

# MANAGING COMPETITION IN THE INDIAN OCEAN REGION A MARITIME STRATEGY FOR CALIBRATED COOPERATION USA-CHINA-INDIA

*Captain Gaurav Mehta*

*“Indian Ocean Region (IOR) is emerging as the world’s centre of gravity as far as maritime interests are concerned”<sup>1</sup>*

*Admiral RK Dhowan, Indian Navy*

The Indian Ocean is fast emerging as the economic crossroads of the globe, connecting the burgeoning trade from the Far West to the Far East. Not only does this ocean account for transportation of the highest tonnage of goods in the world, its vast natural wealth is increasingly attracting more international naval attention. Home to 65 percent of the world’s proven oil reserves; this region seems to be the converging point for all great powers. IOR, the dynamic melting pot of new aspirations and growing stature is thus faced with a multitude of opportunities and challenges alike. The aim is to harness the opportunities and manage the challenges.

Unsurprisingly, the dynamism of the IOR has prompted the increasing

presence and involvement of the two largest economies and navies of the world: USA and China. Together with India, the regional power, the growing involvement of these extra regional actors, is causing the environment to be marked by intensifying competition. This overcrowding of the limited strategic space in the IOR is causing a transformation of the maritime security environment.<sup>2</sup> A recent special report from the Institute of Peace and Conflict Studies (IPCS), New Delhi has termed it ‘The Maritime Great Game: India, China, US and the Indian Ocean.’<sup>3</sup>

This ‘great game’ is seemingly getting to be a very dangerous one. As the great continental power of China attempts to dominate this ocean, the existing global order is being put to test in

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<sup>1</sup>*The Hindu*, 30 November 2014, <http://www.thehindu.com/news/national/navy-ready-to-face-threats-to-maritime-interests/article6646680.ece>.

<sup>2</sup>*In many ways this buildup can be equated with the presence of USA and erstwhile USSR in the IOR during the Cold War. The 1971 UNGA resolution (2832 of 16 Dec 1971) on the Declaration of Indian Ocean as a Zone of Peace is relevant.*

<sup>3</sup>*Bhattacharjee, Aparupa ed, ‘The Maritime Great Game: India, China, US and the Indian Ocean’ IPCS Special Report 150, March 2014, <http://www.ipcs.org/special-report/china/the-maritime-great-game-india-china-us-the-indian-ocean-150.html>*

India's backyard. History is replete with examples of increasing competition (especially related to quest for resources) leading to conflict. Thus, it is imperative that the USA, China and India pursue a maritime strategy of calibrated cooperation in the IOR to avoid a great power rivalry, which seems to be unfolding. Navigating through two opposing strategies of 'competition' and 'cooperation', this paper attempts to chart the course of a maritime strategy of calibrated cooperation in the backdrop of intensifying competition. Though a total of 51 states (including land locked ones) make up the Indian Ocean Region, this paper confines its focus to the strategic interplay between the USA, China and India; unarguably the three most important actors in the IOR.<sup>4</sup>

The Indian Ocean is distinguished by a land mass on three sides with only seven gateways (choke points) providing maritime access to the region.<sup>5</sup> Although spanning an expanse

of nearly 70 million square kilometres, in some sense therefore, it is a restricted space. With the growing interest of extra regional powers, this space is becoming strategically overcrowded. There are numerous stakeholders in the region. Arguably however, USA, China and India are now the most significant players in the IOR and their strategic inter-relationships are likely to shape its future. Evaluating the strategic calculus between these three giants, Holmes and Yoshihara echoed the same thought in 2008 wherein they wrote an article titled '*China and the United States in the Indian Ocean: An Emerging Strategic Triangle*.'<sup>6</sup> This theme has been resonating since. Indeed, this appears to be a strategic triangle<sup>6</sup> where competition and cooperation coexist. However, with each passing year, cooperation seems to dominate the US and India sides of the triangle but competition appears to be the predominant theme for both these powers in the strategic interplay with China; two out of the three

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<sup>4</sup>The arguments herein are not dismissive of other powers (some of whom are/have the potential to be major maritime powers) in the IOR that affect regional dynamics. However, the focus has been retained on the three great powers because the future course of peace in the IOR can be steered only if the USA, China and India cooperate (with the help of allies and partners).

<sup>5</sup>Indian Maritime Doctrine:56.

<sup>6</sup>Holmes, James R and Yoshihara Toshi, 'China and the United States in the Indian Ocean: An Emerging Strategic Triangle', *Naval War College Review*, Summer 2008, Vol 61, No.3: 41-60.

vertices of the triangle seem to be under increasing strain in the IOR. This is elaborated upon in the succeeding paragraphs.

The perspectives of the USA, China and India vary considerably on many issues in the architecture of the region. Being a resident power, India sees itself as a natural leader in the IOR. India's economic and security interests alike are intricately knotted to the Indian Ocean. India's former foreign secretary Nirupama Rao asserted that "India and the Indian Ocean are inseparable. In the midst of the third largest ocean in the world, India's location is in many ways her destiny. That is not just a statement regarding a fact of geography but of deeper civilizational, historical, cultural, economic and political linkages that have been forged between India and the ocean that bears its name."<sup>7</sup>

Given the size of China's economy, China sees itself as a global power and thus believes in the legitimacy of her increasing presence in the IOR. Needless to add, India is ruffled by the

increased Chinese presence in the IOR. Though India - China relationship manifests itself in increasing economic linkages, it continues to be underpinned by strategic mistrust (1962 China-India war and the ongoing territorial disputes) and competition for influence in the IOR. The increased presence of Chinese shipping firms and commercial port operators along India's periphery allow the Chinese complete freedom of movement and resource exploitation close to India, a move seen by many in India as 'encirclement'. This is evidenced by the abundant commentary in India on the Chinese 'String of Pearls' strategy in the IOR. Although there has been no evidence yet of Peoples Liberation Army Navy (PLAN) establishing any advanced bases in the IOR (with adequate support facilities), and official Chinese sources continue to deny any such intentions, the potential for such an occurrence is fast emerging. In 2010, it was extensively reported that with an aim to counter US influence and exert pressure on India, Chinese government (on an official website) has signalled its desire to go

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<sup>7</sup>Nirupama, Rao quoted in Geraghty, Colin., 'India in the Indian Ocean Region: Re-calibrating US Expectations', October 2012:6, <https://americansecurityproject.org/ASP%20Reports/Ref%200091%20-%20India%20in%20the%20Indian%20Ocean%20Region.pdf>.

the US way and set up military bases overseas, that would possibly include Pakistan.<sup>8</sup> Chinese development of Gwadar port in Pakistan stands as a glaring example. Located at the entrance to the Strait of Hormuz, Gwadar (commercial operations are managed by a Chinese state owned company) is termed a strategic listening post to monitor naval activity in the Gulf region.<sup>9</sup> Also, in a recent interview on 09 May 2015, the President of Djibouti confirmed that China had been negotiating a military base in Djibouti (another pearl in the string!), side-by-side with the Americans.<sup>10</sup> Similar development of port infrastructure projects in Sri Lanka and Maldives by state owned Chinese firms seem to be an attempt at gaining a naval foothold in the Indian Ocean; the key transit route for Chinese energy imports.

At her end, India is also striving for primacy in the IOR by attempting to build port infrastructure on foreign soil. The progress on co-development of Chabahar port in Iran (very close to Gwadar) and the tripartite agreement between Iran, Afghanistan and India on Chabahar despite US warnings are evidence of increasing competition for resources and influence. India's recent diplomatic protests to Sri Lanka against allowing a Chinese submarine to refuel at Colombo are indicative of New Delhi's concerns of increased Chinese submarine activity in the Indian Ocean.<sup>11</sup> A similar struggle for influence is being witnessed in Maldives, a traditional Indian ally.<sup>12</sup> Some commentators have termed Maldives an arena of hot contest between India and China.<sup>13</sup> The gas pipeline from Myanmar to Yunnan is another key concern to India. Many

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<sup>8</sup>Saibal, Dasgupta., 'China Mulls Setting up Military Base in Pakistan', 28 January 2010, *Times of India*, <http://timesofindia.indiatimes.com/world/china/China-mulls-setting-up-military-base-in-Pakistan/articleshow/5510235.cms>.

<sup>9</sup>Vijay, Sakhuja., 'Gwadar: Can India Checkmate China?' 12 February 2013, <http://www.ipcs.org/article/india/gwadar-can-india-checkmate-china-3811.html>.

<sup>10</sup>Agence France-Presse, *Defense News*, 09 May 2015, <http://www.defensenews.com/story/defense/international/mideast-africa/2015/05/10/djibouti-president-china-negotiating-horn-africa-military-base/27082879>.

<sup>11</sup>Shihar Aneez and Ranga Sirilal, 'Chinese Submarine Docks in Sri Lanka Despite Indian Concerns', *Reuters*, 02 Nov 14, <http://in.reuters.com/article/2014/11/02/sri-lanka-china-submarine-idINKBN0IM0LU20141102>.

<sup>12</sup>India intervened in Maldives to repel the coup in 1988 and continues to aid the nation militarily and financially.

<sup>13</sup>Khalid Iram, 'Indian Ocean: Global and Regional Strategies', *Journal of Political Studies*, Vol. 20, Issue 2, 2013:26 (21–36).

such examples also abound in the African states where the Indo-China competition has just started to brew and hold the potential for rivalry.

Economy apart, given the maritime nature of the domain, the traditional naval sphere is no exception to competing priorities between China and India. In 2007, China protested against the inclusion of Australia, Japan and Singapore in the Indo-US Malabar exercises to be scheduled in the Bay of Bengal. The Chinese concerns about India's maritime leadership in the region have accelerated since. In response to India's operationally oriented bilateral and multilateral naval exercises with USA (Malabar), UK (Konkan), France (Varuna), and several SE Asian navies (MILAN), Chinese naval activity in the IOR has witnessed a marked increase since 2007. The latest among them which received wide press coverage was the three squadron exercise off the Lombok Strait in January 2014. The most recent foray of China in the Indian Ocean was on 03 January 2015 when a

Chinese submersible dived into the ocean for seabed resource assessment that was termed by media as 'Gold Hunt.'<sup>14</sup> The Director of Chennai Centre for China Studies recently observed, "it would be a folly to ignore the gradually unfolding changes in Beijing's perception of the IORs strategic importance."<sup>15</sup> Chinese and Indian policies in the IOR are demonstrative of realist theories of assertion. Given the competition for resources and influence between these two great Asian powers provides a recipe for intense struggle. The increasing naval wariness between the two nations is also adding to the growing rhetoric. This competition in the ocean and on its rim needs to be managed. Integration of all stakeholders into the existing global order in order to influence intentions by discussing and not dismissing sensitive topics must be the aim.

Exclusion of China from any existing forum may not be useful. As suggested by Malik, "energy is probably the most important - and divisive issue facing

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<sup>14</sup>Saibal, Dasgupta, 'Chinese Submarine dives into Indian Ocean to hunt for Gold', 05 January 2015, *Times of India*, <http://timesofindia.indiatimes.com/india/Chinese-submarine-dives-into-Indian-Ocean-to-hunt-for-gold/articleshow/45754934.cms>

<sup>15</sup>Rajan, DS, 'China in the Indian Ocean: Competing Priorities' in Bhattacharjee, Aparupa ed, 'The Maritime Great Game: India, China, US and the Indian Ocean' IPCS Special Report 150, March 2014:7, <http://www.ipcs.org/special-report/china/the-maritime-great-game-india-china-us-the-indian-ocean-150.html>

the region because energy security challenges cut across multiple realms: foreign policy, maritime disputes, military modernisation, nuclear proliferation and economic development.”<sup>16</sup> Depending on the source of data one accesses, India’s oil import dependence is likely to be around 90 percent in the next five years and even as China attempts hard to diversify its sources for energy, its dependence on Middle Eastern oil is likely to be significant (to the tune of 70 percent) in the coming years. Thus, Chinese will continue to increase their foray into the Indian Ocean while attempting to check Indian influence. Equally, because the US continues to be the chief underwriter of security order in the (Indian Ocean) region,<sup>17</sup> they would be wary of the USA’s presence in IOR and the growing India-USA closeness. To complete the third leg of Yoshihara’s ‘strategic triangle’, China’s growing concern about energy security and her growing influence in the IOR also affects the future strategic calculus of the US. Non transparency of China’s military growth and increasing assertiveness of China in

East China Sea and South China Sea directed against US and her allies add to the caution between these great powers.

So where does the solution lie? Does it lie in exclusion and competition or engagement and inclusion? In the author’s opinion, the latter is the right way ahead. Inclusion in existing forums and whole hearted participation in China launched initiatives alone can help to integrate the new global power into the existing world order. As an example, the non-binding Helsinki accord in 1975 (though resisted by many States initially) paved a path to easing and subsequently ending the Cold War tensions. Full membership of China in the existing forums such as Indian Ocean Rim Association (IORA) and Indian Ocean Naval Symposium (IONS) can provide a good starting point.

The scope of emerging great power competition in the IOR is most evident. However, history reminds us that intensifying competition may yield a negative sum result in this emerging

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<sup>16</sup>Malik, Mohan., ‘Maritime Security in the Indo-Pacific: Perspectives from China, India and the United States’ (Rowman and Little Field, United Kingdom; 2014):5

<sup>17</sup>Ibid:7

calculus. On the other hand, a roadmap to cooperation can offer to the three powers in question, a positive sum result. Since the global system is characterised by rising inter-dependence and the structure of human association is increasingly being determined by shared ideas, most so in a maritime domain, finding a path for cooperative inclusion is possible. Thus, there exists substantial scope for a maritime strategy of calibrated cooperation; an argument based on 'constructivism' or 'neo-realism' which seems difficult to sell in a purely 'realist' world.

China currently fears that the US is trying to contain it by roping in Indian Ocean littorals (especially India) with an 'Indo-Pacific' framework.<sup>18</sup> Therefore, India and USA remain central to Chinese foreign policy in the IOR. Consequently, IORA which is a pan IOR grouping is a significant multilateral body in China's calculus.<sup>19</sup> The IORA has begun discussing traditional maritime security issues in addition to economic and non

traditional security issues which has been a consistent theme in the past. Obviously, India enjoys primacy in the 20 member state grouping while China and the US are mere dialogue partners. Another forum where India enjoys primacy while China is noticeable by its absence is IONS; a grouping of the navies of the IOR littorals which aim to achieve mutually beneficial maritime security outcomes.<sup>20</sup> Of course, there are other initiatives such as the Galle dialogue, initiated by Sri Lanka which provide a platform for maritime security professionals from around the world (including India USA and China) to discuss the theme of maritime cooperation in the IOR, but these are too broad based.

The theme of the Galle Dialogue held in Sri Lanka in Dec 2014 where 23 nations and 06 international organisations (including the UN) participated was 'Cooperation and Collaboration for Maritime Prosperity'.<sup>21</sup> Delivering the keynote address at Galle, Ajit Doval, the National Security Advisor of India

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<sup>18</sup>Rajan, DS, *Op. Cit.*:8

<sup>19</sup>Jagannath P Panda, 'China's Tryst with the IORA: Factoring India and the Indian Ocean', *Strategic Analysis*, Vol. 5, Issue 5, 2014.

<sup>20</sup>IONS, *Charter of Business*, 28 March 2014,

[http://www.ions.gov.in/sites/default/files/IONS\\_Charter\\_Version\\_28\\_March\\_2014\\_0.pdf](http://www.ions.gov.in/sites/default/files/IONS_Charter_Version_28_March_2014_0.pdf)

<sup>21</sup><http://galledialogue.lk/>

revisited the 1971 United Nations General Assembly (UNGA) resolution “calling upon great powers not to allow escalation and expansion of military presence in the Indian Ocean.”<sup>22</sup> Undoubtedly, this is the major concern because the prosperity of all IOR states is directly linked to Indian Ocean remaining a ‘zone of peace.’<sup>23</sup> Yet, struggle for influence by great powers in an anarchic setting (a realist’s dream) seems to be increasingly overbearing. And, exploring a cooperative strategy between USA, China and India in an intensely competitive environment remains a challenging task.

Ironically, however, the necessity of a calibrated cooperative maritime strategy for the three powers in question here stems from the ‘competition’ tree; energy security and trade. Maritime cooperation is vital for the three great nations to reap the benefits of free trade competition. Also, the transnational, non traditional issues which transcend boundaries such as piracy, human trafficking,

terrorism, natural disasters and security challenges such as the disappearance of the Malaysian Airline flight MH 370 need a more cooperative strategy. As in the maritime sphere, even on the political landscape, there are several converging interests such as nuclear non proliferation and stability of Afghanistan. Such convergence of interests provides adequate potential for USA, China and India cooperation.

Unarguably, freedom of navigation and unimpeded commerce holds the key for growth of the US and Asian economies alike. As a consequence, SLOC protection is paramount for all stakeholders to prosper. The USA, China and India must cooperate to facilitate free trade. Such a measure would help build confidence and trust without hurting each other’s strategic interests. The additional non traditional common concerns where collaboration is deemed essential include natural disasters, maritime accidents, environmental catastrophes, terrorism and piracy. Hope is bolstered by the existing coordination and cooperation

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<sup>22</sup>Meera Srinivasan, ‘Indian Ocean has to remain a zone of peace’ *The Hindu*, 01 December 2014, <http://www.thehindu.com/news/international/south-asia/indian-ocean-has-to-remain-a-zone-of-peace-ajit-doyal/article6651325.ece>

<sup>23</sup>This term was used in the 1971 UNGA resolution and reiterated on 11 Dec 1979 at the 97th Plenary meeting of the UN in the context of the cold war.



arrangements between great powers such as China, India and Japan in the anti-piracy mission under the 'Shared Awareness and De-confliction (SHADE)' grouping established in December 2008.<sup>24</sup>

However, as explained above, there is increasing bilateral warmth on the Indo-US friendship and increasing India-China and USA-China economic linkages, the latter two being underpinned however, in strategic suspicion.<sup>25</sup> Moreover, the trend of bilateral interdependencies will be insufficient to avoid a great power rivalry and it is essential to explore an operational roadmap to cooperation. A tri-lateral cooperative mechanism between the USA, China and India needs to be formed in order to foster growth and trust in the IOR. Given the divergence of views of the three powers on a range of issues addressed above, the path to inclusion has to be calibrated (slow and steady).

Being a maritime domain, the initiative (not the primacy) for this strategy rests with the three navies. Two existing

initiatives which facilitate cooperation between the states which share the common bonds of the Indian Ocean are the Indian Ocean Rim Association or IORA and Indian Ocean Naval Symposium (IONS). The IORA with 20 member states and eight dialogue partners (including the USA and China) is focussed on economics as much as it is on maritime safety and security. It involves business leaders, academia and the military. The IONS is a voluntary naval platform to increase maritime cooperation between states of the Indian Ocean. A few commentators have proposed a more functional role for IONS in order for the organisation to assume primacy in shaping the maritime architecture of the Indian Ocean.<sup>26</sup> However, it is not possible to develop a framework of cooperative engagement in the IOR without the whole hearted involvement of the two most powerful extra regional stakeholders; USA and China. It may be recalled that declaration of Indian Ocean as a Zone of Peace in 1971 by the UN did not prevent military presence of extra regional powers in the Indian Ocean. Likewise, history of

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<sup>24</sup>Angana, Guha, Roy., 'Indian Navy's Anti-Piracy Operations', <http://voiceof.india.com/in-focus/indian-navys-anti-piracy-operations/538>

<sup>25</sup>There have been some USA-China and India-China bilateral naval exercises but all of them have been rather elementary.

<sup>26</sup>Ken Macaulay Black, 'Collaborative Capacity Building: A role for the IONS', *IONSPHERE*, January 2014:10, <http://ions.gov.in/sites/default/files/IONSNewsletterJan2014.pdf>

the two world wars serves as a grim reminder that the rising, industrialised and emerging maritime powers under authoritarian regimes attempt to dislodge the existing world order violently when threatened with alienation. While this may be an extreme analogy in the present case, the three major powers in the IOR must articulate a maritime strategy of cooperation.

Noticeably, while USA and China are mere dialogue partners in the IORA, without their intricate involvement, the success of any initiative is unlikely. This is because of two reasons; requirement for capacity building and financing of maritime security structures and as explained earlier, breeding of suspicion due to absence from a regional forum. Since most IOR states lack capacity, a strategy of calibrated cooperation between the three powers (along with IOR partners) which hold maximum influence in the region could help preserve peace. A loosely worded tri- lateral statement of cooperation such as what was done for SHADE may be a good starting point. Also, a parallel non binding forum, on

the sidelines of IORA to outline and discuss sensitive issues by retired naval officers, academia and retired diplomats may provide an optimal launch pad for collaboration.<sup>27</sup> Such a proposal is worth considering and may even improve the effectiveness of IORA. A workable solution to dispel growing fears also lies in an annual tri- lateral naval exercise.

Another proposal which merits serious consideration is the whole hearted participation by India in the proposed Chinese Maritime Silk Route (MSR). In October 2013, President Xi Jinping invited the ASEAN leaders to join China to build a MSR akin to the ancient trade route from China to South Asia, West Asia, Africa and Europe. Since then, China has attempted to widen the scope of its proposal to include many nations especially India. Many Indian commentators have termed this move as the 'Chinese Charm Offensive.' However, India can leverage such a proposal to further its port infrastructure in order to harness its full maritime potential which would help spur economic development and also collaborate with China in the IOR.

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<sup>27</sup>This may be comparable to Council for security cooperation in the Asia Pacific (CSCAP)

Sakhuja, Director at the National Maritime Foundation in India seems to agree.<sup>28</sup> Limited joint port infrastructure development by a consortium of companies from the US, China and India may help in convergence of maritime concerns and reduce tensions in strategic ties. A workable strategy of calibrated cooperation without the involvement of these three powers is unlikely. These great powers should accommodate and treat each other with equanimity in order to maintain a balance in the IOR. The need for such a policy of inclusive cooperation is evident to manage competition which appears to be pacing.

### **Conclusion**

In conclusion, the ideological moorings of US and India are converging rapidly causing unease in Beijing. As China moves aggressively to the IOR to secure its energy and economic interests, intensification of competition is likely to characterise the Indian Ocean Region. USA-India and China would compete for new

alliances, energy security and infrastructure projects in the IOR. As evidenced from history, the effects of intense competition between great powers could be catastrophic.

The pursuit of many shared interests in the maritime domain provides significant potential for cooperation between the three powers. The need for a tri-lateral strategy of cooperation underpinned by realistic expectations is thus most pressing. A tri-lateral forum on the sidelines of the IORA could be a starting point. The proposed Maritime Silk Route (MSR) may also prove beneficial for trade between IOR nations and extra-regional stakeholders. Such a non-binding initiative could be formalised as a maritime strategy of calibrated cooperation. This may spur trust and help manage the growing competition and avoid confrontation. The inclusion of rising powers into an existing world order by participative cooperative mechanisms in the maritime domain is most essential and deserves utmost priority.



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<sup>28</sup>Vijay Sakhuja, 'Maritime Silk Road: Can India Leverage it?', *IPCS*, 01 September 2014, <http://www.ipcs.org/article/military-and-defence/maritime-silk-road-can-india-leverage-it-4635.html>

### ***About the Author***

*Captain Gaurav Mehta is the alumnus of the 84th course at the National Defence Academy. The officer was commissioned on 01 Jul 1994 and is a specialist in Anti Submarine Warfare. The officer completed his Advanced Command and Staff Course at JSCSC, Shrivenham, UK in 2006 and Naval Command College at US Naval War College, Newport, RI in 2015. His important command, staff and instructional appointments include CO of IN ships Vipul and Shardul, OIC ASW School, Fleet Staff at Eastern Fleet and DS at DSSC Wellington. The author is presently a Directing Staff at the Naval War College, Goa and can be reached at mehta\_gaurav@hotmail.com*