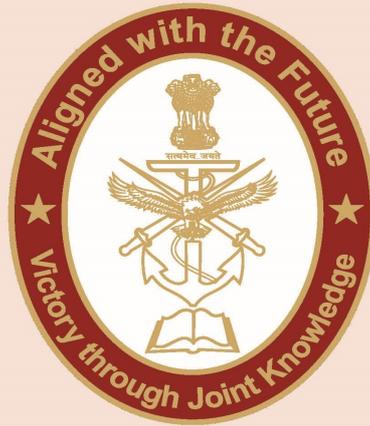


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CONTROLLING AN EXPANSIONIST CHINA IN THE INDO-PACIFIC

BY

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A major discussion topic during the recently concluded 2+2 dialogue was containing Chinese expansion in the Indo-Pacific. The statement on this subject read that the two countries would seek partnership with other countries for, 'transparent, responsible and sustainable debt financing practices in infrastructure development'. There was no direct reference made to China, but the hint was clear.

The Chinese enhanced investments under the Belt Road Initiative (BRI) has pushed many countries in South and SE Asia into the debt trap, resulting in either handing over strategic facilities to China or toeing Chinese policies. The Indo-Pacific assumes significance as it remains a major trade route. Further, Chinese development of military facilities in disputed islands of the South China Sea (SCS), adds to security concerns.

ASEAN as a community is deeply divided and has been unable to reach any consensus on SCS dispute existing between some of its member nations and China, solely because of Chinese economic influence. The Chinese infrastructure on disputed islands in the SCS has apart from reducing its distance to Australia by 1100 Kms, also enabled it to threaten central ASEAN nations.

Laos and Cambodia are already beholden to China. Laos's debt is 65% of its GDP, while Cambodia's is 1/3 of its GDP. Philippines and Myanmar

have taken loans from China, which may impact their independent status in a near timeframe. In South Asia, Sri Lanka has already handed over Hambantota port to China on a ninety-nine years lease. Despite Pak's claims, its debt to China is forcing it to approach financial institutions or friendly nations for loans. It may even be forced to slow down Chinese loans to stabilize its economy.

Chinese investments have spread beyond the region, with it seeking to even invest in a military base in the Vanuatu islands in the South Pacific, resulting in Australia and New Zealand being compelled to change their policies to counter growing Chinese influence close to their shores. In a significant move Australia successfully blocked China from funding a major military base in Fiji. Japan in a white paper released this year stated, 'Beijing is seeking to change status quo by coercion, building on disputed islands and expanding naval activities'.

The US has in the past enunciated its Indo-Pacific strategy, but as stated by Sushma Swaraj, 'during the discussion, we noticed a convergence of views, among others on the Indo-Pacific'. The US has been conducting Freedom of Navigation Operations around Chinese bases in the SCS, which has not had any impact on Chinese expansion.

It does appear that there is a growing concern of China achieving its true aims behind the establishment of the BRI. While trade has been the listed aim, the true intention appears to be to create a Sino-centric world order and change the geo-political environment in its favour. While doing so, it is seeking to break traditional US alliances in the region, while enhancing its own influence. The move of Philippines from the US camp is a clear example. Thus, it seeks to replace the US as the main power in the Indo-Pacific.

It is this worrying emerging environment which has compelled the US to reconsider its Indo-Pacific policies. The existing attitude of the US does not appear to convey the right intentions, especially in the Indo-Pacific. Trump moving out of the Trans Pacific Partnership (TPP), of which the US was a founding member in 2016, was the first wrong signal.

Secondly, the US has begun separating its military and economic policies even with its close allies and partners, including India and the EU. For those whom it has considered its allies these policies have always been hand in glove. India, though doubtful of moving forward with the Regional Comprehensive Economic Partnership (RCEP) with ASEAN and other nations due to possible economic reasons has realized that this action may be a setback to its enhanced involvement in the region, hence hesitates.

Thirdly, the US, as seen from its present actions on NAFTA is signalling its willingness to sign separate agreements with nations, rather than with a comity of nations. In SE Asia, the picture it presents appears to indicate its

concern is more towards countering Chinese expansion in the SCS, rather than engaging with ASEAN to counter Chinese economic and military threats. There is no doubt that the US-China trade war has begun impacting China. Its long-term impact on the Chinese BRI has yet to be evaluated.

The US is now seeking to engage with India, knowing India will continue to play a delicate balancing act, avoid challenging China, while seeking to grow its footprints in SE Asia. India would remain wary of growing Chinese involvement in its own backyard, South Asia.

The overall US led strategy should be to contain Chinese influence in SE Asia, thus slowing its spread beyond. For this to be effective, nations not yet in the Chinese debt trap should be funded and secured from Chinese loans. Those already under Chinese influence but seeking to break away should be offered developmental assistance. The US should seek at partnering nations involved in a conflict with Chinese, either territorial or over the SCS. It would only be with US support that these nations would be able to challenge China, assured of economic and military backing.

Presently, almost all major nations in the Indo-Pacific are wary of the growing involvement of China in their immediate neighbourhood. Japan, wary of China, already has immense influence in SE Asia, considering the involvement of Japan led Asian Development Bank and its own Overseas Development Assistance program. Australia and New Zealand are working together to prevent the expansion of China in the South Pacific. India seeks to contain Chinese influence in South Asia. Even within the ASEAN, there are countries who seek to limit Chinese influence before it threatens the survivability of the group.

Thus, if the intention of all major nations of the region appear to be in one direction, then it is essential that a loose coalition be considered which could enable pooling in resources and influence for achieving a common goal. While many nations may not officially join an organization aimed at containing China, as they may have independent working relations with it, however would be willing to work in close coordination and harmony towards a common goal. Working in isolation or just US and India, the impact would be less. US, Japan, Australia and India, as members of the Quad, could take the lead in this direction and interact on a common goal with like-minded nations.

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