
Cooperation and Conflict: Stern Realities in the Indo-Pacific Maritime Realm

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Introduction

This is the new oceanic era. Not since the great age of exploration in the 16th century have oceans played such an important role in global affairs. Unprecedented levels of global commerce move across the world's oceans, great power politics is being played out at sea, and oceans are central to the health of the global organism in an age of profound climate change and we are in the process, for the first time in human history, of acquiring a new ocean – the Arctic.

Sri Lanka lies at the heart of what that iconic maritime expert, Dr. Hasjim Djalal, has called the ocean of the future – the Indian Ocean. To the west lie the enormously important Persian Gulf and Red Sea complexes. To the east, the world's most important strait – The Strait of Malacca – and the deeply contested South China Sea.

This conference is about the importance of maritime cooperation. Let me be frank with you, while more and more examples of maritime cooperation can be cited, the overall outlook is bleak. We need to study the course of events in the South China Sea closely. What is unfolding is a clash of cultures; two different and barely reconcilable visions of the world order. On the one hand, an up and coming hegemon, thrusting, ambitious, and nationalistic; a power determined to shape global norms in accordance with its own values. On the other hand, a status-quo hegemon,

challenged in its traditional oceanic realm and determined to uphold the international rule of law. Thus, the South China Sea is a crucible, a testing ground for two systems in collision. The maritime experts and naval practitioners present here today, in the historic city of Colombo, need to pay particular attention to the way in which the drama unfolding in the South China Sea will ramify outwards as the battle lines between the principal protagonists become hard-edged and the risk of miscalculation becomes more likely and, potentially, more lethal.

Background

It was an earlier conflict, the Pacific War, that drew the United States into the Western Pacific. The vast, sprawling, and deadly struggle between the forces of Imperial Japan and the United States brought home to Washington two immutable truths; global seapower was the key to sustaining the American empire and a forward presence in the Western Pacific was the key to influencing the course of events in Asia. Accordingly, Washington anchored its forward presence in that cloud of islands we call Micronesia and in occupied Japan to the north and the Philippines to the south.¹ The monarchs of the main during the Pacific War – aircraft carriers – became symbols of American oceanic domination and, for the most part, stability prevailed in the Western Pacific and the Indian Ocean as a consequence of American seapower.

Despite its internal convulsions, China was one of the principal beneficiaries of that stability during the half century following the war. Things began to change, however, in the closing years of the century. Under the leadership of Deng Xiaoping, China abandoned the absurdly destructive tenants of Maoist social engineering and the Chinese economy began to grow in a

¹ For more information on the United States Navy in the 21st century see: Mackenzie Eaglen, “U.S. Navy: Maintaining maritime supremacy in the 21st century,” *Heritage Foundation*, Can be retrieved at <http://www.heritage.org/research/reports/2007/02/us-navy-maintaining-maritime-supremacy-in-the-21st-century>

truly spectacular way. That phenomenon, coinciding with the end of the Cold War, the ignominious collapse of the one-time Soviet Union, and a fleeting moment of American unipolarism, transformed China in a revolutionary way.²

For the first time in its history China discovered the true importance of seapower. This meant re-orienting China's axis of security away from the interior of Asia towards the sea. The unparalleled growth of the Chinese economy has revealed, as never before, the importance of predictable and untrammelled maritime traffic. With that realization came a burgeoning shipbuilding industry and a commitment to develop a genuine national navy – The People's Liberation Army Navy (PLAN). In the process, Beijing abandoned the Soviet vision of seapower, one that called for small craft to support army operations ashore. Instead, embracing Mahan and Gorshkov, Admiral Liu Huaqing envisaged a PLAN that would expand methodically until it became a true Blue Water navy.³ As Mahan had noted, great nations had great navies and the CCP turned its back on centuries of land-based tradition to exploit seapower – in all its forms – as a flexible and powerful instrument of national power and ambition.

This, as suggested, was a truly revolutionary development in the sense that it put China on a collision course with the United States in much the same way that the growth and activities of the Imperial Japanese Navy had done in the 1930s and 1940s. Quite suddenly, there was an entirely new navy in the Western Pacific; a navy intent on learning from its mistakes, of growing in size and sophistication, and of being the tip of the spear when it came to advancing China's

² For more information see: Loren Brandt, et al., (2008), "China's Great Transformation", in Brandt, Loren; Rawski, G. Thomas, *China's Great Transformation*, Cambridge: Cambridge university press

³ For more information see: James Holmes and Toshi Yoshihara (2009), "China's Naval Strategy in the 21st Century: The Turn to Mahan" and/or Edward Wong, "Liu Huaqing Dies at 94; Oversaw Modernization of China's Navy" *New York Times*, Retrieved at <http://www.nytimes.com/2011/01/18/world/asia/18liu.html>

global influence and ambitions. The Indo-Pacific region is quintessentially maritime and great power rivalry was certain to play out at sea. Within that larger context the South China Sea became ground zero where the agendas of the great powers and their friends and allies would be put to the test.

China

China is a nation of paradoxes: a communist state dominated by capitalism; a triumphalist nation that, like its nearest neighbour, Russia, suffers from a profound inferiority complex; a country that is breathtakingly rich and poor at the same moment; a nation that cannot forget history and cannot remember it at the same time; and a proud and nationalistic country that cleaves to a central narrative of victimization. That narrative has a compelling emotional appeal. It provides a foundation for arguing that the existing world order was forged elsewhere by others who had little if any interest in China's wellbeing. Thus, it follows, that it is only fair for China to shape a new global order that reflects China's values and ambitions through such agencies as the Asian Infrastructure Investment Bank and the grand maritime and terrestrial silk road constructs designed to link China via the land and the sea to markets in Eurasia and beyond.

Central to the victimization narrative is the belief that Chinese activities are self-righteously justified in the face of American-led attempts not only to encircle China but to prevent China from realizing her legitimate goals.⁴ Beijing would have us believe that the American rebalance triggered the onset of more assertive Chinese policies at sea; that in an effort to defend its interests China had no choice but to abandon its policy of harmonious seas – the maritime analog

⁴ For more information see: Ely Ratner, (2013), "China's Victim Complex: Why are Chinese leaders so paranoid about the United States?" *Foreign Policy*, Can be retrieved at: <http://foreignpolicy.com/2013/04/19/chinas-victim-complex/>

of the peaceful rise of China – and move more aggressively to maintain and advance its “core” interests, particularly in the East and South China Seas. This is a convenient fiction but, unfortunately, it is one that is at odds with chronology. Secretary of State Clinton’s article in *Foreign Affairs* on the American pivot came after the demonstrated shift in Chinese policy.⁵ Instead, we probably need to look at the dynamics of Chinese domestic policy where, for the first time, the Chinese Communist Party leadership is aware that its monopoly of political power is no longer immutable. It is a time when, with a shrinking economy, no political leader can afford to look weak. It is also a time when dangerous levels of emotional nationalism lurk just below the surface in Chinese society. Like Putin, Xi Jinping feels under siege and like Putin he has developed a nuanced appreciation of what the global market will bear. Put at its simplest, what nation will go to war with China over the fate of shoals and sandbars in the South China Sea? While Putin achieved his ends in the Crimea by resorting to the bizarre and absurd fiction of the so-called little green men, Xi has done the same in the South China Sea with the aid of his little blue men, paramilitary fisherfolk guided by the PLAN, that have supported Beijing’s salami-slicing takeover of one geographic feature after another in the enclosed sea.⁶

All the while the Chinese, have skillfully exhibited a general lack of knowledge of the United Nations Convention Law of the Sea, to confuse and distort the legal and historical realities in the contested areas of the sea; maintaining stoutly that they have inconvertible historic rights to virtually the whole of the South China Sea. But, we need to ask ourselves to what end? More

⁵ For more information see: Hillary Clinton, (2011) “America’s Pacific Century: The future of politics will be decided in Asia, not Afghanistan or Iraq, and the United States will be right at the center of the action” *Foreign Affairs*, Can be retrieved at <http://foreignpolicy.com/2011/10/11/americas-pacific-century/>

⁶ For more information see: Andrew S. Erickson and Conor M. Kennedy (2016), “Countering China’s Third Sea Force: Unmask Maritime Militia before they’re used again” *The National Interest*, Can be retrieved at <http://nationalinterest.org/feature/countering-chinas-third-sea-force-unmask-maritime-militia-16860>

than half a decade ago there was a brief flurry of concern in Beijing about the integrity and viability of the crucial Strait of Malacca, the vital windpipe through which energy flows from the Middle East to China. The so-called Malacca Dilemma raised the spectre of hostile forces preventing critical maritime commerce from reaching China in the event of war.⁷ Was this the origin of China's calibrated takeover of the South China Sea? Or was it the belief that vital supplies of oil and gas lay beneath the sea's surface? Certainly, numerous studies have revealed that the costs in time and money involved in routing tankers through straits in the Indonesia archipelago or around Australia are more than bearable. Thus, while enormously important, the Straits of Malacca, could be circumvented. Similarly, no one knows quite what oil and gas supplies lie buried in the seabed. Chinese activities in the South China Sea have had the effect of discouraging systematic exploration of the seabed by international firms. Furthermore, American estimates are orders of magnitude smaller than Chinese estimates; so is a comprehensive command of the enclosed sea really that important? Or is there a third possibility? Over the decades Chinese maritime policy has been predicated on sea denial. This is a classic weaker navy strategy. The Chinese are committed to deny ready access to the approaches to the Chinese coast, holding American and allied seapower at arm's length from that coast. This is the First Island Chain strategy; a strategy which calls for surface, subsurface, air, and missile arsenals to be directed against US naval assets approaching China.⁸ Is, therefore, China's South China Sea strategy intended to buy Beijing operational depth and an element of protection for China's ballistic missile submarines operating out of Zhangjiang, China's southern naval base? If this is the case, the South China Sea would be the contemporary analog of the Sea of Okhotsk in the

⁷ For more information see: Malcolm Davis, "China's 'Malacca Dilemma' and the future of the PLA," *China Policy Institute: Analysis*, Can be retrieved from <https://cpianalysis.org/2014/11/21/chinas-malacca-dilemma-and-the-future-of-the-pla/>

⁸ For more information see: Toshi Yoshihara, (2012) "China's Vision of Its Seascape: The First Island Chain and Chinese Seapower" *Asian Politics & Policy*.

Cold War, a SSBN bastion; much more difficult to penetrate because of Chinese airpower operating from the geographic features that have been built up to the point where virtually any aircraft in the PLAAF inventory can operate from the newly constructed runways.⁹

The United States

Leaving aside the disconcerting *fin de siècle* mood in contemporary America, the United States remains the world's greatest power. Members of the declinist school would argue that the United States has entered a period of inexorable decline. There may be some element of truth in this view from a relative perspective, but from an absolute perspective America's power and influence still remain unrivaled. Future historians will no doubt debate the wisdom of President Obama's policies; policies oriented towards encouraging America's friends and allies to bear more of the burden. This is a sensible and pragmatic approach, but the proclivity for free-riding remains well developed in Europe and in Southeast Asia. Interestingly enough president-elect Trump appears committed to much the same strategy, arguing (on the hustings at least) that Asian nations like Japan and South Korea should contribute more towards their own defence.¹⁰ In so doing, Trump succumbs to his own version of victimhood; that northeast Asian nations have undercut American industry unfairly while expecting Washington to pay for their defence. Whatever the case, states in Southeast Asia complain that the United States is not doing enough and they fear that they will wake up one day and find America gone. This will not happen, despite isolationist tendencies in the United States, but the states that constitute the Association

⁹ For more information see: David S. McDonogh, (2015), "Unveiled: China's New Naval Base in the South China Sea," *National Interest*, Can be retrieved at <http://nationalinterest.org/blog/the-buzz/unveiled-chinas-new-naval-base-the-south-china-sea-12452>

¹⁰ For more information see: Jonathon Miller, (2016), "Japan on edge over Trump's Asia-Pacific policy," *Deutsche Welle*, Can be retrieved at <http://www.dw.com/en/japan-on-edge-over-trumps-asia-pacific-policy/a-36386004> and/or David Tweed, (2016), "Asian Leaders Attempt to Decode Trump on the Future of Pivot," *Bloomberg*, Can be retrieved at <http://www.bloomberg.com/news/articles/2016-11-13/asia-leaders-race-to-decode-trump-on-the-future-of-obama-s-pivot>

of Southeast Asian Nations or ASEAN community have been disturbingly irresolute and fractured in the face of Chinese assertiveness in the South China Sea.

In pursuit of the American rebalance strategy, Washington has devoted a great deal of diplomatic, economic, and military effort to strengthening its relations with key Asian states. In this regard, it has been materially assisted by the maladroit policies pursued by Beijing. Indeed, it could probably be argued that if the American rebalance to Asia succeeds, despite the vagaries of presidential and congressional politics, the Chinese may very well be the principal architects of its success. Certainly, Washington, assisted by Kim Jong Un in Pyongyang, has succeeded in developing a state of greater trilateral cooperation and coordination with Seoul and Tokyo in Northeast Asia, and a new and promising relationship with New Delhi. This latter axis has enormous implications for the security architecture of East Asia. A decade or more ago, journalists indulged in hyperbolic speculation about the rise of India, frequently quoting China and India in the same breath as if there was a high degree of comparability. The reality, however, is quite different. India's GDP lags far behind that of China and while current growth trajectories for India are promising, much remains to be done.¹¹

China is a source of overwhelming concern, geostrategically, in New Delhi. The Indians have not forgotten their defeat at the hands of the Chinese over fifty years ago and legacy issues related to the Sino-Indian War of 1962 continue to consume much of India's military energy in the Himalayas. At the same time, however, it is impossible for New Delhi to overlook the burgeoning Chinese presence in the Indian Ocean, a vast body of water, crucial to global

¹¹ For more information see: Anja Manuel, (2016), "China's economy will be more competitive than India's for many years" *Fortune*, Can be retrieved at <http://fortune.com/2016/05/19/china-india/>

commerce, that the Indians see as their lake.¹² Chinese ambitions in the Indian Ocean are hardly surprising. Having consolidated their position in the South China Sea on the basis of what is mine is mine and what is yours is mine, the Chinese have pushed westward, maintaining, quite rightly, that they have a legitimate interest in ensuring the integrity of the Sea Lanes of Communication or SLOCs that connect Africa and the Middle East with China. New Delhi can hardly contest this policy, but what does annoy the Indians is the Chinese strategy of creating *point d'appui* throughout the ocean. For the most part these are associated with energy flows. Thus, facilities on the Myanmar coast provide pipeline access to Yunnan in Southern China, thereby avoiding the vulnerabilities associated in Beijing's mind with the Strait of Malacca. Similarly, the Chinese investment of \$400 million USD in port development at Gwadar on the sun-scorched Makran coast of Pakistan is a source of angst in India.¹³ While the Chinese can point to the commercial nature of these developments, analysts in New Delhi fear that these ports, combined with a distant operating base at Djibouti near the Horn of Africa will permit the PLAN to operate aggressively, throughout the ocean at some time in the future.¹⁴

Xi Jinping's visionary and highly ambitious maritime Silk Road across the Indian Ocean, the Red Sea, and the Mediterranean to Western Europe may make sense (along with its trans-Eurasian equivalent "One Road" scheme) commercially and may offer the advantage of soaking up excess infrastructural capacity in China, but it sets off alarm bells in some quarters with analysts warning that this will be another thin edge at the wedge phenomenon, at the expense of

¹² For more information see: Kanti Bajpai, Jing Huang & Kishore Mahbubani, (2015), "China-India Relations: Cooperation and conflict (Routledge Contemporary Asia Series)," New York, NY : Routledge.

¹³ For more information see "Is China-Pakistan 'silk road' a game-changer?" (2015), *BBC News*, Can be retrieved at <http://www.bbc.com/news/world-asia-32400091>

¹⁴ For more information see: Sergei DeSilva-Ranasinghe, (2015), "China Refutes Gwadar Naval Base Conjecture," *Future Directions International*, Can be retrieved at <http://www.futuredirections.org.au/publication/china-refutes-gwadar-naval-base-conjecture/>

Indian hegemony.¹⁵ Of course, there are still others who wonder whether a weakened Chinese economy that is hemorrhaging currency will ever be able to realize these grandiose schemes. The fact of the matter remains, however, that the maritime architecture of Asia is changing profoundly. Not only in the PLAN completing a decades long transition to fairly full-blown Blue Water status, but the traditional, American contrived, hub and spokes system of defence alliances is being transformed in a way that can only give China greater and greater cause for concern. Thus, while China moves its operational perimeter westward. India is dedicated to moving in the opposite direction. New Delhi's Look East policy sees India providing material support to the Vietnamese Navy, sharing its knowledge of Russian submarine systems with Vietnamese submariners who are in the process of acquiring six Kilo-class conventional boats. This is a relatively small force but just large enough to make Chinese maritime calculations more complex.¹⁶ At the same time a Japan, newly liberated from customary inhibitions on the utilization of its self-defence forces, has begun to provide offshore patrol boats to the Vietnamese and Filipinos. In the latter case, Tokyo has provided Manila with reconnaissance aircraft to oversee what is happening in the South China Sea.¹⁷ In this, and many other ways, the hub and spokes system that has prevailed for over sixty years is giving way to the spider's web of security and defence relationships, that amount in an informal structure of containment.

Cooperation

¹⁵ For more information on the "One Belt One Road Policy" see: Stephanie Goche, (2016), "China's One Belt One Road Policy: Can History Repeat Itself?" *Future Directions International*, Can be retrieved at <http://www.futuredirections.org.au/wp-content/uploads/2016/07/China-OBOR-Policy-Final-1.pdf>

¹⁶ For more information on India's "Look East" Policy see: Nitin Gokhale, (2011), "India Looks East: After two decades, India's "Look East" policy is finally taking shape. But how will China feel about warming ties?" *The Diplomat*, Can be retrieved at <http://thediplomat.com/2011/11/india-looks-east/>

¹⁷ For more information see: "Japan steps up maritime engagement with Philippines, Vietnam," (2015), *Reuters*, Can be retrieved from <http://uk.reuters.com/article/uk-southchinasea-japan-drills-idUKKBN0NX0KX20150512>

Regional and extra-regional powers are increasingly concerned about the problematic and brittle maritime environment emerging in the Indo-Pacific, changes that put a premium on cooperation. There are a great many examples of maritime cooperation that can be cited. Navies have cooperated effectively off the Horn of Africa combatting Somali pirates to the point where piracy has virtually ceased to occur in the approaches to the Red Sea. One could have a theological discussion as to whether naval-led convoys, or the arming of merchant ships or changes ashore in Somali society led to the steady diminution in the number of piratical incidents, but the fact of the matter remains that a significant number of navies worked together collaborative over many years to achieve a common goal.

Similarly, shortly after the turn of the century, the Singaporean, Indonesian, and Malaysian navies established coordinated patrols in the Malacca and Singapore straits.¹⁸ More recently, a joint Philippines-Indonesian naval patrol system has been put in place to discourage piracy (and the related movement of Abu Sayyaf adherents) in the Sulu Sea between Kalimantan and Mindanao.¹⁹

There are also an impressive array of regional maritime organizations like the Indian Ocean Naval Symposium and the Western Pacific Naval Symposium that are dedicated to fostering navy-to-navy cooperation. The latter organization was chaired by China in 2010 and introduced CUES – Code for Unplanned Encounters at Sea. This initiative (based on the US-Soviet Union

¹⁸ For more information see: Koh Swee Lean Collin, (2016), “The Malacca Strait Patrols: Finding Common Ground,” *S. Rajaratnam School of International Studies*, Can be retrieved at <https://www.rsis.edu.sg/wp-content/uploads/2016/04/CO16091.pdf>

¹⁹ For more information see: Prashanth Parameswaran, (2016), “Sulu Sea trilateral patrols officially launched in Indonesia,” *The Diplomat*, Can be retrieved from <http://thediplomat.com/2016/08/new-sulu-sea-trilateral-patrols-officially-launched/>

Incidents at Sea agreement of 1972) is intended to reduce or eliminate the likelihood of collisions at sea in Asian waters, a timely initiative in the view of a disturbing number of incidents involving Chinese maritime militias harassing or ramming ships in the US and Vietnamese navies.²⁰ Unfortunately, adherence to CUES is voluntary and does not cover coast guards or maritime militias. Many years ago, Dr. Sam Bateman, a one-time Royal Australian Navy commodore, welcomed the appearance of an increasing number of regional coast guards on the grounds that coast guards, by their very nature, were less provocative than grey hulls. Unfortunately, in the interval, coast guard vessels have come to be employed by the Chinese as proxies for the PLAN and the conventionally peaceful nature of coast guards has been called into question.

South China Sea

In July 2016 the long-awaited Permanent Court of Arbitration ruling with respect to the Philippines' concerns regarding the situation in the South China Sea was handed down. The ruling constituted an overwhelming victory for Manila. The long standing Nine Dash Line which the Chinese had articulated to include roughly 85 percent of the South China Sea (it was never clear whether China was laying claim to all of the waters encompassed by the line and/or all of the geographic features enclosed) was deemed to be completely without standing. Similarly, "incontestable" Chinese historical claims were found to lack any validity whatsoever. Further, the PCA ruled that none of the geographic features in the Spratly Islands cluster constituted

²⁰ For more information see: "Document: Code for Unplanned Encounters at Sea," (2014), *USNI News*, Can be retrieved at <https://news.usni.org/2014/06/17/document-conduct-unplanned-encounters-sea>

islands within the context of UNCLOS.²¹ These were very severe blows to Chinese pretensions, especially when ratification of the convention obliged Beijing to adhere to the ruling. Instead, China embarked on a campaign designed to discredit the Permanent Court and to threaten regional governments to the extent that any negotiations in the future with Beijing would oblige them to overlook the very existence of the PCA ruling.²² Thus, the region and the world was confronted with an almost irresolvable situation in which a principal signatory refused to honour its responsibilities under the law. For the moment, the status quo ante prevails, but it is difficult to be sanguine about the future of a rules-based order as the title of this paper suggests and the opening paragraphs hint. There are a remarkable number of regulations encouraging and organizations facilitating maritime cooperation, but the larger strategic architecture is one which seems to lead toward conflict. The possibility of the hegemons clashing at sea is worrying in and of itself, but equally disturbing is the clash between a rules-based order and one that seeks to ignore it; for to ignore rules is to invite anarchy, the very antithesis of what much of the world is striving for in the world's oceans.

Conclusion

The breathtaking growth of the PLAN over the past twenty-five years has fundamentally altered global naval architecture and has had the affect of pitting the Chinese Navy over and against the USN. The build-up of Chinese naval assets has stimulated a naval arms race throughout the Indo-Pacific region – complete with a deeply worrisome proliferation of submarine fleets – and there

²¹ For more information on the PCA Ruling, including the full document of the ruling, see: “Judgment Day: The South China Sea Tribunal Issues Its Ruling,” (2016), *Center for Strategic & International Studies*, Can be found at <https://www.csis.org/analysis/judgment-day-south-china-sea-tribunal-issues-its-ruling>

²² For more information see: Tom Philips, Oliver Holmes & Owen Bowcott, (2016), “Beijing rejects tribunal's ruling in South China Sea case,” *Guardian*, Can be retrieved at <https://www.theguardian.com/world/2016/jul/12/philippines-wins-south-china-sea-case-against-china>

has been a steady deterioration in the levels of peace and good order at sea. Indeed, the torpedoing of the South Korean corvette ROKS *Cheonan* in March 2010 by a North Korean submarine can be seen to have set the tone for the past half decade; a period characterized by greater and greater assertiveness at sea by the Chinese. Thus, although we are all committed to maritime cooperation, the stern reality of the Indo-Pacific maritime realm is increasingly disturbing and even dangerous.