

CHINA'S MILITARY MODERNIZATION AND QUEST FOR ENERGY: IMPLICATIONS FOR INDIA

Parth Sharma

Parth.anshu@gmail.com

ABSTRACT

Rise of china is a global reality. Never in history has a country's economy grown as fast and for such sustained period as that of china. Today, china is the second largest economy of the world after US, one of the acknowledged nuclear power and a permanent member of Security Council. China is rapidly modernizing its military. There has been a double digit increase in china's defence budget. The 2006 white paper of china's military affairs reiterates that mechanization would be the "foundation" and "informalization" as the driving force of the Peoples Liberation Army (PLA) china is also upgrading its infrastructure in its bordering regions like Xing Xiang and Tibet. Though, this modernization is not explicitly directed against India but could be, if required in future. In its drive for energy security it has opened a number of ports around Indian neighbouring countries including Pakistan, Bangladesh, Srilanka and Myanmar. These could be converted into military hotspots. This paper will attempt to explore this multidimensional nature of china's rise. It's aggressive quest for energy security, military modernization and its implications for India. the paper will try to come out with suggestions that India could take so as to withstand this Chinese challenge. The paper will be concluded with suggestions that India could take so as to withstand this Chinese challenge.

Keywords: Energy Security, Rise of China, Military Modernization, Ports, an People's Liberation Army.

INTRODUCTION

On October 10 2009, People's Republic of china celebrated sixty of founding of the republic. A country which was once described as a sleeping dragon has awakened. The unprecedented rise of china is a global reality. Never in world history a country's economy has grown as fast and for such a sustained period as that of china since 1979. from one of the world's least developing countries in the 1970's to one of the largest economies in the world by the later 1990's. the world bank and I.M.F reported that from 1979 to 1997 china's gross domestic product grew at an average rate of 9.8 percent. This is phenomenal by any standards.

Rise of any power in history is always viewed with suspicion, doubt, anxiety and jealousy by others. The history is replete with examples whether it was the rise of Germany during the interwar period or the rise of U.S and U.S.S.R after the Second World War. Thus it is quite natural for countries in the vicinity of china to view this rise with awe. Even more for a country like India which shares 4000 km long border with china, a lot of which is still unresolved and fought a full fledge war in 1962.

The geostrategic equations further complicate the situation. China shares borders with almost all south Asian states barring the exception of Bangladesh, Srilanka, Maldives. This makes china very integral to south Asia. Moreover the history of china and south Asian states has many things in common. Almost all of them have been victims of British imperialism. Partitions which have been made by their colonial masters are unnatural without taking into consideration of ethnicity Thus events happening in china are bound to have Tran's border implications due to historical, geographic and demographic

imperatives. The Sino-Indian relationship has been a chequered one. Although, the two civilisations are one of the earliest civilisations in the world and the two countries lie side by side however there was little contact between the two. Religion and trade served as the bridge between the two countries. Further, India also acted as an intermediary for facilitating trade china and westerns Asia. A branch of famous Silk Road extended in the plains of northern India. Buddhism provided the strongest link between the two. Many Chinese scholars visited India to study Buddhism and spent a decade or more in India. Chinese monks such as Fahian in fifth century and Xuanzang in seventh century A.D. played important role in introducing Buddhism to china and bridging the two cultures. The presence of ancient Hindu temples in the port city of Quanzhou, built by Tamil merchants bears testimony to the fact that the two civilisations existed peacefully enriching one another.

It was only with the consolidation of British Empire in the Indian subcontinent the relations strained. Expansionist policies of the British collided with the Chinese "middle kingdom pride". During the opium wars (1839-1842) Britain tried to forcibly sell the opium via east India Company to china. However, this bitter colonial experience at the hands of a common enemy served in bringing the two countries closer too. Nehru and Gandhi were friendly with the nationalist leader Chiang kai shek. After the establishment of People's Republic of china in 1949, India became one of the first non communist countries to recognise China on April 1 1949. Our first P.M Jawaharlal Nehru was particularly very impressed by china. He promoted the slogan of "hindi-chini bhai bhai" and reportedly said that "china was my most admired nation". India conceived the idea of of Asian solidarity. India constantly supported the Chinese cause .this gesture was most visible during the Bandung conference of 1955, where both countries reiterated for Asian solidarity. India has constantly supported the Chinese entry into United Nations which finally culminated in Chinese entry in U.N in 1971.

However, this goodwill was short-lived. The colonial legacy also sowed the seeds of discord. The Mac Mohan line a demarcation line referred to in the Shimla Accord was to form the boundary between British India and Tibet, over which China claimed suzerainty. Although Britain and Tibet considered the agreement binding, china disputed the Mac Mohan line. India from the very beginning considered it as an international boundary. This became the root cause of persistent border dispute. In 1950 China's people's liberation army entered Tibet and took control of the vast region that has historically served as a buffer between India and china. as former Indian army chief of staff general V.P Malik "the first time we came into direct contact with the Han Chinese was after 1950,when the PRC occupied Tibet , we suddenly became neighbours.

It was in 1959, after the failed uprising against the PRC the 14th Dalai Lama, Tibet's highest religious and political leader, fled to India and was granted asylum along with many of his followers. This further became an irritant. Small skirmishes were not uncommon along the disputed border; however on 20th October 1962 Chinese troops forcibly evicted Indian troops from the Dhola post. This culminated in a full fledge war with China in 1962The 1962 war was a watershed year in indo Chinese relationship and since then have been shaping India's perception towards china. For the next fourteen years (1962-1976) there was no diplomatic relationship between the countries. For the next fourteen years(1962-1976) there was no diplomatic contact between these two countries. High level political contacts between the two countries were revived by the visit of the then foreign minister A.B Vajpayee in February 1979. The Chinese Foreign Minister Huang Hua paid a return visit to India in 1981.In 1993 the two countries signed an Agreement on

Maintenance of Peace and Tranquillity along the Line of Actual Control((LAC).however, the border issue still is unresolved, transgression across the LAC are quite common. China still considers Arunanchal Pradesh as its own. Although, the whooping trade which had already reached \$60 billion by the end of 2010 has been one of the linchpins of closer relationship between the two countries.

CHINA'S MILITARY MODERNISATION

The rapid economic growth has given it the necessary confidence to project itself beyond its immediate neighbourhood. China has initiated a concerted military modernisation programme in the last few decades, the impact of which is felt in the neighbourhood including on India. China began its military modernisation programme only after it suffered losses in the 1979 Vietnam War. PLA was making a turnaround from large infantry based armed force to that of force which has the potential to project power abroad.

The 2006 white paper reiterates that Mechanisation and Informalisation would be the driving factors of the PLA modernisation. This in turn means a gradual increase in mechanised platforms like tanks, armoured personal carriers, naval ships, fighter, aircrafts, while information related platforms will be gradually increased in the PLA inventory.

There has been a shift in Chinese thinking ie from people's war under modern conditions to local wars under ho tech and informationalised conditions. There has been a significant force structure reform, with changes in military, personnel profile, with emphasis on technical and command qualities, enhancing professionalism, demobilisation, raising elite and rapid response forces, reduction in military regions, infusing hi tech weaponry, digitalisation, revamping training programmes, integration of forces, setting up of the command posts etc are all part of that effort.

In terms of troop mobilisation there has been ten mobilisation efforts till now, with the last three announced in 1985, 1997, 2003 respectively. These mobilisation efforts have made a lasting impact. During these mobilisation efforts, officer to soldier ratio was reduced from 1:2:45 to 1:3:3. In the next round of modernisation the strength of ground forces was further reduced while navy, air force rocket forces strength were enhanced. In the last reorganisation, joint operations command institutions were formed and command structures were simplified. To quote Hu jin tao:-“ the military should strike a sound balance between speed, quality and efficiency in its modernisation drive and must be integrated into the country's overall modernisation strategy and serve the interest of national security and development.

Since the mid 1990's,there has been a growing Chinese interest in reorganisation and modernisation efforts like information warfare(I.W),electronic warfare(E.W), command control, communications and computers intelligence surveillance and reconnaissance(C4ISR) and space warfare.

By 2010, china has already conducted an anti-satellite test with a ground based missile destroying one of the its retired Fengyun satellites located at about 860 km in orbit. It has successfully conducted a missile interceptor test. its air force has unveiled newer

versions of multi role aircraft(j-10).the above measures underline the successes in PLA modernisation, which involved streamlining its force structures, raising elite troops, restructuring of command and control mechanisms. These are meant to enhance military capabilities of the country to overcome the perceived challenges of the state and make china a great power.

PROBLEMS FOR INDIA

The PLA modernisation programme is a concern for India in a number of ways. First and foremost it will further enhance the already existing military asymmetries between the two countries. China enjoys an overwhelming military superiority given its higher missile inventory, arms imports and ability to spend more on acquiring advanced platforms. It has been said that china's defence budget has saw an constant double digit increase in the last one and half decades. China's official defence budget has been about \$77 billion but other estimates of pentagon and Rand Corporation indicate to about \$150 billion. This is more than twice that of Indian defence budget.

Second, although not all military modernisation programmes are not directed against India but these could be pitched against India if situation requires. For instance in 1962, china redeployed its troops from Taiwan to India. One must not forget that India and Bhutan are the only two countries with which china has unresolved borders. Further, it has been reported that in the last one year there has been as many as 270 transgressions by the Chinese patrols. There has been no major demobilisation of military personnel on both sides of the LAC. Recently it has given boost to infrastructure in border regions particularly in Tibet and Xinjiang which have witnessed unrest in recent times. China's law makers have proposed the construction of a new highway linking south-western Yunnan with Tibet, which for the first time year-round access to remote region which borders Arunanchal Pradesh. The new highway will cut short the route between the two regional capitals Kunming and Lhasa by more than 300km.According to Ding Xinhua, a representative in the National People's Congress (NPC, the Chinese parliament) from Nujiang, the project has a lot of strategic importance. The highway will run through Nyingchi, a Tibetan county that borders Arunanchal Pradesh, which China claims and refers to south Tibet .this major infrastructure projects in the border regions around India have serious strategic implications and have resulted in asymmetry in infrastructure across the disputed border.

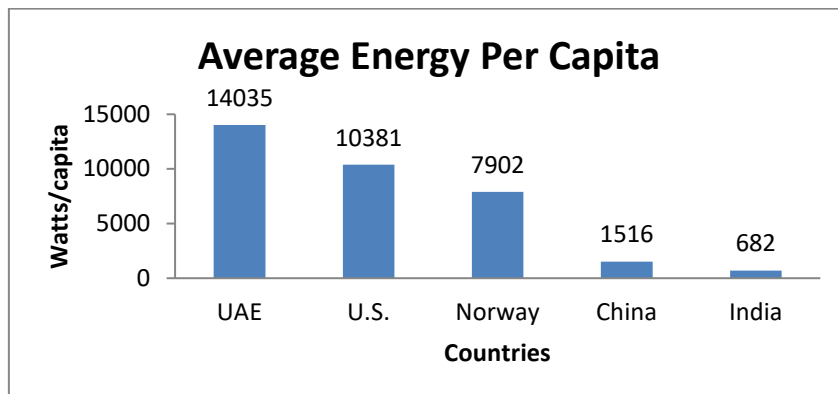
China has taken its military preparedness to a new high. China's People's liberation Army Air Force (PLAAF) recently conducted a first of its kind live- fire air attack drill on the Qinghai-Tibet Plateau. The drill was carried out by PLAAF'S J-10 fighters on 3500mt high plateau at sub freezing temperatures. According to Srikant Kondapalli, an expert on Chinese military at Jawaharlal Nehru University, these reports indicate that china is strengthening its conventional deterrents. They basically want to convey to India and other neighbouring countries that they are preparing in high altitude conditions. The recent drills he noted were in response to India announcing its deployment of Sukhoi 30 aircraft. All these activities are deliberately done in order to defend the disputed border with India.

Finally, as part of its hedging strategy China has been supporting those South Asian countries which have exhibited adversarial relations with India, these include Pakistan, Nepal, Bangladesh, Myanmar and Srilanka. Pakistan has been the closest ally

of China. The relationship between the two countries has been described as “all weathered relationship”. President Hu Jin Tao has described the relationship as “higher than the mountains and deeper than the oceans”. China over the years has emerged as Pakistan’s largest defence supplier. in fact Pakistan’s military modernisation is entirely dependent upon china, with the latter providing M-11 missiles and helping Pakistan to develop Shaheen-1 ballistic missiles. Further, china is also supplying one of the most advanced 3rd generation J-10 fighter jets to Pakistan in a deal worth around \$6 billion. The most crucial aspect of Sino-Pak nexus is China’s clandestine support for Pakistan’s nuclear programme. Despite, being a member of NPT(Non Proliferation Treaty), China has provided critical assistance to Pakistan in the construction of Nuclear facilities. The pivotal role that china has played in establishment and management of Pakistan’s nuclear programme has been aptly noted by Gary Milhollin, who says “if you subtract China’s help from Pakistan’s nuclear programme, there is no nuclear programme. Abdul Qadeer Khan, himself has acknowledged the crucial role that china has played by gifting 50 kilogram of weapon grade enriched uranium to for Pakistan centrifuges. The strategic importance of Pakistan for china is further enhanced by the fact that it is trying to develop a deep sea port at Gwador, which is located strategically at the Hormuz. The development of this port will provide an alternate route to transport its oil and will reduce its reliance on Malacca strait, which currently accounts for 80 percent of china’s oil transport. China is busy undertaking a range of projects in the disputed POK region. All this is of Concern to India.

CHINA’S QUEST FOR ENERGY SECURITY

Energy security is becoming a big concern for the world. It has emerged as one of the most important element of a country’s national security. We have already seen how this factor has shaped many countries foreign policy. We have already seen how energy motives have motivated nations to go to war or peace. Whether it is the recent Iraq war or Russia – Ukraine dispute over natural gas which threatened Europe with gas disruptions or China’s strategy of “string of pearls”.³ Energy securities are increasingly defining international relations. ‘Energy security’ issue is even more important in case of developing countries like India and China, who’s 80% oil requirements are met through imports. The continued robust economic growth depends on how well the two countries manage their energy requirement. Energy is the most fundamental requirement of every society or nation as it progresses through the ladder of development. There is a distinct correlation between energy consumption and income of a nation (See table below)

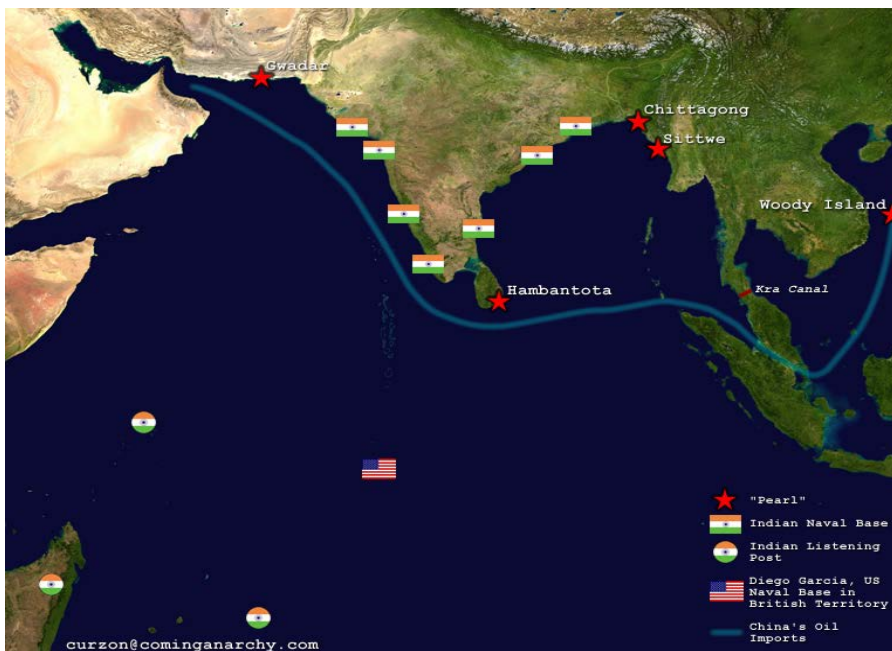


Source: Special Essay, The Hindu, Sunday, November 6, 2011, p.10

Every step towards progress requires energy transport (cars, ships, and aircraft), hospitals, and education (e-connectivity). In fact every element of our live has become energy intensive. This quest for “energy security” has forced nations to diversify their supplies by exploring new overseas resources and by guarding strategic routes (often sea lanes of communication). This often endangers the security of other nation.

China is the 3rd largest energy producer (10.6% of energy production) in the world after the U.S. and Russia but it is second highest consumer (10.8% of global consumption) after the U.S. Since 1990’s it is a net energy importer.⁴ The International Energy Agency (IEA) forecasts a fivefold increase in China’s oil imports from 2 million bpd in 2002 to almost 11 million bpd in 2030, which means China, will have to continue importing some 80% of oil. Moreover, the most worrying factor for China is that 80% of its oil imports pass via “strait of Malacca”. This is a very narrow strait, just 1.5 miles at its narrowest point. The problem is compounded by the fact that this region is infested with piracy and can be disrupted by a naval blockade by either India or U.S.A., as Beijing thinks that both India and the U.S. are not taking a benign view of the “Peaceful rise of China” in global politics.

Keeping in view of its Malacca Dilemma⁶ China is currently engaged in building ‘a chain of naval port facilities across the Indian ocean region’. The problem to India is that these “Energy futures of Asia”, as China calls them can anytime be converted into military hot spots aimed at strategic encirclement of India. Christopher Pehrson describes, “string of pearls” as “the manifestation of China’s rising geopolitical influences through efforts to increase access to ports and airfields, develop special diplomatic relationships, and modernize military forces that extend from the South China Sea through the Strait of Malacca, across the Indian ocean and on to the Persian gulf.⁷ The list of these pearls include following upgraded military facilities in Hainan Island, upgraded airship on Woody Island located to in a parallel archipelago which is about 300 nautical miles east of Vietnam, construction of deep water port in Sittwe (Burma); construction of navy base in Gwador (Pakistan). (A pipeline through Islamabad, over Karakoram highway to Kashgar in Xinjiang province that would transport fuel to China), container shipment facility in Chittagong, intelligence gathering facility on Islands in Bay of Bengal near the Malacca strait, Hambantota port in Sri Lanka apart from porting rights in Aden (Yemen), Salah (Oman) and Djibouti. See the map below



Source: Curzon@cominganarchy.com

According to Indian officials this strategic establishment around the Indian Ocean region aims at “strategic encirclement of India” as part of China’s well crafted Containment Policy. Moreover, India has objected to China’s establishments in the Pakistan occupied Kashmir (POK) region, the plan to lay a gas pipeline parallel to Karakoram highway, which will eventually be extended from Islamabad to Gwador. The reasons for India’s objections are clear as India considers POK as a disputed territory.

Like China, India also face the critical challenge of catering to a rapidly increasing demand for energy with over a billion people, a fifth of world population. India ranks sixth in terms of energy demand. Its economy is projected to grow at 10% during the next two decades. India imports 70% of its oil requirements from Middle East. India will be importing 91.6% of its oil by 2020, as predicted by World Energy Outlook, International Energy Agency (IEA).⁹ The domestic production can never meet India’s growing requirements. Therefore, it will have to diversify its imports and explore new regions. India in quest of energy security is likely to get entangled in conflict with its arch rival China. This happened in case of Sudan and latest in case of South China Sea.

The most visible manifestation of conflict between the two countries came recently when in a bid to diversify its energy resources; India’s state owned OVL (ONGC Videsh Limited) signed an agreement with Vietnam’s Petro Vietnam for joint exploration for oil and natural gas in the South China Sea. China objected to this who considers it to be part of its territorial waters. However, UNCLOS (United Nation Convention on Laws of Sea) has declared South China sea as an international waterway.¹⁰ The Chinese objection was flatly rejected by India on the basis that “energy ties with Vietnam are as per international regulations”. Such types of skirmishes are more likely to continue, as their energy requirements will only increase in near future. The continued robust economic growth of the two Asian giants will depend on how well these countries manage their energy requirements. Mutually beneficial cooperation is the way out. It is to be noted that both of them share the same international market (Middle East, North Africa, CIS countries), the same transport route and the same energy production spots and yet face high oil price fluctuations. What we need is a “New Energy Concept”. The issue was first raised by

Chinese President the Jintao in the G-8 summit at St. Petersburg in July 2006.¹² He said “to ensure global energy security, we need to implement a new energy security concept, based on mutually beneficial cooperation, diversified forms of development, and common energy security through coordination.

There are some major areas in which effort should be made:

Firstly, to ensure global energy security there is a need to strengthen dialogue and cooperation between energy exporters and consumers. Energy exporting countries alone could not decide the oil prices and the quantum of energy flow. Major energy consumers like China and India must engage in closer negotiations to influence and secure energy prices and flows to different parts of the world. Geopolitical unrest including piracy, threat of terrorist attacks, regional hostility, speculation, peak in oil production giving rise to fears that world is running out of oil are the main reasons for price hike and delay in oil supplies, rather than resource depletion.

Recently, Naval Piracy had emerged as the greatest threat endangering energy security. Thus, there is a need to have a coordinated mechanism to guard the SLOC's through which oil is transported. India and China could take a lead in this regard as majority of their oil comes from Middle East.

Finally, the two countries can jointly explore new energy sources. We have already seen how the unbridled competition for energy resources between China and India in the bid for Kazakhstan Oil block (August 2005), resulted in Beijing's additional bid offer (US \$ 2 billion).¹¹ If China-India strengthens cooperation, then only, Asian unity, stability and prosperity can be achieved

CONCLUSION

The robust economic growth achieved by the two Asian giants has been subject of much debate and discussion in academic circles. There has been a lot of speculation whether the two countries will accommodate each other's rise or will be potential rivals. The dominant opinion holds that the two countries are potential rivals. They will continue to be so in the future too. As they have a fundamentally different political systems, economic models and social structures. The level of threat perception of one against other's is also very high. China figures prominently in India's defence spending. India cited “China threat” as the reason for conducting nuclear test. China too has plans of encircling India and confining her within the geographical co-ordinates of the region through the use of proxies including Pakistan, Bangladesh, and Nepal.

However the picture not totally gloomy, one can find the interests of the two countries converging on a range of issues from environmental issues to the issue of democratisation of various multilateral organisations including W.T.O and I.M.F. The bilateral trade between the two countries is burgeoning it has already reached \$60 billion. China has already emerged as India's largest trading partner. China and India are unique countries unlike U.S and U.S.S.R in the sense that the two countries did enjoy several centuries of parallel ascendancy. It was only with advent of colonialism that the relations between the two countries got strained. There are a lot of commonalities too between the two countries. Both emerged from the clutches of colonialism at the same time India in 1947 and china in 1949. again both countries in their initial years followed similar economic strategies for economic growth that were based on ‘self reliance’ and ‘import substitution’. Today the In 2009, China's and India's economy has already become the second and fourth largest respectively in terms of purchasing power parity(PPP).China's economy is

already larger than that of Japan and is next only to U.S. India's economy is also rapidly closing the gap with Japan's economy. The two Asian developing giants are riding on phenomenal growth rates (13.34% per annum in 1990-2007 for China and 7.4% for India). Their economies have performed much better than U.S. and European economies in the wake of global financial crisis that began in 2008. The two countries also have become important traders, foreign exchange holders, military powers and green house emitters. The sheer magnitude of their ascendance cause one former Singaporean ambassador to U.N. to proclaim the "irresistible" shift of global power to Asia.¹

The two countries can learn a lot from each other. India can take a lesson from the massive infrastructural development that china has achieved within the last three decades. Its visible infrastructure is entirely new. Those who have visited china during Mao period would not be able to recognise it today. Current Chinese cities have a dense forest of skyscrapers, six lane express ways studded with flyovers or overpasses, gleaming modern airports, growing network of high speed railways and their large and throbbing ports. India's manufacturing sector which is still in its infancy can take a cue from china's throbbing manufacturing sector. Today china has emerged as the manufacturing hub of the world.

There is a lot which china can learn from India too. China banking system can learn a lot from the Indian banking system. China is yet to master the art of running sophisticated stock markets. India has been successfully doing so since the early nineteenth century. India is so skilled in doing this that they got the Bombay stock exchange running within 24 hours the terrorist bomb blast attack which nearly destroyed the building in 1992. chinese private sector can take a cue from the Indian counterpart as it is more entrepreneurial and efficient.

Thus there is a lot which each can learn from the other. There is enough space for both to prosper without confrontation. If the two Asian giants could cooperate the 21st century could well belong to Asia as 20th century belonged to Europe.

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