order” is foremost. Yet, the state continues to confront both social and political challenges in its quest for stability. This article looks at some of the challenges faced by the Chinese state over the past year.

## **Social Challenges**

Challenges posed to stability in the domestic realm can broadly be classified into three categories: mass incidents; ethnic unrest/separatism and political participation via new media.

### *Mass Incidents*

It is believed that quntixing shijian, or mass incidents on Mainland China have been steadily increasing over the last decade from 8,700 in 1993 to 74,000 in 2004, 87,000 in 2005 and over 90,000 in 2006.<sup>6</sup> These estimates are said to be based on announcements by the Ministry of Public Security<sup>7</sup> and are said to represent the unrest simmering among the Chinese masses. Currently, it is speculated that as many as 180,000 mass incidents occur in China each year.<sup>8</sup> However, the matter of quantification remains problematic as a dilemma of definition persists because the Ministry of Public Security has used the terms “public order disturbances” and “mass incidents” interchangeably over the years. So-called mass incidents therefore can include the following acts:<sup>9</sup> (1) Submission of collective petitions; (2) Illegal demonstrations, assemblies and parades; (3) Strikes; (4) Disruption of traffic; (5) Law and order disturbances; (6) Hampering the work of government agencies; (7) Surrounding or attacking government buildings; (8) Smashing, looting and burning.

Three causes of mass incidents can be identified as per the available data: economic grievances; environmental concerns and corruption. Protests related to economic issues include those caused by land grabs, violation of property rights and labour protests. Environmental protests are directly linked to the perceived degradation of the environment because of government plans or policies. Protests against corruption include those triggered by the perception of collusion between law breakers and officials as well as subversion of individual rights. Overlap between these triggers is not uncommon as corruption is often seen as facilitating the violation of individual rights or environmental laws.

As far as “mass incidents” are concerned, 2011-12 saw the triggers of past years being reinforced, even as the character of incidents saw changes.

Illegal seizure of land without reasonable compensation had been identified by Wen Jiabao as one cause of instability in 2005,<sup>10</sup> however only after incidents of self-immolation captured national headlines was the process of revising existing policies expedited. Following Tang Fuzhen’s death in 2009,<sup>11</sup> protesting against the forced demolition of her house in Chengdu, five professors of Peking University drafted an open letter to the National People’s Congress Standing Committee to review and amend the Urban Housing Demolition Management Regulations. The State Council in January 2010 released revised regulations for the Expropriation and Compensation of Homes on State Owned Land. This required compensation to meet market prices. In practice however, this law is seldom willingly adhered to by local officials.

In September 2011 in Lufeng, Guangdong province, hundreds of people participated in violent protests over the alleged seizure of villagers’ land for development.<sup>12</sup> September 2011 also saw the outbreak of protests in Wukan which received world-wide attention. Villagers of the southern Chinese village of Wukan took to the streets to protest against the encroachment of their land rights by the village leadership and the local government. According to news reports, over the past two decades 400 hectares of land had been sold to real estate developers, yet villagers had not been informed about the deals, nor had they been paid proper compensation.<sup>13</sup> Between 2009 and 2011, the villagers had reported their grievances to the Bureaus for Letters and Calls at the city and provincial levels numerous times, yet their complaints had gone unaddressed. The situation escalated into violent confrontation between the villagers and the police, and later, a siege of the town in December 2011.<sup>14</sup> The incidents ended with the election of a new leadership by the villagers in February 2012.

July 2012 also saw protests in Renhuai, Guizhou over inadequate compensation offered to farmers after the local government expropriated their land to make way for an industrial park that will turn the city into “the Liquor Capital of China.”<sup>15</sup> In July 2012, China’s Ministry of Land and Natural resources released information stating that a total of 29,000 cases of illegal land use were discovered till June 2012. As in previous years, the figures recorded were highlighted to indicate a drop in such illegal activity. Till June 2012, US\$ 103.2 million was collected in

finances for these violations and 313 persons were punished.<sup>16</sup> The Xinhua report noted that, "China has been striving to crack down on illegal land grabs to ensure sufficient arable land to feed its people and protect farmers. However, local governments rely heavily on land sales for revenue and have been known to give preferential treatment to property developers."<sup>17</sup> Despite official records that claim the problem of illegal land-use has been reducing year on year, the fact a report published by China's official news agency acknowledges the propensity of local officials to collude with land developers attests to the depth of the problem.

Apart from incidents related to land acquisition, saw there was a noticeable increase in incidents involving residents and migrant labour in the past year. In June 2011, migrant workers in Zengcheng, Guangdong province in southeast China, torched government offices after security personnel pushed to the ground a pregnant migrant worker who had been working as a street vendor.<sup>18</sup> In June 2012, more than 300 migrant workers from Chongqing attended a meeting of the Longshan village committee in Shaxi township of Zhongshan in search of answers after a 15-year-old boy from Chongqing had been tied up and injured by local villagers. Angered by the attack on the boy, migrant workers threw stones at the village committee building and vandalized police cars.<sup>19</sup>

Again in June 2012, a meeting of the officials of Foshan's Zuotan village was interrupted by a group of villagers who abducted the head of the village and his deputy, holding them captive in a minibus without food or water.<sup>20</sup> The two officials were held in the minibus for more than nine hours and were rescued by police officers the next morning. Two villagers were injured and a police car was damaged in the incident. Police claimed to have no knowledge of the reason why the two officials were kidnapped. However, it was widely speculated in the Chinese media that the disparities in government services provided to resident and migrant workers were to blame for such clashes.<sup>2</sup> With the continuing debate on the reform of the hukou (residential status), calls for better health and education services for migrants are on the rise.

Labour protests in Southern China in 2010 involving hundreds of factory workers employed by Honda and Foxconn are seen as classic examples of successful labour negotiations where workers lobbied for increased wages and better working conditions. Even though these protests were not spearheaded by the state-approved All China Federation of Trade Unions, the government was pressured to reduce labour exploitation (the core of Scientific Concept of Development), and called for a negotiated settlement. In the aftermath of labour protests and shortage of labour created in part by exploitative conditions, provincial governments led the way to better labour laws. Twelve provinces and municipalities in Eastern and Southern China increased the minimum wage by almost 15 per cent.<sup>22</sup> Labour protests in 2011-2012 however, did not see such happy endings. The shrinking of the export sector in China has meant that production and profit margins have also shrunk. The scope for higher wages for labour therefore simply does not exist. Over 10,000 workers in Shenzhen and Dongguan, two leading export centres

in Guangdong went on strike in November 2011 protesting the cuts in overtime wages.<sup>23</sup> However, unlike 2010, these protests did not result in resolution of grievances. As is noted in the International Trade Union Confederation's report prepared to coincide with the WTO's trade policy review of the PRC, the incidents of labour unrest and strikes have been growing. That such labour agitations have not resulted in improved labour conditions is attributed to the limitations in rights for collective bargaining in China and the support that manufacturers receive from local government and police officials.<sup>24</sup> Throughout 2012, there have been incidents of worker suicides or threats of mass suicides for forcing negotiations over compensation.<sup>25</sup> This only highlights the deep rooted problems in China's labour sector that are surfacing more frequently in these times of economic stress.

In July 2012 environmental protests erupted in Qidong, Jiangsu and in Shifang, Sichuan within a span of a few weeks. In Shifang, where teargas was used to disperse protestors, the government decided to halt a multimillion-pound copper alloy plant project in view of public opposition.<sup>26</sup> In Qidong, about 1000 demonstrators occupied a government office, overturned cars, destroyed computers and beat police officers eventually forcing officials to cancel the planned industrial waste pipeline project that would have dumped waste water from a paper factory into the sea near Qidong.<sup>27</sup> In spite of the violence, both incidents were quickly resolved once local governments suspended the projects in question. These incidents are not the first instances of the government compromising in the event of a protest, especially with regard to unwanted construction projects. Environmental protests in recent years have included protests against the construction of a garbage incinerator project in Panyu district of Guangzhou in 2009. Local authorities eventually decided to let local residents be involved in understanding the project and participate in the feasibility and environmental assessment study. A similar proposal in Beijing's Liulitun area, listed as a key infrastructure project in Beijing's 11th Five-Year Plan (2006-2010), was also called off after relentless protests from residents.<sup>28</sup> In August 2011 several thousand residents in China's coastal city of Dalian successfully demonstrated for the relocation of a petrochemical plant suspected to have led to toxic chemical spills.<sup>29</sup>

In the aftermath of the environmental protests in July, there has been speculation in China regarding the emergence of a Shifang-Qidong model of protest. Although official media in China lauded the efforts of local officials to take public opinion into consideration, it has also highlighted the need to refrain from violence while seeking redress of complaints.<sup>30</sup> In August 2012, Xinhua reported that Chinese law makers are amending environmental laws to take into account the concerns of the public.<sup>31</sup> Data from the Ministry of Environmental Protection cited in the news report reflected an annual increase of 30 per cent in mass demonstrations related to environmental concerns.

### *Ethnic Unrest*

Apart from "mass incidents", ethnic unrest and separatism have re-emerged as

serious sources of domestic instability since 2008. The problems faced by China with regard to its peripheral provinces of Tibet and Xinjiang are well known.<sup>32</sup> The Chinese state has struggled to establish legitimate authority over these minority areas and incorporate Tibetan and Uyghur minorities into the mainstream nationalist discourse. Recent protests have added Inner Mongolia to the list of provinces affected by ethnic unrest. The project of nation building that began with the founding of the Chinese republic and continues since, has found it especially difficult to succeed in the three provinces where ethnic minorities form majority of the population. In terms of 'stability' the outbreak of ethnic unrest in the form of violence or terrorism related to separatist demands, belies the failure of the CPC to lead balanced national development and highlights inefficiencies in its policies. Separatism exposes the dissatisfaction of 'Chinese citizens' with its government. It poses an open challenge to the state, which, if successful, could conceivably alter the entire discourse on regime legitimacy in China. The 'historic mission' of the CPC as the single competent entity capable of consolidating China's national borders and facilitating its international rise could thus be questioned.

The causes for ethnic unrest can be found in the existence of strong ethnic identities that rejected China's statist position on identity formulation. These cleavages have been deepened by factors that have guided China's policies in its Western region: 1) belief in economic development as a cure for all ills; 2) apprehension of independent organized groups outside the ambit of state control.<sup>33</sup> In its search for stability in the borderlands, China has concentrated on economic development as the means to give minorities a stake in national development. The opening up of regional economies and their integration with the rest of the country has enabled the movement of Han Chinese and non-native minorities into the regions,<sup>34</sup> creating urban pockets where the Han population is now in majority. This along with the influx of Han entrepreneurs, traders and workers who compete with the minority population for available economic opportunities has exacerbated ethnic tensions. Another factor has been the wariness of the state with regard to organised groups, religious groups in this case, as is evident in the formulation of policies which necessitate state supervision of authorised groups even while laying claims to safeguarding religious freedoms.<sup>35</sup>

There are indications that the state is aware of the problems in its minority regions. In 2010, Jia Qinglin, Standing Committee member and United Front coordinator, called for a "new chapter" in the CPC's long-standing efforts to solve the "nationalities question" (*minzu wenti*).<sup>36</sup> In early 2012, one of the CPC's leading spokesmen on ethnic affairs, the United Front Department's outgoing executive director Zhu Weiqun, made an admission of serious problems in the Party's work in the ethnic and religious spheres, and suggested a range of reforms.<sup>38</sup> Yet, the most explicit call for change has come from Professor Hu Angang of Beijing's Tsinghua University who advocated a "second generation of ethnic policies": one that would attenuate "minority identity" (*minzu rentong*) and strengthen a single,

shared “national identity” (*guozu rentong*).<sup>38</sup> Thus there seems to be a recognition within China that minority policies need to be revised in order to build “harmony” and ensure social stability. This is especially important given that 2011-2012 saw continued unrest in minority areas.

In the Xinjiang Autonomous Region, in July 2011 there were bomb blasts and knifing incidents in Hotan which targeted security personnel. In what the Chinese government termed “an act of coordinated terrorism,” 18 Uyghur “rioters” attacked a government building and took several hostages.<sup>39</sup> This was followed by incidents of knifing and arson in Kashgar a few weeks later which left dozens dead. The Chinese government termed the events in Kashgar as “terrorist acts” and held the separatists responsible for them.<sup>40</sup> In December 2011 police shot dead seven kidnappers during a hostage rescue in the mountainous border county of Pishan, describing the suspects as a group of “violent terrorists”.<sup>41</sup> In February 2012, knifing attacks in Yecheng resulted in at least 12 deaths.<sup>42</sup> This was followed by an explosion at an Islamic school in Hotan in June in which injured more than a dozen persons were injured.<sup>43</sup>

In areas of Tibetan concentration, primarily outside of the Tibetan Autonomous Region which can be considered part of ‘greater Tibet’, self immolations have continued since 2009. 100 such incidents have taken place till mid-February 2013, with the latest incident of self immolations by a Tibetan man at Kriti Monastery.<sup>44</sup> Most of these protests are related demands for greater religious freedom and the resettlement of herders in the Sichuan region.

Two incidents in May 2011 between Han Chinese miners and Mongolian herders seem to suggest that Inner Mongolia too may witness rising unrest in years to come. One incident which led to the death of a Mongolian herder involved herders protesting a coal truck from passing through pastureland.<sup>45</sup> The other involved protests about pollution from coal mining also resulted in the death of an ethnic Mongolian.<sup>46</sup> On the face of it these incidents seem to be protests against violation of pasture rights and related to environmental issues rather than deep seated ethnic hostility. Yet, as in Tibet and Xinjiang, the emphasis on the development of Inner Mongolia, its mining industry in particular has led to greater movement of Han Chinese into regions where ethnic minorities were traditionally concentrated. The potential for unrest in the future therefore cannot be ruled out. The Chinese state, as has been the norm, held “foreign forces” responsible for inciting unrest in these cases.<sup>47</sup>

### *Political Participation via New Media*

Political participation facilitated by new media especially electronic communication is becoming increasingly important in the Chinese political discourse. According to The Statistical Report on Internet Development in China published by the China Internet Network Information Center in January 2012,<sup>48</sup> the number of internet users had reached over 500 million with 136 million rural internet users constituting 26.5 per cent of the total number of internet

users. The internet users between the ages of 30-39 increased remarkably, up 2.3 per cent in the course of one year and microblogs developed rapidly, being used by nearly half of all users, 48.7 per cent of total Internet users.

The internet has become a powerful means for gauging public opinion on important national developments in China. According to some Chinese scholars, the internet serves three political functions in the current era: 1) act as a space for coordination between state and society; 2) maintain social stability and political participation; and 3) promote deliberative democracy.<sup>49</sup>

This is borne out by discussions of the Wenzhou train crash in July 2011 and internet commentary on it. Strong commentary including a critique of the government's handling of the accident and speculation of corruption as a cause for the accident have already ensured the involvement of the top leadership in the matter.<sup>50</sup> As a consequence of internet commentary, that has spilled over into the print media, the compensation awarded to crash victims has been revised, railway officials have been forced to apologize for their handling of the event and there is greater scrutiny of the investigation into the causes of the crash.<sup>51</sup>

The internet was also the force behind the release of Tang Hui, sentenced to 18 months in a labour camp for "disturbing order in workplaces and society" while pushing for tougher punishment for those who raped her daughter.<sup>52</sup> In May 2012, the death sentence given to businesswoman Wu Ying was commuted to a life sentence, it is speculated largely on the basis of the opinions expressed on the internet.<sup>53</sup> The Internet has come to play an important role even in the organization of strikes and labour movements.<sup>54</sup>

Apart from the positive aspects of encouraging greater political participation, internet commentary and rumours originating from online posts have been at the heart of other mass incidents that used emotive issues to fan public opinion. Protests against Japan are a good example of this. In 2005 as well as in the wake of strained bilateral ties over the Senkaku/Diaoyu issue in 2012, the internet has been the forum through which protests have been organized.<sup>55</sup>

The state has therefore encouraged participation of government officials in Internet forums. From the famous internet chats in which Wen Jiabao answered questions online<sup>56</sup> to the adoption of micro-blogging by government officials<sup>57</sup> and a White Paper on Internet policy,<sup>58</sup> the attempt is to stay engaged with a section of the population that is more vocal in its criticism of officials and policy.

## **Political Challenges**

The Bo Xilai incident<sup>59</sup> can be considered to epitomise all that the Chinese state fears in terms of political instability. That the Party considers cementing popular support a priority was highlighted during the CPC's 90<sup>th</sup> anniversary celebrations in July 2011. Hu Jintao had at that time in his keynote address said, "If not effectively curbed, corruption will cost the Party the trust and support of the people."<sup>60</sup> Combating corruption and maintaining the image of the Party and its

leaders was thus an important task in the lead up to the 18<sup>th</sup> Party Congress. The unexpected developments related to former Chongqing party chief Bo Xilai, his wife Gu Kailai and Wang Lijun, the Deputy Mayor of Chongqing and head of Public Security, whose flight to the American Consulate in Chengdu brought matters to a head, have engendered debate on issues as wide ranging as ideological struggle over the future of reforms, factional politics within the CPC and even relations between the PLA and the Party.

As far as political institutions are concerned, Bo clearly challenged the rules of elite politics in a significant way. By openly lobbying for popular political support, Bo was seen as attempting to force Party elders into granting him a seat in the Politburo Standing Committee. This was clearly a departure from accepted norms of quiet, behind the scenes bargaining and lobbying within the Party echelons. Also, in utilizing the ‘New left’ ideology to popularize his policies and position in Chongqing, Bo consciously went contrary to the centre’s position on economic development and reform. His opportunistic use of Maoist propaganda could well have evolved into an ideological challenge to the enterprise of “reform and opening”.

An indication that Bo’s politics and red-revivalism were seen as a nascent ideological challenge to the established Party line can be found in Premier Wen’s remarks at the end of the National People’s Congress in 2012. Wen spoke of the “pernicious influence” of the Cultural Revolution that continued to plague the Chinese political system. The only way to avoid the pitfalls of the Cultural Revolution was through a deep commitment to reform. Unless political reforms were undertaken, the fruits of economic reform could be lost and it was even possible that the tragedy of the Cultural Revolution could be repeated.<sup>61</sup> Although Wen did not allude to Bo directly, the reference to the Cultural Revolution was taken to imply the “red songs” popularized by Bo. The idea that Bo presented an ideological challenge was however not universally accepted. In the official reports on Bo and his dismissal, he is charged with ‘serious violations of discipline.’ There are no references to ideology or ideological struggle.<sup>62</sup> This is not entirely unexpected. Rather than highlighting differences in ideological positions, it is obvious that the Party would attempt to downplay any speculation on differences. Bo’s indiscretions thus would be described in the most mundane, narrow terms.

The focus of the Party has been on bolstering its image as the upholder of law. Rather than factional politics or ideological struggles, the Bo Xilai incident has been seen in terms of the problem of corruption. Gu Kailai’s indictment on murder charges and the subsequent speculation regarding the charges against Wang Lijun all emphasise the primacy of the law despite an individual’s status or wealth. In a manner then, commentary on events surrounding Bo Xilai have been so constructed as to further the Party’s rhetoric on clean and responsible government. By holding one of their own accountable by law, the Party has seemingly maintained its commitment to the people.

Commentaries in the People’s Daily in the aftermath of Bo’s suspension from

the Party declared that the “dignity and prestige of the law must not be violated” and that “any violation of Party discipline or state law will be dealt with seriously.” The political aspect was referred to in the end of the article which called for “unifying” around the leadership of Hu Jintao.<sup>63</sup> In an article published in a Party magazine Xi Jinping, Hu’s heir apparent, emphasized the need to maintain the “purity” of the Party and oppose all behaviour that “split the party,” and to expel party members who had become corrupt.<sup>64</sup> The focus on corruption, which was termed the greatest threat to the Party in the 90<sup>th</sup> anniversary by both Wen and Hu, notwithstanding, it is clear from these commentaries that ideological deviations within the Party echelons will not be tolerated.

Much is often made of the factional divisions within the CPC.<sup>65</sup> The speculation regarding Xi Jinping and his absence from mainstream media and official engagements for one week in September 2012 is a case in point. Xi’s absence was seen by some as an indication of factional wrangling over top-jobs in the party. The Bo Xilai incident however indicates that the divisions between the “princeling” faction and the Communist Youth league faction (*tuanshipai*) may not be the most important determinants of political futures. A blue-blooded princeling, Bo, the son of Party elder Bo Yibo, supposedly had the support of Jiang Zemin’s Shanghai faction and He Guoqiang. However, this support began to wane in the face of his populist politics and his blue-blood credentials were not enough to shield him. Furthermore, Bo, a princeling was replaced not by a member of the *tuanshipai* but by another princeling, Zhang Dejiang, which was clearly supported by Xi Jinping, a princeling who enjoys the support of Jiang Zemin’s Shanghai faction. Bo’s removal then, far from precipitating a factional struggle within the Party would seem to have support across factional lines.

Speculation has been rife over the impact of the Bo Xilai incident on relations between the Party and the PLA. It has been suggested in the Hong Kong and Western media that Bo enjoyed the support of high ranking PLA officers and his removal could have precipitated a break in the Party’s control of the PLA.<sup>66</sup> Bo’s relations with the PLA should be examined in terms of his ties with other princelings who held important posts in the military and with military officers in areas where he had held important positions during the course of his career. Bo was known to have cultivated ties with local military elites during his tenure in Liaoning, a trend which continued through his term in Chongqing. Bo is closely linked with General Liu Yuan, the current political commissar of the General Logistics Department, who was his contemporary growing up in Zhongnanhai. Bo is often connected to General Zhang Haiyang, current political commissar of the Second Artillery whose time as the political commissar of the Chengdu Military Region (that covers Chongqing) coincided with two years of Bo’s tenure at Chongqing. Through his marriage to Gu Kailai Bo is believed to have become well connected to the network of her of her father Gu Jingsheng, a famous PLA leader in the 1930s and 1940s, a former general in the Vietnam war, and former head of the Xinjiang Production Brigade.

In the wake of the Wang Lijun incident, there was much commentary over Bo's visit to the museum of the 14<sup>th</sup> Group Army (founded by his father during the second Sino-Japanese war) in Kunming and the handshakes Bo received from military personnel during the NPC in March 2012 were seen as indications of widespread support he enjoyed within the PLA. However, this alleged support notwithstanding, Bo was stripped from his positions in the Party. That the Bo Xilai incident has not resulted in a major party-PLA split is evident from a study of the activities of alleged Bo "supporters" in the wake of his dismissal. Although it was rumoured that Zhou Yongkang had supported Bo and was fomenting a "coup" in Beijing, Zhou has continued in his position as the head of the powerful Public Security Bureau and even after Bo's dismissal was reported by official media as travelling to Xinjiang and quoted as highlighting the need to emphasise "social stability."<sup>67</sup> Gen Liu Yuan too has carried on his official duties as usual from Accompanying CMC Vice-Chairman Guo Boxiong on inspection of PLA universities in Beijing in April to attending a PLA conference on grassroots construction in June 2012. Zhang Haiyang, the political commissar who had permitted Bo to stage a show of "red songs" at the headquarters of the Second Artillery, has also continued in his position.<sup>68</sup> In April 2012 he led a PLA delegation to Finland and Hungary and attended the same PLA grassroots conference as Gen Liu in June 2012. If Bo's most ardent backers in the military have not seen any change in their official schedule, it would seem safe to assume that Bo's dismissal has not generated a split between the Party and the PLA.

It has also been suggested that commentaries in military publications in the aftermath of the Bo Xilai incident be seen as indicators of the need to shore up the PLA's loyalty. This is not necessarily the case. For instance a piece in the Liberation Army Daily instructed the troops to "deeply understand the warning significance of the incident and the case and firmly support the decisions and plans of the CCP," and claimed that the Party's decision on Bo's fate was "universally accepted among officers and men." Such writings in the military's publications do not represent a break in the tradition of political work, rather a continuation of it. Since Hu Jintao first spoke of the "Core Values of Military Personnel" in 2008, it has become standard practice to emphasise the five most important components of Hu's speech: (a) Being loyal to the Party, (b) Deeply cherishing the people, (c) Serving the country, (d) Showing devotion to missions and (e) Upholding honour. Therefore commentaries that mirror calls for "ideological purity" and the need to "resolutely safeguard the CCP discipline and the laws of the state" are not novel. The motivations for such writings and pronouncements can be manifold. First, by mirroring the opinions of party leaders, military commanders can indicate their compliance with the Party line. Second, since new personnel join the forces in March and April 2012, this presents a good opportunity to 'educate' them regarding the Party position on various issues. Finally, in the wake of the Bo Xilai affair and the rumours of PLA support for Bo, it

would make sense for commentaries to be published that signalled solidarity with the Party line.

Thus, on the face of it there is little evidence to suggest that the Bo Xilai incident impacted Party—PLA relations in any significant way. However, the issue of maintaining consensus on the progress of reforms and battling corruption in the Party, as well as the armed forces, will remain a significant political challenge for the party in the foreseeable future. The smooth leadership transition effected by the 18<sup>th</sup> Party Congress indicates that whatever accommodation needed to be made among the various factions within the CPC, was made successfully. The reduction of Standing Committee members is particularly pertinent in this regard because it was expected that power-sharing between the factions would make reduction in numbers difficult. That this has not been the case suggests that factional politics is not overwhelming CPC cohesion.

## **Conclusion**

The seeming preoccupation with domestic stability displayed by China's leaders in the lead up to the 18<sup>th</sup> Party Congress, during the Congress and in subsequent proclamations clearly indicates that for the CPC, domestic challenges remain the top most priority. Hu Jintao's report to the 18<sup>th</sup> Party Congress which encapsulated the accomplishments of the past five years as well as indicated the immediate direction of China's policies contained very little to do with foreign policy. That the international security environment and China's foreign policy did not feature prominently in Hu's report suggests that: (a) China's assessments of its external environment are clearly not positive; and (b) in the current situation, proclamation of foreign policy goals or aims was considered inopportune.

The emphasis was on fighting corruption and shoring up the legitimacy of the CPC. It is the goal of forming a "well-off society" by 2020 that was reiterated by Hu. This would in turn imply that China must continue to take advantage of the "strategic opportunities" presented by the first two decades of the century (which may well have been eroded given regional perception on maritime disputes with China and the United States' 'pivot' to Asia). This means that China's development is seen as remaining contingent upon the economic growth afforded by a peaceful external environment. Despite the escalation of rhetoric on maritime issues, it is evident that there is continued necessity for maintaining stability in China's periphery which is directly linked with domestic stability that is increasingly precarious due to economic disparities. If China is to follow the "Scientific Development Concept," which has now entered the pantheon of guiding thoughts of the CPC, it needs to promote balanced and sustainable economic development. This is not possible if China is engaged in hostilities externally.

The emphasis on domestic stability, its relationship with balanced economic growth and the identification of domestic challenges as the primary concern for the CPC suggests that China will attempt to maintain the status quo in its external relations. This is not to suggest that China will abandon its "great power" ambitions

or roll back military expenditure and reform, but only to highlight the linkages between domestic stability and China's foreign relations. Nationalism may encourage Chinese leaders to adopt strong rhetoric on issues related to territorial sovereignty. However, this rhetoric may not necessarily indicate a change in policy. China can be expected to remain cautious in its approach to disputes with other countries. Domestic challenges, as enumerated in this paper, contain the potential to undermine the leadership of the CPC, China's new leaders therefore can be expected to prioritise these existential challenges and navigate foreign relations accordingly.

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## China's Military Modernisation and India's Security

*Mandip Singh*

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China's military modernisation programme is based on the famous "Four Modernisations" enunciated by Deng Xiaoping in 1978 at the third plenum of the 11<sup>th</sup> People's Congress. National defence was one of the "four modernisations" besides agriculture, industry, science and technology that were identified as essential for a modern China. This necessity was reinforced soon after an outdated, poorly equipped and disorganised People's Liberation Army (PLA) was humbled by a much smaller but highly motivated and well organised Vietnamese army in 1979. However, it was not until the first Gulf War of 1991 that PLA received the necessary impetus for modernisation. The decimation of the Iraqi armed forces in the 38-day air campaign followed by the rout of the crack, Soviet equipped Republican Divisions in just four days of ground war came as a shock to the PLA.<sup>1</sup> The need for revolutionary changes in doctrine, organisation, structures and weapons to fight future wars in a high-tech environment then became imperative.

China is vast country with a coastline that extends for approximately 14,500 kilometres and a land frontier of 22,000 kilometres which it shares with 14 countries. Historically, China has not been a sea faring nation. Except for a brief period in the 15th century when Admiral Zheng He undertook his epic seven voyages beyond the shores of China, little about its maritime power is recorded in history. However, the Chinese rule over vast swathes of land stretching from the Caucasus in the West to the Hindukush in the South is well documented. The advent of the Europeans on Chinese soil in the mid 19th century and the subsequent demise of the Qing dynasty marked the end of a glorious history of almost 2000 years of undivided rule, by proud Mongol, Manchu and Han dynasties. After Mao established the Peoples Republic of China in 1949, he put Chinese society into a militarised mode, and enunciated the doctrine of "continuous revolution" to regain the territories lost by "unequal treaties" during

the 'Century of Humiliation' (1850-1950).<sup>2</sup> China fought Korea between 1950-54; a border war with India in 1962; and with Vietnam in 1979 while internally, it was ravaged by the catastrophic 'Leap Forward' of 1959-62 and the disastrous 'Cultural Revolution' from 1966-76. All its external wars were fought on land and little or no air or sea power was used in these wars. However, as China 'opened up' its economy and decided on the change to a unique capitalist-socialist model, it gradually gained stature as an emerging superpower. But the hi-tech Gulf war of 1991, the air war in Kosovo and the PLA's own helplessness against the US in the 1995-96 Taiwan strait crisis shook up the PLA elite.

This paper proposes to trace the evolution of the PLA to the RMA and the consequent modernisation programme that is presently underway in the PLA. After discussing these issues, this paper will examine this programme from an Indian perspective and study its implications for India.

### **Revolution in Military Affairs (RMA)**

In 1985, Deng told the enlarged Central Military Commission (CMC) that large scale, prolonged 'total' wars were unlikely. He reasoned that a weak Soviet Union—which ultimately collapsed in 1991—and the emergence of the US as the single superpower ruled out 'total' wars in the future.<sup>3</sup> He exhorted the CMC to prepare for short, intense 'local' wars in the close proximity of China. Tyler J. Moore argues that:

The key difference was Deng's assumption that conflict between the superpowers was unlikely, an attack on China was unlikely, and that the most likely form of conflict would be small in scale and limited to China's borders.<sup>4</sup>

In short, it convinced Deng that the absence of 'total' war gave China time to reform and laid the keel for the RMA that is currently underway in the PLA. The RMA in the PLA is often cited as a RMA with 'Chinese characteristics'. Hu Jintao has stated that the 'Chinese characteristics' include informatisation in military weaponry and equipment, theory, training, management, logistics and political work.<sup>5</sup>

This RMA implies the following :

- Shift in strategic guidelines from total war to local war. A local war is limited in space, duration and control and restricted to China's neighbourhood. This, if logically interpreted, would shift the focus to the South China Sea, Taiwan and India with whom China has territorial disputes.
- Change over of the military from semi mechanisation to mechanisation and informatisation. This involves the development, dissemination and capacity building of Information Technology (IT) in the PLA.
- Shift from stand alone service based training to joint training. This has further been refined to 'integrated joint training' encompassing all the four arms of the PLA.

- RMA with Chinese characteristics. This implies development of a strong science and technology base, indigenisation of weapon platforms, fillip to the domestic military industrial base and induction of skilled manpower with a scientific temper.
- Organisational changes by reorganising the three departments under the General Staff- Informatisation, Strategic Planning and Military Training. These departments are tasked to provide a 'top-down' design for military reform and innovation besides coordinating strategic planning and information dissemination.<sup>6</sup>

## The Doctrinal Shift

The first doctrinal change in the evolution of a new PLA military doctrine has been attributed to Jiang Zemin. In 1995, Jiang Zemin initiated the 'Two Transformations' which called for a metamorphosis in the PLA "from an army preparing to fight local wars under ordinary conditions, to an army preparing to fight and win local wars under modern high-tech conditions", and "from an army based on quantity to an army based on quality". The People's War doctrine, which laid emphasis on a 'mass oriented, infantry heavy' strategy, was seen to have become obsolete in the post Gulf war era.<sup>7</sup> The impact on the PLA was immediate. The PLA budgets saw a double digit increase in the 1990s and PLA representation in the Politburo went up from naught in the 14<sup>th</sup> Communist Party of China (CPC) National Congress to two in the 15<sup>th</sup> CPC National Congress.<sup>8</sup> The first major change in organisation was reducing the strength of the PLA by one million men to 3.2 million and a further 700,000 to 2.5 million in 1998. On the other hand, the PLA embarked on a massive modernisation drive by focusing on the lessons learnt from the 'push button' Gulf war in Kuwait and Iraq.<sup>9</sup> The mechanisation and indigenisation of the military were also given a major push.<sup>10</sup> In March 2003, Jiang told the PLA delegation to the 10<sup>th</sup> National Peoples Congress:

We should energetically push forward a Revolution in Military affairs with Chinese characteristics, so as to ensure that our armed forces keep up with the current rapid development of science, technology, and RMA.<sup>11</sup>

In 2004, almost two years after the change of the guard at the Centre, Jiang handed over control of the PLA to Hu Jintao. Hu initiated a 'leap over' transition in the PLA. He declared that China will not be "intimidated by a military superpower" and "not be constrained by its military weakness", signalling a shift from mechanisation and semi-mechanical equipment to digitisation.<sup>12</sup> This was then defined as 'fighting local wars under conditions of informationalisation'.

The other major doctrinal shift was the concept of "Active Defence" which means that "strategically, China pursues a principle featuring defensive operations, self-defense and counter attack only after being attacked".<sup>13</sup> While China emphasises that its rise is peaceful and goes to great lengths to allay the fears of its neighbours, its military strategy of "active defense" is inherently ambiguous. It

is defensive but specifically states: "that a strategic defensive posture is only viable if mated with an offensive operational posture".<sup>14</sup> The key issue here is that the first strike that triggers a military response need not necessarily be a military one. "Actions in the political and strategic realm may also justify a Chinese military reaction, even if it fires the first shot tactically", say Cordesman and Yarosh. Active defence also overwrites the older concept of coastal defence thereby adding the dimension of the projection of power beyond its coastline and borders.

The above two dictate the military modernisation programme of China.

### **The Military Modernisation Programme**

The military modernisation programme provides China with the capacities and capabilities that are required by a nation to implement its doctrine. It identifies the type and characteristics of the platforms that are suitable to accomplish the assigned missions and tasks of each service. This stems from the complex and integrated efforts by the research and development and scientific community, private and state enterprise and the stakeholders i.e. the services.

The China National Defence Paper 2006 lays down broad timelines of the programme:

China pursues a three-step development strategy in modernising its national defence and armed forces, in accordance with the state's overall plan to realize modernization. The first step is to lay a solid foundation by 2010, the second is to make major progress around 2020, and the third is to basically reach the strategic goal of building informationised armed forces and being capable of winning informationised wars by the mid-21st century.

China's military modernisation has been described in a recent Defence of Japan 2012 paper<sup>15</sup> as follows:

China has been increasing its defence spending, broadly and rapidly modernizing its military forces, mainly its nuclear and missile force as well as its Navy and Air Force, and strengthening its capability for extended-range power projection. In addition, China is working to improve joint operational capabilities among services and branches, to conduct practical exercises, to cultivate and acquire highly-capable human resources for administering operations of informationised forces, and to improve the foundation of its domestic defence industry.

### **The Defence Budget**

From the changes in doctrine, flow the essentials of China's military modernisation programme. No modernisation programme can be implemented overnight. It requires continuous funding, a well thought through acquisition plan, a capable indigenous R&D and a well integrated military industrial complex. Beginning in the 90s, there has been a steady increase in the PLA's annual budget to cater for modernisation and capital acquisitions. During the period 1988- 97 the average

annual increase in defence expenditure was 14.5 per cent, while from 1998 to 2007, the average annual increase in defence expenditure was 15.9 per cent. In the last five years alone the defence budget has gone up almost 40 per cent from 417 billion RMB in 2007 to 670.6 billion RMB in 2012.<sup>16</sup> It is difficult to estimate how much of this is for arms imports, weapon procurement, military aid, indigenous military production and R&D since China does not release these figures in its details of military spending. The US department of defence estimates that the actual Chinese defence budget could be more than the disclosed figures by as much as 50 per cent.<sup>17</sup> What is clear is that annual average growth in China's defence budget, in inflation adjusted terms, over the last decade is 11.8 per cent.<sup>18</sup> This is by all standards adequate for supporting a robust military modernisation programme. According to SIPRI, China imported \$26.7 billion worth of arms during the period 2000-11, 85 per cent (\$22.8 billion) of which were from Russia alone. With peak annual average imports of \$2.5 billion from Russia between 2000-06, they have since dropped to an average of under \$1 billion (2007-12), indicating a quantum improvement in indigenisation and development of its military industrial complex.<sup>19</sup> Interestingly, imports from Germany, UK and France have been a recent phenomenon involving cutting edge technologies like engines for ships and tanks, helicopters and missiles.

According to the defence white papers, issued by China biennially, the defence budget covers the following three categories:<sup>20</sup>

- Personnel expenses mainly cover salaries, insurance, food, clothing, and welfare benefits for officers, non-commissioned officers and enlisted men as well as for civilian employees;
- Training and maintenance expenses cover troop training, institutional education, construction and maintenance of installations and facilities, and other expenses on routine consumables; and
- Equipment expenses mainly cover research on, experimentation with, and procurement, maintenance, transportation and storage of weaponry and equipment.

The real percentages vary, but are generally between 31 and 36 per cent for each.<sup>21</sup> In 2009, over 96 per cent of the total budget was spent on the active force and just three per cent and one per cent on the militia and reserve force respectively. These figures could serve as guidelines for breaking down the budget expenditures of the future.<sup>22</sup> However the budget does not cover; procurement of weapons from abroad, expenses for paramilitaries, nuclear weapons and strategic rocket programmes, state subsidies for the military-industrial complex, some military related research and development, and extra-budget revenue.<sup>23</sup> The US department of defence estimates that China's total military-related spending for 2011, based on 2011 prices and exchange rates could be somewhere in the vicinity of \$120-180 billion.<sup>24</sup>

## The PLA

The PLA has undergone a major restructuring in its organisation, structure, manpower and equipment. The PLA has established seven Military Area Commands (MACs) that are akin to theatres of war based on geographical divisions, strategic and operational direction and operational tasks. The army and the PLAAF have seven Military Regions (MRs) and Air Commands, that are contiguous to these locations and placed under these MACs during war. The PLAN has three fleets—the North Sea Fleet (Beihai), the East Sea Fleet (Donghai) and the South Sea Fleet (Nanhai) which are also placed under MACs during war. These were set up as a part of transformation from independent service campaigns, which were had earlier been the norm, to joint service campaigns under a joint headquarters. The MAC is responsible for preparation of joint plans, operational readiness, orchestration of reserves and provision of joint logistics in a theatre of war.

Map 1



Source: China Military Regions 1986, US Central Intelligence Agency

In recent years, the lexicon of joint operations has undergone a change. Earlier an operation involving two or more services was deemed a joint operation. This has been redesignated as ‘integrated joint operations’ to emphasise the role of support services, logistic and civilian forces besides the participating services.<sup>25</sup> The key change is to train jointly and achieve synergy and jointness at lower levels of command down to the brigade level. The other major joint campaign strategies include; integrated firepower operations by integrating all platforms (air, ships, artillery) to bring fire on the battle space simultaneously, integrated network electronic warfare (INEW) by seizing and dominating the electromagnetic space and integrated joint logistics to provide the necessary support to all elements of a campaign.

### **The PLA Army (PLAA)**

The PLA Army was a regional force confined to a region for conduct of operations in that region alone. For e.g. the Shenyang MR in Northern China had no role to play in a war, say, in Tibet. That has since been discarded. According to the China National Defence paper of 2006, “The Army aims at moving from regional defence to trans-regional mobility [within China] and improving its capabilities in air-ground integrated operations, long-distance manoeuvres, rapid assaults and special operations”. This has necessitated a number of changes:

- Optimal use of PLA Army in multi-terrain, multi-role tasks. To achieve this there has been a reduction of the manpower from over 5 million during the Korean War in 1950 to 2.3 million at present.<sup>26</sup>
- Developing the capability to execute strategic mobility across regions. The PLA has realised its inability to execute long distance manoeuvres because it lacks: the required strategic airlift capacity; troop and equipment carrying ships at sea; heavy lift helicopters from base to forward areas and timely employment of ‘shock troops’—the Rapid Reaction Units (RRUs) and Special Forces.<sup>27</sup>
- Development of infrastructure to include roads, rail network, airports, helipads, communications, water storage, ammunition storage and improved living habitat in high altitudes.<sup>28</sup>

The other change is the adoption of ‘combined arms concept’ or the ‘modular concept’. Trans-regional mobility required units that are small, modular and multi-functional in organisation through appropriate downsizing and structural reforms. The PLA Army has realised the need to integrate all organs of arms and services in a fighting formation under a commander to ensure faster response, dedicated and guaranteed support and jointness at all levels. As a result, there is a higher proportion of armoured mechanised divisions/brigades in combined operational divisions/brigades. A division headquarters, which was earlier managing three conventional combat arms regiments and an artillery regiment, may now directly control 6 to 9 battalion-sized combined arms battle groups, whereas a brigade

headquarters may control two to three such groups. This approach finally brings the operations of divisions and brigades in line with each other so they can work together seamlessly.<sup>29</sup> The PLA's new mechanised infantry division has been described as being two generations ahead of the other armies.<sup>30</sup> Organised to fight as independent battle groups, both in mountainous and urban terrain, their equipment is light and thus reduces the logistical footprint. At the battalion level, a battalion commander in command of a battle group would have armour, artillery, infantry, aviation helicopters available to him closely integrated by a robust C4ISR system for training and operations.

### **PLA Navy (PLAN)**

The most significant impact of implementation of RMA and modernisation has been on the PLA Navy. The National Defence Paper of 2006 for the first time, laid out an extended role for the PLAN—to “gradually develop its capabilities of conducting cooperation in distant waters countering non traditional security threats”—thus spreading its influence beyond the coastal waters. The paper also lists out the components of each of the fleets with special emphasis on the ‘aviation divisions’ comprising a complete range of maritime aircraft from fighters, reconnaissance and bombers under the navy and the ‘marine corps’ with marines ably supported by all arms and service troops for amphibious operations. This capability indicates a monumental shift in the naval doctrine- from ‘sea denial’ to one that of attempts to achieve ‘sea control’ and from one that was focused on the defence of coastal and island territories to one that can project force in the Asia-Pacific region. It is the National Defence Paper of 2010 that adds the dimension of power projection to the PLAN future role:

The PLA Navy (PLAN) endeavours to accelerate the modernisation of its integrated combat forces, enhances its capabilities in strategic deterrence and counterattack, and develops its capabilities in conducting operations in distant waters and in countering non-traditional security threats by constructing composite support bases to build a shore-based support system, improve its surface support capabilities and new methods of logistics support for sustaining long-time maritime missions.<sup>31</sup>

The PLAN has been receiving a major share of the defence budget for the procurement and development of ‘modern’ combatants. During the period 1985-2012, the PLAN acquired 73 new major combatant vessels (37 submarines, 10 destroyers, 25 frigates and an aircraft carrier) of which 51 have been commissioned in the last seven years alone.<sup>32</sup> In so far as manpower is concerned, PLAN has increased the academic level of the intake into the officer corps and enlisted personnel. Greater responsibility has been shifted on to the NCOs while conscription has been reduced from four to two years. The deployment of a flotilla of three-four combatants by rotation in the Gulf of Aden, in anti-piracy and escort duties, has been instrumental in providing the PLAN personnel real time experience at sea and a better understanding of operations with other world navies.

This three monthly rotation of the flotilla is the first prolonged overseas deployment of the PLAN since its inception.

### **PLA Air Force (PLAAF)**

The PLAAF is transiting from a land based, defence oriented outdated second and third generation air force to a modern, sophisticated, multi-mission air force capable of offshore defensive and offensive operations. In 2004, it released its service strategy in which it termed itself as a 'strategic service' tasked to achieve the political objectives of China in concert with the PLA or separately.

Besides acquiring new fourth and fifth generation fighter aircraft (SU-27, SU-30, J-10, J-11) the PLAAF has developed a very formidable and impenetrable air defence all along its eastern seaboard relying on a combination of Soviet S-300 Surface to Air missile systems and a series of Airborne Warning and Control Systems (AWACs) based on the IL-76 and the Y-8 aircraft. Today, the total number of missiles in the PLAAF's SAM inventory comprises four battalions of S-300s (100 km range), at least 16 battalions of the more-capable S-300PMU1 (150 km range) and comparable domestically-produced HQ-9, along with at least eight battalions of S-300PMU2 (200 km range). The Xinhua News Agency announced in 2007 that an "air intelligence radar network" covering the entire country had been completed.<sup>33</sup> According to the National Defence Paper 2010:

The PLAAF is working to ensure the development of a combat force structure that focuses on air strikes, air and missile defence, and strategic projection, to improve its leadership and command system and build up an informationised, networked base support system.

Interestingly, during the period 1995-2012, the PLAAF inventory dropped from about approximately 5900 aircraft (all types) to 2400, with the largest decline being in fighters (fighter interceptors- for defence of territory) from about 4000 to 890.<sup>34</sup> Japanese sources put the number of PLAAF and PLAN modern aircraft at 2070.<sup>35</sup> All obsolete aircraft have been phased out from service. Presently, its largest aircraft holdings are of fourth and fifth generation fighter ground attack (FGA), transports and trainers underlining the PLAAF priorities- training, offensive action and strategic power projection. While the transport fleet and the FGA are not strictly state-of-the- art, major projects are underway to develop top line aircraft in the next decade. The reach and specifications of the air fleet suggest that China has developed the capability to significantly degrade targets up to the first island chain in the Pacific Ocean.

The other major asset controlled by the PLAAF is the 15<sup>th</sup> Airborne Corps, the 'shock troops' comprising three air borne divisions. This force has the capability of deploying in any region of China in 72 hours. Military exercises suggest that the strategic lift capacity of the PLAAF is presently limited to one brigade at a time. With a holding of just 20-50 IL-76, and 120 outdated H-6, the PLAAF does not have the requisite strategic mobility or strategic reach. Major projects

are underway for the manufacture of heavy lift and commercial aircraft that will cater to its need for mid-air refuellers, AWACs, cargo and long range equipment carriers.

### **The Second Artillery Force (SAF)**

The Second Artillery Force is the pride of the PLA. With a strength of over 100,000 men, it is structured as an independent branch of the PLA with missile bases at the army level and missile brigades at lower levels. It is directly controlled by the CMC. According to the National Defence paper 2010:

PLA Second Artillery Force (PLASAF) strives to push forward its modernization and improves its capabilities in rapid reaction, penetration, precision strike, damage infliction, protection, and survivability, while steadily enhancing its capabilities in strategic deterrence and defensive operations.

The key features of the modernisation of the SAF are: changeover from liquid fuelled to solid fuelled missiles; reduction in fixed launch sites and switch to more mobile launchers; increase use of reloadable launchers; increasing reliance on Short Range Ballistic Missiles (SRBMs) to fight local wars; and lastly, convert to a conventional-cum-nuclear missile force from a purely nuclear force.<sup>36</sup>

While it is not the intent of this paper to examine China's nuclear policy and strategy, it is important to note that China's nuclear strategy is two fold; counter-attack and a "lean and effective nuclear" deterrent. Counter attack implies "no first use" and "lean and effective" implies limited or optimal numbers.<sup>37</sup> Having learnt lessons from the Cold War, China does not believe in numbers and but rather that credible deterrence is adequate for achieving its national aim. Yao Yuzhu, in his authoritative paper on China's nuclear arsenal quotes Deng to explain China's nuclear policy:

While you have some deterrence force, we also have some; but we don't want much. It will do just to possess it. Things like strategic weapons and deterrence forces are there to scare others. They must not be used first. But our possession will have some effect. The limited possession of nuclear weapons itself exert some pressure. It remains our position that we will develop a little (nuclear weapons). But the development will be limited. We have said repeatedly that our small amount (of nuclear weapons) is nothing. It is only to show that we also have what you have. If you want to destroy us, you yourself have to suffer some punishment at the same time.<sup>38</sup>

Such a policy has given China the space for conventional weapons. The PLA has begun to develop a series of conventional missiles to support multiple missions across the entire spectrum of conflict- from 'anti-access, anti-denial', 'offshore defence' to 'integration of lost territories' strategy. The missions of the second artillery campaign, identified in Zhanyixue, 'the Science of Campaigns' are four; nuclear retaliation, conventional missile campaign, assist combat joint operations

of the three services and accomplish other combat missions assigned by the higher authority.<sup>39</sup>

It is not the purpose of this paper to furnish the numbers and types of missiles held by the PLASAF, as these are debatable and cannot be authenticated due to the opaqueness in the PLA. However, it can be confirmed with some veracity that the PLASAF is organised into six bases spread across China, and each base has a number of missile brigades under its command. It is assessed that the PLASAF has about 16-19 missile brigades, and each brigade has one type of missile system. The brigades are further divided into a 3-3 configuration (three launch battalions with three launch companies and three launch platoons) or even a 4-4 configuration. Thus missile brigades may have 9, 27 or 16 launchers. Depending on the type of missile, it is possible to make a fair estimate of the numbers available with each brigade. It is important to note that the basic fire unit of the nuclear missile force is a launch battalion, but that of the conventional missile force, is a launch platoon.<sup>40</sup>

The key factor for the SAF is the need for educated, qualified and volunteer manpower. The PLA has embarked on a major programme to attract talent. MOUs have been signed with universities, scholarship programmes instituted to recruit engineering, science and computer literate graduates by providing incentives such as higher remuneration and better terms and conditions of service. The SAF has the highest graduates to man power ratio. With the change in conscription policy from four to two years the SAF has been forced to rely on its NCO cadre which is undergoing a transition from theoretical training to practical, hands on training on hi-tech equipment.

### **Weaponisation Programme**

The weaponisation part of the military modernisation programme can be broadly covered under two main heads:

- Programme for defence of China's 'land and sea frontiers'.
- Programme for 'global power projection'.

### **Programme for Defence of China's 'Land and Sea Frontiers'**

China's external threats include: territorial disputes at sea with Japan over the Senkaku (Diaoyu) islands; in the South China Sea with six other South East Asian nations over the Spratlys and Paracel islands and Taiwan; while on land its major differences are with India. None of these pose a direct threat to its frontiers. Its only direct threat is from the US. The Taiwan Relations Act, 1979 and its predecessor the 'Mutual Defence Treaty between the United States of America and the Republic of China' signed in 1954 have placed certain obligations on the US for defence of Taiwan. These were reinforced during the Taiwan Strait crisis of 1996 when US moved two aircraft carrier battle groups into the Taiwan Straits in a standoff with China over Taiwan. The interventionist strategy of the

US has led to China's 'counter-intervention strategy' by which it seeks to develop such weapon platforms that would deter the US and its allies from intervening in support of Taiwan or any part of its sea frontiers. Some Western analysts have characterised it as an 'anti-access, anti-denial' strategy (A2AD)—preventing access to its frontiers and denying the use of the sea beyond the coastal waters. It would be reasonable to assume that the development of these weapon platforms would enable their automatic application in disputes other than those on land.

## Weapon Platforms

Leading the defence of China's coastline is the PLAN's submarine arm. The main aim of the PLAN submarine force is to serve as the primary military instrument in the event of a confrontation with the US over Taiwan. Heading the pack are 12 Russian built Kilo (RF Type EKM 636 and 877) class diesel submarines equipped with Klub supersonic Anti Ship Cruise Missile (ASCM—Range 290 km). These are capable of penetrating the Aegis air and missile defence shield created by the US carrier battle groups. Supporting these are 16 Song (Type 039) and Yuan (Type 041) class of diesel submarines equipped with YJ-82 ASCM (Range 180 km). Together these diesel submarines (32 in number) constitute the sub-sea defence of China's coastline.<sup>41</sup>

Among the surface combatants, China relies heavily on four Sovremenny Class Russian destroyers, each carrying eight SSN-22 Sunburn ASCM (speed Mach 3, Range 240 km). The Sovremenny class was specially designed in the 1970s to "counter the US carriers and escorts equipped with high-tech air defences".<sup>42</sup> According to Cole, to date the US has been unable to develop effective counter-weapons against the Sunburn essentially, because of its very high speed which allows little reaction time and its heavy weight, which generates huge momentum as it strikes the target. The shortage in numbers is made up by the indigenously built four Luyang I and II and two Luzhou class destroyers, each fitted with state of the art anti-air warfare (AAW) and electronic countermeasure capability (ECM) and SA-20 missile ( range 100 km) which strengthen the PLAN area air defence (AAD) capability. A major improvement has been the phasing out of single mission ships and the development of multi-mission surface combatants.<sup>43</sup>

The PLAN has a weak anti-submarine warfare capability (ASW). Its ASW fleet of helicopters is based on the vintage Russian Ka 27/28 Helix series and the Z9-C, a modified version of the French Dauphin (AS-365) of the 1980s vintage. The PLAN is now developing the Z9-D, an improved version equipped with two Hongdu TL-10 lightweight anti-ship missiles with an extended range of 15 kms, under its weapon pylons, instead of anti-submarine torpedoes. This should give it an improved ASW capability against the Japanese Soryu class and the Korean Sohn Won-il class of submarines besides the US SSNs (nuclear powered submarines).

The PLAN surface fleet is supported by a land based naval aviation arm. The

absence of a long range maritime air fleet is a major weakness in the PLAN. The fixed wing fighter force of PLAN Air Force (PLANAF) relies on the J7/J8 (MiG 21 variants). The PLAN has 244 fighter aircraft with just 48 (24 J-10 and 24 SU 30 MK2), inducted in 2010-12, amongst its modern fourth generation fighters. The Russian built SU-30MK2 is the only aircraft with the “capability to strike ships at longer ranges while retaining a robust air-to-air capability”.<sup>44</sup> However it is the development of the J-20 (also called Chengdu-J XX) which is of major concern to the US and its allies in the Asia –Pacific. The J-20 is a fifth generation stealth fighter which is compatible only with the US F-22 Raptor and the T-50 FGFA Russia-India joint development programme. Air Power Australia in a report has termed the J20 a ‘game changer’ and has noted that: “The emergence of China’s new J-XX [J-20] stealth fighter will have a profound strategic impact, for both the United States and its numerous Pacific Rim allies”. It adds: “In any conflict involving China, a well sized fleet of mature production J-XX [J-20] would have significant freedom of action to attack and destroy aerial and surface targets throughout the geography of the Second Island Chain” and the “US Navy CBGs (Carrier Battle Groups) are at significant risk, adding to the risks posed by the DF-21D ASBM”.<sup>45</sup> The J20 is expected to be inducted into service in by 2018, although some experts are of the view that with a “gap of more than a decade between the first flight of the US F-22 fighter and its coming into service ... the J-20 will have at least a decade of testing and evaluation before it is ready for production”.<sup>46</sup>

Two projects that were commenced on a war footing soon after the 1996 Taiwan Straits crisis are the ASAT (Anti-Satellite Program) and the DF-21(CSS-5) ASBM (Anti-Ship Ballistic Missile) ‘carrier killer’ programme. The ASAT was aimed at crippling the C4ISR system over the CBGs and was demonstrated in 2007 while the DF-21 series was meant for the destruction of ships, particularly aircraft carriers. These two are a formidable part of China’s ‘counter intervention’ strategy. The DF-21 is a GPS guided, manoeuvrable re-entry (MARV) equipped, active radar based terminally guided missile with a rated CEP of 10 metres. The land based version is the DF-21D which has been successfully test fired and reportedly reached IOC (initial operational capability) status in 2010. The sea variant is yet to be tested on waters and against mobile targets, but it has the potential to impose serious caution on the mobility and operational manoeuvrability of the aircraft carriers and the battle groups.<sup>47</sup>

The other missiles developed by China are the DF-31( Range 8000 km), which is a new mobile-type ICBM with a solid propellant system mounted onto a Transporter Erector Launcher (TEL); and its extended version, the DF-31A(range 12,000 km). The missile can also be transported by rail or deployed in fixed silos. These have already been inducted into service. Its sea version, the submarine launched JL-2 (Range 8000km), is believed to be mounted on the Jin (Type 094) class nuclear-powered ballistic missile submarines (SSBN), two of which are reported to be in service. Recent reports indicate that the PLASAF also test fired

the three stage, solid propellant, multiple warhead, Intercontinental Ballistic Missile (ICBM) DF-41 with a range of 14,000 kms capable of threatening most of continental United States.<sup>48</sup> The DF-31 and the DF-31A have been deployed, the JL-2 trials on the Jin class submarine have been successful, and the reported success of DF-41, would make it reasonable to conclude that China's nuclear defence procedures and safety measures are firmly in place.<sup>49</sup>

The PLA Army has had the smallest share of the modernisation pie. The creation of 'light infantry' in keeping with PLA's doctrinal emphasis on manpower and machinery, and manoeuvrability is a major change in the ground forces. For high-altitude operations, the PLA has gone in for the Russian concept of 'reconnaissance combat operations'. This entails extensive employment of helicopters and reconnaissance teams to provide intelligence for light infantry, besides the use of signal intelligence.<sup>50</sup> Major improvements have been effected in the armour, ICVs (infantry combat vehicles) and communications. The Type 99A2, termed a third generation tank, has been recently inducted into service and is compatible with the M1A2 Abrams and the Leopard 2.<sup>51</sup> The PLAA amphibious capabilities have been given a fillip in 'ship-to-shore' operations by inducting the modern ZBD05 series of amphibious ICVs. Secure, digitised communications and data facility have been provided up to regimental headquarters.

### **Space and Counter Space Technologies**

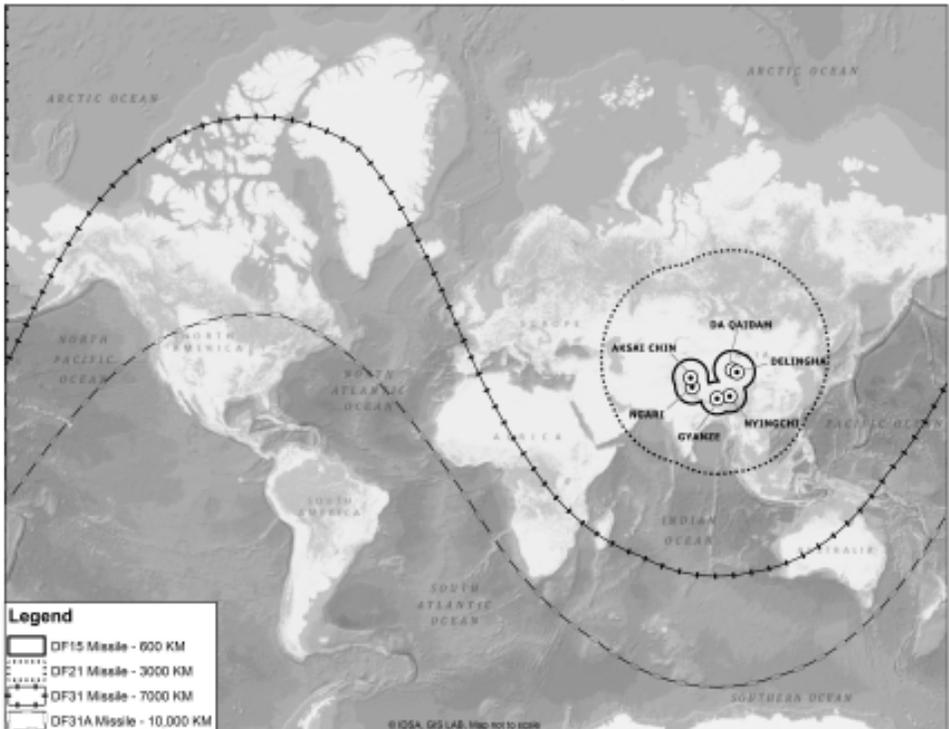
China has made great strides in the domination of space. The Beidou Navigation Satellite is a 35 system which is to be operationalised by 2015–20. With 16 (10 launched earlier and six in 2012) satellites already in orbit, the Beidou Navigation System is intended to provide passive positioning, navigation, and timing services to civilian users free of cost. The system is an alternative to the Global Positioning System (GPS) which is controlled by the US and the Global Navigation Satellite System (GLONASS) of Russia. The Beidou system will be the navigation system for all missiles and rocket applications of the PLA and is likely to achieve an initial accuracy of 25 metres by 2012, and an ultimate accuracy of 10 metres once the entire system is operationalised by 2020. According to Zhao Xiaojin, Director of the Aerospace Department of China, the goal is to launch 100 rockets and 100 satellites, and have 100 satellites in orbit during the Twelfth Five Year Plan (2011–2015).<sup>52</sup> The other developments are in the three stage space programme, termed Project 921, to have a manned station in space and exploration of Mars and beyond. The Shenzhou 9 spacecraft successfully docked with the Tiangong 1 space station on June 24, 2012 marking a significant breakthrough in China's space docking technology, as also heralding decisive progress in fulfilling the second strategic target of China's manned space programme. The third stage will see a fully manned station in space by 2020. At the same time, China has a well coordinated "multidimensional" programme to limit or deny the use of space-based assets to adversaries during a crisis or conflict.

In addition to the direct-ascent anti-satellite weapon tested in 2007, these counter space capabilities also include jamming, laser, microwave, and cyber weapons”.<sup>53</sup>

### Information Warfare (IW)

Information Warfare plays a vital role in China’s concept of ‘fighting local wars under conditions of informationalisation’. The PLA has enunciated the Integrated Network and Electronic Warfare (INEW) doctrine for seizing ‘information supremacy’ even before the commencement of conflict. The INEW focuses on integrating cyber and electronic warfare resources to ensure electromagnetic dominance of the battlefield. On the organisation side, China has made the General Staff’s 4th (Electronic Countermeasures) Department responsible for all INEW warfare activity by integrating electronic warfare with computer network attack missions, while its 3rd (Signals Intelligence) Department has been made responsible for cyber espionage.<sup>54</sup> The US DOD believes frequent cyber intrusions indicate that “Beijing is using cyber network operations (CNOs) as a tool to collect strategic intelligence”. China has a fairly well established cyber warfare (damage/destruction of networks) and cyber intelligence (scanning and mapping networks) capability, although, Professor Desmond Ball, believes that China’s extensive IW capabilities are only potent if employed first—in other words—they function best when used pre-emptively.<sup>55</sup>

Map 2: Chinese Missile Ranges



## Programme for 'Global Power Projection'

As China becomes economically and militarily strong it will aspire to become a global power. Geography has been cruel to China leaving it surrounded by high mountains and barren deserts on three sides with an extended 14500 km coastline to its east and southeast. Therefore, per force China's projection of power would be seaward, essentially relying on the navy and the air force. Some analysts see PLAN's modern acquisitions as being in line with its quest for a 'blue water' navy- that can be dispatched throughout the world, far from its home base. For China, that would mean, in the near future, the Pacific and the Indian oceans. Power projection by land, across vast desert and high mountains would be restricted to achieving air superiority and its ability to put 'boots on the ground' by executing the strategic air lift of forces in hostile territory. In sum, power projection entails the following:

- A 'blue water' naval programme comprising Carrier Strike Battle Groups (CSBGs) to control the seas and the capability to execute amphibious operations on offshore territories.
- A strategic airlift, ISR, refueling and bombing capability to execute multiple missions in hostile or target territory.

## The PLAN's Blue Water Programme

The commissioning of PLAN's first aircraft carrier originally the Ukrainian *Varyag*, a 65,000 deadweight tonnage (DWT), 304.5 metre long, and 70 metre wide aircraft carrier, heralds the start of PLAN's 'blue water' programme. Christened the *Liaoning* she was commissioned with great fanfare at Dalian on September 25, 2012. With a maximum speed of 32 knots and a crew of 2,500 sailors, she carries an impressive armoury of 72 missiles in four clusters of 18 tubes, 3 × 30 mm cannons for close-in warfare support and 2 × 240 mm anti-submarine warfare (ASW) launchers. PLAN has developed a naval version of the indigenous J-11B aircraft, called the J-15 for its air wing, which comprises 26 aircraft and 22 helicopters. It is an upgraded version of Russian SU-33 with heavier landing gear, tail hook, folding wings, and other characteristics necessary for air operations aboard the carrier, and appears to have Active Electronically Scanned Array (AESA) radar, newer avionics and controls, and potentially more range than the counterpart.<sup>56</sup> There is scepticism about the progress of the J-11B (J-15) development programme and some reports indicate that the aircraft carrier will only serve as a training and evaluation platform. At present the PLA has a carrier pilot training programme which is land based and it is expected that it will take several years to achieve minimum levels of combat capability on aircraft carriers at sea.<sup>57</sup>

The *Liaoning* constitutes a quantum leap in PLAN's ability to dominate the seas. Major General Wang Haiyun, former diplomat, and a scholar at a government think tank on China-Russian relations, proposed to equip the Chinese navy with three to five carrier battle groups. He believes:

As a world power with a growing global interest and responsibility, we need to push for an early start to the construction of the 'deep blue navy.' It is essential to build, as quickly as possible, several modern aircraft carrier battle groups with comprehensive combat capability. Neither oceanic territory defence nor military power delivery can be achieved without these aircraft carrier battle groups. As for the number, with our vast ocean territory and difficulties in carrying out our responsibilities as a global power, we cannot do without three to five aircraft carrier battle groups.<sup>58</sup>

It would be reasonable to estimate that three out of these five carrier battle groups will be allocated to each of the three fleets. This would enable the PLAN to project power beyond the first island chain and threaten territories up to the second island chain. The other two will give the PLAN the capability to project power in the Indian Ocean.

To pursue its amphibious operation requirements, the PLAN has been pursuing its construction and development of amphibious ships. Since 2005 alone, the PLAN has increased its medium and heavy amphibious fleet from 50 to 87. Of these about 30 are meant for operations in coastal waters. These PLAN has also inducted four large Landing Platform Dock (LPD) each capable of carrying up to a marine battalion, 20-25 armoured vehicles and medium lift helicopters. A total of eight such ships are planned to be inducted in the PLAN. The large and medium landing ships with a troop carrying capacity of approximately one division (12,000 troops) can make the 100-plus nautical mile voyage (depending on the point of embarkation) from the mainland to Taiwan with ease.<sup>59</sup> In the near future, the induction of LPDs and other amphibious vessels will enhance China's capability to put troops on island territories beyond Taiwan, especially in the South China Sea. The LPD can also be used as a Fleet Command ship because of its size besides performing a variety of roles in non-traditional missions like Humanitarian Aid and Disaster Relief (HADR) and evacuation of citizens.

The other essential component of power projection is the air force. The CSBGs and the amphibious flotillas need to be free to operate in the seas unhindered without being threatened by enemy air force and missiles. This requires long range maritime surveillance, air defence and local air superiority over the area of operations. Such an air force would be required to operate from bases on land as also from on board the aircraft carriers. While the carrier based aircraft will take time, PLAAF FGA and air defence needs would depend on the newly inducted J-11B and the SU-30MK2 which will be the mainstay of the PLAAF till the induction of the J-20 (discussed earlier). In the last seven years, the PLAAF has inducted 25 Airborne Early Warning (AEW), Electronic Intelligence (ELINT) and Electronic Warfare (EW) platforms giving the PLAAF an enhanced ISR reach. There are reports that indicate that China is also replicating the US success in employing drones and unmanned aerial vehicles (UAVs) in Afghanistan, at sea. The Japanese Maritime Self Defence Force (JMSDF) has reported sighting three UAVs/unmanned helicopters on board two PLAN missile frigates (Type 054) on

exercise in the West Pacific in April 2012.<sup>60</sup> These would enhance the ISR range of the fleet at sea besides being used for hard kill options against enemy ships.

The lack of strategic mobility and strategic airlift is being seriously addressed by the Chinese aviation industry. Two major projects that are reportedly underway are: the 80 ton C919 commercial airliner and a 200 ton heavy lift aircraft—called the Y-20. The programme is shrouded in secrecy and few details are known. The 200 ton Y20 would be somewhere between the 167 ton Russian IL-76 (47 ton payload, 3650 km) and the 265 ton C-17 Globemaster (77 ton payload, 4400 km) with an estimated payload of 60 tons and endurance of up to 4000 kms. According to one US estimate it will be comparable to the US C-130 Hercules.<sup>61</sup> The C919 COMAC (Commercial Airliner Corporation of China) is a 156 seater commercial liner with an operating range of 5500 kms and a life of 90,000 hours or 30 calendar years.<sup>62</sup> A recent Farnborough air show report suggests that 280 of the C919 have already been ordered and the first of these will join the fleet in 2016.<sup>63</sup> Both these aircraft are likely to provide the basic platform for the PLAAF's strategic requirements like long range refuellers, AWAC, heavy airlift for tanks/ICVs, long range maritime surveillance and heavy bombers.

### **Impact on India**

In the near term (three-five years), China is likely to be preoccupied with settling the Taiwan issue, the gathering storm over the Spratlys and Paracels in South China Sea and the dispute over the Senkaku (Diaoyu) islands with Japan. The US 'rebalancing strategy' in the Asia Pacific, the growing US-Japan-South Korea relations and the discord over the 'Code of Conduct' issue with South East Asian countries appear to be occupying China's attention. India does not figure in its near term calculus. The Sino-Indian differences that can trigger a conflict like situation are the border dispute and the Tibetan refugee issue—other issues though important may not merit a military confrontation. Strategically, for the PLA, in the near term, India is a land-air contingency. This implies that operations against India would essentially be dominated by the PLA ground forces, the PLASAF and PLAAF. While India has a vast coastline and is vulnerable from the sea, geographical distance and the inadequate capability to operate in the Indian Ocean precludes the PLAN from threatening India by sea in the near term.

It is important for the reader to understand the connotation of a 'local war' in the Chinese context to realise the threat to India. The Chinese view a local war as a 'political' rather than a major war; their use of military force is 'more mediated' and 'constrained' by political and democratic factors. According to General Xiong Guangkai, a former Deputy Chief of the PLA and later member of 16<sup>th</sup> CPC, Central Committee:

Victory and defeat are more difficult to distinguish. Final resolution tends to be achieved through diplomatic negotiation and political compromise. Its objectives are not annihilation of the enemy, capture territory or conquer regimes but enhance diplomatic initiatives, intimidate the enemy psychology and acquire economic resources.<sup>64</sup>

Local wars are limited in space and time and involve fewer troops, to avoid escalation in deference to world opinion. Local wars tend to be non nuclear because of their limited objective, scope and hi-tech orientation. Since local wars are fought in border regions or territorial waters with limited in-depth defence, mass mobilisation is not necessary.<sup>65</sup> When analysed carefully, this doctrine would define a Sino-Indian confrontation as a 'local war'. The question before the Chinese elite is—would a 'local war' with India fulfil the political aims of the Chinese Communist Party?

### **Implications of a Local War**

A 'local war', whether triggered by the Tibetan issue or the border dispute, would be limited to the mountains, essentially to gain/settle the territorial dispute with India. It would be short, swift and involve minimum force. While mass mobilisation by the PLA may not be necessitated, recent exercises by the PLA have demonstrated the capability for an inter regional move by Rapid Reaction Units (RRUs), the designated division size force in each military region. In addition, the 15<sup>th</sup> Airborne Corps (three divisions -30,000 plus strength) has also exhibited its capability to be deployed in 72 hours. Simultaneously, the PLA would unleash the 'three warfares'—the PLA information warfare pre-emptive concept aimed at preconditioning and shaping key areas of battle in its favour prior to conflict.<sup>66</sup> The intent would be to use all available resources in a consolidated, coordinated and concentrated manner to achieve its political aim. The PLAN is unlikely to operate in the Indian Ocean and contest the Indian navy in such a scenario.

### **How will the Modernisation Programme Affect India over the Short and Long Term?**

In the short term, the major modern weapon systems which could be employed against India are limited to those with the PLASAF, PLAA and PLAAF. These are:

- Its array of solid fuel long range conventional missiles (600 km to 12000 km) can cover the entire country. These would require strengthening of India's communication and command centres, logistics installations, warlike stores by construction of UGT (under ground tunnels). It is reported that China has dug 3000 miles of under ground tunnels for its strategic forces. Further, the necessity of a 'missile defence shield' cannot be overemphasised.
- J-20 fifth generation series of fighter aircraft. These would require a highly developed and responsive air defence network and the speeding up of India's fifth generation fighter programme.
- Strategic airlift of airborne forces and special forces in quick time on the recently developed airfields on the Plateau. India would need to deny

China the use of these airfields by a combination of air strikes and missiles. Since distances of Indian airfields are relatively closer to the border a robust, heavy lift helicopter fleet and the development of infrastructure like roads, extended runways, helipads, and bridges will be necessary to thwart the plans of the Chinese 'shock troops' in time and space.

- ZTZ99A1/2 MBTs and ZBD 05 ICVs on the plateau with mechanised formations. These would require better anti-tank missiles and anti-tank weapons capable of reliable operation at high altitudes.
- Large scale cyber warfare attacks on C4I networks, civilian infrastructure, key installations and industries.
- Control of the Electromagnetic (EM) Spectrum. As a part of its "three warfares" strategy China will attempt to seize pre-emptive control of the EM spectrum. This would require high-tech, state-of-the-art electronic counter measures to deny use of the EM spectrum as also effect unhindered use to own forces.

In the long term, in addition to the above, the PLA will have developed a 'blue water' navy capable of operating in the Indian Ocean. That would necessitate establishment of at least one or more naval bases in the Indian Ocean by PLAN, as distance precludes conduct of operations from existing bases east of Malacca Straits. Should the PLAN establish bases in the Indian Ocean, its CSBGs and nuclear armed submarines, supported by a strategic lift and a long range maritime reconnaissance capability, would enlarge the scope of war to a 'total' war. Thus, in the long term, India must prepare for fighting a war encompassing the entire spectrum of conflict.

However the PLA would have to contend with the following:

- India is no longer a 'pushover'. It is an emerging regional power with strong economic, diplomatic and military credentials. A local war like the 1962 war would be an irrelevant precedent.
- Both countries are nuclear powers with a fairly robust and reliable delivery capability. The space for conventional 'local' war thus may be restricted.
- A local war would not require any contribution from a major arm of the PLA i.e. the PLA Navy—which is not likely to acquire the capability to operate in the Indian Ocean in the near future. On the other hand the Indian Navy can seriously obstruct China's SLOCs passing through the Indian Ocean.
- Rapid infrastructure development along the Line of Actual Control by India has greatly mitigated the China threat.
- China has to contend with a hostile local population on its borders. This factor can seriously impinge on PLA operations in its own territory.

## Conclusion

The Chinese military modernisation is a very well thought through plan that has catapulted China on the world stage. It continues to be on schedule as envisaged in the National Defence Paper 2006. It has also put China on the centre stage of international politics and is currently the only emerging challenge to US power. While a large part of the modernisation programme is US centric, its fallout on the region is unmistakable. Its impact on China's disputes with Japan, the South China Sea and Taiwan has been visible in recent years in the form of a growing arrogance, threatening the use of force, diplomatic assertion and even naval standoffs. The 'counter intervention strategy' underway and would counter balance the US as it pivots towards Asia-Pacific. In the near future, China's ambitions to project power in the Indian Ocean will be a reality and they would pose a direct challenge the Indian Navy, which is the other most powerful navy in the region. For India, the Chinese threat is likely to manifest itself in the medium to the long term. It is necessary that India uses the present to develop its military muscle and infrastructure to deter China from exercising the military option.

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## Recent Developments in India-China Relations

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As in previous years China maintained its charm offensive towards India in 2012 and continued to puzzle India's China watchers. New Delhi also reciprocated these gestures in equal measure. However there were also periods of stress and strain. In order to put the issues in perspective, this article highlights the major instances of camaraderie and bonhomie between the two countries. It also underscores some of the irritants that cast their shadows on the bilateral relations. It concludes by analysing the nature of such overtures. The relationship between the two countries needs to be seen in holistic terms because of its complexity and because of the several extraneous factors that impact bilateral relations between the two.

### **The Elusive Border Parleys**

The first major development in the year was the holding of the 15<sup>th</sup> round of Special Representatives talks on the border dispute—the mechanism for which was set up in 2003. The talks were held between India's National Security Advisor Shiv Shankar Menon, and his Chinese counterpart Dai Bingguo, the State Councillor of the People's Republic of China, on January 16 and 17, 2012 in New Delhi. They had been earlier scheduled for November 2011 but were postponed because they coincided with the International Buddhist conference being held in New Delhi at the same time.<sup>1</sup> It is believed that China wanted the Buddhist Conference to be cancelled or postponed, anticipating protests and demonstrations by Tibetans. But it was mutually decided to reschedule the Special Representatives Talks without offsetting the international Buddhist conclave. The decision reflected the maturing of the relationship between the two countries and also its resilience. The two countries, thus, came to terms with the need for mutual accommodation and adjustment which ensured a level of comfort before the commencement of the talks.

In a well-orchestrated and smart diplomatic move the respective embassies in Beijing and Delhi celebrated the inauguration of the new Indian embassy building

in Beijing. While Dai Bingguo attended the function organised at embassy in Beijing; in a similar gesture the National Security Adviser (NSA), Shivshankar Menon participated in the function at the Chinese embassy in New Delhi. Speaking on the occasion Mr Menon was critical of both Indian and Chinese experts who believed that a confrontation between the two countries was inevitable, and said that the political leadership of both countries had over the last three decades, demonstrated the maturity to resolve contentious issues.<sup>2</sup> The NSA's statement, however, should be viewed in the context of the occasion. Making a plea for cooperation between the two countries, he further said that the deepening global economic crisis, which had strengthened protectionist forces in Western markets and the twin impact of the political crisis in West Asia and North Africa on the energy security of India and China, made it imperative for both countries to work together. The Chinese ambassador in India Mr Zhang Yan responded by saying: "Not every country in the world is happy to see India and China growing closer together."<sup>3</sup> Obviously he was alluding to the US efforts to mentor India to balance China.

In yet another gesture of goodwill, China's Special Representative Dai Bingguo, writing in a leading English daily, said that it was not true that China would attempt to "attack India" or "suppress India's development".<sup>4</sup> He further recalled that back in 1988, Deng Xiaoping had told Prime Minister Rajiv Gandhi that no genuine Asia-Pacific century or Asian century would be possible without the economic development of China, India and other Asian countries. He further referred to Prime Minister Dr. Manmohan Singh's observation that when India and China speak in one voice, the world will listen. "These analyses of insight point to the tremendous importance of, and necessity for, China and India developing ourselves well and advancing relations between us." The essence of his argument was that good relations between the two countries would be a win-win for both.

Be that as it may, it was in this seemingly positive atmosphere that the border talks in New Delhi were held. A major outcome of the parleys was the institutionalisation of a Working Mechanism on Consultation and Coordination on India-China Border Affairs to deal with issues relating to encroachments and violations of status quo. A decision in this regard had been taken earlier, during the visit of Premier Wen Jiabao to New Delhi, in December 2010. The decision was reaffirmed during the BRICS summit in Sanya in April 2011, when Prime Minister Dr Manmohan Singh met President Hu Jintao on the sidelines of the meeting.<sup>5</sup> According to the text of the Agreement:

The Working Mechanism will address issues and situations that may arise in the border areas that affect the maintenance of peace and tranquillity and will work actively towards maintaining the friendly atmosphere between the two countries.

It will also "study ways and means to conduct and strengthen exchanges and cooperation between military personnel and establishments of the two sides in

the border areas.”<sup>6</sup> The Working Mechanism thus established presently headed by the joint secretary East Asia, in the Ministry of External Affairs on the Indian side; and a director-general level officer of the Chinese Foreign Ministry along with diplomatic and military officials of the two countries.

China’s top diplomat Dai Bingguo claimed that Sino-Indian ties had made “substantial progress” and had “scaled much height” and “produced some results” on the frame work for settlement of the boundary issue; and that the two countries “can work miracles” together. India’s Special Representative Shivshankar Menon was, however, more circumspect and realistic in his assessment. He said: “The boundary question remains unresolved, and there is no denying that it is a difficult issue... On the settlement itself, we are in the second stage of the three stage process of agreed principles, a frame work and finally a boundary line.”<sup>7</sup> The outcome of the talks was more normative and cosmetic than substantive. It is worthwhile recalling that the Political Parameters and Guiding Principles signed between the two countries in April 2005 envisaged a package settlement of the boundary question. Clause V of the agreement stipulated:

The two sides will take into account, inter alia, historical evidence, national sentiments, practical difficulties and reasonable concerns and sentiments of both sides, and the actual state of border areas.

Clause VI of the agreement significantly stated: “In reaching a boundary settlement, the two sides shall safeguard due interests of their settled populations in the border.”<sup>8</sup>

The Protocol on the CBMS of 2005 further stipulated that the “two sides will facilitate the process of early clarification and confirmation of the alignment of the Line of Actual Control”.<sup>9</sup> However the last 13 years have not seen any significant progress as far as the boundary dispute is concerned.

Be that as it may, the newly constituted border mechanism, held its first meeting on March 5-6, 2012 in Beijing. Gautam Bambawalle, joint secretary (East Asia) led the Indian delegation. The two sides reviewed the situation prevailing in the India-China border areas and noted the adherence by both sides to the various agreements for maintenance of peace and tranquillity. At the same time they stressed on continuing efforts towards maintaining peace and the need for additional confidence building measures between the two sides. They also discussed the possibility of an alternative route for the Kailash Mansarovar Yatra and the inclusion of additional items for border trade at Nathu La Pass in Sikkim.<sup>10</sup>

This clearly demonstrates that nothing very concrete was achieved -except the maintaining of the status quo. There was, however, no major let up in transgressions by the Chinese across the LAC. Replying to a question on March 14, in the Lok Sabha, Smt. Preneet Kaur, the minister of state for external affairs said that on July 13, 2011, a People’s Liberation Army patrol attempted to cross a 200 feet wall of loose stones, 250 metres on Indian side of the LAC in Yangtse area of Tawang, which was prevented by Indian troops. The stone wall was partially

damaged and later reconstructed. As per the established mechanism, a strong protest was lodged with the Chinese side at a Flag meeting.<sup>11</sup> It is, however, true that the two sides did not allow the situation to deteriorate as in the Sumdrchug incident of 1986, when the armies of the two countries came to a virtual stand off. Notwithstanding the official claims of peace and tranquillity on the border, the infrastructure development and the military exercises together with the deployment of missiles also reflects the security dilemma of both countries. The Indian government expressed its concerns in this regard, even on the floor of the House, in response to searching questions by members. Replying to one such question, the government stated that it was aware that China is developing infrastructure in the regions bordering India in the Tibet and Xinjiang Autonomous Regions. This includes the Qinghai-Tibet railway line, which is to be extended up to Xigaze and Nyingchi, as well as the building of roads and airport facilities. The Indian government is responding by prioritising the development of infrastructure in the border areas opposite China, in order to meet strategic and security requirements and also to facilitate the economic development of these areas.<sup>12</sup>

### **Tibet and Arunachal Pradesh Conundrum**

While the border talks did not make any significant progress, the Arunachal Pradesh conundrum resurfaced from time to time. The members of the Tibetan Youth Congress (TYC) protested against the visit of the Chinese delegation led by Mr. Dai Bingguo for border talks. Later during his visit to China to inaugurate the Indian Embassy in Beijing, External Affairs Minister S.M. Krishna told journalists on February 8, 2012: “It is the government of India’s position that the Tibet Autonomous Region is part of the People’s Republic of China, and as a result of that we are dealing the internal affairs of China.” He further said. “Hence we will have to be very cautious, and any help that we can render to ease the tension we are willing to do it, but I don’t think that situation will arise.”<sup>13</sup> Further, the visit of Defence Minister A.K. Antony to Arunachal Pradesh on the occasion of the 25<sup>th</sup> anniversary of statehood of Arunachal Pradesh on February 20, 2012 evoked a strong diplomatic protest from China. On February 25, 2012, the Chinese Foreign office spokesperson made a statement that the Chinese position on the disputed eastern sector of India-China boundary has been consistent and that pending a final resolution, India and China should not undertake any activity in the disputed area that could complicate the problem. New Delhi responded by saying that Arunachal Pradesh is an integral and inalienable part of India, which has been clearly conveyed to the Chinese side. The matter rested there suggesting an understanding between the two countries. It is pertinent to mention here that since 2006 China has begun to raise a new territorial issue by staking its claim over the territory on the eastern sector, from where its forces withdrew in 1962. The Chinese practice of describing Arunachal Pradesh as “Southern Tibet” started only in 2006.<sup>14</sup>

## **South China Sea Imbrolio**

While claims and counter claims on Arunachal Pradesh were not allowed to snowball into a major diplomatic row between the two countries, a major twist in the bilateral relations between the two countries occurred upon India's forays in the South China Sea. This was with regard to ONGC Videsh's (OVL)'s bid to explore for hydrocarbon reserves in the Block 128 after OVL signed an agreement with its Vietnamese counter part in October 2011, during the visit of the Vietnamese president to India. Although India put up a brave face in spite of Chinese protests, it later withdrew from the project, as it was found to be economically unviable. This had previously also been done in the case of Block No.127. The OVL abandoned drilling in Block 128 in Vietnam because of the logistical constraints of anchoring the rig on a hard sea bottom at the proposed drilling location. OVL had acquired two offshore exploration blocks (127 and 128) in Vietnam as Operator with 100 per cent Plunder Production Sharing Contracts (PSCs). A well was drilled in block in 2009 and no hydrocarbon was found. It may be noted that while Vietnam maintains that the two blocks are not part of the dispute as they were well within 200 nautical miles of Vietnam's territory, China's position is that "40 per cent" of the two blocks are within the area-denoted in Chinese maps by a U-shaped line.<sup>15</sup>

Although India maintained that its engagement in the South China Sea is for purely commercial purposes, in some quarters it was perceived as an Indian, tit for tat, for China's infrastructure development in the Pakistan Occupied Kashmir (PoK) and as being part of the USA's strategy for the containment of China.<sup>16</sup> Beijing's strong reaction to India's engagement in South China Sea has not gone down well in the diplomatic and strategic circles of India and it is perceived as yet another instance of China's assertiveness that belies its claims of a peaceful rise and has some what dented China's charm offensive.

## **Agni-5: China's Measured Articulation**

The trust deficit between the two countries became evident when India launched Agni-5 in April 2012. It evoked a studied response from China, interspersed with a grudging acceptance of India's growing military prowess and also its arrogance. The China Daily, the mouth piece of the Chinese government captioned the news of the launch as: 'India successfully test fires Agni-5 missile' without any comment. It however quoted the chief of Defence Research and Development Organisation (DRDO) Mr. Saraswat as saying; "We have done it. Super hit".<sup>17</sup> It further mentioned that the whole of Asia, 70 per cent of Europe and other regions were within the strike range of the missile and that it makes India a part of the select band of countries who possess the technology of Inter-Continental Ballistic Missiles.

But in a smart move, the spokesperson of the Chinese ministry of foreign affairs Liu Wemin, said: "China and India are large nations. We are not competitors

but partners". Taking this a step further, the state owned China Central Television described it as "a historic movement for India and that it shows that India has joined the club of the countries that own ballistic missiles." It then remarked that, "it does not pose a threat in reality".<sup>18</sup>

China's discomfort was, however, manifested by the ultra-nationalist *Global Times*. The title of the article, "India being swept up by missile delusion" betrayed China's consternation. It said that India "is still poor and lags behind in infrastructure construction, but its society is highly supportive of developing nuclear and the West chooses to overlook India's disregard of nuclear and missile control treaties", without citing any such instance. The truth however is that India endured the nuclear apartheid for a fairly long time, in spite of its adherence to accepted norms and good conduct. In a clear message to India the article asserted that even if India has missiles that could reach most parts of China, it will not gain anything by being arrogant in its disputes with China. It further said it would be "unwise for China and India to seek a balance of power by developing missiles and that China and India should develop as friendly a relationship as possible".<sup>19</sup>

### **China's Response to US Defence Secretary Panetta's Visit to India**

The growing strategic proximity between India and the US resonated in the bilateral relationship between India and China in the year, and in turn prompted China to woo India. The visit of US Secretary of Defense, Leon E. Panetta, to India in the first week of June was watched with avid interest by China. The US "rebalancing" towards the Asia-Pacific region which was unveiled earlier, added salience to Beijing's consternation. Elaborating the strategic shift Panetta, while addressing a select gathering at the Institute for Defence Studies and Analyses said that defence cooperation with India was the linchpin of this strategy. Elaborating the strategic convergence between India and US Panetta further added that: "... our defence cooperation is strategic in that we consult and share views on all major regional and international security developments. Our defence policy exchanges are now regular, candid, and invaluable." Referring to the Asia-Pacific region, which has acquired criticality in the context of China's assertive posturing in South China Sea Panetta declared that:

The United States supports Southeast Asian multilateral forums such as the ASEAN defence Ministers Meeting-Plus, or ADMM Plus. These mechanisms will prevent and manage regional tensions...India's voice and involvement in these international forums will be critical.<sup>20</sup>

In deference to China's sensitivities and susceptibility, he said that as the United States and India deepen their defence partnership with each other, they would also seek to strengthen their relations with China. We recognise that China has a critical role to play advancing security and prosperity in this region. The United States welcomes the rise of a strong, prosperous and a successful China that plays a greater role in global affairs.

He further added that the US “respects and enforces the international norms that have governed this region for six decades.” China, however, is not comfortable with the US reasons for courting India and this discomfort was reflected in its media. The Global Times in a news report captioned, ‘Panetta seeks larger role from India’ quoted Wang Dehua, a specialist in South Asian studies at the Shanghai Institute for International Studies, as saying, “It seems that the US is sparing no efforts in forging a semicircle of alliance against China from the South.” This was because Panetta had attended the Shangri-La Dialogue in Singapore and afterwards visited Vietnam and India. In keeping with the spirit of the charm offensive Wang further went on to say, that India however, has its own agenda in the region and wants to pursue an independent foreign policy to protect its national interests. “For example, India has refrained from becoming deeply involved in the South China Sea rows because it viewed any friction with China as going against its fundamental national interests.” This is because, “India’s interests lie in wider economic and cultural cooperation with China. This is China’s opportunity to break up the US intention to contain China.”<sup>21</sup>

### **Meetings on the Margins in New Delhi and at Rio de Janeiro**

In spite of minor irritants, the leaders of the two countries continued to meet on the margins of multilateral summits. The New Delhi BRICS summit, for example, provided one such platform for Prime Minister Dr. Manmohan Singh to exchange notes on bilateral issues with the BRICS leaders. His meeting with the Chinese President Hu Jintao, was watched with avid interest by all concerned. It was, however, a conscious decision on the part of New Delhi not to steal the thunder of the Summit from the bilateral meetings on the sidelines. Over the years, President Hu and Prime Minister Dr. Manmohan have met each other several times and presumably have developed a level of comfort.

Speaking on the sidelines of the meeting, President Hu Jintao stressed that the two countries should maintain high level contacts and seek to increase mutual political trust; the two countries should also expand exchanges between their governments, legislatures, political parties and the military, and strengthen strategic communication through various consultation mechanisms and initiate dialogues on topics, such as, maritime cooperation. He further said that the two sides should enhance practical cooperation for mutual benefit; the two countries should enhance economic policy coordination and cooperate in the fields of infrastructure, information technology, mutual investment and environmental protection. Responding to these sentiments Prime Minister Dr Manmohan Singh said that the India-China relationship is one of the most important bilateral relationships of the 21<sup>st</sup> century. Hu Jintao quoted Prime Minister Dr. Manmohan Singh as saying that India will not team up with other countries against China. This aspect assumes criticality in the backdrop of the US’s prompting of India to “act east”, instead of looking east.

Prime Minister Dr. Manmohan Singh and his Chinese counterpart Wen Jiabao

also met for about 40 minutes on the sidelines of the UN Conference on Sustainable Development and the Rio+20 meeting at Rio de Janeiro on June 21, 2012. This was the thirteenth meeting between the two leaders. They discussed various issues -including the boundary dispute—that have a direct bearing on the relationship between the two countries. In a statement Foreign Secretary Ranjan Mathai said that the defence and strategic dialogue between the two countries should be continued and stepped up.<sup>22</sup> Echoing the sentiment, Wen said that China and India should build political and strategic trust so as to keep bilateral ties on the right track. Noting that the two countries are both large and developing countries, Wen said “The rapid development of both the countries and the steady improvement of their relations have brought huge changes to the world.”<sup>23</sup> Over the last decade, he said, China and India have established and developed a strategic and cooperative partnership, instituted several dialogue mechanisms and maintained peace in the border region. He also spoke of the increasingly frequent people-to-people exchanges and joint efforts made for safeguarding the interests of the developing countries at international forums.

### **Naval CBMs**

The optimism led to a new set of CBMs for a better relationship between the navies of the two countries. The idea was given some shape in March 2012 during the visit of the Chinese foreign minister, Yang Jiechi, to New Delhi prior to the BRICS Summit. The mechanism seeks to involve the coast guards, the navies and the air forces of the two countries against pirates. The modalities are being worked out by a joint group that will involve the two foreign offices, besides the ministries of defence, shipping and oceanography. Earlier an international conference of naval officers from 20 countries was organised by the People’s Liberation Army Navy (PLAN). Chinese officials said they were particularly keen to increase coordination with Indian navy. Geng Yangsheng the spokesperson for the ministry of defence, singled out India and Japan as the two countries with whom China wanted to increase exchanges and strengthen escort mission.<sup>24</sup> As a goodwill gesture a Chinese naval ship made a courtesy visit to Kochi in May 2012 which had been last visited by a Chinese ship during the reign of Zamorin. India reciprocated the gesture by sending an Indian navy ship to Shanghai in June 2012.

### **General Liang Guanglie’s Visit to India**

China’s goodwill overtures were carried another step further when its defence minister General Liang Guanglie offered to visit India, and New Delhi warmly welcomed the idea. General Liang Guanglie arrived in Mumbai from Sri Lanka for a five day visit on September 5, 2012. General Liang Guanglie had visited India earlier in 2005. From Indian side Sharad Pawar was the first defence minister to visit China in July 1993. The visit was a great success, in the sense, that it led to a major Confidence Building Measure (CBM)—the signing of an Agreement

on Maintenance of Peace and Tranquillity along the Line of Actual Control in the India-China Border Area—during the visit of Prime Minister Narasimha Rao to China in September 1993.<sup>25</sup> After the gap of a decade George Fernandes, India's defence minister visited China in April 2003. His visit to China, which took place during the Severe Acute Respiratory Syndrome (SARS) epidemic in China, went a long way towards easing the post-Pokhran tension. This was carried forward by Pranab Mukherjee, in May/June 2006. During his tour Mukherjee visited the sensitive Lanzhou Military Area Command which has the largest physical area of China's seven military regions. Mr. Mukherjee's visit to the headquarters of the Lanzhou Military Command was a significant step taken by China for promoting bilateral trust and confidence on part of China.

It was in this background and in the context of US efforts to forge defence and security ties with India that General Liang Guanglie visited India. It was indeed a smart military diplomatic move to woo India. The major outcome of General Liang Guanglie's visit was, to quote the Chinese foreign ministry spokesperson Hong Lei: "Both sides agreed to push forward China-India relations, step up military-to-military exchanges and work jointly to maintain the momentum of China-India relations."<sup>26</sup> Earlier, India and China held joint military exercises, first in Yunan in China in 2007 and later in 2008 in Belgaon in Karnataka. The next round of joint military exercises are expected to take place some time in early 2013. General Liang's visit was, however, marred by a diplomatic gaffe when he gave Rs. 50,000 each to the two Indian Air Force pilots, who flew him from Mumbai. New Delhi, however, handled the incident very deftly, and made no offensive comments. The relationship between the two countries is so sensitive that the two sides need to be careful of each other's cultural and social mores.

### **The Widening Trade Deficit**

In spite of the charm offensive, the skewed balance of trade between the two countries, is also increasingly becoming an issue of concern in the narrative of the relationship between the two countries. The two countries have so far been avoiding contentious issues and have been focussing on increasing bilateral trade between the two countries which crossed the \$75.4 billion mark in 2011-12 and it is projected to touch reach \$100 billion by 2015 making China India's largest trading partner. But the concern is that India's trade deficit with China in 2011-12 touched almost \$40 billion.<sup>27</sup> This will be unsustainable, unless remedial measures are taken in all earnestness. According to a news analysis: While India has complained of complicated registration procedures for drugs and Chinese reluctance to accept Indian software products, Chinese officials say Indian companies have done far less than their international competitors to establish significant presence in either sector. The report further added: They (the Chinese) say Indian pharmaceutical companies have not been active enough to push their

products and engage with hospitals, while Western technology companies had established a presence in China a decade earlier.<sup>28</sup>

It was against this backdrop that the skewed balance of trade was discussed at the ninth round of the Joint Economic Group (JEG) dialogue in New Delhi on August 27-28, 2012. The Indian team was led by the commerce minister, Anand Sharma, and the Chinese team by the Chinese commerce minister, Chen Deming. A decision was taken at the meeting to establish a joint working group to address all trade related issues, including the widening trade imbalance between the two countries. The group, which will include officials from both countries, has been asked to submit its report within 90 days. It will also look into issues such as the reconciliation and collection of trade data. The seriousness of ballooning trade deficit was articulated by the Indian ambassador in Beijing. While addressing the first ever “India Show” to promote Indian companies in China in October 2012, Dr S. Jaishankar very candidly said that it was becoming “difficult to sustain or defend” the trade deficit between the two countries.<sup>29</sup>

## **Conclusion**

Various analyses of the developing relationship between the two countries suggest that Chinese overtures were guided more by tactical manoeuvring rather than strategic imperatives. Although the border negotiations are confidential, they do not seem to have made any significant progress. True, it is a very complex issue, which is described by A.G. Noorani as “a heady cocktail of history, law, morality, and expediency.”<sup>30</sup> Since the border talks are not yielding any concrete results, the institutional mechanism set up for the management of border affairs management seems more for ensuring that border transgressions are not allowed to escalate into a serious confrontation. The infrastructure development by both the countries across the border and the deployment of missiles, as mentioned earlier, also reflect the persisting security dilemma and trust deficit. This can be discerned from the task force report prepared by a high powered Committee on National Security headed by Ambassador Naresh Chandra, former cabinet secretary to government of India. The report said that India had to be prepared militarily to deal with an “assertive” China even as it seeks to build bridges of cooperation with Beijing. While conceding that there had been some improvement in China-India relations, the report concludes that they are “still clouded in mistrust”. The report goes on to say that: “There is concern about China’s policy of ‘containing’ of India, marked by growing Chinese interest in South Asian countries. China will continue to utilise Pakistan as part of its strategy for containing India in ‘South Asian box’.”<sup>31</sup>

However the fact that China has stopped issuing, the so called stapled visas, to Indian citizens from Jammu and Kashmir is, a positive gesture so far as the Pakistan factor in the bilateral relationship is concerned; but here also Beijing made an issue out of a non-issue and made virtue out of necessity. This also seems to be a tactical move as the Chinese government has not issued any formal

announcement in this respect in deference to Pakistan's sensitivities. To put the issue in proper perspective it may be recalled that the 2003 "Declaration on Principles for Relations and Comprehensive Cooperation between the Republic of India and the People's Republic of China" had envisaged the broadening and deepening of exchanges between the two countries, to help enhance and deepen the mutual understanding and trust between the two armed forces.

The exchanges were suspended in July 2010 after the PLA refused to host the, then head of the Northern Command, Lt. General B.S. Jaswal, on the grounds that he was serving in the 'sensitive' region of Jammu and Kashmir. The refusal was seen as reflecting the increasingly hard-line approach taken by China.

Similarly in the case of the trade issue, too, the institutional mechanisms have not produced the desired results. The fact that the two sides decided to set up a Joint Working Group (JWG) at the recently concluded ninth meeting of the, India-China Joint Group on Economic Relations, Trade, Science and Technology, indicates that such mechanisms have failed to address the issue. It may be recalled that as early as in 2003 a Joint Study Group (JSG) was established after the visit of former prime minister Atal Behari Vajpayee to China in 2003, to examine the potential complementarities between the two countries for expanding trade and economic cooperation. As per its recommendation, a Joint Task Force (JTF) was set up to study the feasibility of an India-China Regional Trading Agreement. The JTF Report was completed in October 2007. There are also Joint Working Groups on Trade, Agriculture and Energy. Also in December, 2010, both countries agreed to set up the India-China Strategic and Economic Dialogue (SED), which met in Beijing in September last year, and again in New Delhi in November 2012. Thus there is no dearth of institutional mechanisms; but for a sustainable trade between the two countries; India needs to negotiate with China with professional rigour and vigour to ensure a sustainable trade regime between the two countries.

China's overtures towards India can be attributed, to a great extent, to US efforts to forge a substantive strategic cooperation with India to counter balance China in the region. America's thrust to Asia-Pacific has given a new thrust with the coinage of the new strategic lexicon "Indo-Pacific". The US Defence Secretary Leone Panetta articulated USA's strategic intent towards India in his address at the Institute for Defence Studies and Analyses said, "... We will expand our military partnership and our presence in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia." While the US on its part, played the China threat card to court India, China also raised the arms race issue to warn India against falling into such a trap. In this geopolitical scenario, India played its cards with great diplomatic finesse. India's redemption, lies in its wisdom of strategic autonomy. India can deal with China only from a position of strength. Its economy must grow, its house must be put in order, its defence preparedness beefed up and at the same time its institutional and dialogue mechanism with China be made more robust; its diplomats, bureaucrats and even

scholars at the think-tanks need to be more proactive, thoughtful and mindful of crafting a win-win situation with its mighty neighbour.

The India-China relationship is not necessarily adversarial although there is great rivalry and various irreconcilable issues between the two countries. The two, not only have diverging political systems, but both are also competing for the same resources, markets and diplomatic space, regionally and globally. These factors need to be calibrated imaginatively. The relationship between the two countries has acquired a dynamism and resilience of its own. If China really wants to forge strategic partnership with India it must move from tactical manoeuvring towards developing a true strategic partnership in terms of equality, and not as a senior partner.

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# Emerging Powers: China and India in BRICS

*Jagannath P. Panda*

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## **Introduction**

The BRICS (Brazil-Russia-India-China-South Africa) construct has been subjected much scrutiny as to whether it really does have a multilateral foundation and whether it will become a leading body in global politics. Yet, the emergence of BRICS as a “premier” economic and political forum for addressing various global governance issues and politico-security concerns has been one of the principal multilateral experiments in current global politics. The distinctive aspects of the BRICS in the current global politics are: it is not only about the spectrum of “emerging powers”, but also explains a “new wave” of multilateral practice, which is cross-continental in character and is based on “multipolar” world politics. Besides, the China-India association within BRICS also suggests that a new mode of engagement is emerging in world politics, where adversaries can be part of a multilateral forum for common concerns. This is important when the North-South divide continues to persist, and the emerging powers still find it difficult to make their presence count in world politics.

This paper proposes to evaluate the relevance of BRICS as a multilateral entity within the current global security and political architecture. It discusses the strengths and weakness of the BRICS as a multilateral entity, as well as how the emerging powers, mainly China and India, use BRICS as a multilateral platform to further their common agendas vis-à-vis maximize their individual global strategic interests. The paper studies the rise of the BRICS in the current North-South divide, and traces its evolution from a Western investment concept to a strong Southern representative force in global politics. It traces the on going shift in the global order, where the US and EU are under immense pressure. The paper argues that while the rise and progress of BRICS is an interesting political development of the 21st-century multi-polar world order and indicates the power transition from North to South, the influence of the BRICS in shaping various global security

and governance phenomena will heavily depend upon the unity of the emerging powers and their constituent dialogue. This will mainly depend upon how the two main constituent members—China and India—accommodate each other's global interests. Though Russia is also an important country that will remain central to the rise of the BRICS; still it will be the politics that both China and India decide to play, that will increasingly shape the future of the BRICS, and the rest of the global politics.

## The Phenomenon of BRICS

At a basic level, the uniqueness of BRICS lies in the “emerging powers” dialogue; and more aptly in the “developing world” thesis in the North-South divide.<sup>1</sup> The “emerging powers” dialogue is comparatively new in the world multipolar politics. The “emerging powers” spectrum spans the whole gamut of: economics to politics; developing-world power politics and most notably, the “emerging” powers that are vital to the various decision-making processes in world politics. Fundamentally, “emerging powers” signify the rising influence—political, economic and strategic—of a set of nations in global affairs.<sup>2</sup>

A suitable academic definition of “emerging powers” is still a matter of debate, which allows us to situate it within both the political and economic spheres. BRICS represents the emerging powers phenomenon more clearly than anything else. In fact, BRICS is a symbol of the global political influence exercised by a combination of developing or newly industrialised and emerging countries. In actual terms, the dynamism of the BRICS is defined by their collective strength in terms of population, resources, combined nominal GDP and foreign exchange reserves.

The term BRICS was officially coined by Goldman Sachs, in 2003 (originally a 2001 conception) in its report *Dreaming with BRICS: the Path to 2050*, according to which the collective output of the BRIC (excluding South Africa) would overtake that of the G-7 economies in US dollar terms in less than 40 years.<sup>3</sup> While this forecast generated great hopes about the scope and prospect of the BRICS in world politics, the strength of the BRICS lies in its resources and financial numbers which put it in a different league. The BRICS countries account for three billion people, i.e. almost 43 per cent of the global population (see the table in the map).<sup>4</sup> They have an approximate \$4 trillion in foreign reserves, and a total GDP of \$13.7 trillion, which figures focus the limelight on the BRICS as a unit. It is estimated that BRICS as a whole account for almost 18 per cent of the world economic aggregate,<sup>5</sup> which is a substantial amount for various global financial reforms. These figures and aspects are the real strengths of the BRICS. It is also computed that by the year 2015, the total GDP of the BRICS will increase to almost 23 per cent of the world total, and will rise to almost 31 per cent by the year 2020.<sup>6</sup> The map with the table in this essay depicts the dynamism of BRICS as a collective unit.

The strength of BRICS also lies in its land and natural resources. China has

## BRICS at a Glance



Countries	Brazil	Russia	India	China	South Africa
Total Area (geography)	5 <sup>th</sup> Largest Country in the world	Largest Country in world	7 <sup>th</sup> Largest Country in the world	3 <sup>rd</sup> Largest Country in the world	25 <sup>th</sup> Largest Country in the world
Population (approximately)	190 million	141.8 million	1.22 billion	1.3 billion	50.5 million
GDP in PPP	7 <sup>th</sup> Largest	6 <sup>th</sup> Largest	3 <sup>rd</sup> Largest	2 <sup>nd</sup> Largest	25 <sup>th</sup> Largest

(Sources: Data's and Figures are mainly collected from open news sources, and from the CIA World Fact Books, International Monetary Fund (IMF), the World Bank websites, worldpopulationreview.com and the indiaonlinepages.com. The figures are in approximate terms)

the record of being the third-largest country in terms of land size, after Russia and Canada.<sup>7</sup> Besides, Russia and China at the global forefront in terms of natural or energy resources. While China has almost 12 per cent of the global mineral reserves; Russia holds almost 20 per cent of the global oil and gas reserves.<sup>8</sup> Brazil is the fifth-largest country in world,<sup>9</sup> and India has world's second-largest population. India is also a strong services provider with a rising manufacturing base. South Africa generates almost 45 per cent of Africa's total electricity.<sup>10</sup> However, more than these facts and figures, it is the rise and influence of the BRICS as an economic and political unit that makes this cross-regional multilateral grouping so influential. It has representation from almost all continents. According to the Sanya Declaration (2011) of the BRICS summit in China:

It is the overarching objective and strong shared desire for peace, security, development and cooperation that brought together BRICS countries with a total population of nearly 3 billion from different countries. BRICS aims at contributing significantly to the development of humanity and establishing a more equitable and fair world.<sup>11</sup>

BRICS is primarily a multilateral bonding of emerging economies. But what is really appealing is the level of political influence that makes the BRICS as a forum to address various global governance and political-security issues. The collective economic strength of BRICS puts this cross-continental forum in a different league. Goldman Sachs reported in *Dreaming with BRICS: the Path to 2050* (2003) that the "famous four" will outshine the G-7 economies in US dollar terms in less than 40 years. Since then the BRICS grouping has rapidly evolved into a tried and tested multilateral grouping; from being BRIC to BRICS with the inclusion of South Africa to exert immense pressure over the developed economies in the global financial bodies. The rising pre-eminence of the South, mainly the BRICS countries, has started to exert pressure on the North and the Western countries. There is now a stronger call for "better representation of the Southern values and interests". Issues of global governance, social justice, accountability and legitimacy of international financial decision-making call for massive reform and change.<sup>12</sup> One of the main goals of BRICS is to check the dominance of the USA and the West in global financial institutions like the IMF, World Bank and the WTO, and seek better voting rights for emerging economies. BRICS is also taking a strong position on various sensitive global security and political issues which place this multilateral grouping as a striking one in global politics.

### **Yekaterinburg to the New Delhi BRICS Summit: The Progressive Politics**

The evolution, influence and significance of BRICS in political terms have been quite impressive so far. The first BRIC summit was held on June 16, 2009 at Yekaterinburg in Russia. This summit was more focussed on economics, with its

central issue being the global financial crisis, and how the BRIC countries could benefit by expanding inter-se trade and financial cooperation. The main slogan of this summit was the reform of the global financial institutions. The deliberations at the summit were concentrated on expanding and protecting the interests of developing countries.<sup>13</sup> The summit did not discuss political issues at length. The discussions at the Yekaterinburg (Russia) were about the: (a) potential role and importance of the G-20; (b) global financial crisis; (c) sustainable development; (d) the weight of the UN. The second summit in Brazil however, discussed global socio-political issues quite comprehensively.<sup>14</sup> The Brasilia Summit in 2010 discussed global governance issues at length and sought the all inclusive reform of global financial institutions. The 2010 Brasilia summit discussed the situation in Haiti, but also other sensitive global issues like terrorism and climate change that has been heavily politicised. Overall, the first two summit indicated that BRIC(S) as a grouping was moving rapidly towards some sort of “institutionalisation”.<sup>15</sup> Some even called it an “effectively working body, even if it has not been institutionalised”.<sup>16</sup> The third BRICS summit at Sanya and the fourth summit in New Delhi took BRICS to the next level. After the first two summits, the mandate of BRICS expanded gradually to three continents after the formal inclusion of South Africa into this grouping as the fifth member.

### *The Sanya Summit*

The Sanya summit was strategically important because: (a) with South Africa's debut as a new member the grouping went from BRIC to BRICS; (b) it gathered support for Russia's entry into the WTO; and (c) it also initiated the concept of strong inter-se trade and the cutting out of unstable globally convertible currencies. The most significant development during the Sanya summit was the inclusion of South Africa for which China lobbied hard. Though, it was believed that the South African economy was not really at par with other BRIC members, but the Chinese were categorical in bringing this African country into the BRICS to generate the rise and influence of this multilateral grouping in African continent, making BRICS a more comprehensive one. Besides, most probably, the Chinese plan was to bring South Africa into BRICS to offset the importance of IBSA which links South Africa with Brazil and India. More importantly, the Sanya summit also underlined the growing Chinese seriousness to project BRICS as a credible alternative to the Western-dominated global financial system. It also witnessed Russia's growing clout in its global posture. Therefore, BRICS collectively supported Russia's immediate inclusion into the WTO which it had been denied by the West for political reasons. There was consensus at the summit that Russia's entry into the WTO would enhance the global multilateral trading system. With Russia's entry to the WTO, the clout of BRICS vis-à-vis developing economies in global financial bodies has increased substantially.<sup>17</sup>

### *The New Delhi Summit*

The New Delhi BRICS summit marked the political and economic influence of the BRICS as a multilateral grouping. It indicated that the BRICS was getting institutionalised in the cross-continental and North-South divide. The “Delhi Declaration” carried BRICS agenda much further than the previous declarations. It not only talked about the BRICS taking a lead in the global decision-making process but also indicated the vitality of the BRICS in the global financial architecture and political set-up.<sup>18</sup> The hallmark of the “Delhi Declaration” was its overarching theme of *BRICS Partnership for Global Stability, Security and Prosperity*.<sup>19</sup>

The New Delhi summit was categorical regarding the enhanced presence and influence of the developing world in economic and political forums. For instance, it called for the comprehensive reform of global financial bodies like the IMF and the World Bank.<sup>20</sup> It expressed its concerns over the “slow pace of quota and governance reform in the IMF” and called for urgent action in the matter. It sought a thorough review of the quota formula to facilitate the representation of emerging markets by January 2013; and a general quota review by 2014.<sup>21</sup> It sought the reform of the World Bank and a greater focus on the mobilisation of resources and for innovative methods to improve its governance process. It also urged that the heads of the IMF and World Bank must be selected “through an open and merit-based process”, and pushed for a developing-world candidate for the World Bank’s presidency.<sup>22</sup> It also wanted the World Bank to be a “multilateral institution” which could be effective as a channel for global political and economic dealings. The declaration urged that the World Bank should go beyond the limits of North-South cooperation and be a conduit of communication for global governance. This declaration indicated that the developing world’s pressure on the US and Europe will continue further in this regard.

The most vital outcome of the New Delhi BRICS summit was the signing of the pact to reduce the demand for fully convertible currencies within the BRICS countries to reduce the importance of the US dollar in the world market.<sup>23</sup> Politically, this is a significant development that not only indicates the declining influence of the Western economy but also shows how the emerging economies are uniting and exerting pressure on the developed economies. The summit referred to the establishing of the developmental banks of the BRICS countries, which could take up a first call to formalise and establish a broad understanding: (a) for extending credit facility in local currency; and (b) the multilateral letter of credit confirmation facility agreement. The proposal to extend credit facilities in local currency will directly help in reducing the overall transaction costs; as will the credit confirmation facility. The current intra-BRICS trade is almost \$230 billion and it is expected that the figure will rise to \$500 billion by 2015.<sup>24</sup> These figures may appear ambitious, given the political differences within the BRICS; yet, these remain key for checking the pre-eminence of the American dollar in the world

market.<sup>25</sup> All these summit outcomes suggest that there are many opportunities for the BRICS to cooperate.

### **Shaping the Global Political and Security Course?**

Politically, the BRICS members may find it challenging to build a consensus on sensitive issues as they have different political systems, distinct global objectives and social diversities. Differing political and foreign policy interests also drive them apart. Yet, the New Delhi summit did indicate that the difference of opinion does not always stem from the differences of perception on important global strategic and political issues.<sup>26</sup> The New Delhi BRICS summit discussed issues like Iran and Syria which are not only sensitive global strategic issues but also talked about the G-20 and the UN reform—issues on which the BRICS member countries have different views and visions.

#### *Position on Iran*

The deliberations at the New Delhi summit on the Iran issue put pressure on the USA and served as a reminder that the USA cannot act unilaterally on the issue. The BRICS made it clear that US pressure would not induce them to change their relationship with Iran. In brief, while the summit called for “a diplomatic solution” to the Iranian crisis, it cautioned that the crisis should not be allowed to “escalate”. Keeping in view the potential military threat to Iran from the USA and Israel, the New Delhi BRICS summit not only reiterated the need for peaceful negotiations on the issue, but also the right of Iran to pursue peaceful nuclear energy.

#### *Approaching Conflict Resolution*

The Delhi Declaration also touched upon the security issues in the Middle East and North Africa; and most notably on the conflict resolution process. On the Arab-Israel conflict, the BRICS stated that there is a need to settle the conflict in accordance with a “recognised international legal framework including the relevant UN resolutions, the Madrid principles and the Arab peace initiative”.<sup>27</sup> It also firmly called for the “greater involvement” of the UN Security Council to resolve the Israeli-Palestinian conflict. With regard to Syria, BRICS also collectively expressed the view that a solution to the crisis lies in “dialogue”. It called for a Syrian-led “inclusive political process”, with the help of the UN and Arab League. BRICS categorically opposed any sort of “military intervention” in Iran and Syria. The significance and the role of the UN for resolving conflicts was emphasised, as also for addressing sensitive and urgent issues like terrorism. The Delhi Declaration explicitly stated: “...United Nations has a central role in coordinating international action against terrorism, within the framework of the UN Charter and in accordance with principles and norms of international law”.<sup>28</sup>

### *Role of G-20*

The BRICS has consistently emphasised the importance of G-20 in global economic architecture. While the Yekaterinburg summit acknowledged the central role of G-20 summits for dealing with the global financial crisis, the Brasilia Summit highlighted the G-20 members' contribution to IMF resources. The Sanya declaration also sought a bigger role and scope for the G-20 countries in global economic governance. The New Delhi summit too highlighted the "primary role of the G-20 as a premier forum" for greater global economic cooperation. There are indications that the cooperation between the BRICS and G-20 will expand gradually. Just ahead of the G-20 meeting in Los Cabos, the BRICS leaders pointed out that there is a dire need to increase the resource base for the Multilateral Development Banks in order to maximise programmes for infrastructural development and social sector advancements in developing countries.<sup>29</sup>

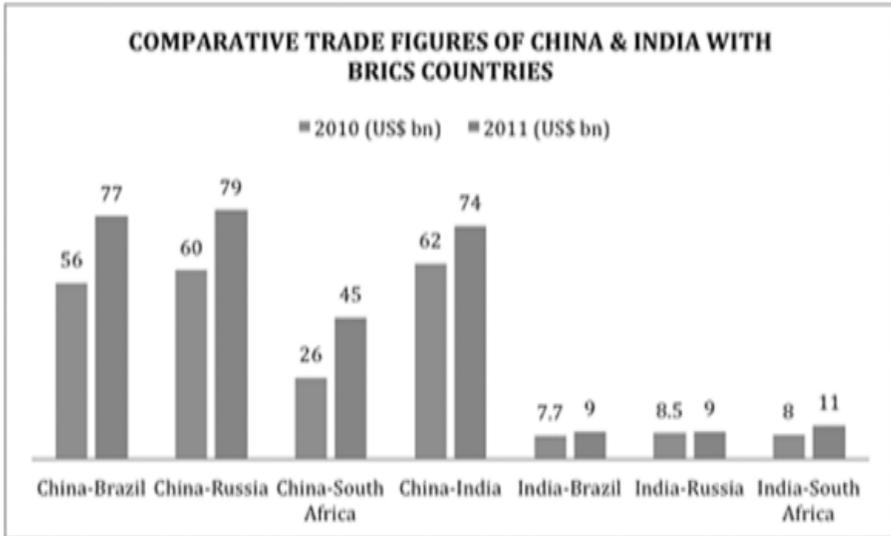
The common understanding in BRICS on such issues is a huge political statement, which has direct implications for global politics. First, it raises the hope in both Iran and Syria that there are influential groupings and powers, which support their cause and interests, and favour a non-interventionist approach. Second, the collective stance by the BRICS indicated that the US should propose and follow diplomatic procedures and focus on dialogue rather than unilateral action. Third, the BRICS consensus on Iran and Syria indicates that it is possible to have convergence on foreign policy issues even if the BRICS members' foreign policy objectives and interests may not otherwise be the same. Fourth, that the BRICS is not entirely an economic entity; it carries a certain political clout that is central to the current global political outlook.

### **Intra-BRICS Politics: China's Distinction**

Intra-BRICS coordination, however, still remains weak. For example, Russia's good relations with India raise suspicions in China.<sup>30</sup> Similarly, India and Brazil have set their eyes on permanent membership of the United Nations Security Council (UNSC), while China and Russia are opposed to it. India is very often seen as a pro-USA country by the Russian and the Chinese.

Differences exist within and outside the BRICS. Yet, among the progressive trajectories of BRICS, much will depend upon the approach of the two largest economies of the grouping—China and India. The Chinese economy is number one within BRICS, and number two at the global level.<sup>31</sup> It is the "structural position" of Chinese economy in the world that makes Beijing a pre-eminent and attractive power.<sup>32</sup> China is much ahead of India in its bilateral trade dealings with Russia, Brazil and South Africa (see chart). China's global ambitions are also an important issue.

Broadly speaking, China's attitude towards the BRICS is largely a part and parcel of its open and constructive foreign policy. The Chinese outlook towards the BRICS is tied with its foreign relations strategy of establishing not only alliance



*Note:* Figures are approximate. Data and information collected from various sources like *China Daily*, *Xinhua*, *The Hindu*, *Ministry of External Affairs of India*, *NPR*, etc.

among emerging economies but also forming networks across the continents, so that the prominence of the USA in global politics can be restricted to an extent. The Chinese Communist Party (CCP) over the years has shown great maturity in its foreign relations strategy, and has gone beyond Asia to achieve its foreign policy goals and objectives. China has grown rapidly to integrate with the new global multilateralism. Many Chinese scholars underscore two vital trends in the rising multi-polar world order: first, integration of the global economy, trade and finance; second, multi-polarisation in politics and international relations.<sup>33</sup> Both these trends are clearly visible in the BRICS. In the Chinese perspective, the influence and dominance of the US has relatively decreased with the rise of the BRICS.<sup>34</sup> With the rise of BRICS, the American authoritative control over the WTO, IMF and the World Bank has also been significantly eroded.<sup>35</sup>

Recently, the Chinese have been concerned about Obama's Asia-Pacific policy and also the Trans-Pacific Partnership (TPP) whereby the Americans are trying to build their economic clout in Asia.<sup>36</sup> The Chinese strategy is to ensure not only their own supremacy in Asia, but also to establish a range of relationships across continents which will be beneficial for Chinese economy and China's global objectives. As a result, there is a growing seriousness in China's approach towards the BRICS. For China, the rise of the BRICS represents a historic opportunity in the new global multilateral politics. In the view of many Chinese, the BRICS brings about "issue-based alliances" in the rapidly changing multipolar world politics. Scholars argue there is broad agreement on issues like climate change, nuclear security; non-proliferation and global financial reform, in line individual national interests.<sup>37</sup> China plans to use the BRICS as a platform to promote the

Chinese RMB (yuan) as a world currency. No matter how much the Chinese experts deny this, there is a concentrated attempt by the Chinese global strategists to promote the RMB as a world currency. Chinese experts believe that, “if the RMB turns out to be convertible international currency by 2025-2030, undoubtedly the role of the RMB will grow as a contributor of the global capital chain”.<sup>38</sup> This rising clout of the RMB in world markets will exert pressure on the Western currencies, particularly the US dollar, to accommodate Chinese global financial and market interests.<sup>39</sup>

Besides, data and figures suggest that China is no longer known as a country of “low-cost labour phenomenon”. Personal consumption in that country has risen by \$1.5 trillion between 2001 and 2011. The Chinese people’s overall income and spending has also gone up.<sup>40</sup> While foreign reserve currency is one of main strengths of BRICS, China alone held more than \$3 trillion in foreign exchange reserves by mid-2011, which is close to 50 per cent of China’s GDP, a ratio that no other country is even close to.<sup>41</sup> The Chinese economy will continue to overshadow other economies in BRICS.<sup>42</sup> This generates scepticism about China’s interest in BRICS, whether Beijing would stick with the developing world in the future.

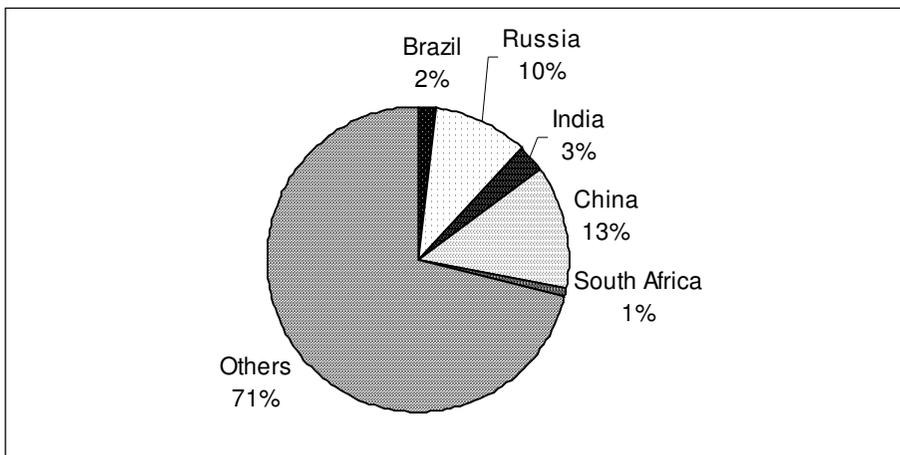
China is also sure that there can never be any credible alliance with India within the BRICS, as both China and India differ in their foreign policy strategies, global aims and objectives. In fact, it is widely believed that the China-India bonding within the BRICS structure is an ad-hoc multilateral arrangement. The “Chindia” sentiment remains weak, and is not really credible enough to counter the Western or European sentiment in global financial bodies. In fact, both China and India are more interested in engaging with the USA and Europe at the individual level than with each other.<sup>43</sup> At the global level, China and India are not compatible and both are uncomfortable about each other’s competitive strategy.<sup>44</sup> Therefore, the future of the BRICS will heavily depend upon how China and India conduct their foreign policy both within the BRICS and outside, mostly in cross-continental politics where their interests clash with each other.

### **Balancing the Divide?**

The success of the BRICS in pressurising the USA vis-à-vis Western dominance in the global financial institutions is clearly evident. For instance, the new World Bank President, Jim Yong Kim, appears to be a moderate person. If the BRICS campaign for a fairer quota system in the international financial institutions succeeds, it will almost make China the third largest voting member of the IMF.<sup>45</sup> While BRICS economies are still concerned about their voting rights and currency status in the global financial bodies, the EU is also taking note of the rising clout of the BRICS powers in global politics and economics. As Catherine Ashton notes, “What matters is that the economic clout is translated into political clout, into self-confidence and ambition for the role that can be played.”<sup>46</sup> Both the USA and EU are on the current radar of the BRICS, but the EU is seen as relatively

less of a rival and more as an opportunity, whereas the USA is principally seen as being adversarial to BRICS global interests. As a result, both the EU and BRICS are interested in cooperating and interacting with each other in larger terms, though there are few areas of discomfort that still need to be addressed from both sides.

Broadly speaking, with almost \$4 trillion in joint reserves, BRICS collectively has the capacity to bail the EU out of the Euro crisis, mainly by helping the PIIGS countries—Portugal, Ireland, Italy, Greece and Spain.<sup>47</sup> Among the BRICS countries, Brazil has shown much interest in helping the EU to come out of the crisis for a better share for emerging economies in the World Bank.<sup>48</sup> The main proposition is to increase the emerging markets' assets in Euros.



Source: [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113366.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113366.pdf)

The EU economy is not only the world's biggest economy, but also has a huge trade share with both the global economy and individual BRICS countries (see chart). The EU is China's largest export market and one of the top contributors to the IMF. Equally, the EU's biggest challenge in terms of its trade policy comes from China. The China-EU trade connection has increased rapidly, and importantly, China remains the second-largest trading partner of the EU after the USA. The EU open market economy is one of the largest contributors to China's export-led growth. Despite this massive trade and economic engagement, the prime concern for the EU is to convince the Chinese to trade fairly, accept the Intellectual Property Rights (IPR) regime, and follow WTO norms and regulations.

The EU's approach to the BRICS consists of a double-track strategy. On the one hand, it has shown much interest in establishing institutional linkages with BRICS; while on the other, it has established bilateral contacts with the individual BRICS countries.<sup>49</sup> While many stress on the liberalising of trade with the BRICS countries, others believe that the EU should carefully monitor the progress and strength of the BRICS, and enter into a formal dialogue and bonding. In this

process, China and India have been accorded a lot of importance. The whole of Europe has been welcoming key leaders from the BRICS nations and establishing relations with the BRICS, for help in its own debt crisis. At the bilateral level, the EU strategy has been to hold summits with individual BRICS countries. The EU-South Africa summit and the EU-Brazil summit in 2011, and the EU-India summit and the EU-China summit of 2012 are clear examples of the EU approach to individual BRICS countries.

The EU's "strategic partnership" with the individual BRICS countries is, however, the most inconsistent of the EU's approaches towards the BRICS countries.<sup>50</sup> Most of these "strategic partnerships" revolve around annual summits, joint action plans and other dialogue mechanisms, including the high-level economic and trade dialogues. Yet, there is no uniformity of approach, and there are stark differences in EU's approach to the various BRICS countries.<sup>51</sup> For example, the Russia-EU relationship is based on frequent summits and dialogue, but the EU's dialogue with India has taken off only recently. The EU-China "strategic partnership" has huge differences and political conflicts, but they have the largest economic dealings with each other. The EU-China summit consists of the High-Level Economic and Trade Dialogue, the Strategic Dialogue and other dialogue mechanisms.<sup>52</sup>

Given the economic clout of the BRICS, the EU needs to urgently decide whether to adopt an institutional approach or an individual approach to promote greater EU-BRICS interaction. No matter how much the political and strategic contradiction between the BRICS members are highlighted by the West or the EU, the reality is that the BRICS has emerged and is slowly becoming more institutionalised. Its "Delhi action plan" is quite comprehensive and futuristic, which signals that the emerging economies are the new vital forces of the global politics.<sup>53</sup>

## **Conclusion**

According to critics the BRICS momentum has not really been sustainable. It is argued that despite of the rise of the BRICS economies, the emerging markets have not been successful in gaining the momentum for sustaining the growth.<sup>54</sup> Yet, these are short term assessments, based only on data and figures. The BRICS as a grouping has not only been emerging, but most of the BRICS economies are on the ascendant. Besides, not to forget that most of the world economies still looks towards the BRICS, as for example the growing Chinese and Indian economies where both the USA and the European economies and markets are deeply entrenched. Despite the world economic crisis, the Chinese and Indian economies did not really struggle like Western economies; but have continued to grow, and that has been a reference point for many countries. This indicates that the BRICS is the new flavour of the world structural economy and a shift from the developed to the developing world is taking place.

The current trajectory of the BRICS is southward. Mexico is being considered seriously for the membership of the BRICS. Many indications suggests that the future expansion plans include new representation from the Middle East, with Egypt probably joining the grouping; this will have undoubtedly much bigger representations across the continents and in the spectrum of North-South divide. There is optimism that BRICS have a shared vision for inclusive growth and prosperity in global politics through the South-South dialogue. But this requires a proper institutional mechanism and a non-confrontational approach among its members. It is currently acting more as a “pressure group” in order to maximise its claim over the developing world.<sup>55</sup> The very existence and rapid rise of BRICS is a constant reminder of the declining supremacy of the USA, indicating that an order in power and credence shift is underway currently at the broader global level.

From India’s perspective, New Delhi must analyse the potential of the BRICS, and prepare for a constructive partaking in the BRICS. The main aim for India should be to maximise its interests at the IMF, WTO and World Bank. Issues like climate change, terrorism and the UNSC permanent membership should be thoroughly discussed in the BRICS platform, to protect India’s interests at the global level. Diplomatic initiatives and networking with the BRICS members must be undertaken. India should focus on the economic aspect within BRICS, and avoid getting side tracked by politics or global political issues which has been the Chinese strategy.

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# Southeast and East Asia

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## Developments in the South China Sea

*Sarabjeet Singh Parmar*

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Over the past two decades—especially the last two years—the developments in the South China Sea reflect the growing regional strategic and diplomatic conundrum. Nationalistic stances on sovereignty issues; China’s rise and growing assertiveness; the US rebalancing strategy; ASEAN’s inability to forge an acceptable Code of Conduct and the spurt in military modernisation are issues that are heightening tensions in the area.

The differing viewpoints on bilateralism and multilateralism and the clashing claims of China and the South East Asian countries lie at the heart of the disputes. The US presence which is generally seen as a stabilising factor is viewed by China as the main impediment to a solution that has to be worked out by the nations concerned. This paper looks at issues that have impacted the region’s stability and examines the ASEAN-China relationship with respect to the Code of Conduct; military developments with a focus on Vietnam and the Philippines and the US-China equation.

### **ASEAN-China and the Code of Conduct**

At 45 ASEAN is in the midst of a ‘midlife crisis’ with respect to the South China sea disputes. The main difficulty lies in the laying down of a Code of Conduct that will ensure the peaceful settlement of the disputes simmering in the region. The challenge before ASEAN, according to an analyst is:

Historically, ASEAN has pursued a policy of neutrality, as evinced in the Declaration of the Zone of Peace, Freedom and Neutrality (ZOPFAN) in 1971, which placed great emphasis on maintaining equidistance with the big powers. Since the end of the Cold War the role of ASEAN has shifted from a reticent passenger to an active driver initiating dialogue relations and economic partnerships with the key powers from the United States to China, India and Russia, culminating with the East Asia Summit (ASEAN plus Eight) in 2011. ASEAN has also taken and stated positions on global issues while abstaining from involvement in disputes between major powers.<sup>1</sup>

However, the ASEAN has been unable to arrive at an agreement on the South China Sea issue although the Treaty of Amity and Cooperation in Southeast Asia (TAC)<sup>2</sup> concluded in 1976 was envisaged as a binding and legal document to steer the concerned parties towards the peaceful settlement of disputes. This is mainly due to the 'non negotiable' positions taken by the countries involved, over the issues of sovereignty and national interests. However, the discussions at the time of forging this treaty could not have foreseen the Chinese approach and the US involvement as it stands today.

"The TAC has remained relevant in two particular ways. First, it has in recent years been signed by non-ASEAN members keen to deepen their relations with the association. Significantly, China became the first non-ASEAN nation to sign the TAC in 2003, thereby seeking to indicate its accommodative foreign policy toward the Southeast Asian states. Secondly, the TAC is at the core of ASEAN's attempt at establishing a security community in Southeast Asia".<sup>3</sup>

However, the growing assertiveness of nations and the Chinese adoption of the Law on the Territorial Sea and Contiguous Zone<sup>4</sup> on February 25, 1992 could have resulted in ASEAN adopting a joint stance on the South China Sea dispute in the ASEAN Declaration on the South China Sea<sup>5</sup> signed in Manila in July 1992. The 24th meeting of the Standing Committee of the National People's Congress passed the Law on the Territorial Sea and Contiguous Zone on February 25, 1992. This law enables China to exercise sovereignty over its territorial sea, control over its contiguous zone, and safeguard its security as well as its maritime rights and interests. The ASEAN Declaration on the South China Sea signed in Manila in July 1992 recognised that the South China Sea issue involved the sensitive issues of sovereignty and jurisdiction of the parties directly concerned and called on the parties concerned to settle their disputes by peaceful means, exercise restraint and abide by the principles enshrined in the TAC as a framework for establishing a Code of Conduct in the South China Sea.

Following the Mischief Reef incident<sup>6</sup> in February 1995 in which China confronted an ASEAN nation for the second time, China and the Philippines embarked on a series of bilateral dialogues and in August 1995 agreed on an 8 point Code of Conduct (Annexure 1 of this paper<sup>7</sup>) on the South China Sea.<sup>8</sup> Subsequently during the fourth bilateral consultative dialogue between Vietnam and the Philippines in October 1995 a 9 point Code of Conduct based on basic principles elucidated in the statement post the consultative dialogue (Annexure 2 of this paper) was adopted.<sup>9</sup> The reaction of ASEAN to the Mischief Reef incident apparently took the Chinese by surprise and China clearly had to do a bit of a back track and considered cooperation with ASEAN on 'mutually beneficial projects'.<sup>10</sup> Post the Mischief Reef incident ASEAN took the initiative and sought to put in place a Code of Conduct to prevent disputes from escalating into conflicts. This was agreed upon at the ASEAN Ministerial Meeting held at Jakarta from July 21 to 27, 1996 and it sought to establish a basis for better understanding and stability in the region.<sup>11</sup>

Sensing that a Code of Conduct would eventually become a focal point in the South China Sea Dispute, China on May 15, 1996, as a follow up of its Law on the Territorial Sea and Contiguous Zone, made a declaration announcing its baselines for delineating its territorial sea adjacent to the mainland; and the territorial sea adjacent to 'its Xisha (Paracel) Islands'.<sup>12</sup> Interestingly the last line of the declaration stated that, "The Government of the People's Republic of China will announce the remaining baselines of the territorial sea of the People's Republic of China at another time".<sup>13</sup> This left China with a window to later extend its claims, to encompass its 1950 claim on the Spratly Islands; which was submitted as the 9 dash line on May 7, 2009.

An ASEAN Code of Conduct for the South China Sea was drafted by the Philippines and Vietnam (both nations were tasked by the ASEAN regional forum in March 1999 to draft a Code of Conduct), for the ASEAN meeting in November 1999. This draft faced some opposition when it was first discussed by senior ASEAN officials at a meeting in July 1999 prior to the ASEAN summit in November 1999. Malaysia had strongly objected as the Code was viewed as too legalistic and too much like a treaty.<sup>14</sup> Subsequently, the scope of the Code was increased, on the insistence of Vietnam, to include the Paracel and Spratly Islands. The Chinese rejected this draft even though there was a consensus that such an agreement was in the best interests of regional stability following which China accepted that further negotiations were desirable.<sup>15</sup> The Chinese rejection seems to have stemmed from the fact that both Vietnam and the Philippines, supported by the US, were most vocal in their protests against Chinese claims and conduct and were therefore viewed by Beijing as its main antagonists.

The Chinese objections to the proposed Code of Conduct were: firstly, that its scope was intended to support the other nations' 'illegal occupation' of Chinese territory, especially as China had claimed the Paracels and the Spratlys as sovereign Chinese territory in their declarations of 1992 and 1996. Secondly, the disputes were bilateral issues not requiring discussions at a multilateral forum, which indicated that China was reluctant to discuss such issues on the ASEAN platform. This was also made clear seen prior to the ASEAN foreign ministers meeting in July 2012 wherein China's foreign ministry spokesperson clearly stated in a press conference that:<sup>16</sup>

The South China Sea issue is not an issue between China and ASEAN, but one between China and some ASEAN countries. The series of foreign ministers' meetings of the ASEAN regional forum are an important platform to boost mutual trust and deepen cooperation among relevant countries, not a proper venue to discuss the South China Sea issue... China is ready to peacefully resolve the South China Sea disputes through dialogue and negotiation with countries directly involved.

In comparison the Chinese draft Code of Conduct presented in October 1999 in response to the proposed ASEAN Code of Conduct was tilted in favour of Chinese national interests, which was not at all surprising. However, there were

also some common principles including the peaceful settlement of disputes without use of force or the threat of use of force. The four main points of divergence in the two drafts were:<sup>17</sup>

- Geographic Scope—China restricted the area to the Spratlys while ASEAN also included the Paracels.
- Restrictions over construction on occupied and unoccupied features—The Chinese draft was silent on this issue.
- Military activities—While the Chinese draft requested the parties concerned to refrain from conducting any military exercises including dangerous and close-in military reconnaissance in the Spratly Islands and their adjacent waters, the ASEAN code placed no such restrictions.
- Whether or not fishermen found in disputed waters could be detained and arrested—The Chinese draft wanted the parties concerned to refrain from use or threat of force, or coercive measures, such as seizure, detention or arrest, against fishing vessels or other civilian vessels engaged in normal operations in the disputed area. The ASEAN draft proposed just and humane treatment for nationals or other parties concerned who are either in danger or in distress in the disputed area, but not to those fishermen, in particular from China, who are undertaking ‘illegal’ fishing activities in the disputed area.

All through China had said that it would be ready to accept a Code of Conduct provided it was limited to the Spratly Islands and did not include the Paracels, which however was on Vietnam’s agenda. Once again China reiterated that future discussions on the disputes be conducted bilaterally and that military exercises be restricted in the waters around the Spratly Islands. This could be viewed as an effort to check joint exercises especially of the US and its allies—mainly the Philippines.<sup>18</sup> Despite these differences, both nations continued to hold discussions. During the visit of President Aquino III to Beijing in September 2011 both the nations agreed that the visit was indeed a milestone for both nations.<sup>19</sup> However this ‘uneasy’ bonhomie soon reached an impasse after the Scarborough Shoals incidence in April 2012.

After around five years of negotiations ASEAN and China signed the Declaration<sup>20</sup> on the Conduct of Parties in the South China Sea (DOC) on November 4, 2002 (Annexure 3 of this paper). Though neither binding nor a treaty, it was more of a political understanding that the document would form the basis of a more rigorous and binding Code of Conduct that would be the roadmap for promotion of peace and stability in the region.

Considering the political statements made after the signing of the declaration, there was an optimistic view that a solution for the South China Sea Disputes was in sight. The then Philippine President Arroyo termed it a ‘major Philippine success’ and the Malaysian Prime Minister Mahathir described it as ‘a good agreement’.<sup>21</sup> Even the Chinese Premier Zhu Rongji said it was an important landmark in

ASEAN-China relations and spoke of the enhanced political trust that would contribute to the region's peace and stability.<sup>22</sup>

The DOC covers three main issues; Firstly, the basic norms governing state-to-state relations based on various treaties and universally recognised principles of international law; secondly, building up trust and confidence on the basis of equality and mutual respect; and thirdly, cooperation to resolve territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force.

However the recent incidences in the past have belied this optimism. Events, especially since 2009, have undermined the very basis and value of the declaration which is not an encouraging sign for an amicable solution of the on going South China Sea imbroglio. Some incidents—that are given below—negated the very treaties and globally accepted international laws that are the backbone of regional and international understanding and cohesiveness.

- The United States Naval Ship (USNS) *Impeccable* incident in March 2009 underscored the inherent differences in the interpretation of the United Nations Convention on the Law of the Sea (UNCLOS), specifically the Exclusive Economic Zone (EEZ) clause.
- The joint submission of Vietnam and Malaysia to the UN in May 2009 regarding their claims over the extended continental shelf and China's objections.
- China's ban on fishing north of 12 degree latitude in the Gulf of Tonkin and detention of Vietnamese fishing vessels in 2010.
- China's declaration in 2010 that the South China Sea was its 'core national interest'. "Concerns about Chinese irredentism and assertiveness became acute in the spring and early summer (of 2010) when Chinese officials began expanding the use of their self-defined term, "core national interest" to include territorial claims in the South China Sea".<sup>23</sup> This led to vociferous debates and exchanges at various levels where the Chinese were consistently quizzed about the meaning of the term. Although there has been some verbal back tracking by China over this but Chinese interests and activities in the South China Sea support the argument that the area is of considerable importance to the Chinese. The verbal back tracking was evident in the ambiguous response of a Chinese Foreign Affairs spokesperson at a press conference on September 21, 2010:<sup>24</sup>

Every country has its core interests. Issues involving national sovereignty, territorial integrity, a major development in the interests of all countries is crucial. China believes that the South China Sea issue is the problem of territorial sovereignty and maritime rights disputes between the countries concerned, not between China and ASEAN, more than regional or international issues, we can only participate

through friendly consultations and find peaceful ways to solve them. We adhere to the “shelving disputes and seeking common development”, has always been committed to be properly resolved through bilateral consultations with the countries concerned. The channel of communication is unimpeded.

- The US statement at the July 2010 ASEAN Regional Forum in Hanoi, that evoked a strong Chinese objection stated that the US had a national interest in:
  - Freedom of navigation;
  - Open access to Asia’s maritime commons;
  - Respect for international law in the South China Sea.
- The Scarborough Shoals stand off between China and the Philippines in April 2012.
- China’s stance on Sansha (Paracels) and the setting up of a military garrison on it in August 2012. This issue has upset the Vietnamese who also stake a claim to the Parcel Islands.

Despite the differences all the concerned nations still continue to profess their keenness for a Code of Conduct. On July 20, 2011 post the ASEAN meeting at Bali, ASEAN and China agreed to lay down preliminary guidelines to help resolve the dispute. The agreement was described by China’s assistant foreign minister, Liu Zhenmin, as “an important milestone document for cooperation among China and ASEAN countries”.<sup>25</sup> In all the incidences, except one, China has not deployed any People’s Liberation Army Navy (PLAN) ship, but has only deployed maritime surveillance ships, and therefore appears keen to not ‘up the ante’, which is a positive indication that China is also looking for a peaceful resolution. Indonesia has now taken up the challenge to put a Code of Conduct in place by circulating a draft amongst the concerned parties ahead of the next ASEAN summit scheduled for November 15, 2012. The issue was addressed at the 67<sup>th</sup> session of the UN General Assembly by the Indonesian President wherein he stated:<sup>26</sup>

That is what we in ASEAN have done with the potential conflicts in the South China Sea. The territorial and sovereignty disputes that have been festering there for the better part of the century. But we are managing them with restraint, confidence building and, at present through earnest negotiations toward a legally binding Code of Conduct in the South China Sea.

This is perhaps an indication that the “regional countries are fed up—particularly with China, the Philippines and Vietnam—in regards to their handling of the code”.<sup>27</sup> Although Indonesia is not a party in the South China Sea dispute, the Chinese claims cut through Indonesian waters north of the Natuna Islands which the Natuna gas fields are a part of. However, there appears to be a tacit understanding between China and Indonesia because China does not want a dispute with Indonesia, especially since Indonesia sits astride the Malacca Straits.

This tacit understanding could also be because of the growing political economic and military ties between both the nations.<sup>28</sup> Therefore, Indonesia's initiative for a Code of Conduct could stem from the fact that the current issues could affect its interests. Firstly, the basing of four Littoral Combat Ships at Singapore by the US could alter the balance of power and also drag the Malacca Straits and the surrounding area into the South China Sea equation. Secondly, the increase in US presence could affect the growing Indonesian policy towards China; a case in point being the talks with China to produce C-705 anti-ship missiles on the Indonesian island of Java in order to become an independent manufacturer of weapons.<sup>29</sup>

Whatever the motive, the Indonesian initiative is a step in the right direction. The changes suggested in the Indonesian Code of Conduct draft are unknown<sup>30</sup> and another round of discussions on the new draft in the next ASEAN meeting could have some sort of a positive outcome. An acceptable Code of Conduct would lead to greater understanding and also lay the foundation for cooperation in areas of scientific research, resource exploitation, piracy, cooperative security and freedom of navigation. An agreement on these issues could reduce the tensions and may become a path for dispute resolution. Unless an understanding is reached the ongoing military modernisation also driven by the differences with neighbours, views of political leadership and varying economies would only lead to an 'arms race', which would affect the economies of nations in the region and could, in the worst case scenario, lead to an armed conflict.

### **Military Developments**

The Code of Conduct of 2002 had reduced the number of military confrontations till the recent Chinese skirmishes with Vietnam and Philippines. The flip side is that all nations have been reinforcing their presence on the islands held by them. Of the six claimants, China, Vietnam and the Philippines are the most visibly active in this respect. Brunei is not considered a serious player and Taiwan can be viewed as standing on the sidelines. The sixth claimant is Malaysia, which along with Indonesia, China would be wary of, as they are geographically positioned for effectively controlling the Malacca Straits, a factor that worries the Chinese strategists. Therefore, it is highly unlikely that China would antagonise them and would tread cautiously in dealing with them.

Clearly the nations most affected by this imbroglio are Vietnam and the Philippines. Therefore, both these nations are hardening their stance and have looked to the US for support, which has become more visible in their joint military exercises. Both Vietnam and the Philippines have also accused China of hindering oil exploration in their territorial waters and are therefore, looking to strengthen military and security relations with other nations. A broad comparison of the military strengths of China, Vietnam and the Philippines is as follows<sup>31</sup>:

	<i>China</i>	<i>Vietnam</i>	<i>Philippines</i>
Tanks	7,400+	1935	7
Submarines	71	0	0
Principal Naval Surface Combatants	78	2	1
Combat Capable Aircraft	2004	235	24
Armed Forces (Active)	2,285,000	482,000	125,000

Given its overwhelming military strength and in order to keep the disputes at low key; China has been, since 2011, using its non-Peoples Liberation Army Navy (PLAN) maritime assets from the marine surveillance agency against Vietnam and the Philippines in the disputed sea areas.

Prior to the Scarborough shoal incident, other incidents led to strained relations between China and the Philippines. Among the first, was the firing on Filipino fishermen in February 2011. This followed by the harassment of a civilian vessel of the Philippine energy department on an oil exploration survey mission at Recto Bank (Reed Bank) near Palawan, by Chinese ships, in March 2011. Recto Bank is considered by the Philippines as being well within their territory and not a disputed area. In June 2011 the Philippines sent its biggest warship<sup>32</sup> in response to the presence of a Chinese patrol vessel in the disputed area of the Spratlys.

China's actions have been more disturbing with respect to Vietnam. In May 2011 Chinese patrol vessels prevented a Vietnamese vessel in the waters near the Spratly islands from conducting a seismic survey by cutting the cables being used for the survey. The Vietnamese vessel was operating in an area which Vietnam claims as part of its exclusive economic zone. In response, in June 2011, the Vietnamese Navy undertook live-firing exercises in an area about 40 km off the central Quang Nam Province, almost 250 kilometres from the Paracels and 1000 kilometres from the Spratlys. The recent announcement by China in July 2012 of establishing a military garrison on Sansha (Paracels) after the establishment of a civil administration had evoked a strong protest from Vietnam. The military garrison will be a division-level command under the PLA's Hainan provincial sub-command. The PLA's Sansha Garrison Command will be under the dual control of the Hainan provincial sub-command and the city's civilian leaders.<sup>33</sup> The Vietnamese response was to declare the action as 'null and void' and that.<sup>34</sup>

These activities go against the common perception of the leaders of the two countries, violate the agreement on the basic principles guiding settlement of maritime issues between Viet Nam and China signed October 2011; run counter to the spirit of the Declaration on the Conduct of Parties in the South China Sea signed in 2002 between ASEAN and China and complicate the situation in the East Sea.

These are clear indications that all the three nations are determined to make their presence felt and protect their claimed areas. In addition, China's aim is quite clear—that it will not permit regional nations to undertake any natural resource

exploration in what it claims as its territory. There is now a visible increase in military expenditure in the region as nations seek to acquire more assets and modernise their armed forces.

## **Philippines**

In September 2011 following his 'successful' visit to China, President Aquino ordered the release of 118 million dollars in order to:

Enhance the Armed Forces of the Philippines' capability to secure the territory of the Philippines...including providing a strong security perimeter for the Malampaya Natural Gas and Power Project (MNGPP).<sup>35</sup>

This gas-extraction field provides energy for half of the island of Luzon, which is the principal island of the Philippines.<sup>36</sup> In addition to the \$18 million, \$1.2 billion had previously been committed for the capability upgrade programme (CUP), which is a part of the military modernisation programme.<sup>37</sup>

The money would be utilised to acquire six multipurpose helicopters, upgrade coastal surveillance systems, and construct an air force hanger in the province adjacent to Palawan. In addition, two more Hamilton-class cutters are to be procured from the US over the next two years, which would augment the force levels. The Philippines already has procured a cutter from the US Coast Guard.<sup>38</sup>

The Philippines is also looking to other nations for support. In August 2011 Indonesia signed a contract with the Philippines to supply a large consignment of arms and ammunition including aircraft and a helicopter carrier. The first of the deliveries was to take place in September 2011. The construction of the helicopter carrier by an Indonesian company would be carried out in cooperation with Daewoo of South Korea.<sup>39</sup>

Although in August 2011 President Benigno Aquino III vowed that the Philippines would build a stronger military defence for its South China Sea claims, this promise may have been aspirational rather than grounded in concrete policy-making or budgetary provision.<sup>40</sup> Even with these acquisitions the Philippines cannot hope to counter China militarily. It would require the support of the US and this is evident in the annual joint exercises conducted and scheduled, especially after the Scarborough Shoals incident that include retaking of an island from militants.<sup>41</sup>

The Philippines has also been reaching out to Japan as it also has territorial disputes with China. Issues relating to military and security ties were discussed during the visit of President Aquino to Japan in September 2011.<sup>42</sup> The discussions also included the possibility of more frequent joint coast-guard exercises, and consultations between naval officials. A senior official from the Japanese prime ministers office said that:<sup>43</sup>

There is room to deepen our ties in terms of promoting such cooperation and that there is shared view between the Japanese and the Philippine governments regarding the importance of sharing the peaceful navigation and peaceful use of the sea.

## Vietnam

“Jane’s Information Group has compiled data for Vietnam that suggests the country is significantly boosting defence spending this year (2011), in large part because of concerns about China. In January 2011 Defence Minister Phung Quang Thanh told the 11th National Party Congress that Vietnam’s defence budget would increase to VND 52 trillion (2.6 billion dollars) in 2011. The allocated expenditure represents an increase of 70 per cent over 2010 spending”.<sup>44</sup>

Vietnam has been looking to procure military assets from Russia which has raised concerns in China.<sup>45</sup> The acquisition list can be seen as the corner stone of Vietnam’s programme to enhance its military strength and will also make Vietnam the second largest recipient of Russian arms, after India. The list includes:<sup>46</sup>

- Six Kilo-class submarines with a delivery schedule from 2014 to 2017. Reports indicate that the deal is valued at around \$1.8 billion. However, as per Russian inputs the deal is now worth over \$3.2 billion. The deal is also likely to include new heavy weight torpedoes and missiles, most likely of the Klub category. It is considered a comprehensive deal as it also includes onshore infrastructure and crew training. However, the cost increase could lead to a reduction in the number of submarines and associated weaponry and infrastructure.
- Twenty Su-30 fighter jets with a delivery schedule from 2012 to 2013. Reports indicate that the deal is valued around \$1.5 billion. The deal also includes associated weapons, service and support. Interestingly the deal was signed a day after the signing of the contract for building Vietnam’s first nuclear reactor. These 20 fighters would augment its existing SU 27/30 fleet to 60.
- Assembly kits and components for missile armed fast attack Tarantul V class crafts for Project 1241.8. Russia has already built two and the plan involves Vietnam building six with the option for four more. The crafts are planned to be armed with four Moskit “Sunburn” supersonic anti ship missiles or eight subsonic Kh 35E anti ship missiles. The delivery schedule is from 2010 to 2016.
- Four Svetlvak Export Class patrol boats originally designed for KGB border guards. Vietnam has signed acceptance certificates for the first two. These patrol boats are armed with short range SA-N-10 shoulder launched surface to air missiles. As per the deal there is also an option for two more crafts.
- Two Modified Gepard Class frigates. The second vessel was received in August 2011 at the Cam Ranh naval port. The deal is reportedly valued at \$300 million. The ship’s design caters for a stealth superstructure and helicopter deck capable of operating anti submarine helicopters.

A study of the military hardware procured by other regional nations also indicates a bias towards maritime assets and assets capable of being used in a maritime environment. This obviously is an indicator that the nations are looking at the South China Sea issue in terms that are other than peaceful. The main concern is the protection of sovereign territory and claimed sea areas as well as maritime economic activities. Although strategists and analysts are divided over the issue of an ongoing arms race, the increase in military expenditure and procurements of assets does not auger well for the region nor for the process for establishing a Code of Conduct.

## **China and the US**

The 'Back to Asia' strategy of the US re-designated as 'rebalancing' after 'pivot' was deemed inappropriate, has however not changed China's views regarding the US presence and its attendant implications on the South China Sea issue.

Three major factors contributed to the emergence of tensions in the South China Sea in recent years. First, regional states are now increasingly interested in exploiting the economic interests, primarily energy resources in the South China Sea. Second, it has to do with American strategic shift to East Asia. Washington has used the South China Sea card to maintain its predominant security position in the region and this coincided with several regional states' desire to internationalize the South China Sea issue. Third, China's rapid rise has caused regional countries to bring in the United States to balance China's rise.<sup>47</sup>

Although Hillary Clinton in her article 'America's Pacific Century' reiterated the importance of Asia Pacific and the US interest and intentions in the region<sup>48</sup> there is an alternate view that:

Washington's current approach to China is not the product of a deliberate planning process. It is nowhere codified in official documents. Indeed, it does not even have a name. Still, for the better part of two decades, the United States has pursued a broadly consistent two-pronged strategy combining engagement and balancing.<sup>49</sup>

Chinese strategists see this interest as firstly, a means aimed at China and North Korea, secondly for ensuring US control over its allies and thirdly a strategic encirclement of China.<sup>50</sup> The firm control over allies could stem from the territorial dispute between South Korea and Japan over the Dokdo/Takeshima Islands and the ongoing Senkaku Islands spat between China and Japan. Although the US has stated that the US-Japan security treaty also covers the disputed Islands, it also maintains a neutral stance regarding the claims.<sup>51</sup> The matter has become more complex after Taiwanese Coast Guard ships sent to the area engaged in water cannon duels with Japanese Coast Guard ships in September 2012.<sup>52</sup> It would be a tough for the US to decide which side to be on, should Taiwan and Japan turn aggressive and if a minor skirmish ensues.

The US is also trying to placate China and soothe ruffled feathers by continuously assuring China that the 'rebalancing' is not against it, a line China

finds hard to swallow. The flurry of visits by top US officials to the region including the presence of President Obama at the East Asia Summit in November 2011, a first by a US President, is unlikely to be viewed favourably by China in view of the statements and counter statements. Although the US has continuously stated a policy of neutrality on the claims and has repeatedly called for dialogue between claimant nations, the annual exercise held by the US and Japan in November 2012 that included the 'recovery of an island held by an enemy'<sup>53</sup> was deemed 'provocative' by China.<sup>54</sup> There have, however, been changes in the US stance since 2009 from the 're-set' suggested by Hillary Clinton during her first visit to China in January 2009 to strong statements and bolstering of military presence, and now recently the invitation extended by Leon Panetta, in his September 2012 visit to China, for the Chinese Navy to participate in a multinational exercise. This resembles the 'balancing and engagement' strategy as the 'hard' stances follow the 'softer' stances when it is apparent that a 'soft' stance is viewed by China as an opportunity or weakness and therefore it takes a hard stand. This Chinese strategy could be seen as a means to continuously strengthen its stance and make its intentions clear regarding:

- Suzerainty over its claims in the South China Sea.
- Non acceptability of interference by extra-regional nations.
- Bilateral dialogue with other claimant countries in order to counter the US support and influence.

Although China may view the US presence as necessary for regional nations and also to internationalise the South China Sea issue, its economic clout backed by a strong military force is also pushing the regional nations towards the US.

### **Implications for India**

India's interest in the South China Sea can be viewed as: firstly to ensure healthy and friendly relations with the nations in the region in pursuance of its 'Look East' policy; secondly, to access natural resources and thirdly to ensure freedom of navigation. However, China has challenged India's interest in the South China Sea, on two issues: The entry of Indian naval ships into the South China Sea and secondly India's oil explorations off the Vietnam coast.

In 2011 there was an incident, when the INS Airavat, as it was leaving the Vietnamese port of Na Trang was informed, on an open maritime frequency, by a caller identifying himself as 'Chinese Navy', that it was entering 'Chinese Waters'. This incident was played down by both nations by stating that no Chinese naval vessel was present or visible in the vicinity.<sup>55</sup> In June 2012 when four Indian naval ships were deployed in the South China Sea in June 2012, a deployment that included passage exercises (PASSEX) with other regional navies including PLAN and the first bilateral exercise (BIMEX) with the Japanese Self Defence Maritime Force (JMSDF), they were often escorted by PLAN ships.<sup>56</sup>

On September 16, 2011, the Xinhua news agency reporting on the visit of the Indian external affairs minister to Hanoi to co-chair the 14th India-Vietnam

Joint Commission meeting (JCM) relating to the Indo-Vietnamese oil exploration in the blocks in which India's Oil and National Gas Commission had a stake stated<sup>57</sup>:

China has warned Indian companies to stay away from the South China Sea, as aggressive overseas explorations from Indian side in the highly sensitive sea, over which China enjoys indisputable sovereignty, might poison its relationship with China, which has been volatile and at times strained.

The last lines of the statement could actually be viewed as a warning:

It is wise for those trying to feel out China's bottom line to wake up to the reality that China will never yield an inch in its sovereignty and territorial integrity to any power or pressure. On this basis, the Indian government should keep cool-headed and refrain from making a move that saves a little only to lose a lot.

The Indian Stance on the South China Sea dispute is very clear and was articulated in a written reply to the Rajya Sabha (upper house of the Indian Parliament) by the minister of state for external affairs E Ahmed, wherein he stated<sup>58</sup>:

- Sovereignty over areas of South China Sea is disputed between many countries in the region. India is not party to the dispute.
- India wants all these sovereignty issues to be resolved by the countries in accordance with international laws and practices.
- India supports freedom of navigation, right of passage and access to resources in accordance with accepted principles of international law and these should be respected by all.
- India clearly conveyed to China that activities by Indian companies like Oil exploration activities by India's ONGC Videsh in South China Sea waters off Vietnam is purely commercial in nature

Despite India's clear stand on the South China Sea, China will continue to question India's interest and this could exacerbate the tensions between both nations. This has added a new dimension to the ongoing turmoil in the South China Sea. The options for India to extend its economic and maritime interests in the South China Sea in the face of Chinese opposition are fast closing. A strong Indian signal to China should be the first step. There are a number of nations in and around the South China Sea with whom India is engaging economically and diplomatically. As India's influence expands, the number and intensity of such engagements will and should increase. This stance should not be hindered by the view point of China since these engagements are based on accepted international laws and do not in any way impinge on the maritime disputes as these are to be resolved by the nations concerned.

## **A Simmering Cauldron**

It is highly unlikely that China or regional nations such as Vietnam, the Philippines

and other players like the US would want a military conflict in the South China Sea. As a result, all of them, including China, clearly realise that a peaceful resolution of the disputes is necessary. However, it is unlikely that such a resolution will be reached in the near future given that none of the claimant states are willing to back down on the issue of sovereignty regardless of the sustainability of the claim. Vietnam and the Philippines are unlikely to scale down their rhetoric and will continue to stand up to China, dependent on the backing provided by the US. There could be more military stand offs leading to possible confrontations and at worst skirmishes or small scale conflicts even as dialogues are going on. The possibility of these issues escalating into a major conflict is considered remote. In the meantime rhetoric and sabre rattling would continue. The issue of bilateralism versus multilateralism will continue to haunt all discussions, especially where extra-regional powers, specifically the US, are involved. The US presence and its policy moves will continue to be viewed by China as a governing factor in the stances adopted by nation's vis-à-vis China. Finally, it is important to bear in mind that ASEAN presently lacks the cohesiveness and is therefore unable to act which is a pre-requisite for achieving a consensus on the Code of Conduct.

Notwithstanding the rhetoric and sabre rattling, a heartening note is that there is a broad agreement among nations regarding the need for a continuous dialogue and the need for a Code of Conduct. The Code of Conduct has been recognised as a means of regulating issues connected directly or indirectly to the disputes. Apart from attempting to pave a way towards a peaceful resolution of the disputes the code would also lead to agreements on issues such as cooperation in areas of scientific research, resource exploitation, piracy, cooperative security and freedom of navigation. The Indonesian initiative to formulate a Code of Conduct would be a litmus test for ASEAN to work collectively and strengthen its standing as an organisation capable of resolving regional disputes.

## ANNEXURE 1

## Joint Statement Republic of Philippines-People's Republic of China Consultations on the South China Sea and on Other Areas of Cooperation 9-10 August 1995

Delegations from the Philippines and China met in Manila on 9-10 August 1995 for consideration on the South China Sea and on other areas of cooperation.

The consultations were held in an atmosphere of cordiality and in a frank and constructive manner.

The two sides reiterated the importance they attach to their bilateral relations. They recognize that the continued prosperity of their economies depends upon the peace and stability of the region. They reaffirmed their commitment to regional peace, stability, and cooperation. Frank discussions on Mischief Reef ("Meiji Reef") were held. The two sides expressed their respective positions on the matter. They agreed to hold further consultations in order to resolve their differences. On the South China Sea issues as a whole, they exchanged views on the legal and historical bases of their respective positions.

Pending the resolution of the dispute, the two sides agreed to abide by the following principles for a code of conduct in the area:

1. Territorial disputes between the two sides should not affect the normal development of their relations. Disputes shall be settled in a peaceful and friendly manner through consultations on the basis of equality and mutual respect.
2. Efforts must be undertaken to build confidence and trust between the two parties, to enhance an atmosphere of peace and stability in the region, and to refrain from using force or threat of force to resolve disputes.
3. In the spirit of expanding common ground and narrowing differences, a gradual and progressive process of cooperation shall be adopted with a view to eventually negotiating a settlement of the bilateral disputes.
4. The two sides agree to settle their bilateral disputes in accordance with the recognized principles of international law, including the UN Convention on the Law of the Sea.
5. Both sides shall keep an open-minded attitude on the constructive initiatives and proposal of regional states to pursue multilateral cooperation in the South China Sea at the appropriate time.
6. The two sides agree to promote cooperation in fields such as protection of the marine environment, safety of navigation, prevention of piracy, marine scientific research, disaster mitigation and control, search and

rescue operations, meteorology, and maritime pollution control. They also agree that on some of the abovementioned issues, multilateral cooperation could eventually be conducted.

7. All parties concerned shall cooperate in the protection and conservation of the marine resources of the South China Sea.
8. Disputes shall be settled by the countries directly concerned without prejudice to the freedom of navigation in the South China Sea.

In order to push the process forward, the two sides agreed to hold discussions among experts on legal issues and sustainable economic cooperation in the South China Sea. They agreed further that experts from the two countries shall hold consultations at a mutually acceptable date in order to explore the possibilities of fisheries cooperation in the disputed area.

The two sides agreed on the importance of bilateral cooperative activities as useful in and of themselves, and as confidence building measures. They are dedicated to a pragmatic approach to cooperation.

In addition to the South China Sea issue, the two sides reviewed other fields of bilateral cooperation. They emphasized the usefulness of exchanging contact at various levels in strengthening cooperation. They noted the successful conclusion of the 18th Philippines China Joint Trade Committee Meeting. They looked forward to conducting negotiations on the avoidance of double taxation and fiscal evasion. They noted the ratification by the Philippine side of the Bilateral Agreement on the Promotion and Mutual Protection of Investments.

The talks ended with both sides satisfied that some progress had been made in terms of substantially improving the atmosphere of relations and identifying and expanding areas of agreement by holding frank exchanges directly addressing contentious issues. They pledged to continue consultations in the same constructive spirit.

## ANNEXURE 2

Excerpt from the Joint Statement on the Fourth Annual  
Bilateral Consultation between the Socialist Republic of  
Vietnam and the Republic of the Philippines, Hanoi,  
7th November 1995

7. On the territorial dispute in the South China Sea (Eastern Sea), they recalled the understanding between the leaders of the two countries on the peaceful settlement of such disputes. They reaffirmed the contents and spirit of the ASEAN Declaration on the South China Sea of 1992, which has been endorsed by many countries and organizations around the world and serves as a good basis for the prevention of conflict, the maintenance of stability, and the promotion of cooperation in the area. The two sides committed themselves to promote bilateral and multilateral efforts in the search for a fundamental and long-term solution to the disputes relating to sovereignty over the Spratlys. They acknowledged that the growth and development of their respective economies depend greatly on the sustained peace and stability in the region.

The two sides agreed on the following basic principles for a code of conduct in the contested areas:

- (a) They shall settle all disputes relating to the Spratlys through peaceful negotiations in the spirit of friendship, equality, mutual understanding and respect.
- (b) They shall solve their disputes on the basis of respect for international law, including the 1982 United Nations Convention on the Law of the Sea.
- (c) While endeavoring to promote negotiations for a fundamental and long-term solution to the Spratlys dispute, they shall exercise self-restraint, refrain from using force or threat of force, and desist from any act that would affect the friendship between the two countries and the stability in the region.
- (d) They shall promote suitable forms of bilateral and multilateral cooperation in the fields of marine environment protection, safety of navigation, marine scientific research, meteorological data, disaster mitigation and control, search and rescue operations, prevention of piracy, and maritime pollution control.
- (e) They shall cooperate in the protection and conservation of marine living resources in the Spratlys in accordance with the relevant provisions of the 1982 United Nations Convention on the Law of the Sea.

- (f) They affirm that shipping and air traffic in the area should be respected, in conformity with the principles and practice of international law.
- (g) They shall continue dialogues and consultations on these principles, including ways of building confidence and trust between them, pending resolution of the disputes. They shall promote such dialogues, consultations and confidence-building measures on a multilateral as well as bilateral basis.
- (h) They support a gradual and progressive process, based on certain targets and benchmarks, aimed at close cooperation in the Spratlys area and the eventual settlement of the dispute. Such cooperation shall not prejudice existing sovereignty claims.
- (i) Other parties are encouraged to subscribe to the principles herein stated.

The two Delegations agreed to designate their respective experts to discuss concrete forms of cooperation in marine scientific research as an initial step towards implementation of these principles. Future consultations will also consider specific confidence-building measures.

## ANNEXURE 3

## Declaration on the Conduct of Parties in the South China Sea

The Government of the Member States of ASEAN and the Government of the People's Republic of China,

Reaffirming their determination to consolidate and develop the friendship and cooperation existing between their people and governments with the view to promoting a 21st century-oriented partnership of good neighbourliness and mutual trust;

Cognizant of the need to promote a peaceful, friendly and harmonious environment in the South China Sea between ASEAN and China for the enhancement of peace, stability, economic growth and prosperity in the region;

Committed to enhancing the principles and objectives of the 1997 Joint Statement of the Meeting of the Heads of State/Government of the Members States of ASEAN and President of the People's Republic of China;

Desiring to enhance favourable conditions for a peaceful and durable solution of differences and disputes among countries concerned;

Hereby declare the following:

1. The Parties reaffirm their commitment to the purposes and principles of the Charter of the United Nations, the 1982 UN Convention on the Law of the Sea, the Treaty of Amity and Cooperation in the Southeast Asia, the Five Principles of Peaceful Coexistence, and other universally recognized principles of international law which shall serve as the basic norms governing state-to-state relations;
2. The Parties are committed to exploring ways for building trust and confidence in accordance with the above-mentioned principles and on the basis of equality and mutual respect.
3. The Parties reaffirm their respect for and commitment to the freedom of navigation in and over flight above the South China Sea as provided for by the universally recognized principles of international law, including the 1982 UN Convention on the Law of the Sea;
4. The parties concerned undertake to resolve their territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force, through friendly consultations and negotiations by sovereign states directly concerned, in accordance with universally recognized principles of international law, including the 1982 UN Convention on the Law of the Sea;

5. The parties undertake to exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability including, among others, refraining from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features and to handle their differences in a constructive manner.
6. Pending the peaceful settlement of territorial and jurisdictional disputes, the parties concerned undertake to intensify efforts to seek ways, in the spirit of cooperation and understanding, to build trust and confidence between and among them, including:
  - a. holding dialogues and exchanges of views as appropriate between their defence and military officials;
  - b. ensuring just and humane treatment of all persons who are either in danger or in distress;
  - c. notifying, on a voluntary basis, other Parties concerned of any impending joint/combined military exercise; and
  - d. exchanging, on a voluntary basis, relevant information.
7. Pending a comprehensive and durable settlement of the disputes, the parties concerned may explore or undertake cooperative activities. These may include the following:
  - a. marine environmental protection;
  - b. marine scientific research;
  - c. safety of navigation and communication at sea;
  - d. search and rescue operations; and
  - e. combating transnational crime, including, but not limited to trafficking in illicit drugs, piracy and armed robbery at sea, and illegal traffic in arms. The modalities, scope and locations, in respect of bilateral and multilateral cooperation, their should be agreed upon by the parties concerned prior to their actual implementation.
8. The Parties concerned stand ready to continue their consultations and dialogues concerning relevant issues, through modalities to be agreed by them, including regular consultations on the observance of this Declaration, for the purpose of promoting good neighborliness and transparency, establishing harmony, mutual understanding and cooperation, and facilitating peaceful resolution of disputes among them;
9. The Parties undertake to respect the provisions of this Declaration and take actions consistent therewith;
10. The Parties encourage other countries to respect the principles contained in this Declaration;
11. The Parties concerned reaffirm that the adoption of a code of conduct in the South China Sea would further promote peace and stability in the region and agree to work, on the basis of consensus, towards the eventual attainment of this objective.

## NOTES

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## Japan's Defence and Security Policies

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Japan's security and defence policy in the post Cold War period is driven by various regional and external factors. These include the end of Cold War, North Korean missile and nuclear programme, the rise of China and the territorial disputes with its neighbours which have resurfaced recently. However, the most noticeable factor that triggered the change was criticism from the US and its western allies on the non-commitment of troops by Japan in the 1991 Gulf War. Japan citing the war-renouncing clause of its Constitution has not deployed its troops in Iraq. By contributing \$13.5 billion to the cost of war, Japan tried to assuage the concern of its allies. But this was termed as 'equating blood with money'. Japan was not acknowledged by Kuwait among the liberator nations in the official thanks-giving messages through the newspaper advertisements worldwide. This was yet another "shock" for Japan.

Thus the growing criticism and pressure from the US and other allies for not doing enough militarily, led to changes in Japan's pacifist security policy compelling it into a liberal interpretation of its Constitution in order to play a wider role in international security. To meet the needs of its ally—the US—as well as to take its rightful place among the world powers, Japan started to re-examine its pacifist Constitution.

Before analysing the changes in Japan's post Cold War security policy it is necessary to survey Japan's post-war policies. The US drafted pacifist Constitution<sup>1</sup> of Japan, promulgated in 1947, has been one of the main factors in determining its post-War security policy. The US had included a "war renunciation clause" — the Article 9<sup>2</sup>—in the new Constitution. When a section of Japanese politicians following the end of US occupation demanded the revision of the Constitution including Article 9, Prime Minister Yoshida Shigeru aggressively defended the pacifist Constitution. Yoshida used the pacifist clause of the Constitution to further his policy of spending less on security and using the resources for Japan's economic development. The strategy was later characterised as the Yoshida doctrine which was also followed by his successors. Michael J. Green describes that "Yoshida

looked on Article 9 of the Constitution as the most important insurance policy to escape entrapment from American Cold War adventure.”<sup>3</sup> During the Korean War and the Vietnam War several peace groups came into existence which campaigned for preserving Japan's peace Constitution and argued for country's “unarmed neutrality”. As a result of consistent pressure from the pacifist groups, successive governments in Japan adopted pacifist policies such as denial of the collective self-defence, put a ban on deployment of its combat troops overseas, enacted the three non-nuclear principles, put a cap of one per cent of GDP spending on defence and banned export of weapons and weapons related technologies. All these policies stemmed from this constitutional pacifism.<sup>4</sup>

However, after reaching to its climax in 1970s, anti-militarist norms against militarization and constitutional revision movements started waning in Japan. Glen D. Hook notes that various factors were responsible for this change. First and foremost was the generational change in Japan, a generation which now had occupied key central positions in the government, ministries and bureaucracy, but had not witnessed devastation of World War and therefore was less receptive to pacifism. They seemed more willing to unshackle Japan from this long held pacifism. Masses in Japan also gradually accepted the existence of the Self Defense Force (SDF) as well the US-Japan security arrangement amidst the surging Cold War between the US and the Soviet Union. Against this background they considered SDF to be a legitimate organisation for defending the country against external security threats.<sup>5</sup>

With the end of the Cold War and amid the changes in the regional security situation including developments in the Korean peninsula, Japan chalked out various strategies to meet the security challenges both by augmenting its defence capabilities (which would be discussed later in the paper) and by deepening its alliance with the US. Most prominent developments in the post Cold War Japanese security policy are: the upgrading of its Defence Agency to a full-fledged defence ministry in 2007, installation of a missile defence system and the lifting of the self-imposed ban on use of space for defence purposes and thereby launching spy satellites to monitor North Korean missile and nuclear developments.

The aforementioned changes in Japanese defence policies were driven by perceived threats from North Korea. In recent years, the September 2010 Senkaku incident<sup>6</sup> could be termed as a watershed event in Japanese security policy which triggered a shift in Japanese defence planning. For the first time, Japan geared up to safeguard its south western territories, which were closer to China, and identified some of the far-flung islands as being in “a defence vacuum”. In the new National Defense Programme Guidelines (NDPG),<sup>7</sup> unveiled in December 2010, Japan introduced a “dynamic defence force concept” which stressed on swift troop deployment to repel external aggressions. It also announced its intention to station armed forces on the islands to check intrusions. Before the Senkaku incident, annual white papers on the country's defence had been noting violations of territorial waters by Chinese ships but Japan did not take any substantive measures

to tackle it. Japan's Defence Whitepaper issued in 2003 noted that "Chinese warships have often navigated in waters near Japan" adding that they seem to be "engaged in intelligence or maritime research."<sup>8</sup> The white paper spoke of the need to "monitor Chinese movements and identify Chinese naval strategies."<sup>9</sup> Such reports, however, failed to spur a debate among the public and the policy planners did not take measures for safeguarding Japanese territory. A real change was witnessed only after the collision incident between the Chinese fishing trawlers and Japanese Coast Guard off Senkaku.

Close on the heels of Chinese maritime assertions, territorial disputes resurfaced with Russia and South Korea. Post-2010, tough posturing both by Russia and South Korea over territories contested by Japan also increased the sense of vulnerability in the country. These developments compelled Japan to revisit its security and defence policies. The volatile security situation in the region has strengthened the hands of those who had long been advocating for drastic changes in Japan's defence and security policy by amending Article 9 of the Constitution. The measures suggested by them included lifting the ban on Japanese forces to undertake "Collective Self Defence", easing of restrictions over the participation of Japanese forces in international security missions, and relaxing the ban on export of arms and arms-related technologies. This shift is not merely reactive. Japan seeks to exploit the recent developments to add muscle to its security profile and shake off the tag of a "pacifism only" policy<sup>10</sup>. Some policy changes include: sending its troops overseas in UN Peace Keeping Operations (UNPKO) and the lifting of the ban on the export of arms and arms related technologies. It has also initiated a debate on other measures such as the easing of restrictions on use of arms in the UNPKOs and allowing exercise of "collective self-defence" to empower its defence forces. This paper seeks to trace and analyse the profound shift in Japanese strategic thinking and its security policy.

### **Strategic Shift in Japan's Defence Planning**

One of the most noticeable shifts in Japan's defence posture, following Chinese intrusions in its territorial waters, has been the introduction of the 'dynamic defence force' concept. This concept emphasises "readiness, mobility and flexibility"<sup>11</sup> of troops to secure "offshore islands".<sup>12</sup> This new concept marks a paradigm shift from the earlier "basic defence force concept" which laid more stress on "ensuring deterrence." Effectively, it means that Japan's military capabilities will no more be limited to the "minimum levels required to cope with a limited small-scale invasion"<sup>13</sup> laid down in the defence guidelines of 2004.

Japan has identified south western island chains such as Nansei Islands and Ishigaki Islands that are closer to Taiwan and China, where it would double the presence of its air and maritime Self Defence Force (SDF). The new defence guidelines call for improved patrol, surveillance, air and missile defence, transport, and command and communication around the "off-shore islands" to "respond to attacks on those islands".<sup>14</sup> Japan has also announced that it would deploy troops

to the west of Okinawa's Yonaguni Island—also referred to as Yonagunijima. The Japanese defence ministry in 2011 has described the area as a “defence vacuum” as no SDF units were permanently deployed there. The ministry has requested 1.5 billion yen (about \$20 million) for stationing about 100 Ground Self Defence Force on the island by fiscal year 2015.<sup>15</sup> By deploying additional troops on the islands “with a high level of readiness”, Japan wants to “prevent guerrillas and special operation forces from infiltrating coastal areas, protecting key facilities, and searching and destroying invading units.”<sup>16</sup>

As a part of its new strategy to deal with emergency situations, Japan has decided to better equip its defence forces. The new defence guidelines project an increase in the number of submarines from the present 16 to 22. Similarly, Japan also plans to increase the number of its Aegis destroyers—armed with missile defence capabilities—from four to six.<sup>17</sup>

China is a prime security concern on the radar of Japanese planners. So much so that island nation has planned to downsize its troops in northern Hokkaido Island despite Russia renewed assertion over the Northern Island chains- a disputed territory between Russia and Japan. In spite of these assertions by the Russians<sup>18</sup> which include plans to build an airbase in Kunashiri Island (one of the four islands claimed by Japan), Japan feels increasingly threatened by China. It considers the southern islands, which are closer to China, more vulnerable than the northern ones.

This “south western shift” in troops’ deployment comes despite Russian planes making more violations (247) than Chinese aircraft (156) in 2011.<sup>19</sup> Japanese strategic thinkers see the Chinese threat as more potent because they believe China is rapidly moving ahead to implement its naval expansion plan of 1982.<sup>20</sup> Echoing similar sentiments, the 2011 white paper issued by Japanese defence ministry noted that it has become common for Chinese naval vessels to intrude into the Pacific Ocean. The white paper pointed out that a flotilla of 11 Chinese naval ships, the largest ever, trespassed into the waters between Okinawa Island and Miyako Island in June 2011.<sup>21</sup> The 2011 Chinese intrusions led the Japanese thinkers to interpret that China had established an effective control of the waters within the “first island chain”. The Senkaku Islands and South China Sea fall within the “first island chain”. The Japanese see this as a Chinese plan to control the first island chain. They are also increasingly worried about China’s “second island chain” strategy that seeks to control the waters around Ogasawara Island—600 km south of Tokyo—in the next 10 years.<sup>22</sup> (See Map 1 showing first and second Island chain.)

The fact that Chinese naval ships have intruded into Japanese waters following the nationalisation of three privately held Islands on regular intervals,<sup>24</sup> suggest that China has strengthened its grip over the “first island chain.” This adds to the vulnerability of Japan as the sovereignty of these islands in the East China Sea is contested by China and Taiwan. The intrusions have prompted Japan to take further measures to beef up its maritime security. Japanese government has decided

Map 1



Source<sup>23</sup>: Adapted from the map used by Michishita Narushige, “The Future of Sino-Japanese competition at Sea” available at <http://www.nippon.com/en/in-depth/a00504/>

to spend about 17 billion yen from its general reserve fund to procure four state-of-the-art patrol vessels and other equipment for the Japan Coast Guard (JCG). Japan will also procure three smaller patrol craft and three helicopters for the JCG.<sup>25</sup>

Amid these Chinese naval forays, Tokyo is mulling over the positioning of a missile defence system in southern Japan closer to China. During US Defence Secretary Leon Panetta's visit to Japan in September 2012, both the allies agreed to install a new missile defence system in southern Japan.<sup>26</sup> This would be an extension of the missile defence system already in place in the north of Japan, and if it materialises, would help contain military threats from China and North Korea.

Apart from new defence strategies, Japanese security planners have taken a "multi-layered security cooperation" approach to "complement" existing US-Japan security cooperation. Japan wants to "strengthen the network of security cooperation through bilateral and multilateral frameworks in the Asia-Pacific region."<sup>27</sup> The Japanese planners came to this conclusion following the "relative change of influence" of the US and its preoccupation in Iraq and Afghanistan and the rise of China. This clearly shows a perceptible shift in Japan's defence policy. During the entire post-World War II period, Japan's bilateral security alliance with the US remained under its protective umbrella. Now the defence guidelines, have broadened the security ambit by identifying other countries with whom it wants to create multilateral frameworks for its security. The defence guidelines have identified the Republic of Korea, Australia, ASEAN countries and India as potential partners for "enhanced security cooperation."<sup>28</sup>

To achieve the objectives identified in the defence guidelines, Japan held a series of discussions to strengthen defence ties with South Korea. Both the countries created a blueprint for military cooperation to deal with emergency situations in the region. But this deal could not gain support because of protests by the South Koreans who still view Japan as an imperial force which had colonised their country from 1935 to 1946. Also ties between the two remain sketchy at best due to their spats over the Takeshima/Dokdo territory.<sup>29</sup> Thus chances of a military pact between the two remain bleak. Since the US sees Asia-Pacific as a "pivot" of its security policy and has announced the deployment of more troops in the region, Japan may not feel an urgent need to 'complement' or diversify US-Japan security relations. Hence, it is unlikely that Tokyo will aggressively push for an enhancement of security relations with countries it identified in its defence guidelines.

### **Unshackling the Pacifist Security Norms**

Japan is also in the process of doing away with some of the security policies it had adopted during the Cold War period in keeping with the peace principles stipulated in Article 9 of its Constitution. The Japanese establishment has been successful in removing some of the restrictions by lifting the ban on export of arms and arms-related technologies,<sup>30</sup> despite stiff opposition from peace lobbies. The lobbies within the defence ministry and some interest groups have been

arguing for the ban to be lifted to cut costs and improve the quality of equipment used by its defence forces. They want Japan to emulate the collaborative policies followed by the US and Europe for development and production of high-tech weapons.<sup>31</sup> With the 1 per cent GDP cap on defence spending and given that the Japanese economy is not performing up to the expectations, the Japanese defence budget has been decreasing over the years. Since, Japan cannot reduce mandatory defence expenditures like personnel and food supply costs—roughly 40 per cent of Japan's defence budget—the financial crunch has affected the acquisition of new equipments.<sup>32</sup> In view of declining defence budget, Japan is resorting to “cannibalisation”—a process in which components from disabled aircraft have been used to run functioning aircraft. But this has adversely impacted the operational capabilities of Japan's fighter aircrafts.<sup>33</sup>

Japan has, therefore, eased the restrictions on arms and related expenditure to enable it to cooperate with other countries for the development and production of arms.<sup>34</sup> The details of Japan's new arms export policy are not yet available in the public domain. But the *Yomiuri Shimbun*, a newspaper that has been advocating for restrictions on arms export<sup>35</sup> has published a gist of the draft approved by the ministry of defence. The report quotes the draft as stipulating four principles on arms exports:

1. Exports of finished products to be allowed only to aid peacekeeping and humanitarian efforts.
2. Even in those cases, products will be restricted to weapons of limited lethality.
3. Nations permitted to be involved in joint development and production programmes will be member states of the North Atlantic Treaty Organisation, Australia, South Korea and others that have stiff arms export controls. This includes participation in treaties on the non-proliferation of weapons of mass destruction.
4. A legal framework should ensure weapons and weapons-related technologies are not transferred to third countries.<sup>36</sup>

The lifting of the ban on arms export clearly indicates that the Japanese establishment is going ahead with its agenda of freeing itself from the self-restraining normative policies. A few years ago, Japan diluted the decades-old principle of “non-military use” of space. In May 2008 the Japanese Diet enacted the country's first law on the use of space, thus paving the way for the development of full-scale spy satellites. The law stipulated that the use and development of space should be carried out to contribute to Japan's security.<sup>37</sup> The equipment allowed under the new law includes early warning satellites that can detect a ballistic missile launch and spy satellites that can view objects as small as 15 cm.<sup>38</sup> Japan has launched series of intelligence-gathering satellites apparently to monitor the North Korean nuclear and missile programme. In December 2011 Japan launched yet another intelligence satellite. Japan's intelligence plan calls for two radar and two optical satellites.<sup>39</sup>

The Japanese establishment's next agenda is to interpret Article 9 in a way that will facilitate exercise of "collective self-defence." According to the interpretation of Japan's Cabinet Legislation Bureau, which is headed by high-ranking bureaucrats, Japan as a sovereign state has the right of "collective self-defence" under international law but it cannot exercise this right as it will "exceed the minimum necessary level" for the defence of the country under by Article 9.<sup>40</sup> People in the Japanese establishment believe that Japan should exercise this right not only to secure the country but also to help its allies, including the US, in case its forces are attacked. The Japanese government's Council on National Strategy and Policy has also proposed that the government review the interpretation of the Constitution regarding the right of collective self-defence to establish a "security cooperation network". The then Prime Minister, Yasuhiro Noda has shown his willingness to review the right of collective self-defence. He was quoted by the Japanese media as saying that "one opinion holds that the minimum right of self-defence includes elements of the right of collective self-defence" adding that he would like to "deepen discussion" (on the issue) within the Government.<sup>41</sup> But Noda has not aggressively pursued the reinterpretation of the Constitution because the Democratic Party of Japan (DPJ) remained divided over the issue. The opposing group within the DPJ argues that once the ban on exercising the right of collective self-defence is eased, the US will use Japanese forces to fulfil its own security goals.<sup>42</sup> The Japanese Communist Party (JCP) and Japanese Socialist Party (JSP) hold similar views.

### **Nuclear Options in Japan's National Security**

At the official level Japan continues to stick to its three non-nuclear principles of desisting from producing, possessing or introducing nuclear weapons. However, exercising the nuclear option for national security continues to fascinate a section of its strategic thinkers. In 2009, when a Japanese foreign ministry panel concluded that "a tacit agreement" on nuclear arms was reached by Japan and the United States during the Cold War period, many termed it as a violation of the non-nuclear principles. While some demanded that the government adhere to the principles and nullify the secret agreements, there were many others who wanted to continue with the agreement and advocated for a revision of the principles. The *Yomiuri Shimbun*, in back to back editorials, urged the government to revise the principles. The daily stated that: To maintain the effectiveness of US deterrence, we believe it is worth giving consideration to allowing port calls or stopovers for vessels and aircraft carrying nuclear weapons.<sup>43</sup>

The Hatoyama government in 2009 had stated that it would raise the issue with the US government to ensure that Japan "abides by the three non-nuclear principles." But following Hatoyama's ouster from the premiership in June 2010, his successors ceased to make efforts in this direction. This hints that the Japanese establishment is keeping its options open to switch to a "2.5 principle" in the

event of a security crisis during which it may allow the US nuclear-armed vessels to drop anchor at Japanese ports.

A section of the Japanese elite has openly supported the need of maintaining ambiguity over the nuclear programme. This view persists even after the Fukushima nuclear meltdown when the Japanese civil groups agitated against their country's nuclear power generation programme and wanted the nuclear reactors to be dismantled. Amid this debate, politicians both from the ruling and opposition camps want to "retain the possibility of making atomic weapons."<sup>44</sup> Those who have expressed these views include former Defence Minister Shigeru Ishiba, former Tokyo Governor Shintaro Ishihara and president of Japan Restoration Party, Liberal Democratic Party Leader Shinzo Abe,<sup>45</sup> who has assumed Prime Ministership second time after 2012 general election. Morimoto Satoshi, a few months before assuming office as Defense Minister, spoke in favour of maintaining nuclear power plants "as a deterrent against foreign attack". He stated that maintaining nuclear power plant will serve as a deterrent as the "neighbouring countries believe Japan could produce atomic weapons in a short duration."<sup>46</sup>

A recent amendment to the Japan's Atomic Energy Basic Law by the Japanese Diet has also generated anxiety among the public over the usage of nuclear technology for purposes other than civilian nuclear energy generation. The June 2012 amendment to the 1955 atomic energy law states that: "nuclear safety should be guaranteed not only to defend lives of people's health and the environment but also to contribute to Japan's national security."<sup>47</sup> Critics contended that the addition of the phrase- 'national security'- could pave the way for Japan's acquisition of nuclear weapons in future. National dailies in Japan have questioned the motives behind the inclusion of the national security clause. The Japan Times, opined in its editorial that: "the word security leaves room for stretching the meaning of the clause, thus theoretically leaving the possibility of allowing Japan to use nuclear power for military purposes."<sup>48</sup> *Mainichi Daily*<sup>49</sup> and *The Asahi Shimbun* also took similar positions on the issue. All the three dailies suggested that the government should drop the "national security clause." Following the declaration by the Japanese government that it will end nuclear power generation by 2030, the national security clause would become irrelevant when these reactors cease to function. But there are contradictions in the new policy since the government plans to stick to Japan's policy of reprocessing nuclear fuel to extract plutonium.<sup>50,51</sup> Without running nuclear reactors, the reprocessing of spent fuel would be unnecessary. Critics have raised questions over the Japanese government's intention to stockpile plutonium. A *Mainichi Shimbun* editorial notes that Japan possesses a "massive amount of plutonium; enough to produce 4000 atomic bombs."<sup>52</sup>

The trend suggests that a section of the Japanese establishment wants to maintain ambiguity about the country's nuclear future as a deterrent for countries in the region. However, Japan would find it difficult to go nuclear as a majority of people remain opposed to the nuclear option.

## Japan's Quest for a New International Security Role

The shift in Japanese security and defence policies can be noticed in Japan's international security role as well. Its defence force has been participating in various UN peacekeeping operations, in disaster relief activities around the world and in anti-piracy missions in Gulf of Aden. Japan, in the past, had declined various requests from the UN to participate in international peacekeeping operations citing its pacifist constitution which does not allow it to deploy its forces overseas and denies it the right to use force to "settle international disputes." This drew flak from the international community. Following this criticism, Japan reviewed its UNPKO policy. Political parties in Japan agreed upon a five-point UNPKO Law<sup>53</sup> that guides Japan's new international security role. Since then Japan has used this opportunity to enhance its internal security role by participating in UNPKOs and in disaster relief operations. Its forces have participated in various peacekeeping missions starting from Cambodia, Mozambique, Golan Heights (Lebanon), Timore Leste and South Sudan. Japanese forces have also participated in various humanitarian and disaster relief missions in Rwanda, Haiti and Pakistan.

Japan has also used the anti-piracy missions to enhance and showcase its naval capabilities. It has sent two of its destroyers—*Samidare* and *Sazanami*—to the Gulf of Aden to escort Japan-linked merchant ships. It has also set up a base in Djibuti—its first overseas base following World War II. Two P-3C patrol aircraft of Japanese navy have been deputed for the anti-piracy mission in the Gulf of Aden since June 2009.

Despite the great shift with regard to its international security missions, Japan's defence forces continue to operate under certain limitations because of the strict five point UNPKO laws. As of now Japanese troops are not allowed to participate in peace enforcement thus their work remains limited to support activities in the UNPKOs. The SDF is not allowed to take up arms except in self-defence. The Japanese government studies the situation on a case-by-case basis and the parliament then decides on participation in UNPKO. Japan is working on various proposals to gradually ease these restrictions. The country has been debating the enactment of a permanent legislation for participation in UNPKO so that each time the case is not referred to parliament. But a consensus still eludes the issue at home. In July 2012, the Noda cabinet drafted a bill to revise the PKO law of 1992. According to Japanese media reports the bill stipulates a new regulation that would allow SDF members to use arms for defending other countries' troops and others engaged in peacekeeping activities.<sup>54</sup> But the Cabinet Legislation Bureau, an inter-governmental body which interprets the legal aspects of the bill, has cautioned the government, saying that the use of force abroad would run counter to the Article 9 of the constitution. In view of a lack of consensus on the issue within the government, the Noda cabinet has shelved the bill.<sup>55</sup> But since there is a general view in Japanese political circles that the 1992 PKO bill appears to be inconsistent with present day realities, the issue would be placed again before the Japanese parliament and the country would need to muster domestic support to increase its footprint in international security scene.

## Opposition from Domestic Constituencies

The establishment's effort to change Japan's normative security and defence policies has not received wider support from different constituencies within the country. A section of the Japanese including the Social Democratic Party (SDP) continues to consider the Self Defence Force (SDF) as an illegal and unconstitutional body. There is domestic debate in Japan to give constitutional legality to the SDF by amending Article 9—which bans Japan from maintaining “land, sea and air forces.”<sup>56</sup> Groups within the Liberal Democratic Party and Democratic Party of Japan (DPJ) want to amend the constitution to provide legal status to Japan's defence force and ease the restrictions placed on them. Anti-amendment political groups such as SDP, Japanese Communist Party, New Komeito Party and a section within the DPJ oppose any such move as they think that it would compromise Japan's pacifist principles.

The Japanese Socialist Party, which was a junior coalition partner in the DPJ government, had been successful in not allowing the government to lift the ban on arms exports. DPJ leader Mizuho Fukushima maintained that Japan would become a ‘merchant of death’<sup>57</sup> if the ban were to be lifted. The DPJ could lift the ban only after the SDP withdrew from government in May 2010 over the issue of the US forces' base relocation in Okinawa.<sup>58</sup> The new defence guidelines also evoked criticism from a section of people. A day after the adoption of the guidelines, a civilian group staged a protest in Tokyo opposing the defence policy of the government.<sup>59</sup> The inhabitants of the island, identified by the Japanese defence ministry to host the SDF for countering China, are also equally divided over the issue. The Japanese media has been reporting the increasing opposition by Yonaguni residents who have put up banners with the slogans: “We absolutely oppose an SDF base.” On the other hand there are those who believe that hosting SDF would lead to the revival of Yonaguni economy.<sup>60</sup>

Another internal hurdle to any change of Japan's security policies is its media. The Japanese media has been critical of the government's policies over the easing of the pacifist norms. It has consistently opposed government policies which it believes, are against Japan's pacifist ideals. Thus, it has nullified the government's efforts to win over public support on issues such as: new defence planning, easing restrictions on arms exports, and expanding the role of SDF in UNPKO. The media argues that these measures are inconsistent with the spirit of the constitution. As regards the new National Defence Programme Guidelines (NDPG), a number of editorials criticised the NDPG as China centric and suggested that this will give China enough reason for expanding its military—including its naval capability. The *Asahi Shimbun*, in particular, was more circumspect, and said:

It may be necessary to prepare for contingencies, but isn't it wiser to enhance readiness to enable vessels and aircraft to be deployed from a distance? Showing off armour alone does not serve as a deterrent.<sup>61</sup>

The Japan Times was also critical, and wrote:

Deploying an SDF unit with offensive capabilities in places that presently have no SDF presence may give other parties an excuse to carry out their military build up, thus leading to a vicious cycle of military one-upmanship that would further destabilize a security situation.<sup>62</sup>

Likewise *The Mainichi Daily* observed that: "It is obvious that measures to counter China's military build up cannot be the core of Japan's policy toward China" and suggested the Japanese government "launch a comprehensive China strategy in all fields,"<sup>63</sup> to deepen bilateral relations with China.

Only *The Yomiuri Daily* welcomed the new defence policy stating that:

The security environment around Japan is growing ominous. To secure peace and safety for the nation, under such circumstances, it is necessary to eliminate the remnants of Cold War strategies and construct a more flexible and resilient defence system.

It added that "adoption of such a dynamic defence capability would be an appropriate policy switch in the dramatically changing security landscape we face today."<sup>64</sup>

Despite the media opposition, the Japanese establishment has eased some of the self-imposed restrictions. The cautious measures taken by the government in exporting arms and giving a new role to its security forces, shows that it has heeded the voices of dissent. The establishment was mulling relaxing the ban on use of arms by its defence forces deployed in UNPKO but it has shelved the issue following a lot of criticism by the media. This shows that the media has played an important role in preventing policy changes on Japanese security and defence.

Yet another internal challenge to the Japanese government's defence policy comes from Okinawa. A majority of Japanese people believe that US forces play an important role in securing Japan<sup>65</sup> and Japan cannot secure its territory on its own and thus support US troops' presence in and around Japan. The perceptions of mainland Japanese and those in Okinawa, however, differ. The Okinawans do not deny the role of US forces in providing security to Japan. But they feel the mainland Japanese should share the burden equally and therefore, they have been campaigning for downsizing the US footprint in Okinawa.<sup>66</sup> The US has some 37,000 troops in Japan, of which 74 per cent are based in Okinawa. In terms of landmass, US bases occupy 19 per cent of the total area of Okinawa prefecture. To mitigate the burden of Okinawa, the US had reached an agreement in 2006 with the Japanese government to reallocate some of its forces from Okinawa.<sup>67</sup> But one aspect of the plan—relocation of Futenama Air station to Henoko District within Okinawa—still faces stiff opposition from the local people. There were various protests against US forces in Okinawa with more than 100,000 people participating in some of them. The Okinawans are leaving no stone unturned to register their opposition against the presence of US forces in Okinawa. Recently, they protested against the deployment of the MV-22 Osprey—a vertical take-off

and landing aircraft—raising concerns about the safety of this aircraft.<sup>68</sup> Two Osprey aircraft crashed in Morocco and Florida (US) in quick succession. The Okinawans believe that such an incident in a populated area of Futenma can lead to the loss of human lives. Analysts believe that apart from safety concerns the protests are an expression of a deep revulsion against the US. Therefore, it can be said that without the consent of Okinawans, the problem of hosting US bases in Japan cannot be resolved. With the rise of China Okinawa has become more important than ever for Japan's security. If Japan is unable to resolve Okinawa's base relocation problem, it will continue to pose an internal challenge to Japanese security.

## Conclusion

The regional security situation, detailed above, have been capitalised by Japanese establishment to revisit its normative security policies. With the China threat looming large, Japan has adopted a dynamic defence force concept to swiftly deploy forces to its outlying islands. It has relaxed the ban on export of arms and arms-related technologies. This would have been unthinkable without an external threat to Japanese security as the Japanese have remained largely opposed to any move to diminish the pacifist ideals of Japan. The Japanese establishment is mulling various options to strengthen the capabilities of its defence forces, including the right to "collective self-defence." It is also debating how to allow its defence forces to use arms during international security missions. A consensus eludes, both among the political parties and the people. But the Japanese government has been taking a step-by-step approach and keeps pushing its agenda. In case of a continued external threat, which is quite likely, following Japan's nationalisation of the Senkakus, Japan may expedite the process of unshackling its normative security and defence policies.

## NOTES

1. A number of Japanese politicians including former Prime Minister Nakasone believe that 1947 Constitution was imposed on Japan. However, a government commission which investigated formulation of Constitution from 1957 to 1964 concluded that "Constitution was enacted under the strong influence of America but Japan's views were taken into account." For details read, Nakasone Yasuhiro, *Japan a State Strategy for the Twenty-First Century*, Routledge, 2003, p.116.
2. Article 9 of the Japanese Constitution (1947): Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force for settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognised.
3. Michael J. Green, "Japan's Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power", Palgrave Macmillan Publican, New York, 2003, p.12.
4. For a detailed account of Japanese impact of pacifism on Japanese security policy read, Yasuhiro Izumikawa, "Explaining Japanese Antimilitarism: Normative and Realist Constraints on

- Japan's Security Policy", *International Security*, 35(2), Fall 2010, pp.123-160.
5. Glen D. Hook, "Militarization and Demilitarization in Contemporary Japan", Routledge, 1996, pp 45-73.
  6. On September 7, 2010 Chinese fishermen deliberately rammed their trawler into a Japanese coastguard ship which tried to stop them for transgressing the Japanese maritime boundary. The arrest of trawler's captain caused a diplomatic spat between Japan and China as the latter suspended the high-level talks maintaining that the Chinese fishermen were fishing in Chinese waters.
  7. National Defence Program Guidelines (NDPG) lay out Japan's basic policy on its defence strength. NDPG 2011 is the fourth such and will remain effective till 2021.
  8. "Defence of Japan 2003", *Japan's Defence Agency, Government of Japan*, p. 68.
  9. Ibid.
  10. For a detailed analysis of Japan's Pacifist policy during the Cold War period, see, Sam Jameson "One nation pacifism: Japan's Security Problem and Challenges to the US-Japan alliance", *Asia Pacific Review*, 5(3), pp. 65-68.
  11. National Defence Programme Guidelines for Financial Year 2011 and Beyond, Ministry of Defence, Government of Japan, Tokyo, p. 6.
  12. The English version of Japan's NDPG has not specifically named any "offshore island" where it wants to strengthen Japanese troops' presence and thus has kept the issue of selection of hosts open. However, the news reports quoting defence ministry sources have stated that the offshore islands chosen for troops' deployment are in Southwestern Japan closer to China and Taiwan.
  13. National Defence Programme Guidelines, p.6.
  14. National Defence Programme Guidelines, p.14.
  15. "Yonaguni plot eyed for GSDF monitoring post", *The Japan Times*, August 2011.
  16. National Defence Programme Guidelines, p.11.
  17. National Defence Programme Guidelines, Appendix, p. 20.
  18. Dmitry Medvedev has visited Kunashiri twice, becoming the first political leader to land on the territory, first in November 2010 and for the second time in July 2012.
  19. "ASDF has record 156 scrambles in FY 11 against Chinese planes", *Yomiuri Shimbun*, April 27, 2012.
  20. For Chinese aggressive naval strategy see "Island a base for South China Sea push", *The Asahi Shimbun*, January 1, 2011 and also "China's scenario to seize isles in South China Sea", *The Asahi Shimbun*, December 31, 2010.
  21. "Defence of Japan 2011", *Ministry of Defence, Government of Japan*, p.82.
  22. For details see, Michishita Narushige, "The Future of Sino-Japanese competition at Sea" available at <http://www.nippon.com/en/in-depth/a00504/>, accessed on November 5, 2012.
  23. Similar maps were used by Takenori Horimoto (2012), "Confluence of the two seas Indo-Pacific Ocean: US Primacy?", presentation made in international seminar on Indo-Japan Maritime Security Dialogue, Power Game in Asia on October 31 at the Institute for Defence Studies and Analyses, New Delhi and by Hideaki Kaneda, "Japan's Maritime Defence Strategy", at the same seminar.
  24. Japanese media has reported that Chinese naval ships have intruded Japan's territorial waters 10 times as of November 4, 2012, following nationalization of Senkakus by Japan. Also see "Chinese ships again approach Senkakus", *The Japan Times*, November 4, 2012.
  25. "JCG to get 4 new ships earlier than schedule", *The Yomiuri Shimbun*, Oct 27, 2012.
  26. US and Japan agree on new missile defense system, *BBC New*, September 17, 2012, <http://www.bbc.co.uk/news/world-asia-19620355>, accessed on September 18, 2012.
  27. National Defence Programme Guidelines, p. 4.
  28. National Defence Programme Guidelines, p. 9
  29. For a detail account of territorial dispute between Japan and South Korea, please see, Shamshad

- A. Khan, "Japan South Korea diplomatic stand-off over Takeshima/Dokdo", available online at [http://idsa.in/idsacomments/JapanSouthKoreaDiplomaticStandoffoverTakeshimaDokdo\\_sakhan\\_140812](http://idsa.in/idsacomments/JapanSouthKoreaDiplomaticStandoffoverTakeshimaDokdo_sakhan_140812), accessed on November 6, 2012.
30. In 1967 Japan has adopted 'three principles' on arms exports which state that Japan will not sell arms to communist countries, countries under the UN sanction and countries involved in armed conflict. In 1976 Japan imposed a complete ban on export of arms and related technology. However, it relaxed this policy in 1983 to jointly develop a missile shield with the US on its territory. For details see, Yukari Kubota, "Japan's new strategy as an arms exporter: Revising the three principles on Arms export, RIPS Policy Perspective No. 7, November 2008, Tokyo, Japan.
  31. "Noda administration bids farewell to arms export ban", *The Ashai Shimbun*, December 28, 2011.
  32. "Don't allow defence budget to fall for 19<sup>th</sup> straight year" (Editorial), *The Yomiuri Shimbun*, October 8, 2011.
  33. Ibid.
  34. "Japan decides relaxing arms export ban", *Kyodo/Mainichi daily*, December 27, 2011.
  35. "Review 3 principles on weapons export" (editorial), *The Yomiuri Shimbun*, October 22, 2010.
  36. "Easing arms export ban eyed/ Draft Defence strategy proposes weapons trade with limited nations", *The Yomiuri Shimbun*, November 18, 2010.
  37. For a detailed account of Japan's new space security policy see Kazuo Suzuki, "Space: Japan's New Security Agenda", RIPS Policy Perspectives No.5, Research Institute for Peace and Security, Tokyo, October 2007, also available online at [http://www.rips.or.jp/research/RIPS\\_Policy\\_Perspectives\\_5.pdf](http://www.rips.or.jp/research/RIPS_Policy_Perspectives_5.pdf), accessed on November 9, 2012.
  38. "Diet enacts law on use of space for defence", *The Japan Times*, May 22, 2008.
  39. "Intelligence satellite launched into orbit", *The Yomiuri Shimbun*, December 13, 2011.
  40. For details see "Government view on Article 9 of the Constitution", Ministry of Defense, Government of Japan, available online at [http://www.mod.go.jp/e/d\\_act/d\\_policy/dp01.html](http://www.mod.go.jp/e/d_act/d_policy/dp01.html), accessed on November 10, 2012.
  41. "Review top law to exercise right of collective self defence" (editorial), *The Yomiuri Shimbun*, July 17, 2012.
  42. Christopher W.Hughes argues that the DPJ experiences "greater difficulties" on finding an "intra-party consensus" on Constitutional revision. The DPJ aims to clearly demarcate the use of military force for self defence and in support of the United States." See, Christopher W.Hughes, "Why Japan Could Revise its Constitution and What It Would Mean For Japan", *Orbis*, 50 (Fall), 2006, p.738.
  43. Secret accord inevitable in Cold War era, ( Editorial), *The Yomiuri Shimbun*, December 24, 2009.
  44. "Nuclear arms advocates get bolder amid energy debate," *The Japan Times/AP*, August 03, 2012.
  45. Ibid.
  46. "Japan defence chief Morimoto sees nuclear plants as deterrent, favours 25% option for energy mix", *Kyodo/Japan Times*, September 6, 2012.
  47. Takao Yamada, "Atomic energy law's sly alteration is abuse of legislative process", *The Mainichi Daily*, June 26, 2012.
  48. "Nuclear laws have serious flaws", (Editorial), *The Japan Times*, June 26, 2012.
  49. "National Security clause must be deleted from law on nuclear energy", (Editorial) *The Mainichi Daily*, June 23, 2012.
  50. "Govt adopts strategy of Zero N-energy reliance", *Jiji Press/Yomiuri Shimbun*, September 15, 2012.
  51. "Govt to continue N-fuel recycling program", *The Yomiuri Shimbun*, September 14, 2012.
  52. "Public must back Japan's goal of ending nuclear power in 2030s" ( Editorial), *The Mainichi Daily*, September 15, 2012.

53. The five principles of Japan's UNPKO law are:
  - (i) Agreement on ceasefire shall have been reached among the parties in conflict.
  - (ii) Parties in conflict including the territorial states(s) shall have given their consent to deployment of peacekeeping forces and Japan's participation.
  - (iii) The peace keeping forces must maintain impartiality, not favouring any party in conflict.
  - (iv) Should any of the above guidelines requirements cease to be satisfied, the Government of Japan may withdraw its contingent.
  - (v) Use of weapons shall be limited to the minimum necessary to protect the lives of personnel.

For details see, "Diplomatic Bluebook 1992", *Tokyo, Ministry of Foreign Affairs*, 1993, p.53.
54. "Govt mulls easing SDF arms rules abroad", *The Yomiuri Shimbun*, July 12, 2012.
55. "Peacekeeping Law change shelved", *The Japan Times*, July 28, 2012.
56. To overcome the constitutional constraints in maintaining armed forces, Japan has used Article 51 of the UN charter which recognises the right of self-defence as an inherent right of every nation and thus it has terms its defence forces as the Self Defence Force.
57. The Yomiuri daily in its editorial criticised Fukushima for the remarks and stated that "her remark is nothing but an irrational, hot-button outburst", for details see, "Foolish short-term view on arms exports", (Editorial), *The Yomiuri Shimbun*, December 10 2010.
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59. "No defence Policy on arms Export Ban worries advocates of Japan's pacifist image", *The Mainichi Daily*, December 18, 2010.
60. "Islanders split as ministry seeks 1.5 billion yen to deploy SDF", *The Asahi Shimbun*, October 10, 2011.
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62. "Defence for the Next Decade" (Editorial), *The Japan Times*, December 23, 2012.
63. "New Dynamic Defence Policy aimed at China" (Editorial), *The Mainichi Daily*, 18 December 2010.
64. "New Thinking Welcome on Defence Strategies" (editorial), *The Yomiuri Shimbun*, 20 December 2010.
65. Some 73% of Japanese support the presence of US forces in Japan for details please see the survey undertaken by Japanese Cabinet Office available at <http://www8.cao.go.jp/survey/h14/h14-bouei/2-6.html>, accessed on November 15, 2012.
66. "Okinawans deserve better" (Editorial), *The Japan Times*, May 15, 2012.
67. In 2006 the US and Japan agreed to a road map for the realignment of the US forces. The alignment has three components: (a) Relocate Air Station Futenma from its current location in Ginowan to Henoko district within Okinawa, (b) relocate approximately 8,000 US marines from Okinawa to Guam, and (c) return land occupied by six US military facilities near Kadena Air Base to Japan. In 2012, both the US and Japan revised this plan and proceeded with point (b) and (c) and point (a) to be decided later.
68. "100,000 protest US Osprey in Okinawa", *The Yomiuri Daily*, September 11, 2012.

## India-Thailand Relations in East Asian Security Dynamics

*Rahul Mishra*

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### Introduction

The year 2012 is of special significance, in terms of the new security dynamics of the East Asian region. In 2012, while the resident superpower of the region- the US—came up with the new *Pivot to Asia* or the *Rebalancing to Asia* strategy to safeguard its own interests as well as those of its allies, China consistently faced criticism from its neighbours because of its assertive posture. The countries of the region, particularly the Philippines and Vietnam are increasingly standing up for the cause of their national security and sovereignty in their territorial disputes with China. So far as India is concerned, 2012 was marked by two substantial and positive events: First, India completed 20 years of its dialogue relationship with ASEAN (Association of Southeast Asian Nations).<sup>1</sup> Secondly, at the bilateral level, the year was significant in terms of India's relations with Thailand as the two countries are celebrating 65 years of their bilateral relations this year. It also marks two decades of the Thai dimension in India's 'Look East Policy', which was initiated by Prime Minister P. V. Narasimha Rao during his trip to Thailand in 1993. India celebrated two decades of its 'Look East Policy' by inviting the Thai Prime Minister Yingluck Shinawatra to be the chief guest at the 2012 Republic Day celebrations. While India is keen to widen and deepen its strategic footprint in East Asia, Thailand regards India as its gateway to South Asia. Thailand's 'Look West Policy', initiated in 1996, seeks to engage India and the region in a comprehensive way. Several factors underscore Thailand's growing significance in India's engagement with the East Asian region. For Thailand India is a safe bet to hedge against rising diplomatic and security related uncertainties in the region.

This paper provides a detailed account of India's relations with Thailand. Situating India-Thailand relations in the emerging East Asian security architecture,

the paper argues that though it requires substantive bilateral interaction and nurturing at the policy-making level, the India-Thailand relationship is moving in the right direction. It also argues that the two countries can step-up ties by dealing with pressing mutual concerns, which include not only the politico-military concerns at bilateral, regional and sub-regional levels through the BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation) and the MGC (Mekong Ganga Cooperation), but also the non-traditional security issues such as; refugees, actions of non-state actors, arms, drugs and human trafficking and natural disasters.

## **Background**

India and Thailand share maritime boundaries in the Andaman Sea. By virtue of being neighbours, the two countries have developed cultural commonalities and affinities over centuries. The Thai people generally believe that the Indian king, Ashoka had dispatched a Buddhist mission led by the Venerables Sona and Uttara to Chao Phraya River Basin—then known as Suwannaphumi. Buddhism was firmly established before the Thais settled in the area. Thai communities and kingdoms, such as, Sukhothai (1237-1350) and Ayudhya (1350-1767) were influenced by both Buddhism and Hinduism.<sup>2</sup> Till date India's cultural influence on Thailand is impressive.

In modern times, India and Thailand established diplomatic relations on August 1, 1947. In fact, when Prime Minister P.V. Narasimha Rao officially flagged off the 'Look East Policy' in 1992, Thailand was among the countries in focus.<sup>3</sup> Demonstrating India's interest in engaging its eastern neighbour, Prime Minister Rao visited Bangkok in April 1993. He also visited Singapore and Vietnam in the same year. Evidently, right from the beginning, India has strived to strengthen ties at both the regional as well as bilateral levels. The maintaining of robust bilateral ties was indeed a definitive part of the Look East Policy.<sup>4</sup> Interestingly, the initial moves by Thailand to create a separate sub-regional mechanism in the form of, what was later termed as, BIMSTEC was initially not encouraged by India. One of the perceived reasons for this was that India was yet to establish itself as an important partner country of ASEAN.<sup>5</sup> However, there are enough reasons to believe that India's interest in BIMSTEC was mainly to marginalise Pakistan by creating a parallel to SAARC (South Asian Association for Regional Cooperation).<sup>6</sup> India was finding it difficult to bolster economic and political ties with neighbours at regional level, as SAARC was not making any headway. BIMSTEC provided an opportunity to further regional cooperation and benefit from it, and India did well to grab it.

Rao's Thailand visit was path-breaking as it opened up new areas for India's relationship with its eastern neighbour. As pointed out by A.N. Ram:

Rao's vision and crafty diplomatic skills not only impressed the Thais but he also sent the messages of deep-rooted cultural affinities across. His decision to pay respect to the supreme patriarch of the Buddhist order in Thailand as

also the announcement that Buddhist monks visiting India would not need to pay visa fees or wait at the Indian Embassy for a visa were much appreciated.<sup>7</sup>

The first India Studies Centre in Southeast Asia was established at Thamasaat University during this visit.<sup>8</sup> Since then, the relationship has only moved forward. One cannot but agree with Ram's view that:

Rao was acutely aware of the fact that unless bilateral relations with individual ASEAN countries improved and acquired mutually beneficial content, the Look East Policy at the macro level would not amount to much. He saw mutuality of interest in bilateral relations as key to India's successful engagement with ASEAN.<sup>9</sup>

It is worth noting that not only was Thailand one of the first countries with whom India tried to revive age-old ties but Thailand also played a key role in bringing India into the swiftly growing and integrating Southeast Asian region. For instance, when India tried to get Full Dialogue Partner status within ASEAN, Thailand along with Singapore played a key role in ensuring India's entry. Interestingly, in 1995 when India got this status, Thailand was chairing the ASEAN.<sup>10</sup> Clearly, India was ahead of China in terms of getting the Full Dialogue Partner status. For China, India's entry into the East Asian regional mechanism was a *bad omen*, as it would lead to China's diminishing dominance in the region. Nevertheless, even when the issue of India's membership to the ASEAN Regional Forum came up in 1996—Thailand was among the countries, which were at the forefront of welcoming India, leaving China sulking on the diplomatic margins. In 1998, Thailand, the Philippines and Japan reacted strongly against India's nuclear tests;<sup>11</sup> however, later during the ARF (ASEAN Regional Forum) meeting they moderated their stand.<sup>12</sup> The primary concern of Thailand, the Philippines and Japan was that nuclear tests might lead to an arms race in Asia. Mutual understanding and appreciation of each others concern helped India and ASEAN member countries quickly overcome the challenges posed by the nuclear issues.

Additionally, there have been regular visits from both the sides, which have given a much-needed fillip to the India-Thai ties. There have been seven prime ministerial visits from Thailand to India during 2001-2012 and three prime ministerial visits from India to Thailand during this period. The 2007 visit of the then Thai prime minister Surayud Chulanont and current Prime Minister Yingluck Shinawatra's 2012 visit can be considered landmark in the context of top Thai leader's visit to India.<sup>13</sup> In fact, India was the third major country in Asia, after China and Japan, that the Thai prime minister Chulanont visited, in addition to the neighbouring ASEAN member countries, since he took office in October 2006.<sup>14</sup> Interestingly, in 2007, India and Thailand also celebrated 60 years of their relationship. During Chulanont's visit, the two countries signed a MoU on *Enhanced cooperation in the field of renewable energy*, as well as an *Executive programme of Cultural Exchange for 2007-2009*.<sup>15</sup> Likewise, during Prime Minister

Yingluck Shinawatra's 2012 visit six important agreements were signed including the one for connecting India, Myanmar and Thailand.<sup>16</sup>

However, it would not be correct to say that the mood and mode of India-Thailand relations has always been upbeat as it is today. The imperatives of Cold War strategic dynamics inevitably drew India and Thailand apart. India's policy of non-alignment with a tilt towards, the then USSR (The Union of Soviet Socialist Republics), was in contrast to Thailand's world view as an alliance partner of the US and its suspicions of the Socialist block led by the USSR. India's idealism in foreign policy went to such an extent that at the end of 1980s, it prohibited the Hindustan Aeronautics Limited (HAL) 'from delivering two squadrons of Jaguars to Thailand, citing that the latter was hostile to Vietnam, a traditional friend of India'.<sup>17</sup> Though the power block politics prevented New Delhi and Bangkok from being close to each other, they still maintained warmth in formal ties. This was largely due to the fact that no contentious issues existed between them.

In the post-Cold War era, changes at the systemic and sub-systemic levels prompted India to reorient its foreign and economic policy priorities. SAARC's dismal success compounded India's frustration, prompting it to search for friends beyond South Asia. As an inward-looking, snail-paced Indian economy attempted to open up, it naturally looked at ASEAN countries as role models and potential partners. Thailand did not disappoint India on that count. Both the countries were very well aware of the fact that their cordial relationship is the gateway to each other's region. Economically also, it made much sense for them to join hands—because while India is the largest economy in South Asia, Thailand has been the third largest economy in Southeast Asian region.

Unfortunately, the Asian financial crisis of 1997 hit the Thai economy hard, and it took Bangkok several years to get back to normal. It was only in 2004 that India signed the EHS (Early Harvest Scheme) with Thailand; which was among the first few countries with which India had inked such a deal.<sup>18</sup> Under the agreement, signed on August 30, 2004, the two countries signed a protocol to implement the EHS under the framework agreement on free trade area, which was flagged off by the commerce ministers of India and Thailand in October 2003 in Bangkok. The key elements of the framework agreement included a Free Trade Agreement relating to goods, services and investment and other areas of cooperation. It also provided for an EHS, under which '82 items at a six-digit level of harmonised system of common list to both sides, was agreed on for complete elimination of tariffs on a fast-track basis'.<sup>19</sup>

What started as a small step towards a comprehensive trade agreement with Thailand in 2004, eventually culminated in India's trade pact at the regional level with ASEAN and the inking of India-ASEAN Free Trade Agreement in goods in 2009. That trade has become a significant element in bilateral ties is evident from the point that during the first decade of this century, the total trade volume went up six times, crossing the US\$ 6 billion mark in 2010.<sup>20</sup> The two countries are working to increase it further, which is evident from the discussions on enhancing

cooperation in areas such as energy, food industries and petroleum, and the inking of six important MoUs during Thai Prime Minister Yingluck Shinawatra's India visit in January 2012.<sup>21</sup> It is hoped that by 2014 bilateral trade will cross the US\$14 billion mark. The proposed Chennai- Dawei corridor project, which aims to link India, Myanmar and Thailand via the sea route, will be an added advantage for the relationship.<sup>22</sup>

As mentioned earlier, India's Look East Policy, and its engagement with Thailand, has been complemented by Thailand's Look West Policy of 1996. On its part, Thailand regards India as a traditional partner with cultural, linguistic and religious bonds. As a consequence, bilateral ties have gone from strength to strength. Today, there are several regional platforms that India and Thailand share. India is also an integral member of the Asia Cooperation Dialogue—a Thai initiative.<sup>23</sup>

### Changing Regional Security Dynamics

There is an emerging consensus that the 21<sup>st</sup> century belongs to Asia. Much has been written and debated about it throughout the past decade. Indeed, in this century, the nucleus of global politics has shifted from Europe to Asia, which comprises most of the major players in today's world, including China, Japan, India, Indonesia and South Korea. This region is home to the four largest economies of the world and is also the most populous geographic entity. It has a nuclear weapon state (China), three de facto nuclear weapon states (India, Israel, North Korea and Pakistan), and a potential nuclear weapon state (Iran). It is however also vulnerable to terrorism and non-traditional security challenges.

The region, in recent years, has become all the more important in world politics owing to the spectacular rise of China and India, the military assertion of Japan and the slow but steady rise of Indonesia. As the simultaneous rise of several Asian powers: China, Japan, India (and lately) Indonesia, is a novel historical event, it holds the potential to bring about unforeseen changes in regional and global politics.<sup>24</sup> The fact that the US is rethinking its policies and the Obama administration has come up with the *Rebalancing to Asia* strategy is indicative of the growing importance of the region.

Clearly, China's unprecedented rise in Asia has started to have significant impact on countries of the region. Given the intensity of the ongoing South China Sea dispute and China's rigid and assertive posturing, the possibility of China becoming hegemonic in future cannot be ruled out. This, in the long run, could become a uniting factor for India and the countries of the Southeast Asian region.<sup>25</sup> While countries such as Vietnam had fought wars with China in the past, Indonesia, the Philippines and Singapore remain wary of Chinese intentions on territorial matters. India too is entangled in a boundary dispute with China and is finding it difficult to resolve the dispute amicably without loss of territory and population. According to Mohan Malik:

How to adapt to China's growing power and influence is a question that dominates the foreign policy establishment of nearly every country in the world. Among regional countries, China arouses unease because of its size, history, proximity, potential power and more importantly, because of the memories of "the middle kingdom syndrome" and tributary state system have not dimmed. It is also widely believed that a stronger China poses imminent dangers to countries falling in its neighbourhood.<sup>26</sup>

Malik further adds:

With the exception of a few, most Asian countries show little or no desire to live in a China-led or China dominated Asia. Instead they seek to preserve existing security alliances and pursue sophisticated diplomatic and hedging strategies desired to give them more freedom of action while avoiding overt alignment with major powers.<sup>27</sup>

Clearly, China's assertive posture poses novel challenges to the world in general and China's neighbours in particular. Interestingly, Thailand also had a rather cold and distant relationship with China post World War II. After the establishment of the People's Republic of China in October 1949, Thai military and civilian leaders viewed China with suspicion. Communist China was then perceived as a security threat to Thailand for several reasons, one of which was the incompatibility between the Chinese communist ideology and the Thai ideology of "Nationhood, Buddhism and Monarchy."<sup>28</sup> Thailand was closely aligned with the US and in fact was an American air base during the Vietnam War in 1965.<sup>29</sup> The Thai suspicions of China ran so deep that bilateral relations achieved normalcy only by July 1975. As in the case of Indonesia, China had also tried to spread communism in Thailand and had in fact supported the Communist Party of Thailand's insurgency in the 1960s. In 1964, China sponsored the formation of two revolutionary movements: the Patriotic Front of Thailand and the Thailand Independent Movement.<sup>30</sup> The Chinese foreign minister, Chen Yi, even went to the extent of saying; "We hope to have a guerrilla war going in Thailand before the year is out."<sup>31</sup> These issues only pushed China and Thailand further apart and Thailand remained a close ally of the US. However, the real turnaround in bilateral relations came after December 1978 when Vietnamese troops intervened in Cambodia. Both Beijing and Bangkok recognised their mutual interest of resisting the expansion of Vietnamese influence in Indo-China.<sup>32</sup> China and Thailand cooperated extensively in funnelling provisions and materials to the Khmer Rouge, while China ended its support for the CPT.<sup>33</sup> That became a watershed event for the restoration of Thailand's relations with China.

In subsequent years Thailand maintained cordial relations with China. For instance, referring to Vietnam, the PLA chief of staff, Yang Dezhi, during his 1983 visit to Thailand said, "If Vietnam dared to make an armed incursion into Thailand, the Chinese army will not stand idle. We will give support to the Thai people to defend their country."<sup>34</sup> Consequently, Thailand-China defence relations also strengthened as Thailand started buying Chinese defence equipment in the

1980s at ‘friendly’ prices. In the post-Cold War years, especially during the Asian financial crisis, China supported the Southeast Asian economies—a move that further boosted its credibility in the capitals of Southeast Asia, including Bangkok. At the turn of the century, the relationship became stronger after Thaksin Shinawatra came to power. This paved the way for the signing of strategic cooperation agreement in 2007. In May 2007, Chulanont, who was actively supported by the military, visited China and signed the *procès-verbal* to launch the joint Action Plan on Strategic Cooperation between Thailand and China.<sup>35</sup>

A closer look at Thai foreign policy reveals that the 1997 financial crisis played a big role in Thailand’s renewed approach towards China. Coupled with this is Thailand’s flexible foreign policy that is able to deal with unexpected situations. As Chulacheeb Chinwanno states:

Thailand pursues a “balanced engagement” policy with the major powers: China; the US; Japan; and India. Thailand tries to manage its relations with the US in such a way that facilitates closer ties with China. An important objective of Thai foreign policy is to position the country where it will not have to choose strategically between the US and China, but remain important and relevant to both.<sup>36</sup>

Clearly, Thailand is mindful of the economic benefits of cooperating with China. Bangkok does not want to become too dependent on the US, and also wants to reap the benefits of China’s rise. Anthony Smith rightly points out that in managing its relations with China and the US, Thailand’s core strategic concept of “bending with the prevailing winds” comes into play.<sup>37</sup> Thailand very carefully ‘manages its foreign policy to maintain close relations with both China and the United States, while also satisfying the perceived demands of the Thai public. While holding on to the “Strategic Partnership” with China, Thailand never put the axe to its formal alliance structure with the United States, even if it was moribund during much of the 1970s.’<sup>38</sup> Putting it in perspective one may argue that Thailand is carefully weighing its strategic options with regard to China’s rise. While it is certainly not an option for Thailand to go against the ASEAN or the US over the China issue, it is employing a unique blend of ‘bandwagoning’ with and balancing against China. As Mohan Malik’s suggests, Thailand (as also South Korea, the Philippines, Malaysia, Laos, East Timor, and Singapore) are putting their eggs in both American and Chinese baskets.<sup>39</sup> A strong relationship with China is certainly accruing benefits to Thailand. However, the lurking fear that a too powerful China might be dangerous, has kept the US-Thai alliance intact despite ups and downs.<sup>40</sup>

Nevertheless, as China’s rise to global power status is creating apprehensions, despite its best efforts Thailand is finding it extremely difficult to maintain flexibility and a harmonious balance in its relations with the US and ASEAN members on one hand and China on the other. This became evident in July 2012 when Thailand became the new coordinating country for ASEAN-China relations because it was expected that Thailand, which has cordial ties with China, would

be able to ensure peace and stability by managing competing claims in the troubled South China Sea.<sup>41</sup> Seemingly, that is not happening and Thailand is finding itself in a fix. It is also believed that while the Thai military leaders strongly back China over a wide range of bilateral and regional issues, the Thai foreign ministry strives to avoid overdependence on China as the country's foreign policy has to take myriad factors into account.<sup>42</sup> As reported in the media:

...with China and South China Sea, the implications are huge and multidimensional. Undoubtedly, Thailand remains ambivalent on the current China-Philippine quagmire even after listening to the presentation in Bangkok by the Chinese diplomats at the end of April.<sup>43</sup>

Clearly, Thailand is finding it difficult to be neutral on matters of utmost regional concern. Unlike the Philippines, Vietnam and many states of maritime Southeast Asia, Thailand is not involved in the South China Sea dispute. Moreover, over the years Thai politicians and military have developed closeness to China and enjoy the comfort of it. For instance, Thaksin Shinawatra was close to China and was also instrumental in devising pro-China policies during his term of office. Now that his sister Yingluck Shinawatra is Prime Minister, the possibility of a tilt towards China cannot be ruled out because of Thaksin's influence.

Yet, over the past two years, the US has taken extra care to placate Thailand. The December 2012 visit of President Barack Obama can be seen in that light. Thailand has traditionally been allied with the US and has benefitted from its ties with the US. Thus, there are many factions that support a strong alliance with the US. The division over how to deal with China in the Thai corridors of power makes it all the more difficult for Thailand to take a firm and clear stand. For instance, among ASEAN states, Thailand has been most concerned about the rising Chinese presence in Myanmar deeming it a strategic threat as also a challenge to its economic cooperation with Myanmar.<sup>44</sup> In fact, a closer look at 1994-95 annual report of India's Ministry of Defence and Thailand's first ever Defence White Paper *The Defence of Thailand - 1994* raised similar concerns about China's forays in Myanmar. The challenges posed by an unstable Myanmar and its strong ties with China certainly motivated India and Thailand to cooperate.<sup>45</sup> One may argue that in such a scenario, Thailand would like to go along with the prevailing ASEAN stance and also keep the US on its side, while not trying to annoy China. Thailand would certainly not like to get caught in such a situation where it has to choose between China and the US. Bolstering ties with India is helpful for Thailand in that regard because the involvement of India—as a major power—in the region would help to make the region multi-polar. Since India has been respecting ASEAN norms and also that ASEAN should be in 'the driver's seat', it has been welcomed as a friend by ASEAN countries including Thailand. Confidence in the Indian navy's capability and capacity is already on the rise among Southeast Asian states.

Interestingly, in 2004, while the littoral states of the Malacca Straits strongly objected to the suggestion made by the US navy for a regional initiative to combat

terrorism, piracy etc, they were open to accepting assistance from India for improving the maritime safety of the Straits.<sup>46</sup> Thailand and other Southeast Asian countries have welcomed India's presence in the region. The decision by Indonesia and Malaysia not to protest against Indian and US naval escort operations in the Straits of Malacca in 2001 and 2002 testify to India's growing acceptance in the region. "As a part of its renewed activism in the wider Asia-Pacific region and its, 'Look East Policy' aimed at strengthening its influence in Southeast Asia, India has also become increasingly involved in Southeast Asian maritime security."<sup>47</sup>

Thus, there are better prospects for cooperation between India and its eastern neighbours, as India too is not in favour of getting dragged into an out and out balancing of China or into any rivalry with it. However, the responses from China are certainly not positive for India. For instance, as Mohan Malik points out:

From Beijing's perspective, India's Look East Policy and the slew of economic and defence cooperation agreements signed with ASEAN infringe on China's own sphere of influence. Leery of India's great power pretensions and attempts to extend its influence in China's backyard, Beijing sees New Delhi's "Look East" Policy as part of a wider "congrate (contain and engage) China" strategy unveiled by the Washington-Tokyo-New Delhi axis. The thrust of Chinese diplomacy is to confine India to the periphery of a future EAC and foil India's efforts to break out of the South Asian straitjacket.<sup>48</sup>

Notably, as the year 2012 demonstrates, the security situation in the East Asian region is not going to improve any time soon and countries and major stakeholders in the region might even be faced with a few troublesome situations. These include: China's military assertiveness which could re-ignite the great power rivalry in the region; the flaring up of the South China Sea dispute; recurring natural disasters; non-traditional security threats and the challenge of keeping ASEAN unity intact in the midst of all these, to list just a few. As Rizal Sukuma's argues:

Regionally, Southeast Asia's security environment becomes increasingly complex when developments in wider East Asian context compel ASEAN to manage issues such as the rise of China, the indispensable role of the United States in the region, the importance of Japan to ASEAN states, and the arrival of India as a major power.<sup>49</sup>

In view of the above, ASEAN's goals of realising 'ASEAN community' and maintaining peace in the region seem difficult to achieve.

The US too is not going to let China dominate the countries of the region or illegally occupy the disputed islands of the South China Sea. During his address at the Shangri-La dialogue, the US defence secretary Leon Panetta said:

The United States believes it is critical for regional institutions to develop mutually agreed rules of the road that protect the rights of all nations to free and open access to the seas. We support the efforts of the ASEAN countries and China to develop a binding code of conduct that would create a rules-based framework for regulating the conduct of parties in the South China Sea, including the prevention and management of disputes.<sup>50</sup>

The statement leaves one with no doubt that Panetta was referring to the South China Sea issue as also to American objections to China's aggressive posturing on the issue.

So far as the *Rebalancing* strategy of the Obama administration is concerned, Thailand is certainly a part of it. According to SD Muni, the strategy:

... has three clearly defined dimensions, namely, of (i) reinforcing traditional alliances, (ii) building new partnerships and capabilities, and (iii) shaping a new regional strategic architecture. On reinforcing traditional alliances, Obama named Japan, Australia and South Korea in his speech and also mentioned Philippines and Thailand.<sup>51</sup>

Clearly, the US is in no mood to let China establish its hegemony in Asia. In such a scenario, it may be argued that the rapidly changing dynamics of the region will require a well-crafted vision of peace, failing which the regional balance might be upset leading to conflicts and instability. For India, the best option in such a scenario is to wait and watch. Evidently, as SD Muni says, "the tenor and thrust of India's response to the US 'pivot' will, to a significant extent, also depend upon how China conducts itself in the region as also in relation to its bilateral issues with India."<sup>52</sup> Muni suggests:

Chinese undue assertiveness and inclination to dominate the region will naturally drive all others in the region closer to each other and to the US. If China leaves India's sensitivities in its immediate neighbourhood unruffled and makes concrete moves to stabilise the border region between the two countries, then India will be calculative and calibrated in its support for the US initiatives in the Asia-Pacific region.<sup>53</sup>

Thus, the best bet for both India and Thailand is to hedge against the rising uncertainties. Interestingly, while both Bangkok and New Delhi are not very keen on subscribing to the US *Pivot* or *Rebalancing towards Asia* strategy, China's follies would compel them to side with the US and cause frictions with China, thereby leading to more instability in the region.

### **Strengthening India-Thailand Defence Cooperation**

Apart from shared vision for economic growth and development and common concerns relating to pressing regional issues, India and Thailand share a common perspective on strategic issues such as defence and maritime security across Bay of Bengal and the Andaman Sea, which is manifested by cooperation at various levels. India and Thailand have been conducting joint maritime patrol exercises, disaster management operations, and regular exchange of officials for defence training purposes. The India and Thailand navies work together on naval patrols and transnational crime prevention exercises. In fact, after acquiring the aircraft carrier, Thailand turned to India to train its naval personnel. Training of Thai pilots on Sea Harriers to operate carrier aircrafts has been a considerable move.<sup>54</sup>

During Rao's 1993 visit, Thailand had also approached India to support it in developing nuclear energy and setup a nuclear reactor in Thailand.<sup>55</sup> Since 1995, India has been holding naval exercises with Thailand and other Southeast Asian countries. Indonesia, Singapore, Thailand and Malaysia have been participating in 'Milan' the biennial gathering of navies hosted by India.<sup>56</sup> They have since then, held intermittent discussions between them on counter-terrorism and intelligence sharing.<sup>57</sup> There has indeed been a steady increase in India-Thailand bilateral defence ties in the post Cold War years. The Indian Air Force Surya Kiran Acrobatic Team (SKAT) performed a nine aircraft aerobatic display in Bangkok in December 2007 to commemorate the 80<sup>th</sup> birthday of the king of Thailand.<sup>58</sup> In April 2012, the Indian and Thai navies undertook a weeklong joint exercise in the Andaman Sea for combating terrorism, piracy and arms smuggling. *INS Bangaram* of the Andaman & Nicobar Command represented the joint Coordinated Maritime Patrol (CORPAT) on the Indian side; *HTMS Khamrosin* along with the Dornier aircraft of both sides represented the Royal Thai navy.<sup>59</sup> The weeklong joint training programme ended on April 25, 2012.

Coordinated patrolling by the Indian Navy and the Royal Thai Navy commenced in 2005. These patrols have enhanced mutual confidence levels between the two defence forces and have contributed to the effective implementation of the law of the sea to prevent illegal activities. Besides joint maritime patrols, India-Thailand defence cooperation includes regular joint exercises, officers training at their respective defence institutions, exchange of visits at various levels, regular joint working group meetings and staff talks. During Thai Prime Minister Yingluck Shinawatra's visit to India in January 2012, the two sides signed a Memorandum of Understanding on defence cooperation to further streamline and enhance bilateral defence ties.<sup>60</sup>

India was among the countries invited to participate in the largest multi-national military exercise in the Asia-Pacific region held in Thailand from February 7-17, 2012. The multi-nation Cobra Gold joint exercise programme is led by the US to improve the capability to plan and conduct joint operations and build relationships. 'Exercise Cobra Gold 2012' was designed to advance regional security by a robust multi-national force of nations sharing common goals and security commitments in the Asia-Pacific region. *Full participating nations* for 'Cobra Gold 12' included; Thailand, the US, Singapore, Japan, South Korea, Indonesia and Malaysia. Other countries invited to participate in the multi-national planning augmentation team included, Australia, France, Canada, the United Kingdom, Bangladesh, Italy, India, Nepal, the Philippines and Vietnam.<sup>61</sup> Military personnel from these countries participated in training exercises, involving live-fire training as well as evacuation exercises, command-post exercises, humanitarian and civic assistance projects. More than 13,000 personnel participated in the exercise. The stated objectives of the Cobra Gold 2012 were: to improve capability to plan and conduct combined-joint operations, build relationships between partner nations and improve interoperability across the range of military operations.<sup>62</sup> India's

participation in such multi-nation exercises gives its forces the opportunity to interact with militaries of other nations and learn from them. In that context, Cobra Gold has certainly helped India get closer to Thailand and other countries.

In 2007, Indian and Thai armies held first ever anti-insurgency exercise. A joint exercise for this purpose was held at Ramgarh in Jharkhand. 13 Thai officers and 39 soldiers of the Royal Thai Army led by Col Piyawat Jarupan and an equal number of Indian army personnel participated in the exercise whose primary focus was on training the troops to effectively neutralise counter-insurgency (CI) operations in an urban scenario.<sup>63</sup> In 2010 again, Indian and Thai armies participated in a two week- long joint exercise, focusing on counter-terror operations as also for boosting interoperability between the two forces. 'Maitree 2010', as the exercise was called, involved the Gurkha regiment of the Indian army and the Royal Thai Army at Ramgarh Cantonment in Jharkhand. Indian and Thai armies also focused on counter-terrorism operations in the urban scenario during the exercise, an aspect of counter-terrorism, which is especially significant for India, in view of the repeated terror attacks and hostage situations in the country. During the exercise, five officers and 44 soldiers represented the Royal Thai Army, along with an equal number of participants from the Indian side as well.<sup>64</sup> As mentioned above, a Defence Dialogue at the level of the defence ministries of India and Thailand was established in 2012. The inaugural meeting of the dialogue was held on December 23, 2011. A MoU on defence cooperation with Thailand was signed on January 25, 2012, during the visit of the Prime Minister of Thailand. The second Air Force Staff Talks were also held in Thailand from February 14-16, 2011.<sup>65</sup> The third edition of 'Maitree', between the Indian Army and Royal Thai Army was held in Thailand in September 2011. The fourth Navy Staff Talks were held in July 2011 and the 13<sup>th</sup> cycle of coordinated patrols between the Indian Navy and the Royal Thai Navy was held in November 2011.<sup>66</sup> On September 11, 2012, India and Thailand again held their joint combat exercise, Maitree which has become an established fixture for Thai and Indian armies. The objective of the exercise, for Thai forces, has been to get tips from their Indian counterparts on fighting militancy and terrorism.

It must be noted that the Thai army is battling secessionist Islamist rebels in Southern Thailand. The insurgent groups have infested the Yala, Narathiwat and Pattani—three southern provinces of Thailand. India has also been battling insurgent and separatist groups for decades. This is particularly so in the case of Jammu & Kashmir and the Northeastern states of India. An important part of the exercise has been to train soldiers for carrying out counter insurgency operations in urban areas. Troops also undertook basic drills including small team tactics, which are considered essential for successful counter-insurgency operations. Over the past few years, a number of countries including the United States have been conducting military exercises with India to get tips for fighting insurgency. Clearly, India and Thailand have miles to go together to ensure that they are most comfortable in working together in defence and security cooperation matters.

Terrorism has not left any country untouched and this trans-national problem is giving a hard time to policy makers, both in India and Thailand. India's investigating agencies were clear that the February 2012 New Delhi and Bangkok blasts were closely linked, which means that India and Thailand have to work together for fighting the menace of terrorism. On March 31, yet another series of bomb blasts rocked Yala, a city in Southern Thailand.<sup>67</sup> Terrorism has once again put India and Thailand on the same page in terms of finding ways and means to ensure safety and security of their citizens. The agencies of the two countries are investigating the 2012 blast that targeted Israeli diplomats in New Delhi.<sup>68</sup>

The two countries also share several regional platforms, such as the ASEAN Defence Ministers Meeting Plus (ADMM Plus), ASEAN Regional Forum (ARF) and the East Asia Summit (EAS). India is also an integral member of the Asia Cooperation Dialogue (ACD) initiated by Thailand in 2002. Likewise, Thailand is a core member of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Mekong Ganga Project (MGC) respectively. Incidentally, BIMSTEC was conceptualised to synergise the Look East and Look West Policies of India and Thailand respectively.

The growing partnership with Thailand exemplifies India's recent policy shift to accord priority to its extended neighbourhood. However, the two countries still have many challenges that demand their attention. Pre-emptive measures are needed to prevent a humanitarian crisis along the Myanmar border. Both are facing daunting challenges of drug trafficking, armed insurgency and separatism. In Northeastern India and Southern Thailand, these problems are compounded by Myanmar providing a safe haven for those involved in such activities.

## **Conclusion**

An ancient Siamese proverb likens Thai foreign policy to the 'bamboo in the wind'; always solidly rooted, but flexible enough to bend which ever way the wind blows in order to survive.<sup>69</sup> More than mere pragmatism, this proverb reflects the country's long-cherished, philosophical approach to international relations, the canons of which are very much enshrined in the Thai culture and religion. Throughout its long and frequently turbulent history, Thailand has consistently crafted a cautious, calculated foreign policy and jealously guarded its independence.<sup>70</sup> India, on the other hand, has equally jealously and meticulously crafted and followed its policy of non-alignment, autonomy and independence. With a few exceptions here and there, both India and Thailand have so far stuck to their cherished goals. If history is any cue to the future, it may be argued that both India and Thailand will, in all likelihood, not get dragged into any politics of rivalry in the region in the coming days and will try to benefit from the East Asian growth. However, as and when the need arises, it will not be difficult for them to stand up to China's assertive posturing in the region as both Bangkok and New Delhi are mindful of the fact that an increasingly assertive China poses

a challenge to the countries of the East Asian region. While a 'hedging strategy' defines both India and Thailand's policy vis-à-vis China to a great extent, Thailand, as a non-NATO ally of the United States, might side with the US, in any regional conflict. India's growing partnership with the US would help the two countries stick together in such a scenario.<sup>71</sup> The increasing presence of the US in East Asia is being welcomed by India and Thailand alike for ensuring a multi-polar region and to prevent hostility in the region. The common vision of ensuring a peaceful and prosperous East Asia is cherished by India, Thailand and other member countries of ASEAN, while holding their national interest supreme.

In conclusion it can be said that although it requires substantive bilateral interaction and nurturing at the policy making levels, the overall state of India-Thai relations is robust and going from strength to strength.

Focusing more on defence and economic cooperation with Thailand, which has remained one of the key partners of India and one of the focus countries in terms of India's Look East Policy, would further strengthen India-Thailand ties, making it one of the most robust partnerships for India in the East Asian region.

#### NOTES

1. A Commemorative Summit is being organised in New Delhi on December 20-21, 2012 to mark the occasion.
2. Chulacheeb Chinwanno, "Shifting Thai- Indian Relations: From Differing Perceptions to Bridging Roles?", *RSIS Commentaries*, No. 96, September 14, 2007.
3. While it is generally said that Look East Policy was initiated in 1992, there are views that this is a flawed notion, as it doesn't take into account India's historical legacy. For instance, Prof S.D. Muni argues that there are two popular myths around India's Look East Policy- First- about its initiation in the 1990s and second, its focus on economic, trade and investment relations. He argues, "If one is concerned only with the nomenclature of 'Look East Policy' then surely it is a post-1990 expression. However, if one means by this policy, the substance of India's engagement with the countries on its east, then both these assumptions, which have become the integral part of policy and intellectual discourse on the subject, are erroneous and deserve to be redefined in the interest of a correct and historically rooted perspective." For details, please see S.D. Muni "Look East Policy: Beyond Myths", in A.N. Ram (ed.) *Two Decades of India's Look East Policy*, ISEAS & Manohar, New Delhi, 2012, pp. 205-220.
4. A.N. Ram (ed.), *Two Decades of India's Look East Policy*, ISEAS & Manohar, New Delhi, 2012, pp. 37-38.
5. Ram, *Two Decades of India's Look East Policy*.
6. Author wishes to thank Prof. S.D. Muni for his comments on this point.
7. Ram, *Two Decades of India's Look East Policy*, p. 68.
8. Ram, *Two Decades of India's Look East Policy*, p. 69.
9. Ram, *Two Decades of India's Look East Policy*, p. 67.
10. Ram, *Two Decades of India's Look East Policy*, p. 70.
11. Anindya Batabyal, "Balancing China in Asia: A Realist Assessment of India's Look East Strategy", *China Report*, 42 (2), 2006, pp. 179-197.
12. Ibid.
13. *Ministry of External Affairs, Government of India*, "Agreements/MoUs signed between India and Thailand during the State visit of H.E. General Surayud Chulanont (Retd.), Prime Minister of the Kingdom of Thailand (June 25-27, 2007)", at <http://www.mea.gov.in/press->

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14. Chinwanno, "Shifting Thai-Indian Relations".
  15. Ibid.
  16. "India, Thailand Sign Six Key Accords", *Indian Express*, January 25, 2012, at <http://www.indianexpress.com/news/india-thailand-sign-six-6-key-accords/903969>, accessed December 1, 2012.
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# West Asia

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## Arab Spring: Redefining Regional Security in West Asia

*Prasanta Kumar Pradhan*

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Throughout the past decades, regional security has remained extremely fragile in West Asia. The region has witnessed wars between the countries and has remained tense. The Israel-Palestine conflict, the Syria-Lebanon conflict, the Iran-Iraq war, the Iraqi invasion of Kuwait and the subsequent landing of the foreign military forces in the Gulf region are foremost among the issues which have kept the region immersed in conflict. The drivers of conflicts are also innumerable and include issues relating to state boundaries, clashes of interest over ideologies, the race for political influence, financial and business interests etc. The Arab Spring has further added to instability in the region. This new phenomenon has seen the protests by people around the Arab world against their rulers, the overthrow of four of the longest ruling dictators, killings of thousands of people, quick action by all the countries of the region to protect their interests and the intervention by the extra-regional powers.

The current wave of popular protests termed as the 'Arab Spring' started in Tunisia where people rose up against their ruler, Ben Ali, who then fled to Saudi Arabia. This raised the hopes of millions of other citizens in the neighbouring Arab countries. Thus, within a short span of time the protests spread to other countries like Algeria, Libya, Jordan, Egypt, Syria, Iraq, Bahrain, Yemen and some Gulf countries. The demands of the protesters varied from country to country but in general consisted of demands for political and social freedom, an independent press, human rights, economic betterment etc. The demands reflected the desire of the masses, particularly the new generation of the young and educated, to be liberated from the old and authoritarian leadership and to play a role in the decision making process of the state. Till date, the protests have overthrown four dictators—Ben Ali of Tunisia, Hosni Mubarak of Egypt, Muammar Gaddafi of Libya and Ali Abdullah Saleh of Yemen while the Bashar Al Assad regime in Syria is struggling for survival. Other countries have successfully managed to suppress

the protests against their regimes either by using their security forces to harshly repress the movements or by promising economic and political reforms.

This has added a new dimension to the conflict in the region—a wave of protests for democratic reforms in an otherwise authoritarian Arab world. Inherent in a regime change is the potential for changes in policies towards the neighbourhood and beyond. Throughout the uprisings, the major regional countries have fought political and diplomatic wars among themselves in an attempt to assert their influence over the region. The Shia-Sunni war of words has come to the fore during the protests. The outside powers have taken the opportunity to strengthen their interests by intervening in the conflicts. On the whole, the regional security scenario in West Asia has deteriorated because of the Arab Spring.

### **Gulf Security**

The protests in Bahrain against the ruling, Al Khalifa family turned out to be a major challenge to Gulf security. The Bahraini government was finding it difficult to handle the mass uprising. Apart from posing a challenge to the government, protests in Bahrain also became a political issue in the region. Bahrain's demographic factor, where more than 70 percent of the Shia population is being ruled by a Sunni royal family, is the major political issue for the region. Iran has maintained good ties with some of the Shia groups in Bahrain and Bahrain and other countries of the Gulf suspected that the protests were being supported by Iran. The Shias claimed that these were peaceful protests by citizens irrespective of their sectarian affiliation. But the ruling family and other rulers of the region strongly believe that the protests in Bahrain were instigated by Iran as it was seeking to infiltrate into their areas and expand its influence. In the Gulf region, the threat perceptions of the countries are based, not only on the military strength of the unfriendly neighbours, but also on the dangers which emanate from abroad.<sup>1</sup> This Arab sensitivity is not limited to the Western interference alone, it also includes interference by any other non-Arab country; and in the Gulf region this is the schism between the Arabs and the Persians.<sup>2</sup> Thus, the fear of rising instability in Bahrain and the possibility of Iran carving out a space for itself and establishing its own area of influence in the Arab Gulf was a major concern of the Arab rulers. The Gulf Arabs' concerns regarding the Iranian influence in Bahrain are further amplified in the past Iran has laid claim on Bahrain as a part its territory, terming Bahrain as Iran's fourteenth province. In such a situation, the Gulf Cooperation Council (GCC) took the Bahrain turmoil seriously and decided to intervene militarily to quell the protests. Thus, security forces from Saudi Arabia and UAE entered Bahrain, upon the request of the later, under the umbrella of GCC Peninsula Shield Force and successfully suppressed the uprising. Bahrain also justified the intervention by the Peninsula Shield Force as "the common responsibility of the GCC countries in maintaining security and stability."<sup>3</sup>

Unlike in Libya and Syria, external powers, quite understandably, maintained a silence over the GCC military intervention in Bahrain because the security of Bahrain is linked to the security of other GCC countries. Thus any voices opposing the Bahrain incident would draw the wrath of the other Gulf sheikhdoms which are important for the major powers for energy, trade and investment and moreover, they are their security partners in the region. For this reason, the protests in Bahrain and the subsequent military intervention by the Saudi and the UAE forces were not strongly condemned by the major world powers.

Yemen is another challenge for the Gulf security. Impoverished, infested with Al Qaeda, demands for secession and autonomy by the rebels, and a weak central authority make the country further vulnerable. Yemen has been a major concern for the GCC neighbours as well as the USA which has given millions of dollar in aid to Yemen to fight Al Qaeda. The formation of the Al Qaeda in Arabian Peninsula (AQAP) and its targeting of the West and their allies have created the security challenges in the region. The GCC and the USA have made several attempts to work with the erstwhile Ali Abdullah Saleh regime and offered him both financial and material support to deal with Al Qaeda.<sup>4</sup> Saleh, even after his best efforts, could not fully succeed in checking the activities of Al Qaeda. And after the protests began, Al Qaeda took the opportunity to spread its activities. Similarly, the Southern Movement and the Houthis rebels also challenged the Yemeni government and made it even more vulnerable.

The armed struggle by the Houthis in the northern part of the country, particularly in the Saada province is major internal security challenge for the government. The Houthis belong to the Zaidi Shia sect hold the government responsible for widespread corruption, the socio-economic neglect of the Shias, the growing influence of Sunni Wahhabism in the country and the country's alliance with the USA.<sup>5</sup> Similarly the Southern Movement in the south of the country is demanding economic development, political reform, transparency in governance and an end to corruption.<sup>6</sup> A significant amount of the time and energy of the government is being diverted towards dealing with the internal political complications.

The Iran-Saudi face off is a vital element of the regional security situation in the Gulf. The period following the protests in the Arab world further eroded the relationship which has been marked by political, ideological and strategic rivalry.<sup>7</sup> Iran supported the protesters, by attempting to internationalise the issue and proclaimed that the current uprisings were inspired by the Islamic revolution of 1979 in Iran. Iran's support for the protesters was intended to overthrow the authoritarian Arab rulers thus changing the Arab world order. This very idea was against the Saudi interests in the region. Saudi Arabia perceives itself as the custodian of the Arab affairs and wants Iran to keep out of the internal affairs of Arab countries. Such kind of Saudi thinking aims at continuing its influence over the Arab politics. Saudi Arabia has warned Iran to keep away from Bahrain<sup>8</sup> and Iran has accused the former of having mounted an 'invasion'<sup>9</sup> on Bahrain. Saudi

Arabia has the support of other GCC members in its stand on Iran. In recent times, the American military presence in GCC countries and the GCC's strong opposition to the Iranian nuclear programme have been major contentious issues between Iran and the GCC countries. The Iranian view of regional security in the Gulf would encompass only the countries of the region without interference from any extra-regional powers. But this kind of a regional security structure is not acceptable to the GCC countries who are under the security umbrella of the USA and cannot choose to ignore it. The Arab Spring has led to the further deterioration of the relationship between the two sides.

### **Proxy Wars**

The rivalry between the two regional powers has led to proxy wars in several places. Iran and Saudi Arabia are two main patrons of the ongoing proxy wars in the region providing the funding and supporting them politically and ideologically. Even before the beginning of the popular uprisings, such proxy wars were fought and the present situation has made them more complex. The Saudi-Iran proxy war is still continuing in the troubled Yemen. Iran has established good connections with the Shia groups in the country and has supported them against the state in their rebellion. In the past, Iran has been accused by the Saleh regime of providing material and ideological support to the Houthis.<sup>10</sup> Saudi Arabia, on the other hand, is concerned about this Iranian move in its backyard which may create another area of Iranian influence in the region and thus wants the movement to be crushed with a heavy hand.

The political, economic and security situation in the country is also very fragile as it is one of the poorest countries in the region. Yemen is also facing severe internal political problems with the Houthis and the southerners demanding separation/autonomy from the state. This has led to severe armed conflict in the country. Besides, Yemen has become a safe haven for the AQAP who has taken advantage of the troubled situation to expand its area of influence. The beginning of the protests in Yemen left the situation wide open for external intervention. Iran, who supported the Houthis against the Saleh regime, supported the protesters who were calling for regime change. Saudi Arabia, which has huge stakes in the stability of its southern neighbourhood and has given millions of dollars to ensure that, initially supported Saleh. But with situation going out of control and the protests continuing despite all kinds of promises and the strong security crackdown, the GCC intervened with a proposal for a regime change which was finally accepted by Saleh.<sup>11</sup> The Saudi dominated GCC initiative has given Riyadh an advantage over Tehran in the conflict-ridden Yemen.

Like Yemen, Iraq also has been the ground for a proxy war between Iran and Saudi Arabia. The removal of Saddam Hussain and the subsequent installation of a Shiite majority government in Baghdad led to a turnaround in Iran's relationship with Iraq. The erstwhile enemies began strengthening ties with each other with the frequent exchange of visits. A shared common sectarian ideology appeared to

be a major driver for the change of heart both in Tehran and Baghdad.<sup>12</sup> This bonhomie between Iran and Iraq left Riyadh feeling insecure. Thus, in the quest for its own sphere of influence in Iraq, Saudi Arabia along with other GCC countries supported Ayad Alawi against Nouri al Maliki in the 2010 elections.

The upsurge of protests in Syria and the regime's response has been a major security issue in the Levant. Iran has been protecting its long time ally Bashar al Assad's regime. On the other hand, Saudi Arabia and other Arab countries have raised the issue of the killings of civilians and human rights violations by the state and have asked Assad to go. The UNSC debated the issue and tried to pass a resolution on Syria which was vetoed by China and Russia. Thus for the time being Iranian interests remain secure in Syria. Saudi Arabia and other Arab countries are also mulling over supporting the Syrian opposition groups against the regime as that is the only alternative left for them in the current situation. There are reports suggesting countries like Saudi Arabia and Qatar are planning to supply arms and weapons to the Syrian opposition.<sup>13</sup> Their position also receives further boost from the US which has recognised the Syrian opposition coalition as the legitimate representative of the Syrian people.

The Arab League initiative of appointing former UN Secretary General Kofi Annan as the envoy to Syria and the six point formula for peace was another clever diplomatic move. This was subsequently adopted by the UN. Kofi Annan resigned over the lack of cooperation from the parties involved; and now Lakhdar Brahimi has been appointed in his place. Thus, while the Syrian conflict remains unresolved the proxy war between Saudi Arabia and its allies on the one side and Iran on the other, has certainly heated up.

## **Rise of Islamists**

The rise of Islamists to power in Egypt and Tunisia has added a new dynamic to the existing complex regional security and yet another dimension to the foreign policies of the countries of the region over how to deal with the new phenomenon. Israel has expressed its concern over the rise of Muslim Brotherhood after the fall of Mubarak regime. It is concerned about the overthrow of the Mubarak regime as it could lead to the rise of the Islamists to power in Cairo, which has now turned out to be true. Israel has signed a peace treaty with Egypt in 1979 which brought it much needed relief. Israel is worried about the possible termination of the treaty by the Muslim Brotherhood which would adversely impact the ongoing peace process. Israel is also concerned that the rise of Islamists in Cairo may contribute to further strengthening the Hamas in Palestine, both politically and ideologically.<sup>14</sup> This was reflected by the Finance Minister Yuval Steinitz when he stated: "We are worried...(that) Egypt won't become an extremist Islamist state, because that would put the whole region in danger."<sup>15</sup> Thus, clearly, a lot depends upon the policies and activities of the Muslim Brotherhood in the future.

On the other hand, Iran has asserted that the protests are inspired by the Iranian Islamic Revolution led by Ayatollah Khomeini. By citing the Iranian

revolution as an ideal model for the Arabs, Iran has drawn a parallel between the Iranian revolution of 1979 and the present protests in the Arab streets. They described the victory of the Muslim Brotherhood in Egypt as “the final stages of Islamic awakening”<sup>16</sup> and Iran is trying to rebuild ties with Egypt. A revival of the Iran-Egypt ties would definitely reshape the regional politics. It would give a further boost to the role of Islam in politics in the region and at the same time will be a major factor in the ongoing peace process.

For Saudi Arabia the rise of the Muslim Brotherhood does not pose a big challenge as long as the latter maintains its allegiance to the House of Saud. In the past Saudi Arabia’s relationship with the Muslim Brotherhood has lacked consistency. There were differences between the al Saud family and the Muslim Brotherhood over several issues.<sup>17</sup> But after coming to power, the Muslim Brotherhood has expressed the desire to strengthen ties with Riyadh as it understands the importance of the country both as an aid donor and a political partner in the region. Saudi Arabia has already deposited \$1 billion in the Central Bank of Egypt to support the weak economy. Saudi Arabia has also promised another aid which includes \$500 million in soft loans for development programmes, a grant of \$200 million to finance small and medium-sized enterprises and other projects and \$750 million as a line of credit to finance Saudi exports to Egypt.<sup>18</sup> With Muslim Brotherhood showing an interest in maintaining ties, Saudi Arabia would take steps to tame the organisation so that it does not have any impact on the Gulf region.

### **Spread of Terrorism**

The Al Qaeda took the opportunity to spread its activities in Yemen while the government and the security forces were focusing their energy and attention on dealing with the protesters. It strengthened its activities and fought against the security forces and successfully took over cities like Zinjibar, Jaar and Raada etc by defeating the security forces and capturing the government buildings. This added to the burden of the government as well as the security forces. The security forces fought tough battles against Al Qaeda and have been successful in recapturing major areas from Al Qaeda but the Al Qaeda still remains powerful and active.

The continuing clashes in Syria between the security forces and the opposition have led to the rise of Al Qaeda in the country and it has joined hands with the opposition forces against the Assad regime. This further fuels the already volatile situation in the country adding the terrorism element to the fight against Assad. Also, the emergence of Al Qaeda introduces a Sunni radical element against the Assad regime. Furthermore, it is interesting to note that while the Al Qaeda usually targets pro-Western regimes, in Syria it is fighting against the Assad regime which is at odds with the US and the West which highlights the larger Shia-Sunni differences. Al Qaeda chosen to support the Syrian opposition against the Assad regime and sees it as a conflict between the Shia and Sunnis in Syria.<sup>19</sup> The West

and the Arabs are turning a blind eye to the infiltration of Al Qaeda into Syria. The policy of short term gains followed by the West and the Arabs would enable the Al Qaeda to strengthen its roots in Syria which may prove fatal for the former in the long run. If Al Qaeda decides to stay put in Syria even after a regime change, and seek to pursue its larger goal of establishing Islamic state there, it would become a potential future challenge not only to Syria but also for the West and the regional countries. The USA and the West along with the powerful Arab regimes would prefer a Sunni regime in Damascus and would like the Assad regime to go at any cost—even if it means ignoring the presence and activities of Al Qaeda in the country

Taking opportunity of the chaotic situation in Syria, Al Qaeda has chalked out a plan for strengthening its network and operation with more fighters. In September 2012, the former Yemeni Al Qaeda leader Tareq al-Fadhli said that terrorists who have withdrawn from the Yemeni cities like Zinjubar and Jaar have started moving into Syria.<sup>20</sup> Similarly, the Jordanian Al Qaeda leader Mohammad Al Shalabi also vowed to launch ‘deadly attacks’ against the Assad regime.<sup>21</sup> Apart from Yemen and Jordan, militants from Iraq have also reportedly moved into Syria. This movement of the terrorists into Syria is a dangerous trend as it reflects the unity and the common political objectives of the various groups in the region.

### **Involvement of External Powers**

The cases of Libya and Syria have gone up to the UNSC and resolutions have been tabled for voting which has exposed the interests of the major powers in the conflict. The resolutions against Syria initiated by the USA and West and seeking the removal of Assad among other strict measures, have been vetoed by Russia and China. There is clearly a conflict of interest among the veto holding powers in the UNSC. The relationship between USA and Syria has been characterised by mistrust and antagonism. The USA has accused the Assad regime of sponsoring terrorism. Syria as an ally of Iran, maintains close ties with Hezbollah and acts against the state of Israel. Thus the Assad regime is an impediment to American interests in West Asia such as the Iran nuclear issue and the security of Israel. For the USA the present uprising is an opportunity to topple the Assad regime and install a friendly regime or initiate a democratic process.

For China, Syria is a strategic ally in a troubled region and in recent times both countries have attempted to strengthen their relationship. China is an important trading partner of Syria. The bilateral trade is heavily in favour of China. In 2011, China’s exports to Syria totalled \$2.4 billion which included communications and electronic equipment, heavy machinery and other important goods. China also has stakes in Syria’s oil industry with the state-owned China National Petroleum Corporation (CNPC) signing huge deals for exploration and developmental activities in the country. Another Chinese firm, Sinochem, owns a 50 percent stake in one of Syria’s largest oil fields.<sup>22</sup> Furthermore, China intends to use Syria, given its geographical proximity to the EU, Africa and other West

Asian countries, as a trading hub for its products.<sup>23</sup> China enjoys good relationship with Iran as well and at times has tried to take advantage of Iran's close ties with Syria to strengthen its foothold in the region. Thus, strategically, China's relationship with regimes like Iran and Syria challenges the traditional American dominance in the region. It also makes clear the Chinese intention of playing a role in the troubled region, though the Chinese leaders shy away of making such statements in public. During the vote on the Syrian issue in the UN Security Council, China was opposed to the use of force for regime change and had demanded a political settlement of the conflict through dialogue and consultation,<sup>24</sup> which shows that it has a stake in the current regime.

Similarly, Russia has considerable interests in Syria. Russia has been one of the major arms suppliers for Syria. Russia has been developing the Tartus port in Syria as a military naval base in the region. Besides, the political warmth between the two countries has been on rise as the West has been trying to isolate Syria. Russia vetoed the UNSC resolution on Syria. Russia supported a Syria-led solution to the conflict instead of any solution imposed by external forces.<sup>25</sup> Russia has condemned the supply of arms and weapons to the opposition forces which amplifies the conflict thus increasing the chances of a civil war. Russia has also rejected the imposition of any kind of unilateral sanctions on Syria.

The stands of Russia and China have been at odds with the interests of the Western powers. In September 2012, France decided to fund the Syrian opposition groups thus clearly indicating that it can go beyond the political and diplomatic routes to achieve the ouster of Assad. Similarly, the EU also wants Assad to go and has imposed restrictive measures on Syria since May 2011. They include, among others, a ban on arms exports, ban on import of crude oil from Syria, ban on investment in several key sectors, freezing of assets of the Syrian Central Bank in EU, trade restrictions etc.<sup>26</sup> In view of the rise of Islamists, the increase in terrorist activities and the ongoing conflict in Syria, some argue that the American power in the region is shrinking and that its power will now be "limited in the impact it can have in the aftermath of the Arab Spring."<sup>27</sup> But the reality is that despite all these alleged American weaknesses, it still remains irreplaceable in the region. The tough stand adopted by Russia and China stems from their experience of dealing with the USA and the West in the UNSC with regard to resolutions on Libya. The Russian Foreign Minister Sergey Lavrov has stated that Russia will not allow Syria to become a 'second Libya'.<sup>28</sup> Russia feels let down by the USA and the West over, both the means adopted, and the final outcome in Libya. President Medvedev has admitted that what happened in Libya has affected Russia's position on Syria stating that: "They (USA and the West) kept telling us there would be no military operation, no intervention, but eventually they started a full-blown war that claimed many lives."<sup>29</sup> Likewise, China feels that the Western intervention in Libya was intended to attack the Gaddafi regime, not to protect Libyan civilians.<sup>30</sup>

## The Non-Arab Players: Israel, Turkey and Iran

The non-Arab countries of the region—Israel, Turkey and Iran—are equally worried about the developments in their neighbourhood as they understand that they are not immune from the consequences of the uprisings. Israel's main concern was that the overthrow of the Mubarak regime could see the Islamists coming to power in Cairo, which has now turned out to be true. It was also worried about the possible termination of the 1979 peace treaty and the further strengthening of the Hamas. Israel is also worried that even as the attention of the world is focused on the happenings in the Arab streets, Iran may take advantage of this shifting of the regional balance of power to emerge as a nuclear weapons state.<sup>31</sup> With the change in regimes, the regional political status quo might change in a way that may not be favourable for Israel. Israel has, however, reacted differently to the developments in Syria. The Bashar al Assad regime has not been very friendly towards Israel therefore Israel has condemned the killings and violence. Israel is worried about the combine of Assad, Ahmedinejad and Nasrallah—whom Israel labels as a “trio of terror”<sup>32</sup>—posing fundamental challenges to Israel's national security. Israel also accuses Ahmedinejad and Nasrallah of providing weapons, ammunition, training, intelligence, and logistical equipment to Assad.<sup>33</sup> The fall of the Assad regime may lead to a weakening of the Iranian influence and the Hezbollah threat in the region, thus providing Israel with a breather.

For Turkey the uprisings are an opportunity to develop stronger relations with its Arab neighbours. Libya was the first challenge faced by Turkey, because Turkey had huge financial interests in that country and enjoyed a warm relationship with the Gaddafi regime. There were around \$15 billion worth of Turkish investments in Libya and more than 25,000 Turkish citizens were working in the different sectors of that country when protests erupted.<sup>34</sup> Because of these reasons, Turkey was initially hesitant to support the no-fly zone proposed by the United Nations. But later, with situation going out of hand, Turkey supported UN resolutions against the Gaddafi regime. However, unlike in the case Libya, Turkey condemned the Mubarak regime right from the beginning and supported the opposition. Turkey aims to strengthen its ties with Egypt and capitalise upon the Muslim Brotherhood's attitude towards Israel especially in the context of its own strained relationship with Israel over the Gaza Flotilla issue.

In contrast to developments elsewhere in the region, the protests in neighbouring Syria posed an immediate challenge for Ankara. Turkey had a warm relationship with Syria which is why it advised Assad to initiate reforms and revoke the draconian laws. But with the situation slowly slipping out of control, Turkey changed its stance and took an anti-Assad stand. It now wants Assad to go, thus paving the way for peace and stability in the country. This change of stand within a relatively short period to suit its national interest reflects the Turkish “preference for instrumentalism and pragmatism over a principled foreign policy”.<sup>35</sup>

Turkey views the Arab Spring as an opportunity to spread its influence in the region where it nurtures an ambition to play a leadership role. Turkey has adopted

a new “zero problem with neighbourhood” policy with the aim of reducing tensions with the countries of the region. This however faced a dramatic and severe test, following the onset of the Arab Spring. As one scholar opines, Turkish politics faced the ‘ethics versus self-interest dilemma’.<sup>36</sup> A key dilemma confronting the Turkish foreign policy elites was whether to encourage reform by putting pressure on the regimes in power or to support opposition movements.<sup>37</sup> The Turkish Prime Minister Recep Erdogan made an “Arab Spring tour”, visiting Egypt, Tunisia and Libya and meeting their leaders and people. During his visits, Erdogan proposed the Turkish model of democracy for the Arab countries, stating that Islam and democracy can co-exist and that the Turkish model should be followed by others in the region. Understandably, there were not many takers for this model in a region where Islam is a dominant force and secularism still a remote concept in political theory and practice. But Erdogan’s Arab Spring tour has given Turkey a window of opportunity to prove itself as a potential regional power with its political stability and unique model of democracy in an otherwise authoritarian neighbourhood.

Iran has tried to capitalise upon the instability in the Arab streets by supporting the protesters against their regimes. Iran has called for an “Islamic awakening” throughout the region. It has asserted that the protests are inspired by the Iranian Islamic revolution led by Ayatollah Khomeini. By citing the Iranian revolution as an ideal model for the Arabs, Iran has drawn a parallel between the Iranian revolution of 1979 and the protests in the Arab streets. A senior Iranian official has stated that what Iran wants to see is “the wave of the Islamic awakening resonated through the Islamic world as an export of the Islamic Republic of Iran.”<sup>38</sup> Iran supported the protesters against the regimes of Mubarak and Gaddafi. By supporting the people against their rulers, Iran thus sought to question the credibility of the regimes and attempted to undermine the legitimacy of their rule in the minds of Arab citizens. However, Iran’s anti-Arab jibe in the wake of the Arab Spring changed in tone and tenor when protests erupted in Syria against the regime of its ally Bashar al Assad. Instead of condemning the regime and supporting the protesters, Iran appealed for a national dialogue between the government and the protesters. For Iran, Syria under Assad is an important ally to check the Israeli threat and sustain its own influence in the region. The Russian and Chinese vetoes in the UN Security Council over the resolution on Syria have come to Iran’s aid for the time being, but how long Assad’s ouster can be avoided is not clear.

The non-Arab countries are worried about the regional political dynamics that have been unleashed by the Arab Spring. They have adopted a two-pronged approach to deal with the ongoing changes: trying to avoid the negative consequences of the uprisings that may directly affect them, while at the same time deriving mileage out of the uncertainty and confusion in their neighbourhood. Coincidentally, all the three non-Arab countries are important powers in the region and have the potential to influence the regional political dynamics.

Changes in regime that have accompanied the Arab Spring have affected the

relationship of the region's non-Arab countries with their major Arab partners. This has made them restructure their ties with some of the new regimes. For instance, regime change in Egypt is threatening Israeli interests and security; Israel is no longer sure about the future of its relationship with Egypt under the Muslim Brotherhood. Similarly, the relationship between Turkey and Syria has been affected because of Turkey's anti-Assad stand. Iran, while trying to rebuild ties with Egypt, is uncertain about its future ties with Syria in a post-Assad scenario. Such kind of restructuring of relationships between the countries of the region is bound to affect the regional security in West Asia.

### **Shia-Sunni Sectarian Politics**

The uprisings have brought to the fore an aggravated sectarian conflict between Shias and Sunnis where power politics over the sectarian alliances has been played out. First manifestation of the sectarian politics during the Arab Spring was visible with the Iranian support for the protesters in Egypt where Iran openly called for overthrow of the regime. Same Iranian call continued as protests spread from one country to another. It took an ugly shape when Iran was accused by Bahrain to be instigating the protesters in Bahrain. In order to internationalise the protests, Iran also tried to raise the Bahrain issue with the OIC.<sup>39</sup> In the past, the GCC countries have accused Iran of provoking their Shia population against the regimes in order to create internal disturbances. Such kind of Iranian behaviour has created a lot of antagonism between Iran and the Arab Gulf countries which continues even today.

The developments in Syria have further exposed the differences in the sectarian politics of the region. Iran's reaction to the protests in Syria was different than its earlier stands against the other Arab rulers. Iran called for a national dialogue between the people and the government in Syria, unlike its support for the regime change in other countries witnessing protests. Now Iran has been backing the Assad regime allegedly providing funds and arms to deal with the protesters.<sup>40</sup> On the other hand, the Gulf Arab countries like Qatar and Saudi Arabia have openly declared their intention to support the opposition to topple the Assad regime. A full blown conflict between the Shia and the Sunnis has now begun in the Syrian political theatre. The new UN and Arab League interlocutor on Syria Lakhdar Brahimi has, apparently, understood the degree of Iranian involvement and impact on the Assad regime for which he has made his first tour to Iran to meet with the leadership to find a way out for the turmoil in the country. While Syria continues to burn, both the parties have engaged themselves in taking political mileage out of the chaotic situation. In the present context it looks like that the Syrian crisis can be solved if a credible understanding between the sectarian political rivals can be achieved.

## Conclusion

The Arab Spring has added yet another element of instability to the sensitive region. It has reignited several old issues with some added flavours. The Saudi/GCC-Iran relationship has touched a new low and proxy wars between them have resurfaced in the region. The Islamists have risen to power and terrorist elements have capitalised on a chaotic political environment to strengthen their organisations and expand their activities. The involvement of external powers makes it even more difficult for the countries to move towards peaceful coexistence without any outside interference. Similarly the three major non-Arab countries of the region—Israel, Turkey and Iran—have also come forward to play a part in this critical time. All these developments paint a gloomy picture of the future security of the region.

The continuing protests and the crackdown by the regimes will prolong the existing regional insecurity. Usually, the security of the countries of West Asia is closely interlinked. The surge of protests in the countries one after another further heightened both, the threat perception and the actual dangers involved, in the region. Thus, affecting all the countries, the Arab Spring has played a destabilising role in the volatile region.

The situation appears grim for the foreseeable future because the countries which successfully overthrew their rulers are experimenting with democracy, while others are warding off the threats to their regimes. Though violence on the streets has come down significantly (except in Syria), the internal political changes and their impact on the regional alliances will affect the regional security of West Asia. The chaos and confusion created by the uprisings is temporary and may subside in due course, but the changes they have brought about will have a long term impact on the security architecture of the region.

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## Iran and the Emerging Gulf Security

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### Introduction

Recent developments in West Asia and North Africa (WANA) have drawn the world's attention to the region. The socio-political changes in the Arab world over the past year, which began in Tunisia and spread to the other West Asian countries including Egypt, Libya, Syria, Yemen and Bahrain have shaken the WANA region. In Tunisia, Egypt and Libya, monarchical systems have been replaced by democracies. And after several decades, people of the WANA region have directly voted for the formation of new governments. In other countries, current regimes are still struggling for survival, and clinging on to power. Bahrain has succeeded in silencing the protesters with the help of Saudi Arabia, but protests are continuing against the Bashar al-Assad regime in Syria even after thousands of people have died.

The Iranian government is officially and publicly supporting the popular uprisings in the Arab world. Iran has also taken a pro-people stand and hopes to reap a rich harvest of good will in the Arab world. The Iranian Supreme Leader, Ayatollah Ali Khomeini quickly seized the opportunity to claim that the Arab uprising and mass protests in the WANA region were modelled after the Iranian Revolution of 1979. He urged people not to “back down until the implementation of a popular regime based on religion”.<sup>1</sup> In a self-congratulatory mode, Khomeini also claimed that the Iranian revolution of 1979, which deposed the United States (US)-backed Shah, had become an example for the people of the Muslim world, particularly those living under similar “dictatorships”. Iranian leaders have been supporting the people's movement in countries like Bahrain, Tunisia and Egypt. However no statements supporting the Syrian opposition groups have been forthcoming and Iran is extending strong support to the Bashar al-Assad government and extended political, financial and strategic support to it.

It is pertinent to mention here that huge street protests had also taken place in Iran after the disputed re-election of President Mahmoud Ahmadinejad in

June 2009. Mir Hossein Mousavi, the leader of the opposition, has even stated that the peoples' protests in the region are modelled on the Green Movement demonstrations of 2009.<sup>2</sup> After disputed 2009 presidential election, thousands of people have come into the streets and protested against the ruling regime demanding re-election. However, the peoples' demands were silenced and dozens of civilians killed by the ruling regime with the help of Islamic Revolutionary Guards Corps (IRGC). Thousands of protesters were arrested and reformist leaders like Mir Houssein Mousavi and Mohammad Khatami are still under house arrest.<sup>3</sup> The disputed re-election of Ahmadinejad was accepted by Ayatollah Ali Khamenei and supported by the IRGC. However, this alliance did not continue for long and conflict began between Ahmadinejad and Khamenei.

The fact remains that Iran has nothing to do with Islamic revolution or popular democracy; the reference to the Iranian revolution is merely to ensure Iranian leadership in the Islamic world. There are other reasons too. First, Iran hopes that any regime change in the Arab world, including Egypt, may throw up leaderships that are less hostile to Iran than the present ones, as both countries have not enjoyed a cordial relationship since 1979. Second, this will provide new opportunities for the Islamic Republic to expand its area of influence in the region. Currently, Iran feels terribly insecure and uncomfortable due to Western backing for the existing regimes in the Arab countries, which offers little chance for it to leverage its position in the Arab world. Third, Iran has had better relations with democratic states in the region and expects popular governments (which may replace the existing regimes) to be more friendly towards Iran. For example, presently, Iran has cordial relations with Turkey, Iraq and Afghanistan. Turkey is even playing a mediatory role between Iran and the West regarding Iran's nuclear programme. After decades of tensions, Iran has managed friendly relations with Iraq. Iran is even maintaining cordial relations with Afghanistan despite Western support for the country. This may be the reason why Iran is supporting the popular movements, which it hopes will be opposed to the US, Israel and the West.<sup>4</sup>

The fact remains that Arab Spring is different from the Islamic Revolution. Unlike the Iranian revolution, which had a distinct Shia orientation, political organisation, and an effective and charismatic leadership, the present uprising in the Arab World appears to lack all these characteristics.

The subsequent coming to power of the first Shia government in Iraq, along with the political developments in Lebanon post the summer of 2006 and spring of 2008 have expanded the area of influence of the Shia ideology. Subsequently these developments have also enhanced the role of Iran from the national to the regional level.<sup>5</sup> Iran has also got the opportunity to advance towards regional hegemony after the removal of Taliban government in Afghanistan.<sup>6</sup> Iran could also play a decisive role in Afghanistan especially after the withdrawal of Western troops from the region. Iranian support to the Shia sects in the region is not only limited to the Hezbollah. But Iran also maintains close relations with Iraqi Shia

groups and has also extended financial and political support to Herat, the Shia dominated region of Afghanistan.

The paper seeks to analyse the internal dynamics of Iran after reviewing the recent developments. In light of the current developments in the region, this paper also examines Iran's role in the political dynamics of the region especially in Syria and Afghanistan.

### **Internal Conflict and Struggle for Power in Iran**

The internal politics may be more important than any external conflict created by the leader of a country even in terms of its impact on foreign policy. The ruling regime in the Islamic Republic of Iran is not a monolith but consists of several factions. However, it is not easy to get a complete understanding of the complexity of Iran's factional politics. Each faction consists of a number of smaller groups who may change their positions over a period of time. Alternatively, a faction's position may overlap with that of groups associated with other factions. The differences between factions are often unclear and undefined, because of the tremendous fluidity that characterises the various groups and their alliances. In brief, factional politics has become a marked feature of the post-revolutionary Iranian establishment.<sup>7</sup>

Ahmadinejad's presidency injected a new note in Iran's foreign policy that marked a total transformation from Khatami's policy of "dialogue." Initially Khamenei supported Ahmadinejad in order to counter the reformists. He hoped that through Ahmadinejad it would be easier for him to preserve the powers of the clerical establishment of the Islamic Republic of Iran. While Ahmadinejad has received strong support for his nuclear policy, his radical foreign policy is not widely supported by the conservatives, pragmatists, and reformists. Even, Khamenei has been using his power to limit Ahmadinejad's authority. Khamenei formally appointed Akbar Hashemi Rafsanjani a known political figure in Iran and rival of Ahmadinejad, as Chairman of the Expediency Council. Khamenei also formally recognised Rafsanjani as number two in the Iranian leadership to trim Ahmadinejad's stature from the second most powerful man to the third most powerful figure in Iran's political structure. Khamenei also set up a Strategic Council of Foreign Relations (SCFR) in July 2006 to advise the government and the Supreme National Security Council on the cabinet's foreign policy strategies.

Even Ahmadinejad's second term began with a direct confrontation with the Supreme Leader. Major differences have surfaced among different factions in Iran after the 2009 disputed presidential elections. Instead of focusing on the Islamic identity of Iran, Ahmadinejad has tried instead to showcase the Iranian civilisation by reviving the memory of Cyrus the Great, who had founded the Persian Empire in the sixth century BC. Ahmadinejad's chief of staff, Esfandiar Rahim Mashaei has even gone to the extent of questioning the legitimacy of the very principle of the *velayat-e-faqih* (Guardianship of Jurisprudence).<sup>8</sup>

The conservatives have reacted strongly against these assertions. Majlis speaker,

Ali Larijani, conservative Majlis members like Ahmad Tavakoli and Ali Motahari have questioned the way Ahmadinejad and his supporters have quoted a Zoroastrian king like Cyrus instead of referring to the Islamic teachings of Ali the first Shiite Imam.<sup>9</sup> Khamenei also entered the fray in defence of the post-revolution Islamic political system, and spoke against hardliners who were seeking to “separate Islam from the clerics” and “promotes secularism” as traitors to the Islamic Republic.<sup>10</sup>

Without doubt, recent development in Iranian politics indicates that Ahmadinejad’s stature is declining. In the recent Majlis (Parliament) elections in March 2012, conservative forces loyal to the Supreme Leader, Ayatollah Ali Khamenei, emerged victorious. Ahmadinejad’s hard line faction suffered a big defeat even in Tehran. The election result has not only pushed Ahmadinejad on to the back foot, but there is a possibility that his powers could be further curtailed in the coming months.

Angered by the internal political conflict, Khamenei in October 2011 had hinted at the abolition of the post of president. Instead, the Majlis could elect a prime minister from among its 290 members.<sup>11</sup> However the abolition of the post of president requires a constitutional amendment as per Article 177 of the Iranian Constitution. For the amendment of the constitution, the Supreme Leader has to issue a decree to the President after consultations with the State Expediency Council stipulating the amendments or additions required to be made by the Council for Revision of the Constitution. The Council consists of:

1. Members of the Guardian Council.
2. Heads of the three branches of the government.
3. Permanent members of the Nation’s Exigency Council.
4. Five members from the Assembly of Experts.
5. Ten representatives selected by the Leader.
6. Three representatives from the Council of Ministers.
7. Three representatives from the judiciary.
8. Ten representatives from among the members of the Islamic Consultative Assembly.
9. Three representatives from among university professors.

The procedure and the mode of selection of candidates to the Council and their qualifications are all governed by law. The Council’s decision must then be confirmed and signed by the Supreme Leader, after which it has to be approved by an absolute majority of voters participating in a national referendum. Given that the Supreme Leader has a majority in all these institutions and given that he continues to enjoy popular support, he can indeed ensure that the constitution is amended according to his wishes.

Whether the presidency is abolished or not, the question that begs an answer is why is Ayatollah Ali Khamenei contemplating such a course of action. The answer lies in the challenge posed to his supreme authority first by the reformers who were as part of the Green Movement in the aftermath of the June 2009 presidential elections and subsequently by the hardliners led by President Ahmadinejad. The challenge to the authority of the 32-year old Islamic Republic has hardly ever been greater than in the aftermath of the disputed presidential

election of June 2009. For the first time, protesters and supporters of the Green Movement called for the downfall of the Supreme Leader. Before 2009, Khamenei had been largely insulated from public criticism by the opposition activists. But the Green Movement marked a change in this regard. Khamenei and his loyalists eventually silenced the demonstrators, which was made easier because the demonstrators were loosely organized. Continuing with the policy of sidelining the reformists, the recent Majlis elections saw most reformist candidates being barred by the Guardian Council (which vets all candidates) from contesting elections. Consequently, reformists were virtually absent from the electoral scene.

At the same time, Khamenei is facing a growing challenge from the hardliners led by Ahmadinejad. Ahmadinejad challenged the authority of the Supreme Leader by seeking to remove the intelligence minister, Heider Moslehi, who is a Khamenei loyalist. In the face of this challenge, conservatives united to curtail the power of the hardliners. As pointed out above, most reformist candidates were barred from or were absent in the Majlis elections, which essentially meant that it became a contest between the conservative coalition of Khamenei supporters and Ahmadinejad's hard line followers.<sup>12</sup> The allies of the Supreme Leader worked hard to unite conservatives into a single group, the United Principlist Front (UPF),<sup>13</sup> and used their dominant position to suppress all opposition to the Supreme Leader's absolute authority. This group consists of the unofficial representatives of Khamenei and is fully committed to the system of governance known as *velayat-e-faqih* (Guardianship of the Jurisprudent). In theory, the principlist group is led by Ayatollah Mohammad Reza Mahdavi Kani, the chairman of the Assembly of Experts—which has the power to elect the Supreme Leader. The Assembly of Experts, Iran's highest-ranking religious and political authority, was formed in 1983 and consists of 86 Islamic scholars. It has the power to elect, supervise and remove the supreme leader. Members of the Assembly are religious scholars who are directly elected for an eight-year term by a nationwide poll. The Assembly meets twice a year to review major national issues, and every other year to appoint a new chairman.

The principlists believed that if Ahmadinejad gained a majority in the Majlis, he would pose an even stronger challenge to Khamenei. Their victory in the March 2012 elections meant that they had achieved their objective and successfully sidelined Ahmadinejad's supporters.

Notwithstanding the affirmation of regime legitimacy, the election result is an indicator of Ahmadinejad's imminent political downfall because he had dared to challenge the Supreme Leader's authority in direct key government affairs such as foreign policy and intelligence. Ahmadinejad—at one time considered an ideal son of Iran's theocracy—has been left politically weakened and he became the first president to be questioned by the Majlis on March 14, 2012. The questions directed at him included: the administration's failure, the failure to achieve economic growth, poor implementation of the subsidy reform plan, the president's alleged resistance to accepting the Supreme Leader's decree to reinstate the

intelligence minister, the dismissal of the former foreign minister while he was on a diplomatic mission, and the president's support for the promotion of the 'deviant' Iranian school of thought instead of the Islamic school of thought.<sup>14</sup>

The biggest gainer of March 2012 election was the Supreme Leader. Khamenei has pointed out that after the commotion over the presidential election in 2009 and which had dented his authority, "some had predicted that people have lost their confidence in the Islamic system but this election was a strong and clear-cut response to that wrong conclusion."<sup>15</sup> Khamenei may view this election as a means of restoring his authority and of reassuring his followers that he is still firmly in control and will continue to safeguard the ideology of the Islamic Revolution. Khamenei has also signalled that he will no longer tolerate any opposition to the revolutionary ideology, by sidelining the deviant current, sedition (*fetneh*), and supporters of the Green Movement. Khamenei has also been able to prove that Iran is socially and politically united, and that *velayat-e-faqih* is still a significant and legitimate institution.<sup>16</sup> After the 1979 Islamic Revolution, the concept of the *velayat-e-faqih* was introduced into the Iranian constitution basically to preserve the spirit of the revolution. By holding the highest constitutional position in the Iranian polity, the *velayat-e-faqih* has wielded considerable power and has been able to direct the affairs of the state. Article 5 of the Iranian constitution stipulates that an individual jurist, who is endowed with all the necessary qualities, or a council of jurists, has the right to rule and exercise leadership in the Islamic Republic as long as 'The Lord of Time', i.e. the Twelfth Imam of the Shias, remains in occultation.<sup>17</sup> Shiite Islamic jurisprudence is built around the authority of Twelve Imams descended from the Prophet Mohammed.

In case of tension between the *velayat-e-faqih* and the presidency, the former has always prevailed in spite of the latter being directly elected by the people. The Supreme Leader has enough constitutional powers to overcome the executive assertion through the Guardians Council and the Majlis. The enormous constitutional powers vested in the *velayat-e-faiqh* make this position immensely important in the Iranian political system. Any political step to weaken this institution may lead to a major socio-political upheaval in Iran. Several factors have contributed to the strength of the institution of the *velayat-e-faqih* such as the charisma of the Supreme Leaders, the inherent bias in the constitution towards *velayat-e-faqih* and the vested interests of the clerics to retain this institution because it is a source of their power in Iranian society. The only nominal limit on its supreme authority is the constitutionally vested power of the Assembly of Experts to impeach the Supreme Leader, and the overall public support he commands. However, in reality, this is hardly likely to happen. If the political system of Iran continues to be based on the principles as enshrined in the 1979 constitution, the institution of the *velayat-e-faqih* is likely to remain the most powerful institution in Iranian politics in the days to come. One must also not ignore the actions of institution such as the IRGC or Pasdaran, who seek to exercise influence in a

much more direct fashion. IRGC is Iran's most powerful security and military organisation, responsible for the protection and survival of the regime.

### **Ahmadinejad and the IRGC**

Ahmadinejad also enjoyed the support of the armed forces. Some members of his cabinet were either veterans of the IRGC or had a history of ties to the organisation, of which he was a part. Even the current oil minister of Iran, Rostam Qasemi, was head of the Khatam Al-Anbia Complex of the IRGC. Ever since Ahmadinejad came to power in 2005, he has been careful to retain his support within the IRGC by providing them with economic opportunities and profitable appointments. The IRGC has also strongly supported Ahmadinejad until the rift between him and Khamenei. Though, choosing one over the other was inevitable, the IRGC remained loyal to the Supreme Leader, Khamenei, rather than to the president, Ahmadinejad. When the tussle started between the executive presidency and the Supreme Leader in the Mashaei's and intelligence minister, Moslehi affairs, the IRGC has sided with Khamenei and strongly criticised Ahmadinejad. In an interview with Mehr news agency in July 2011, IRGC chief, Ali Jafari stated that the IRGC had been tasked by Khamenei to oppose the "deviant current", a term used to describe Mashaei and other Ahmadinejad's supporters. He went on record saying that the IRGC was opposed to the "Iranian school" (i.e. the Persian-Iranian school of thought, which is led by Ahmadinejad and Mashaei), and added "there are people who, using their deviant methods, want to take from us what has been achieved with the blood of the martyrs—and this view is very dangerous."<sup>18</sup>

Iran's senior leaders remain bitterly divided since the disputed 2009 presidential elections, and a large section of the Iranian population is isolated from the regime. These tensions will not be resolved easily, and they have spurred Ahmadinejad to take a defiant stance in foreign policy. His tone is unlikely to change if tensions remain high, but could soften if Khamenei is able to build a coalition of conservatives.<sup>19</sup> However, moderating the way Iran engages with the world could allow more room for progress on international and regional issues.

### **Iran's Nuclear Programme and Domestic Debate**

One of the most complex security challenges for the West as well as for the countries in the region is Iran's nuclear enrichment programme. The US and its regional allies accuse Iran of using its civilian programme as a cover to develop nuclear weapons. However, Iran rejects the charges, insisting that its programme is purely for civilian purposes. An Iranian parliamentarian Gholamreza Mesbahi Moghadam on April 7, 2012 stated that while "Iran has the technological capability to produce nuclear weapons but it was not Tehran's policy to go down that route."<sup>20</sup> It was the first time that a politician publicly declared that the Islamic Republic has the knowledge and skill to produce a nuclear weapon.

It must be noted that the country's political elite is unanimously of the view

that Iran should continue to pursue its nuclear programme for peaceful purposes. The divisions are over the approach to be taken in dealing with the international community. While the hardliners led by Ahmadinejad seem to favour confrontation, the centrists and reformists support a non-confrontational stance and may even accept some limits on the programme. The moderate conservatives also favour a non-confrontational stance. Ahmadinejad's statements on a number of occasions antagonised the US and its allies in the region. Ahmadinejad said "the people of Iran will not give up their right to exploit peaceful nuclear technology.... They are not intimidated by the arrogant uproar and propaganda today."<sup>21</sup> Because of Iranian president Ahmadinejad's determination to pursue the current confrontationist policy, conservatives have been divided into two groups—moderate conservatives and neo-conservatives or hardliners headed by Ahmadinejad (as discussed above).<sup>22</sup> However, the president and council of ministers could not take decision on nuclear issue because the decision was largely in the hands of the Supreme Leader.

The founding father of the Islamic Republic of Iran and the first Supreme Leader (1979-89) of the country Ayatollah Ruhollah Khomeini opposed the development of nuclear weapons. Even Iran's first prime minister Mehdi Bazargan decided that Iran did not need nuclear energy, and therefore work at Bushehr was halted after the the Revolution in February 1979. Following the death of Khomeini in 1989, Iran embarked on an effort to expand its civilian nuclear programme.<sup>23</sup> Iran's present Supreme Leader, Ali Khamenei in February 2012 during a meeting in Tehran with the director and officials of the Atomic Energy Organisation of Iran (AEOI) and nuclear scientists said that Iran will prove to the entire world that nuclear weapons cannot solidify power. Khamenei also pointed out that scientific and nuclear achievements are directly linked to the country's national interests and its future success. He said: "If nations manage to independently achieve progress in the fields of nuclear energy, aerospace, science and technology, there will be no room for the tyrannical hegemony of global powers." Khamenei emphasised that the Iranian nation has never sought and will never seek nuclear weapons. He said "the possession of nuclear weapons as a great sin, in terms of thought, theory and religious edict, and also believes that holding such weapons is useless, costly and dangerous."<sup>24</sup> On March 19, 2012, Khamenei stated that Iran's success in enriching uranium to 20 per cent and turning it into fuel plates to operate the Tehran research reactor "surprised the enemies."<sup>25</sup> It is clear that despite the domestic political realities, the nuclear enrichment programme is a matter of national pride for all Iranians including the political elites, and they would not like to compromise on this pride.

As the first nuclear reactor in the West Asian region, the Bushehr Nuclear Power Plant is being closely monitored by its neighbours. Many other countries in the region such as Saudi Arabia, Egypt, Kuwait, UAE, Turkey and Jordan are keen to pursue nuclear power.<sup>26</sup> There is no doubt, despite Russian and Iranian safety and peaceful assurances; the Bushehr Nuclear Power Plant poses a different

kind of threat in terms of accelerating the region's nuclear drive. In the coming years a dozen Gulf States may initiate their own nuclear programmes.

The Iranian nuclear issue may also provoke an Israeli attack on Iran. Though the Iranian reaction to such an attack is unpredictable, but according to experts such an attack would not prevent Iran from acquiring nuclear programme atleast for peaceful purposes but would strengthen the hardliners in the regime.<sup>27</sup> It could also lead to military and covert responses that could destabilise much of the Gulf and Arab countries, disrupt oil flows, cause Iraq to implode and/or foster a sectarian divide in the Levant and the Arab Peninsula.

### **Iran and Shia Crescent**

Due to the Arab transformation there was also a broader shift in the balance of power in the region. The current uprising in the Arab World has also given Iran an opportunity to exploit the political turmoil and encourage the formation of "Shia Crescent" extending from Iran through Iraq, Syria, and Lebanon. The majority of the population of Iraq is Shia and the post-Saddam government is controlled by Shias who are biased towards Tehran. However, if the Assad regime gets over thrown it will be a great loss for the Islamic Republic of Iran.

Iran's ties with Iraq, Syria and Lebanon have expanded its influence inside and outside the Gulf. A core aspect of Iran's policy over time has been to extend its influence across the former provinces of the Old Persian empires, to foster a sense of common identity with the people of the region cutting across national boundaries. These efforts, also visible in the foreign policies of the Safavid, Qajar and Pahlavi dynasties, are being followed in the present regime.<sup>28</sup> Iranian policies towards Shia sects in the region rest upon a stirring clerico-diplomatic machine synchronised at the top by the Islamic regime and combining public institutions with a multitude of non-governmental actors and networks.

### **Iran's Role in Syrian Crisis**

Iran has been trying to ensure the survival of Syrian President Bashar al-Assad's regime and has sent high level officials including members of the IRGC to Damascus. Syria is the only reliable partner of Iran in the West Asia region. Tehran also provides financial, political and strategic support to the ruling government against rebels. Saeed Jalili, the secretary of Iran's Supreme National Security Council and Ali Akbar Salehi, foreign minister of Iran visited Damascus in August and September 2012 as a visible symbol of that support. Jalili said "Iran will never allow the resistance axis (western powers)—of which Syria is an essential pillar—to break."<sup>29</sup> The Bashar regime is Iran's only base of influence in the region, as well and provides a route for sending military equipment to Hezbollah. If Assad's government were to be ousted, Iran would lose this and according to experts it would amount to a strategic setback for Iran.

The unrest in Syria has reached a tipping point, but that does not guarantee

a swift end to the fighting. With or without Bashar, Syria has all the makings of a bleak and drawn-out civil war because there are evenly matched protagonists who are not ready for a cease-fire. Outside powers are also trying to push their own agendas while resolving the crisis. Western powers perceive the developments in Syria as a humiliating political and strategic defeat for Iran. In the past month, Assad has lost control of important parts of the country, and a bomb attack in Damascus killed his key security aides. The shift in balance is important, but it is not vital. Rather, it sets the point for a prolonged clash that would break up Syria into warring opposition and pro-Assad enclaves.<sup>30</sup> Presently, the Bashar's regime has sufficient support and military capability to continue fighting, and it shows no sign of giving up. Most members of Syria's Alawite, Christian and Kurdish minorities, along with a portion of its Sunni Arab population, still prefer Assad to what they fear will follow his fall; together, these groups constitute perhaps half of Syria's population, the rest of which is largely Sunni Muslim. Syrian rebels are divided into different groups with no clear political leadership unlike Egypt and Tunisia. Even if Assad were to give up voluntarily, his Alawite military machine and his sectarian allies are likely to fight on, holding large chunks of territory.

The Iranian government has blamed Western and Arab nations—specifically Sunni-ruled Saudi Arabia—of fomenting terrorism in Syria by arming opposition groups. Syria's opposition groups mostly Sunni Muslim accuse Tehran of sending military personnel to Syria and of providing arms and ammunitions, as well as tactical and communications expertise to Assad's government forces. Iran has also accepted that a number of IRGC personnel are in the crisis-hit country providing non-military financial and advisory assistance to Syria. Recently, in September 2012, the commander of the Revolutionary Guards, Jafari said:

Since the establishment of the IRGC Qods Force, the force has been pursuing the goal of supporting oppressed nations, particularly Muslim (nations). A number of Qods personnel are also present in Syria, but that does not mean that we have a military presence in the country.<sup>31</sup>

However, there is still time to put an end to the bloodshed in Syria. No doubt it requires hard and tough decisions and on both sides of proper understandings and arrangements. The Western powers including their allies in the region are still relying focusing on international pressure and support for the opposition to bring down Assad.<sup>32</sup> Russia is trying to regain its lost influence in the Arab world, and Iran is worried about the fate of more than a million Shiite Muslims in Syria. Presently, Iran is at a crossroads: it cannot dump Assad, nor can it protect him. However, leaders in Iran are divided. Some want Iran to withdraw its support to Assad because it could lead to confrontation with the West as well as other regional countries.

### **Iran's Role in Afghanistan**

At a time, when NATO is looking for an exit policy in Afghanistan, Iran may be

compelled to play an important role to ensure stability of Afghanistan. As the Western powers are winding down the war in Afghanistan, Iran has increased its financial support to the Afghan media to maximise its influence in Afghanistan. Iran's short and long-term goals in Afghanistan however, appear to be conflicting. In the short term, Iran is waiting for NATO troops to pull out from Afghanistan. In the long term, Iran supports a non-Talibanised stable, multiethnic, and friendly Afghanistan. Iran is politically and ideologically opposed to the Taliban and sees the extremist Sunni group as a tool of its regional rival Saudi Arabia. At present, however, Iran perceives the presence of US troops in Afghanistan as a bigger threat amidst rising fears of an attack on its nuclear facilities.<sup>33</sup>

Iran is also assisting in Afghanistan's economic reconstruction through infrastructure projects in the areas bordering Afghanistan. Iran is one of the most important donors of Afghanistan—its official assistance amounts to about \$500 million,<sup>34</sup> which has kept its assurances of support to the reconstruction of Afghanistan. Iran has built several roads, power transmission lines, border stations and other infrastructure projects to strengthen connectivity between the two countries. Iran also contributes more than \$50 million annually to the Afghan anti-narcotics effort over the last five years.<sup>35</sup> Iran has constantly been demanding the withdrawal of US-led foreign troops from Afghanistan, emphasising that peace and security in the war-ravaged country will only be possible through cooperation among the regional states.

In addition, Iran has significantly increased its trade and investment in Afghanistan. In 2010, annual bilateral trade stood at \$1.5 billion and rose to \$2 billion in 2011.<sup>36</sup> Iran's major investments in Afghanistan are in the infrastructure and education sectors. According to the Afghanistan International Chamber of Commerce, an estimated 2,000 Iranian private firms, many funded by the Iranian government, operate in Afghanistan. However, many of these businesses are located in the Shia dominated Herat region. The Iranian government has also supported and financed the development of Herat's transport and energy infrastructure. As a result of close links between the two nations, Herat is possibly one of Afghanistan's most developed and prosperous cities. It appears that Iran could play an even more vital and constructive role in Afghanistan in future.

In Afghanistan, Iran has patiently leveraged and the cultivated ethno-religious affinities with the (Shia) Hazara minority and today are a privileged partner of the Afghan government. During the Shah regime, Iran had been a major support base for the re-emergence of an Afghan Shia clergy. Persian-speaking and Iranophile, this Shia clergy spearheaded the transformation of Hazara religious practices as well as the revival of the cultural and political identity of this group, which constitutes 16 per cent of the population of Afghanistan.<sup>37</sup> Iran's activities in Afghanistan are largely determined by its traditional and historical ties with the country.

Iran played a vital role in the ouster of Taliban government and the formation of the Karzai government. The Northern Alliance, controlled by Tajik commanders

with close links to Iran, was reluctant to share power with Hamid Karzai, a leading Pashtun tribal leader. Iranian political pressure on Northern Alliance leaders during negotiations in Bonn (Germany) convinced them to compromise so that a new government could be established.<sup>38</sup>

However, it does not mean there are no differences and conflicts between the two countries. There are several problems along their 600-mile border including the issue of narcotics. Afghanistan is currently the world's leading producer of opium; a 2009 report of the UN Office on Drug and Crime (UNODC) estimated that 40 per cent of Afghanistan's opium is trafficked across Iran's borders.<sup>39</sup> Narcotics are a serious issue in Iran and have created a serious social problem for the country. Iran's eastern border regions are known for the constant skirmishes between security forces and the well-armed drug traffickers.

Iran has sizeable ethnic minorities. Prominent among them are Kurds, Baluchis, and Azeris. They blame the discriminatory policies of the Iranian Government for their socio-economic backwardness and the lack of development in areas they inhabit. They have been agitating for equal rights and protection of their unique cultural identity within the Iranian nation. The grievances of the Sunni Baluch minority, mainly concentrated in the least-developed Sistan-Baluchistan province of Iran, have been a lingering issue. Iran has roughly 1.4 million Baluchis, who constitute a mere 2 per cent of the country's total population.<sup>40</sup> Apart from Iran, a sizeable Baluch population lives in Pakistan's Balochistan province and in parts of southern Afghanistan. A militant Iranian Baluchi group known as Jundullah (the Soldiers of God or People's Resistance Movement of Iran) emerged around 2002 to defend the territorial rights and the cultural identity of the Baluch minority in the poor, remote and lawless region of south eastern Iran. One of Jundullah's sources of funding has been the drug trade. The IRGC has enlarged its presence in the region's capital of Zahedan to control the drug trade and to monitor the border between Iran and Afghanistan. Another source of conflict between Iran and Afghanistan is the presence of Afghan refugees in Iran. Around one million illegal Afghan refugees presently dwell in Iran.<sup>41</sup> Iran's efforts to send back these refugees to Afghanistan will lead to huge tensions between the two countries.

The central government in Kabul is ineffective and incapable of controlling the insurgency and providing the most rudimentary services to the people of Afghanistan. However, the long term prospects of development in Afghanistan seem somewhat better indicated by its current situation.<sup>42</sup> There also seems to be a legitimate demand on the part of ordinary Afghans to bring back some semblance of normality to their daily lives. Nevertheless, Iran could still play a role in stabilising the Afghan government, and even restraining the Taliban as US troops start to pull out from Afghanistan in 2014. After all, a Taliban victory in Afghanistan would be a defeat not only for the US but for Iran as well.

## Conclusion

Overall, it can be argued that the governmental structure of the Islamic Republic of Iran is unique and complex. For example, Iran is the lone theological Shiite state in the community of nations, as well as in the Muslim world. More specifically, Iran is a theocratic state, and its legal framework is in accordance with the precepts of religious jurisprudence and Shiite traditions. The 1979 revolution successfully changed the regime and established a governmental structure as envisaged by Ayatollah Khomeini in his 1970 political treatise, *Islamic Government (Hukumat-e-Islami)*. The guidelines set forth in this treatise support a theocratic government structure and its perseverance within the political sphere. The experience of the Islamic Republic of Iran from the Ayatollah Khomeini to Ahmadinejad clearly indicates that personalities and their perspectives on Iranian national interests can exert a unique influence on the domestic and foreign policy of Iran. This trend is also likely to continue in the future. Divisions among different political factions in Iran has a great impact on the decision making process of the country. Different factions in Iran have dominated political institutions at different times—the radicals in the 1980s, the pragmatists in the 1990s, the moderates in the late 1990s and the early 2000s, and the hardliners led by Ahmadinejad since 2005.

Iran's desire to become the leader of the Shia's community will not go unchallenged. Even Shia sects are divided into various branches and subdivisions of the different sects, who do not support the Iranian ideology. The Lebanese case indicates that there are serious weaknesses in Shia solidarity, even between the different twelver groups of Shias. While the Iran-Syria axis may be one of the more solid ones in the region, Lebanese Shias remain divided between the pro-Syrians of the Amal party and the pro-Iranians of Hezbollah.

Despite the sectarian divide in the region, some regional countries such as Turkey, Iran, Iraq, Syria, and the Gulf Cooperation Council are trying to establish a regional cooperation framework. In September 2008 Sheikh Khalid bin Ahmed al-Khalifa, the foreign minister of Bahrain, pressed for the establishment of a regional organisation that would include the Arab states, Iran and Turkey.<sup>43</sup> Turkey has security agreements with Iran and Iraq on with border security, combating terrorism, and intelligence cooperation. Iran also has security agreements with Oman, Qatar, and Kuwait relating to maritime security, smuggling, and other crime and security matters.

The withdrawal of US forces from Iraq and Afghanistan and the changing geopolitics of the region will put Iran in a relatively stronger position. Since 9/11, the two main concerns of international security, the war against Al Qaeda and the regional crises in Afghanistan, Iraq, Lebanon, and recently Gaza have given Iran a new role and increased influence in the region. The present developments in the West Asia region have offered Iran an unprecedented opportunity to leverage its advantageous geopolitical and cultural position, to strengthen its regional and consequently, international position.

Iran also believes that the American presence and its involvement in the region pose the most serious challenge to regional security. The US policy is to control the regional energy on the one hand and to project itself as the friend of the region on the other. Iran says that the hegemonic policy of the US has failed. Therefore, the only comprehensive way of securing regional cooperation is by means of an indigenous organisation along with extra-regional interaction. Therefore, it is necessary for all regional and extra-regional powers to forget their enmity and work together to formulating a cooperative strategy. All regional countries including Iran should try to form a powerful economic and political bloc. This bloc can assure the energy demands of the global economy and also maintain regional stability. Iran also seeks to diversify its foreign policy by actively involving itself in international organizations and cooperating with countries that oppose unilateralism. Towards this end, Iran is enhancing its engagement with the Organisation of Islamic Conference (OIC), supporting greater regionalism, utilising the symbolism of the non-aligned movement and the strengthening its relations with likeminded countries.

Iranians know well that their country is one of the major players in the region, but cannot be the undisputed hegemonic power. The US military presence simply makes such an ambition impossible. Therefore, Iran is helping some groups in the region, opposed to American presence in Iraq, Afghanistan and other countries.

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United States

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# US Rebalancing Strategy Towards Asia-Pacific: Understanding Reasons and Implications

*Sanjeev K. Shrivastav*

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## **Introduction**

With the rise of Asian nations, the US defence and foreign policy appears to be moving towards major changes in the years to come. It is evident from various policy pronouncements made by the Obama administration that United States is preparing to enhance its engagement with Asia-Pacific region militarily, economically as well as through every other possible means of engagement which include multilateral institutions as well as socio-cultural means etc.

## **The US Rebalancing Strategy Towards Asia-Pacific**

The strategic guidance document released by the US department of defence (DoD) on January 3, 2012 stated, "...while the US military will continue to contribute to security globally, we will of necessity rebalance toward the Asia-Pacific region..."<sup>1</sup> It would be significant to note that in this rebalancing strategy, United States considers India's role to be critical. While highlighting the importance of India, the guidance document stated, "The United States is also investing in a long-term strategic partnership with India to support its ability to serve as a regional economic anchor and provider of security in the broader Indian Ocean region."<sup>2</sup> In fact, India is the only country that has been specially mentioned in the document as a key strategic partner for the United States.

According to this strategic defence guidance document, the US strategy would be focussing on following key areas:

A shift in overall focus from winning today's wars to preparing for future challenges; a shift in geographical priorities toward the Asia and the Pacific region while retaining emphasis on the Middle East; a shift in the balance of missions toward more emphasis on projecting power in areas in which U.S.

access and freedom to operate are challenged by asymmetric means (“anti-access”) and less emphasis on stabilisation operations, while retaining a full-spectrum force; a corresponding shift in force structure, including reductions in Army and Marine Corps end strength, toward a smaller, more agile force including the ability to mobilise quickly; and a corresponding shift toward advanced capabilities including Special Operations Forces, new technologies such as intelligence, surveillance and reconnaissance (ISR) and unmanned systems, and cyberspace capabilities.<sup>3</sup>

The US secretary of defence, Leon E. Panetta, while delivering a lecture on ‘Indo-US Defence Relations’ at IDSA, on June 6, 2012 clearly articulated that:

America is at a turning point. After a decade of war, we are developing a new defence strategy - a central feature of which is a “rebalancing” toward the Asia-Pacific region. In particular, we will expand our military partnerships and our presence in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia.<sup>4</sup>

Later, on July 23, 2012, the US deputy secretary of defence, Aston B. Carter, while addressing the Confederation of Indian Industries (CII), in New Delhi stated, “Our partnership with India is a key part of our rebalance to the Asia-Pacific and, we believe, to the broader security and prosperity of the 21st century.”<sup>5</sup>

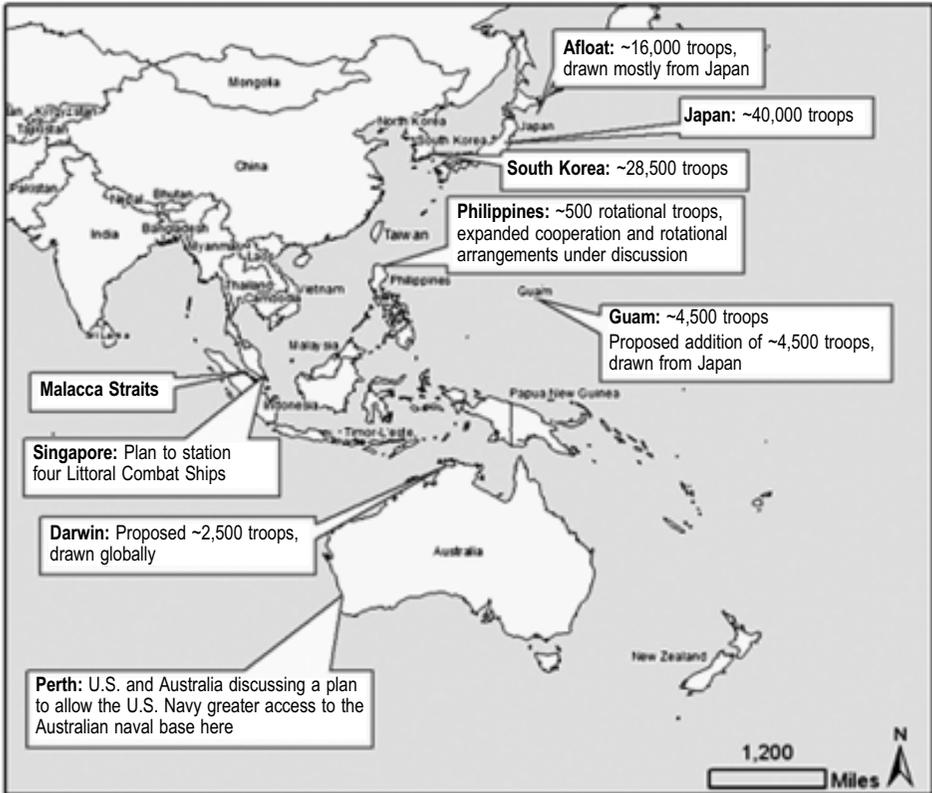
According to the new strategy, the United States will be deploying 60 per cent of its naval force into the Asia-Pacific region by 2020. The United States had previously divided its naval force equally between the Atlantic and Asia Pacific regions. Speaking at the Shangri La Dialogue in Singapore on June 2, 2012 Leon Panetta had said that:

...by 2020 the Navy will restructure its forces from today’s roughly 50/50 percent split between the Pacific and the Atlantic to about a 60/40 split between those oceans. That will include six aircraft carriers in this region, a majority of our cruisers, destroyers, Littoral Combat Ships, and submarines. Our forward-deployed forces are the core of our commitment to this region and we will, as I said, sharpen the technological edge of our forces. These forces are also backed up by our ability to rapidly project military power if needed to meet our security commitments.<sup>6</sup>

## **Understanding Rationale of US Rebalancing Strategy**

It appears that with the rise of Asia-Pacific nations, economically as well as militarily, and in particular with the rise of China, the United States is propelled to shift its strategic focus towards Asia-Pacific region. After ending its combat mission in Iraq and plans to end its combat operations in Afghanistan by the end of 2014, Obama administration is focussing its major attention towards Asia-Pacific region. The United States appears to have recognised importance of Asia-Pacific region by calling it as ‘most rapidly growing and dynamic region in the world.’ While announcing US President Barack Obama’s three-nation trip to Asian

Map 1: Map of the Asia-Pacific Region



Source: CRS Report. (Including Selected U.S. Troop Deployments and Plans)

nations Thailand, Myanmar and Cambodia in November 2012, White House Press Secretary Jay Carney stated, “The President’s trip to Asia will be an opportunity to build on our successful efforts to refocus on the Asia Pacific as the most rapidly growing and dynamic region in the world”.<sup>7</sup>

President Obama visited these Asian nations immediately after getting re-elected for the second term in November 2012 and also attended East Asia Summit in Phnom Penh.<sup>8</sup> This indicates that during second Obama term, the United States would be working to forge closer cooperation with its allies and partners in the Asia-Pacific region to strengthen its presence in this vital region. Thus, the US’ policy of rebalancing towards Asia-Pacific is a major policy decision by the Obama administration.

Earlier as well, President Obama had travelled through the Asia-Pacific region in November 2011 for 10 days which is an extraordinarily lengthy period for the president of the United States and it is indicative of the importance which the Obama administration attaches to the Asia-Pacific region.<sup>9</sup> President Obama

attended the East Asia Summit in Bali, Indonesia in November 2011 becoming the first US president to do so. Obama had also termed himself as first Pacific president of the United States.<sup>10</sup>

In this new strategy, efforts have been made by the Obama administration to rebalance US attention from counter terrorism efforts to focus on closer US involvement in Asia-Pacific region. According to Douglas Pall, President Obama's recent pivot away from protracted conflicts in the Middle East toward deepened engagement with the Asia Pacific region is a welcome move.<sup>11</sup> While, according to Richard Weitz, the term "re-balancing," encompasses two separate aspects:

The US military is rebalancing its global assets from other regions to Asia, as well as rebalancing within the Asia-Pacific region, reducing the concentration of forces from northeast Asia to a more widely distributed focus throughout the entire region.<sup>12</sup>

Earlier, in December 2011, the US secretary of state, Hillary Clinton, writing in the *Foreign Policy* magazine had stated:

As the war in Iraq winds down and America begins to withdraw its forces from Afghanistan, the United States stands at a pivot point. Over the last 10 years, we have allocated immense resources to those two theatres. In the next 10 years, we need to be smart and systematic about where we invest time and energy, so that we put ourselves in the best position to sustain our leadership, secure our interests, and advance our values. One of the most important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in the Asia-Pacific region.

In recent years, Secretary Clinton has been visiting the Asia-Pacific region quite regularly and has also been attending the ASEAN meetings. President Obama made a major effort to build a Trans-Pacific partnership with nations of the region. It would be worth noting that the Trans-Pacific Partnership (TPP) has evolved out of the Trans-Pacific Strategic Economic Partnership (TPSEP) between Singapore, Brunei, Chile and New Zealand which was signed in 2005.<sup>13</sup> In September 2008, the United States showed its interest in negotiating a Free Trade Agreement (FTA) with TPSEP member countries, which was followed by agreements with other nations like Australia, Peru, Vietnam and Malaysia. Formal negotiations began in March 2010 and there have since been 10 rounds of negotiations till January 2012.<sup>14</sup> As of December 2012, 11 countries i.e. Australia, Brunei, Canada, Chile, Malaysia, Mexico, Peru, Singapore, the United States, Vietnam and New Zealand, are involved in negotiations aimed at formalising a Trans-Pacific Partnership free trade agreement.<sup>15</sup>

Hillary Clinton in her article in *Foreign Policy* magazine (2011) had stated:

At a time when the region is building a more mature security and economic architecture to promote stability and prosperity, US commitment there is essential. It will help build that architecture and pay dividends for continued American leadership well into this century, just as our post-World War II

commitment to building a comprehensive and lasting transatlantic network of institutions and relationships has paid off many times over — and continues to do so. The time has come for the United States to make similar investments as a Pacific power, a strategic course set by President Barack Obama from the outset of his administration and one that is already yielding benefits... This kind of pivot is not easy, but we have paved the way for it over the past two-and-a-half years, and we are committed to seeing it through as among the most important diplomatic efforts of our time.<sup>16</sup>

## Rebalancing Revisited

Meanwhile, it is important to note that previously too the United States' defence posture towards the Asia-Pacific region had witnessed a rebalancing. In this regard, Dr. Brahma Chellaney has noted, "The fundamental US strategic objective in the Asia-Pacific remains what it has been since 1898 when America took the Philippines as spoils of the naval war with Spain—the maintenance of a balance of power."<sup>17</sup>

In fact, since the Pearl Harbour attack on America by Japanese forces in December, 1941, maintaining a balance in the Asia-Pacific has been a part of US foreign and defence policy. According to Dr. Chellaney, after the Pearl Harbour attack, "United States clearly signalled that American security begins not off the coast of California but at the western rim of the Pacific Ocean and beyond."<sup>18</sup> After signing a security treaty with Japan and South Korea after the Second World War and establishing close ties with Taiwan, it became essential for the United States to remain strategically engaged in Asia-Pacific affairs. During the Cold War, the United States remained engaged in countering and balancing the influence of Soviet Union. The rapprochement with China during the Nixon administration was viewed by many observers as an attempt to counter Soviet influence in Asia. However, with the fall of Soviet Union, the Cold War ended and a new geo-political scenario emerged.

In this new scenario, China gradually emerged as a new global power with its fast growing economic and military prowess. Although, China had opened up its economy in late seventies itself but its political system and governance still remained non-democratic, and guided by communist principles. While, China termed its rise as peaceful and harmonious but its ambitions make it a formidable and uncertain global power. The rapid rise of China and its increasingly assertive behaviour is being viewed as a major challenge by leaders and policy makers in the United States. This was evident during the recent US presidential elections 2012 debates where both incumbent President Obama and his Republican challenger Mitt Romney viewed the rise of China and its behaviour as a challenge for the United States. However, at official diplomatic level, no such direct remarks have been made by US administration except for concerns related to trade, currency manipulations or human rights etc.

## Rise of Asia-Pacific Nations

Meanwhile, it would be worth noting that not only China has risen but other nations of Asia-Pacific have also made significant progress. It is also a fact that over 61 per cent of the world's total population resides in the Asia-Pacific region.<sup>19</sup> In this regard, India's Ambassador to the United States Amb. Nirupama Rao, in a speech, has noted, "according to the IMF, over the last three decades, Asia's share of global GDP grew from 10 percent to 30 percent, its standard of living rose six times, and half a billion people were brought out of poverty. In the last decade alone, emerging Asia has grown by an average annual rate of over 7 percent."<sup>20</sup> China has grown rapidly, economically as well as militarily, over the last four decades which has enabled it to extend its strategic influence in the region. India is also developing, both economically as well as militarily so are the economies of other South East Asian nations.

According to the new *US National Intelligence Council Report 2012*:

The diffusion of power among countries will have a dramatic impact by 2030. Asia will have surpassed North America and Europe combined in terms of global power, based upon GDP, population size, military spending, and technological investment. China alone will probably have the largest economy, surpassing that of the United States a few years before 2030. In a tectonic shift, the health of the global economy increasingly will be linked to how well the developing world does—more so than the traditional West. In addition to China, India, and Brazil, regional players such as Colombia, Indonesia, Nigeria, South Africa, and Turkey will become especially important to the global economy. Meanwhile, the economies of Europe, Japan, and Russia are likely to continue their slow relative declines.<sup>21</sup>

Therefore, the United States' strategic shift towards Asia Pacific appears to enable it to maintain its strategic influence in Asia-Pacific region so that it can secure its vital interests as well as protect its allies such as Japan and South Korea. It appears that China would be the major competitor of the United States in the decades to come. It would be worth pointing out that if the United States loses its strategic influence in Asia Pacific region to China, it may not be possible for the United States to ensure the security of its allies such as Japan, South Korea and some nations in South East Asian region.

China's non-democratic system of governance and its ambition to be the top nation in the world appears to have led the United States to engage with other Asian nations. The United States is not only strengthening its old alliances with Asia-Pacific nations but is also in the process of forging closer partnerships with nations which have shared values and critical influence in the region. Highlighting the aspects of role of values such as democracy, Muni has pointed out that:

There is a strong and asserted ideological component in the "rebalancing strategy" relating to democracy and human rights. This component is hopefully aimed, besides strategic mobilisation of the like-minded regional countries, to generate internal pressures within China in favour of opening the society,

polity and economy. The values of democracy, freedom and human rights are underlined by US diplomats in almost every interaction they have with China. No wonder China is so uneasy and opposed to the “rebalancing strategy”.<sup>22</sup>

In recent times, several disputes have arisen between China and its neighbours such as the Senkaku Islands dispute with Japan and aggressive Chinese behaviour in South China Sea etc. which has generated a sense of apprehension among these nations regarding their security. With rising Chinese economic and military capabilities as well as its increasingly assertive behaviour vis-à-vis its neighbours, it is likely that United States would be seeking closer cooperation with its Asian allies and partners to successfully implement its rebalancing strategy.

This US rebalancing strategy appears to be a strategic signalling as well to demonstrate that United States is prepared to contain China's influence in the region if it negatively affects its vital interests as well as the security and interests of its allies and partners in the Asia-Pacific region. So this rebalancing strategy is an essential step by Obama administration to reassure its allies as well as partners that United States is there with them as they grow and also when they face any challenges in future. It also appears to be conveying a message that United States will be working with its allies and partners with its full resources and commitment to ensure peace and stability in this region.<sup>23</sup>

### **Internal Balancing**

Meanwhile, it would be significant to point out that given the rapid rise of Asia, the success of the rebalancing strategy of the United States would ultimately be determined by “internal balancing” which has become imperative. This internal balancing can be ensured by enhancing the economic growth and national capabilities of the United States. It is essential to point out that while most nations of Asia-Pacific region are rising, on the other hand, the United States has been facing major internal challenges such as severe economic crisis, low growth, high unemployment rate, need to upgrade infrastructure, healthcare reforms etc. It is now imperative for the United States to enhance its economic growth and strengthen its key capabilities over the long term which will give it enough confidence to deal with any future challenges internally or externally such as rise of china etc. It appears that realising these imperatives for the United States in years and decades to come, President Obama is focussing his efforts on enhancing economic growth, job creation in the United States, upgrading key sectors i.e. education, healthcare, infrastructure.<sup>24</sup> The Obama administration is also focussing its efforts on skill development processes of its youth as well as providing support for middle class population which will form the backbone of the United States in the future to unfold.

Therefore, this rebalancing is not merely a military strategy but it is also economic strategy. In fact, in the long run, the economic component could be a more significant factor because as applied to any other nation, military capabilities of the United States will be determined by its economic capabilities. Therefore,

aimed at enhancing its economic growth, other than focussing on internal balancing, the United States has also been negotiating the Trans-Pacific Strategic Economic Partnership Agreement (TPP), which is a free trade agreement that aims to further liberalize the economies of the Asia-Pacific region. It is also enhancing its bilateral economic cooperation with South East Asian nations as well.

### **Implications and India's Response**

As this rebalancing strategy of the United States unfolds, China is worried and developments relating to this strategy might compel China to review its defence posture in the region accordingly. However, other nations in the region might welcome this shift. Meanwhile, India appears to be carefully observing this rebalancing strategy of the US. Realising implications to the US rebalancing policy, India's Defence Minister A K Antony, during the meeting with US Secretary of Defence Leon Panetta in New Delhi in June, 2012 indicated that there is a need to strengthen multilateral security architecture in the Asia-Pacific but it should be at a pace comfortable to all countries concerned.<sup>25</sup>

It may be suggested here that in this new emerging geo strategic context, India's must remain focussed on strengthening its national capabilities and securing its interests while engaging with other nations. India needs to keep strengthening its defence capabilities as well apart from focussing on achieving higher level of growth, alleviating poverty, nurturing its young population with proper education and employment, providing better healthcare facilities etc. India should not be reacting upon or follow any such policy which puts itself in any conflicting situation in the region. India-US partnership should grow further but it should not convey any indication that any third country would be negatively affected with this partnership.

Meanwhile, welcoming enhanced US engagement with the Asia-Pacific region, India's Ambassador to the United States Amb. Nirupama Rao while delivering a lecture on "America's 'Asian Pivot': The View from India," at a Brown-India Initiative Seminar Series in Rhode Island on February 5, 2013, has stated:

India's vision is to create a web of inter-linkages for our shared prosperity and security. We want the Indian Ocean and Asia-Pacific regions to develop into a zone of cooperation rather than one of competition and domination. We would like to work for an open, inclusive and transparent architecture of regional cooperation in the Asia-Pacific region, where all major powers in Asia and beyond work together to address the traditional and non-traditional challenges and to create a basis for a stable and prosperous Asia. These are the challenges that cut across national boundaries and require cooperative responses. Based on this vision, we welcome the US engagement in the Asia of the Indo-Pacific. The continuance of economic growth and prosperity in both our countries is in many ways linked to the opportunities for growth and prosperity in this region. It is a space that impacts our destinies, whose security and prosperity is vital to both of us, and where we have an increasing

convergence of interests. We believe that India and the United States are stakeholders in the creation of an inclusive, participatory network of interdependence, cooperative trade, economic development, security and stability in the Asia of the Indo-Pacific.<sup>26</sup>

In view of considerable importance given to India's role in this rebalancing strategy, United States might seek closer defence cooperation with India. In such as case, it may be suggested that any Indian response should be based on the considerations of its national interest and geo strategic realities and this should be aimed at ensuring peace, stability and growth in the region. India should continue its careful observation and in-depth considerations over this evolving strategic shift of the US and prepare its response accordingly.

It is important to note that India is a rising global power and have the distinction of being the largest democracy in the world with more than 1.2 billion people and a rapidly growing economy. At the same time, it is also a fact that China has risen rapidly as well as other Asian nations are growing. Considering the shared values as well as shared interests, the United States considers its strategic partnership with India critical for the success of its rebalancing strategy in Asia-Pacific. At the same time, the United States is also attempting to forge closer relations with other South Asian and South East Asian nations as well while deepening its ties with traditional allies like Japan, South Korea.

It would be worth noting that despite a sense of competition prevailing between the United States and China, both the nations have been also been attempting to develop a better relationship with each other given their mutual economic interests. Meanwhile, clarifying doubts that the US is developing strategic partnership with India to counter China, Secretary Panetta, in his speech at IDSA, had clearly stated, "As the United States and India deepen our defence partnership with each other, both of us will also seek to strengthen our relations with China. We recognise that China has a critical role to play advancing security and prosperity in this region." Secretary Panetta had also noted that the United States welcomes the "rise of a strong, prosperous and a successful China".<sup>27</sup> It may be suggested that India should also make efforts to deepen its cooperation with China. This constructive approach will not only foster prosperity but also be helpful in maintaining peace and security in the region.

## **Concluding Observations**

As the United States begins implementing its rebalancing strategy by the year 2020, it could give rise to occasional tense situations in the Asia-Pacific region. However, major conflicts are unlikely because China is also dependent on the world economy and it is engaging all over the world. In this regard, it would be worth suggesting that China should not be viewed as a former Soviet Union. Meanwhile, it is likely that Asia-Pacific region would be a zone of contestation for influence between the United States and China. It is also worth noting that

this US rebalancing appears to involve both an offensive as well as defensive strategy. On the one hand, the United States is deploying 60 per cent of its naval forces in Asia-Pacific, while on the other hand, it is willing to forge economic partnerships with the nations of Asia-Pacific region including China.

At the core, this rebalancing by the United States would be determined by its economic growth and national capabilities in the long term. This will ultimately determine US military power projections in Asia-Pacific and elsewhere in decades to come. Realizing this imperative, it is evident that the second Obama administration is working more closely on economic growth as well as national capabilities processes. In order to attain a secure and prosperous future for India as well as regional peace, cooperation and stability, it is also imperative for India too, to work more closely on achieving high economic growth and enhancing capability building. It is essential to expedite and enhance these nation-building processes. Given their shared values and interests, India and the United States should work together for enhancing their national capabilities.<sup>28</sup> In this regard, at least coming two decades remain a great scope and opportunity for two largest democracies i.e. United States and India for enhancing their national capabilities and collaborations and this opportunity must never be missed. If these democracies could utilize this opportunity with great determination and diligence, then a prosperous and secure future for Asia and the world can certainly be envisioned and ascertained.

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## Indo-US Defence Relationship

*Vivek Chadha*

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### **Introduction**

India's strategic relations with the US have been an important component of its foreign policy.<sup>1</sup> Amongst its critical subsets, defence has been a barometer of this relationship, and its quality and scope have been rising and falling, along with the overall relations between the two countries. The Indo-US relationship, remained shackled by differing foreign policy orientations, economic models and strategic choices. Despite the initial promise, the limitations of the relationship soon came to the fore. These, in turn, severely restricted defence trade, training and operational collaboration until the end of the Cold War.<sup>2</sup> It was only after a paradigm shift in global power equations that India was forced to rethink its choices and foreign policy equations. This period of rebalancing saw India steadily increase its defence interaction with the US. However, the shift has been more evolutionary than revolutionary. As the events of the past few years suggest, this steady growth in defence relations, is likely to remain incremental, even as both countries nurture the relationship to further their mutual interests and domestic realities.<sup>3</sup>

The paper briefly traces the impact of foreign policy, economic orientation and the domestic policies of the two countries on their defence ties till the Cold War and thereafter; it analyses the more recent trajectory of the same, in the light of the evolving relationship. It is argued that given the lack of strategic convergence in the past, Indo-US defence relations could not attain critical mass. However, there has been a substantive change in the recent past, because of the increasing convergence of interests, common threats, deepening trust and most importantly, the shedding of shibboleths which constrained ties in the past. In the regional context, this shift has strengthened India's strategic and security standing, especially with relation to China.

## Early Policy Formulations and Impact on Defence Ties

The early Indo-US relationship was influenced by certain distinct factors. These included their foreign policy orientation, economic outlook and the strategic choices made by both countries. A brief analysis of these, explains the reasons for the limited defence relations between the two countries.

### *Foreign Policy*

India's foreign policy was based on non-alignment, the fight against colonialism, imperialism,<sup>4</sup> fascism and the quest for Asian solidarity in pursuance of the ideal of one world.<sup>5</sup> As part of the emerging geopolitical situation, Nehru visualised India as a natural leader in Asia.<sup>6</sup>

Non-alignment formed the bedrock of India's engagement with the world. There was a strong desire to remain neutral in the ongoing Cold War.<sup>7</sup> It enabled India to concentrate on economic growth, without getting involved in, what could have been, a costly arms race.<sup>8</sup> It also provided it an opportunity to benefit from the technical and economic support provided by both powers.<sup>9</sup> This policy gave India a leading voice amongst newly independent nations, thereby enabling it to influence geopolitics at the global level—as witnessed during the conflicts in Korea,<sup>10</sup> Suez Canal and Indo-China.

On the other hand, the US was looking for allies in the ongoing competition against communism. Its foreign policy in general and its focus on the Indian sub-continent in particular was subsumed by the primacy of military alliances. It was for this reason that a region, which was very much on the periphery of US policy gained importance.<sup>11</sup> These very expectations preceded the first visit of Prime Minister Nehru to the US in 1949. While Nehru openly indicated his preference for non alignment, he was open to the idea of “align with the United States *somewhat*”<sup>12</sup>—prior to the visit—in order to develop India's fledgling industry and economy. India was keen to receive technical knowhow from the US, but it rejected the strings attached to any such support. Nehru's strong desire to retain strategic autonomy on the one hand and resist the “with us against us” approach of the US on the other, did not allow for convergence of interests.<sup>13</sup> As a result, defence relations became a casualty of the strategic choices made by the two countries.

This was despite the fact that US policy advisors, with a closer understanding of India's position, continued to advise otherwise. As early as May 1942, Henry F. Grady had made a comprehensive 35 point list for developing the Indian armaments industry. The cost of this was an estimated \$210 million, of which the US was willing to contribute a third, with the balance coming from local resources.<sup>14</sup> However, the receding threat to India and contradiction with British policy regarding India's security, did not allow Grady's recommendations to be implemented.

The Indian request for arms in 1952, was met—conditionally—and the “supply of 200 Sherman tanks, worth—at the time—\$19 million received rapid

approval.”<sup>15</sup> However, it was the sale of 200 jet aircrafts worth \$150 million, which was rejected and instead, a package of 54 C-119 transport aircrafts was approved.<sup>16</sup> This was because the US questioned the logic of India’s decision to purchase costly defence equipment, even as developmental aid was being approved by the Congress. There was also the factor of strong opposition from Pakistan.

In 1960, came another opportunity for the US to scale up its defence relations with India. In the May of the same year, the Indian defence minister, Krishna Menon made a request for the purchase of 29 C-119 aircraft, which was approved. However, a subsequent request for Sidewinder missiles, which had already been approved for sale to Pakistan, was rejected, since the US did not want to lose the intelligence facilities established at Peshawar, clearly illustrating the influence Pakistan had acquired over the U.S.<sup>17</sup>

During the 1962 India-China War, Ambassador Galbraith wanted to enhance the level of defence cooperation with India. He was keen to follow up on the proposal made by Morarji Desai for an air defence pact. Galbraith wrote:

M.J. Desai raised with me the question of a tacit air defense pact. The Indians would prepare airstrips and radar; if the Chinese came back, they would commit their tactical aircraft and we would undertake defense of their cities. This was a very considerable proposal with very major implications. It would also completely pattern our long-term relationships with India.<sup>18</sup>

Despite the Indian initiative, the US did not follow up on the recommendations of the ambassador. In November 1962, Nehru wrote to Kennedy, asking for 14 squadrons of fighter aircraft and three squadrons of bombers. However, the end of the Sino-Indian war, did not force a decision on the US administration.<sup>19</sup> The decision was also influenced by strong opposition from Pakistan, which was apprehensive of the military balance tilting in India’s favour following large scale arms transfers.<sup>20</sup> The decision of the US to limit military aid, could also have been influenced by the British assessment that the “Chinese have no disagreeable intentions.”<sup>21</sup>

The initiatives taken by Galbraith were taken forward by Chester Bowles, his successor, who realised the short sighted approach of successive US governments.<sup>22</sup> The scope of defence supplies under consideration, was \$75 million a year for five years, in addition to the approximately \$65 million worth of weapons and equipment that had already been supplied immediately after the 1962 war. This was to be supplemented by arms sales worth \$15-20 million, annually by the Commonwealth nations. These figures were in consonance with the defence budget of \$500 million—spread over five years—of the Indian government.<sup>23</sup> The transfers did not represent any substantive shift towards India, since the US had already supplied weapons worth \$850 million to Pakistan, as a grant.<sup>24</sup> Following the untimely death of Kennedy, key officials in Washington delayed approvals so that “the dust has a chance to settle.”<sup>25</sup> The dust did settle, but it led a desperate Indian delegation to the Soviet Union, which was more than willing to meet the demands, given the threat from China and the counter balance provided by India.

Despite a preference for US equipment, India was pushed towards the USSR by the short sighted approach of US officials.<sup>26</sup>

The ambivalent attitude of the US towards India was influenced to a large extent by the non aligned policy that India chose to follow. However, the second defining factor was the US decision to have a robust defence relationship with Pakistan.<sup>27</sup>

Pakistan, a newly independent country and one which saw India as a major threat to its interests, allowed itself to be used as a defensive perimeter against communist expansionism. It joined the SEATO and CENTO in 1954 and 1955 respectively. The deepening US strategic alliance with Pakistan, manifested in stronger defence ties.<sup>28</sup> However, from the US perspective, while the defence relationship was aimed at dealing with the challenge of communism, for Pakistan, the major threat remained India.<sup>29</sup> Thus, despite the fact that India and the US were democracies, communism not only put South Asia at the forefront of US strategic thinking, it also led it to strengthen its defence ties with Pakistan, at the cost of India.

The US rewarded Pakistan for the strategic partnership with large scale defence supplies and arms transfers. It also pressurised India immediately after its humiliating loss against China in 1962, to negotiate with Pakistan on Kashmir.<sup>30</sup> These arm twisting tactics troubled Nehru and he conveyed his disillusionment to Bowles who reported it thus:

But why, Nehru asked, did the United States attempt to use India's difficulties with China as a lever to force him to make concessions to Pakistan on Kashmir? Pakistan, Nehru reminded me, had publically supported the Chinese attacks on India. Yet at the very moment when Indian emotions against Pakistan were high, we had attempted to force him to make compromises which the Indian people and the Indian Parliament would not possibly accept, and which no Indian Prime Minister could make without being voted out of office.<sup>31</sup>

Pakistani concerns regarding the arming of India,<sup>32</sup> the death of Kennedy<sup>33</sup> and Nehru,<sup>34</sup> led to a series of half measures by the US to upgrade defence ties. The subsequent events leading to the 1965 Indo-Pak War finally laid to rest, any future hopes of a defence relationship between India and the US.

Eventually, the short sighted attempts of the US to build an anti communist architecture were ended by Pakistan, when it chose to align with China, after the US decision to arm India in the immediate aftermath of the 1962 Sino-Indian War.<sup>35</sup>

After a brief hiatus, the US yet again used Pakistan to broker the detente with China in 1972, a foreign policy coup, which was rewarded by a generous weapons transfer programme. In 1979, Pakistan again assumed the role of a frontline state in the fight against communist Soviet Union in Afghanistan, and thereby virtually ended any possibility of a major US policy shift towards India, despite the hopes raised during Carter's tenure.

Relations with India got a further setback after the atomic test at Pokhran in

1974, followed by the implementation of the US led Nuclear Non-Proliferation Treaty, which India found discriminatory. India thus became the prime target of the regime, which further stunted the defence relationship between the two countries.

Indo-US relations got a boost after Indira Gandhi's interaction with Reagan, during the 1981 Cancun summit in Mexico. The positive dynamics were carried forward during the US visit of Mrs Gandhi in 1982. In 1983, the US administration opened the way for recommencing arms sales to India. Though the proposed sale of 155 mm howitzers and TOW missiles did not materialise, however, the ice was broken for subsequent negotiations on the GE-404 engine for the Light Combat Aircraft (LCA) during Rajiv Gandhi's tenure as prime minister.<sup>36</sup>

### **Economic Orientation**

India's economy was struggling immediately after independence. The need to feed millions of poor and simultaneously establish a strong industrial base required fast and sustained growth. While the economy was labelled socialist, India, in fact, followed a mixed model with the public sector and market economy shaping its direction.<sup>37</sup> According to Grady, the first US ambassador to India, there was a fear of "dollar imperialism" amongst Indian leaders who did not want American economic imperialism to take the place of British political imperialism in the country.<sup>38</sup>

On the other hand, capitalism formed the basis of the US economy. It visualised democratic India as a new member of the capitalist group, as also a large future market for its goods.<sup>39</sup> The decision of India, not to follow the American model, led to strained relations between the two countries.

Even as India refused to toe the American line on its economic orientation, it remained one of the largest recipients of food and developmental aid from the US.<sup>40</sup> Along with the Indian insistence on independent foreign policy, there were many in the US who questioned continued support for a country, which refused to cooperate on both economic and foreign policy issues. It was possibly the desire to keep India out of the communist camp, which led to the grudging acceptance of its non aligned status and sustained economic support. But this support did not translate into a robust defence partnership. In fact, it did not even reach the optimum level of a buyer-seller relationship, because of the embargos placed on strategic arms sales by the US and the Indian refusal to become a US ally.

### **What Changed?**

The shift in Indo-US relations began in the early nineties. This was brought about by a reversal of policies, which had in the past been responsible for constraining the defence relationship.<sup>41</sup> The first change came after the disintegration of USSR, which ended the Cold War.<sup>42</sup> Despite this landmark event, the US took time to realign its policy towards India. Support for Pakistan remained a major factor in

the relationship. The US also continued to support Pakistan on the Kashmir issue. In a statement, which came under severe criticism in India, Robin Raphael, the US Assistant Secretary for South Asian Affairs, referred to Kashmir as a “disputed territory”.<sup>43</sup> The possibility of US support for the establishment of the Hurriyat Conference, also became an issue in the same period.<sup>44</sup>

After a hesitant and guarded beginning—given the history of US-India relations—there was a considered foreign policy shift in New Delhi. Over a period of time, this shift became both perceptible and substantive. It was accompanied, near simultaneously, by an economic reorientation towards greater openness, closer global integration and business friendliness. This unleashed the inherent potential for dramatic growth after decades of lack lustre performance.<sup>45</sup> These changes though substantial, still remained constrained by the nuclear non-proliferation issue, and the barriers it placed on defence trade. However, 2005, saw the beginning of the end of a restrictive regime and finally signalled the removal of major roadblocks between the two countries.<sup>46</sup>

### **Scope of Indo-US Defence Relationship**

Every country has wide ranging defence relations with its partners, allies, buyers or sellers. Therefore, there is a marked difference between a commercial association, defence partnership and an alliance. A brief survey reveals that despite intermittent efforts by both India and the US, their defence ties remained within the parameters of a buyer seller relationship. The end of the Cold War, removed a major hurdle in the relationship, though, a substantive shift began only during President Clinton’s second presidential term. The 1998 nuclear tests by India, were a setback in the relationship.<sup>47</sup> However, the resultant bilateral realities and the scope for a greater engagement, eventually led to a more balanced and realistic relationship, since the advantages of convergence were both strong and sustainable.<sup>48</sup> Soon strategic ties gathered a distinct momentum, which paved the way for stronger defence ties.<sup>49</sup>

What started with the announcement of the Next Steps in Strategic Partnership (NSSP), during the second Clinton presidency, was taken forward during the Bush-Manmohan Singh years. Ten years after the 1995 Agreed Minutes on Defence Cooperation, the then defence minister, Pranab Mukherjee, signed the 2005 Defence Framework Agreement. This agreement laid the foundation for, what had the potential to become, one of the defining defence partnerships of the post-Cold War era. The agreement identified four distinct areas of shared security interests which included: “maintaining security and stability”, which was an overarching theme; “defeating terrorism and violent religious extremism”, a core area of interest for both countries; “preventing spread of weapons of mass destruction and associated materials, data, technologies”, an area of concern given the proliferation activities of Pakistan; and finally, “protecting the free flow of commerce via land, air and sea lanes.”<sup>50</sup> These four themes laid the groundwork

for cooperation in a number of areas, which when seen in totality, formed the foundation of a robust defence relationship.

Having ironed out most differences, what developed thereafter, was a strong defence partnership. Unlike a commercial relationship, a partnership has a much larger canvas, and incorporates a greater commonality of strategic interests, threats and the desire to deal with these through collective action. However, India did not want to be in the same category of other US alliances with NATO countries like, Australia, Japan and South Korea, amongst others.<sup>51</sup> With this reality becoming apparent, the emerging parameters of the partnership became the basis for deepening defence ties.

The partnership bloomed in a number of spheres. While the paper focuses on defence, it is relevant to emphasise that India and the US set out common threat perceptions, thereby ensuring broad convergence on the same. Both India and the US saw terrorism, proliferation of weapons of mass destruction, failing states and ungoverned spaces, drug trafficking, piracy and freedom of land, sea and air traffic as some areas of concern.<sup>52</sup>

Both countries also remained concerned about the rise of China, its increasing assertiveness and opaque weaponisation programme. A balanced statement by Prime Minister Manmohan Singh referred to a “certain amount of assertiveness on part of Chinese”<sup>53</sup> even as a US report to the Congress raised concerns regarding China’s use of its military capability.<sup>54</sup>

Earlier, in a more candid admission of the China factor, Condoleezza Rice, in an article in 2000, outlined the future contours of the relationship with India, as seen through the China prism.

China’s success in controlling the balance of power depends in large part on America’s reaction to the challenge...It should pay closer attention to India’s role in the regional balance. There is a strong tendency conceptually to connect India with Pakistan and to think only of Kashmir or the nuclear competition between the two states. But India is an element in China’s calculation, and it should be in America’s, too. India is not a great power yet, but it has the potential to emerge as one.<sup>55</sup>

Similarly, George Fernandes, the former Indian defence minister, also bluntly stated his concerns regarding China:<sup>56</sup>

Despite warming relationships with China, China is, and is likely to remain the primary security challenge to India in the medium and long-term. Its enhancement of missile capability and its immense help to Pakistan in the missile program are of serious security concerns to India.

Fernandes further asserted that China was India’s “potential threat number one”. And although, the NDA government practically withdrew the statement, there have been more subtle references to the sentiment thereafter.

The statements quoted above, raised concerns in the form of subtle indicators and more forthright assertions. It was not as much the rise of China, but the

uncertainty following from this rise, which created apprehensions in both countries. This was further confirmed when China adopted coercive measures to deal with disputes with some of its neighbours like Vietnam, Japan and Philippines.<sup>57</sup> Chinese actions, displayed a distinct assertiveness that stemmed from the arrogance of size and military influence. It was this stance, which led to greater cooperation and cohesion between like minded countries, adversely impacted by Chinese muscle flexing. In this context, while the Indo-US defence cooperation is not explicitly aimed at China, however, the enhanced capability following the stronger defence ties, could well be an unstated or understated by product of the relationship. This by product should be seen more in the context of mutually converging interests, which are presently defined by free flow of trade and energy supplies, rather than a joint military endeavour to fight territorial infringements.

### **Areas of Cooperation**

Speaking at IDSA on June 6, 2012, the US Secretary of Defence Leon Panetta described the defence relationship with India as the lynchpin of the US rebalancing in the Asia-Pacific region.<sup>58</sup> While revisiting the core areas of the 2005 Defence Framework Agreement, Panetta went on to highlight some of its sub sets, which had witnessed substantive progress. He saw military exercises as a means of enhancing interoperability, given the record number of military events held in 2011. He also saw joint research and development as the future bulwark of the defence relationship, which was more than a mere “buyer-seller” relationship. In order to give defence trade a boost, Panetta deputed Deputy Secretary Ash Carter to streamline the bureaucratic processes to make trade “more simple, responsive, and effective.” The improvement of the export control regime was also amongst the specific goals of the US government, which partially addressed Indian concerns on import of dual use technology. Yet another critical aspect, that was highlighted, was the desire to ensure “open and free commerce; to open access by all to our shared domains of sea, air, space and cyber space.”<sup>59</sup>

This comprehensive overview of India-US defence relations, not only laid down a roadmap for the coming years, it re-emphasised the holistic scope of the relationship, a characteristic, which has been conspicuous by its absence in all defence relationships that India had entered into during the Cold War years. Given the fast changing reality of this relationship, a detailed assessment of each area would highlight the changing profile of the engagement.

### **Defence Trade**

Defence trade remains one of the most important components of India-US relations, reaching \$10 billion over the last decade.<sup>60</sup> The purchases made by India in 2011 alone accounted for \$4.5 billion.<sup>61</sup> Chandrajit Banerjee, the Director General of Confederation of Indian Industries (CII), estimates that India would be procuring anything between \$80 to \$100 billion worth of defence equipment during the next five years.<sup>62</sup> The increase in orders during the last two years alone,

already indicates a marked change, which can partially be attributed to the signing of the End User Agreement between the two countries in 2009.<sup>63</sup> A further substantial increase in defence trade seems likely as given in the profile of purchases given in Table 1.

The growth in defence trade was encouraging, but, it was essentially a buyer-seller relationship. It was however felt that the defence relationship needed to be made “more collaborative” through “advanced research and development”, and by sharing “new technologies”, and through “joint production of defence articles”.<sup>65</sup> One of the initial examples of this experiment was the agreement to include 30 per cent offsets in the Poseidon Aircraft deal.<sup>66</sup> The private sector has also been involved in this endeavour, with the Tata Advanced Systems being contracted for producing parts of the C-130J aircraft, not only for the Indian version, but for the versions to be sold around the world.<sup>67</sup>

The decision to take the Indian Space Research Organisation (ISRO) and Defence Research and Development Organisation (DRDO), off the US Commerce Department Entity List, saw initial forays into joint research in products like micro UAVs.<sup>68</sup> It left the Department of Atomic Energy entities to include, Bhabha Atomic Research Centre, Indira Gandhi Atomic Research Centre and Indian Rare Earths and nuclear reactors not under IAEA safeguards on the Entity List,<sup>69</sup> a substantial improvement over the past and a recognition of India’s impeccable safety and non-proliferation record.

However, despite the substantial improvement in defence trade, a number of areas of concern remain.<sup>70</sup> *First*, the inability of the two countries to come to an understanding on the Communication Interoperability Memorandum of Agreement (CISMOA), Logistics Support Agreement (LSA) and Basic Exchange and Cooperation Agreement (BECA)<sup>71</sup> constrains trade relations, as has been indicated by the US. Again from the Indian perspective, the LSA is seen as an agreement which will benefit the US more than it would help India and it will also draw India into the US ambit—more than it is presently prepared for. The Indian side feels that the CISMOA could compromise Indian security since Pakistan is also a signatory to it. It also disallows modifications of the purchased equipment, which India finds unacceptable. *Second*, while a number of agencies have been taken off the Entity List, the retention of some as mentioned in the paragraph above, creates an atmosphere of distrust between the countries.<sup>72</sup> *Third*, there has been criticism of the offset policy, given the inability of the Indian defence industry to absorb high technology production. This is further accentuated by the existing limit on foreign investment in the defence sector, which remains at 26 per cent.<sup>73</sup> *Fourth*, the bureaucratic controls, norms and procedures, both in India and the US, relating to clearances, trade and handling processes associated with arms transfers continue to constrain substantive increases in sales. *Fifth*, Indian scepticism of US reliability stemming from sanctions after the 1998 nuclear tests, continues to rankle the military and bureaucratic establishment and strengthens arguments against any greater reliance on the US for defence trade.<sup>74</sup> *Sixth*, there

Table 1: Indian Purchase of Defence Equipment from the US (2001-11)

Ser No	Weapon Designation	No Ordered	Weapon Description	Year of Order/License	Year of Deliveries	No Delivered/Produced	Comments
1	TPE-331	-112	Turboprop	1983	1986-2011	112	For 61 Do-228 MP aircraft
2	LM-2500	6	Gas turbine	1999	2010-2011	4	For 3 Shivalik (Project-17) frigates produced in India; possibly from Italian production line
3	ANTPQ-37	8	Firefinder Arty locating radar	2002	2006	8	Part of \$142-190 m deal; originally planned for 1998 but embargoed by USA after Indian nuclear tests in 1998; AN/TPQ-37(V)3
4	ANTPQ-37	8	Firefinder Arty locating radar	2003	2006-07	4	Part of \$142-190 m deal; AN/TPQ-37(V)3 version
5	LM-2500	4	Gas turbine	2003			For 1 Vikrant (IAC or Project-71) aircraft carrier produced in India; from Italian production line
6	F 404		Turbofan	2004			\$105 m deal; for Tejas (LCA) combat aircraft produced in India; F404-GE-IN20 version; ordered after Indian Kaveri engine delayed
7	Austin	1	AALS	2006	2007	1	Ex-US; INR2.2 b (\$48 m) deal (incl modernization); Indian designation Jalashwa
8	S-61/H-3A	1	Sea King Helicopter	2006	2007	-6	Ex-US; \$39 m deal; UH-3H version
9	F404		Turbofan	2007			\$105 m deal; for Tejas (LCA) combat aircraft produced in India; F404-GE-IN20 version; ordered after Indian Kaveri engine delayed

(Contd.)

Table 1 (Contd.)

Ser No	Weapon Designation	No Ordered	Weapon Description	Year of Order/License	Year of Deliveries	No Delivered/Produced	Comments
10	C-130J-30	6	Hercules Transport aircraft	2008	2010-2011	6	\$962 m deal (incl \$596 m for aircraft and rest for special equipment); for special forces
11	CBU-97 SFW	512	Guided bomb	2010			\$258 m deal; CBU-105 version
12	RGM-84L	-20	Harpoon-2	Anti-ship MI/SSM	2010		\$170 m deal; AGM-84L version
13	C-130J-30	6	Hercules	Transport aircraft	-2011		For special forces; contract not yet signed
14	C-17A	10	Globemaster-3	Transport aircraft	2011		\$4.1 b deal; delivery 2013-2014/2015
15	Mk-54 MAKO	32	ASW torpedo		-2011		\$86 m deal; contract not yet signed
16	P-8A	8	Posidon	ASW aircraft	-2008		\$2 b deal (offsets 30% incl production of components in India); P-8I version; delivery by 2015
17	F414	99	Turbofan	-2011			\$800 m deal; for Tejas (LCA) combat aircraft produced in India; F-414INS-6 version

Source: SIPRI Arms Transfer Database.<sup>64</sup>

seems to be a degree of disillusionment within the US government, over their inability to get a greater share of the defence trade pie, despite enhanced defence cooperation and US decision to sign the nuclear deal.<sup>75</sup>

### **Counter-terrorism**

The India-US Counter-terrorism Initiative was signed on July 23, 2010. Its text had been initialled earlier during the prime minister's visit to the US in November 2009. The initiative was meant to strengthen counter-terrorism capabilities, modernisation of counter-terrorism techniques, sharing best practices, improving investigative skills, enhancing cooperation in forensic science, assistance in investigation, action against money laundering, counterfeit currency and terrorism finance, mass transit security, coast guard and naval security, port and border security and liaison between counter-terrorism units.<sup>76</sup>

This initiative was soon followed by the agreement to establish a homeland security dialogue between the two countries. It was approved during the Obama visit to India in November 2010, with the aim to further deepen operational cooperation, counter-terrorism technology transfers and capacity building.<sup>77</sup> The first meeting took place on May 27, 2011. As a prelude to this, the Indian home minister, P. Chidambaram outlined India's expectations as, "shared values, the growth of strategic partnership between our two countries, US expertise and capabilities and the perception in India that the United States exercises a strong influence on the country that is the hub of global terror."<sup>78</sup>

In the past, counter-terrorism cooperation between India and the US had been limited due to concerns regarding US-Pakistan counter-terrorism cooperation. However, increasingly, it is being realised that the US cannot allow its "national security to be held hostage by unfulfilled expectations in Pakistan."<sup>79</sup>

The US support during the 26/11 investigations is an example of the nature of cooperation, which could become the norm in future. India allowed the FBI to interview 70 individuals during investigations, including Ajmal Kasab. On the other hand, Indian investigative agencies were "able to develop critical leads in its investigation and to understand the command and control of the operation"<sup>80</sup> with the help of US agencies. A clear indicator of the quality of information sharing, was the statement of the US Assistant Secretary for South and Central Asian Affairs, Robert Blake who said that: "Our partnership has paved way for real-time information-sharing on terrorist threats..."<sup>81</sup> The upgraded and real time intelligence sharing mechanisms have further been augmented through capacity building efforts. Under this initiative 24 police officers from India received training in the US from July 23, to August 10, 2012, which enabled "Indian investigators to learn post blast investigation techniques using sophisticated tools."<sup>82</sup> Earlier in April 2011, 39 senior police executives participated in an exchange programme on megacity policing and crisis response.<sup>83</sup>

These initiatives have further been augmented by working groups on aviation security, information and communication technology, the establishment of the

Defence Policy Group and lately the Financial Action Task Force (FATF), thereby strengthening the fight against money laundering and terrorism finance.<sup>84</sup>

While the joint counter-terrorism activities have been substantially successful, yet, areas of dissonance remain. *First*, it took nine months for the US to give India access to David Headley, which again raised the issue of the trust deficit between the two countries.<sup>85</sup> *Second*, despite US attempts to circumvent Pakistan, worries relating to its influence on any future joint effort to combat terrorism remain, given the contradictions in Pakistan's state sponsorship of terrorism and its central role in the AfPak region.<sup>86</sup> *Third*, there is a dilemma in US policy circles with regard to the policy best suited for Pakistan. While the country is undoubtedly the epicentre of terrorism, it is also critical for the US fight against terror in the region. *Fourth*, bureaucratic hurdles continue to limit the scope of the relationship, which Amer Latif attributes to a lack of communication and coordination. This is further accentuated by dual responsibilities and absence of lead players to further the existing processes.<sup>87</sup>

## Military Cooperation

Military to military cooperation between India and the US has increased over a period of time. In 2011 there were "56 cooperative events across all Services—more than India conducted with any other country."<sup>88</sup> These events which took place over a period of time encompassed a variety of security scenarios.

*Navy.* The navy has led the way with four annual exercises. These include *Malabar*, a multinational exercise, which is conducted every alternate year, with the navies of Japan, Australia and Singapore. In the past, this has included aircraft carriers and nuclear submarines, thereby giving Indian forces an insight into specialised naval operations. *Habu Nag*, was an amphibious operations exercise, including joint Humanitarian Assistance and Disaster Relief (HADR) operations under the Joint Exercise India (JEI) umbrella. The *Salvex* series focuses on diving and salvage while *Spitting Cobra* focussed on explosive ordnance destruction.

*Army.* The two armies have been conducting a variety of manoeuvres including *Yudh Abhyas* since 2004. These commenced with company level training and have gone up to Brigade level command post exercises.<sup>89</sup> The US Marines have also conducted the *Shatrujeet* series for amphibious operations at the company level.<sup>90</sup>

*Air Force.* The air forces of the two countries have participated in the bi annual *Cope India* exercises. *Red Flag Nellis* took place in 2008 and is again planned for 2013, and will involve fighters, airborne warning and control system aircraft.<sup>91</sup>

*Special Forces.* Joint Combined Exchange Training (JCET) exercises as part of *Malabar*, *Yudh Abhyas*, *Cope India* and exclusively in *Vajra Prabar* have been undertaken over the past few years. These have included marksmanship, helicopter insertion and mission planning training.<sup>92</sup>

**Operational Cooperation.** There have been four main instances of operational military cooperation between the US and India in the recent past. These include the security provided by the Indian Navy to US warships in the Indian Ocean post 26/11, disaster relief after the tsunami in 2004-2005, evacuation operations in Lebanon in 2006 and operations off the coast of the Gulf of Aden against piracy.<sup>93</sup> The nature of cooperation indicates that the focus is on humanitarian assistance, security of international waters, anti piracy and counter-terrorism.

*Military Personnel Training.* The US and India have undertaken a structured programme for exchange of military personnel in training establishments in both countries. While a number of US officers have attended training courses at the Army War College, Air Command and Staff College and Naval Staff College, more than 200 Indian officers have undergone training at the Asia Pacific Centre for Security Studies (APCSS), Hawaii in 2010-2011. This has enabled the officers of both countries to gain a better understanding of each others' procedures and systems.<sup>94</sup>

*Armaments Training.* The DRDO had been on the sanction list of the US since the 1998 nuclear tests. However, in view of the close cooperation since then, there has been collaboration in power and energy projects, micro-ariel vehicles, situational awareness and energetics amongst others.<sup>95</sup>

## Implications of Indo-US Defence Cooperation

It is evident from the scope of defence partnership in the fields highlighted above that India and the US have transformed their defence relationship during the last decade. The fillip in defence trade as a result of fine tuning of policies has further enhanced the level and status of the relationship. However, most importantly, the growing defence relationship is a result of the greater strategic convergence.

The emergence of India as one amongst the major powers, influencing a multi-polar world order, also simultaneously witnessed the rise of China, as the power most likely to threaten the pre-eminent status of the US. The history of China's aggression against India in 1962, the obvious Chinese reluctance to resolve the existing border dispute, the support and arming of Pakistan and the suspicions raised by its rapid military modernisation, forces India to consider it a threat. Thus, the concerns of both India and the US, have led to the convergence in their outlook vis-à-vis China.<sup>96</sup> Even though, both countries do not see themselves as uniting against China, yet, improving interoperability will allow India and the US to better prepare for any eventuality.

The improving defence ties with the US, indicate the robustness of the ongoing engagement. These are likely to improve further in the future. However, even as India is keen to foster an all round defence partnership, it is unlikely to be upgraded to the level of an alliance.<sup>97</sup>

Increasing defence cooperation with the US, has also led to closer cooperation with US allies such as Australia and Japan. This has helped to balance the growing Chinese assertiveness in South East and East Asia. It has also facilitated defence cooperation with Singapore, Indonesia and Thailand, given common strategic interests.

There is a strong, vocal and visible constituency in India, which continues to see the US through the prism of Cold War and the US sanctions that followed the 1998 nuclear tests. This is evident in their resistance to the growing defence ties and is likely to continue until the relationship matures to a degree that its benefits are become perceptible and acceptable across the political and strategic divide in the country.

Defence procurement trends indicate India's preference to broad base its weapon procurement. However, if the technological lead enjoyed by US remains well and truly ahead of competition, then US share of the defence trade with India, is bound to rise over a period of time. An artificial desire to expedite what is likely to be a gradual shift, could be detrimental to the ongoing progress of defence trade.

Enhanced inter-operability, could mean a greater role for India in the region in collaboration with the US. Joint exercises as part of the Malabar series and training in the South China Sea, reflects the high levels of cooperation. Indian ships escorted US ships in the Indian Ocean region in the immediate aftermath of 9/1, which was an early example of security cooperation between the two countries. The creation of joint capacities will enable them to undertake collaborative responsibilities in the future as well.

There has been a quantum increase in the footprint of the Indian armed forces with the induction of specialist equipment from the US. This includes the *INS Jalashwa*, formerly the *USS Trenton*, which can carry approximately 1000 fully equipped troops and enable helicopters to operate from its deck.<sup>98</sup> The C-130J<sup>99</sup> and C-17A<sup>100</sup>, yet again give the armed forces a heavy lift capability, beyond the Indian shores. Augmenting these are the Poseidon aircraft<sup>101</sup>, which provide an extensive surveillance capability. An assessment of the combined capability of this equipment strengthens India's out of area capabilities and gives greater credibility to its HADR reach. It also provides an overseas operational capability, which is likely to be enhanced further in future.

The implication of greater interoperability does not however imply *de facto* approval of the US as a preferred defence trade partner, or of India's blanket approval of US strategic initiatives. Conversely, recent events clearly indicate that India's decision making is driven by enlightened national interest. This is illustrated by the MMRCA deal and India's stand on Myanmar over the last decade.<sup>102</sup>

Counter-terrorism is likely to be one area of cooperation, which could define the future defence relationship, given the increasing convergence between the two countries over a period of time and the identification of a common threat. While the approach towards Pakistan could be the only issue of divergence,

however, recent events indicate shared views at the highest levels in both countries. The description of Pakistan as a “complicated relationship” for both India and the US, by Leon Panetta clearly reinforces the trend.<sup>103</sup>

India’s access to cutting edge defence technology and induction of the same into the armed forces will bridge the gap with China in the long term, especially if restrictions on the export of such equipment from the US and EU to China remain in place. This will provide substantive deterrence against China and will increase the conventional gap with Pakistan, to the extent of making it irrelevant.

The induction of technology through offsets provides an opportunity for India to upgrade the threshold level of the Indian defence industry and bridge the gap with developed weapon manufacturing nations. It can also establish India as an export base, if the collaborations achieve their envisaged aims.

## Conclusion

Indo-US defence relations have evolved over time. The relationship has become wide-ranging and mature and the two countries have a greater understanding of each other’s capabilities and limitations. This mature interaction which can lead to further cooperation in the fields of counter-terrorism, defence trade, operational exercises and collaborating on cutting edge projects.

The relationship is likely to become more robust in the coming years and is likely to translate into joint operational manoeuvres for humanitarian assistance and mutually beneficial operations against common threats like piracy and terrorism. The collaboration is also likely to lead to partnerships with countries for maintaining the freedom of seas, air and land mobility. Given the political consensus in both countries, it is likely that defence relations will continue to witness an upward swing in the future.

## NOTES

1. The US pushed for India’s independence and was accused of “stirring the pot” by the British. They also had a representative, Thomas Wilson, in India prior to independence and Sir Girija Shankar Bajpai was nominated as the Agent General in Washington.
2. Brands saw the Cold War as a “sideshow” or “distraction” for India, while it was the “raison d’être” for the United States. See H.W. Brands, *India and the United States: The Cold Peace*, Twayne Publishers, Massachusetts, 1990, p. 37.
3. The US policy to supply weapons not necessarily needed for Pakistan’s counter terrorism campaign is possibly a function of its overall strategic interests, as is India’s opposition to a military solution to Syria and Iran and refusal to sign the Communication Interoperability and Security Memorandum of Agreement (CISMOA), Logistics Support Agreement (LSA) and Basic Exchange and Cooperation Agreement (BECA) (discussed later).
4. See Kenton J. Clymer, *Quest for Freedom: The United States and India’s Freedom*, Patience Hall of India, New Delhi, 1997, p. 274. Even as there was broad Indo-US convergence on these issues, the US diluted its stand in pursuance of its fight against communism.
5. Jawaharlal Nehru, “A United Asia”, as part of Uma Iyengar (ed), *The Oxford India Nehru*, Oxford University Press, New Delhi, 2008, p. 515.
6. Jawaharlal Nehru, “Basic Principles”, as part of Uma Iyengar (ed), n 5, pp. 520-521.

7. Jawaharlal Nehru, "Basic Principles" and "Non-aggression and Non-interference", as part of Uma Iyengar (ed), n 5, p. 523 and p. 586.
8. See H.W. Brands, *India and the United States: The Cold Peace*, n 2, p. 36 for the limitations placed by economic factors on India's decision to remain non aligned.
9. Robert J. McMahon, *The Cold War on the Periphery*, Columbia University Press, New York, 1994, p. 39.
10. The US employed the proximity of the Indian ambassador to China, K.M. Panikkar, to communicate with China. See Summary of Telegrams, Office of the Secretary of State, Washington, 18 September 1950, Declassified E.O. 12065, Sec 3-402, State Dept Guidelines, March 6, 1982, By DEB NLT, Date 6 July 1985.
11. Robert J. McMahon, n 9, pp 15-17.
12. Sarvepalli Gopal, *Jawaharlal Nehru: A Biography* Vol. II, 1948-1956, Oxford University Press, Delhi, 1979, p. 59.
13. Nicholas G. Thacher, "Oral History Interview with Nicholas G. Thacher", *former Foreign Service Officer in India*, 28 May 1992, <http://www.trumanlibrary.org/oralhist/thachern.htm> accessed on 29 Jun 2012.
14. Henry Francis Grady, John T. McNay, *The Memoirs of Ambassador Henry F. Grady: From the Great War to the Cold War*, University of Missouri Press, Columbia, 2009, pp 71-72.
15. Dennis Kux, *Estranged Democracies: India and the United States 1941-1991*, Sage Publications, New Delhi, 1994, p. 86.
16. Dennis Kux, n 15, p. 86.
17. Dennis Kux, n 15, p. 169.
18. John Kenneth Galbraith, *Ambassador's Journal: A Personal Account of the Kennedy Years*, Hamish Hamilton, London, 1969, p. 504.
19. Chester Bowles, *Promises to Keep: My Years in Public Life 1941-1969*, B I Publications, New Delhi, 1972, p. 474.
20. Dennis Kux, n 15, pp. 205-206.
21. John Kenneth Galbraith, n 18, p. 478.
22. Chester Bowles, n 19, p. 471.
23. Chester Bowles, n 19, p. 475.
24. Chester Bowles, n 19, p. 475.
25. Chester Bowles, n 19, p. 483.
26. Chester Bowles, n 19, p. 484-86.
27. For a comparative analysis of military aid to India and Pakistan, see, Norman D. Palmer, *The United States and India: The Dimensions of Influence*, Praeger, New York, 1984, pp 183-191.
28. Dennis Kux, n 15, p. 111.
29. Sarvepalli Gopal, *Jawaharlal Nehru: A Biography*, Oxford India Paperbacks, New Delhi, 2010, p. 260.
30. See Robert J. McMahon, n 9, p. 293.
31. Chester Bowles, n 19, p. 475.
32. John Kenneth Galbraith, n 18, p. 463.
33. According to Ambassador Chester Bowles, Kennedy had approved a five year military aid programme to India. However, four days prior to the scheduled meeting, he was assassinated. See Chester Bowles, n 19, p. 481.
34. Chester Bowles, n 19, pp. 482-83.
35. See Robert J. McMahon, n 9, pp. 7-9. The US decision to have Pakistan as its strategic ally, combined with Pakistan's endemic competition with India, placed the two countries in a delicate balance of power situation. The US continued to remain constrained through the next few decades as a result of this foreign policy. It also adversely affected its ability to establish substantive defence ties with both India and Pakistan. The limitation of this policy came to

- the fore, as Pakistan used the weapons supplied for the fight against communism, repeatedly in every war against India, even as the threat of communism remained both distant and exaggerated. However, after the ban on supply of defence equipment after the 1965 Indo-Pak War, it was Pakistan, which suffered more during 1971, even as India established a defence relationship with the erstwhile USSR. This limited defence relationship also impacted India adversely during its war with China in 1962. The war gave an opportunity to both countries to bury the ghost the past and develop closer defence ties.
36. See Dennis Kux, n 15, pp 388-393 and 402.
  37. Surendra K. Kaushik, "India's Evolving Economic Model: A Perspective on Economic and Financial Reforms", *American Journal of Economics and Sociology*, 56(1), January 2007, <http://onlinelibrary.wiley.com/doi/10.1111/j.1536-7150.1997.tb03452.x/abstract>, accessed on 09 Jul 2012.
  38. Henry Francis Grady, John T. McNay, n 14, p. 131.
  39. Kenton J. Clymer, n 4, p. 262.
  40. India had received as grants or loans \$3.9 billion from the US until 1963. See Chester Bowles, *A View From New Delhi: Selected Speeches and Writings 1963-1969*, Allied Publishers, New Delhi, 1969, p. 125.
  41. See Sumit Ganguly, Brian Shoup and Andrew Scobell (ed), *US-India Strategic Cooperation: Into the 21st Century*, Routledge, New York, 2006, pp. 2-3.
  42. See C. Raja Mohan, *Crossing the Rubicon: The Shaping of India's New Foreign Policy*, Viking, New Delhi, 2003, pp. 29-56.
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  66. See Table 1 above.
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84. P. Chidambaram, n 77.
85. Lisa Curtis, "US-India Counterterrorism Cooperation: Deepening the Partnership", n 80.
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  103. Leon E. Panetta, n 58.



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# Russia

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## Russia's Military Modernisation

*Rajorshi Roy*

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### Introduction

A major foreign policy objective of President Putin is to restore, what he believes is Russia's rightful place in world affairs, i.e. a strong, secure and independent Russia which is an equal partner in international affairs. The Georgian military adventure of 2008 laid bare the inherent contradictions and problems within Russia's military, economic and technological set up. The refusal of key allies to recognise the liberation and declaration of independence of South Ossetia and Abkhazia glaringly highlighted the limitations of its foreign policy. The global economic crisis, during the same period, further exposed the weak foundations of the country's primarily hydrocarbon export oriented economy. One can argue that Russia's international influence is limited on account of its declining military prowess and lack of global economic competitiveness.

It is in this backdrop that Russia's massive military modernisation programme was launched with much fanfare in the year 2010. The programme, a cornerstone of Russia's National Security Strategy, aims to completely overhaul the country's military capabilities by the year 2020 and provide a stimulus for the nation's competitive economic growth.<sup>1</sup> This in a way can help project its image worldwide as a powerful independent nation with a significant say in international affairs.

Meanwhile, with Putin formally taking over the reins of presidency once again, one can expect Russia to adopt a more hard-line approach towards the West. Despite entering into modernisation alliances with the West and the 'Reset' with the US during Medvedev's presidency, the general mistrust between the two persists for a number of reasons. These include: missile defence negotiations; NATO and EU expansion 'eastwards'; perceived subversion of UN and international rules; unilateral abuse of power as witnessed in Libya and allegations of Western interference in Russia's March 2012 presidential elections. Moreover, at a time when economic growth, especially in Europe, has come to a virtual standstill, Russia needs new emerging markets to fuel its own growth story.

These developments have brought about a fundamental shift in Russia's foreign policy orientation with a renewed emphasis on a shift towards the "East". The recently concluded Asia-Pacific Economic Cooperation (APEC) forum meeting in Vladivostok is an indication of its desire to project itself as an Asian power and play a more meaningful role in the economic integration processes of the Asia-Pacific region.<sup>2</sup> This region has often been deemed as the next growth engine of the world economy.<sup>3</sup>

The Asia-Pacific countries, in the backdrop of China's growing might and assertive military posturing, especially in the South China Sea, have been receptive to Russia's overtures. This can be seen as an attempt to balance a rising China at a time when the American 'pivot' towards the East is still evolving. Russia is also one of the world's biggest hydrocarbon exporters in this region, which makes it attractive for the energy guzzling economies of the area. Backed by the military modernisation drive which seeks to make Russia an economic and military powerhouse<sup>4</sup>, the country has stepped up its engagement in this area, both through defence deals and trade integration projects. Its membership of the World Trade Organisation (WTO) in August 2012, which opened its markets to the rest of the world, has coincided with this foreign policy orientation. The Russian emphasis on the East also stems from the impending need to develop Russia's neglected and underdeveloped Far East by linking its growth with that of the Asia-Pacific region.

Against this backdrop, the paper analyses Russia's renewed focus towards the 'East' on the basis of its military and economic modernisation programme in some detail.

### **New State Armament Procurement and Modernisation Programme**

Russia's conflict with Georgia in 2008 highlighted many serious problems within its military. Outdated and obsolete weaponry, lack of efficient command and communication capabilities and absence of effective amphibious assault ships laid bare the hollowness of the establishment's promise to provide the military with the best technology in the world.<sup>5</sup> Most of Russia's weapons were of Soviet origin, and even the relatively new arms were upgraded versions of Soviet era models. The once famed and potent military industrial complex (MIC) had become a pale shadow of its former self. A majority of the industries were more than 30 years old and had not received any major capital infusion in the last two decades.<sup>6</sup> More than 90 per cent of the sector's work force had a combined age of over 50.<sup>7</sup> Lack of state orders had further compounded the problem and only international orders had kept the production lines running.

The obsolescence cut across the entire military; be it the navy, special forces, army or the air force. However, the navy bore the brunt of lack of state support with Russia fielding a minuscule and a fledging fleet.<sup>8</sup> This seriously scuttled any hopes of Russia's power projection capabilities, through the navy, even though it had indicated a desire to play a more prominent role in the Asia-Pacific region.

Most of Russia's ships were docked at the berths for an indefinite period or scrapped altogether on account of lack of spares and funds. Even the strategic nuclear submarines showed signs of state apathy. Russia's only naval aircraft carrier Admiral Kuznetsov spent most of its time undergoing repairs rather than undertaking missions on the high seas. The general technological decline of the MIC meant that domestic repairs took the time that Western shipyards required to construct new ships.<sup>9</sup> Naval bases outside Russia such as Cam Ranh Bay in Vietnam were closed down and the one in Tartus in Syria scaled down to a mere repair and port of call base. Long range reconnaissance aircraft and bombers too ground to a halt.

The general decline in military preparedness was in sharp contrast to President Putin's oft stated goal of a strong and resurgent Russia on the back of its military and economic prowess.<sup>10</sup> In this backdrop, the new State Armament Programme for 2011-2020 (*Gosudarstvennaya Programma Vooruzhenii: GPV 2011-2020*) was launched in 2010.<sup>11</sup> The GPV aims to completely overhaul Russia's ailing military and turn it into one of the world's most technologically advanced fighting unit. The defence ministry is expected to spend a staggering 22 trillion roubles (approx \$730 billion) during this ten year period to modernise the armed forces and its military industrial complex.<sup>12</sup> As per the plan, the levels of new armaments in the armed forces will rise from the current level of 10 per cent to 30 and 70 per cent of the inventory in 2015 and 2020 respectively.<sup>13</sup> In terms of the spending structure, at least 10 per cent will be channelled into research and development (R&D), 80 per cent into procuring new weapons and the remaining 10 per cent into the repair and upgrade of existing equipment. The total defence spending will make up 3.9 per cent of the GDP.<sup>14</sup>

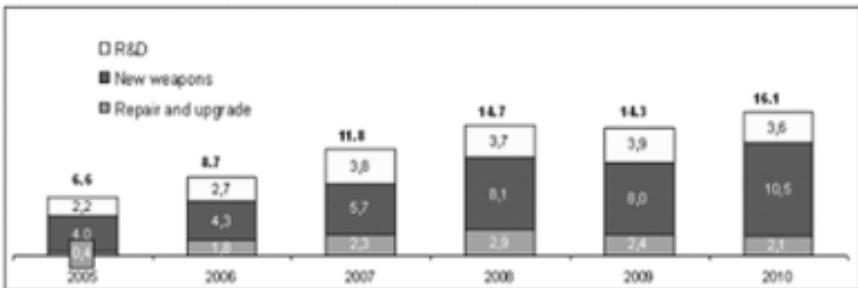
The enormity of the programme can be gauged from the fact that Russia, over the next 10 years, is poised to acquire close to, 400 advanced ground and sea-based intercontinental ballistic missiles, eight nuclear-powered ballistic missile submarines, 20 multi-purpose submarines, more than 50 combat ships, 100 military spacecraft, 600 advanced aircraft including fifth-generation fighters, 1,000 helicopters, 28 regimental kits of the S-400 anti-aircraft missile system, 38 battalion kits of the Vityaz air defence system, 10 brigade kits of the Iskander-M ballistic missile system, more than 2,300 modern tanks, 2,000 self-propelled artillery vehicles and guns and more than 17,000 military motor vehicles.<sup>15</sup> The modernisation programme is not just confined to building up military capabilities but also involves the implementation of a new military doctrine and re-organisation of command and control structures.<sup>16</sup>

The development of the navy into a formidable force has been accorded top priority in a move seen as an attempt to project hard power in the Asia-Pacific.<sup>17</sup> There are plans to build a modern naval base at Vilyuchinsk in the Pacific Ocean, where next-generation strategic nuclear submarines of the Borei class will be based.<sup>18</sup> Other significant naval assets specifically earmarked for the Pacific Fleet include the French made Mistral helicopter and amphibious landing ships and

guided missile cruisers, apart from an aircraft carrier which is expected to be constructed later.<sup>19</sup>

However, the project should not be construed as a militarisation drive because Russia is only attempting to make up for close to two decades of non-existent military spending. A significant portion of the funding is expected to come from the export of hydrocarbons although a drop in their global prices could put a spanner in the works. It will be a challenge to continue with such colossal spending in this age of global economic austerity.

**Table 1: Russia' Defence Procurement from 2005-10,  
US\$ billion at Current Prices**



	2005	2006	2007	2008	2009	2010
Total	6.6	8.7	11.8	14.7	14.3	16.1
R&D	2.2	2.7	3.8	3.7	3.9	3.6
New weapons	4.0	4.3	5.7	8.1	8.0	10.5
Repair and upgrade	0.4	1.8	2.3	2.9	2.4	2.1
Exchange rates, roubles / USD	28.31	27.14	25.55	24.89	31.76	30.38

Source: Moscow Defence Brief, <http://mdb.cast.ru/mdb/2-2012/item2/article1/> Accessed on 7 December, 2012

## Defence Industry to be the Lynchpin for Russia's Economic Modernisation and Growth

There is a notion amongst the policy makers that Russia's influence in global affairs is restricted on account of its lack of global economic competitiveness. President Putin in his 2012 election manifesto had outlined the multiple benefits of Russia's monumental military modernisation programme including its economic advantages.<sup>20</sup> By linking the MIC to the country's overall industrial, scientific, economic and technological modernisation, the stage has been set for Russia to implement the much needed economic reforms. The programme thus aims to achieve a global economic competitive advantage for Russia through a diffusion of sophisticated military and civilian technologies and by weaning the economy away from its heavy dependence on export of resources. A strong and

powerful Russia, both militarily and economically, along with its United Nations Security Council veto power, emphasis on multi-polarity and association with multilateral institutions like Brazil-Russia-India-China-South Africa (BRICS) Forum, Russia-India-China (RIC), Shanghai Cooperation Organisation (SCO), G-8 and G-20 has a lot of international appeal—especially for states that would like to pursue an independent foreign policy and balance the US and China.

This renewed emphasis on economic reforms is driven by the negative repercussions of the Georgian crisis of 2008 and the global financial crisis that followed it. Russia's GDP fell by 8 per cent in 2009 while the stock market plummeted by almost 90 per cent from the peak achieved in the summer of 2008.<sup>21</sup> During this period, foreign direct investment (FDI) also fell by a whopping 45 per cent and there was a huge outflow of capital.<sup>22</sup> Russia's economy which, till date, is resource export dependent was not prepared to absorb the sudden fall in global hydrocarbon prices.

To provide a real impetus to the high technology drive, the Skolkovo innovation hub was established in 2010 on the outskirts of Moscow. Its aim is to develop a robust national innovation system and a knowledge based economy through the convergence of innovative projects and global financial resources.<sup>23</sup> Russia is home to some of the best engineers and scientists in the world and therefore seems to be in a better position to implement radical ideas in collaboration with foreign capital and technology. Modernisation of the society as a whole, will be accompanied by a thorough integration of cutting-edge dual use technologies, maximising the human and intellectual potential of the country, capacity building and creating entirely new areas of world-class technology. The centre will focus on research in five priority areas: energy, information technology, communication, biomedical research and nuclear technology<sup>24</sup> apart from the industrial base, which will be strengthened by the construction of military infrastructure.

The military modernisation is expected to provide an economic stimulus for the creation of 25 million high-technology jobs by 2020; increase the rate of investment from the current 10 per cent to 27 per cent of the gross domestic product (GDP) by 2018; improve labour productivity by 50 per cent; and increase the high-technology sector's share of the economy by 30 per cent within six years.<sup>25</sup> It is also intended to reduce the share of energy resources in exports from 64 per cent to 34 per cent by 2030.<sup>26</sup>

The modernisation agenda will complement Medvedev's initiative of 'modernisation alliances' that sought to partner Russia with the Western states for high technology collaboration. This is extremely critical for fresh investment and innovation. The programme blends in seamlessly with the country's National Security Strategy 2020, which highlights the need to ensure security through military, economic and social development.<sup>27</sup> With Russia slated to host the Winter Olympics in Sochi in 2014 and the Soccer World Cup in 2018, the resulting infrastructure development is also expected to jump start its modernisation drive.

### *Russia's Pivot Towards the 'East'*

Geographically Russia is at the very heart of Eurasia. The recently concluded APEC meeting in Vladivostok is an indication of Russia's ambition to project itself as an Asian power and be a part of the economic integration process in one of the world's fastest growing regions. Asia has now become a major hub for manufacturing and technological innovation and business activity.<sup>28</sup> At a time when economic growth in the West has virtually come to a standstill, Russia wants to leverage its geographical, military and economic prowess to find new allies there. The numerous multilateral institutions in the region support multilateralism and collective decision making; principles which fit in perfectly with Russia's vision of a multi-polar world.

It is riding on the potential success of its military and economic modernisation programme to project itself as a strong nation that countries of the region can do business with and also help to further their geo-political ambitions.

The foreign policy orientation towards the 'East' is also driven by the necessity to address the declining demography and crumbling infrastructure in its Far East, which has been neglected over the years.<sup>29</sup> The growing fear of Chinese demographic infiltration in the region may also have prompted the renewed foreign policy focus towards the East.

### *Backdrop*

Russia's new initiative towards the 'East' is driven by geo-political reasons even though historically Russia has always prided itself on being a European country. The Europeanisation of its foreign policy was concretised by the initiative of Peter the Great to shift the country's capital from Moscow to St. Petersburg in the 18<sup>th</sup> century. It paved the way for Russia's engagement with the European continent. After the break-up of the Soviet Union, there was a huge debate between the 'Atlanticists' and 'Eurasianists' over its foreign policy orientation—with the former prevailing in the end.<sup>30</sup> With Putin holding centre-stage for more than a decade now, three distinctive foreign policy shifts have been made by Russia since the year 2000.<sup>31</sup> The first was marked by Russia's decision to support the US led war on terror after the September 11 attacks. The second was the general mistrust and hostility towards the US and NATO, culminating in the Georgian conflict and the subsequent improvement of ties with China. And the third saw the strengthening of the bilateral relationship with China along with a rapprochement with the West.

Russia now is at the cusp of a new shift towards the 'East' and there are several factors responsible for this transformation:

### *Economy*

By closely linking its economy with Europe, Russia has found it very difficult to isolate itself from the prevailing Euro zone financial crisis. The continued economic slowdown in the West has had negative repercussions on its own domestic

economy.<sup>32</sup> Moreover, President Putin in his election manifesto has announced an ambitious socio-economic programme for the country which can only be implemented if Russia's economy is connected to performing global economies.<sup>33</sup>

Russia's entry into the WTO in August 2012 has propelled the country into world trade. Initial estimates suggest an increase of 3.3 per cent annually of its GDP for the first three years, which is likely to rise in the following years.<sup>34</sup> However, the country can avail the membership benefits only if it is a part of a competitive global economic set up and is not held back by a stagnant one. Consequently, there is a pressing need to explore access to new regions of economic growth for its own domestic stability. It is in this backdrop that Russia has renewed its interest in Asia which is comprised of some of the best performing global economies. Today, the APEC comprising of countries like China, Japan, South Korea and the United States is responsible for 55 per cent of the global GDP and accounts for 40 per cent of the world's population.<sup>35</sup> In comparison, Russia's share of the APEC members foreign trade is only about one per cent.<sup>36</sup>

This is in sharp contrast with Europe which continues to be Russia's main trading partner, with the continent accounting for more than 50 per cent of its total trade.<sup>37</sup> Therefore, the statement of Russia's first deputy prime minister that the country's total trade with APEC members will overtake its trade with Europe within the next 5-10 years<sup>38</sup> is a clear indication of Russia's priorities and its evaluation of the region's economic potential. Moreover, Russia's WTO entry, along with its declaration of curbing corruption and improving business climate<sup>39</sup> should help in this endeavour.

Russia seeks to tap into the region's inherent competitive advantage of low cost of labour, high levels of savings and rapid industrialisation that cuts across most countries.<sup>40</sup> Ten of the G-20 members are Asia-Pacific Region (APR) countries. The fact that this region has successfully managed to tide over the global financial crisis of 2008 has further strengthened the Russian resolve.

### *Defence Diplomacy*

The military modernisation drive will enable Russia to develop some of the world's most cutting edge military technologies and equipments. While a major portion of the new weapons produced by its MIC are earmarked for Russia's own armed forces, a significant number will be made available for exports. Therefore, it has become imperative for Russia to explore new weapons markets which would help it to make new allies, strengthen ties with old partners and at the same time recoup some of its vast investment.

In the past, Russia aggressively publicised the advantages of buying its weapons. The Russian arms are inherently more cost effective than Western arms. Moreover, it has also offered a few countries like India and Vietnam the option of jointly developing new weapons systems; a win-win situation for all concerned. Recipient states get access to advanced technology and sophisticated weapons while Russia

is able to modernise its armed forces and economy, recover the costs of R&D and be a world leader in science and technology.

Thus, the low cost of weapons, joint development of weapon systems, benefits of a stable partnership with a nation that sits at the high-table of UNSC and its past history of supporting colonial struggles appeals to many countries in Asia. Over the past few years, Russia has continued to export weapons to traditional recipients like China, India and Vietnam while at the same time has attempted to sell weapons to the relatively new markets of Indonesia, Malaysia and Philippines.<sup>41</sup> Consequently, defence diplomacy can be seen as an attempt by Russia to increase its presence in the region.

### *Development of the Far East*

Russia's Far East, stretching from Lake Baikal to the Pacific coast, continues to be an enigma for policy makers at the Kremlin. For a region rich in natural resources and comprising a significant 36 per cent of the country's territory, it generates only six per cent of the country's GDP and is home to a mere 4.4 per cent of its population (roughly around 6 million).<sup>42</sup> The demographic anomaly is further accentuated by simple statistics; across the Russian Far East there are 280 million Chinese living in China's border regions; 24 million in North Korea; nearly 50 million in South Korea; 95 million in the Philippines and 55 million in Vietnam.<sup>43</sup> Vladivostok is 9,000 kilometres from Moscow whereas the major financial hubs of Beijing, Tokyo and Seoul lie within a 1,400 kilometres radius of Vladivostok.

Infrastructure development in the region had completely dried up prior to the APEC summit held in the year 2012. It is estimated that the combined port capacity of all the cities in the Russian Far East is less than that of the Chinese port of Dalian.<sup>44</sup> Therefore, the development and security of this long neglected and underdeveloped region has been accorded top priority in the country's domestic and foreign policy initiatives.<sup>45</sup>

The Far East depends on trade with China across the long porous border and the region has witnessed a rapid increase in the immigration of Chinese labourers during the last few years.<sup>46</sup> The irony of Russia's declared strong-strategic bilateral relationship with China lies in the fact that there is a growing fear of being overwhelmed by Chinese migration which in the long run will alter the very nature of demographic dynamics of the region.

Accordingly, Russia's foray into the Asia-Pacific can be seen as an attempt to develop the region by linking and integrating the economy of its Far East with the emerging economies of the Asia-Pacific and preventing China from gaining a free hand in the region.

The government's determination to develop this area can be gauged from the fact that a separate ministry has been created specifically for the economic growth of the region. Russia spent an astounding \$21 billion to build new infrastructure

from scratch for the 2012 APEC summit in Vladivostok; its biggest city in the East.<sup>47</sup>

*Need for New Allies in the Backdrop of Domestic and External Challenges*

Russia faces many challenges, both domestic and external, in a globalised world. Economic growth continues to be sluggish with the growth figure for 2012 pegged somewhere between 3-4 per cent as compared to 6-7 per cent achieved before the 2008 economic crisis.<sup>48</sup> Moreover, the economy is still primarily dependent on hydrocarbon exports. The global economic slowdown can have serious ramifications for the petro-dollar economy and hence become a major hurdle in the way of the implementation of Putin's election manifesto, which aimed to improve the general standard of living in Russia. Consequently, these developments may further fuel the current domestic discontent and in turn create political instability in the future.

Moreover, Russia has been plagued by a demographic crisis for more than two decades and the measures it takes to stop the slide will have national implications. The country's population has declined from 148.6 million in 1993, after the breakup of the Soviet Union, to 143 million today.<sup>49</sup> Several factors including a high death and infant mortality rate, a low birth rate and, an often inadequate health care system are responsible for the decline.<sup>50</sup> This will have a direct impact on the labour market and also the economic modernisation programme which is expected to help the economy shift from the dependence on hydrocarbons to one that is labour intensive manufacturing and high technology. It has been estimated that the country may face a shortage of 14 million skilled workers by 2020.<sup>51</sup> Moreover, the demographic decline may also threaten Russia's conscription programme and stymie its plans to build a modern professional army.

The rise of religious extremism in the North Caucasus regions of Chechnya, Dagestan and Ingushetia is a matter of grave concern. From the security point of view, the extremists' call for separation of these territories on religious grounds has deep ramifications for unity of the Russian state. Moreover, there are apprehensions that Western interference in the Arab crisis may further destabilise this region.<sup>52</sup>

At the international level, Russia no longer enjoys the status of being one pole of the world at the height of the Cold War. The primary objective of President Putin is to make Russia a strong and independent state. A multi-polar world, with Russia as an important player and international collective decision making through the UN and other multilateral institutions form pillars of the country's foreign policy.<sup>53</sup>

The United States is looked upon as the main opponent of Russia.<sup>54</sup> Many in the Kremlin detest America's unilateral initiatives in international diplomacy which leaves little room for other actors. Refusal of the US in missile defence negotiations, to guarantee that the shield will never be used against Russia, is viewed as a deliberate ploy to undermine the strategic balance between the two

countries.<sup>55</sup> The NATO expansion Eastwards is also seen as an attempt to check Russia's influence in a region which it considers as its own sphere of influence. Moreover, President Putin has gone on record to accuse America of encouraging electoral protests in Russia to destabilise the country.<sup>56</sup> Needless to say, the rapprochement achieved by the Reset is beginning to fray at the edges.

While the European Union (EU) continues to be Russia's main trading partner yet underlying tensions remain. The Third Energy Package of the EU calls for the separation of a hydrocarbon company's generation and sale operations from its transmission networks. The Package will severely affect Gazprom's near-monopoly of operations in Europe, its main energy market. Moreover, the investigation of the company's monopolistic practices, which can result in a penalty of up to \$14.5 billion,<sup>57</sup> can be seen as attempts to thwart Russia's genuine economic interests.

Russia is mainly concerned about the West's policy of military interference, under the guise of humanitarian intervention, in the domestic affairs of a country. It believes an armed intervention goes against the principles of territorial integrity and sovereignty. Russia's veto of the UNSC resolution on Syria was seen as an East vs. West confrontation.<sup>58</sup> It also stemmed from the analysis that the West's intention to pull down the Assad regime was more to do with weakening Iran, changing the political regime and remodelling the entire region to its advantage.<sup>59</sup>

China continues to be Russia's only strong international ally. But any conflict with it in the future, though improbable at present, will leave Russia with no major partner in the global arena. The underlying tensions with China, which are discussed in the next section, may create friction between the two strategic partners. Therefore, it becomes a necessity for Russia to plan for a worst-case scenario. This involves seeking new allies in the world's fastest growing region by hedging bets against a future conflict with China and by creating a subtle balance. The countries of APR have been very apprehensive about the recent military aggressiveness of China as in the case of the Diaoyu islands and the South China Sea disputes with Vietnam. Thus, common synergies and interests do exist.

### **Dynamics of Russia's Foray into the Asia-Pacific**

Russia has focused more on building ties with China than with any other country in the Asia-Pacific; to the extent that its policy is described as Sino-centric. This has manifested in China becoming Russia's most important strategic and economic partner. Barring India and Vietnam, it has not actively pushed to strengthen its engagement and improve ties with other regional countries. At times, it has also antagonised states like Japan, with whom China has had a difficult relationship, by stoking nationalist sentiments over the disputed Kuril Islands.

Significant developments have taken place in the Asia Pacific region over the last few years: the rise of an 'assertive' China and its increasing maritime disputes; the American 'Pivot' towards the 'East' and the ensuing US-China rivalry which leaves very little scope for other states to play any significant role here. Moreover, the possibility of a conflict arising out of geopolitical tensions in this region cannot

be ruled out. Russia does not have the economic, political or military capabilities to counter the Chinese or American designs in the region. Herein lies a big challenge to its successfully manoeuvring its foreign policy Eastwards. By being forced to compete with both China and the US in the APR, Russia's own leverage in this area can at best be that of a 'balancer' helping to stabilise the region. The fact that it has no territorial claims here can work in its favour.

The dynamics of Russia's relationship with China and India and multilateral institutions of the Asia-Pacific are analysed below.

### *China*

Prime Minister Medvedev, during his state visit in September 2010, declared that relations with China have 'reached their highest point'. This in brief sums up the strength of their bilateral ties. Moreover, President Putin's 2012 election manifesto highlighted the need for a strong China to maintain world stability and the enormous potential for business cooperation between the two countries.<sup>60</sup> In a way, this reflects Russia's admission that it remains distrustful of the West despite the perceived rapprochement and that China remains its only strong ally with a similar world vision. The principles of multi-polarity; the establishment of a just and stable world order; respect for international laws and prevention of use of force on the pretext of humanitarian intervention are the hallmark of their foreign policy.<sup>61</sup>

Moreover, the border dispute has been fully resolved and the East Siberia Pacific Ocean (ESPO) pipeline has added a real strategic dimension to the partnership. The two countries are part of several multilateral institutions such as: BRICS, RIC and SCO and their armed forces have participated in joint exercises in Central Asia and the Yellow Sea. China has overtaken Germany to become Russia's biggest trading partner<sup>62</sup> and their stock exchanges have started the process of rouble-yuan trading.<sup>63</sup>

Nevertheless, despite open declarations of a strong relationship, there is an inherent paradox in the bilateral ties. Russia is apprehensive regarding the rise of an assertive China.<sup>64</sup> This may have significantly prompted Russia to seek new allies in Asia in order to subtly balance China.

Russia-China ties have undergone a complete transformation from the Cold War era.<sup>65</sup> China's GDP, military capability and its defence budget is way ahead of Russia's, while the reverse was true during the Cold War.<sup>66</sup> Subsequently, Russia's position in the partnership has been openly debated with many being of the view that it is now a junior partner to China. The military and economic modernisation programme is not expected to restore Russia's parity with it.

There are dissenters within the Kremlin who are opposed to Russia becoming a mere raw material provider for fuelling China's growth. China's infringement of the intellectual property rights (IPR) of Russian weapons is well documented.<sup>67</sup> The fact that their exact replicas have often been exported by China, thereby causing significant loss to Russia's own defence economy, remains a key sticking

point.<sup>68</sup> That these weapons might be used against Russia in a worst case scenario can also not be ruled out. Moreover, China's decision to aggressively explore shale gas in collaboration with energy giant Shell<sup>69</sup> has jeopardised Russia's plans to become its principal energy provider and thereby secure a long term hydrocarbon market. With Europe going through a tumultuous economic phase, wherein its energy demands may not see an exponential growth in the future, Russia needs the new energy markets of Asia-Pacific to fuel its own economic growth through resource exports.

However, the biggest dilemma facing Russia is its resource rich but underdeveloped Far East and Siberia. The region has long borders with China and is now enormously dependent on it for its survival.<sup>70</sup> Very little investment has been channelled from Moscow in the last decade and the area is seeing declining demography, growing unemployment and migration to the European part of Russia.<sup>71</sup> There is a real fear of the Far East being swamped by Chinese migrants or being completely annexed by it in order to meet its growing energy requirements. This has been further compounded by illegal fishing and logging that continues unabated.<sup>72</sup> The region's delicate demography and social balance is at stake and Chinese threat at the borders perceived to be real.

However, with Putin's hard line approach towards the West expected to continue, over fundamental differences of how they perceive the world, any conflict with China will leave Russia with no major partners on the global stage. Therefore, his call to China for help in developing its Far East can be seen as an attempt to intertwine their economic interests to the extent that it becomes impossible to break the ties. Russia's willingness to open negotiations for the sale of Sukhoi-35 fighter aircraft to China, despite its history of reverse engineering and own security concerns, can be construed as part of this line of thinking.

Therefore, the inherent paradoxes, of strengthening ties on one hand and prevailing apprehensions on the other, represent the current dilemma being faced by Russian leaders. Nevertheless, there is a growing realisation that while there is no alternative to China, Russia can attempt to subtly balance it in the Far East by making new allies (who themselves are apprehensive about China's growing might) in the Asia-Pacific.

In the past, Russia has tried to balance China in regions where their strategic interests have collided, like in Central Asia; a region often referred to as Russia's 'Near Abroad'. In order to counter China's growing engagement in the region, Russia has tried to strengthen its position by encouraging integration projects in this post Soviet space through the Collective Security treaty Organisation (CSTO), Eurasian Economic Union and the Customs Union.

### *India*

Apart from China, Russia also has a traditional and strategic relationship with India. A convergence and near unanimity of views on practically all global issues, marks their ties; often described as 'special and privileged'.<sup>73</sup> Over the years, a

strong defence and economic partnership with Russia has helped India overcome numerous domestic and international crises. The two countries continue to look at international issues through the prism of multi-polarity as witnessed in their cooperation in various multilateral institutions such as SCO, BRICS and RIC. Moreover, they have moved from a mere 'buyer and seller' of arms to joint production of weapons systems; an indication of their trust in each others capabilities.

While Russia has a strong strategic bond with both India and China, the reverse is true of India-China ties which have been marked by a long running border dispute. In the past, Russia has attempted to bring them together through the multilateral frameworks of RIC, SCO and BRICS. These forums have provided a good platform for both Russia and India to constructively engage China and appraise each other of their respective concerns and apprehensions.

The importance of an India-Russia partnership cannot be underestimated in Russia's attempts to balance China. India can facilitate Russia's renewed focus towards the 'East' by exploring its synergies with its own 'Look East' policy. It has close cultural and historical ties with countries of South East Asia and has signed a Free Trade Agreement with Association of South East Asian (ASEAN) nations. Russia, which now holds the Asia Pacific Economic Cooperation (APEC) presidency, has advocated India's membership of the organisation in order to increase its political weight.<sup>74</sup> Similarly, Russia can facilitate India's 'Connect Central Asia' policy for cementing its ties with the region by building trade, transportation and economic links.<sup>75</sup>

However, despite the apparent bonhomie, there are also some irritants in the India-Russia bilateral partnership, to the extent that President Putin postponed his proposed October 2012 diplomatic visit to India by close to two months. Russia has criticised the perceived inability of the Indian government to protect its huge investment, of \$ 3 billion, in Sistema Shyam Tele Services (subsidiary of Russia's AFK Sistema group) operations in the country.<sup>76</sup> The Supreme Court of India had cancelled the telecom licences of a number of service providers including Sistema on the grounds of irregularities in allocation of spectrum. Russia believes that its bid was in accordance with the rules prevalent at that time and therefore should not be penalised. Moreover, it feels that India has not done enough to convince the courts to protect its genuine economic interests. While highlighting the underlying tensions, Russia has threatened international arbitration and warned that the case can have negative repercussions for future Russian investments in the country.<sup>77</sup>

Moreover, India's decision to impose the nuclear liability law on Units 3 and 4 of Kudankulam nuclear plant has caused friction between the two partners. According to the law, the suppliers of nuclear equipment are responsible for any faulty parts or design and therefore liable for penalties in event of any mishap. This will substantially push up the cost of constructing new nuclear reactors in terms of higher insurance premiums and risk taking capabilities. Russia has

maintained that the law does not apply to the new units since they are part of the original contract or else India must pay more for these reactors.<sup>78</sup>

India's weapons diversification programme involving high profile arms purchases from the West, often at the expense of Russian suppliers, is also a matter of concern for Russia. This comes at a time when Russia's Libyan weapons market is down, the Syrian market remains uncertain and China continues to steam ahead with its own indigenous arms production programme. For a country which has been the principal arms supplier to India for more than three decades, there is a perception that India now prefers Western weapons following its general drift towards the West and especially the US. This perception may have been further strengthened by India voting in favour of the West sponsored United Nations Security Council (UNSC) resolution on Syria which Russia opposed.<sup>79</sup>

On the Indian side, the postponement of delivery of aircraft carrier *Vikramaditya* to the end of 2013<sup>80</sup> once again highlighted the inherent problems in India's defence partnership with Russia. The repeated delay in deliveries, cost escalation and the inferior quality of Russian weapons systems, have time and again, strained the relationship.

Moreover, it is believed that ONGC Videsh Limited's (OVL) overseas acquisition of Imperial Energy, one of its biggest worth \$ 2.12 billion,<sup>81</sup> has run into rough waters. Russia had facilitated this deal. OVL has been accused of overestimating the potential hydrocarbon output and thereby over-valuing the company, which resulted in significant losses to the exchequer. The current level of output is between 17,000 and 18,000 barrels of oil per day (bpd), much lower than the projected output of 40,000 bpd.<sup>82</sup> Moreover, frequent changes in Russian tax rates have also been an obstacle to increased productivity. Imperial's profit after paying all taxes is just \$ 15-16 per barrel.<sup>83</sup>

Russia's growing engagement with Pakistan has also been a source of concern for India. The perceived rapprochement has involved high level political interactions including President Zardari's official visit to Moscow; the first such visit in 37 years. Russia is not averse to Pakistan's entry to the SCO even though it can be interpreted as an attempt to engage it over Afghanistan, since Pakistan is key to future stability of the country. Any development in the war stricken country will have repercussions in Russia's own neighbourhood. However, Russia has tried to assuage India's fears by stating that it has no plans to sell weapons to India's enemies (in reference to Pakistan).<sup>84</sup> Moreover, it was widely reported that Putin had called off the first ever visit by a Russian President's to Pakistan due to India's sensitivities on this delicate issue. However, Russia did send Foreign Minister Lavrov to Pakistan instead, thereby highlighting Russia's desire to mend ties with Pakistan. Consequently, Russia has shown that as part of geopolitical necessity, if India can improve and strengthen its ties with the West, Russia can do the same with Pakistan.<sup>85</sup>

However, the two strategic allies, who practically agree on most matters of international concern, can be expected to resolve these issues. Russia's ambassador

to India, Alexander Kadakin, has gone on record to assert that despite Russia's increasing ties with China and Pakistan, New Delhi remains Moscow's closest strategic partner.<sup>86</sup>

### **Projection of Russia as an Important Player in the Asia-Pacific**

The economic importance of the APR cannot be underestimated. Building trade, transportation and economic links with the region has thus become a priority for Russia.

Russia projects the following advantages to the APR countries:

- a) Its abundant hydrocarbon reserves can fuel the region's increasing energy requirements. The fact that Russia has expertise in building nuclear reactors for generating electricity also works in its favour. The ESPO pipeline can be extended to the Pacific Ocean and there are discussions to build a pipeline system consisting of the Sakhalin—Komsomolsk-on-Amur, Eastern Siberia—the Pacific Ocean—Komsomolsk Oil Refinery, and Eastern Siberia—the Pacific Ocean—Khabarovsk Oil Refinery pipelines.<sup>87</sup> The second stage of EPSO pipeline, scheduled to be launched in December 2012, will make it possible to increase oil exports to 50 million tonnes per year from the current 15 million tonnes.<sup>88</sup>

Moreover, Russia has discussed the option of building a \$6 billion gas pipeline, with a capacity of 10 billion cubic metres, for South Korea.<sup>89</sup> At present, Gazprom delivers 1.5 million tonnes of LNG to South Korea annually.<sup>90</sup> Similarly, Russia and Vietnam have been working together since 1981 to explore and produce hydrocarbons in south of Vietnam. During the APEC summit, Russia and Japan had agreed to build a Liquefied Natural Gas (LNG) plant in Vladivostok.<sup>91</sup> The \$7 billion plant will initially produce 10 million tons of LNG per year of which 70 per cent is to be exported to Japan.<sup>92</sup> This should help Japan tide over the energy crisis that it is facing on account of the closure of nuclear power plants post the Fukushima crisis.

Energy deals build a rapprochement between Russia and Japan, whose ties have remained strained over the unresolved Kuril Islands ownership issue. President Putin's reconciliatory statement, that 'Japan is Russia's key partner in the region', can strengthen the political ties and help augment the significant trade and investment links between the two countries.

- b) Russia has shown an interest in reviving the 'Asian Super Ring' project, which aims to integrate the power systems of Russia, China, Mongolia, South Korea and Japan.<sup>93</sup> As per the initial plan of 1998, the Siberian hydropower projects were to be the main donor to this ring. If implemented, the Ring will make Russia the hub for energy flows between these countries.
- c) Russia's Far East is extremely rich in natural resources, be it minerals,

metal or timber.<sup>94</sup> Joint exploration and extraction of these resources can help to increase trade and improve investment climate in the region. The proposed construction of a timber processing and wood chemical factory in the Krasnoyarsk Territory with Japanese collaboration<sup>95</sup> is an indication of Russia's attempts to tap the economic potential of regional powers in order to develop the region.

- d) A cost effective rail, road and sea transport corridor between Europe and Asia can be developed through the Trans-Siberian Railroad, Baikal-Amur Railroad and Russia's Pacific ports.<sup>96</sup> It has been estimated that an initial investment of \$20-30 billion can result in savings of up to \$600 billion by 2020.<sup>97</sup> This project can make the region a bridge between Eurasia and the Asia-Pacific. It will also complement President Putin's pet project of creating a Eurasian Economic Union<sup>98</sup> stretching across Eurasia, from Lisbon to Vladivostok to raise Russia's profile and presence in the region.
- e) The Northern Sea Route can become an alternative to the Suez Canal for transporting goods between Asia and Europe. It has been estimated that at least 3-5 million tons of cargo can be carried through this route in 23 days as opposed to the 46 days it takes by the Suez Canal route. Russia is creating the required infrastructure and has expressed its willingness to provide security to the ships.<sup>99</sup>
- f) Russia, which is one of the world's biggest food grain producers, can help to meet the food shortages expected in the region.<sup>100</sup> Recent estimates indicate that the country is poised to produce 120-125 million tonnes of grain by 2020 which should enable it to export at least 30-35 million tonnes.<sup>101</sup>
- g) Countries can benefit by using Russia's fully operational GLONASS systems for navigation and information purposes.
- h) The new Far East University in Vladivostok can become a centre for exchange of technological and educational research and cooperation in the region.
- i) The APR countries can be Russia's partners in space technology and research projects once the Vostochny cosmodrome in the Far Eastern region of Amur Oblast becomes operational around the year 2018.<sup>102</sup> This is within the broader framework of Russia becoming a high technology provider for the emerging economies of the Asia-Pacific.
- j) The Customs Union, comprising of Russia, Belarus and Kazakhstan, has had discussions regarding a Free Trade Agreement (FTA) with New Zealand<sup>103</sup> and a similar deal with Vietnam is likely to be signed in the near future.<sup>104</sup> More FTAs, for strengthening trade links, are likely in the coming years.
- k) Russia has attempted to build ties with the region by establishing defence links with countries of the Asia-Pacific. It has signed significant arms deals with states like Vietnam, Malaysia and Indonesia.<sup>105</sup> In fact,

Vietnam, on the basis of its historical economic and defence ties, is one of Russia's closest partners in the Asia-Pacific. They have agreed to jointly build weapons and Vietnam has given Russia the option to set up a ship maintenance base in the Cam Ranh Bay port.<sup>106</sup> The Kilo class submarines, which Russia has agreed to sell to Vietnam, will give the country the largest submarine fleet in the region between China and Australia.<sup>107</sup>

- l) Russia has also stepped up its multilateral engagement with the ASEAN by inking a comprehensive cooperation programme with it. Both sides have agreed to work together to develop a new regional security architecture for the Asia-Pacific region and collaborate on tackling issues of food security, pandemic diseases and disaster management.<sup>108</sup> Apart from being a dialogue partner of the bloc, Russia also participates in various consultative meetings of ASEAN. These include ASEAN Regional Forum (ARF), the Post Ministerial Conferences (PMCs) 10+1, ASEAN Defence Ministers' Meeting and the East Asia Summit.<sup>109</sup>

### *Opportunities for India*

Russia's military and economic modernisation programme has opened up opportunities for India. India can leverage its 65 years of strategic bilateral partnership to be an integral part of this mutually beneficial programme. Russia has some of the world's best scientists and is still a major scientific and technological power while India's information technology (IT) sector is comparable to the best in the world. The two countries can look to further explore synergies in the field of research and development (R&D) and innovation in high technology which can give a boost to their modernisation programmes.<sup>110</sup>

Russia is one of the world's principal weapons producer and exporter. The finesse and legacy of cutting edge Soviet arms technology continues in the present day military industrial complex. Herein lies a great opportunity for India to take the relationship to the next level. It can explore more joint weapons projects involving sophisticated technology: which will be a win-win for both the parties. India gets access to advanced technology while Russia benefits economically from developing and exporting new weapons systems, modernising its own armed forces while at the same time consolidating its scientific expertise and research programmes. This can also help to cut down on the delays in upgrading and providing new weapons platforms (as witnessed in the repeated postponement of the delivery of aircraft carrier Vikramaditya) since both countries will have a joint stake instead of being just a buyer and a seller.

The two countries can attempt to implement diffusion of military and civilian technology and not just rely on exchange of high technology in the defence sector. This may not only help to increase productivity and efficiency but also ensure a competitive advantage for their economies.<sup>111</sup>

The economic modernisation programme will lead to massive infrastructure

construction in Russia especially when it is poised to host the Winter Olympics in 2014 and Soccer World Cup in 2018 apart from the Formula One motor-sport races within the next few years. These projects will entail massive investments with more than \$ 10 billion expected to be spent on the World Cup alone.<sup>112</sup> Indian companies, especially those connected to infrastructure and IT, can look to tap into these opportunities.

Moreover, even in the foreign policy sphere there are many opportunities for India to explore. Russia's approach towards the Asia-Pacific is quite similar to India's own 'Look East' policy which aims to strengthen historical, cultural, economic and strategic ties with major countries of the region. India, like Russia, is a dialogue partner of ASEAN. The India-ASEAN 'Trade in Goods Agreement' has been implemented by all the ten members of the group with India's total trade with the region being close to \$57.89 billion in 2010-11.<sup>113</sup> India and ASEAN have also successfully concluded negotiations on ASEAN-India trade in services and investment, which is expected to help achieve the trade target of \$100 billion by 2015.<sup>114</sup>

Stability in Afghanistan remains a priority for both the partners. The SCO as a group is strategically placed to play an important role in the reconstruction process post the 2014 withdrawal of American forces. Russia is one of the staunchest supporters of India's full entry into the SCO. India should leverage that support to highlight its contribution to the rebuilding of the country and try to convince nay sayers, most notably China, of the positive role it can play in the SCO. Moreover, India can contribute to the SCO initiative of opening up the land locked countries of Central Asia and Afghanistan to the world markets through trade corridors across the region, as it can link the area with South and South East Asia. Afghanistan needs all the help it can get and multilateral assistance will be of great value.

Moreover, India stands to benefit from the recent rapprochement between Russia and Japan since it has concrete strategic partnerships with both the countries. Moreover, all three nations are inherently concerned about an assertive China. Japan's Senkaku islands dispute and India's border skirmishes with China are well documented. Despite Russia's close ties with China, it has declared that it will not take sides over the disputed islands.<sup>115</sup> Russia has also initiated a security dialogue with Japan. Therefore, the soft balancing by these three states can go a long way towards assuaging their fears of China's growing might.

## **Conclusion**

Russia stands at an important threshold given Putin's endeavour to restore, what he perceives is, the country's rightful place in global affairs. Relations with both the West and China are an integral part of its foreign policy discourse. Even then it is difficult to imagine Russia viewing the world primarily through the prism of ideology. Putin has in the past displayed elements of pragmatism regarding the rapprochement with the West because of Russia's need to modernise the economy.

However, traditional mistrust of the West, exacerbated by the subversion of the collective decision making process leaves Russia with only China as a strong ally on the global stage. Moreover, the importance of China cannot be underestimated in the development and stability of Russia's Far East.

Nonetheless, at a time when China has completely dwarfed Russia, both militarily and economically, there is an underlying tension in the relationship. The worst case scenario of a conflict with China will leave Russia with no major international ally. Europe's ongoing financial crisis has necessitated Russia's quest to explore new emerging markets. Therefore, its pivot towards the Asia-Pacific is guided as much by the need to be a part of the region's successful economic integration as by the desire to build new allies in order to balance a rising China.

The eastward direction of Russia's foreign policy will depend entirely on the success of its military and economic modernisation programme. The project will have to improve the structural capabilities of the defence industry, mend the business climate, curb corruption, diversify the economy, develop a high technology industrial base and strengthen the judiciary and rule of law. However, Russia's chequered history in implementing reforms indicates a difficult road ahead. Nevertheless, the 2012 Vladivostok APEC summit can mark the beginning of Russia's comprehensive foray towards the Asia-Pacific.

But it will be wrong to assume that Russia is going to turn its entire attention eastwards. Geographically Russia maybe a Eurasian country but its citizens, even in the Far East, consider themselves more European than Asian. Its major cities are also in the European part of the continent. Europe is its largest trading partner and the most lucrative market for its hydrocarbons. What one expects in the future is the evolution of a Euro-Pacific foreign policy which is consistent with Russia's multi-vectored approach to global affairs. The two eagles on Russia's national emblem with their individual heads facing west and east will aptly reflect the change.

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# Nuclear Issues

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## Nuclear Modernisation in India's Neighbourhood

*Rajiv Nayan*

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### Introduction

India, has traditionally, been placed in South Asia. This conventional categorisation may have been accepted by India, but it has always resented being boxed in South Asia when it comes to its security. When, of all the countries, a nuclear China, that borders India, and with which it has territorial issues, is not considered as being a part of this region, India's scepticism regarding South Asia as a security category seems valid. Moreover, India's basic discomfort at being placed in South Asia is its own size, geography, culture and history. It maintains that because of its sheer size it is faced with security challenges that are not faced by other South Asian countries. Moreover, India is located in a fast militarising and dangerous neighbourhood.

A very refreshing formulation of the security region vis-à-vis India was made by an Indian official. He described it in terms of concentric circles. According to him, the first regional circle around India consists of its immediate neighbourhood or region that includes countries of the South Asian Association of Regional Cooperation (SAARC) as well as Afghanistan and China. The 'next circle':

...extends to much of the Indian Ocean littoral. From the west to the east it stretches from Aden to Singapore—from Iran to central Asian Republics, from the Gulf countries to the countries of ASEAN [Association of South East Asian Nations]. It stretches, in the north, from Russia, as a Eurasian part, to Seychelles, Mauritius and Indonesia in the South.<sup>1</sup>

The last circle "encompasses Turkey, the countries of the East African seaboard, stretching from the Horn of Africa, the Koreas, Japan and Australia."<sup>2</sup>

However, this paper will confine itself to two of India's immediate neighbours—China and Pakistan. Of all the countries in India's neighbourhood, the Indian strategic community is most concerned about the military modernisation in China and Pakistan. For many years, China has been on the

path of consistently high economic growth. Ever since 1978, when it initiated the process of economic reform, its Gross Domestic Product (GDP) has grown at annual average of 10 percent. China has emerged as the second largest economy of the world. Even at present, it is projected to grow at 7.5 percent in 2012. The burgeoning economy and the rising global stature of China have fuelled its military spending. On March 4, 2012, China's annual military budget went up to roughly \$106 billion. Its particular area for modernisation is its nuclear arsenal.

However, Pakistan, which is in the midst of political turmoil and an economic downturn is also modernising its nuclear arsenal. In contrast to China, Pakistan's economy has been struggling at around 3 percent over the past five years.<sup>3</sup> In one of these five years, the growth rate was less than 2 percent. The International Monetary Fund<sup>4</sup> is painting an alarming and gloomy picture of its economy. The inflation is in double digit in fact, in some months, the inflation was even more than double digit. The only saving grace for the Pakistan economy is the US aid. Between 2002 and 2011, the US gave Pakistan \$8.8 billion in the name of fighting Insurgency. In 2012, the US Congress again approved an impressive \$1.1 billion in aid to Pakistan for fighting insurgency.<sup>5</sup>

Of the five Nuclear Non-Proliferation Treaty (NPT) nuclear weapons member countries, four are in the process of reducing their nuclear arsenals. China- the only NPT nuclear weapon country with an opaque policy - is increasing the number of its nuclear weapons. China was the first state in Asia to acquire nuclear capability. It was followed by Israel, though it does not officially acknowledge its nuclear weapon status. India and Pakistan joined the nuclear club in 1998. The international strategic community has been reporting nuclear modernisation in Pakistan as well. This modernisation in China and Pakistan is not only adding to their offensive military capabilities but is also poised to create a new strategic environment. The question that emerges is: What is the trend of nuclear weapons modernisation and delivery platforms in both countries? Is it the same in either countries or does it differ? What are strategic implications of this for India and the world?

## **Status of Nuclear Modernisation**

### *China's Nuclear Growth*

The Chinese government reveals little about the modernisation of its nuclear weapons and delivery vehicles; therefore, there is not much information in the public domain. However, from time to time, some information regarding these can be gleaned from Chinese official statements, the media, and some unofficial or non-official sources. Of course, their accuracy and certainty is always debatable. The pace of modernisation may be a matter of debate in the international strategic community, yet, there is a near consensus that both countries are modernising their nuclear arsenals and delivery vehicles. According to some the modernisation is rapid, and as per others slow but steady. Although the Pakistani government keeps giving information about its nuclear capable missile tests, yet it does not

disclose the number of missiles it possesses. Moreover, there is hardly any information on its nuclear weapons modernisation programme.

The US department of defence report maintains that China has 50-75 Inter Continental Ballistic Missiles (ICBMs) along with 5-20 intermediate, 75-100 medium and 1000-1200 short-range ballistic missiles.<sup>6</sup> This report notes that China has 200-250 Submarine Launched Ballistic Missiles (SLBM) launchers and 200-500 Ground Launched Cruise Missiles (GLCMs) and 40-50 GLCM launchers.<sup>7</sup> The Federation of American Scientists places the number of its nuclear warheads in the range 180-240 and ballistic missiles around 4000.<sup>8</sup> One US official in his Congressional testimony stated that China has a few thousand nuclear weapons.<sup>9</sup> Taiwan estimates that China has more than 180 strategic missiles, and more than 1400 tactical and cruise missiles and 45-500 nuclear warheads.<sup>10</sup> The International Panel on Fissile Materials maintains that China has 240 nuclear warheads of which 180 are deployed.<sup>11</sup> The Panel also estimates that China has 16 tonnes of Highly Enriched Uranium (HEU) and 1.5 tonnes of Weapons-grade Plutonium in its fissile materials stockpile. The *Bulletin of Atomic Scientists* also estimates<sup>12</sup> that China has about 240 nuclear weapons in its stockpile, about 140 ballistic missiles capable of carrying single nuclear warhead on each of the ballistic missile.

However, recently, Professor Phillip Karber of Georgetown University and his students undertook a study of Chinese nuclear weapons and missiles.<sup>13</sup> This study triggered a debate on several issues relating to Chinese nuclear and missile forces, including the nature and size of the arsenal. This particular study concluded that China has around 3000 nuclear warheads in its possession. The 5000-mile network of storage or underground tunnels has been a subject of serious discussion among scholars in the international community. This is termed as the 'underground great wall'. The study also mentioned deployment of nuclear capable missiles in Tibet and near Indian border. A section of the American academic community<sup>14</sup> believes that it is a warhead storage site as well as 'a missile launch base' or 'subterranean ballistic missile' (an underground-based version of a nuclear missile submarine, or SSBN)".

China has also acquired the Sukhoi MKC. However, in recent years, the J series of the aircraft has been making news. The stealth fighter aircrafts being developed by China are J-20, J-21 and J-31. In 2012, the J-21 a more advanced version of the stealth aircraft was flight tested by China. Reports indicated that Russian technology was used to build these aircrafts and some of the technologies used in the aircrafts are still being developed by Russia. The J-31 is apparently being built for the global market. However, it is the modernisation of its ballistic missiles that is a matter of principal concern for the international strategic community.

The available information on the Chinese nuclear weapons and missile modernisation reveals a trend that is significantly different from what was generally believed to be the case. The common understanding of the strategic forces

modernisation is that China is focusing on the modernisation of nuclear delivery vehicles but this does not present the true picture of its ballistic missile production. Chinese media reports indicate that China is proceeding with its missile development programme at a high speed, and not at the 'glacial speed'. The number of almost all the categories of ballistic missiles is rising. Currently, China has DF-3/3A, DF-4, DF-5/5A, DF-11/M-11, DF-15/M-9, DF-21/21A, DF-21C, DF-21D, DF-25, DF-31, and DF-31A ballistic missiles. China is replacing many of its liquid-fuelled missiles with the solid-fuel missiles. Solid-fuel missiles are considered to be compact, easy to handle and modern. However, in liquid fuel propulsion, too, research is at an advanced stage. For China, the development of solid-fuelled missiles became a priority in the 1980s. It deployed a solid-fuelled ballistic missiles system in the early 1990s, and continues to refine the solid-fuel technology.

Of the ballistic missiles, it was generally believed that China was concentrating on short-and medium- range ballistic missiles.<sup>15</sup> For a long time, China did not seem interested in modernising its long-range missiles. However, recent writings and reports suggest that China is modernising its long-range ballistic missiles as well. Apparently, this is being done since it overcame its technological limitations. China has also been testing the DF-31 which is a road-based ballistic missile. On August 30, 2012, China tested the ballistic missile- believed to be the DF-31 A – and has a range of 12000 km. Some of the earlier reports on the DF-41 gave an impression that this missile had been abandoned. The DF-41 is mounted on mobile land-based trucks, has a range of 8000 km. The *New York Times* reported that China would produce around 20-32 DF-41.<sup>16</sup> The Chinese media terms the DF-41 as both an ICBM<sup>17</sup> and a long-range missile. It is also designated as CSS-X-10 and is the third generation ballistic missile. It is reported to be at the second stage of development.

China also has the JL-1 Submarine-Launched Ballistic Missile (SLBM). In 2012, China tested yet another SLBM JL-2, which had been under development for years. Though the media reported the testing of the JL-2 in January 2012, and six of these missiles were tested near Dalian in Liaoning Province, China at the end of 2011.<sup>18</sup> On August 12, 2012, China tested this missile again. It is also known as the CSS-NX-4 and is said to have a range of 8,000 km.<sup>19</sup> Non-Chinese media reports put the range of this missile in the 10000-14000 km range. Some believe that the JL-2 is basically a derivative of DF-31. A section of the media reported that: "At least two Type 094, or Jin-class, submarines in China's Northern Fleet are known to operate out of the Xiaopingdao submarine base close to Dalian."<sup>20</sup> It is also reported that "China plans to introduce up to five Type 094 second-generation nuclear-powered ballistic missile submarine (SSBN) armed with JL-2 missiles. Each Type 094 submarine can carry as many as 12 missiles."<sup>21</sup>

However, on August 20, 2012, China tested the silo-based liquid fuelled DF-5 which has a range of more than 13000 km. This test, which was conducted at the "China's Wuzhai Missile and Space Test Centre, near the town of Wuzhai in

the northwestern Shanxi province, about 267 miles southwest of Beijing”, was detected by American military sensors.<sup>22</sup> Some believe that it was a test of basically DF-5B, which was actually in the Chinese arsenals for a long period. This test of DF-5 negated yet another dominant trend—missile possessing countries are shifting away from the silo-based ballistic missile systems to the mobile systems. The reason for this selection to the mobile system arguably is to enable nuclear assets survives a conventional or nuclear attack and thus, increases the striking power of missiles.

China has also developed the capability for manoeuvring re-entry vehicles, and the Multiple Independently Targeted Re-entry Vehicle (MIRV). The MIRV technology allows a ballistic missile to carry many warheads. It can be fired separately and independently at different targets in succession. It is freed from the front end at different speeds and at different trajectories. China, apparently, is capable of mounting a MIRV on a DF-5. In the 2012 test firing of the DF-41, China yet again demonstrated its growing expertise in the MIRV technology. Besides, China is also refining its cruise missiles. It is developing air-and ground-launched cruise missiles—the YJ-63 and DH-10 systems - for stand-off, precision strikes. It also has the modern Russian-made SS-N-22 and SS-N-27B anti-ship cruise missiles. It has also upgraded the ground-launched YJ-62 ASCM. China is the only country which is believed to have developed anti-ship ballistic missiles.

China will also miniaturise its nuclear warheads to suit the new generation of ballistic missiles. Besides, the Chinese are also designing stealth warheads to deceive the US radar system. This need may necessitate another round of nuclear tests of the Chinese arsenal. China has conducted 45 nuclear tests so far. China nuclear weapons modernisation apparently involves developing ‘low collateral damage and precision low-yield nuclear weapons’<sup>23</sup> and possible ‘low-yield nuclear tests’.<sup>24</sup>

China may use advanced Global Positioning Systems for precision attacks. Recently, it has appended two more satellites to its global navigation network which may ultimately match the American GPS. According to the Chinese state media: “The 14th and 15th satellites in the Beidou system were launched aboard a single Long March 3B rocket. The Chinese system may have 35 satellites in total by its 2020 completion date.”<sup>25</sup>

### *Pakistan*

Pakistan is also undertaking nuclear and ballistic missile modernisation. Although like China Pakistan has not declared the number of its warheads or the size of its fissile materials stockpile, yet the country’s nuclear weapon capability is being assessed by the research community from time to time. There is also talk in the international community that Pakistan has revived the plutonium route to build up its nuclear stockpile.<sup>26</sup> The two-track approach of the Pakistani nuclear weapons development programme has not puzzled those who are following the nuclear weapon programme of the country. However, what we have at this moment are indicators—not definite information.

The Khushab reactor is already operational and is supposedly being used to produce plutonium for Pakistani nuclear weapons. Some imagery briefs and other intelligence estimates suggest that Pakistan started building its second reactor at Khushab sometime between 2000 and 2002.<sup>27</sup> The preparatory work for construction of the third reactor at Kahuta was spotted in 2006. The first Khushab reactor has a capacity of 40 MW. According to the ISIS, finds that the second reactor at Khushab has been completed, and is presently in the trial phase. Based on satellite imagery showing vapour emissions from the second reactor, the ISIS report concludes that the plant is 'at least at some stage of initial operation'.<sup>28</sup> Initially, it estimated that the second reactor had a capacity of 1000MWth, it but later, it revised it. It also notes that the third reactor is also progressing very fast, and soon may be completed.

Several reports suggest that Pakistan's current indigenous capability may not sustain its fast paced nuclear weapons development. Some argue that it is difficult to procure Highly Enriched Uranium (HEU) from the proliferation network which is either not active or is facing difficulties. However the network is not inactive; it is merely facing some pressure and as a result, some difficulties. However, in the light of rising pressure, it would be prudent for the Pakistani establishment to procure readymade materials instead of items and equipment to produce such materials. This will solve the problem of the shortage of spare parts for running the enrichment plant.

According to the International Panel on Fissile Materials:

It [Pakistan] may have produced 0.06–0.13 tons of weapon-grade plutonium from its Khushab-I reactor, assuming a reactor power of 40-50 MWt and an average capacity factor of 50-80%. The second production reactor has been completed at Khushab and may have started operation in late 2009 or early 2010. A third production reactor is nearing completion. Based on the number and sizes of their mechanical cooling towers, all three reactors appear to be of similar power.<sup>29</sup>

According to a report in the *Bulletin of Atomic Scientists*:

In particular, the new facilities provide the Pakistani military with several options: fabricating weapons that use plutonium cores; mixing plutonium with HEU to make composite cores; and/or using tritium to "boost" warheads' yield (loading the reactors' targets with lithium 6 will produce tritium).<sup>30</sup>

Although the report in the *Bulletin of Atomic Scientists* is not certain whether Pakistan is taking the plutonium route for a thermonuclear device, yet a predominant section of the Indian strategic community believes that Pakistan is planning to acquire a thermonuclear device and also miniaturise its warheads.

Does this mean that there is no increase in Pakistan's nuclear arsenal? In 1999, the US Defence Intelligence Agency had projected that by 2020, Pakistan would acquire 60-80 nuclear warheads. Now, at the governmental level, too, estimates of the Pakistani nuclear weapons stockpile have been revised and current estimates put the number at around 100. This is the same number as estimated by non-

government sources. The International Panel on Fissile Materials, in its 2011 assessment, places the number between 90 and 110.<sup>31</sup> The panel maintains that in 2011, Pakistan possessed 2.6 tons of HEU. Pakistan produced 2.75 tons, but used 0.1 ton of HEU for its 1998 tests. SIPRI also has the same figure. That Pakistan has 110 warheads has been corroborated by David Albright, who initiated the process of estimating undeclared fissile materials and nuclear weapons. However, for past several years, he stopped publishing the annual assessments. According to some other reports Pakistan has either developed 200 warheads or has the wherewithal to manufacture 150-200 warheads.

Concerns regarding the safety and security of nuclear weapons in both the countries have been figuring in news items quite frequently, though concerns relating to the arsenals of the two countries are not the same. The storage of ballistic missiles with conventional and nuclear warheads at one place in China is a cause for concern and a subject of debate in the international strategic community. The fear of Pakistan's nuclear arsenal falling into the hands of terrorists and extremists is a worry for the international community notwithstanding the assurances by the Pakistan and other governments and some non-government experts from inside and outside Pakistan.

Pakistan has been testing ballistic missiles quite frequently. In 2012, Pakistan officially conducted a series of ballistic and cruise missile tests. On April 25, 2012, Shaheen 1A, considered to be an improved version of Hatf-4 and with a range of 2,500-3000 km was launched. This missile is basically a copy of the older Shaheen-1. However, it is claimed that the missile is capable of defeating anti-missile systems. Pakistan also tested the Hatf-3, also known as Ghaznavi, with a range of 400 km on May 10, 2012; Hatf-9 or Nasr with a range of 60 km on May 29, 2012; Hatf-8 or Ra'ad having a range of 350 km on May 31, 2012; and the cruise missile Hatf-7 or Babar with a reach of 600 km on June 5, 2012 and later on September 17, 2012. On November 28, 2012, Pakistan officially announced the test of the Hatf-5/Ghauri medium range (1300-1500) missiles. However, according to international media reports this test failed and the missile broke into pieces after the launch.<sup>32</sup>

Admittedly, the Pakistani arsenal is increasing, but not through indigenously produced Pakistani fissile materials. The common understanding is that Pakistan is getting a continuous supply of fissile materials from China. There were reports of 50 kg of HEU being sent by China way back in 1982. And quite interestingly, this is confirmed by none other than A Q Khan himself who in 2011 also revealed that China was also a beneficiary. In his confessional statement, he said:

Our mastery of...most advanced and invaluable technology enabled us to sign a historic contract for a giant plant in China. Because of my assistance to the Chinese, they in turn helped Munir Ahmed Khan in various projects that had been stagnating for years (i.e. UF6, Reprocessing, Conversion, Production Reactor etc.).<sup>33</sup>

In 2012, A Q Khan also revealed that Benazir Bhutto had ordered him to

supply sensitive technology to two countries. Of course, the Pakistan's People's Party denied this allegation and the government of Pakistan stated that: "... the matter had been thoroughly investigated in the year 2003-4. It had been clearly established that the proliferation activity was an individual act, and did not carry authorisation of any Pakistani government, at any stage." On April 19, 2012, the then US defence secretary Panetta accused China of assisting North Korea for developing LRBM.<sup>34</sup>

### Strategic Implications

China and Pakistan both may argue that the modernisation is being undertaken for facing the emerging strategic challenges. Yet the world is concerned about the strategic implications of this for the global strategic community in general and the Indian strategic community in particular. The modernisation drive, in Chinese thinking, is for developing 'capabilities in protection, rapid reaction, penetration, damage and precision strike.'<sup>35</sup> A stronger and more credible nuclear deterrent is the "cornerstone of China's ability to safeguard its national security within a complex international environment."<sup>36</sup> Pakistan links it to its survival. According to its foreign ministry, "Pakistan's strategic programme was modest aimed at maintaining a credible minimum deterrence to ensure national security".<sup>37</sup>

China, formally, denies any intention of power projection. For example, after successful landing of the J-15 carrier-borne fighter on China's aircraft carrier *Liaoning* on November 29, 2012, Geng Yansheng, the director of the Information Office and spokesman of the ministry of national defence, said that the development and construction, of aircraft carriers is neither aimed at any other country nor is China in an arms race but is in accordance with its national economic and social development as well as the practical requirements of its national defence. China's legitimate and rational national defence and military modernisation drive should not be over interpreted.<sup>38</sup> Quite interestingly, he projected the public takeoff and landing training of the J-15 fighter<sup>39</sup> as an example of military transparency.

### *Extra-regional Ambitions*

China and Pakistan both were seen as regional players. Nuclear China complicated the definition and security scenarios of at least four security regions: East Asia, South-East Asia, South Asia and Eurasia. China's nuclear weapons were seen as posing a challenge or threat to countries that did not have friendly relations with it. With its rise China began, by and large, to be perceived as a principal player in the Asian region. Similarly, Pakistan is traditionally perceived as a South Asian nuclear weapon country, though Indian analysts keep challenging the concept of South Asia as a regional security category on multiple grounds. On the one hand, they objected to the South Asian category because of China and on the other, because of Pakistani activities outside South Asia.

The increase in the Pakistani and Chinese arsenals is raising questions such

as: Are China and Pakistan modernising and developing their nuclear arsenals to move beyond their traditional regional status and role? Will China emerge as a global power or is it content with its regional role in Asia? What is the objective of the Pakistani nuclear weapons and missile acquisition? Does it want to remain focused on India or on new adversaries?

For sure, China is sending a message that it has a different plan for its neighbourhood, but its security strategy is going well beyond that. Though China has never denied its global ambition, yet with its new status, it is seeking a new role for itself. According to an author based in China: 'Without authentic and reliable strategic deterrent forces, China's peaceful rise can only be a theoretical pursuit'.<sup>40</sup> As for Pakistan, officially, it will continue to maintain that its nuclear weapons programme is still India focused. But deceit and deception have been hallmarks of both Pakistan and China; Pakistan, too, has extra-regional ambitions. So, it is necessary to examine implications of these modernisation drives for global, Asian, and regional security.

As per the conventional wisdom, the modernisation of ballistic missiles may be with the purpose of bolstering nuclear deterrence, yet China has projected a conventional role for its missiles that are capable of carrying nuclear weapons. The DF-21 C is considered is most ideal for conventional purposes. But China is developing several ranges of solid and liquid—both fuelled medium- and short-range ballistic missiles as well as cruise missiles—for conventional purposes. According to the Chinese government: "The conventional missile force of the Second Artillery Force is charged mainly of the task of conducting medium- and long-range precision strikes against key strategic and operational targets of the enemy."<sup>41</sup> Before deploying a ballistic missile, China conducts experimental flight tests, finalisation flight tests, and batch production inspection flight tests. It is also raising new missile units and imparting advanced training to its personnel for handling sophisticated strategic forces efficiently and effectively.

As China is highlighting a conventional role for its ballistic and cruise missiles, it is creating complications for analysts and countries that face a security challenge from China. A commonly held view is that China is developing the modern strategic systems for 'anti-access/area-denial (A2/AD) missions'.<sup>42</sup> Xi Jinping, the new Chairman of the Central Military Commission of the Communist Party of China, stressed that the PLA's core task is 'improving its abilities to wage regional wars in the Information'.<sup>43</sup> Reports indicate that recent ballistic and cruise missile tests 'simulated salvos of attacks on Taiwan'.<sup>44</sup>

A media report claims that "China has between 1,000 and 1,600 DF-16 medium-range missiles and DF-11 and DF-15 short-range missiles within range of Taiwan."<sup>45</sup> The Taiwanese media<sup>46</sup> also reported deployment of advanced Dong Feng-16 (DF-16) missiles in addition to the DF-11 and DF-15 short-range missiles, which have been targeting Taiwan for several years. The report indicated that China is adding 200 missiles each year.<sup>47</sup> The National Security Bureau Director Tsai Der-sheng had also informed Taiwanese lawmakers that the 'Chinese

military had completed developing the new DF-16'.<sup>48</sup> The Chinese deployment of DF-21D anti-ship ballistic missiles is to ensure area-denial objective of the Second Artillery.

However, the international strategic community is divided on China's projection of conventional warhead carrying ballistic missiles. A section believes that this undermines the idea of deterrence and the entire war plan of China. As per this line of thinking China seems unsure of its nuclear deterrence capability. Another section fears war escalation if China decides to use conventional warheads in any missile that is capable of carrying nuclear warhead. The misperception may increase the possibility of nuclear weapons being used in an otherwise conventional war.

However, nuclear weapons and their delivery systems, especially ballistic missiles may help China in achieving both strategic and tactical objectives. The Jin-class missile submarine capable of carrying 12 JL-2 is expected to signal China's activism in the sea. The sea-based deterrence will be changed. Submarine power will definitely strengthen its second strike capability. China has refined its submarines, and included nuclear submarines. The old noisy submarines are making way for a new generation of submarines, and are going to increase the Chinese deception and attacking power. China is using force multipliers to augment its maritime capabilities. A US analyst has termed them as 'forced-entry countermeasures'.<sup>49</sup> According to him, the Chinese government seems to have been influenced by the thinking of Mahan and it is using the "command of the sea as 'overbearing power' that expels the enemy's flag from vital expanses or at most allows it to appear as a fugitive."<sup>50</sup> It would like to dominate the sea lines of communication for which purpose it is developing the Type 081 amphibious assault ship to carry eight helicopters and around 1,000 marines. By 2015, it plans to use unmanned drones for marine surveillance.

The Chinese sea-based nuclear modernisation is seen as the part of its design to deny its adversaries access to its neighbourhood; dominate its smaller neighbours and as a strategic deterrent vis-à-vis the great powers operating in Asia. This reinforces the idea that China is interested in acquiring a second strike capability. However, the benign and somewhat official explanation is that: China imports oil and other resources apart from conducting its trade by sea shipping goods which necessitates a nuclear and powerful force.

China has been keen to demonstrate that it is a big power in the region. In 2012, the world witnessed only a more assertive posture. Its recent assertion in its neighbourhood, especially, with regard to neighbours with whom it has boundary problems, is being explained as the action of a militarily and economically strong China. At present, the international community is focusing on the South China Sea. In the future, it may see a more tense and aggressive China. The development and testing of DF-31, DF-41 and JL-2 are demonstrating that China has extra-regional objectives. These extra-regional objectives may be signalled only through long range missiles. Xi Jinping, directed the PLA to build 'a powerful and

technological missile force'.<sup>51</sup> He also visualises military modernisation as providing "strategic support for the country's status as a major power"<sup>52</sup>

As for Pakistan, although officially, it will continue to project itself a South Asian nuclear weapon country but it has traditionally been trying to engage and involve itself in West Asian and North African politics. It has also been trying to extend its influence into Central Asia. Will Pakistan explicitly use, or threaten to use its nuclear weapons to increase its influence? In fact, Pakistan has taken the "unconditional pledge not to use or threaten to use nuclear weapons against states not possessing nuclear weapons."<sup>53</sup> According to one article:

Once the international presence in Afghanistan dwindled, and the country was normalised, the conflict with Pakistan would develop differently. Pakistan would view the conflict in a different light, in its own right, not being a partner in a US engagement. When this crisis management, politically and military, developed, the Pakistani decision making process for the use of nuclear weapons became relevant, as did the normal Pakistan perspective on its regional role with India and other neighbouring countries. All of this lay behind Pakistan's motivations for engagement in Afghanistan, and the eventual use of a nuclear weapon under specific circumstances.<sup>54</sup>

West Asia and North Africa are expected to heat up in the near future. A Sunni nuclear bomb may have its own arc of influence in the region. Pakistan is going to play an important role as a possessor and a possible supplier.

### *Containing or Hedging America*

The general thinking is that China is developing different missiles for different strategic roles. China wants to counter the US involvement or presence in Asia. Various scholars and analysts have attributed different motives to the Chinese action. A section believes that the US is the only power with the ability to contain China in Asia because other countries cannot match China economic and military progress. Long-range missiles are perfect for deterring the US. In fact, Chinese missile flight tests were conducted when Chinese Lt. Gen. CaiYingting, deputy chief of the general staff of the Communist Party-controlled People's Liberation Army, and four other generals were visiting the Pentagon. The Chinese establishment expected the American to learn about these tests and the Chinese were ready with their answers.

Others maintain that the US 'Pivot to Asia' policy seems not to have gone down well with China. Though the official reaction is restrained or highly nuanced, yet its academic community articulates what government does not want to state publicly. One Chinese writer maintains:

China should deploy forces to North America and the Caribbean to reach a 'balance.' However, currently, China cannot compete with the US on a military basis. Therefore, China should have weapons that could be an ace in the hole. Although China's conventional weapons have developed rapidly, China and the US are still about 20 years apart in this field.<sup>55</sup>

The writer further states:

Only nuclear weapons can force the US to use methods other than starting wars to compete with China. Without deterrent capability, China's security can only rely on US good intentions and restraint. However, looking at US political ethics and US history, we cannot find these virtues.<sup>56</sup>

The Chinese nationalist media also gave a strange twist to the issue. One Chinese newspaper<sup>57</sup> was of the view that an influential section of the American political and ruling class does not have information about the Chinese nuclear arsenal. The lack of knowledge may make this American section adventurous. So, for deterrence to work, China should 'endeavour to build an equal level of nuclear deterrence.'<sup>58</sup>

Through the DF-21D, it wants to ensure that the US does not intervene in a conflict situation either to defend Taiwan or any other East or South East Asian country. Similarly, longer range missiles like DF-41, which is capable of carrying nuclear warheads, may deter a nuclear America because it can target both its coasts. The development of long-range ballistic missiles in 2012 is, thus, being taken as a signal to the US. Yet another writer whose article has been displayed on the website of Chinese Ministry of Defence maintains:

For the Chinese People's Liberation Army (PLA), in order to win local wars under the informationised conditions in future, it is imperative to establish the strategic idea of offensive defense operation, and vigorously develop long-range strike weapons so that the effectiveness of combined offence-defence operations can be maximised.<sup>59</sup>

China possibly wants to send yet another signal to the US by strengthening its Ballistic Missile Defence (BMD) in Asia. It is widely believed, that the US and Japan are relying on BMD to deal with the Chinese growing nuclear and ballistic missile modernisation. Some literature on China suggests that the Chinese may use MIRV as a decoy for generating heat and electromagnetic devices to deceive the BMD system in order to intercept missiles. Analysts believe that DF-41 tipped with multiple warheads may generate a sense of insecurity among US allies who depend on the US nuclear protective umbrella. Apparently, Japan has already started doubting the US extended deterrence. It may have two implications: first, US allies would stop depending on the US and make friendly overtures towards China and second, these countries may seek to develop their own nuclear arsenals. Japan has already started giving indications of this. So, if at all this is the Chinese strategy, as being projected by the Chinese strategists, it may spell disaster for the region.

So, is it only China that wants to counter the US with its nuclear arsenals or has even Pakistan also decided to counter the US with its nuclear arsenal? It is not only some Indian writers who have been emphasising that the Pakistani nuclear weapon is gradually acquiring a Western and American orientation even leading Pakistani commentators like Talat Masood, agree that the growing nuclear arsenal of Pakistan may have the US as its target.<sup>60</sup> He said the continuous targeting or

strategising to neutralise the Pakistani nuclear stockpile is being termed dangerous by the government and the strategic community. However, he sounds a cautious note by saying that it would be suicidal for Pakistan to do so.

In reality, a large section of the Pakistani ruling establishment is angry with the US because of its anti or counter terror policy. The US forces entered Pakistan and killed Osama-bin-Laden and a few, if not all, terror hubs are under attack. The then US secretary of defence, Leon Panetta made it clear that drone attacks would continue. A section of the Pakistani ruling establishment has conveyed to the US and its allies that it is unhappy not only because of the targeting of its nuclear arsenal but also because of the attack on Pakistan's sovereignty.<sup>61</sup> For long, Pakistan rationalised its nuclear weapons vis-a-vis India. Now it projects a new threat emanating from the Western countries, especially India. On this new source, generally, the Pakistani government uses quiet diplomacy, though at times, one section of the policy making and strategic communities becomes vocal.

### *Developments on Nuclear Doctrine*

Will China and Pakistan continue with their old doctrines? Formally and officially nothing much is going to change. However, according to the American media China is 'moving in the direction of developing a 'first strike' attack capability.' Hui Zhang, an academician, maintains that China is working on its famous Tunnel-Launched Ballistic Missiles (TLBMs) to put pressure on BMD deployment. TLBMs, according to him, will strengthen or assure its second strike capability. He is unwilling to believe that despite naval or aircraft modernisation

As far as Pakistan is concerned many believe that armed with a robust nuclear weapons stockpile, it may seek second strike capability. The Pakistani nuclear doctrine has very little to do with its capability. Its offensive first use doctrine has its own politics and strategy. Basically, it wants to blackmail and deter those countries that are expected to act against it because of its terror activities. So, Pakistan is also not going to change its 'First Strike' or 'First Use' to 'No First Use' in spite of rising international pressure. Of course, it will continue to ward off the pressure till other nuclear weapon countries such as the US and Russia embrace the NFU doctrine. As a number of studies are concluding that Pakistan has been very fast increasing its nuclear arsenals, yet it will reiterate its doctrine of credible minimum deterrence.

Do China and Pakistan have the same target? Officially, both countries may say that the nuclear arsenals and their delivery vehicles do not have any non-traditional targets, but, in fact, like India China maintains that its nuclear weapons are not country-specific.<sup>62</sup> Interestingly, China, for a long period, has been pursuing a policy of—what is now being termed as—'calculated ambiguity'.<sup>63</sup> Earlier as part of the Eastern bloc its nuclear weapons were meant to deter the West. However, even at that time countries like India, which was not a part of any bloc, had security issues with the Chinese nuclear bomb. In the 1960s itself, its relationship with the Soviet Union turned sour and it came closer to the US. India still remembers the infamous China-Pakistan-US nexus that existed for two decades

or more. Though nuclear China has several unnamed countries in its sights, yet, as discussed, the US and its Asian allies could be the main focus. Pakistan, too, seems to be moving towards multi-targeting. As discussed, it is now seeking to cover the area from Afghanistan to the US. Earlier, its nuclear arsenal was India-specific.

However, the most salient feature of the nuclear doctrines of both the countries is the undeclared extended deterrence. Pakistan has been enjoying the extended deterrence of China, though there was no formal pact for this. Some fundamental questions regarding the nature of this extended deterrence, and the need for the much publicised statements to convey to the adversary that the Chinese nuclear weapons may be used for the defence of Pakistan. Moreover, many writers on deterrence are of the view that there is no need to over publicise the nuclear relationship between the two.

In fact, during the Cold War, 'alliances and other linkages for extended deterrence often gave superpower clients resources'<sup>64</sup> for engaging in other activities. In a classical sense, an alliance is 'a formal agreement between two or more nations to collaborate on national security issues.'<sup>65</sup> However, a number of tacit and ad hoc alliances have existed in history. Through the transaction of nuclear weapons goods, ballistic missiles and their technologies China and Pakistan have behaved as allies, but have not entered into any formal alliance. But Pakistan, by any established standards, appears as a secondary power in the alliance.

## **Conclusion**

The Indian government or the Indian strategic community does not react strongly to nuclear modernisation in these countries. However, the modernisation of nuclear arsenals and delivery platforms by China and Pakistan is indeed disturbing. China is focusing on increasing its influence in Asia and denying others the access to the region. As a result, it has to face the US as its principal adversary. Pakistan is also enhancing the reach of its nuclear weapons especially missiles. It is seemingly diluting its stand on the centrality of India. Pakistan is directing its nuclear weapons towards other countries as well. India is in a dangerous neighbourhood. It cannot afford to ignore these developments.

India too is strengthening its security and defence preparedness and the development of ballistic missiles is an important step in this direction. On April 19, 2012, at 8.07 AM, India tested its long range ballistic missile (LRBM), the Agni-5. The Agni-5 is going to use the systems which have been developed over the years and have been used and tested in different versions of the Agni and even the Prithvi, so, it may not have to undergo many experimental trials. After a couple of user trials it will be inducted into armed forces. The core message of the Agni-5 is that India wants to develop its independent and autonomous nuclear deterrence in the emerging strategic scenario in Asia which is characterised by multilateral deterrence.

Apart from the Agni-5 India also launched other the Agni missiles with a

shorter range, the Prithvi and the Dhanush. All the Agni missiles are road mobile and solid fuel. Three versions of the Agni have already been inducted and the other two versions may be inducted soon. Initially, there was no plan to develop many versions of the Agni. The missile was to be developed in the intermediate range. Quite interestingly, this missile was first developed in a higher category and then in the lower version. The Agni-4 was tested after the April test of the Agni-5. The Agni-4 differs from the Agni-5 basically in terms of range, and the different stages of its rockets. Till 2011 the range of the Agni-4 was around 3,500, but when it was tested on September 19, 2012, the government claimed that its range was around 4,000 km.

On September 21, 2012, India once again tested the Agni-3. However, this was a user test conducted by Strategic Forces Command (SFC). This missile has already been inducted into the Indian armed forces. It has a range of more than 3,500 kms and is capable of carrying a payload of 1.5 kilo tons. On August 9, 2012, the SFC conducted the user trial of the Agni-2 ballistic missile. The Agni-2 has 2-stage rocket motor and a range of 2000 kms. The SFC had already conducted a few user trial tests after the experimental tests. The Agni-1, yet another version but with a lesser range (700 kms) was tested on July 13, 2012. Like the Agni-2 and Agni-3, this test was also conducted by the SFC.

India also conducted user tests of the Prithvi-2 on October 4, 2012. This liquid fuel missile has a range of 350 kms and is deployed with the army and air force. This missile is also armed with an advanced high accuracy navigation system, innovative guidance system, and a pre-fragmented and composite warhead. Its naval version—the Dhanush was also launched a day after from a naval ship. On October 5, the SFC launched the Dhanush with a reach of upto 350 kms. The Dhanush is capable of carrying nuclear and non-nuclear warheads both. Besides, the India also has nuclear capable supersonic the Brahmos missiles being developed in collaboration with Russia. This missile is in operation in two regiments of the Indian army.

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## Options on the Table: Iranian Nuclear Imbroglio and US Military Moves

*S. Samuel C. Rajiv*

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*'America is determined to prevent Iran from getting a nuclear weapon, and I will take no options off the table to achieve that goal.'*<sup>1</sup>

—Barack Obama

Remarks by the President on the State of the Union, January 24, 2012.

The Obama administration like its predecessor Bush administration has been insisting that 'no options (are) off the table' in the event that the Iranian nuclear issue has to be dealt with militarily. Even as it has taken increasingly tough unilateral punitive measures targeting the Iranian energy sector, it has been cautious—at the political level—about endorsing the military option. This has been especially so in the face of the clamour and rhetoric for more muscular measures including the exercise of a military option by Israel, America's close ally in the region.

At the same time however, the US has been buttressing its military capabilities in the Persian Gulf region to prevent and/or contain the possible negative effects of Iranian brinkmanship on account of the rising international pressure. The latter specifically relate to Iranian threats of closing the vital energy corridors of the Gulf, the Straits of Hormuz, or retaliate against US assets and/or interests in the region as well as those of its allies in case its nuclear installations are attacked or it is subject to even harsher punitive measures.

The chapter discusses the pertinent aspects related to the above dynamics, including joint military exercises with key allies like Israel, to enhance interoperability as well as to signal military resolve, and the continued vigorous pursuit of missile defence in order to hedge against the growing Iranian missile capabilities. It goes on to examine the responses and consequences of the efforts generated during the year. It begins firstly by delineating the various aspects of the current impasse between Iran and the international community over its nuclear programme.

## Nuclear Imbroglia at Cross-roads

### *Continuing IAEA Contentions*

The controversy surrounding the Iranian nuclear issue entered its 11<sup>th</sup> year in 2012. It was in August 2002 that the existence of the Natanz uranium enrichment plant was accepted by Iran after its existence was revealed by an Iranian opposition group. The Director General (DG) of the International Atomic Energy Agency (IAEA) has submitted 39 reports to the Board of Governors (BOG) (from June 2003 till November 2012) regarding Iranian compliance, or otherwise, with its nuclear non-proliferation treaty (NPT) obligations. The nature of the interaction between the IAEA and Iran has been contentious, with significant issues not yet being resolved to mutual satisfaction.

The main issues relate to the alleged Iranian quest for the development of nuclear weapons. The November 8, 2011 report of the IAEA DG for instance contained 'credible' information regarding the 'possible military dimensions' of the Iranian nuclear programme. The report gave information on:

activities related to the development of a nuclear payload for a missile; ... the acquisition of nuclear weapons development information and documentation from a clandestine nuclear supply network; (and) work on the development of an indigenous design of a nuclear weapon including the testing of components.<sup>2</sup>

While Iran has dismissed these charges, Israel viewed these and other related developments as indicated in the subsequent reports of the IAEA DG as increasing proof of the dangers posed by Iran's continuing enrichment activities.<sup>3</sup>

The August 30, 2012 report of the IAEA DG to the BOG meanwhile indicated that Iran had produced 6876 kg of uranium hexa-fluoride (UF<sub>6</sub>) enriched to 5 per cent U-235 and 189.4 kg of UF<sub>6</sub> enriched to 20 per cent.<sup>4</sup> While all of these and other 'declared' activities continue to be under IAEA safeguards—and though its uranium enrichment activities are not in violation of the NPT per se—the IAEA continues to contend that 'the Agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities [emphasis added] in Iran, and therefore to conclude that all nuclear material in Iran is in peaceful activities'.<sup>5</sup>

The Agency notes that this is especially so since Iran no longer abides by the terms of the Additional Protocol, which it quit voluntarily on February 6, 2006 after its referral to the UNSC by the February 4 resolution of the IAEA DG.<sup>6</sup> Iran also decided not to be bound by the provisions of the revised Code 3.1 of its Subsidiary Arrangement in March 2007 (which it had agreed to in February 2003) in the immediate aftermath of UNSC Resolution 1747, which raised the scope and volume of sanctions directed against Iranian entities.<sup>7</sup>

### *Increasingly Punitive Sanctions*

Iran on its part has not stopped its uranium enrichment activities as required by

the 12 IAEA resolutions since September 2005 as well as the six UN Security Council (UNSC) resolutions and four rounds of sanctions since June 2006. The last instance of UNSC-imposed sanctions was in June 2010, when Resolution 1929 was passed by an overwhelming majority, with only Turkey and Brazil opposing the move and Lebanon abstaining. Since then, while no multi-lateral sanctions have been imposed, the US has instead vigorously pursued the unilateral sanctions route targeting the Iranian energy sector as well key entities and individuals allegedly associated with its strategic pursuits. This was part of its 'dual-track' policy of applying 'sanctions in pursuit of constructive engagement, and a negotiated solution'.<sup>8</sup>

The US designated Iran as a 'jurisdiction of primary money laundering concern' in November 2011. Secretary Clinton stated that the measure was the 'strongest official warning we can give that any transaction with Iran poses serious risks of deception or diversion'.<sup>9</sup> These were over and above the provisions of the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA), signed into law by Obama in July 2010. CISADA restricted investments in Iran's petro-chemical sector (limited to \$20 million over a 12-month period), imposed restrictions on provision of loans by US financial institutions (\$10 million in any 12-month period), among other requirements.<sup>10</sup> Provisions in the 2012 National Defence Authorisation Act signed by President Barack Obama into law on December 31, 2011 targeted the Central Bank of Iran (CBI) making it difficult for financial institutions in other countries to do business with it.

The above law also had provisions for imposing sanctions on countries if they did not 'significantly' reduce the import of Iranian crude. The US has given sanctions exemptions to 20 countries for a period of 180 days, initially since March 2012, on the basis that they have indeed reduced their imports. These countries include Belgium, China, the Czech Republic, France, Germany, Greece, India, Italy, Japan, Malaysia, the Netherlands, Poland, Singapore, Spain, South Africa, South Korea, Sri Lanka, Taiwan, Turkey, and the United Kingdom. The US on September 15, 2012 further renewed these exemptions for the initial set of 11 countries for another 180 days.

Complementing the tough US sanctions of the US, the EU too announced a fresh round of sanctions on October 15 banning import of Iranian gas and targeting trade and other sectors.<sup>11</sup> These were over and above the EU sanctions announced in January for banning import of Iranian crude which had come into effect in July 2012. The EU oil embargo included measures like banning insurance coverage for Iranian crude-carrying ships. It was reported that these measures were having a negative effect on Iran's economic situation. Iran's oil revenues which were about \$100 billion during 2011 have decreased dramatically, by almost 40 per cent. Its currency (the rial) depreciated by almost 60 per cent over the past year, leading to rising food prices among other repercussions which sparked riots in the suburbs of Tehran in early October.<sup>12</sup> It is pertinent to note that Iran imports large quantities of its staple food items like rice and other agricultural produce. In 2010, it had imported food items worth over \$8 billion.<sup>13</sup>

### *Stalemated Engagement*

The second track of the US (and EU) diplomatic strategy vis-à-vis Iran i.e. 'engagement'—was re-started in April 2012 in Istanbul when the P5+1 (permanent members of the UNSC and Germany) met with Iranian representatives after a gap of 15 months. The US believed that this proved the success of its 'dual-track' strategy. Addressing a press conference with India's external affairs minister S.M. Krishna on May 8, 2012 in New Delhi, the US secretary of state Hillary Clinton affirmed that Iran would not have come back to the negotiating table 'unless there had been the unrelenting pressure of the international sanctions'.<sup>14</sup>

During the three rounds of talks at Istanbul (April 14), Baghdad (May 23) and Moscow (June 18-19) however, the 'pressure' widely held by its interlocutors to have brought Iran to the negotiating table did not translate into a 'negotiated solution', the ideal end-state that such a 'dual-track' strategy envisages. In the aftermath of the Moscow talks, the Iranian nuclear issue is at an uncertain crossroads. No further 'political-level' talks have been held as of October 2012, though the number twos of both sides—Ali Bagheri, under secretary of the Iranian Supreme National Security Council and Helga Schmid, representative of European Union (EU) foreign policy chief Catherine Ashton, met in Istanbul on July 24. Ashton and the chief Iranian negotiator Saeed Jalili however did meet informally again in September in Istanbul.

### **US Military Strategy: The Two Prongs**

The US has adopted a two pronged strategy vis-à-vis the Iran nuclear imbroglio. At one level, the appetite for muscular military measures to address Iranian nuclear concerns has been lacking in Washington. This is because of the US's continued confidence in the efficacy of the sanctions route or due to the negative regional implications of a military approach. The policy has also been based on the US reading of Iranian nuclear capabilities. Despite this military caution however, the US has gone ahead and buttressed its own military capabilities in the region in order to counter and/or hedge against Iranian brinkmanship as well as be prepared for any eventuality.

### **Urging Military Caution to Israel**

The military caution being exercised by Washington is also discouraging Jerusalem from pursuing this option and destroy Iranian nuclear capabilities. Israel has long insisted that a nuclear capable Iran along with its ballistic missile capabilities presents a potent 'existential' threat which has to be tackled before it materialises. Prime Minister Benjamin Netanyahu in September 2012 at the UN General Assembly asserted that to believe that a nuclear-armed Iran would be deterred is a 'dangerous assumption' as Iranian leaders are 'apocalyptic'.<sup>15</sup> Israeli calls for military action against Iran got shriller in the aftermath of the November 2011 report of the IAEA DG noted above.

Though subsequent IAEA reports regarding Iran's activities have fed into the Israeli clamour for more forceful measures, the US has continued to insist that options other than the exercise of military power should still be employed to influence Iranian behaviour. This was because Iran's decision-making according to the Director for National Intelligence (DNI) James Clapper in his testimony to the Senate Select Committee on Intelligence in January 2012 was 'guided by a cost-benefit approach, which offers the international community opportunities to influence Tehran'.<sup>16</sup> Clapper went on to note that Iran's leaders would consider aspects like prestige, status, as well as 'international political and security environment, when making decisions about its nuclear programme'.

The Chairman of the US Joint Chiefs of Staff Gen. Martin Dempsey declared that 'it would be premature to exclusively decide that the time for a military option was upon us'.<sup>17</sup> In the view of the Director of the US Defence Intelligence Agency (DIA) Lt. Gen. Ronald Burgess Iran was also 'unlikely to initiate or intentionally provoke a conflict or launch a pre-emptive attack'.<sup>18</sup>

President Obama on his part criticised what he termed 'too much loose talk of war'. It is important to note that he made these comments while addressing the American Israel Public Affairs Committee (AIPAC) in March 2012.<sup>19</sup> Obama later reminded the visiting Israeli Prime Minister Benjamin Netanyahu that his administration has 'worked so diligently to set up the most crippling sanctions ever with respect to Iran'. He added that 'we do believe that there is still a window that allows for a diplomatic resolution to this issue ...'<sup>20</sup>

Co-terminus with the above expressed policy positions, a steady stream of high-level US officials has been visiting Israel through the year. These visits included those by: Gen. Dempsey (January and October), National Security Adviser (NSA) Tom Donilon (February and July), Secretary Clinton (July) and Defence Secretary Leon Panetta (August). Reports indicated that these visits were not only for further consultations regarding Israeli thinking on the evolving situation but also to ostensibly urge Israel to let the increasingly punitive sanctions force a change in Iranian behaviour.<sup>21</sup> Speaking after the three-day visit of NSA Donilon which ended on February 20, 2012 an Israeli official said that 'they became convinced the Americans would neither take military action, nor go along with unilateral action by Israel against Iran'.<sup>22</sup>

However despite these consultations, the Israeli defence minister Ehud Barak in July 2012 continued to insist on 'a swift and definite stop to the Iranian nuclear project' failing which a future course of action if Iranian capabilities mature would be 'vastly more complicated, dangerous and exacting in human lives and resources'.<sup>23</sup> Gen. Dempsey on his part in August 2012 admitted to the differences in the US and Israel interpretation of the Iran threat when he stated that:

Israel sees the Iranian threat more seriously than the US sees it, because a nuclear Iran poses a threat to Israel's very existence. You can take two countries, give them the same intelligence and reach two different conclusions. I think that's what's happening here.<sup>24</sup>

The tensions between Israel and the US over the exercise of the military option became more prominent in September (in the aftermath of the August 30, 2012 IAEA report) when Secretary Clinton stated that the US was not “setting any deadlines” for Iran to fulfil its international obligations. She insisted that pursuing the negotiations track remained the ‘best approach’ to convince Iran to desist from developing nuclear capabilities.<sup>25</sup> Netanyahu reacted sharply to Clinton’s comments and charged that ‘those in the international community who refuse to put red lines before Iran don’t have a moral right to place a red light before Israel’.<sup>26</sup>

The increasing divergence between the two allies over the issue of Iran, exacerbated when President Obama refused to meet Netanyahu on the sidelines of the UN General Assembly session in New York in September 2012. Obama’s critics and Republican senators John McCain and Lindsay Graham on their part charged that the ‘White House’s decision sends a troubling signal to our ally Israel about America’s commitment at this dangerous and challenging time’.<sup>27</sup>

It can be argued that despite the strong Republican criticism of the Obama administration’s handling of the issue, there has largely been a bi-partisan consensus on the issue of military action against Iran. This was most evident during the US presidential elections in November 2012. During the third presidential debate on October 22, 2012, while insisting that Iran remained the ‘greatest national security threat’ to the US, the Republican candidate Mitt Romney stated that ‘a military action is the last resort. It is something one would only, only consider if all of the other avenues had been tried to their full extent’.<sup>28</sup> In a major intervention on the situation in West Asia at the Virginia Military Institute earlier on October 8, Romney had said that he:

... will not hesitate to impose new sanctions on Iran, and will tighten the sanctions we currently have. I will restore the permanent presence of aircraft carrier task forces in both the Eastern Mediterranean and the Gulf region—and work with Israel to increase our military assistance and coordination.<sup>29</sup>

### **Buttressing Capabilities**

Even as the Obama administration has exercised considerable military restraint at the political level and tried to convince Israel to let sanctions do their work, it has not stopped buttressing its military capabilities to face any eventuality and counter Iranian brinkmanship. While the US state department spokesperson played down the Iranian threats to close the 21-mile wide Strait of Hormuz as ‘rhetoric’, the Pentagon spokesperson asserted that ‘interference with the transit or passage of vessels through the Strait of Hormuz will not be tolerated’.<sup>30</sup> Secretary Clinton, on her part, during a visit to Israel in July 2012 insisted that the administration ‘will use all elements of American power to prevent Iran from developing a nuclear weapon’.<sup>31</sup> The various aspects of the American effort to strengthen its military power in the Persian Gulf during the year will be delineated below.

## Enhanced Military Profile in the Persian Gulf

The US Fifth Fleet, the naval component of the US Central Command (CENTCOM), has been based in Bahrain since 1996, though the US had leased a former British naval base in Bahrain in 1971. The Fleet consists of close to 16,000 military personnel (afloat and on-site) and about 25 warships, including an aircraft carrier battle group. The Fleet's area of responsibility (AOR) includes the Arabian Gulf, the Red Sea, the Gulf of Oman and parts of the Indian Ocean comprising the coastline of 19 countries and the three vital strategic choke-points of the Strait of Hormuz (entry to the Persian Gulf and through which one-fifth of the world oil trade passes), the Bal El Mandeb and the Suez Canal.<sup>32</sup> The Fleet operates close to 13 Combined Task Forces (CTF), including for conducting strike missions, contingency response missions, mine warfare, logistics, submarine forces, expeditionary combat forces, maritime patrol forces, humanitarian assistance, among others.<sup>33</sup>

With frequent Iranian threats to close the Straits of Hormuz, the US has continued to buttress its force strength in the area. The US in 2010 decided to more than double the size of the Bahrain naval base (Jufair). The process is to be completed by 2015 over four phases and will involve nearly \$600 million. The first phase of the construction activity is expected to be completed in 2012.<sup>34</sup> Eventually, the base is expected to be capable of hosting close to 35 naval vessels by 2017.

As for the deployed naval assets, two nuclear-powered aircraft carrier battle groups have been patrolling the waters near the Persian Gulf since January 2012. The USS Carl Vinson arrived in the Fifth Fleet AOR in January 2012. The carrier's commander noted that its arrival signified their 'commitment to stand by our partners, friends and allies, and protect the free flow of commerce in the region [emphasis added]'.<sup>35</sup>

### US Military Assets in Persian Gulf Countries

- 25 naval vessels operating out of Manama—Fifth Fleet Area of Responsibility (AOR); Expected to reach 35 by 2017
- Two aircraft carrier strike groups—USS Stennis and Eisenhower as of September 2012.
- More than 100 F-18 Hornets and Super Hornets on these aircraft carriers
- Unspecified F-22 Raptors and F-15C fighter jets at Al Udeid and Al Dhafra
- MH-53 mine-sweeping helicopters
- 8 mine counter measure (MCM) ships
- 5 coastal patrol vessels near Iranian waters, number to double by 2013
- Underwater mine-detecting robots
- USS Ponce, amphibious transport ship carrying Special Forces

*Note:* Information culled from reports cited in the chapter.

Map 1: US Military Bases and Personnel in Persian Gulf Countries



The USS Abraham Lincoln reached the port of Bahrain in February 2012, as part of its year-long deployment from its homeport in the US after visiting Pattaya, in Thailand. The carrier strike group was to assist theatre security operations in the Fifth Fleet AOR. The USS Enterprise strike group meanwhile reached the Fifth Fleet AOR in April and made a port visit to the Jebel Ali port, Dubai. This was slated to be the Enterprise's final deployment before the oldest nuclear-powered aircraft carrier in the US arsenal gets de-commissioned.<sup>36</sup>

While the Abraham Lincoln and the Enterprise operated out of the Arabian Sea and the Gulf of Aden, in July 2012 it was announced that another aircraft carrier USS John C. Stennis—part of the Fifth Fleet at Bahrain—would replace one of the above carriers sooner than expected. The Stennis eventually replaced the Enterprise in August 2012 while the Lincoln was itself replaced by the USS Eisenhower in July 2012.

In effect, the region saw the presence of five US nuclear-powered aircraft carrier battle groups from January till October 2012 for varying durations (with two carriers on station throughout the period), an unprecedented deployment in a single combatant command region. The Pentagon however in January 2012 affirmed that 'the fact that there are two carriers in that AOR (Vinson and Stennis) is not an indication of anything specific with respect to Iran. ... This is just prudent force posture requirements set by the combatant commander.'<sup>37</sup>

The two on-station carriers as of September 2012 (Eisenhower and Stennis) with their complement of more than 100 F-18 Hornets and Super Hornet fighter jets, apart from surveillance and transport aircraft, present a formidable force for any eventuality. According to reports the US has deployed an unspecified number of its advanced F-22 Raptors as well as F-15C fighter jets to the Al Dhafra and the Al Udeid air bases near Abu Dhabi and Qatar respectively.<sup>38</sup> Analysts like Anthony Cordesman have also noted that in case the US does decide to strike Iranian nuclear facilities by shedding its current restraint, heavy bombers like the B-2 could fly in from Diego Garcia.<sup>39</sup>

Since June 2012, four mine counter measure (MCM) ships have been deployed at the Fifth Fleet AOR for about 7 months.<sup>40</sup> These include the USS Sentry, Devastator, Pioneer, and the Warrior. These are in addition to the four MCM ships (Scout, Gladiator, Ardent and Dextrous) already forward deployed out of Manama, for a total of 8 such ships. It is reported that Iran possesses more than 8,000 mines, which could be used to stem the flow of maritime traffic through Hormuz.<sup>41</sup>

#### US Carrier Strike Group Assets

- US has total of 11 carrier strike groups; 2 have been deployed in Persian Gulf region since January 2012
- 7500 personnel in each group
- One nuclear-powered aircraft carrier
- One/two guided missile cruisers (multi-mission; carry Tomahawk cruise missiles for long-range strike capability)

- Destroyer squadron, with two/three guided missile destroyers and/or frigates (for anti-air warfare)
- Air wing of 65-70 aircraft, including fighter jets, surveillance aircraft
- One/two nuclear-powered attack submarines
- Logistics/Supply/Oiler ship

*Note:* Though the composition of each Carrier Strike Group may vary depending on requirements, it may typically consist of the assets noted above. See 'The Carrier Strike Group', at <http://www.navy.mil/navydata/ships/carriers/powerhouse/cvbg.asp>, accessed October 29, 2012.

The USS Ponce, an amphibious transport ship (termed the Afloat Forward Staging Base-AFSB) which can operate as a base for US Special Forces reached Manama in July. Reports also noted that the US Coast Guard has deployed five ships for coastal patrol purposes near Iranian waters and that the number of such ships would double by next year.<sup>42</sup> Other elite units like the Mobile Diving and Salvage Unit-I (MDSU-1) based in Hawaii have been deployed to the Fifth Fleet AOR. Innovative assets like underwater robots for anti-mine warfare sourced from Germany have also been deployed.

### Joint Military Exercises

Apart from buttressing its military profile as discussed above, the US conducted joint military exercises with its allies in the region in order to enhance interoperability. These included naval exercises, anti-mine warfare exercises, land warfare and counter-terrorism exercises as well as missile defence exercises with allies in the region. The Combined Task Force-150 (CTF-150) on Counter-Terrorism, CTF-151 (counter-piracy operations) and CTF-152 (theatre security operations) are the three primary task forces under the 27-nation Combined Maritime Forces (CMF) that are undertaking multi-national operations out of the Fifth Fleet base in Bahrain.<sup>43</sup>

The naval exercises include STAKENET exercises involving Kuwaiti, UK and US ships in February.<sup>44</sup> For the first time in over seven years, Iraqi, Kuwaiti and US naval assets took part in search and rescue and defensive military manoeuvres off the Iraqi port of Umm Qasr in September.<sup>45</sup> Operation Azm-E-Ahan (Iron Will) involved Yemen, US, UK, and Australia in July in the vicinity of Bab el Mandeb Strait, Southern Red Sea and Gulf of Aden.<sup>46</sup> International Mine Countermeasures Exercise 2012 (IMCMEX12) involving close to 30 countries (the largest-ever naval exercises in the region) was held in September 2012.<sup>47</sup>

Land-based exercises conducted by the US included the 'Exercise Eager Lion' in Jordan in May 2012, involved 19 nations and more than 10,000 personnel. This led to speculations that the exercise could be related to the on-going developments in Syria. US officials refuted the suggestion and pointed out that these exercises were being planned for more than 3 years, well before the events

in Syria unfolded. Despite this however, some even noted that the Arabic name chosen for the exercise referred to the name of Syria's leader ('Assad'—Lion).<sup>48</sup> Other analysts pointed out that it was important for the US to take an active part in such exercises, not just to enhance inter-operability with friendly forces, but to counter the propaganda of America's enemies that the US is gradually withdrawing from the region in the aftermath of the Iraq 'defeat' as well as the Arab 'Spring'.<sup>49</sup> Other land-based exercises included 'Eager Mace' conducted with Kuwaiti forces in November 2012. These involved training in artillery gunnery, military operations in the urban terrain among other aspects.<sup>50</sup>

### Missile Defence

Joint exercises by the US and its allies in the region like Israel, aimed at fine tuning inter-operability in possible crisis situations as well for reaffirming their close cooperation on key security issues, have also included exercises pertaining to missile defence. The October 2012 'Austere Challenge' exercise is one such pertinent example. The exercise was slated to be the largest ever missile defence joint exercise undertaken by the two countries. While over 1,000 US and Israeli personnel had participated in the 2010 exercises, over 5,000 personnel were initially meant to participate in the 2012 version.<sup>51</sup>

However, reports in August noted that the US has decided to scale back the volume of the exercises, to involve only 1,500 personnel, one Aegis-equipped ballistic missile defence (BMD)-capable ship instead of the two envisioned earlier and two Patriot missile batteries but without their complement of crew. Analysts noted that the move was to send a strong message that the US and Israel were not planning military activities against Iran in a surcharged environment.<sup>52</sup> The US Air Force general overseeing the exercises Lt. Gen. Craig A. Franklin insisted that the exercises were:

... purely about improving our combined US-Israeli capabilities. ... It is not related to national elections nor any perceived tensions in the Middle East. We are military professionals coming together to train for a defensive mission [emphasis added].<sup>53</sup>

In the 'downgraded' exercises, both countries tested the Arrow-2 high altitude theatre missile defence system, the short-range 'Iron Dome' system as well as the currently under-development 'David's Sling' (a short-range missile defence system) against a simulated Iranian ballistic and cruise missile attack. Israel currently has deployed three 'Iron Dome' systems and is reported to be seeking close to \$700 million to deploy four more such short-range missile defence systems through 2015.<sup>54</sup> The Block 4 version of the Arrow (expected to be inducted in 2014) was successfully tested in February 2012.<sup>55</sup>

The Obama administration has vigorously pursued regional missile defence measures not only along with Israel but also with the countries of the Gulf Cooperation Council (GCC) to counter the growing Iranian missile threat.

Secretary Clinton in March 2012 stated that apart from bilateral military cooperation, the US 'can do even more to defend the Gulf through cooperation on ballistic missile defence'.<sup>56</sup>

While Patriot anti-missile systems have already been deployed in Qatar, the UAE, Bahrain and Kuwait since 2010, reports in July noted that Kuwait would be buying more such systems in a deal worth \$4 billion.<sup>57</sup> The UAE became the first international partner of the US to buy two terminal high altitude area defence (THAAD) batteries along with 96 interceptor missiles from the US in December 2011, in a deal worth close to \$2 billion. Lockheed Martin, the company which produces the THAAD batteries, stated that 'as long as the threat (of Iran) continues to evolve, there will be many opportunities to provide the capabilities'.<sup>58</sup>

Qatar is also slated to host the third X-band radar site in 2012, apart from two such operational sites in Israel and Turkey. This powerful radar is an important part of Obama's land-based missile defence system ('Aegis Ashore'). The US will also maintain the permanent presence of an Aegis-equipped BMD ship ('Aegis Afloat') in the waters of the Persian Gulf. The USS Monterey was first deployed in March 2011 to provide this capability, while the USS Milius provided this capability till September 2012 having been deployed there since January.

## US Force Build-Up: Responses and Consequences

### *Iran: Threats-cum-Defiance*

In the face of the increased US force presence as well the tightening of the sanctions targeting its key oil sector, Iranian officials issued increasingly belligerent threats. The Iranian naval chief Habibollah Sayyari in December 2011 asserted that closing the Strait of Hormuz was 'easier than drinking a glass of water' for his forces.<sup>59</sup> The Iranian armed forces commander had in January 2012 warned the Stennis not to return to the waters of the Persian Gulf when it had finished its deployment schedule ahead of military exercises by Iran.<sup>60</sup>

It was also reported that Iran was considering enacting laws that would require ships entering the waters of the Persian Gulf to get permission from the Iranian navy to do so.<sup>61</sup> A similar legislation to bar oil tankers belonging to countries that support the unilateral sanctions against Iran gained momentum in the aftermath of the EU sanctions (which were announced in January) becoming effective in July 2012.<sup>62</sup> Two war ships of the Iranian Navy (a destroyer and a supply vessel) also transited the Suez Canal and reached the Syrian port of Tartous in February 2012 in a show of strength. It was only for the second time after the 1979 revolution that Iranian ships had sailed through the Suez Canal.<sup>63</sup>

Though analysts contended that Iran's ability to execute its threats regarding closing the Hormuz for any extended period were constrained by the formidable US presence, Iran has continued to strengthen its defence capabilities, specifically relating to coastal defence as well as missile assets. It has continued to equip its ships with increasingly capable cruise missiles. The US Quadrennial Defence

Review (QDR) 2010 for instance had noted that Iran has 'fielded large numbers of small, fast attack craft designed to support "swarming" tactics that seek to overwhelm the layers of defences deployed by US and other nations' naval vessels'.<sup>64</sup> The commander of the IRGC Navy in May 2012 asserted that Iran had deployed thousands of speed boats 'that can launch missiles at the speed of over 60 kilometres per hour'.<sup>65</sup>

The Mehrab ('Altar') short-range surface-to-air missile (SAM) with anti-radar and anti-jamming systems was tested for the first time in December 2011 during the Velayat 90 war games.<sup>66</sup> The Ghader ('Capable') cruise missile with a range of 200 km and backed by 'improved range and radar-evading capabilities' was test-fired in January 2012 in the backdrop of rising tensions with the Western powers.<sup>67</sup> The missile reportedly entered into service in September 2011. Unveiling the fourth generation 300-km range Fateh 110 missile in August 2012, President Mahmoud Ahmadinejad affirmed that such 'defensive capabilities can stand up to bullying and put a halt to their plans'.<sup>68</sup>

Iran also continued to develop its missile capabilities. The Pentagon's 2012 'Annual Report on Military Power of Iran' highlighted the 'regular Iranian ballistic missile training' in order to fine tune its ability to pose a serious challenge to US forces in the region.<sup>69</sup> Iran has test-fired what it claimed to be new missiles or advanced versions of its existing short- and medium-range missiles to showcase its prowess. During the 'Great Prophet-VII' exercises conducted in July 2012, medium-range Shahab-1, -2, and -3 missiles were test-fired from locations in Kavir desert in central Iran. Iranian military commanders highlighted the fact that US troop locations, apart from targets in Israel, would be legitimate targets in case hostilities break out.<sup>70</sup> An important aspect of the latest series of exercises was the demonstration of Iran's ability to fire multiple missiles from different locations at a single target. Iranian reports noted that the 'high firing density' displayed 'makes it impossible for anti-missile systems to intercept and destroy them'.<sup>71</sup>

In November 2012, large-scale air defence exercises 'Velayat-4' were held and involved the upgraded S-200 air defence system, and indigenously developed missile defence systems like Mersad 3 which uses the domestically produced Shahin missiles along with 'sophisticated radar signal processing technology, an advanced launcher, and electronic equipment for guidance and target acquisition'.<sup>72</sup> The capabilities of such missile defence systems against various types of unmanned aerial vehicles (UAV's) were also tested.<sup>73</sup> This assumed significance in the light of the November 1, 2012 revelation by the US Defence Department that an Iranian Su-25 fighter jet fired at an American UAV (MQ-1 Predator) near the Iranian coastline but in international waters. The US drone however was unharmed and returned to base. The Pentagon said that it will 'continue to do surveillance flights over international waters over the Arabian Gulf'.<sup>74</sup>

### *Bahrain: Domestic Dynamics*

The US force presence in the Persian Gulf countries impinges upon these countries' domestic politics as well. The protests in Bahrain against the ruling establishment in the wake of the Arab Spring led to debates over the presence of the Fifth Fleet. The US Navy dismissed reports that it was planning to shift its forces from Manama to relatively stable bases in Qatar or the United Arab Emirates (UAE). Reports note that it would take a lot of money and time to build comparable port facilities in these countries.<sup>75</sup> As indicated above, the US has in fact initiated steps to expand the capacity of the Bahrain naval base, which is being doubled by 2015.

Critics have charged that the US naval presence not only increases Iran's 'belligerence' but also gives Sunni regimes like Bahrain 'the false impression that Washington has given them a licence to kill their own people'.<sup>76</sup> Others have also criticised the US for not opposing the candidature of a Bahraini official (a former Undersecretary for Human Rights) for the advisory committee of the UN Human Rights Council in September 2012, in the light of the violent crackdown on protestors during the year.<sup>77</sup> US officials like Secretary Clinton on their part have insisted that 'meaningful reform and equal treatment for all Bahrainis are in Bahrain's interest, in the region's interest, and in ours—while endless unrest benefits Iran and extremists'.<sup>78</sup>

### *USN Assistance to Iranian Mariners*

One of the positive 'unintended' benefits of the presence of the Fifth Fleet (and which is advertised by the US authorities) is the support provided to mariners and ships of other countries who were in distress. For instance, from July 2010 to May 2012 (corresponding to the command of the then commander Vice Admiral Mark Fox), the Fifth Fleet stated that it had helped over 60 ships and 600 mariners in distress.<sup>79</sup> Some of these instances in January and March 2012 have included the rescue of Iranian ships and mariners in distress.<sup>80</sup>

### *Death of an Indian Fisherman*

The first civilian life lost following the increased US force presence was that of an Indian mariner in July 2012. The fisherman from Tamil Nadu employed in the region was killed and three other Indians injured when the USS Rappahannock (a fleet replenishment oiler) fired its .50 caliber machine gun after the failure of 'a series of non-lethal, pre-planned responses to warn the vessel'.<sup>81</sup>

The incident which occurred near the port of Jebel Ali, Dubai (the world's largest man-made port) underscored the anxiety underpinning US force presence in the region in the light of heightened tensions created by the Iranian nuclear programme. While the Pentagon stated that it 'certainly regret(s) the loss of life in this incident', the UAE government promised to probe it further.<sup>82</sup> The US also announced a 'solatium' of \$50,000, equivalent to the amount paid by the Tamil Nadu government to the family of the fisherman. The external affairs

ministry on its part hoped that the humanitarian gesture ‘does not prejudice the final outcome of the ongoing investigation which is currently under way in the United States’.<sup>83</sup>

## Conclusion

Despite showing military restraint at the political level—specifically in discouraging a muscular Israeli response, the US has not only made efforts to shore up its military profile in the Persian Gulf but has also strengthened the capabilities of its key allies in the region. These enhanced US military moves have had some unintended consequences (positive and negative) as well.

Iran has on its part, kept up its efforts to increase the robustness of its response, by inducting and unveiling new short-range and medium-range missiles, and fine-tuning its capabilities through innovative military exercises and deploying high capability air defence assets specifically designed to showcase Iranian ability to counter US military moves. Some of these as pointed above have demonstrated ‘high firing density’ to negate the efficacy of deployed US missile defence assets among other efforts.

Iran’s threat to close the all-important Straits of Hormuz in the event of hostilities even for shorter time periods meanwhile cannot be ignored aside as it would have serious repercussions for the movement of oil tankers. The continued acquisition of sophisticated military assets by the Persian Gulf countries has led to the increased militarisation of a region that is of vital strategic and economic significance to India.

A possible military action against Iranian nuclear facilities would have negative implication for India’s ability to source Iranian crude. The regional strategic situation could take a further turn for the worse if Iran can carry out retaliatory strikes against US and Israeli assets which it has been consistently threatening in case of a US and/or Israeli attack.

The enhanced US force presence has largely been driven by the need to counter and/or contain possible Iranian brinkmanship. However, given the magnitude of the US forces deployed in the region with clear offensive intent, these moves can also be read as US efforts to reassure Israel, its key ally. Israel’s clamour for more muscular measures however has not reduced but in fact has grown. The Iranian engagement with the international community over its nuclear programme has meanwhile plateaued. India’s extended neighbourhood seems to be entering more choppy waters, which is not a good sign for regional strategic stability.

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## North Korean Nuclear Surge and East Asian Security

*Pranamita Baruah*

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North Korea's nuclear weapon and ballistic missile programme and its non-compliance with the NPT obligations since the 1990s have been and remain a major security threat to the world in general and the East Asian region in particular. The persistent efforts made by the international community to make the North see the futility of aspiring for a nuclear goal has not borne much fruit so far. The demise of Kim Jong-il in December 2011 and the assumption of power by his young and Western educated son Kim Jong-un raised some hopes regarding the possibility of a nuclear weapon free North Korea. However those hopes have faded away fast as the new leadership does not appear to be keen to give up the nuclear option. Over the years, the situation seems to have deteriorated further with the North's alleged involvement in the proliferation of nuclear technology and ballistic missiles to several countries in the Middle East and South Asia.

Multilateral efforts to engage North Korea through the Six Party Talks (SPT) have failed to prevent Pyongyang from developing nuclear weapons. The North has walked out of the talks without any convincing reason, leaving the future of the SPT in a state of uncertainty. In the meantime, to deal with their own security vulnerability from the North Korean nuclear threat, the regional states in East Asia, especially Japan and South Korea, have taken measures—both unilaterally and multilaterally—to denuclearise the North.

As alliance partners of the US, both Japan and South Korea have been provided with the US extended nuclear deterrence. So far, this has primarily been responsible for ensuring security of both the countries from a possible North Korean nuclear attack. However, in recent years, the rightist elements within these two countries have increasingly raised questions regarding the credibility of the US alliance systems and emphasised the necessity of exploring the possibility of both of them going nuclear to deal with the growing nuclear threat from North Korea. In the

meantime, China, being a patron and ally of North Korea, has also been trying to use its leverage to influence the latter on the matter of denuclearisation.

This paper examines North Korea's primary motivations for pursuing nuclear weapon and missile programmes; the nuclear crisis; the SPT talks on denuclearisation and Pyongyang's role in nuclear proliferation. It will also discuss China's role in North Korea's denuclearisation and the implications of North Korean nuclear aspirations for Japan and South Korea.

## **Historical Background**

### *Primary Motivations*

The Kim Il Sung regime in the North initiated the quest for nuclear arms partly to counter nuclear threats from the US.<sup>1</sup> Since the 1950s, North Korea has been engaged in a nuclear development programme primarily with the assistance of the former Soviet Union and China. In 1961, the North built its major nuclear development facility at Yongbyon.<sup>2</sup>

However, in the following years, certain developments including rift in the Sino-Soviet relations compelled North Korea to maintain equidistance from both its socialist allies and to initiate the concept of 'juche' idea to proclaim self-reliance, North Korea's growing comparative disadvantage vis-à-vis South Korea on the military and economic fronts, the growing concern over the reliability of the Soviet Union as a security ally because of Moscow's normalisation of relations with Seoul, etc., intensified Pyongyang's striving for nuclear weapons.

After the end of the Cold War, there emerged a number of new factors which further motivated Pyongyang to continue its pursuit of nuclear weapons. In this context, factors like North Korea's economic crisis which compelled Pyongyang to invest only a minimum amount on defence; the North's growing sense of insecurity with the withdrawal of the Soviet nuclear umbrella from North Korea and refusal of both Beijing as well as Moscow to supply sophisticated arms to the North; the increasing perception of nuclear weapons as being a 'strategic equaliser' in its military competition vis-à-vis South Korea, etc. Well aware of the international concerns regarding its nuclear programme, Pyongyang has, since the 1990s, consistently used the 'nuclear card' to achieve its two-fold policy goals: gaining the time for the further development of nuclear weapons and securing concessions from the US.<sup>3</sup>

### *Evolution of Nuclear and Missile Programme*

As mentioned earlier, North Korea initiated its nuclear programme with the help of its allies—the former Soviet Union and China. With the Soviet, North Korea signed two nuclear cooperation agreements on March 26 and September 7, 1956. Both these pacts enabled North Korea to acquire the basic technologies necessary for the production and separation of plutonium, which Pyongyang later on employed in its nuclear weapon programme. In accordance with those agreements,

North Korean scientists were trained in nuclear physics at the Soviet Dubna Nuclear Research Centre.<sup>4</sup> Later, in the early 1960s, North Korea, with Soviet assistance, began the construction of the Yongbyon Nuclear Research Centre which subsequently became the centrepiece of its nuclear programme.<sup>5</sup>

By the end of 1950s, as the Soviet-China relations started deteriorating, North Korea persuaded China to sign a nuclear cooperation agreement with it, in 1959.<sup>6</sup> In accordance with that agreement, China offered to train North Korean nuclear scientists at Chinese nuclear facilities.<sup>7</sup>

However, since the late 1960s, as both China and the former Soviet Union stopped assisting North Korea in nuclear matters, Pyongyang decided on the indigenous development of its nuclear programme. Soon afterwards, North Korea began to engage in a major expansion of the Yongbyon nuclear research complex and the establishment of facilities throughout the country.<sup>8</sup> By 1980, North Korea, had constructed key facilities at Yongbyon, including a 5-megawatt electric MW(e) nuclear power reactor; a large scale reprocessing plant for plutonium extraction (which was partially completed); a number of radio chemistry laboratories that could be used for plutonium extraction; a high-explosive testing facility and a fuel fabrication plant.<sup>9</sup>

As far as North Korea's missile programme is concerned, both the Soviet Union and China provided the initial assistance for it. However, from mid-1980s onwards, the North started producing missiles of Scud-B model indigenously and reportedly conducted tests during 1984-1986 in the Sea of Japan.<sup>10</sup> Over the years, North Korea has developed several other forms of Scud missiles. In fact, the Nodong-I missile (test fired on August 31, 1998) was an improved version of Scud-C missiles.<sup>11</sup> North Korea successfully developed certain intermediate range ballistic missiles and also acquired long-range ballistic missile capabilities. The Taepodong I (test fired on August 31, 1998) and Taepodong II (initially test fired on July 4, 2006 and later on April 5, 2009) had estimated ranges of 2500 kilometres and 4,000-10,000 kilometres respectively.<sup>12</sup>

In the 1990s, Pakistan's assistance to North Korea in missile technology came to light. In fact, in 1993, in an interview to the Japanese press, former Pakistani prime minister Benazir Bhutto, herself acknowledged that she was able to "obtain technology for a long-range missile" from North Korea in exchange of Pakistan's uranium enrichment technology.<sup>13</sup> Pakistan reportedly transferred the guidance systems technology to the North, which was the same technology that China had assisted Pakistan in acquiring to improve accuracy of its Ghauri missile.<sup>14</sup>

### *Accession to the NPT*

In 1968, when the NPT was opened for signature, North Korea refused to sign the treaty primarily on three grounds: refusal of South Korea to join the treaty; the North's view that the NPT was an unequal treaty that imposed more stringent inspection as well as disarmament obligations on non-nuclear states than on

nuclear weapon states<sup>15</sup> and Moscow's refusal to provide nuclear power assistance to Pyongyang.<sup>16</sup>

However, South Korea's ratification of the NPT (1975) and its pledge not to go nuclear in the future; the Soviet Union's decision to assist North Korea in developing a nuclear power programme in return for Pyongyang agreeing to sign the treaty; Japan's decision to improve its bilateral relationship with the North if the latter signed the treaty, etc. motivated North Korea to accede to the NPT in December 1985.<sup>17</sup>

Under the terms of the NPT, Pyongyang was required to ratify and implement a 'full scope safeguards' agreement with the IAEA within 18 months. However, it refused to do so citing the alleged presence of US tactical nuclear weapons on the Korean Peninsula and the security threat posed by the joint US-South Korea annual military exercise 'Operation Team Spirit' held just south of the Demilitarized Zone (DMZ) between the two Koreas.<sup>18</sup>

### *Signing of the IAEA Safeguards Agreement*

After the end of the Cold War, following the US decision to withdraw its tactical weapons deployed in South Korea; South Korean president Roh Tae Woo's unilateral declaration not to manufacture, possess, store, deploy or use nuclear weapons;<sup>19</sup> and the signing of the non-aggression pact as well as the Denuclearisation Declaration between the two Koreas; the temporary suspension of the South Korea-US joint 'Team Spirit' exercise in 1992, etc. led Pyongyang to sign the IAEA safeguards agreement on January 30, 1992 and ratify it on April 9 the same year.

### *The First Nuclear Crisis (1992-93) and the Agreed Framework*

Under the terms of the IAEA safeguards agreement, Pyongyang submitted its first report to the IAEA on May 4, 1992 declaring its nuclear materials and facilities. In June 1992, when the IAEA inspectors went to North Korea to verify the accuracy of the initial declaration, they found serious discrepancies in Pyongyang's report. This subsequently led the IAEA to adopt a resolution calling for a special inspection. The North however denied the IAEA inspectors access to two suspected nuclear waste sites and warned that any attempt to impose inspections could plunge the peninsula into 'a holocaust of war'. The situation deteriorated further with North Korea's announcement of its intention to withdraw from the NPT, claiming that it was 'self defensive measure' in view of the country's 'supreme interests'.<sup>20</sup> All these developments, along with the total impasse in the nuclear talks between the two Koreas by the end of 1992 and Pyongyang's Rodong-1 missile test (1993) dashed all hopes for a nuclear-weapon-free Korean Peninsula and pushed the region into a crisis situation.

The unprecedented withdrawal announcement was clearly an indication that Pyongyang might renege on its international legal obligation not to acquire nuclear arms. That possibility soon emerged as a major issue of concern among the

international community, especially the East Asian region. To resolve the issue, the US held talks with North Korea and the protracted negotiations led to the signing of an Agreed Framework on October 22, 1994 in Geneva. Under that agreement, Pyongyang agreed to freeze the operation and construction of the suspected nuclear reactors; allow the IAEA to monitor that freeze; take steps towards implementing the 1991 Denuclearisation Declaration and remain party to the NPT.

In return, the US committed to construct two-proliferation-resistant nuclear power reactors in North Korea and provide the North with 500,000 tons of heavy fuel oil per year until the first reactor became operational around 2003. The US also pledged not to threaten or attack North Korea with nuclear arms.<sup>21</sup> On March 9, 1995, an international consortium—the Korean Peninsula Energy Development Organisation (KEDO)—was set up to implement the provisions of the Agreed Framework and thus the 18-month long nuclear crisis in the Korean Peninsula seemed to finally come to an end.

### *Developments Since mid-1990s*

North Korea's launch of the Taepodong 1 missile on August 31, 1998 over Japan created a strong international furore. A CIA report released on September 1999 warned that North Korea might decide to launch "at any time" a ballistic missile that could be upgraded into an intercontinental-range weapon capable of striking US territory.<sup>22</sup>

To deal with the looming threat of the North Korean missile programmes the US and North Korea entered into a discussion on September 7, 1999. During that discussion, while the North agreed to freeze its missile-testing programme, the US agreed to start the process of normalising their bilateral relationship and removing the array of decades-old sanctions imposed on North Korea.<sup>23</sup> However, the North's alleged missile exports to Pakistan and Middle East emerged as a major stumbling block in the implementation of the agreement.

## **Recent Developments**

### *North Korea's Withdrawal from the NPT*

Since 2001, the bilateral relationship between North Korea-US deteriorated because of the Bush Administration's policy towards the North. After the 9/11 terrorist attack, the US named North Korea as part of the 'Axis of Evil'.<sup>24</sup> Pyongyang retaliated in October 2002 by publicly declaring in October 2002 that it was engaged in a clandestine nuclear programme based on HEU. Later on, in January 2003, North Korea declared its "automatic and immediate" withdrawal from the NPT, thus becoming the first state, ever, to terminate its membership from the NPT.

### *The Six-Party Talks*

Concerned over the increasing tension in the East Asian region arising from North Korea's possible nuclear intentions, China took the initiative to end the North Korea-US impasse by proposing three-party talks involving the US, North Korea and China itself. However, the talks held in Beijing on April 24-25, 2003, failed to improve the North Korea-US relationship.<sup>25</sup> The situation deteriorated further as Pyongyang proclaimed the nullification of the 1991 denuclearisation agreement with South Korea on May 12, 2003 and declared that it completed the reprocessing of 8,000 spent fuel rods.<sup>26</sup>

Nevertheless, another multilateral framework, the Six-Party Talks (SPT), was launched on August 27-29, 2003 in Beijing. The protracted talks involving China, Japan, South Korea, Russia besides North Korea and the US ultimately led to the signing of an agreement in September 2005. Under the agreement, Pyongyang committed itself to eventually abandoning its nuclear programme, rejoin the NPT and accept the IAEA safeguards, in exchange of food and energy assistance from the other SPT member states.<sup>27</sup> The parties also agreed that the 1991 Joint Denuclearisation Declaration between the two Koreas prohibiting uranium enrichment and the reprocessing of plutonium, should be adhered to and implemented. Washington, on its part, while assuring Pyongyang that it had no intention of attacking North Korea with nuclear weapons, also affirmed that the US had no nuclear weapons deployed in South Korea.

The SPT negotiations however confronted a major stumbling block in November 2005 when the US imposed restrictions on the Macao-based North Korean bank, Banco Delta Asia, due to its alleged involvement in illegal activities such as counterfeiting of US currency and drug trafficking. In retaliation, the North refused to return to the SPT and carry out its commitments under the 2005 agreement.

### *First Nuclear Test (2006)*

As both North Korea and the US took hard stance towards each other on the Banco Delta Asia issue, Pyongyang once again stepped up its provocative behaviour by test-firing six ballistic missiles (July 2006) and successfully conducting an underground nuclear weapon test (October 9, 2006). Pyongyang drew international condemnation for its acts. The UN Security Council, passed Resolution 1695 (July 15, 2006) and Resolution 1718 (October 14, 2006), condemning North Korean action and thus paving the way for the imposition of international sanctions on the North.

Pyongyang however remained undeterred by the increasing international pressure to stop its nuclear weapon programme. In fact, on April 5, 2009, North Korea launched Kwangmyongsong-2, a communication satellite—believed by the West, to be a long-range version of Taepodong II ballistic missile capable of carrying a nuclear warhead. The West claimed that the launch was a failure as the first stage of the satellite fell into the Sea of Japan and the remaining two stages plunged

into the Pacific Ocean along with the payload. North Korea however asserted that it was successful in launching the satellite into the orbit.<sup>28</sup> Such claims and counter claims precipitated a nuclear crisis in East Asia.

### *Restarting the SPT*

As the nuclear crisis came to a head, China persuaded North Korea to rejoin the talks. North Korea ultimately agreed to do so possibly in the hope of acquiring some concessions from other members of the SPT to deal with its economic distress.<sup>29</sup> The SPT finally restarted in December 2006 after a hiatus of more than a year. The talks resulted in the denuclearisation plan of February 2007 under which Pyongyang pledged to freeze its nuclear programme within two months, rejoin the NPT and the IAEA safeguards regime, in exchange for aid, energy assistance and the unfreezing of \$25 million of North Korean money in the Banco Delta Asia.

However, hopes for a denuclearized North Korea were dashed once again as the last round of the SPT came to an end in December 2008 without an agreement, particularly due to differences between Pyongyang and Washington over a verification protocol. While the North demanded appropriate compensation for giving up its nuclear goal, the US kept insisting that Complete Verifiable and Irreversible Dismantlement (CVID) of the North's nuclear weapon programme was essential before any kind of compensation could be given to North Korea.<sup>30</sup>

The failure of the SPT was a major disappointment. Those in favour of the SPT however argued that the talks were still relevant as they gave the US additional leverage while negotiating with Pyongyang. Moreover the SPT ensured that the regional powers remained engaged in the diplomacy on denuclearising North Korea.<sup>31</sup> The sceptics however insisted that the SPT failed to offer any viable solution to North Korea's denuclearisation as the participant states placed their own immediate priorities and concerns above the collective need to halt North Korea's nuclear programme. While both Japan and the US were insistent on imposing strong sanctions in response to the North's weapon testing, the other three states—China, South Korea and Russia—supported less stringent sanctions.

### *The Second Nuclear Test*

The situation in the Korean Peninsula became more complicated with North Korea's launching of the long-range Taepodong-2 missile on April 5, 2009 followed by a second nuclear test on May 25, 2009. The UN Security Council, on June 12, 2009, passed Resolution 1874 condemning North Korea's action and paving the way for further sanctions on the North. However, Pyongyang remained undeterred by those sanctions and asserted that the SPT was dead forever and it had no intention of participating in the talks in the future.<sup>32</sup> The North also insisted that it would no longer be bound by the earlier agreements made in the SPT.

### ***Current Status***

After North Korea's second nuclear test, the situation in East Asia turned even more volatile with Pyongyang taking increasingly belligerent attitude towards South Korea (the sinking of South Korean naval ship Cheonan and the shelling of South Korean border island Yeonpyeong in 2010), Pyongyang's its decision to build a light water reactor (LWR) for uranium enrichment (March 2010) and the revelation that it had a sophisticated highly enriched uranium (HEU) facility (November 2010). It is argued by many that Pyongyang might have decided to reveal its long-held clandestine enrichment programme at that time in the hopes of acquiring more economic assistance from the SPT member states.<sup>33</sup>

However, even though North Korea and the US held bilateral talks twice (in July and October 2011), the resumption of the SPT seemed difficult as Pyongyang insisted that it would return to the talks only if they were held without prior conditions. However both the US and South Korea opposed this and instead demanded that North Korea demonstrate its commitment to abandon its nuclear weapon programme before the SPT is resumed. Although Pyongyang's agreement in February 2012 to suspend nuclear tests and allow the IAEA to monitor its activities at Yongbyon brought some relief to East Asia, the SPT has not yet been resumed.

### **The Proliferation Challenge**

Since the 1980s, North Korea's commitment to the NPT had been repeatedly questioned due to its alleged involvement in the WMD proliferation for reviving its cash strapped economy. North Korea's cooperation with Iran for producing missiles capable of delivering a nuclear warhead was a disturbing development. In 1987, the two countries reportedly concluded an agreement worth \$500 million, which included Iran's purchase of 100 Scud-B missiles from North Korea.<sup>34</sup> Over the years, the North has provided Iran with a fleet of Scud B and Scud-C short-range missiles. Iran's Shahab-3 missiles are reportedly the Iranian version of the North Korean Nodong missile. Iran, on its part, offered financial assistance to the North for the development of the Taepodong-2 missile to be used by both the countries. In the fall of 2005, North Korea sold Iran 18 Nodong B missiles (with a range of 4,000 km). Iran conducted the first test of that missile on January 17, 2006.<sup>35</sup>

Since the 1990s, North Korea has been collaborating with Syria in the nuclear field. In fact, around 1993-1994, North Korea was believed to have completed the construction of two missile assembly facilities in Syria. In the late 1990s, following a nuclear deal between the two counties, Syria reportedly purchased 150 Scud-C missiles worth \$550 million from North Korea. According to a press brief issued by the CIA on April 24, 2008, Pyongyang helped Syria in constructing a plutonium nuclear facility which was destroyed by an Israeli air strike in 2007.<sup>36</sup>

In South Asia, North Korea's engagement in nuclear proliferation with Pakistan

has attracted a lot of attention since 1990s. In fact, Pakistan's Ghauri-III is considered to be essentially a North Korean design of No-dong missile.<sup>37</sup> Later on, in 2002, following the revelation of the North's alleged involvement in developing an HEU programme in collaboration with Pakistan, Pakistani nuclear scientist A.Q. Khan admitted to have run a network for selling HEU technology to Pyongyang. He also reportedly confessed to have supplied the North with centrifuge prototypes and blueprints, which enabled the latter to develop its centrifuge enrichment programme.

Over the years, North Korea's alleged involvement in nuclear proliferation deals with terrorist groups such as the Hezbollah and LTTE too have created tensions in the international community.<sup>38</sup> In an article written by South Korean scholar Moon Chung-in, it was argued that Israeli intelligence service Mossad had ample evidence that North Korea had provided the Hezbollah with components of short-range missiles. Moon also asserted that those components were shipped via Iran. The Iranians then assembled these missiles and later transported them to Hezbollah via Syria.<sup>39</sup>

As for North Korea's connections with the Sri Lankan insurgent group—the LTTE, in 2007, the North sought to send a shipment of 157 mm and 130 mm artillery shells and 120 mm mortars to the LTTE. The Sri Lankan navy is believed to have intercepted and attacked North Korean merchant ships carrying arms for the LTTE on three different occasions in October 2006, February 2007 and March 2007.<sup>40</sup>

## **Implications for the East Asian States**

North Korea's clandestine nuclear weapon and ballistic missile programme has complicated the security situation in East Asia. Its ongoing pursuit of nuclear weapons is bound to have serious implications for the immediate and long-term security interests of the neighbouring East Asian states, particularly China, Japan and South Korea. In fact, North Korea's defiance of the nuclear non-proliferation regime may propel regional powers like Japan and South Korea to reconsider their nuclear options. Such a development will not only destabilise the current regional structure but also lead to a horrific nuclear arms race in East Asia.

### *China*

The China-North Korea relationship is largely based on a long historical and cultural association as well as geographical roots. As North Korea shares a 1400 km-long common border with China, the latter is sensitive to the developments on the Korean Peninsula in general. Beijing seems to be well aware that its economic development might be jeopardised if the peace and security in the region is threatened by a regional arms race or an all-out war between North Korea and the US over Pyongyang's nuclear ambitions. Beijing has also been highly apprehensive that any coercive steps against the North could lead to an economic implosion in the country, creating a massive flow of refugees across China's border

and causing socio-economic instability within China. For long, China was also concerned that the abrupt collapse of the Kim-Jong-il regime might lead to a sudden Korean unification and an uncertain geopolitical realignment, including US troop presence on the Chinese border. To prevent all these 'undesirable' possibilities, Beijing has insisted on resolving the North Korean nuclear issue by peaceful means.<sup>41</sup>

Over the years, China has played the role of a faithful ally, and has not joined other countries in imposing sanctions against North Korea, as it believes that such a move would make Beijing lose its leverage over Pyongyang as an ally, or even incur the latter's hostility.<sup>42</sup> So, while seeking a peaceful resolution to the nuclear crisis in the Korean Peninsula (1992-93), China took the initiative to mediate between North Korea and the US. In 2003, as North Korea announced its withdrawal from the NPT, Beijing once again tried to mediate between the parties and initiated the SPT. During the SPT, China acted not only as the host, but also as mediator and a constructive participant.

Despite the current stalemate in the SPT, Beijing continues to profess its commitment towards the talks. In its attempt to prevent provocative actions by both North Korea and the US, China has also refused to participate in the US-led Proliferation Security Initiative (PSI) that was intended to deter trade in WMDs and missiles by states like North Korea and Iran. Beijing has also been reluctant to support any UN Security Council resolution imposing sanctions against North Korea. So far, China has basically followed the policy of non-conditionality in its relationship with the North. It has abstained from cutting aid to North Korea and scrapping bilateral economic ties to compel Pyongyang to take a certain stance on the nuclear issue.

### *Japan*

The geographic proximity of North Korea to Japan has made it exceptionally vulnerable to a North Korean nuclear attack. So far, Japan has been by and large supportive of the US policy aimed at restraining the North's nuclear-weapon related activities. When as part of the 1994 agreed framework, the US pledged to provide North Korea with two LWRs, Tokyo even decided to contribute \$1 billion for the construction of those reactors.

However, in the wake of the North's missile launches over the Japanese territory and its second nuclear test in May 2009, Tokyo hardened its stance towards Pyongyang. In fact, after the North Korean nuclear test in 2006, many policy makers and security analysts were vigorously debating whether Japan would go nuclear on its own to deter North Korea's nuclear threat. While Japanese Prime Minister Yasuhiro Nakasone suggested that Japan needed to consider the option of acquiring nuclear weapons (September 5, 2006),<sup>43</sup> the chairman of the ruling LDP's policy research council-Shoichi Nakagawa (October 15, 2006) and the then Japanese foreign minister Taro Aso (October 18, 2006), called for a renewed public debate on the nuclear issue.<sup>44</sup>

Although Japan is believed to possess the technological know-how to develop nuclear weapons, it has so far refrained from doing so as it would not only violate the pacifist constitution of Japan but also go against bilateral and international agreements, including the NPT. Japan is also aware that if it goes nuclear, it might eventually lead to the dissolution of its security alliance with the US.

At present Japan is trying to enhance its international position by adhering to the international law and universal values. Keeping in view the historical image of Japan as an imperial and expansionist power, Tokyo has also been trying to assuage concerns among neighbouring East Asian states regarding its possible military intentions in the region by engaging actively in various regional forums, including ARF, EAS, etc. Under the circumstances, Japan is unlikely to jeopardise its improving relations with the ASEAN states and alarm the international community by going nuclear. Instead Japan continues to rely on its security alliance with the US and the US nuclear umbrella against the North Korean nuclear threat.

As of now, Japan has adopted a policy of containment and engagement towards North Korea. The effort for rapprochement under the 2002 Pyongyang Declaration has largely failed in normalising the Japan-North Korea bilateral relationship. The cases of abduction of Japanese nationals by North Korean agents have further complicated the relationship. Japan's continued insistence on resolving the abduction and the nuclear issue simultaneously has largely limited the country's reconciliation efforts. By adopting a uncompromising stance on those issues, Japan seems to be demonstrating its preference for maintaining the status quo.

### *South Korea*

Throughout the Cold War era, relations between the two Koreas largely remained strained. However, after the end of the Cold War, the signing of the "Joint Declaration of the Denuclearisation of the Korean Peninsula" indicated a positive change in the bilateral relationship. Since the late 1990s, as South Korea began to engage with the North, the inter-Korean relations improved further. It reached a new height with the introduction of the 'Sunshine policy' (1999) by the Kim-Dae-jung administration. This set the stage for the historic June 2000 inter-Korean Summit between President Kim and the North Korean leader Kim Jong-il. Later on, the Roh Moo Hyun Administration (2003-2007) with its 'National Security Strategy' (2004), expressed the desire to transform the Korean Peninsula into a North East Asia hub of peace and prosperity. It further stated that only a peaceful resolution of the North Korean nuclear issue could create a firm foundation for the incremental unification of the two Koreas.<sup>45</sup>

During Roh's presidency, as the inter-Korean relationship improved, bilateral cooperation started expanding. By 2007, economic and humanitarian exchanges started between the two Koreas. Several confidence building measures were also introduced at the bilateral level through working and general dialogues. However, South Korea's increasing engagement with the North was not supported, enthusiastically, by its ally, the US. This subsequently emerged as a major irritant

in the Seoul-Washington relationship. While criticising the US attitude, the then South Korean President Roh warned Washington that a tough stance on North Korea might create “friction and disagreement between the South Korea and the US.”<sup>46</sup> South Korea at the time supported talks with the North through multilateral forums and insisted on the adoption of a non-provocative policy to minimise tensions on the Korean Peninsula.

However deviating from his predecessors, the conservative South Korean president, Lee Myung-bak (since February 2008 onwards) adopted a carrot-and-stick policy while dealing with North Korea. His “Vision 3000, Denuclearisation, Openness” plan aimed at the North surrendering its nuclear weapon programme in exchange for a comprehensive package of assistance from South Korea in five major sectors—industry, education, finance, infrastructure and welfare. However, Pyongyang was not ready to abandon its nuclear weapon programme and rejected Seoul’s proposal.<sup>47</sup>

North Korea’s second nuclear test in May 2009 alerted South Korea to the increasing security threat from its neighbour. Seoul started hardening its stance on Pyongyang by joining the PSI that empowered the South to stop and search vessels suspected of carrying nuclear technology or materials from North Korean ports. However reacting sharply to Seoul’s move, Pyongyang warned of military reprisals if anyone attempted to stop or board its ships.<sup>48</sup>

The relationship between the two Koreas however deteriorated further after the Cheonan incident in March 2010. The Lee administration continued its hard stance on North Korea. Although the leadership change in the North after the demise of the autocratic leader Kim Jong-il in December 2011 was expected to bring about some positive change in the relationship, but so far, there has been little change in the situation. As of now, the impasse in the North-South relationship continues to exist.

### *Implications for India*

The emerging Asian nuclear environment is likely to have serious implications for India’s immediate and long-term security interests. North Korea’s nuclear collaboration with Pakistan and Iran, along with China’s continued involvement in the proliferation network heightened India’s apprehensions regarding the security threat posed by such a nuclear nexus. The very fact that China assisted Pakistan in acquiring the guidance systems technology and later the same technology was transferred by Pakistan to North Korea is a clear indication of the China-North Korea-Pakistan nuclear collaboration. Within India, China’s supply of M-11 missiles along with nuclear weapon design and technologies to Pakistan has increased security concerns. If the China-North Korea-Pakistan nuclear collaboration continues unabated and India’s bilateral relationship with these countries does not improve significantly, India might have to face a major nuclear threat from its neighbouring states.

## Conclusion

North Korea's nuclear threat is currently regarded as one of the major security challenges in East Asia. There has been increasing concern in the international community that the North's continued pursuit of nuclear arms might push neighbouring countries like Japan and South Korea to go nuclear as well, leading to a nuclear arms race in the region and thus intensifying the global nuclear proliferation threat. So far, multilateral forums like the SPT have not proved very fruitful in denuclearising North Korea.

The divergent approaches of East Asian states on the North Korean nuclear issue have been a major stumbling block in denuclearizing North Korea. While China and Russia seem to advocate the policy of engagement, the other participants of the SPT- the US, Japan and to a large extent South Korea- prefer a stronger approach. The lack of coordination between China, Japan and South Korea became evident during the tripartite summit in Beijing in May 2012, when the three countries, in the Joint Declaration, failed to condemn North Korea's launch of the long-range ballistic missile in April. While both Seoul and Tokyo insisted that the Declaration should urge Pyongyang not to conduct a nuclear test or take any other provocative action, Beijing was extremely reluctant to do so fearing that such a move might damage the China-North Korea relationship. However it remains undeniably true that as long as the East Asian countries do not coordinate their policies on North Korea and leave aside their own selfish national interests, a peaceful resolution of the North Korean nuclear dilemma would remain a distant dream.

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## A Method in Madness: North Korea's Nuclear Weapons

*Nupur Brahma*

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The threat that North Korea poses to the world stems from the dogged belief that the survival and prosperity of the Kim family regime depends on the possession of nuclear weapons and no amount of cajoling, threats or admonishment has made North Korea waver from this belief. North Korea's pursuit of nuclear weapons arises from several factors: ranging from the personal predilections of its leadership, to the insecurities arising from the alliance between the Republic of Korea and the United States and the need to ensure the survival of their regime. However with the change of regime in December 2011 and widespread hopes being expressed of a change in its nuclear policy, this paper poses the question-Whether under the new dispensation there would be meaningful denuclearisation and answers in the negative largely due to the reasons given in the pages that follow.

### **Strategic Autonomy and the Juche Ideology**

To understand the reasons for North Korea's pursuit of nuclear weapons from the early 1960s, it is important to bear in mind the considerations that influenced its leadership in the formative phase of the North Korean state, as these have continued to guide its actions over time. Kim Il-Sung had begun his career fighting the Japanese in Manchuria as a guerrilla leader. He was an ardent nationalist who wanted to rid his country of foreign influences. As a practical expedient, however, he aligned with the then Union of Soviet Socialist Republics and China against the Japanese colonisers. Having spent the early 1940s training as an infantry officer with the Soviets, he entered Korea as commander of the 88 Special Independent Sniper Brigade in 1945 and by September 1948 assumed full leadership of the newly established Democratic People's Republic of Korea.<sup>1</sup>

Soviet assistance was of utmost importance for the survival of the Kim regime in the early years. However, it was during these early years, that the regime started

building up its own official ideology of *juche* or “self-reliance” and also borrowed from practices from Korea’s past—for instance Kim used the term “Great Leader” or “*Suryong*”, which was used during the Koguryo dynasty to imply supreme leadership. The ideology of *juche* in the context of North Korean beliefs means that as a small country surrounded by hostile powers, it had to be self-reliant, in its internal and external policies. In its ideological context, *juche* encompasses four tenets: (1) Man is the master of his fate; (2) The master of the revolution is the people; (3) The revolution must be pursued in a self-reliant manner; and (4) The key to revolution is loyalty to the supreme leader, Kim Il-sung.<sup>2</sup> The emphasis was on showing unflinching loyalty to the leader so that the Korean peninsula could be unified under the leadership of Kim Il-Sung. Inspiration was also drawn from Japanese wartime slogans to serve Kim’s political purpose: *charyok gaengsaeng* (self-reliance) and *juchesong* (autonomy or subjectivity).<sup>3</sup>

Kim Il-Sung’s relegation to a by stander role during the course of the Korean War, as he was forced to yield operational command of his forces to Marshal Peng Dehuai, the commander of the Chinese People’s Volunteers (CPV) made him keenly aware of being surrounded by powerful forces, while raising the issue of tackling the country’s economic and security needs without bartering away its independence of decision making.<sup>4</sup> This issue remains relevant even today.

The importance of nuclear weapons was drilled deep into the psyche of the North Korean leadership as a result of the Korean War. During the war, American forces had carried out exercises with nuclear armed aircraft near the conflict zone—an implicit threat to employ the them at a time when General MacArthur and American lawmakers were openly arguing for using nuclear weapons in the conflict.<sup>5</sup> In addition, the American decision to station tactical nuclear weapons in Korea, including nuclear armed artillery and short range nuclear armed missiles, as also longer range missiles in 1959 heightened North Korean vulnerabilities which led to the initiating of discussions on nuclear weapons.<sup>6</sup> Kim in order to counter American military power on the peninsula sought a formal security guarantee from the Soviet Union which was signed in July 1961, after considerable dithering on the part of the Soviet Union. This only served to heighten Kim’s insecurities regarding Moscow’s intentions to honour its commitments.

The rushed accession to power of Kim Jong-un has seen the revival of *Neojuche* ideology which is a much more rigid and all pervasive ideology and is sought to be implemented through propagation of collectivist thought and mass mobilisation campaigns. The ideology emphasises political control above anything else and denigrates the attempts at reform carried out between the mid-1990s to the mid 2000s. It also prioritises *songun* politics (“military-first”) and associates the development of nuclear weapons with achieving the goal of “*kangsong taeguk*” (“rich nation, strong army”).<sup>7</sup>

### Songun—The ‘Military First’ Strategy

Slogans of ‘military first’ (*songun*) and ‘prosperous nation’ (*kangsong taeguk*)

appeared for the first time after Kim Jong-Il's formal accession to power in 1998, and the military was given high priority, with the slogan that 'guns give birth to power'. Kim Jong-Il realised that the Korean People's Army formed a bulwark against the forces that had engulfed other socialist states and placed greater reliance on it and the state security apparatus for preservation of power.<sup>8</sup> Consequently, the need to retain the support of hardliners precluded the prospects of nuclear roll back.

Until the 1960s, North Korea received massive assistance for building up its military, which could not be sustained in the decades that followed. Unlike South Korea, North Korea's early obsession with the military buildup compromised its economic growth. South Korea on the other hand, not only developed sophisticated military hardware on its own but rapid economic growth enabled it to procure the equipment it needed from other countries. While Kim Jong-Il's regime tried to overcome its handicaps by the military first, in accordance with the '*Songun*' policy, it could not sustain the relative sophistication it once had. As things stood, by the mid-1990s, North Korea's armed forces were equipped with obsolescent/obsolete equipment of Soviet or Chinese origin. Even the deterrence offered by its massive numbers of tube artillery and rocket artillery assets was degraded due to their vintage and poor maintenance.<sup>9</sup>

Going into the 21<sup>st</sup> century, the capabilities of North Korea's assets can only be presumed to have decreased in relative terms. The performance of its latest fighter aircraft, the MiG-29A when measured against modern Western aircraft has been poor. Although North Korea acquired Sukhoi 25 combat support aircraft in the mid-1990s, these are again of limited utility without air superiority and ineffective against strong air defences. Similarly, its naval assets are negligible in terms of capital ships. Its navy has three frigates of 1960 vintage and about 400 patrol craft and fast attack craft. Its anti ship missile inventory consists of antiquated Styx, Silkworm and Seersucker missiles that are vulnerable to the modern close-in defences being employed by allied forces. While experts often cite the size of the North Korean submarine fleet, consisting of, an estimated 22 Romeo class submarines and about 100 midget submarines, but given the age of their technology, they are likely to be vulnerable to detection by the South Korean navy and US naval forces in particular. The navy may be able to execute hit-and-run actions and ambushes such as that by the *Cheonan*, but the survivability of its assets in a full-fledged conflict is doubtful. Its utility therefore, will be greatest if DPRK forces decide to strike first and use it for ambushes and insertion of Special Forces. Again, this is not a likely scenario, given that the DPRK has so far followed the course of a 'rational actor' and that deterrence has held when its position has been stronger.

On paper, perhaps the Korean People's Army is strongest of the three services. The terrain of the Korean peninsula affords little space for armoured operations of the kind envisaged in a NATO versus Warsaw Pact conflict. While analyses of the two sides have applied the criteria used for Cold War opposing forces and the

wars in West Asia, the specific conditions of the Korean peninsula also need to be taken into account. The disparity between armoured forces may seem to have been overcome, to some extent, from the North's point of view, because of these conditions. Even so, the Korean People's Army is faced with serious problems. On paper, its artillery park is extensive and equipped with fairly advanced munitions. The terrain and nature of the Demilitarised Zone (DMZ) seems to suggest a substantial role for infantry operations with massive engineering and artillery support, and with tanks being used for direct fire support and in limited anti tank engagements. This seems more in sync with the strength and equipment of the KPA. However, as noted above, these capabilities have been stunted by years of low maintenance and lack of training due to fuel shortages. Even the soldiers are impoverished—army units have to rear livestock and raise crops in order to take care of their food requirements; conscripts are actually shorter in height than they were two decades ago.<sup>10</sup>

In addition to these issues, the armed forces of the DPRK are faced with an enemy whose superiority in battlefield Intelligence Surveillance Reconnaissance (ISR), command and control and network centric warfare is overwhelming. They thus face significant challenges: poorly trained personnel, aging equipment, low morale and above all, an operating environment which would prove very difficult to cope with. From the perspective of DPRK decision makers, these factors reinforce the country's increasing need for a demonstrable and deployable nuclear weapons capability to deter aggression of the type that could result in regime change. The new ruler, Kim Jong -un has made greater efforts to be seen with troops and has made a number of highly publicised trips to different units of the armed forces. Presumably this is to garner support among the armed forces and to cultivate them as a political constituency.

### **Deep Distrust of its Neighbours**

North Korean leaders harbour a deep mistrust towards their neighbours which is rooted in history, as well as more recent incidents. During the Cuban Missile crisis, the then USSR had failed to support a socialist ally despite treaty guarantees to the effect. The crisis was viewed by Kim Il Sung as evidence of Khrushchev being more interested in being, "buddy-buddy with Eisenhower and Kennedy" than in aiding smaller socialist countries in need of Soviet support.<sup>11</sup> In the context of the deployment of tactical nuclear weapons by US forces on the Korean peninsula, the DPRK leadership was convinced that only the possession of nuclear weapons could truly guarantee the safety and independence of their country.<sup>12</sup>

New documents from the Soviet and East European archives released by the Cold War International History Project of the Woodrow Wilson International Centre for Scholars indicates that North Korean mistrust was reinforced by the Soviet denial of military aid, worth over 100 million roubles-on-credit in December 1962. This led to the North Korean regime accelerating its efforts to achieve self reliance in national defence in accordance with 'the four-point military guideline'

which entailed measures such as: to arm the entire population; to fortify the entire country; to train the entire army as a “cadre army”; and to modernise weaponry, doctrine and tactics.<sup>13</sup> Thus one can see the roots of Kim Jong-Il’s ‘military first’ policy of 1998, in the equal emphasis policy (equal attention to be devoted to economic development and military enhancement) of Kim Il Sung. In 1990, the Russians normalised their relationship with South Korea and terminated aid and military cooperation to the North further embittering relations.

North Korea’s animosity towards Japan arises from Japan’s colonization of the country in the past and it being an important ally of the United States in East Asia. In fact the large number of North Korean Nodong and Scud missiles pose a greater threat to Japan’s security than a rising China. The 1998 ballistic missile tests carried out by North Korea over Japanese territory made it aware of the threat from North Korea.<sup>14</sup> Japan has also taken a tougher line in recent years, as the issue of abducted Japanese citizens, first admitted to by the North Koreans in 2002, is still to be resolved. Japan has recently signed an agreement, under the terms of which Japan will host a second X band radar to counter ballistic missile threats from North Korea.

North Korea’s relationship with China is often described with the help of the adage “as close as lips and teeth.” China has provided unstinting support to the regime in North Korea and was among the first to recognise Kim Jong-un and to extend an invitation to him to visit China, without setting a deadline. The reasons for this support are: China’s propping up of the regime ensures that there would be no unification of the Korean Peninsula under a strong South Korean regime friendly with the United States; it prevents the flood of refugees from crossing the border; helps in the development of China’s north east provinces of Jilin and Liaoning, as these are the entry and exit points for DPRK-China trade and a source for minerals like coal, iron ore, copper and rare earths. North Korea uses China’s support for its regime to fulfil its wish list and gain valuable foreign aid. The relationship though described usually in glowing terms is not indeed so. While China views North Korea as a huge albatross around its neck which taints its reputation but which it needs to support; North Korea sees its northern neighbour as an economic predator, patronising in its attitude but whose support is necessary for it to survive.

### **Economic Challenges**

It is pertinent, at this point, to also mention that it is North Korea’s dysfunctional economy that leads to an excessive reliance on strategic and military capabilities to ensure regime survival. The shrinking of Soviet and Chinese patron aid and military cooperation led to severe economic difficulties in North Korea.<sup>15</sup> By the mid-1990s, there was an industrial collapse in North Korea and a famine that resulted in the deaths of over two million people. This has variously been referred to as the North Korean de-industrialisation. Outdated infrastructure, poor agricultural practices, a growing trade deficit, food shortages, outmoded disaster

management systems, dwindling foreign currency reserves have resulted in a crumbling economy. Simultaneously, essential services and the provision of food and consumer goods also collapsed. The harsh circumstances, led to the development of a parallel economy, that operated through monetary and barter systems. This also meant endemic corruption functionaries and the degradation of traditional methods of controlling the population, like the *inminban* (“neighborhood units” or “people’s units”). The failed re-denomination currency measure has led to widespread protests forcing the government to issue an unprecedented official apology and charge the then Korean Worker’s Party, director of finance, Pak Nam-gi with economic mismanagement. A tottering health care system, chronic food insecurity that affected 16 million people, high malnutrition rates, inadequate fuel supplies and recurrent natural disasters have led to a heavy reliance on foreign aid. This juxtaposed with the growing awareness of the South’s prosperity and the galloping economic growth of China, have sown the seeds for social unrest in the future, unless the government introduces reforms. While Kim Jong-un who took over the reins of office in December 2011 is said to be reportedly considering economic reforms, it would be safe to assume, considering that no official pronouncements have been made to date, that it is highly unlikely.

### **The Need to Project itself as the Stronger Power in the Korean Peninsula**

In the late 1950s, The Republic of Korea’s first research reactor went critical in 1962 and its first power reactor was built in 1970. This was also the time when South Korea began to expand its industrial base. This enabled it to make rapid progress in its nuclear industry while the North languished in technological and economic backwardness. Faced with the rapid South Korean advancement on the economic and nuclear fronts, North Korea launched on its own nuclear programme as it would provide DPRK with the wherewithal to dominate the political and military sphere and also strengthen its *Juche* ideology.

### **More than Just a Bargaining Chip**

The DPRK has made massive investments in the nuclear industry in spite of its meager resources. It maintained a veil of secrecy over its programme by relying on DPRK scientists trained domestically or in Russian institutions; by keeping the most sensitive sites out of the purview of IAEA safeguards, and by an outright non-compliance/non-acceptance of international non-proliferation agreements. This shows that they are unwilling to trade away their nuclear weapons for any benefits whatsoever. Nuclear and missile tests conducted since 2006 were for improving the quality and accuracy of the missiles.

In late 2011, shortly before the death of Kim Jong-il, the US commenced bilateral talks with North Korea on denuclearisation which resulted in the “Leap Day Agreement” of February 29, 2012. The deal provided for 240,000 metric

tons of food aid in exchange for a North Korean moratorium on long range missile launches, nuclear tests and enrichment of uranium at the Yongbyon nuclear facility. The deal however unravelled due to the April 13, 2012 launch of an earth observation satellite/long range ballistic missile. After the failure of this deal, the chances of the six party talks resuming in the near future are bleak. The Obama administration approached the United Nations Security Council which issued a UNSC presidential statement that strongly condemned the launch and also tightened existing sanctions.<sup>16</sup> With Kim Jong Un calling for the development of more powerful rockets and satellites post the successful rocket launch of December 12, 2012, Korea looks set to continue on the belligerent path.<sup>17</sup>

### **Tool to Bolster its Claims of Legitimacy**

Nuclear weapons also serve to bolster the regime's claim to legitimacy. This necessitates the regime to harp on the threat posed by the US-ROK alliance to bolster the impression of a nation under siege—a job performed with some success by the North's propaganda machinery. The state propaganda usually depicts Americans as “bloodthirsty Yankees” and South Koreans as “warmongering puppets” and the people of North Korea are led to believe that they are “too pure-blooded and virtuous, to survive in this evil world without a great parental leader.”<sup>18</sup> Secondly, in place of tangible investments for improving the people's standard of living, the regime created a personality cult around the Kim family and showcased nuclear weapons as a great national achievement in the face of odds, continued possession of which has become essential for preserving sovereignty and demonstrating national virility. An example of this is the regime terming the famine as the time of the ‘Arduous March’, while at the same time devoting its resources and efforts to the ‘Military First’ policy (*Songun*) and the nuclear programme.

### **Legacy of Kim Jong-il**

Despite the Western officials and scholars' hopes for a nuclear roll back, it will be extremely difficult for the DPRK regime to justify such a step without gaining significant concessions from the West. With the relatively unknown Kim Jong-un assuming power in December 2011, there is also the issue of nuclear weapons being portrayed as the legacy of Kim Jong-Il. Kim Jong-un who is said to be governing according to the “last will and testament of Kim Jong-il” is unlikely to tamper with policies of a calcified system. Reports have in fact revealed, that an amendment to the ‘Socialist constitution of the DPRK’ in the April 2012 now proclaims North Korea to be a nuclear armed state. In fact after, “Respected Leader” Kim Jong-un, assumed office, posters proclaiming a new ideology, “Kim Il-sung-Kim Jong-il-ism” have come up all over Pyongyang.

## **Regime Stability**

Kim Jong-un presides over a system consisting of party officials, generals and bureaucrats who are isolated from the people and paranoid after the dramatic fall of four dictatorships in the Arab Spring. This paranoia is exhibited by the regime banning gatherings and describing the protests that toppled the Mubarak government as being carried out by anti-American demonstrators. Kim Jong-un lacks the experience and revolutionary credentials of his grandfather and as he is still in the process of consolidating his fragile power base, he is unlikely to make any major changes in state policy and therefore the emphasis on the 'military first' policy that includes possession of nuclear weapons will continue. The goal of becoming a 'strong and prosperous great nation' would presumably be well served by such military capabilities. With the regime unable to provide for the peoples' well being and its ideological control fraying as information barriers increasingly break down, Kim Jong-un is likely to continue his dependence on the military to maintain social stability. Thus it can be argued that the regime's dependence on nuclear weapons as the primary guarantor of its survival is likely to continue for the foreseeable future.

## **Lessons Drawn from History and the Arab Spring**

US-led actions against states in the Middle East and the Balkans have also had an impact on the mindset of the North Korean leaders. During the Iraq War, Kim Jong-Il was reported to have hidden for six months out of fear that he would be next on the US list. There have been reports of a Plan 5030 created at the behest of the then US secretary of defence, Donald Rumsfeld, for regime change in North Korea. These have only strengthened North Korea's determination to possess nuclear weapons. During the six-party talks a senior North Korean negotiator had told his American counterparts that they could invade Afghanistan and Iraq only because they did not possess nuclear weapons. The Libyan example has also been cited as instance of the West's duplicity—Libya was first weakened by being made to renounce its nuclear programme, and then invaded.

The political and economic landscape of East Asia is evolving. In South Korea, Lee Myung-bak, in contrast to his predecessors, has taken a harder line against North Korea, insisting on a verifiable progress towards de-nuclearisation, in the absence of which he has stopped some of the concessions given by the South. DPRK's belief that the possession of nuclear weapons renders it safe from retaliatory strikes has led to it resorting to provocative actions like the sinking of the Cheonan on March 26, 2010 and the November 23, 2010 artillery strike on South Korean facilities on Yeonpyeong Island. The current government in South Korea, however, has resolved to strike back in the case of any such provocations and has changed the Rules of Engagement for its forces, from "passive deterrence" to "proactive deterrence". It has also not ruled out preemption in cases of imminent DPRK attacks.<sup>19</sup> At the same time, the belligerent rhetoric of North Korea has not stopped,

and there is always the possibility that Kim Jong-un may take provocative action to appease hardline elements within the KPA or bolster his own credentials. These policies make for an unstable situation in the peninsula and the fear that these incidents will escalate to full fledged hostilities is ever present.

## Conclusion

Given the magnitude and the range of problems faced by Kim Jong-un, he would need to rely on hard power in order to ensure his survival and social stability. Kim Jong Un is not the poster boy for reforms, in spite of what the recent talk of economic reform and attending Walt Disney themed events might suggest. With the US unwilling to give concessions to the DPRK unless it undertakes irreversible de-nuclearisation and North Korea insisting on being recognised as a nuclear weapon state, the talks seem stalemated for the immediate future. The efforts to achieve “complete verifiable and irreversible” removal of North Korean nuclear program would be an extremely difficult if not impossible.

## NOTES

1. For a detailed overview of the rise of Kim Il-Sung see Victor Cha, *The Impossible State: North Korea, Past and Future* (The Bodley Head, 2012) pp. 65-77
2. Victor Cha, *The Impossible State: North Korea, Past and Future* (The Bodley Head, 2012) p 37
3. Charles Armstrong, Necessary Enemies: Anti-Americanism, Juche Ideology, and the Tortuous Path to Normalization (Washington DC: US-Korea Institute at SAIS, *Working Paper Series*, WP 08-3, September 2008).
4. Jonathan D. Pollack, No Exit: North Korea, Nuclear Weapons and International Security (IISS, 2011), p. 33.
5. Roger Dingman, ‘Atomic Diplomacy during the Korean War’, *International Security*, 13(3), Winter 1988/1989, pp. 50-91.
6. Stephen I Schwartz, *Atomic Audit: The Costs and Consequences of US Nuclear Weapons Since 1940* (Washington, DC: Brookings Institution Press, 1998), pp.151-61.
7. Victor Cha, *The Impossible State: North Korea, Past and Future* (The Bodley Head, 2012), pp. 13-14, 58-63.
8. Byung Chul Koh, Military First Politics and Building A Powerful and Prosperous Nation in North Korea (Nautilus Institute: *Policy Forum Online*, No. 05-32 A, 14 April 2005), pp. 2-3.
9. *North Korean Security Challenges: A Net Assessment* (The International Institute for Strategic Studies, July 2011), pp. 47-63.
10. See [www.iiss.org/publications/strategic-dossiers/north-korean-dossier/north-koreas-weapons-program](http://www.iiss.org/publications/strategic-dossiers/north-korean-dossier/north-koreas-weapons-program)
11. Record of a conversation with the Soviet Ambassador in the DPRK Comrade V.P. Moskovsky about the negotiations between the Soviet delegation, led by the USSR Council of Ministers Chairman Kosygin and the governing body of the Korean Workers Party, 16 February 1965, Czech Foreign Ministry Archive in *the NKIDP e-dossier no.12*, James Person, “The Cuban Missile Crisis and the Origins of North Korea’s Policy of Self-Reliance in National Defense” (Washington DC: Woodrow Wilson International Center for Scholars, North Korea International Documentation Project, October 2012).
12. Victor Cha, *The Impossible State: North Korea, Past and Future* (The Bodley Head, 2012), pp. 112-113.

13. James Person, "The Cuban Missile Crisis and the Origins of North Korea's Policy of Self-Reliance in National Defense" (Washington DC: Woodrow Wilson International Center for Scholars, North Korea International Documentation Project, October 2012).
14. See [www.guardian.co.uk/world/1998/sept/01/northkorea](http://www.guardian.co.uk/world/1998/sept/01/northkorea)
15. For an economic overview see Victor Cha, *The Impossible State: North Korea, Past and Future* (The Bodley Head, 2012), pp. 110-161.
16. See <http://www.un.org/News/Press/docs/2012/sc10610.doc.htm>.
17. See [http://ajw.asahi.com/article/asia/korean\\_peninsula/AJ201212220054](http://ajw.asahi.com/article/asia/korean_peninsula/AJ201212220054).
18. B.R. Myers, "North Korea's Race Problem: What I Learned in Eight Years Reading Propaganda from Inside the Hermit Kingdom," *Foreign Policy Magazine*, March/ April 2010, pp. 100-101.
19. Victor Cha, *The Impossible State: North Korea, Past and Future* (The Bodley Head, 2012), pp. 241-42.

It would not be a cliché to describe the strategic contours of Asia as being at the crossroads of history. A number of significant events are influencing the likely course that the collective destiny of the region could possibly take in the future. Some of the key issues and trends have been analysed in this year's Asian Strategic Review. The assessment of the authors collectively highlights certain overarching trends, which are likely to shape the future of Asia and the world. Some of these trends have been evident in the past, however, with time, their impact on the security of the region has become more pronounced. These include the emergence of China, upheaval in West Asia, instability in the AfPak region and the continuing threat of nuclear proliferation.

### **Emergence of China**

The Middle Kingdom, which is often clubbed with India as a rising power, can safely be moved to a higher pedestal and be described as a power which has already risen. Its substantial economic influence was already being felt for a number of years. Today, it is seen as one of the primary engines of not only Asian but also world growth.<sup>1</sup> However, the recent past has also witnessed its strategic muscle flexing, which has raised concerns regarding its ability to complete this ongoing transition, without causing an international upheaval in Asia.

The impact of China's growing assertiveness is already visible. The US pivot to Asia has been interpreted in many ways. Amongst the commonly held beliefs is the possibility of the US finally deciding to answer Chinese assertiveness with its own brand of assertive diplomacy. The US move comes in the wake of increasing uneasiness amongst its allies and partners in Southeast and East Asia, which has become the playground of Chinese muscle flexing. In light of the US move, its enhanced role and presence in Asia is a foregone conclusion. It needs to be seen how much will the US leverage its presence to reverse the tilt in its favour vis-a-vis China and to what extent will it go to influence the ongoing disputes if and when differences threaten to unravel the status quo in the region.

Territorial disputes are not new in this region. However, what is new, is the increasing bellicosity of China to resolve them to its advantage. This has given a new framework to Sino-Japan competition and China's territorial disputes with Philippines and Vietnam. The Chinese decision to cartographically link over 130 islands in the South China Sea and the islands in vicinity of Japan with its mainland has raised alarm in countries like Vietnam and Philippines.<sup>2</sup> These events have been captured in this years Asian Strategic Review (ASR) in detail. It remains to be emphasised that the looming shadow of growing Chinese influence has already begun and could further accelerate cooperation amongst lesser military powers. While this is unlikely to witness any form of military alliance against China, however, the growing proximity amongst powers in the region is evident.<sup>3</sup>

The ongoing territorial disputes with China could throw up a number of possibilities for the future. Japan, which has preferred to remain a pacifist power after the Second World War, could finally decide to reinterpret its constitutional mandate and undertake a more proactive stance. Countries like Japan, Vietnam or Philippines could become the test case of China's message to the world that it would protect its interests in the region irrespective of the costs involved. There is also a possibility of China, in an attempt to limit opposition to its interests in the region, offering a favourable settlement to one or more of the contentious issues to limit the increasing opposition. Amongst the factors influencing China's policy towards its neighbours and the region, is its own domestic churning and its resultant influence on foreign policy. The next few months will therefore be crucial, in light of the shift in power in China and the direction likely to be taken by the leadership.

### West Asian Upheaval

The second major factor influencing the policies in Asia will be the impact of existing instability in West Asia. While the Arab Spring became the centrifugal force against established order, it has not as yet brought in its wake the refreshing winds of democracy. The ongoing churning in the region is bound to alter the geo-strategic landscape, force realignments and priorities. This could be supplemented by a possible crisis, as a result of Iran's nuclear program and the resultant action by US led opposition to it. These events have led to a period of uncertainty on a number of levels.

At the domestic level, the fallout of popular dissent as a result of "Arab Spring" is yet to take decisive shape. There remains both hope and concern in countries like Tunisia, Egypt, Libya, Yemen and Syria. The course of events in the near future will possibly decide the course of history, which will not only have a local impact, but also far reaching regional repercussions. Israel, Iran, Turkey and Egypt are undertaking their respective assessment of events, with an aim of emerging stronger after the realignment of emerging centres of power. And finally, the US, Russia and China are carefully reading the situation to ensure that their long term interests are served by way of future alignments.

## **AfPak Region and its Impact on Security**

The third issue which will have an impact beyond its immediate borders is the withdrawal of US led forces from Afghanistan in 2014 and its resultant security impact in the Af-Pak region and beyond. It remains to be seen whether the vacuum as a result of US withdrawal leads to a bloody power struggle, even as the resident administration attempts to maintain semblance of peace.

This is possibly being watched most closely by Pakistan, which cautiously awaits a shift in the balance of power in Kabul, to regain control of a region it considers its strategic backyard. There is little doubt that Pakistan will emerge as the most important external factor influencing the future course of events in Afghanistan. This could also be accompanied by the spillover of a bloody power struggle into Pakistan, which could accompany the emergence of competing forces in the region.

The China factor has remained a limited influence in Afghanistan in the past. However, the possibility of a shift in Chinese economic and strategic influence is a distinct possibility. The impact of these factors on India's strategic interests in Afghanistan and the challenges it could pose to both men and material will test the country's resolve to help maintain peace in the region.

Events in the region will also influence regional and global security. The export of terrorism from the region, its domestic impact on Pakistan's democratic continuum and the spillover of terror into India could have far reaching consequences. Assessments of renewed jihadi focus on Jammu and Kashmir (J&K), are already underway. These have received a fillip with the Pakistani army jockeying for power during an election year in the country and attempting to shift focus onto the LoC and J&K, given their failure to stem domestic terrorism. A top Tehrik-e-Taliban leader like Wali ur Rehman has threatened to turn his focus on J&K.<sup>4</sup> These actions are likely to be facilitated after the US led withdrawal from Afghanistan and will be a cause for concern in India.

## **Nuclear Proliferation**

Asia continues to face the challenge of nuclear proliferation. Amongst the countries under the non proliferation radar, Iran, North Korea and Pakistan have increasingly been under focus. Israel, sees Iran's suspected move towards weaponisation as a threat to regional security.<sup>5</sup> There is growing international concern regarding Iran's nuclearisation and its impact on regional peace.<sup>6</sup> The looming threat of Iran's nuclearisation has given a fillip to militarisation of West Asia and has substantially increased the threat of war.

The transfer of power in North Korea has until now proved to be uneventful. However, the past record of nuclear sabre rattling<sup>7</sup> by the country and proliferation to Pakistan<sup>8</sup> will continue to raise international concerns. Kim Jong Un's desire to establish himself in power and the fear of strikes against the country's nuclear assets, could lead to a security challenge in the region. The possibility of trading

nuclear technology by North Korea, given its isolation, also remains a serious threat.

Pakistan has in the past been at the forefront of peddling nuclear technology.<sup>9</sup> The threat of proliferation from Pakistan was limited to state and state sponsored activities in the past. However, the country faces the additional challenge of non state actors getting access to nuclear material.<sup>10</sup> While India has been the target of nuclear threats in the past, however, the inherent instability within Pakistan is an issue of global concern.<sup>11</sup>

### Factors Influencing Security

In addition to the influence of economic factors, which have played a leading role in shaping the Asian landscape, military and defence related issues could also impact the Asian strategic calculus. These will be influenced by a number of factors.

*First*, the desire to safeguard energy resources is pushing countries like China, India, Japan and the US to ensure that their interests and the interests of their allies are safeguarded. This factor has already led to a debate regarding China's desire to expand its role both into the Pacific and Indian oceans. The deployment of the first aircraft carrier and followup of others in the near future reinforces this trend.<sup>12</sup> The competition between China and Japan for the Senkaku Islands<sup>13</sup>, involves competition to access energy resources, besides historic factors of nationalism. Similar factors influence China's territorial disputes with Philippines and Vietnam. The exact quantum of oil reserves in South China and East China Sea are unclear due to inadequate surveys, given existing security concerns. However, a Chinese estimate places reserves at 213 billion barrels.<sup>14</sup> This would exceed the proven reserves of all countries except Venezuela. The transiting of energy resources through the Indian Ocean, is also becoming a factor, which shapes the security concerns of both China and India. Chinese leaders fear a blockade, which could have an impact on its energy supplies.<sup>15</sup>

*Second*, non state actors have forced countries which did not face conventional threats from nation states after the end of the Cold War, to safeguard their interests against threats to their very way of life. This includes religious fundamentalism and piracy, which have a transnational impact, irrespective of the country and people involved. The fear of access to nuclear material by non-state actors is also a growing concern. These have been voiced over a period of time at a number of international fora. The former Director General of IAEA 'referred to organized crime, terrorism and the spread of weapons of mass destruction as "threats without borders".'<sup>16</sup> This concern is accentuated by instability in states like Pakistan and their inability to control these forces in their country.

*Third*, the emergence of China, as noted earlier has forced countries to undertake an assessment of their military capabilities and defence partnerships. The US pivot to Asia and its decision to strengthen its ties with allies and partners like Australia, Japan, South Korea, Singapore, Taiwan, Philippines, Vietnam,

Thailand, Indonesia and India have been influenced by the rise of China.<sup>17</sup> The establishment of the US-India-Japan-Australia Quadrilateral Initiative was a step in the direction of attaining balance in the region. The Indian stand on critical issues like freedom of navigation and peaceful settlement of disputes resonated in line with ASEAN views on the subject. Speaking at the India-ASEAN Commemorative Summit, Prime Minister Manmohan Singh said: "As maritime nations, India and ASEAN nations should intensify their engagement for maritime security and safety, for freedom of navigation and for peaceful settlement of maritime disputes in accordance with international law."<sup>18</sup>

*Fourth*, instability and socio-political upheavals have forced nations to attempt preservation of status quo at the domestic level and seek improved strategic positioning after the dust has settled over popular uprisings. This, as events of the recent past in West Asia have proved, will continue to be influenced in large measure through military power and partnerships. Early indicators of these partnerships are visible as Egypt attempts to reinforce its position given the change of power equations in the country. Iran, isolated amongst Arab states and in the West, is supporting the Assad regime in Syria to retain influence.<sup>19</sup> Reports also indicate supply of weapons and equipment by anti Assad countries like Jordan<sup>20</sup> and the US, with Russia, accusing the US of coordinating supply of arms to rebels in Syria.<sup>21</sup> Preservation of status quo has until now been attempted through force in countries like Syria and Egypt and through appeasement of popular anger in Jordan and Saudi Arabia. The possibility of greater reliance on military hardware in future is therefore a distinct possibility. This is reinforced by a jump in arms sales to the region by the US, which is the largest weapons supplier in the world. During the year 2008-11, the Near Eastern countries<sup>22</sup> accounted for 56.2 per cent of US weapon sale agreements at \$ billion 116.6 at current prices.<sup>23</sup>

*Fifth*, there was a growing impression with the emergence of non state actors that conventional threats have given way to sub conventional ones. However, events of the recent past reinforce that even as sub-conventional threats remain distinct, conventional conflict is very much a reality. Therefore, military preparations have entered a phase of duality of purpose, intent and weaponisation.<sup>24</sup> This trend is also evident from the mixed purchases by India.<sup>25</sup>

The 21st century is often seen as an Asian century. This is based on the premise that the engines of world economy will shift from Europe and in comparative terms from the US to Asia. However, along with the economic shift, the focus on militarisation and conflict will also remain on Asia. And this is likely to be fueled by sub-conventional as well as conventional conflicts, as evident from the analysis in the publication.

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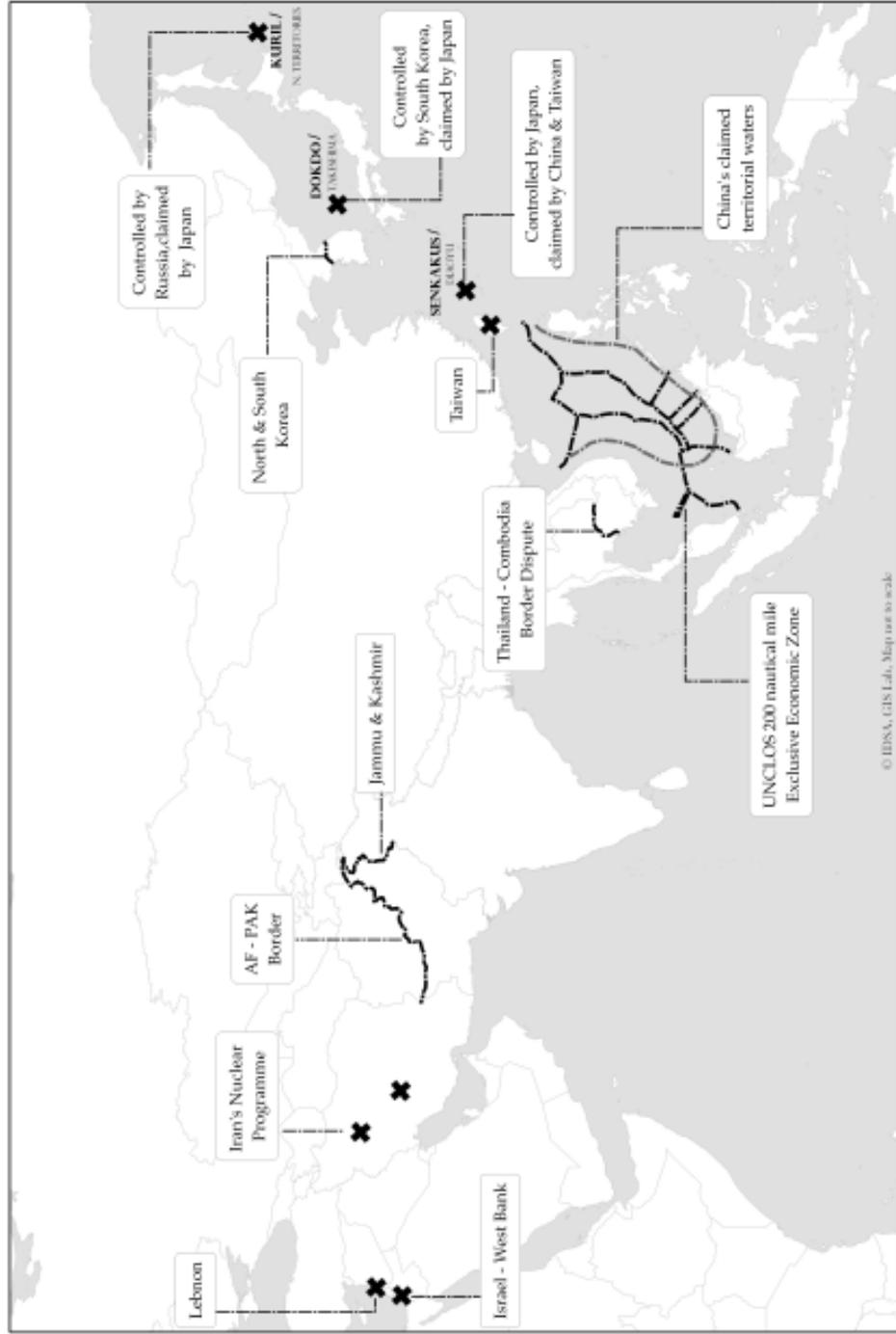
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# Appendices

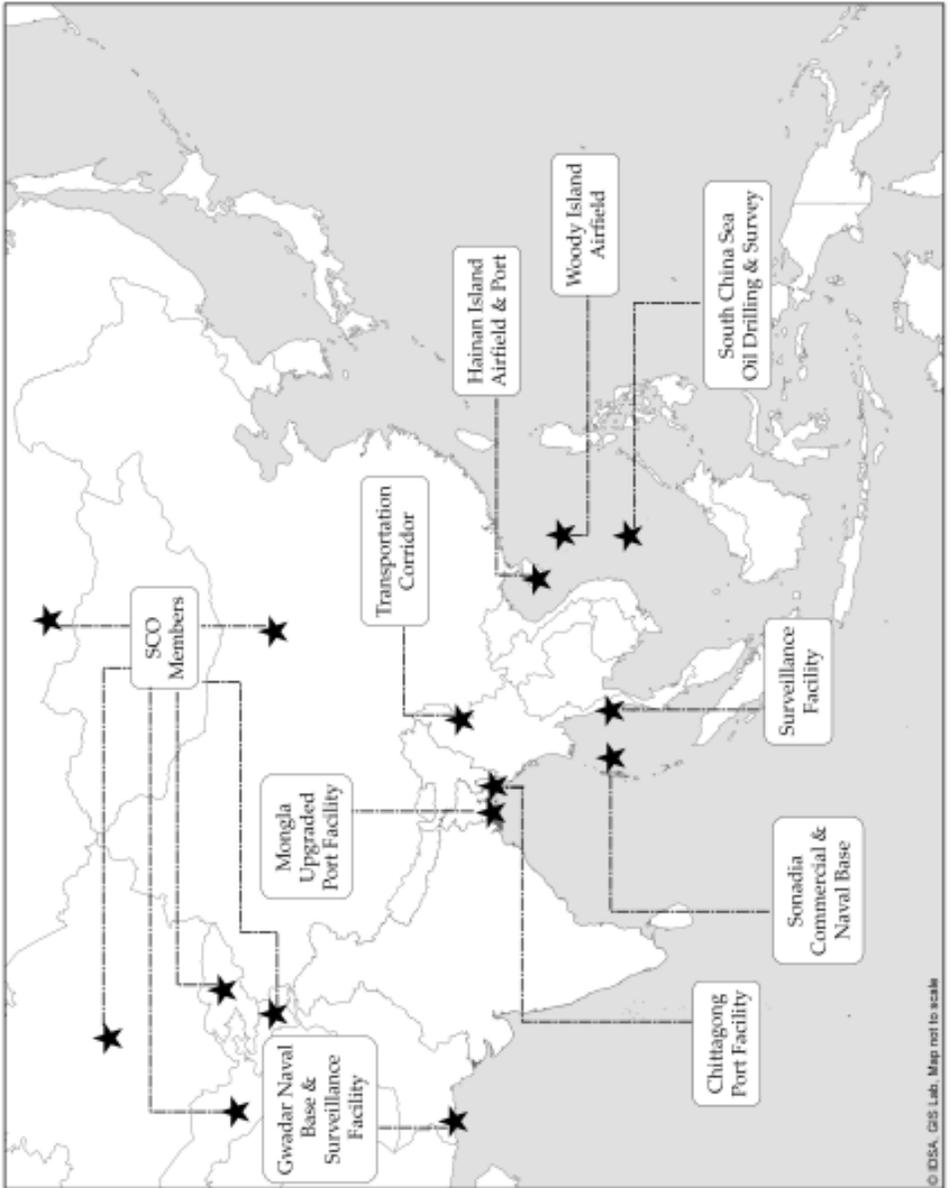
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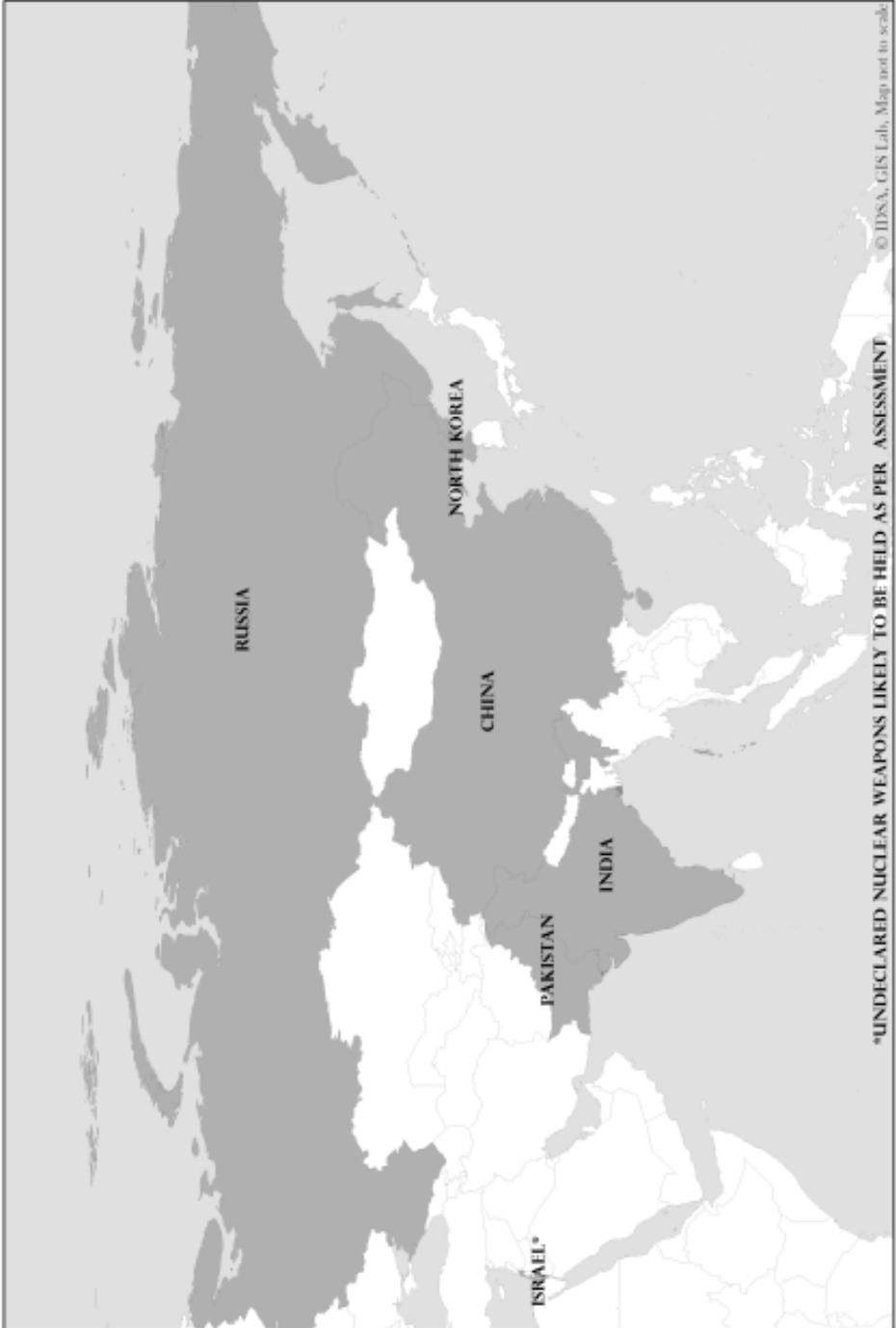
# Appendix 1: Asia's Inter-State Hotspots



Appendix 2: China's Strategic Spread in Asia



Appendix 3: Nuclear Weapon States in Asia



## Appendix 4: Defence Spending of Major Asian Countries (2008-11) in US\$ m

Country	2008	2009	2010	2011*	Remarks
Afghanistan	180	252	277	781	
Bangladesh	1,195	1,016	1,237	1,367	
India	31,540	38,278	30,865	44,282	
Kazakhstan	1,608	1,353	1,481	1,648	
Kyrgyzstan	47	44	19	n.a.	
Nepal	176	184	240	241	
Pakistan	4,422	3,811	5,599	5,685	
Sri Lanka	1,793	1,485	1,408	1,403	
Tajikistan	80	49	60	n.a.	
Turkmenistan	84	n.a.	198	n.a.	
Uzbekistan	n.a.	n.k.	1,422	n.a.	
Brunei	360	332	351	373	
Cambodia	255	275	271	177	
China	60,187	70,381	76,361	129,272	Official Budget <sup>1</sup> only at market exchange rates - excludes extra-budgetary funds
Indonesia	5,108	4,821	7,182	5,220	
Japan	46,044	51,085	54,357	54,529	
Korea, North	n.a.	n.a.	n.a.	n.a.	
Korea, South	24,182	22,439	25,069	28,280	
Laos	17	14	n.a.	n.a.	
Malaysia	4,370	3,883	3,651	4,223	
Mongolia	52	38	54	69.5	
Myanmar	n.a.	n.a.	1,762	n.a.	
Philippines	1,427	1,363	2,024	2,225	
Singapore	7,662	7,831	8,098	8,302	
Taiwan	10,495	9,500	8,979	8,888	
Thailand	4,294	4,732	4,821	5,114	
Timor Leste	n.a.	n.a.	1	24.3	

Vietnam	2,907	2,137	2,573	2,487
Bahrain	553	742	736	883
Iran	9,595	8,636	10,564	n.a
Iraq	n.a.	4,118	4,848	5,568
Israel	14,772	13,516	14,043	15,209
Jordan	2,127	1,393	1,425	1,310
Kuwait	6,812	4,184	4,654	5,178
Lebanon	1,155	1,426	1,620	1,657
Oman	4,671	4,018	4,177	4,074
Qatar	1,756	2,500	3,117	n.a
Saudi Arabia	38,223	41,276	45,170	46,219
Syria	1,941	2,229	2,296	2,490
UAE	13,733	7,957	16,057	n.a
Yemen	1,492	883	1,826	n.a

Estimated figures.

n.a Not Available.

\*Data for the year 2011 from SIPRI Military Expenditure Database.

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Source: *The Military Balance, 2012*, at <http://www.tandfonline.com/doi/abs/10.1080/04597222.2012.663220>

## Appendix 5: Selected Arms Procurements and Deliveries: Asia

<i>Designation</i>	<i>Type</i>	<i>Quantity</i>	<i>Contract Value</i>	<i>Supplier country</i>	<i>Prime contractor</i>	<i>Order Date</i>	<i>First Delivery Due</i>	<i>Notes</i>
<b>Afghanistan (AFG)</b>								
G-222 (C-27A)	Tpt ac	18	US\$257m	ITA	Alenia Aeronautica	2008	2009	11 aircraft delivered
G-222 (C-27A)	Tpt ac	2	US\$287m	ITA	Alenia Aeronautica	2010	2011	Part of US\$88.5m order including six Cessna T-182T ac. Delivery in progress
Cessna 208B	Tpt ac	26	See notes	US	Cessna	2011	2011	Part of US\$88.5m order including six Cessna T-182T ac. Delivery in progress
Cessna 182T	Tig ac	6	See notes	US	Cessna	2011	n.k.	Part of US\$88.5m order including 26 Cessna 208B ac
MD-530F	MRH Hel	6	US\$19.9m	US	MD Helicopters	2011	2011	Option on further 48. Aircraft due for delivery by end of 2011
<b>Australia (AUS)</b>								
Bushmaster	LFV	293	n.k.	AUS	Thales Australia	2008	n.k.	Deliveries ongoing. Final delivery June 2012
Bushmaster	LFV	101	US\$127m	AUS	Thales Australia	2011	n.k.	includes 31 to replace lost and damaged veh from previous orders
Hobart-class	DDGHM	3	US\$8bn	AUS/ESP	AWD Alliance	2007	2014	Aka Air Warfare Destroyer (AWD). Second to be delivered 2016; third 2017. Option on fourth. All to be fitted with Aegis system
Canberra-class	LHD	2	A\$3.5bn (US\$3.5bn)	AUS/ESP	Navantia	2007	2012	To replace HMAS Tobruk and one Kanimbla-class amphib tpt. To be named Canberra and Adelaide. First vessel launched Feb 2011
B-737 AEW Wedgetail	AEW&C ac	6	A\$3.6bn (US\$3.4bn)	US	Boeing	2000	2010	First two delivered 2010; 6th ac due by end 2011

A330-200(MRJT)	Tkr/Tpr ac	5	A\$1.5bn (US\$1.4 bn)	Int'l	EADS	2004	2011	(KC-30B). First aircraft handed over to RAAF Jun 2011, all to be delivered within 18-24 months	
MH-60R Seahawk	ASW Hel	24	US\$3bn+	US	Sikorsky	2011	2014	Will replace navy's S-70Bs	
NH90	Tpt Hel	46	A\$2bn (US\$1.47bn)	AUS/ Int'l	NH Industries	2005- 2006	2007	Replacement programme. Six for navy; 40 for army. AUS variant of NH90. First four built in Europe; remainder in AUS. Option for a further 26. Deliveries ongoing	
CH-47F Chinook	Tpt Hel	7	A\$755m (US\$670m)	US	Boeing	2010	2014	All to be operational by 2017. To replace CH-47Ds	
<b>Bangladesh (BGD)</b>									
MBT-2000 crore	MBT PRC	44	Tk 1,201 NORINCO	2011	n.k.	Order also includes three ARVs	2012	First vessel expected ISD Dec 2012; all vessels to be delivered by Dec 2013.	
n.k.	PCC	5	US\$42m	BGD	Khulna Shipyard	2010	2012	Programme includes technology agreement with China Shipbuilding and Offshore International Corporation	
Do-228NG	Tpt ac	2	n.k.	GER	RUAG Aviation	2011	2013	-	
<b>China, People's Republic of (PRC)</b>									
JL-2 (CSS-NX-5)	SLBM	n.k.	n.k.	PRC	Academy of Rocket Motor Technology	1985	n.k.	In development; range 8,000km. Reportedly to equip new Type 094 SSBN. ISD uncertain	
Type-96G	MBT	n.k.	n.k.	PRC	NORINCO	n.k.	n.k.	Delivery in progress	
Type-99A/A2	MBT	n.k.	n.k.	PRC	NORINCO	n.k.	n.k.	In limited production	
Type-04 (ZBD-04)	AIFV	n.k.	n.k.	PRC	n.k.	n.k.	n.k.	Delivery in progress; being issued to inf bn in Type-96/Type-99 arm'd regt	

(Contd.)

<i>Designation</i>	<i>Type</i>	<i>Quantity</i>	<i>Contract Value</i>	<i>Supplier country</i>	<i>Prime contractor</i>	<i>Order Date</i>	<i>First Delivery Due</i>	<i>Notes</i>
Type-05	AIFV	n.k.	n.k.	PRC	n.k.	n.k.	n.k.	Amphib assault vehicle family. Issued to marine and amphib army units
Type-09 (ZBL-09)	APC (W)	n.k.	n.k.	PRC	n.k.	n.k.	n.k.	8x8 APC being issued to Lt mech units
Type-09 (PLL-09)	122mm SP arty	n.k.	n.k.	PRC	n.k.	n.k.	n.k.	ZBL-09 chassis fitted with 122mm howitzer
Type-07 (PLZ-07)	122mm SP arty	n.k.	n.k.	PRC	NORINCO	n.k.	n.k.	122mm tracked SP howitzer, first displayed in public at 2009 parade
Type-09 (PLC-09)	122mm SP arty	n.k.	n.k.	PRC	NORINCO	n.k.	n.k.	Truck mounted 122mm howitzer. Also referred to as SH2
Type-05 (PLZ-05)	155mm SP arty	n.k.	n.k.	PRC	NORINCO	n.k.	n.k.	155mm tracked SP howitzer, first displayed in public at 2009 parade
Type-03	300mm MRL	n.k.	n.k.	PRC	NORINCO	n.k.	n.k.	8x8 truck mounted MRL. Also referred to as AR2
HQ-16	SAM	n.k.	n.k.	PRC	n.k.	n.k.	2011	First delivered to Shenyang MR in 2011
Type-07 (PGZ-07)	SPAAG	n.k.	n.k.	PRC	n.k.	n.k.	n.k.	Twin 35mm-armed tracked SPAAG
Jin-class (Type 094)	SSBN	5	n.k.	PRC	n.k.	1985	2008	Commissioning status unclear; two vessels believed to be in service; three more awaiting commissioning
Shang-class (Type 093)	SSN	2	n.k.	PRC	Bohai Shipyard	1994	2006	Production status unclear. Second boat commissioned, with third reportedly laid down in 2003, but no confirmation of launch. Probable cancellation of programme
Yuan-class (Type 039A/B)	SSK	7	n.k.	PRC	Wuchang Shipyard/ Jiangnan Shipyard	n.k.	2006	Four boats commissioned. Unclear status on future hulls

Admiral Kuznetsov-class (Varyag)	CV	1	n.k.	PRC	Dalian Shipyard	1998	2012	Refit of ex-RUS Varyag. Sea trials begun Aug 2011; re-entered dry dock late 2011 for resurfacing; possible ISD as test platform 2012
Luyang II-class (Type 052C)	DDGHM	4	n.k.	PRC	Jiangnan Shipyard	2002	2004	Third vessel launched 2010, sea trials begun Oct 2011; expected ISD 2012. Fourth and fifth units under construction; probable launch in 2012
Jiangkai II-class (Type 054A)	FFGHM	16	n.k.	PRC	Huangpu Shipyard/ Hudong Shipyard	2005	2008	Tenth and 11th vessels launched 2011; expected ISD for both 2012
Houbei-class (Type 022)	PCFG	60+	n.k.	PRC	n.k.	n.k.	2004	Production status unclear. Likely planned total of 85+ boats
Yuzhao-class (Type 071)	LPD	3	n.k.	PRC	Hudong Shipyard	2006	2008	Second vessel launched 2010; sea trials begun Sep 2011; ISD 2012. Third launched 2011
Zubr-class hovercraft	LCAC	4	US\$315m	PRC/ UKR	PLAN/Morye Shipyard	2009	n.k.	Deal finalised in July 2010; two to be constructed in Ukraine, two in China, with blueprints also transferred to China
J-10A/S	FGA ac	n.k.	n.k.	PRC	AVIC (CAC)	n.k.	2004	In service with PLAAF and PLANAF. Improved J-10B variant currently in flight test
J-11B/BS	FGA ac	n.k.	n.k.	PRC	AVIC (SAC)	n.k.	2007	Upgraded J-11, now fitted with indigenous WS-10 engines. In service with PLAAF and PLANAF
JH-7A	FGA ac	n.k.	n.k.	PRC	AVIC (XAC)	n.k.	2004	Low rate production may continue
JL-9	Tig ac	n.k.	n.k.	PRC	GAIC	n.k.	n.k.	Delivery in progress. In service with PLANAF 7th div
Z-10	Atk Hel	n.k.	n.k.	PRC	Harbin	n.k.	n.k.	In production; deployed with 5th army aviation regt

(Contd.)

<i>Designation</i>	<i>Type</i>	<i>Quantity</i>	<i>Contract Value</i>	<i>Supplier country</i>	<i>Prime contractor</i>	<i>Order Date</i>	<i>First Delivery Date</i>	<i>Notes</i>
Mi-17IE	Tpr Hel	34	n.k.	RUS	Rosoboronexport	2011	n.k.	For army
<b>India (IND)</b>								
Agni III	IRBM	n.k.	n.k.	IND	DRDO	n.k.	2010	Reportedly entered service mid-2011. Designed to carry 200–250 KT warhead with a range of 3,000 km
Agni V	IRBM	n.k.	n.k.	IND	DRDO	n.k.	2012	In development. Est 5,000km range
Prithvi II	SRBM	54	INR12.13bn	IND	Bharat Dynamics	2006	n.k.	For air force
Sagarika K-15	SLBM	n.k.	n.k.	IND	Bharat Dynamics	1991	n.k.	Test-firing programme under way; est. 700km range with 1 tonne payload
BrahMos Block II (Land Attack)	ASHM/ LACM	n.k.	US\$1.73bn	IND/ RUS	Brahmos Aerospace	2010	n.k.	To equip additional two regiments
Nirbhay	ALCM	n.k.	n.k.	IND	DRDO	n.k.	n.k.	In development
T-90S Bhisma	MBT	347	US\$1.23bn	IND/ RUS	Avadi Heavy Vehicles	2007	n.k.	Delivery in progress
Arjun II	MBT	124	n.k.	IND	ICVRDE	2010	2014	Upgraded variant. Currently in trials
Akash	SAM	36	INR12bn (US\$244m)	IND	DRDO	2009	2009	To equip two squadrons. Final delivery due 2012
Akash	SAM	12 bty	INR125 bn (US\$2.77bn)	IND	DRDO	2009	2009	To equip three army regiments
Akash	SAM	96	INR42.7bn	IND	DRDO	2010	n.k.	To equip six squadrons. For the IAF
Medium-range SAM	SAM/AD	18 units	US\$1.4bn	ISR	IAI	2009	2016	For air force. Development and procurement contract for a medium range version of the Barak long range naval AD system

Advanced Technology Vessel (ATV)	SSBN	5	n.k.	IND	DRDO	n.k.	2012	SSBN development programme. INS Arihant launched Jul 2009; expected ISD 2012. Second keel laid mid-2011
Scorpene	SSK	6	INR235.62bn	FRA/IND	DCNS	2005	2015	First delivery delayed until 2015. Cost increases owing to three-year delay currently unclear. Option for a further six SSK
Kiev-class Admiral months Gorshkov	CV	1	US\$2.5bn	RUS	Rosoboronexport	1999	2012-3	Incl 16 MiG 29 K. To be renamed INS Vikramaditya. Sea trials delayed by six until 2012. Expected to be commissioned late 2012, but delay to 2013 possible
Project 71/ Indigenous Aircraft Carrier	CV	1	US\$730m	IND	Cochin Shipyard	2001	2012	To be named Vikrant. Formerly known as Air Defence Ship (ADS). Expected ISD has slipped to 2015. Second vessel of class anticipated
Project 17 (Shivalik-class)	DDGHM	3	INR69bn	IND	Mazagon Dockyard	1999	2010	Lead vessel commissioned Apr 2010. INS Satpura commissioned Aug 2011. INS Sahyadri launched 2005; expected commissioning 2012
Project 15A (Kolkata-class)	DDGHM	3	US\$1.75bn	IND	Mazagon Dockyard	2000	2013	All three vessels launched by 2010. Deliveries delayed, first commission expected in 2013
Project 15B	DDGHM	4	US\$6.5bn	IND	Mazagon Dockyard	2011	2017	Follow-on from Kolkata class, with increased stealth capabilities
Project 17A (Shivalik-class)	DDGHM	7	INR450bn (US\$9.24 bn)	IND	Mazagon Dockyard/GRSE	2009	2014	Follow-on to Project 17. Requires shipyard upgrade
Advanced Talwar	FFGHM	3	US\$1.5bn	RUS	Yantar shipyard	2006	2011	Option exercised 2006. Expected to be commissioned from 2012, but delays reported at shipyard
Project 28 (Kamorta-class)	FFGHM	4	INR70bn	IND	GRSE	2003	n.k.	ASW role. First of class launched Apr 2010; second launched Oct 2011. ISD expected from 2012-16

(Contd.)

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3M14E Klub-S (SS-N-27 Sizzler)	SLCM	8	INR8.44bn (US\$182m)	RUS	Zvezdochka Shipyard	2006	n.k.	For several Sindhughosh-class SSK. Four boats modernised by 2009. Second contract for further four boats signed Sep 2009. Upgrades expected by 2015
BrahMos	ASCM	n.k.	US\$2bn	IND/ RUS	Brahmos Aerospace	2006	2010	Built jointly with RUS. For army, navy and air force. Air and submarine launch versions undergoing testing
Su-30MKI	FGA ac	140	See notes	IND/ RUS	HAL/ Rosoboronexport	2000	n.k.	Delivered in kit form and completed in IND under licence. Part of a 1996 US\$8.5bn deal for 238 Su-30. Final delivery due 2015
Su-30MKI	FGA ac	40	US\$1.6bn	RUS	Rosoboronexport	2007	2008	First four delivered early 2008
Su-30MKI	FGA ac	42	INR150bn (US\$3.3bn)	RUS	HAL/ Rosoboronexport	2010	n.k.	Delivery to be complete by 2016-17. 40+2 accident replacements
MiG-29K Fulcrum D	FGA ac	16	US\$600m	RUS	Rosoboronexport	2004	2007	Incl four two-seat MiG-29KUB. For INS Vitramadiya (ex CV Gorshkov). As of mid-2011, 11 aircraft delivered
MiG-29K Fulcrum D	FGA ac	29	US\$1.5bn	RUS	Rosoboronexport	2010	n.k.	Initial manufacturing work on first airframes under way as of mid-2011
Tejas	FGA ac	20	INR20bn US\$445m	IND	HAL	2005	2011	Limited series production. To be delivered in initial op config. Option for a further 20 in full op config. Plans for 140
P-8I Poseidon	ASW ac	8	US\$2.1bn	US	Boeing	2009	2013	To replace current Ilyushin Il-38 and Tupolev Tu-142M. Deliveries due 2013-15. First flight Sep 2011
Il-76TD Phalcon	AEW&C ac	3	US\$1bn	ISR/RUS	IAI	2008	2012	Option on 2003 contract exercised. Two delivered by end 2010; third aircraft yet to be handed over as of Nov 2011

EMB-145	AEW&C ac 3	US\$210m	BRZ	Embraer	2008	2014	2013	2011	2013	Part of a INR18bn (US\$400m) AEW&C project. Aircraft to enter service in 2014
C-17A	Tpt ac	US\$4.1bn	US	Boeing	2011	2013				–
Gloemaster III										
Hawk Mk132	Trg ac	US\$1.7bn	IND/UK	BAE/	2004	2007				24 in fly-away condition and 42 built under licence. As of late 2011 HAL had delivered 28 licence-built aircraft
Advanced Jet Trainer				HAL						
Hawk Mk132	Trg ac	US\$780m	IND	HAL	2010	n.k.	n.k.			40 for air force and 17 for navy
Advanced Jet Trainer vv										
Dhruv	MRH Hel	n.k.	IND	HAL	2004	2004				Deliveries ongoing of 159 Dhruvs and 76 Dhruv-WSI
Mi-17 Hip-H	MRH Hel	INR58.41bn (US\$1.2bn)	RUS	Rosoboronexport	2008	2010				To be weaponised and replace current Mi-8 fleet. Final delivery due 2014
Ka-31	AEW Hel	US\$20m	RUS	Rosoboronexport	2009	n.k.	n.k.			For navy. Delivery status unclear
AW101 Merlin	Tpt Hel	•560m	UK/ITA	Agusta Westland	2010	2012				For air force VIP tpt. Delivery anticipated to begin in 2012
Crystal Maze	ASM	US\$60m	ISR	Rafael	2010	n.k.	n.k.			Delivery status unclear
AGM-84 Harpoon Block II	ASHM	US\$170m	US	Boeing	2010	n.k.	n.k.			For integration on Jaguar maritime strike aircraft. Possible additional purchase of AGM-84L Block II for P-8I MPA
<b>Indonesia (IDN)</b>										
Satellite	Sat	1 n.k.	PRC	n.k.	2009	n.k.	n.k.			Remote-sensing sat, to monitor IDN seas
K21	AIFV	US\$70m	ROK	Doosan DST	2010	n.k.	n.k.			Delivery to be complete 2014
CN-235	Tpt ac	2 n.k.	IDN	PT Dirgantara	2008	n.k.	n.k.			Delivery status unclear
CN-235-220 MPA	MP ac	3 US\$80m	IDN	PT Dirgantara	2009	n.k.	n.k.			To be delivered by 2012

(Contd.)

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EMB-314 Super Tucano	Trg ac	8	US\$142m	BRZ	Embraer	2010	2012	To replace OV-10F ac
EMB-314 Super Tucano	Trg ac	8	n.k.	BRZ	Embraer	2011	2012	Follow-on order
T-50 Golden Eagle	Trg ac	16	€US\$400m	ROK	KAI	2011	n.k.	Delivery to be complete in 2013
Bell 412EP	MR Hel	20	US\$250m	IDN	PT Dirgantara	2011	n.k.	Manufactured under licence from Bell Helicopter
<b>Japan (JPN)</b>								
Theatre Missile Defence System	BMD	n.k.	n.k.	JPN/US	n.k.	1997	n.k.	joint development with US from 1998. Programme ongoing and incl. SM-3 and PAC-3 systems
Soryu-class	SSK	6	n.k.	JPN	KHI/MHI	2004	2009	Second batch may be ordered. Third vessel (Hauryu) delivered May 2011; fourth vessel (Kenryu) launched Nov 2010; 1SD expected 2012
Akizuki-class (19DD)	DDGHM	4	¥84.8 bn (US\$700m)	JPN	Mitsubishi Heavy Industries	2007	2011	To replace the oldest five Hatsuyuki class. First vessel launched Oct 2010; 1SD expected 2012
Hiroshima-class (improved)	MSO	2	n.k.	JPN	Universal Shipbuilding	n.k.	2012	–
Standard Missile 3 (SM-3)	SAM	9	US\$458m	US	Raytheon	2006	–	Part of Aegis BMD System for Kongou class DDGH
AH-64D Apache	Atk Hel	13	n.k.	JPN	Boeing	2001	2006	Up to six in Longbow config. Original ambition for 62 abandoned on cost grounds. Three airframes remain to complete
AW101 Merlin/ MCH-101	ASW/MCM Hel	14	n.k.	ITA/ JPN/UK	Agusta Westland/KHI	2003	2006	For JMSDF to replace MH-53E and S-61 hel under MCH-X programme. Deliveries ongoing

Enstrom 480B	Trg Hel	30	n.k.	US	Enstrom Helicopter Corporation	2010	2010	Delivery to be complete by 2014. For JGSDF
<b>Kazakhstan (KAZ)</b>								
S-300	AD	40	n.k.	RUS	Rosoboronexport	2009	2009	To equip each of up to ten battalions with four missile launchers and support systems. Delivery thought to be under way
MiG-31	Ftr ac Upgrade	20+	US\$60m	RUS	Rosoboronexport	2007	2007	Upgrade to MiG-31BM configuration. At least 20 aircraft thought to have been upgraded
<b>Korea, Republic of (ROK)</b>								
K2	MBT	up to 400	n.k.	ROK	Hyundai Rotem	2007	2013	Production delayed due to problems with engine and transmission. Due to enter operational testing Mar 2012
K21	AIFV	ã500	US\$3.5m per unit	ROK	Doosan Infracore	2008	2009	Delivery resumed after accident investigation
M-SAM (Multifunction SAM Surface to Air Missile)		n.k.	n.k.	ROK	n.k.	1998	2009	In development. To replace current army HAWK SAMs
KSS-II (Type 214)	SSK	6	€US\$3bn	ROK	DSME	2008	2014	A second batch of six KSS-II (with AIP); three keels laid down. Expected ISD of first boat 2014
KSS-III	SSK	3	€US\$800m	ROK	n.k.	2006	2015	Construction due to start 2012. Further three or six SSK to follow in a second phase. To replace Chang Bogo-class (Type 209) KSS-I SSK
<b>Sejong Daewang-class KDX-3</b>								
Ulsan-1-class FFX	FFGHM	6	KRW1.7bn (US\$1.8bn)	ROK	Hyundai Heavy Industries	2006	2015	To replace current Isan-class FFG. First vessel (Incheon) launched May 2011. ISD by 2015. Up to 15 vessels may be built
Sejong Daewang-class KDX-3	CGHM	3	n.k.	ROK	DSME	2002	2008	Two vessels commissioned; third launched Mar 2011. Final delivery due 2012. Three additional vessels may be ordered

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Gumdokhuri class (PKX)	FSG	9	n.k.	ROK	Hyundai Heavy Industries/STX Shipbuilding	2003	2008	Further batches considered for total of 20. Seven hulls launched; three commissioned
Haeseong (Sea Star – ASM/SSM-700K)	ASCM	100	KRW270m (US\$294m)	ROK	n.k.	2006	2010	Delivery status unclear
F-15K Eagle	FGA ac	20/21	US\$2.2bn (KRW2.3trn)	US	Boeing	2008	2010	Exercised option of the 2002 contract. Final delivery due 2012
B-737-700 AEW&C (E-737)	AEW&C ac	4	US\$1.7bn	US	Boeing	2006	2011	E-X programme. First ac delivered Sep 2011; remaining three due 2012
CN-235-110 MPA	MP ac	4	INR1trn (US\$91m)	IDN	PT Dirgantara	2008	2010	For coast guard. Final delivery due 2011
C-130J-30 Hercules	Tpt ac	4	ãUS\$500m	US	Lockheed Martin	2011	2014	–
<b>Malaysia (MYS)</b>								
Pars	APC (W)	257	US\$559m	MYS/TUR /UK/US	FNSS	2010	2012	Letter of intent signed Apr 2010
A400M	Tpt ac	4	MYR907m (US\$246m)	Int	EADS (Airbus)	2006	2013	In development. First delivery possible late 2014
EC 725 Cougar	Tpt Hel	12	MYR1.6bn (US\$500m)	FRA	Eurocopter	2010	2012	Initial contract scrapped Oct 2008. Contract reinstated Apr 2010. Eight for air force, four for army. To be delivered 2012-13
<b>Myanmar (MMR)</b>								
MiG-29 Fulcrum	Ftr ac	20	US\$570m	RUS	Rosoboronexport	2009	2010	Variant/s of aircraft delivered remains to be determined
K-8	Tig ac	50	n.k.	PRC	Hongdu	2009	2010	Delivery likely under way

<b>Pakistan (PAK)</b>									
Haft 8 (Raad)	ALCM	n.k.	n.k.	PAK	n.k.	n.k.	n.k.	n.k.	In development. Successfully test fired
Al Khalid (MBT 2000)	MBT	460	n.k.	PAK	Heavy Industries Taxila	1999	2001	2001	Delivery status uncertain
Spada 2000	AD system	10	•415m	ITA	MBDA	2007	2009	2009	Delivery in progress. Final delivery due 2013
Zulfiquar-class (F-22P)	FFGHM	4	See notes	PAK/PRC	Hudong Zhonghua Shipyard	2005	2009	2009	Improved version of Jiangwei II FF. Fourth ship to be built at Karachi. Deal worth €US\$750m, incl six Z-9EC helo. Three vessels in service; final delivery due 2013
Azmat-class	FSG	2	n.k.	PAK/PRC	Xinggang Shipyard/KS&EW	2010	2012	2012	First vessel built in PRC and launched Sep 2011; ISD 2012. Second to be built in PAK
JF-17 (FC-1)	FGA ac	150-200	n.k.	PAK/PRC	PAC	2006	2008	2008	Contract signed for 42 production ac in early 2009
F-16 Block 15 Fighting Falcon	FGA ac Upgrade	42	US\$75m	TUR	TAI	2009	2014	2014	Upgrade to Block 40 standard. Initial ac upgraded in TUR; remainder to be upgraded in PAK
P-3C Orion	ASW ac	8	US\$970m	US	n.k.	2004	2007	2007	Ex-US stock. Final delivery due 2011. One for spares – two destroyed in terrorist attack
Saab 2000 Erieye	AEW&C ac	4	SEK8.3bn (US\$1.05bn)	SWE	SAAB	2006	2009	2009	Plus one tpt ac for trg. Order reduced from six ac. Second ac delivered Apr 2010
ZDK-03 (KJ-200)	AEW&C ac	4	n.k.	PAK/PRC	n.k.	2008	2011	2011	First ac delivered
Il-78 Midas	Tkr/Tpt ac	4	n.k.	UKR	n.k.	2008	2010	2010	Last aircraft reportedly due Nov 2011
<b>Philippines (PHL)</b>									
SF-260F/PAF	Tig ac	18	US\$13.1m	ITA	Alenia Aermacchi	2008	2010	2010	Contract renegotiated. First eight delivered 2010. Final delivery due 2012
W-3 Sokol	Tpt Hel	8	PHP2.8bn (US\$59.8m)	POL	Agusta Westland (PZL Swidnik)	2010	2011	2011	First four now due for delivery in 2011; remainder to be delivered 2012

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Tagbanua-class	LCU	1	PHP189.9m	PHL	PHL	2008	2011	Launched in Oct 2011; expected ISD 2012
<b>Singapore (SGP)</b>								
Archer-class	SSK	2	US\$127m	SWE	Kockums	2005	2011	Archer delivered Sep 2011; Swordsman to follow in 2012
F-15SG Eagle	FGA ac	12	n.k.	US	Boeing	2007	2010	Eight were option in original 2005 contract. Incl 28 GBU-10 and 56 GBU-12 PGM. Delivery to be complete in 2012
Gulfstream G550 CAEW	AEW ac	4	n.k.	ISR	IAI	2007	2008	To replace E-2C Hawkeye AEW ac. Final delivery due 2011
M-346	Trg ac	12	SGD543m (US\$411m)	ITA/SGP	ST Aerospace	2010	2012	To be based at Cazaux in France. Delivery to begin in 2012
<b>Sri Lanka (LKA)</b>								
MiG-29 Fulcrum	FGA ac	5	US\$75m	RUS	Rosoboronexport	2008	n.k.	Four MiG-29SM and one MiG-29UB
MA60	Tpr ac	4	n.k.	PRC	AVIC	2010	2010	First two to be delivered in 2010; remainder in 2011
<b>Taiwan (republic of china) (ROC)</b>								
Patriot PAC-3	AD	Up to 6	US\$6bn	US	Raytheon	2009	n.k.	FMS purchase of at least four additional OFUs. Three existing being upgraded from PAC-2 to PAC-3
Patriot PAC-3	AD Upgrade	n.k.	US\$154m	US	Raytheon	2009	n.k.	Upgrade from config 2 to config 3 upgrade kits
P-3C Orion	ASW ac	12	US\$1.3bn	US	Lockheed Martin	2010	2013	Refurbished by Lockheed Martin
E-2C Hawkeye	AEW ac Upgrade	6	US\$154m	US	Northrop Grumman	2009	n.k.	Upgrade from Group II config to Hawkeye 2000 (H2K) export config. To be completed by 2013

AH-64D Block III Apache Longbow	Atk Hel	30	US\$2.5bn	US	Boeing	2010	2014	–	
UH-60M Blackhawk	Tpt Hel	60	US\$3.1bn	US	Sikorsky	2010	n.k.	FMS	
AGM-84L Harpoon Block II	AShM	60	US\$89m	US	Boeing	2007	2009	For F-16. Delivery under way	
Hsiung Feng IIE	AShM	n.k.	n.k.	ROC	n.k.	2005	n.k.	In production	
<b>Thailand (THA)</b>									
T-84 Oplot	MBT	49	US\$241m	UKR	KMP	2011	2013	–	
BTR-3E	AIFV	121	US\$140m	UKR	KMDB	2011	n.k.	–	
BTR-3E1 8x8	APC (W)	96	THB4bn (US\$134m)	UKR	ADCOM	2007	n.k.	Amphib APC. Order on hold since Oct 2007. First 14 delivered 2010 WMZ 551	
WMZ 551	APC (W)	97	US\$51.3m	PRC	NORINCO	2005	n.k.	Delivery date unknown	
OPV	PSO	1	n.k.	THA	Bangkok Dock	2009	2012	Built to BAE design	
141m landing platform dock	LPD	1	THB5bn (US\$144m)	SGP	ST Marine	2008	2012	Contract value incl two 23m landing craft mechanised and two 13m landing craft vehicle and personnel	
Gripen C/D	FGA ac	6	See notes	SWE	SAAB	2010	2013	THB14.8bn (US\$415.5m) incl one 340 Erieye	
Saab 340 Erieye	AEW ac	1	See notes	SWE	SAAB	2010	n.k.	THB14.8bn (US\$415.5m) incl six Gripen	
Timor Leste (TLS)	PBF	2	n.k.	IDN	PT PAL	2011	n.k.	–	
<b>Turkmenistan (TKM)</b>									
T-90S	MBT	10	US\$30m	RUS	Rosoboronexport	2009	2009	Delivery in progress	
Project 12418	FSM	2	n.k.	RUS	JSC Sredne Nevsky Shipyard	2008	2011	First vessel (Edermen) delivered Sep 2011; second (Gayratly) launched May 2011	
New Type Patrol Boat	PCC	2	n.k.	TUR	Dearsan Shipyard	2010	2012	–	

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<b>Vietnam (VNM)</b>								
VNREDSat-1	Sat	1	US\$100m	FRA / VNM	EADS (Astrium)/VAST	2009	2012	-
Kilo-class	SSK	6	US\$1.8bn	RUS	Rosoboronexport	2009	n.k.	Delivery status unclear
Project TT400TP	PCGM	3	n.k.	VNM	Z173 Shipyard	2009	2012	First vessel launched Oct 2011
Truong Sa	LSM	1	n.k.	VNM	Z189 Shipyard	2009	2012	Launched Oct 2011; expected ISD 2012
Su-30MK2	FGA ac	12	US\$1bn	RUS	Rosoboronexport	2010	2011	First four delivered Jun 2011. Procurement contract does not include weaponry
PZL M-28B Bryza-1R/Skytruck	MP ac	10	n.k.	POL	Profus	2005	2005	Part of POL spt contract. One ac in service; plans for up to 12 ac. Owned by coast guard but operated by air force. Deliveries ongoing
<b>Iraq</b>								
BTR-4	APC (W)	420	US\$2.5bn	UKR	Khativ Morozov	2010	2011	Contract value includes six An-32 tpt ac
Swiftships 35m	PB	15	US\$181m	US	Swiftships	2009	2012	For navy. Initial order was for nine vessels. Option for further three exercised with another option for three more. First vessel commissioned Sep 2010. As of Oct 2011, six had arrived in Iraq
F-16C/D Fighting Falcon Block 52	FGA ac	18	aUS\$3bn	US	Lockheed Martin	2011	n.k.	-
Beech 350ER King Air	Tpt ac	6	US\$10.5m	US	Hawker Beechcraft	2008	2010	Five Extended Range (ER) ISR ac; one tpt ac, plus spares and spt

C-130J Super Hercules	Tpt ac	4	US\$292.8m	US	Lockheed Martin	2009	2012	Delivery to begin late 2012 and continue through 2013	
C-130J-30	Tpt ac	2	US\$140.3m	US	Lockheed Martin	2009	n.k.	For air force	
An-32	Tpt ac	6	US\$2.5bn	UKR	Antonov ASTC/Aviant	2010	2011	Three aircraft complete, further two near completion. As of late 2011 delivery delayed by row between purchaser and manufacturer. Contract value includes 420 BTR-4 APC	
Lasta-95	Trg ac	20	see notes	SER	UTVA	2007	2010	Option for further 16. Part of US\$230m deal. First 3 delivered Aug 2010	
EC635	Tpt Hel	24	• 360m (US\$490m)	FRA	Eurocopter	2009	n.k.	Cost incl training and maintenance	
Bell 407	Tpt Hel	24	US\$60.3m	US	Bell	2009	n.k.	For air force. FMS contract	
<b>Israel</b>									
Arrow 2	ATBM/BMD	n.k.	n.k.	ISR/US	IAI	2008	n.k.	Number and cost not known	
Merkava Mk IV	MBT	up to 400	n.k.	ISR	n.k.	2001	2004	Estimated 50–60 tk per year over four years	
Dolphin (Type 800) class	SSK	3	• 1bn (US\$1.21bn)	GER	HDW	2006	2012	With Air-Independent Propulsion (AIP) system. Third boat confirmed by German defence minister in July 2011; contract not yet signed	
F-35 Lightning II	FGA ac	20	US\$2.75bn	US	Lockheed Martin	2010	2016	Option for a further 75	
C-130J Hercules	Tpt ac	1	US\$98.6m	US	Lockheed Martin	2010	2013	–	
C-130J-30 Hercules	Tpt ac	1	US\$76.2m	US	Lockheed Martin	2011	n.k.	Contract includes long-lead items for additional C-130J-30 ac	
Skyhawk I-LE	ISR UAV	100	n.k.	ISR	Elbit Systems	2008	n.k.	Delivery in progress. Part of Sky Rider programme	
Hermes 900	ISR UAV	n.k.	US\$50m	ISR	Elbit Systems	2010	2010	Price includes additional Hermes 450 UAV/s. Deliveries to occur 2010-13	

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<b>Jordan</b>								
YPR-765	AIFV	510	n.k.	NLD	n.k.	2010	2010	Order includes 69 M577s and unknown number of YPR-806s. Deliveries to be complete by 2014
M109A2	155mm SP Arty	121	n.k.	NLD	n.k.	2010	2010	Deliveries to be complete by 2014
<b>Kuwait</b>								
Mk V	PBF	10	US\$461m	US	USMI	2009	July 2011	For navy. Final delivery due 2013
KC-130J	Tkr ac	3	US\$245m	US	Lockheed Martin	2010	2013	Deliveries to be complete in early 2014
<b>Lebanon</b>								
T-72	MBT	31	Free transfer	RUS	n.k.	2010	n.k.	Delivery status unclear
Mi-24 Hind	Atk Hel	6	Free transfer	RUS	n.k.	2010	2010	In place of previously offered MiG-29 Fulcrum ac. Delivery status unclear
<b>Oman</b>								
Project Khareef	FFGHM	3	GB£400m (US\$785m)	UK	BAE Systems	2007	2011	First vessel (Al-Shamikh) launched Jul 2009; delivered 2011. Second vessel (Al-Rahmani) launched Jul 2010
C-130J-30 Hercules	Tpt ac	1	n.k.	US	Lockheed Martin	2009	2012	–
C-130J-30 Hercules	Tpt ac	2	n.k.	US	Lockheed Martin	2010	2013	Delivery due in 2013 and 2014
NH90 TTH	Tpt Hel	20	n.k.	NLD	EADS	2003	2010	First delivered Jun 2010
<b>Qatar</b>								
AW139	MRH Hel	18	• 260m (US\$41.3m)	ITA/UK	Agusta Westland	2008	2010	Twelve delivered by end 2011

AW139	MRH Hel	3	n.k.	ITA/UK	Agusta Westland	2011	n.k.	-
<b>Saudi Arabia (SAU)</b>								
LAV II	APC (W)	724	US\$2.2bn	CAN	General Dynamics (GDLS)	2009	2011	For national guard
M113	APC (T) Upgrade	300	US\$200m	TUR	FNSS	2007	2008	Upgrade. Follow-on contract could upgrade entire fleet of 2,000 M113. Delivery status unclear
CAESAR	155mm SP arty	100	n.k.	FRA	Nexter Systems	2006	2009	For national guard; to replace M198. First four delivered March 2010. Deliveries to be completed by 2011
Eurofighter Typhoon	FGA ac	72	GB£4.43bn (US\$8.9bn)	Int'l	Eurofighter	2005	2008	Project Salam. First 24 delivered by Sept 2011. Original plan to final assemble remaining 48 in SAU dropped
Saab 2000	Eniye	AEW&C ac 1	US\$670m	SWE	Saab	2010	n.k.	-
A330 MRTT	Tkr/Tpt ac	6	US\$600m	FRA	EADS	2008	2011	Three more purchased July 2009 for undisclosed fee. First delivery expected 2011
S-76	Tpt He	15	n.k.	US	Sikorsky	2007	n.k.	For Interior Ministry
UH-60L Black Hawk	Tpt Hel	22	US\$286 m	US	Sikorsky	2008	2010	Delivery to be complete in 2012
UH-60L Black Hawk	Tpt Hel	2	US\$28.6m	US	Sikorsky	2011	2012	Delivery to be complete in 2012
<b>Syria</b>								
Buk-M2	SAM	n.k.	US\$200m	RUS	Rosoboronexport	2007	2008	Delivery status unclear
96K6 PantsirSIE (SA-22 Greyhound)	AD	36	US\$730m	RUS	Rosoboronexport	n.k.	2007	Delivery reported to have begun in late 2009; status unclear

(Contd.)

<i>Designation</i>	<i>Type</i>	<i>Quantity</i>	<i>Contract Value</i>	<i>Supplier country</i>	<i>Prime contractor</i>	<i>Order Date</i>	<i>First Delivery Due</i>	<i>Notes</i>
<b>United Arab Emirates (UAE)</b>								
Patriot Advanced Capability (PAC) 3	AD System	10 fire units, 172 msl	US\$3.3bn	US	Raytheon	2008	2009	To replace HAWK. Incl 172 PAC-3 msl and 42 launcher mod packs, plus some GEM-T msl. Final delivery due 2012
96K6 Pantsir-S1E	AD	50	US\$734m	RUS	Rosoboronexport	2000	2004	To be mounted on MAN SX 45 8x8 trucks. First four delivered Mar 2009
Agrab (Scorpion) MMS	120mm SP Mor	48	AED390m (US\$106m)	RSA/SGP/ UAE/UK	IGG	2007	2008	Delivery status unclear
Agrab Mk2 (Scorpion) MMS	120mm SP Mor	72	US\$214m	RSA/SGP/ UAE/UK	IGG	2011	n.k.	–
Javelin	MANPAT	100	(US\$135m)	US	Raytheon/ Lockheed Martin	2008	2009	1,000 msl
Abu Dhabi-class	FFGHM	1	n.k.	ITA	Fincantieri	2009	2011	Launched Feb 2011
Bayunah-class	FSGHM	6	AED3bn (US\$820m)	FRA/ UAE	ADSB	2003	2006	First of class built in FRA, others to be built in UAE. First vessel delivered 2010; second vessel 2011. Delivery expected to be complete by 2014
Falaj II	FS	2	AED430m (US\$117m)	ITA	Fincantieri	2009	2012	First vessel to be launched Dec 2011; second Apr 2012. Delivery of both vessels scheduled for late 2012
Project 'Ghannatha'	PBFG	12	AED771m	UAE	ADSB	2009	2011	ISD for all vessels expected 2012
Project Al Saber	PB	12	AED127m (US\$34.6m)	UAE	ADSB	2008	2011	For coast guard
Saab 340 Erieye	AEW&C ac	2	SEK1.5bn (US\$234m)	SWE	Saab	2009	2011	First delivered Apr 2011

A330 MRTT	Tkr/Tpt ac	3	n.k.	Int'l	EADS	2008	2011	2012	Delivery now scheduled for 2012. Order for three more possible
C-17 Globemaster III	Tpt ac	2	n.k.	US	Boeing	2010	2012	–	
C-130 J-30 Hercules	Tpt ac	12	AED5.9bn	US	Lockheed Martin	2009	n.k.		Acquisition deferred to an as yet unspecified date
PC-21	Ttg ac	25	CHEfr500m (\$492.4m)	CHE	Pilatus	2009	2011		First aircraft flew in 2011. Deliveries under way
UH-60M Black Hawk	Tpt Hel	10	n.k.	US	Sikorsky	2007	2010		Delivery status unclear
UH-60M Black Hawk	Tpt Hel	14	US\$171m	US	Sikorsky	2009	n.k.		To be delivered by end 2012

Source: The Military Balance 2012, at <http://www.iiss.org/publications/military-balance/the-military-balance-2012/>

*Acronyms and Abbreviations*

AD—air defence; AEW—airborne early warning; AIFV—armoured infantry fighting vehicle; ALCM—air-launched cruise missile; APC—armoured personnel carrier; AshM—anti-ship missile; ASM—air-to-surface missile; ASW—anti-submarine warfare; ATBM—anti-tactical ballistic missile; ATK—attack/ground attack; BMD—ballistic missile defence; DD/G/H/M—destroyer/with AshM/with hangar/with SAM; FF/G/H/M—frigate/with AshM/with hangar/with SAM; FGA—fighter ground attack; FS/G/H/M—corvette/with AshM/with hangar/with SAM; Fr—fighter; IRBM—intermediate-range ballistic missile; ISR—intelligence, surveillance and reconnaissance; LACM—land-attack cruise missile; LC/A/C/D/H/M/PA/PL/T/U/VP—landing craft/assault/air cushion/dock/heavy/ medium/personnel air cushion/ personnel large/tank/utility/vehicles and personnel; LHD—amphibious assault ship; LP/D/H—landing platform/dock/helicopter; MANPATS—man portable anti-tank system; MBT—main battle tank; MCM—mine countermeasures; MP—maritime patrol/military police; MR—maritime reconnaissance/motor rifle; LFBV—light forces vehicles; LP/D/H—landing platform/dock/helicopter; PB/C/F//R—patrol boat/coastal/fast/inshore/riverine; PSO/H—offshore patrol vessel over 1,500 tonnes/with hangar; SAM—surface-to-air missile; Sat—satellite; SLBM—submarine-launched ballistic missile; SLCM—submarine-launched cruise missile; SP—self propelled; SPAAGM—Self-propelled anti-aircraft gun and missile system; SRBM—short-range ballistic missile; SSBN—nuclear-powered ballistic-missile; SSK—attack submarine with ASW; tkr—tanker; tpt—Transport; trg—Training; UAV—unmanned aerial vehicle.



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