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China's Energy Consumption and Opportunities for U.S.-China Cooperation
To Address the Effects of China's Energy Use

Summary. In all likelihood, an increasingly sea-power-minded China will neither shelter passively in coastal waters nor throw itself into competition with the United States in the Pacific Ocean. Rather, Beijing will direct its energies toward South and Southeast Asia, where supplies of oil, natural gas, and other commodities critical to China's economic development must pass. There China will encounter an equally sea-power-minded India that enjoys marked geostrategic advantages. Beijing will likely content itself with "soft power" diplomacy in these regions until it can settle the dispute with Taiwan, firming up its seaward defense perimeter in East Asia while freeing up resources for maritime endeavors farther from China's coasts. This lag between intentions and capabilities opens up possibilities for a maritime partnership in vital waters.

What Kind of Sea Power?

That China has turned its attention and energies to the seas has become a staple of Western commentary on East Asian international relations. And, indeed, China is pursuing sea power—measured by the Mahanian indices of commerce, bases, and ships—and it is building up a powerful navy with dispatch. What kind of sea power will China become? Will Beijing pursue a purely defensive naval strategy, sheltering within its coastal waters, as many prognoses maintain? Or will its massive naval buildup lead to competition for supremacy in the broad Pacific, as other, equally capable analysts predict? The answer offered here: neither. Once it secures the East, Yellow, and South China seas to its satisfaction, Beijing will vector its nautical energies not eastward but toward the south and southwest, where its interests in energy security and economic development lie. Chinese officials have already hurled themselves into "soft power" diplomacy in regions adjoining vital sea lines of communication (SLOCs). They have reached out to countries throughout Southeast and South Asia, and their efforts have yielded a fair measure of success.

While its interests may prompt China to attempt to amass hard naval power in these regions, it is worth pointing out that (a) capabilities will not match Chinese intentions any time soon; (b) Chinese naval ambitions in the Indian Ocean region will run afoul of those of India, another rising great power operating far closer to home; and (c) whatever its leanings in the abstract, Beijing must tend to matters in East Asia before it can apply its energies to building up naval forces able to vie for supremacy in the Indian Ocean region.

China's Strategic Interests in the Indian Ocean

The paramount concern animating Chinese interests in the Indian Ocean is energy security, an imperative that has been widely debated in media and academic studies. The nation's energy use has more than doubled over the past two decades, exacerbating its dependency on energy imports.² Industry's seemingly insatiable appetite for energy resources has brought tremendous domestic political pressure on the communist regime to assure an uninterrupted flow of energy, sustaining economic development and, in turn, its own legitimacy. Chinese officials have sought out supplies of oil and gas as far away as the Persian Gulf and the Horn of Africa. Energy security has compelled Beijing to cast anxious eyes on the sea lines of communication. Free

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² Asia Pacific Research Centre, *Energy in China: Transportation, Electric Power and Fuel Markets* (Tokyo: Asian Pacific Research Centre, 2004), 5.

passage through the waterways stretching from China's coastlines to the Indian Ocean has taken on special policy importance for Beijing.

Raw geopolitics is also at work. While Sino-Indian relations have seen steady improvement since the late 1990s, geopolitical calculations have long furnished the subtext for bilateral ties. India is the dominant power in the Indian Ocean region, and, given its great-power potential, it could very well rise to become a peer competitor of China over the long term.³ Given these dynamics, any Chinese attempt to control events in India's geographic vicinity would doubtless meet with Indian countermeasures. The Chinese recognize that India's energy needs, which resemble China's own, could impel New Delhi into zero-sum competition at sea.⁴

Chinese thinkers, moreover, voice special concerns about India's geopolitical ambitions beyond the Indian Ocean. According to the Chinese scholar Hou Songlin, India's "Look East Policy" toward ASEAN carries maritime implications. While New Delhi is content to focus on economic cooperation for now, declares Hou, the second stage of its eastern-oriented strategy will expand into the political and security realms. Indeed, he proclaims that Indo-ASEAN cooperation on counterterrorism, maritime security, and transnational crime fighting represents part of an Indian "grand strategy to control the Indian Ocean, particularly the Malacca Strait."⁵

Another Chinese observer, Zhu Fenggang, postulates that Indian maritime strategy envisions aggressively extending naval missions from coastal to blue-water expanses. For Zhu, New Delhi's objectives include, in ascending order: (1) homeland defense, coastal defense, and control over maritime economic zones; (2) control of the waters adjacent to neighboring littoral states; (3) unfettered control of the seas stretching from the Strait of Hormuz to the Malacca Strait in peacetime, and the capacity to blockade these chokepoints effectively in wartime; and (4) the construction of a balanced oceangoing fleet able to project power into the Atlantic Ocean by way of the Cape of Good Hope and into the Pacific by way of the South China Sea.⁶ If so, the latter stages of Indian naval development will plainly encroach upon China's traditional sphere of influence in general and its energy security interests in particular.

The Chinese have also devoted substantial attention to the security dilemma posed by the U.S. Navy's dominance of the high seas stretching from the Persian Gulf to the Indian Ocean to the South China Sea. They worry, understandably, that American naval prowess will hold China's sea-dependent economy hostage in times of crisis. In particular, the Malacca Strait, the maritime portal for virtually all of China's Persian Gulf oil, preoccupies Chinese thinking.⁷ Declares Shi Hongtao:

From the perspective of international strategy, the Straits of Malacca is without question a crucial sea route that will enable the United States to seize geopolitical superiority, restrict the rise of major powers, and control the flow of the world's energy....It is no exaggeration to say that whoever controls the Strait of Malacca will also have a stranglehold on the energy route of China. Excessive reliance on this strait has brought an important potential threat to China's energy security.⁸

Sounding a similar note, Zhang Yuncheng argues that "excessive reliance of China's oil on the Malacca Strait means that China's energy security is facing a 'Malacca predicament,' that is, if some accident occurs or if the

³ David Walgreen, "China in the Indian Ocean Region: Lessons in PRC Grand Strategy," *Comparative Strategy* 25 (2006): 59. For a Chinese perspective on India's rise, see Deng Ruixiang, "Assessing the Question of India's Rise," *Guoji Wenti Yanjiu* 1 (2006): 37-42.

⁴ See for example Zhang Lijun, "Analyzing India's Energy Strategy," *Guoji Wenti Yanjiu* 5 (2006): 65-66.

⁵ Hou Songlin, "India's 'Look East Policy' and the Development of Indian-ASEAN Ties," *Dangdai Yatai* 5 (2006): 42.

⁶ Zhu Fenggang, "The Impact of the Maritime Strategies of Asia-Pacific Nations," *Dangdai Yatai* 5 (2006): 34.

⁷ Some 80 percent of China's oil imports, accounting for 40 percent of total Chinese oil consumption, passes through the Strait, giving rise to what Chinese President Hu Jintao has called China's "Malacca Dilemma." U.S. Office of the Secretary of Defense, *Annual Report on the Military Power of the People's Republic of China, 2005* (Washington: Government Printing Office, 2005), 33. On China's demand for petroleum, see David Hale, "China's Growing Appetites," *National Interest* 76 (summer 2004): 137-47.

⁸ Shi Hongtao, "China's 'Malacca Straits,'" *Qingnian Bao*, June 15, 2004, Foreign Broadcast Information Service (hereafter FBIS), FBIS-CPP20040615000042.

strait is blockaded by foreign powers, China will be facing [a] tremendous energy security problem.”⁹ Zhang no doubt has the United States in mind as the foreign power most likely to interdict shipping in or along the approaches to the Malacca Strait. Zhu Fenggang warns explicitly that the United States and Japan might jointly seal off the Strait as a coercive measure against China.¹⁰

The Indian Ocean is plainly one maritime expanse in which America might hypothetically interrupt Chinese oil supplies. An editorial in *Ming Pao* portrays recent U.S. overtures toward India as part of a diplomatic strategy animated by the calculation that “whichever country controls the Indian Ocean controls East Asia.”¹¹ Observe the editors:

Oil is shipped from the Gulf via the Indian Ocean and the Straits of Malacca to China, Korea, and Japan. If another [power] holds the lifeline, the three oil-importing countries will suffer severe blows. Because [the U.S.] strategy is to hold sway over the “oil route,” the US has in recent years showered attentions on India, Vietnam, and Singapore, all of which lie on that route.¹²

Some Chinese strategists consider the Indian Ocean an arena in which the United States will strive to contain Beijing’s broader aspirations. They appraise Washington’s military realignment in the Asia-Pacific region in stark geopolitical terms. Applying the “defense perimeter of the Pacific” logic elaborated by Secretary of State Dean Acheson in the early Cold War, they see their nation enclosed by concentric, layered island chains. The United States and its allies can “encircle” China,¹³ “squeeze[e] China’s strategic space,”¹⁴ or “blockade the Asian mainland (China in particular)”¹⁵ from island strongholds where powerful naval expeditionary forces are based.

Analysts who take such a view conceive of the island chains in various ways. Strikingly, some of them include Diego Garcia, a key U.S. military base in the Indian Ocean, as an element in the geostrategic belts enveloping China’s coasts. Writing in *Guofang Bao*, Jiang Hong and Wei Yuejiang depict the first island chain—normally thought of as originating in Japan to the north and terminating in the Philippines or Southeast Asia to the south—as sweeping all the way through the Indonesian archipelago to Diego Garcia in a single, unbroken arc.¹⁶ In their conception, the second island chain runs through Guam—another forward redoubt for U.S. forces—ending at Australia. Another observer, He Yijian, explicitly links strategic bombers based on Guam to potential contingencies in the western Pacific—particularly contingencies related to Taiwan.¹⁷ Yet another commentator, Li Xuanliang, sees Guam and Diego Garcia as an interactive basing dyad that enables the Pentagon to shift forces nimbly from Northeast Asia to theaters as remote as Africa and back.¹⁸

Clearly, then, China faces a daunting array of potential challenges in the Indian Ocean. Yet it is important to emphasize that, for now, these dilemmas remain largely in the realm of abstract speculation. First, the Chinese recognize that a steady flow of energy resources is an international public good and that everyone would suffer should this public good be interrupted. Only in extreme circumstances such as a shooting war over Taiwan would the United States resort to a naval blockade—even assuming it could make good on a

⁹ Zhang Yuncheng, “The Malacca Strait and World Oil Security,” *Huanqiu Shibao*, December 5, 2003, FBIS-CPP20031217000202.

¹⁰ Zhu, “Impact of the Maritime Strategies of Asia-Pacific Nations,” 36.

¹¹ Editorial, “US-Indian Alliance Against China,” *Ming Pao*, August 17, 2005, FBIS-CPP20050817000043.

¹² Editorial, “US-Indian Alliance Against China.”

¹³ See Qing Tong, “2002: Focus on Guam,” *Kuang Chiao Ching*, October 16, 2002, FBIS-CPP20021018000075.

¹⁴ See Wang Jisi, Ni Feng, and Zhang Liping, “Impact of US Global Strategic Adjustment on China,” *Zhongguo Shehui Kexueyuan Yuanbao*, January 7, 2004, FBIS-CPP20040121000126.

¹⁵ See Dan Jie and Ju Lang, “Russian Strategic Bomber to Fly to China,” *Jiandai Wuqi*, March 1, 2005, FBIS-CPP20050328000206.

¹⁶ Jiang Hong and Wei Yuejiang, “100,000 US Troops in the Asia-Pacific Look for ‘New Homes,’” *Guofang Bao*, June 10, 2003, 1, FBIS-CPP20030611000068.

¹⁷ He Yijian, “The United States is Busy Deploying Troops in Asia,” *Liaowang*, May 13, 2002, 54-55, FBIS-CPP20020521000054.

¹⁸ Li Xuanliang, “U.S. Military’s ‘New Guam Strategy,’” *Liaowang Dongfang Zhoukan*, June 18, 2006, 18-19, FBIS-CPP20060619718001.

blockade.¹⁹ Second, China is superior to India across most indices of national power, allowing Beijing to exert pressure to counter New Delhi's nautical ambitions. The recent Sino-Indian rapprochement, furthermore, promises to temper competitive forces between the two resurgent powers. Third, although Chinese commentators routinely condemn U.S. observers for promoting a "China threat theory," they are prone to hype Washington's strategic intentions toward Beijing. In effect they promote an "America threat theory" of their own. How real this threat is remains to be seen.

China Responds to the Indian Ocean Imperative: Soft Power

China's actual and rhetorical responses to its energy vulnerabilities and to its great-power relations with India and the United States in the Indian Ocean suggest that Beijing is essaying a sophisticated, long-term strategy aimed in part at securing its maritime position. The overt message to countries queasy at Chinese ambitions: despite China's ascendancy in Asia, it can be counted on to refrain from territorial conquest or military domination. The implied message: Chinese mastery of the seas is preferable to that of the United States, the self-appointed guarantor of the Asian sea lanes. In particular, Beijing has modeled its maritime diplomacy on the expeditions of the Ming Dynasty admiral Zheng He—mollifying Southeast and South Asian nations skeptical of Chinese pretensions, undermining America's claim to rule the waves in the region, and appeasing Chinese nationalism in an effort to help the regime maintain its rule.²⁰

This represents an impressive use of soft power. What kind of dividends and payoffs it will yield should China enter the arena more assertively nonetheless remains unclear. A preliminary appraisal of the strategic effects of Chinese diplomacy provides a helpful analytical guide for the future. To date, most of the literature has focused primarily on Chinese efforts at developing soft power through bilateral and multilateral diplomacy and economic inducements.²¹ In other words, analysts have riveted their attention on the supply side of Chinese soft power, paying less attention to the reactions this form of outreach has elicited from target audiences. Few studies have sought to gauge tangible regional reactions to China's charm offensive, but early indications are that China's civilizational appeal is indeed enjoying a renaissance.²²

Yet there is ample reason for skepticism about these findings. First, linking the effects of soft power to concrete policy outcomes is an inherently hazardous methodological task. The ability of soft power to shape behavior is based largely on influencing perceptions and impressions, which can be vague or fleeting. Attraction to a nation or susceptibility to its charm is particularly difficult to measure. Analysts typically rely on ephemeral and indirect benchmarks such as opinion polls, the popularity of the Chinese language with foreigners, and the spread of Chinese educational institutions as evidence that Chinese actions and identity have broad appeal.²³

Second, even if such indicators validate Chinese popularity in Asian capitals, they may not accurately convey how weaker states in Southeast and South Asia are calculating their strategic interests. In fact, current scholarship suggests that China's neighbors have adopted sophisticated diplomatic and military strategies, defying notions of a linear progression toward geopolitical alignment with major players in the region, especially China, the United States, and India. The ASEAN states, for example, have adroitly pursued

¹⁹ The participants at a recent conference on "Maritime Implications of China's Energy Strategy," held at the Naval War College, Newport, RI, on December 6-7, 2006, generally disparaged the U.S. Navy's ability to sustain an effective blockade of Chinese energy supplies.

²⁰ For more, see James R. Holmes and Toshi Yoshihara, "Soft Power at Sea: Zheng He and Chinese Maritime Strategy," *Naval Institute Proceedings* 132, no. 10 (October 2006): 34-38; James R. Holmes, "China Fashions a Maritime Identity," *Issues & Studies* 42, no. 3 (September 2006): 87-128.

²¹ Matthew Wheeler, "China Expands Its Southern Sphere of Influence," *Jane's Intelligence Review*, June 1, 2005.

²² Bates Gill and Yanzhong Huang, "Sources and Limits of Chinese 'Soft Power,'" *Survival* 48/2 (summer 2006): 24-25; Andrew Erickson and Lyle Goldstein, "Hoping for the Best, Preparing for the Worst: China's Response to US Hegemony," *Journal of Strategic Studies* 29, no. 6 (December 2005): 965-966.

²³ Sheng Ding and Robert A. Saunders, "Talking Up China: An Analysis of China's Rising Cultural Power and Global Promotion of the Chinese Language," *East Asia* 23, no. 2 (summer 2006): 3-33.

strategic hedges designed to spare them the need to choose sides and to diminish the zero-sum nature of great-power competition in their region.²⁴ In this broader geostrategic context, it is unclear what lasting effects Beijing's Zheng He narrative will produce, either in Southeast Asia or beyond. At the very least, further research will be required to accurately determine the relationship between Chinese diplomacy and regional governments' policy responses to Beijing's overtures.

China Responds to the Indian Ocean Imperative: Island Footholds

Rather than await empirical proof that its soft-power strategy is working, Beijing is pressing ahead. Securing beachheads in the Indian Ocean basin represents a precursor to a more vigorous future strategy in the region. China has cultivated close relationships with littoral states that are likely to look favorably on—or, at any rate, refrain from objecting to—a Chinese naval presence in their vicinity. Chinese efforts to negotiate basing rights have earned the moniker “string of pearls” in the United States.²⁵ In general, this term refers to bases and seaports scattered along the sea routes linking the Middle East with coastal China, augmented by diplomatic ties with important states in these regions. Interestingly, the notion of a string of pearls swiftly took on an aura of legitimacy, with analysts and officials incorporating it into everyday discourse both in the United States and abroad.²⁶ It has become common parlance among Indian sea-power analysts.²⁷ But the term derives more from inferences U.S. observers have drawn from Chinese activities in the region than from a coherent national strategy codified in Chinese doctrine, strategic commentary, or official statements.

In any event, the string-of-pearls concept does help explain China's pattern of behavior in the Indian Ocean region. Beijing could leverage its informal strategic alliances with Myanmar and Pakistan, to name two countries that have granted basing rights, to counterbalance U.S. power, check India's rise, and monitor maritime activities carried on by these maritime competitors.²⁸ Some of these states also provide alternative routes that bypass the chokepoint at Malacca. Chinese strategists have urged Beijing to build oil pipelines through Myanmar and Pakistan. The more ambitious among them advocate digging a canal across Thailand's Kra Isthmus. While the political merits, technical feasibility, and cost-effectiveness of these various proposals remain dubious, the level of interest paid to them suggests an acute sensitivity on Beijing's part to the nation's energy security dilemma. China, in short, is gradually laying the foundations of a strategic maritime infrastructure that would enhance both its economic prospects and its military access to the Indian Ocean.

To measure the near-term effectiveness of these efforts, it is worth examining one of Beijing's best-known “pearls.” China has invested heavily in the construction of the port facility in Gwadar, in western Pakistan. Pakistani officials involved in the project trumpet its geostrategic significance.²⁹ Premier Wen Jiabao signaled

²⁴ Shannon Tow, “Southeast Asia in the Sino-U.S. Strategic Balance,” *Contemporary Southeast Asia* 26, no. 3 (2004): 434-459; Denny Roy, “Southeast Asia and China: Balancing or Bandwagoning?” *Contemporary Southeast Asia* 27, no. 2 (2005): 305-322; and Evelyn Goh, “Great Powers and Southeast Asian Regional Security Strategies,” *Military Technology*, January 2006: 321-323.

²⁵ The term first appeared in a *Washington Times* article after originating in a Booz-Allen study commissioned by the Pentagon's Office of Net Assessment. See Bill Gertz, “China Builds Up Strategic Sea Lanes,” *Washington Times*, January 18, 2005, <<http://www.washtimes.com/national/20050117-115550-1929r.htm>>.

²⁶ See for example Christopher J. Pehrson, *String of Pearls: Meeting the Challenge of China's Rising Power Across the Asian Littoral* (Carlisle: Strategic Studies Institute, U.S. Army War College, July 2006); Lawrence Spinetta, “Cutting China's ‘String of Pearls,’” *Naval Institute Proceedings* 132, no. 10 (October 2006): 40-42; Sudha Ramachandra, “China's Pearl in Pakistan's Waters,” *Asia Times*, March 4, 2005, <http://www.atimes.com/atimes/South_Asia/GC04Df06.html>; Hideaki Kaneda, “The Rise of Chinese ‘Sea Power,’” *Philippine Daily Inquirer*, September 22, 2005, 11.

²⁷ Author discussions with Indian analysts, Institute for Defence Studies & Analyses, New Delhi, November 6-16, 2006.

²⁸ Lee Jae-Hyung, “China's Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean,” *Contemporary Southeast Asia* 24, no. 3 (December 2002): 553-554.

²⁹ With 12 berths in place or in planning, and with the capacity to receive deep-draft merchant ships, the port facility could easily play host to Chinese warships. See Government of Pakistan, Ministry of Ports and Shipping, presentation on Gwadar Port Project, <<http://siteresources.worldbank.org/PAKISTANEXTN/Resources/293051-1114424648263/Session-VII-Fazal-Ur-Rehman.pdf>>; Government of Pakistan, Board of Investment, “Gawadar,” <http://www.pakboi.pk/News_Event/Gawadar.html>; “About Gawadar,” Gawadar Port Website, <<http://www.gawadarport.com/main/Content.aspx?ID=1>>; Tarique Niazi, “Gwadar: China's Naval Outpost on the Indian Ocean,” *China Brief* 5, no. 4 (February 25, 2005), <http://www.jamestown.org/news_details.php?news_id=93>.

the importance Beijing attaches to the facility, personally attending the ceremony marking the successful conclusion of the project's first phase. Strategically located near the Strait of Hormuz, the new seaport represents both a new economic gateway and a military opportunity for Beijing:

- In terms of energy security, Gwadar could act as a strategic hedge, giving Beijing a workaround should the United States blockade the Malacca Strait during a Taiwan contingency or some other Sino-U.S. clash. Persian Gulf oil could be offloaded at the port and transported (or pumped, should plans for a pipeline bear fruit) overland to China.³⁰ Beijing might find the high price of such an alternative worth paying for assured energy supplies in the face of a U.S.-imposed embargo.
- From a military standpoint, Gwadar already offers a useful installation for monitoring commercial and military traffic passing through the critical chokepoint at Hormuz. Over the longer term, should China develop a navy robust enough to project credible power into the Indian Ocean, then the port promises to allow Beijing—for the first time—to directly shape events in the Persian Gulf.

All of that said, Gwadar by no means represents a trump card for China, either in energy security or military terms. Consider the seaport's strategic attributes, delineated by Alfred Thayer Mahan as position, strength (or defensibility), and resources.³¹ Gwadar's geographic position near the Strait of Hormuz has evidently excited Beijing's attention, but geography is not everything:

- First, Beijing's effort to outflank U.S. naval operations using an overland route might itself be outflanked in wartime. Should Washington direct the U.S. Navy to interdict Chinese petroleum shipments, it would probably do so within the confines of the Persian Gulf, where tracking and intercepting shipments bound for Hormuz is a relatively simple matter for U.S. warships and aircraft. Cargoes bound for Gwadar, and thence for transshipment to China, might never reach the Pakistani seaport in the first place. This would severely degrade its strategic value to Beijing.
- Second, the port is not readily defensible. The terminals occupy a small peninsula connected to the mainland by a narrow spit of land, around half a mile across at its narrowest point. Slowing or halting the flow of oil and other cargo out of the port facility should present few problems for a superior naval power—a vulnerability that surely is not lost on U.S. and Indian naval strategists. Until and unless the Chinese and Pakistani navies can defend Gwadar against cruise missiles or air strikes emanating from the sea, the port's strategic worth will be less than it might appear for Beijing.
- And third, politics might work against Chinese use of the base in times of crisis. Although Beijing has sought to wring guarantees of access to Gwadar from Islamabad, it is hard to envision Pakistani officials exposing brand-new port facilities—facilities they see as a major part of their nation's economic future—to American counterstrikes during a shooting war. Nor is it obvious that Islamabad would jeopardize relations with Washington for the sake of energy cooperation with Beijing. In short, Pakistan might well balk at taking part in Sino-U.S. hostilities.

However useful an asset Gwadar is in peacetime, then, wartime conditions threaten to vitiate its strategic value—unless the PLA manages to amass enough military power in its vicinity to defend it against nearby U.S. or Indian forces.

³⁰ Islamabad and Beijing are jointly studying a pipeline project connecting Gwadar with the western Chinese province of Xinjiang. See "Gwadar-China Oil Pipeline Study Underway," *Pakistan Observer*, September 4, 2006, <<http://pakobserver.net/200609/04/news/topstories12.asp?txt=Gwadar-China%20oil%20pipeline%20study%20underway>>.

³¹ Alfred Thayer Mahan, "The Strategic Features of the Gulf of Mexico and the Caribbean Sea," in Alfred Thayer Mahan, *The Interest of America in Sea Power, Present and Future* (Boston: Little, Brown, and Company, 1897; reprint, Freeport: Books for Libraries Press, 1970), 283-292.

Recognizing how tenuous Beijing's position in the Indian Ocean basin remains, some Chinese analysts espouse a stronger, outward-looking navy able to deter or defeat attempts by other powers to stop the flow of energy resources through regional SLOCs. Drawing upon history, Zhang Wenmu, a prominent exponent of Chinese sea power, maintains that trade has always been inseparable from naval dominance, furnishing the basis for great-power ascendancy. He acknowledges China's failure to develop military means adequate to protect its energy security, exhorting the Chinese leadership to emulate the rise of Western sea power.³² Warns Zhang ominously, "We must be prepared as early as possible. Otherwise, China may lose everything it has gathered in normal international economic activities, including its energy interest[,] in a military defeat."³³ Similarly, two Chinese academics conclude that the nexus between economic vitality and military power compels Beijing to pursue a capable navy: "Ocean power has a permanent meaning to the trade of coastal countries, and the backup of a country's ocean power is its navy. Therefore, the long term approach toward ensuring open sea lane and potential ocean resources is to [develop] a modern ocean-going navy."³⁴

Perhaps the most thoughtful spokesman for Chinese naval power is Professor Ni Lexiong of the Research Institute of War and Culture, Eastern China Science and Engineering University. Asserts Ni, "it is China's necessary choice to build up a strong sea power" to guard against "threats posed to our 'outward-leaning economy' by some strong nations."³⁵ He clearly has China's vulnerability to sea-lane disruptions by the United States in mind. Intriguingly, he links the cross-strait stalemate to China's inability to safeguard its economic interests on the high seas. Ni argues that if China were "checked by the U.S. on the Taiwan matter, if our lifeline at sea once again falls into the hands of the U.S., we will give the U.S. another bargaining chip over the issue of Taiwan."³⁶

One study denigrates the string-of-pearls strategy, contending that powerful PLA Navy forces must be built and deployed to the region to uphold it: "the Kra Isthmus canal, the Sino-Burmese and Sino-Pakistani oil pipelines, would not be able to fundamentally avoid the impact of the navies of major powers. If the fleets of such powers directly intercept our tankers in the Persian Gulf, the Arabian Sea, or the Suez Canal... the above-mentioned three schemes would all become meaningless. Thus, before the Chinese navy's ocean-going squadrons can achieve some kind of force parity with the navies of major powers in the Indian Ocean, the security problem of China's oil transport routes and straits cannot be resolved."³⁷

The assumption implicit in the statement above—that is, that China is determined to or has already embarked on a naval modernization program that will allow the PLA Navy to rival the navies of the major powers—says much about attitudes emerging among Chinese strategists. More startling still, the two authors call on Beijing to develop a comprehensive maritime strategy that seeks to open an outlet into the Indian Ocean "so as to break out of the encirclement for the rise of the Chinese nation and its maritime rejuvenation, and open up a brand new ocean waterway leading to victory."³⁸ Such rhetorical flourishes aside, these analysts have clearly set their sights on extending Chinese naval power far beyond East Asian littoral seas.

If one assumes that these steps are being (or could be) coordinated as a part of a coherent national strategy, then incremental gains in Chinese leverage and presence in the Indian Ocean region are the foreseeable result.

³² For a similar argument, see Yan Xuetong, "The Rise of China and Its Power Status," *Chinese Journal of International Politics* 1, no. 1 (2006): 5-33.

³³ Zhang Wenmu, "China's Energy Security and Policy Choices," *Shijie Jinji yu Zhengzhi (Global Economics and Politics)* 5 (May 14, 2003): 11-16, FBIS-CPP20030528000169.

³⁴ Liu Xinhua and Qi Yi, "China's Oil Security and Its Strategic Options," *Xiandai Guoji Guanxi (Contemporary International Relations)* 12 (December 20, 2002): 35-46, FBIS-CPP20030425000288.

³⁵ Ni Lexiong, "Sea Power and China's Development," *Liberation Daily*, April 17, 2005, 4, U.S.-China Economic and Security Review Commission Website, <http://www.uscc.gov/researchpapers/translated_articles/2005/05_07_18_Sea_Power_and_Chinas_Development.pdf>.

³⁶ Ni, "Sea Power and China's Development," 7.

³⁷ Liu Jiangping and Feng Xianhui, "Going Global: Dialogue Spanning 600 Years," *Liaowang* 5 (July 1, 2005), 14-19, FBIS-CPP20050719000107.

³⁸ Liu and Feng, "Going Global."

Indeed, this tripartite strategy can be seen as a series of well-coordinated, sequential maneuvers: (1) diplomatic work combined with (2) efforts to negotiate forward naval basing rights may lend legitimacy to (3) a more robust Chinese naval presence in the Indian Ocean basin. Even if that is the case, however, this strategy is largely a work in progress, and it bespeaks long-term rather than immediate Chinese aspirations. Beijing will lack the capacity for overt naval competition in the region for some time to come, and the pace and scope of its activities in the Indian Ocean will be limited by priorities far closer to home.

But China Will Encounter a Sea-Power-Minded India

As it expands its interests in the Indian Ocean, waging a vigorous soft-power diplomacy and backing maritime aims with material power, China will encounter another rising power—India—that entertains nautical ambitions of its own. Like China, India discerns real, compelling interests in the Indian Ocean, and it enjoys venerable seafaring traditions that offer a major reserve of soft power. Strategists in New Delhi phrase their arguments in intensively geopolitical terms—jarringly so for Westerners accustomed to the notion that economic globalization has rendered armed conflict passé. And the Indian economy has grown at a rapid clip—albeit not as rapidly as that of China—allowing an increasingly confident Indian government to yoke hard power, measured in ships, aircraft, and weapons systems, to a foreign policy aimed at primacy in the Indian Ocean region.³⁹

Indeed, both Indian thinkers and outside observers often speak of an Indian equivalent to the Monroe Doctrine that seeks to place the region off-limits to external politico-military intervention.⁴⁰ If intervention is necessary, imply Indian leaders, India should take the lead rather than give outsiders a pretext for doing so. Such a doctrine will inevitably have a strong seafaring component to it. New Delhi has nonetheless signaled its reluctance to allow any outside power to gain territories in the Indian Ocean basin or to police the region—perhaps in search of an excuse for territorial aggrandizement. And India clearly wants the wherewithal to make good on its claim to preeminence in the region, with naval officials openly declaring that the nation needs a blue-water navy to fulfill the missions set forth in India's 2004 Maritime Doctrine.⁴¹

Strategic Determinants of China's Naval Ambitions in the Indian Ocean

An expansive Chinese maritime strategy in the Indian Ocean basin—especially a strategy backed by hard power, manifest in PLA Navy forces—thus will meet with countervailing soft and hard power deployed by a resurgent India. At least three determinants stand out among the myriad factors bearing on China's naval ambitions in the region:

- **Determinant #1: Taiwan and the China Seas.** China's efforts to radiate influence into the Indian Ocean region will hinge on its ability to secure waters nearer home. Asserting a measure of control over SLOCs transiting the Indian Ocean must await settlement of this matter of surpassing importance. To borrow from Barry Posen, Beijing must first put to sea (and aloft) forces able to mount a “contested zone” against U.S. and perhaps allied forces attempting to intervene in a cross-strait contingency.⁴² A country operating in its geographic environs enjoys certain advantages even over a vastly superior foe. Until Beijing

³⁹ For a good recent overview, see Donald L. Berlin, “India in the Indian Ocean,” *Naval War College Review* 59, no. 2 (spring 2006), <<http://www.nwc.navy.mil/press/Review/2006/spring/art3-sp06.htm>>.

⁴⁰ See for example Devin T. Hagerty, “India's Regional Security Doctrine,” *Asian Survey* 31, no. 4 (April 1991): 351-363; John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2001), 31; C. Raja Mohan, “Border Crossings,” *South Asia Monitor*, May 2006, <<http://www.southasiamonitor.org/2006/may/news/17view2.shtml>>.

⁴¹ See for instance Rajat Pandit, “India's Chief of Naval Staff—“Blue-water Navy Is the Aim,” *Times of India*, November 1, 2006, <http://timesofindia.indiatimes.com/Blue-water_Navy_is_the_aim/articleshow/262611.cms>; Ranjit B. Rai, “India's Aircraft Carriers Programme: A Steady Sail Towards Blue Water Capability,” *India Strategic*, October 2006, 42-44; “Extending the Navy's Reach: Navy Chief Speaks to *India Strategic*,” *India Strategic*, October 2006, 23-33.

⁴² Barry R. Posen, “Command of the Commons: The Military Foundation of U.S. Hegemony,” *International Security* 28, no. 1 (summer 2003): 22. See also Thomas J. Christensen, “Posing Problems Without Catching Up: China's Rise and Challenges for U.S. Security Policy,” *International Security* 25, no. 4 (spring 2001): 5-40.

acquires or builds sufficient capabilities to defend this zone against intruding American forces, Chinese leaders will relegate less immediate priorities such as threats to Chinese shipping in the Indian Ocean to secondary status. Amassing a local superiority of force over the largest force the U.S. military and its Asian allies would likely throw against the PLA is task enough for now.

- **Determinant #2: Rival Claimants to Soft Power in the Indian Ocean.** Even China's impressive soft-power diplomacy in the Indian Ocean region, as exemplified by its use of Zheng He's voyages, could find itself rivaled by Indian soft power. Indian maritime history presents New Delhi its own counterpart to the Ming treasure voyages, as K. M. Panikkar, the father of Indian maritime history, noted some sixty years ago. True, India turned inward during the long era of Mughal supremacy, occupying itself with continental affairs, but only after Hindu mariners had plied Indian Ocean waters for centuries. Hindu shipwrights, like those who built Zheng He's treasure fleet, constructed "compartmented" vessels that resisted sinking after heavy weather or battle.⁴³ Seafarers propagated Indian cultural and political influence throughout the Indian Ocean basin, not to mention eastward into the South China Sea, until the downfall of Hindu maritime supremacy in the thirteenth century. The nation's "usable past" furnishes ample basis for Indian maritime soft power, potentially allowing deft Indian diplomacy to check Chinese advances in this realm.⁴⁴

While Beijing may well ease concerns about its growing naval might, averting the rise of a countervailing coalition, it will find it difficult to convince coastal nations in the Indian Ocean region that the PLA Navy should be the *principal* guardian of maritime security in the region. This will be especially true should China mishandle the Taiwan question, squandering the soft power it has painstakingly accumulated in recent years. A prolonged, bloody conflict on the island would likely sap Chinese soft power, leaving India ascendant in the Indian Ocean region, especially in view of New Delhi's emphasis on naval diplomacy, humanitarian relief, and other peacetime missions.

- **Determinant #3: Rival Contested Zones.** China is not the only beneficiary of Posen's concept of the contested zone. Should China attempt to amass hard power—embodied in PLA Navy expeditionary forces stationed along the string of pearls—in the Indian Ocean region, it will encounter an India accustomed to predominance in its neighborhood and determined to uphold that predominance against all comers. If Beijing can hope to mount a contested zone against the U.S. Navy, New Delhi can hope to mount a contested zone of its own against the PLA Navy—which remains far inferior in absolute terms to the U.S. Navy and faces permanent, pressing concerns in the China seas—for the foreseeable future. While tremendous difficulties beset New Delhi—the guns-and-butter dilemma, a hodgepodge of foreign-supplied military hardware and the interoperability problems this brings—the Indian Navy will continue to enjoy local superiority over its prospective Chinese competitor for some time to come.

Operational and Force-Structure Determinants

With all this in mind, how do the PLA's capabilities measure up to Beijing's goals in the Indian Ocean region? Is Beijing effectively matching ends with means? Consider a best-case scenario from China's standpoint. What would happen the "day after" the mainland regained control of Taiwan, either peacefully or after a military operation in which the PLA suffered negligible human and material losses? Would this enable China to make itself the leading power in the South China Sea and the Indian Ocean, measured in hard-power terms?

⁴³ Panikkar extolled Hindu mariners' accomplishments while also paying tribute to Zheng He's voyages. K. M. Panikkar, *India and the Indian Ocean: An Essay on the Influence of Sea Power on Indian History* (New York: Macmillan, 1945), 28-36; K. M. Panikkar, *Asia and Western Dominance: A Survey of the Vasco Da Gama Epoch of Asian History, 1498-1945* (New York: John Day, n.d. [1954?]), 35-36, 49, 68, 71.

⁴⁴ Henry Steele Commager, *The Search for a Usable Past and Other Essays in Historiography* (New York: Knopf, 1967), 3-27. Commager explored founding Americans' quest for common history, traditions, and legends to bind the new nation together.

Not for some time to come. In order to assert control over the SLOCs traversing South and Southeast Asia, the PLA Navy needs to add certain platforms to its order of battle, beyond those needed to mount a contested zone in the East Asian littoral. To complicate matters for Beijing, certain capabilities useful in a Taiwan contingency hold little relevance for SLOC defense. As currently configured, advanced military assets such as shore-based tactical fighters, land-based short-range ballistic missiles, and ground-based surface-to-air missiles would be of limited use in missions beyond littoral defense. Discounting capabilities designed specifically for a cross-strait confrontation reveals a naval force that remains inadequately equipped to project credible power into the Indian Ocean. Indeed, at present, the PLA Navy possesses only enough surface combatants and conventional submarines to serve as the nucleus for a modest cruise-missile navy consisting of at most three to four combined strike groups.

What, then, will the PLA need for the SLOC-defense mission, assuming China decides to build up hard power in a day-after-Taiwan scenario? It will not need a force symmetrical with that of the U.S. Navy, centered on big-deck aircraft carriers. More modest, less expensive platforms can perform the SLOC-defense function adequately. Some capabilities needed in the PLA Navy inventory include more—and more modern—destroyers and frigates for sea-lane patrol duty; more organic air power for oceanic surveillance and targeting and for defense against air and submarine attack⁴⁵; and forward-deployed oilers, ammunition ships, and refrigeration ships to enhance the at-sea endurance of Chinese vessels. Such capabilities remain in short supply for now.

For now, then, China's naval ambitions in the Indian Ocean will take second place to security interests closer to home. Mounting a contested zone adjacent to China's coasts—with regaining Taiwan as the key intermediate step—is and will remain uppermost in the minds of sea-power thinkers in Beijing. Nevertheless, the three broad operational requirements identified above give policy-makers tangible benchmarks by which to measure China's progress at aligning strategy and military means with longer-term political objectives.

If and when China resolves these urgent concerns satisfactorily, the nation's leadership can reorient its gaze along the SLOCs connecting the Horn of Africa and the Middle East with Chinese seaports. But formidable obstacles will loom, even then, and it remains far from clear that China will manage to match its expansive Indian Ocean diplomacy with equally expansive naval means. Beijing understands its limits. For now, soft power offers China an inexpensive way to project influence into new geographic domains without backing up its diplomacy with large military forces. Available PLA Navy forces already allow Beijing to undertake a modest slate of missions in South and Southeast Asia. China will not, for instance, repeat its mystifying blunder of 2004, when it remained conspicuously aloof from the tsunami relief effort, allowing India, Japan, and the United States, its chief rivals at sea, to harvest goodwill from their naval diplomacy.

It is precisely China's prolonged material weakness along the sea lanes that could allow Washington and New Delhi to forge a near-term maritime partnership with Beijing. Cooperation in areas such as disaster relief, maritime domain awareness, counterterrorism, or even counterproliferation could lay the groundwork for a more durable partnership in maritime Asia, alleviating the concerns about sea-lane security that could prod China in a more ominous direction. Considering the stakes, it would be worth the effort U.S. and Indian leaders would expend in negotiating such a partnership.

⁴⁵ Andrew Erickson and Andrew Wilson, "China's Aircraft Carrier Dilemma," *Naval War College Review* 59, no. 4 (autumn 2006): 30-37.