India’s Approaches to the South China Sea: Priorities and Balances

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Abstract

The research inquiries into New Delhi’s current approaches to Maritime Asia regional security in general and the South China Sea from the perspective of an Indian Act East Policy operating in the East Asian security supercomplex. Shaped by theoretical insights from defensive realism and security studies and based on empirical analysis of India’s policy decisions from 2014 to the present, the research evaluates India’s reach and limitations over its diplomatic and naval strategic policies with key Southeast Asian and extra regional states, mainly Vietnam, the United States and Japan. While identifying the need to update current India’s naval strategy to better protect freedom of navigation in the South China Sea, the analysis finds relevant incentives for a closer India–China cooperative engagement so as to both improve the security architecture in this maritime region and for the sake of India’s own security at large.

Key words: India, Act East Policy, South China Sea, Spratly Islands, Freedom of Navigation

1. Introduction

India is widely seen as a middle power with a relatively well preforming economy—the 7th world economy in terms of a GDP of around $2 trillion according to the World Bank—, a member of the Global South, actively involved in multilateral fora such as the BRICS and G20, a co-founder of the Asian Infrastructure Investment Bank (AIIB), and since the end of the Cold War, an increasingly proactive actor in Asian security issues. Its growing involvement in the region has made India an attractive partner for the Indian Ocean Region (IOR), Southeast Asia, East Asia and the Asian Pacific countries. India’s influence, especially in terms of global governance and international security have been subject of particular interest in recent years (Cooper & Antkiewicz 2008; Gray & Murphy 2013; Jain 2006; Kahler 2013; Mittelman 2013; Mukherjee & Raja Mohan 2016; Nadkarni & Noonan 2012; Narlikar 2013). Unlike other great powers, which project political influence and military power and maximize their own interests in several regions, India’s interactions in the international arena are more indicative of a country interested in maximizing its security rather than power. That is, India is best understood as a security maximizer state, a rational actor seeking to secure its own economic and political interests and military security. Conceding to the intellectual difficulty of separating the quests for security and power for middle and great powers (Buzan 1991: 294), India’s nationalist and isolationist mindset for a large part since its independence until the end of the Cold War has nonetheless been transformed, providing India with a more realistic view of the world.

Here is where the South China Sea and its territorial conflict meets India. Recent economic activities in the South China Sea,
notably the current Indo-Vietnamese oil cooperation between the Indian company ONGC Videsh and PetroVietnam in areas contested by China, are in fact a manifestation of a more comprehensive partnership between New Delhi and Hanoi. Such approach has been increasingly apparent since the September 2014 visit to Vietnam by Indian President Pranab Mukherjee and the September 2016 trip by Prime Minister Narendra Modi before the G20 Summit in Hangzhou, China. This partnership reveals, as this research demonstrates, a new era of deeper cooperation with maritime Southeast Asia (in particular with Vietnam) and with relevant Asia Pacific states (mainly the United States and Japan) amid India’s upgrade of its 25-year-old Look East Policy into the Act East Policy (AEP), bearing in turn broader political and security implications.

While the current AEP means a new era of closer economic cooperation and security arrangements with the IOR, Southeast Asian states, and other regional and global players, mainly Japan and the United States, this Indian policy has encountered China’s own interests in the South China Sea. The Chinese recent military buildup in the Spratly Islands and the July 2016 Permanent Court of Arbitration (PCA) ruling against China presents India with an important test and a question yet to be extensively covered in the existing literature on India’s LEP/AEP transformation.1

The study relies partly on empirical findings and theoretical insights from security studies, in particular the concepts of security maximizer developed by defensive realists, as well as the South China Sea as a core security area in the Southeast Asian security subcomplex (parcel in turn of the East Asian Regional Security Complex—RSC). First, it identifies salient features in the evolution of the AEP since its inception through its successive phases of engagement. India’s LEP/AEP evolution highlights the increasing Indian interest with both the IOR countries and Southeast Asia from trade and investment into the political and security realm, revealing in turn a new stage of cooperation with Vietnam, the United States and Japan. Moreover, by placing the freedom of navigation as the most relevant security concern within its own narrative, the next section inquires into the extent of India’s response to the most recent Chinese activities in the South China Sea, both in terms of diplomacy and naval strategy.

The research argues that the relationship between India and China still embraces relevant security priorities for India beyond the South China Sea that lead both countries into the path of bilateral cooperation. This has reduced to some extent India’s incentives, as a security maximizer, to further contain China economically or militarily. As it will be developed, India’s main security concern in this maritime area is the guarantee of freedom of navigation, which might not necessarily involve a military containment in tandem with the United States and Japan. Moreover, current Indian maritime policies have yet to be adjusted to fully embrace a containment strategy against China through deterrence naval power projection and a clear strategy beyond the trilateral Malabar Exercise or joint exercises with Association of Southeast Asian Nations’ (ASEAN) navies.

Since the 1990s, India has responded as a security maximizer and adjusted to new patterns of securitization in the Asian Supercomplex and as a result, it may well continue to increase its engagement in security issues to allow the development of economic strategic links with China, Southeast Asian nations and other powers amid its omnidirectional foreign policy for the sake of its need of economic development. At the same time, however, it will continue to moderately develop cooperation with ASEAN, US and Japanese navies addressing China’s assertiveness in the South China Sea to the extent that such regional coordination does not affect New Delhi’s core economic or other strategic interests, particularly in the IOR. India has behaved as a security maximizer rather than a

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1. For studies dealing with China’s presence in the area and with Indian perspectives on the conflict, see Mehrotra 2012; Pant 2013; Scott 2013; and recently, Khurana & Singh 2015. For sources that focus on India’s response to recent Chinese activities in the South China Sea, India’s naval presence as a deterrent to China and the limits of the AEP in the South China Sea, see for example, Scott 2013; Khurana & Singh 2015; and Mukherjee & Raja Mohan 2016.
power maximizer because of its struggle between economic needs, which has led to more attention to Southeast Asia, and security concerns vis-à-vis China. The question for stronger economic security remains at the top of India’s agenda. The principle of economic nationalism may lead the Indian Prime Minister Narendra Modi to open new dialogues with China to maximize India’s economic security. The election of Donald Trump in the United States has arguably heightened India’s economic concerns.

2. Framework

Two theoretical assumptions underpin the current analysis. First, it is assumed that India is a security maximizer in the international community. Second, the analysis assumes that India, as the strongest power in the South Asian RSC, has ‘penetrated’ (Buzan & Weaver 2003, 46) through its LEP/AEP into the post-Cold War East Asian RSC, thus generating security dynamics at its own RSC in the IOR and its borders. Kenneth Waltz points out that in the anarchic international system, the security is the highest end for states (Waltz 1979, 126). Following this assumption, defensive realism argues that states maximize security, and not power, to maintain the state’s position in the system. Under such theoretical lenses are analysed India’s LEP/AEP policies, its limitations and its implications in the South China Sea.

On the other hand, at the regional level, India’s evolution of the LEP/AEP has occurred at the end of the Cold War that brought profound changes in the extent and dynamics of the two existing RSC of the Asian Supercomplex: the South Asian RSC and the East Asian RSC. Broadly defined by as ‘a set of units whose major processes of securitization, desecuritization, or both are so interlinked that their security problems cannot reasonably be analyzed or resolved apart from one another’ (Buzan & Weaver 2003, 44) several RSC currently have existed in the Asian continent. There were three (Northeast, Southeast and South Asian) RSC during the Cold War, but the end of bipolarity simultaneously led the Northeast and the Southeast Asian RSC to fusion into an East Asian RSC while leaving intact the South Asian RSC with India as a major power (Buzan & Weaver 2003, 97–9).

Thus, following the Regional Security Complex Theory as developed by the Copenhagen School (Buzan et al. 1998; Buzan & Weaver 2003), India is released from major constrains after the Cold War and will continue to retain centrality in, and protect, its own RSC (Buzan & Weaver 2003, 97). From a theoretical perspective, India is also expected to play a more dynamic role within the Asian Supercomplex in both the Southeast Asian subcomplex (with Southeast Asian states) (Buzan & Weaver 2003, 120–1) and with China as the main power in the East Asian RSC. In the South China Sea, India’s current AEP, as shown in the following pages, is consistent with the Regional Security Complex Theory mechanism of penetration, similar to that expected by any outside power whereby the external power ‘make security alignments with states within an RSC’ (Buzan & Weaver 2003, 46).

3. Indian New Role in South East Asia and the Pacific: The Act East Policy

India emerged at the beginning of the 1990s as a country interested in taking a ‘more national interest based approach to different regions’ and to ‘acquire a strong international personality’ (Mohan 2008, 44; Jha & Singh 2016, x), thus starting economic reforms, searching for trade, investment and commercial cooperation, and acquiring a new awareness of its role in the continent and the world. This strategic shift led to an increasing interest in forging more dynamic relations with its immediate neighbours in the subcontinent and the IOR and with its eastern regional neighbours, mainly Southeast Asian countries, thus starting its Look East Policy (Mohan 2008; Sikri 2009; Strachan et al. 2009; Sen 2009; Ram 2012; Mehrotra 2012; Pant 2013; Vo 2013; Haokip 2015; Jha & Singh 2016; Das & Joshua Thomas 2016). India’s LEP has been part of a process of reorientation of its foreign policy not only in the IOR or Southeast Asia, the later considered as the ‘extended neighbourhood’, but further
eastward, including China, Korea, Japan and the United States, as a manifestation of a new foreign policy conceiving India as an active player with new security and political roles in the whole continent (Mohan 2008, 45). As Buzan and Weaver (2003, 97) point out, ‘India further inched its way towards great power standing by creating a complex centered on itself’.

In the East Asian RSC, relevant patterns of securitization emerged after the Cold War with the withdrawal of Soviet and US influence in the region. In particular, the formation of the ASEAN Regional Forum (ARF) in 1994 and the admittance of Vietnam to ASEAN in 1995. Overall, these developments consolidated a security regime in Southeast Asia and a broader regional bloc.

In reaction to the formation of the Southeast Asian subcomplex in the early 1990s, India broke from its traditional policy of isolation (Buzan & Weaver 2003, 97). In the following two decades, India penetrated the entire East Asian RSC.

At the same time, India’s economic development has been, like in other parts of Asia, ‘a priority not just for welfare objectives and maintaining military strength, but also for moving up in the ranks of military power’ (Buzan & Weaver 2003, 95).

According to the former External Affairs Minister and former President Pranab Mukherjee, the development of the LEP began in 1991 with the start of India’s economic reforms (Vo 2013, 7). The policy was also known to be initiated in 1992 when India became a Sectorial Dialogue Partner of ASEAN. In 1995, India received the status of Full Dialogue Partner of ASEAN, and later in 1996, it was admitted as a dialogue partner in its ARF. While setting the basis for the growth of its bilateral trade for the following decade, during the first 10 years of LEP, India attracted important sums of FDI, at least until the Asian Financial Crisis of 1997 (Jaffrelot 2003, 52–3). The Phase I of the LEP, which lasted until the first ASEAN-Indian Summit held in November 2002, was marked by New Delhi’s focus on economic cooperation and trade.

Since 2002, India’s LEP entered fully into the so-called Phase II in the East Asian RSC. In the economic realm, India’s trade engagement with Southeast Asia, concomitant with its involvement with IOR and other South Asian states in its own RSC (Figure 1), is manifest in the abrupt growth of bilateral trade with

Figure 1 India’s total trade, IOR and the subcontinent, 2001–2014 (USD million). IOR, Indian Ocean Region

Source: Department of Commerce, Government of India

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most of its partners (Mehrotra 2012, 76) (Figure 2). With the notable exemption of Singapore, the investment in the region was very low in the period (Das & Joshua Thomas 2016, 33) (Figure 3):

In Southeast Asia, the consolidation of a regime complex based on cooperation and integration in the realms of security and economic relations has allowed India to fully participate in the region. After an attempt to build an ASEAN Plus Four in the late 1990s...
(Vo 2013, 8), New Delhi nonetheless became in 2005 full member of the ASEAN Plus Six, better known as the East Asian Summit (EAS) (Mohan 2008, 45). Further economic engagement in Southeast Asia included an Indian proposal for a ASEAN-India free trade agreement by 2012, an Indian–Thailand free trade agreement negotiation in 2002, attempts for a Comprehensive Economic Cooperation Agreements with ASEAN and selective South-east Asian countries, and one with ASEAN as a block (Mehrotra 2012, 77), as well as trade partnerships with South Korea and Japan (Vo 2013, 10–11). However, the most salient feature of LEP’s Phase II was security cooperation, including defense contacts, joint efforts with ASEAN in fighting terrorism (2003) and strategic partnerships with China, Japan and Vietnam. Starting with several agreements on defense cooperation with ASEAN members in 2000 (Das & Joshua Thomas 2016, 48), during the last decade, India’s LEP has acquired a new geopolitical dimension.

The current Phase III of India’s LEP began either in 2010 with the participation of Indian Defense Minister A. K. Antony in the first ASEAN Defense Ministers’ Meeting Plus in Hanoi, or with the start of the current administration of Prime Minister Narendra Modi (Vo 2013, 11; Mukherjee & Raja Mohan 2016, 3). A qualitative change has occurred at the level of domestic politics since the inauguration of the new Indian administration in 2014, when Modi, from the right-wing Bharatiya Janata Party, successfully made a strong link between foreign policy and economic interests. Within a few years, Modi rebalanced India’s foreign policy towards Southeast Asia, Japan and mainly the United States. Modi’s foreign policy stands in stark contrast to that pursued by former Prime Minister Manmohan Singh (Chaudhury 2014; Ghoshal 2017).

This LEP Phase III emerged out of India’s open interest in the whole Asian Supercomplex and East Asian RSC’s relevant affairs, interests involving full strategic relations with several regional players, most notably Vietnam, the United States and Japan, and largely aimed at countering China’s growing influence. The new phase, labelled ‘Act East Policy’ (AEP) consists of economic, political and security dimensions. In the economic realm, as Figure 2 shows, after 2010, India has visibly increased trade volumes with at least half of the ASEAN states. In the political and security realm, India has decided to play a prominent role in the East Asian RSC through strategic relations with selective Southeast Asian states, notably Vietnam, and to a lesser extent with Indonesia and Singapore. Starting with President Pranab Mukherjee and external affairs minister Sushma Swaraj visits to Hanoi in September and August 2014 and Vietnamese prime minister Nguyen Van Dung visit to India in October 2014, followed by the May 2015 visit to India by the Vietnamese minister, both countries have built a solid strategic partnership.

The United States and Japan have played a significant role in India’s AEP. With the United States, after President Bill Clinton’s visit to India in 2000 and the signing of a Civil Nuclear Agreement in 2005, the bilateral relationship has been consolidated. Modi strengthened India’s relationship with the United States when he first visited Washington in 2014. Furthermore, United States reciprocated in 2015 with President Obama visited India. Modi returned to Washington in 2016 that sent a clear message to China on the strategic convergence of interest between both countries.

Regarding Japan, the process started in 2005 with Prime Minister Junichiro Koizumi’s visit to India (Sikri 2009, 139), and in 2006 when both countries signed the ‘Joint Statement Towards Japan-India Strategic and Global Partnership’. Singh’s visit to Japan in 2010 increased business exchanges and resulted in further tariff reductions. During Prime Minister Modi’s visit to Tokyo in September 2014, India and Japan agreed on the establishment of a ‘Special Strategic and Global Partnership’ (Japan Ministry of Foreign Affairs, 2014). Further cooperation was fostered in 2016 by opening a ‘new Japan–India era’ (The Japan Times 2016), resulting in the November 2016 landmark civil-nuclear deal and other wide-range...
collaboration projects proposed in their November 2016 joint statement (Ministry of External Affairs, Government of India 2016); the Malabar Exercise that, having started between India and the United States in 1992, also includes Japan under a trilateral framework since 2015, and a common stance over the 2016 PCA award against China. Thus, New Delhi reaffirms its interest in acquiring a greater regional role in the Asian Supercomplex stretching from South Asia to East Asia and Asia Pacific at large, including the South China Sea.

4. Freedom of Navigation and China’s Attitude in the South China Sea

In the Southeast Asian subcomplex, freedom of navigation (and overflight) has been consolidating as one of the main areas of securitization. The freedom of navigation is the referent object, leading several states in the East Asian RSC and India in the South Asian RSC to assume the role of securitizing actors, and China (mainly the Chinese Navy and the Chinese maritime militia) as the functional actor in this process. As for India, the threat over freedom of navigation has taken central stage in its foreign policy. Since the LEP inception, guarantee for security, mainly economic, led the economic reforms in India since the 1990s and the engagement with Asian and Asia-Pacific countries in search for more cooperation, trade and investment. Later, during LEP’s Phase II, India diversified and deepened its bilateral and multilateral links with ASEAN nations, the United States and Japan. Above its main security needs—and closely linked with its economic security—India has to preserve unhindered the sea lines of communication in the IOR and Southeast Asia, thus promoting freedom of navigation as one of its core national interests. During the upgrade of India’s LEP to a Phase III, or AEP, particular attention is on maximizing its security as a fully involved power in the Asian Supercomplex, and particularly in the Southeast Asian subcomplex where economic security for India amid its AEP is crucial. Accordingly, navigation in the South China Sea, where around 55 per cent of all Indian trade transits (The New Indian Express 2017), is paramount for the functioning of the AEP. And yet, India geo-economic interests clashes with China’s territorial claims.

Since the early 2000, India’s objective of securing free passage of goods in Southeast Asia has led to active participation in joint military exercises in the East Asian RSC. India’s presence in the South China Sea started in 2000 with naval joint exercises—which involved the participation of Chinese PLA Navy units (Mohan 2008: 48). Five years later, in 2005, the Indian Aircraft carrier INS Viraat, visited Singapore, Jakarta and Kalang, Malaysia (Das & Joshua Thomas 2016: 48). The activities of the Indian Navy only used to reach the eastern edge of the Indian Ocean, including Malacca, Lombok and Sunda Straits, being the Vietnamese coast ports the exception rather than the rule, until recently.

Other Indian activities in the area are mainly related to the Indian oil firm ONGC Videsh, whose cooperation with PetroVietnam dates to exploration licenses obtained in 1988 and 2006 (The Economic Times 2016). After the 2011–2012 incidents in the South China Sea, India decided to enhance cooperation with Vietnam in the area and to continue exploration (Pant 2013, 454). Since the signature of a letter of intention in late 2014 for further gas and oil exploration, the Indian firm recently received another 1-year license that expires in June 2017 to explore Vietnamese oil blocks in areas in dispute.

In spite of China’s protests, Indian commercial activities have not been halted, and India’s maritime activities have continued. Several warships joined five ASEAN countries in joint naval exercises in June 2015 (Deccan Herald 2015), including port calls in Cambodia and Thailand (The Economic Times 2015), as well

2. On Beijing’s official stance on the sovereignty of the four archipelagos in the South China Sea, based on historical arguments, see, inter alia, Hayton 2014; Kaplan 2014; Raine & Le Mière 2013; Wu 2013; Wu & Zou 2014; Chachavalpongpun 2014; Talmon & Jia 2014; Beckman et al. 2013; Jayakumar et al. 2014; Huang & Billo 2014; Murray et al. 2014; Buszynski & Roberts 2015.
as a port call in Vietnam where both countries signed two MoU on bilateral defense and coast guard cooperation (The Economic Times 2015a). More recently, Indian ships held a bilateral exercise with Vietnam in June 2016, a visit to Subic Bay in the Philippines in May–June (Gady 2016), and at Port Klang, Malaysia in July (Sputniknews 2016). With Indonesia, military cooperation includes the annual Garuda Shakti army exercise and, in 2017, drills on underwater combat operations (Pandit 2017).

Indian naval and civilian activities in the South China Sea are facing increasing opposition from the Chinese. During the last 3 years, Beijing engaged in land reclamation of seven reefs while it upgraded its military presence in the Paracels where the Sansha municipal government—head of the local government in charge of the four archipelagos claimed in the South China Sea—is based. As in the Spratlys, infrastructure upgrading continues in the Paracels. Meanwhile, oil and gas exploration has continued, including the Haiyang Shiyou 981 oil platform south of the Paracels, prompting strong reactions from Vietnam.

In terms of maritime security, the IOR, the maritime realm of the South Asian RSC, continues to be more relevant for India. It is interesting to note that India’s naval joint activities with the United States and Japan—amid the annual Malabar Exercise—still involve the South China Sea, but only as a transit area. The 60-vessel strong Indian Navy’s Eastern Fleet, with several bases posted along the eastern Indian coast and since October 2001 in the Andaman and Nicobar Islands (Singh, A. 2015: 12), provides full security services mainly to the IOR—area where 80 per cent of global trade is traversing (Jha & Singh 2016: xviii), even though it is also in charge of deployments into the South China Sea in transit to and from the Western Pacific. It is also important to underline that India’s naval maritime strategy (Khurana 2015) privileges the security requirements of the IOR above those of the Southeast Asian subcomplex. This strategy has given the navy a prominent role in safeguarding not only its economic exclusive zones but also the overall economic and energy security of India (Singh, A. 2015, 16), a role consistently identified in the 2007 and 2015 maritime military strategies and the 2004 and 2009 maritime doctrines (Khurana 2016a; Ministry of Defence 2007). It is relevant that those documents continue to portray the Straits of Malacca and Singapore, Sunda and Lombok as important choke points, while the South China Sea is identified as a Secondary Area, less sensitive for India as compared with other areas such as the Arabian Sea, the Persian Gulf and the South West Indian Ocean (Ministry of Defence 2007: 61; Ministry of Defence 2009: 68, Ministry of Defence 2015: 32). Compared with the economic and military security requirements at the IOR and its sea and land borders with Pakistan, Myanmar and China, the South China Sea is yet to be updated as a full priority in the Indian maritime strategy. This is also an important likely reason why India has been so far hesitant to participate in Freedom of Navigation Operations (FONOPs) jointly with the United States and possibly with Japan in the South China Sea. Such constrain supports the argument that India behaves in the South China Sea as a security maximizer rather than a power maximizer.

India has demanded freedom of navigation and overflight because around 55 per cent of its seaborne trade passes through the South China Sea. The demands for freedom of navigation have been clearly articulated by high level officials in India. In 2015, the former Minister of State for Defense Rao Inderjit Singh raised the issue (Singh, R. I. 2015). These demands were echoed by the Minister of State for Defense Shri Manohar Parrikar in 2016 (Ministry of Defence, Government of India 2016), and in late July 2017 by External Affairs Minister Sushma Swaraj in the Rajya Sabha. Sabha pointed out that ‘our stand is there should be freedom of navigation and unimpeded commerce (in South China Sea)’, (The Economic Times 2017).

Externally, India and the Philippines have worked together to secure the freedom of navigation. In 2015, during the Third India-Philippines Joint Commission on Bilateral Cooperation, the parties agree to raise the issue. Vietnam and India also raised the
question through a joint statement when Prime Minister Modi visited Hanoi in September 2016. Similarly, India drew attention to the issues of freedom of navigation with ASEAN at the Chairman Statement of the 14th ASEAN-India Summit, at the Delhi Dialogue on July 2017, and during the visit of Prime Minister Modi to Washington in June 2017.

Echoing other claimant states and stakeholders, India refuses to accept that waters in the South China Sea within the 1948 U-shaped line map (map produced again by Beijing in 2009 to the U.N.) portrayed as Chinese ‘historical waters’ has validity in international law (Kumaraswami 2016). As the 2016 PCA award content has also been received favorably by Japan, convergence on interests over the issue between New Delhi and Tokyo is clearly manifest. At the diplomatic level, during its meeting with Japan’s Prime Minister Shinzo Abe in November 2016 in Tokyo, Prime Minister Modi reiterated Indo-Japanese call to China to respect freedom of navigation and overflight on the area (Ministry of External Affairs, Government of India 2016; NDTV 2016), while similar concerns were raised by the foreign ministers of India, Japan and the United States during UN General Assembly in September 2017.

5. India and China: An Uneasy Relationship

Current India–China uneasy bilateral relationship, amid this new geopolitical environment in Southeast Asian subcomplex, continues to reflect a pattern of both cooperation and competition. Among the most relevant centrifugal factors hindering cooperation between India and China are border issues—including the final delimitation of Aksai Chin, Jammu, Kashmir and Arunachal Pradesh—, as well as Chinese repeated blocking of India’s move to sanction Jaish e-Muhammed chief, Masood Azhar, as a terrorist at the U.N. Security Council (Dasgupta 2017). Other areas of tension include cyber piracy (ZeeNews 2015), China’s close relationship with neighbouring Myanmar and with rival Pakistan (where the China Pakistan Economic Corridor, a rail and road connectivity project to Europe, will start in the near future), the uncertain nature of the brand new Chinese naval base in Djibouti and proposals to build another in Salalah, Oman, the Chinese refusal in 2016 to accept India into the Nuclear Supply Group, as well as recent Chinese approaches and economic deals with some IOR countries as part of its own Maritime Silk Route Initiative.

In the Indian Ocean, the so-called ‘string of pearls’ theory is a major concern for India. The term was coined in 2005 by Booz Allen Hamilton, a consulting firm, which identified a pattern of Chinese naval presence throughout the IOR. According to Booz Allen Hamilton, China has been establishing a civilian maritime infrastructure along the South China Sea (Hainan, the Paracels and the Spratlys) and in littoral ports along friendly states including Cambodia, Thailand, Myanmar, Bangladesh, Sri Lanka, Maldives, Pakistan, Kenya and recently Djibouti. Even for the skeptics of the theory (Baker 2015), the building of a string of pearls is important because China is building its One Belt-One Road and Maritime Silk Route Initiative strategies, therefore remaining particularly powerful in Indian security mindset, mainly for the IOR (Dabas 2017). At the South Asian RSC, particularly relevant has become for India the Chinese presence into the IOR, where Beijing has been deepening economic presence, trade and investment, as well as naval activities. Chinese naval presence also goes back a decade with anti-piracy operations in the Gulf of Aden since 2008. Now, Chinese naval patrols have already demonstrated blue water capabilities for extended periods, probably in anticipation for future deployments of surface vessels and new Shang and Jiang class submarines in IOR waters (Ghosh 2015). Here, India’s response, as the dominant player in the South Asian RSC, has precisely been fostering good relations with SEA states—all surrounding China, that is, recasting the LEP as AEP (Dutta 2017).

However, the limits of the adversarial nature of this relationship are set in the economic realm, mainly through interdependence. Among the main centripetal forces leading to cooperation between Beijing and
New Delhi is, as Figure 4 shows, a sustained increase in total bilateral trade—US$70 billion for 2014 (Jha & Singh 2016: xvi), even though India still shoulders a sizable trade deficit (US$39 billion in 2014). Figure 5 highlights China’s importance, as only ASEAN as a bloc surpasses Beijing in India’s bilateral trade. The growth of bilateral trade is particularly important for India as China currently stands as its main trading partner; yet for China, this bilateral trade still represents a relatively small part of its overall trade.

**Figure 4** India’s trade with China, 2001–2014 (USD million)

**Source:** Department of Commerce, Government of India

**Figure 5** India’s total trade, 1998–2014 (USD million)

**Source:** Department of Commerce, Government of India

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trade, particularly in comparison with exchanges with Southeast Asian countries where total exchanges rose from $7.9 billion in 1991 to a staggering $472 billion in 2015, with the hope of reaching $1 trillion by 2020 (PRC State Council 2016).

Among other relevant incentives in the India–China relationship are common interests in developing regional economic integration—such as concluding the Regional Comprehensive Economic Partnership and shared interests in strengthening the Asian community building process mainly through the EAS; common interest in global governance and multilateralism, including climate change (Mehrotra 2012: 82), and finally, common desire to strengthen the international financial order through alternative, yet complementary new financial mechanisms such as the AIIB, BRICS’s New Development Bank and the Contingence Reserve Arrangement. As Uma Purushothaman points out, India’s interaction in these China-driven mechanisms helps reduce friction and mutual suspicion (Purushothaman 2015: 7).

Since the start of India’s LEP, there has been interest from both sides to improve relations: from the official high-level visits to China in 1992 and 1993 (Vo 2013: 8), to the upgrading of their partnership into a strategic one 10 years later, as well as by fostering cooperation within the EAS since 2005. Since 2014, India and China have tried to input vigor into the bilateral relationship through the so-called Strategic and Cooperative Partnership under the Panchsheel Treaty’s five principles of coexistence (Ramachandran & Krishnan 2014), starting with the signing of bilateral agreements in 2014 on several areas (Ministry of External Affairs, Government of India 2014, 2014a). Interest between both countries to further develop links have been manifest also on the occasion of PM Modi’s China visit in May 2015 and statements by Chinese President Xi Jinping over China’s good will and cooperation with India (The New York Times 2015). It is interesting to note, however, that recent actions come at roughly the same time as China is pushing its maritime consolidation in the South China Sea, including the upgrade of islands in the Spratlys, and the dismissal of the 2016 PCA ruling. It is most likely due to this apparent contradiction and resulting suspicion from India over Chinese intentions that the securitization speech of the freedom of navigation has entered the top of the Indian foreign policy and maritime security agenda.

6. India as a Major Power: Seeking Priorities and Balance

The current AEP has allowed India to successfully penetrate the East Asian RSC, and particularly the Southeast Asian subcomplex, through closer partnerships, and has enabled India to better participate as a rule shaper in the Asia Pacific. Yet New Delhi’s responses to the recent events in the South China Sea are constrained first by the fundamental objectives of a security maximizer—among them avoiding escalations that might have impact to its security—, by the cost–benefit rationale in the economic realm with its partners—mainly China—, and second, by a current naval policy whose strategy is yet to be fully Indo-Pacific in nature. India’s aspiration to become a major power in the East Asian RSC, as embedded in its AEP, no doubt needs a correlation with an upgrading in its naval strategy to fully address the importance of the South China Sea for its economic, mainly energy security.

India has reacted to the upgrading of Chinese military installations both in the Paracels and the Spratlys, as well as the Philippines-led 2016 PCA award against China, largely through closer political consultations and convergence of interest with several states, mainly Vietnam in Southeast Asia and with the United States and Japan. This convergence is evident in terms of louder calls over guarantees of freedom of navigation and overflight in the area, as well as respect for the rule of law, mainly stipulations enshrined in the Law of the Sea and decisions emanated from the PCA ruling.

And yet, compared with the South China Sea—integral part of the Asian Supercomplex and yet belonging to a distinctive East Asian
RSC under a strong Chinese power projection, India’s attention rather continues to be paid more on the IOR and its maritime security (Berlin 2010) as part of its own South Asian RSC. Security threats there, spanning from terrorism to border instability, and in the IOR, including the recent Chinese economic and naval advances continues to dominate India’s policy circles’ mindset, as Singh (2016) recognizes. The IOR will continue to be of paramount importance in comparison with an upgraded Indian presence, either civil or naval, into the South China Sea. Within India’s approach to its maritime security, the IOR will remain a priority under Modi’s current strategy, such as the recently announced Vision SAGAR, Security and Growth for All in the Region (Gadkari 2016) reveals.

In terms of naval strategy, India should soon decide whether to project full naval power in the South China Sea; so far, it has been hesitant to participate in FONOPs operations like the United States has done seven times since 2015 (three under President Trump administration). Is in India’s interests to play the role of a ‘net security provider’ (Khura 2015) to the United States in the region? The answer might not be as pessimistic as it seems, as in the years to come, India is likely to continue searching for deeper security cooperation scheme with Southeast Asian countries, but largely in areas of nontraditional security, such as Humanitarian Assistance and Disaster Relief HADR, far from engaging in FONOPs. This engagement is clearly evident with Vietnam, Singapore and Malaysia where examples range from the Indo-Singapore Bilateral Exercise SIMBEX (Press Information Bureau, Government of India 2015) to India’s navy INR Saryu participation in ARF disaster relief exercises HADR in Penang, Malaysia, with cooperation with navies from Malaysia, Thailand and even China (Lakshmi 2015), and the revision of the India-Singapore Defense Cooperation Agreement (Ministry of Defence Singapore 2015).

And yet, projection of influence and securing economic interest in the South China Sea does demand a clear strategic vision. It is a question of strategic thinking in the long run.

In terms of a more comprehensive maritime development strategy, the future of India’s AEP in the Southeast Asian subcomplex—including the South China Sea littoral states—needs to be anchored both in more investment in Southeast Asian maritime infrastructure (as China is already promoting), and through a long-term policy of creating and improving port capacity and a robust commercial fleet at home (Singh, A. 2015: 17), which in turn should be stated in a government white paper in the years to come.

A pressing question, however, is how to engage China in the short and medium term. As for involving Beijing in the creation of a stable security architecture in the Southeast Asian subcomplex and the East Asian RSC at large, India seems already reflecting in the urgent need for mechanisms that should ultimately guarantee freedom of navigation, the strengthening of international regimes such as UNCLOS, as well as resource exploration. After several years, in February 2016, China and India finally held for the first time its ‘Maritime Affairs Dialogue’ (Kurana 2016b) that can be viewed in India as an important opportunity for fostering maritime cooperation, promoting freedom of navigation and rule of law at sea and a forum to debate to contain Chinese strategy in the IOR, in particular the prevailing perception of a ‘string of pearls’ theory evolving.

At the economic and political level, the India–China relationship still contains, as pointed out in the above lines, relevant incentives leading to cooperation, notably the increase in bilateral trade and the common interest to provide common public goods such as strong, innovative international financial institutions (New Development Bank, Contingence Reserve Arrangement and AIIB). But above all, bilateral cooperation will serve to New Delhi’s interests over its overall security imperatives in the South Asian RSC. In terms of maximizing India’s security, both border security and combating terrorism, issues that does demand cooperation from Beijing, are likely to dominate the security priorities of India in the foreseeable future. Most likely, these two security priorities, together with
urgent calls to guarantee freedom of navigation in the maritime realm, will shape India’s AEP vis-a-vis China in the South China Sea and its bilateral relations with Southeast Asia in the foreseeable future.

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