

Lingnan University

Digital Commons @ Lingnan University

Bachelor of Social Sciences – Senior Theses

Undergraduate Open Access Dissertations

2013

The implications of China's 'String of Pearls Strategy' on relations with Indian Ocean nations

Maleehah Iman ALI

Follow this and additional works at: https://commons.ln.edu.hk/socsci_fyp



Part of the [Asian Studies Commons](#), and the [International Relations Commons](#)

Recommended Citation

Ali, M. I. (2013). The implications of China's 'String of Pearls Strategy' on relations with Indian Ocean nations (UG dissertation, Lingnan University, Hong Kong). Retrieved from http://commons.ln.edu.hk/socsci_fyp/3

This UG Dissertation is brought to you for free and open access by the Undergraduate Open Access Dissertations at Digital Commons @ Lingnan University. It has been accepted for inclusion in Bachelor of Social Sciences – Senior Theses by an authorized administrator of Digital Commons @ Lingnan University.



**The Implications of China's 'String of Pearls Strategy' on Relations with
Indian Ocean Nations**

A Thesis

Presented To:

**The Program Office of Social Sciences Lingnan University in partial
fulfillment for the requirement of the Degree in Bachelor of Social
Sciences**

Submitted By:

Maleehah Iman Ali

Submitted To:

Dr. Zhang Baohui

2013

Table of Contents

Title	Page
Introduction	5
 CHAPTER 1: The Geostrategic Context	
1.1 Importance of the Indian Ocean Region	7
1.2 Maritime Security	8
 CHAPTER 2: Strategic Alignments and Conflicts in the Indian Ocean	
2.1 The Elephant VS the Dragon	9
2.2 Sino-Pak All- Weather Friendship	13
2.3 Sino-Indo-US Strategic Triangle	16
 CHAPTER 3: Great Power Strategies for the Indian Ocean	
3.1 The String Of Pearls Unraveled: Is there a String of Pearls Strategy?	17
3.2 Rationalization for the 'String of Pearls'	19

3.3 International Reaction to the String Of Pearls	24
3.4 Comparative Naval Power	29
3.5 China's Mercantilist Intentions	35
3.6 Case Study of Selected 'Pearls': Pakistan, Myanmar and Sri Lanka	39
 CHAPTER 4: Analysis and Strategic Forecast	 44
 Works Cited	 48
 Table of Figures:	
Figure 1 String of Pearls	19
Figure 2 Global Growth in Energy Demand	21
Figure 3 Petroleum Security.....	22
Figure 4 Table of Comparative NavalPower.....	33
Figure 5 China's Military Spending Forecast.....	34

THIS PAGE IS INTENTIONALLY LEFT BLANK

Introduction:

It was Napoleon Bonaparte who famously said, 'Let China sleep, for when she awakes she will shake the world.' The Deng Xiaoping 'open door' reforms of the 1980's saw China not only awakened from centuries of inactivity in the international arena, but send shock waves around the globe with unprecedented economic growth accompanied by growing international influence. This has understandably had an effect on relations with China's immediate neighbors and other regional powers. Of the many aspects of China's rise, security issues dominate the geopolitical discourse. Stemming from the 'China Threat Theory' the development of the so-called 'String of Pearls' threatens serious implications to regional security.

China is heavily reliant on external sources of energy to fuel her insatiable growth, ever since these resources began to dwindle domestically. She therefore, has to ensure the availability and sustenance of these energy resources. Since China is a net importer of energy, she needs to guarantee the safe passage of these resources en route to the Mainland and diversify the national energy supply, necessitating security along the SLOCs in the form of enhanced maritime presence and deeper cooperation with her neighbors and Indian Ocean nations. The military alliances, enhanced ties with the littoral states of the Indian Ocean and naval build-up, have raised alarm among neighboring countries, notably China's regional rival India, and offshore balancing power the United States. According to a classified American report released in 2005, China is inching towards regional hegemony and ultimately seeks to challenge the United States primacy in the Indian Ocean Region.

This thesis contends that China pursues the String of Pearls Strategy for now, primarily for mercantile purposes and as a means to ensure energy security and not to contest the US or deliberately threaten India. All countries depend on sea channels for trade; hence they seek stability at sea and sea control. China is no exception. I believe that China will abide by the 'peaceful

rise' mandate as too much is at stake for her both domestically and internationally. This will hold true as long as China's interests are safe. The evidence presented here forth, will substantiate that the steps taken by China have been non-confrontational, but still manage to intimidate the other Asian giant; India because of decades of mistrust and rivalry. In fact this issue is just an extension of decades of growing rivalry between the two powers, vying for regional hegemony. Mistrust leads to the misjudgment of actions and drives both sides to expect the worst behavior from their rival. As India perceives the 'pearls' as Chinese military strongholds encompassing the Indian territory, I endeavor to argue that this is a highly unlikely short-term possibility. Military bases may not be as critical now as they were in the past due to developments in technology especially C4SIR. The reaction from the 'pearls' themselves also supports the notion of China's mercantilist intentions. This does not entirely rule out the fact that the commercial ports established could be upgraded to naval bases in the future, but, for now, the purpose stated by China seems credible. Nevertheless, this short term tension has potential to turn into long term tension. Assuming China continues to be a rational actor in international affairs, the only circumstances that will force her to assume an aggressive stance would be provocation either by blocking the sea lanes or trade routes or perhaps a major global incident could trigger conflict.

Refuting the claim that China has this strategy the following questions will be examined during the whole study: What are China's true intentions? Does China have a String of Pearls Strategy for the purpose thought of and in light of the developments within the purported strings, do these countries actually want a Chinese military presence? Will China actually benefit from bases within these countries? How have China's rivals reacted to these developments? When it comes to China, one can only speculate, given the shroud of mystery, limited lines of communication and information that's made available to the rest of the world. China's closed political system will continue to present an enigma to the rest of the world.

It is important to understand the environment and context under which China is developing its String of Pearls, to gain insight into what would motivate her to increase maritime security and how the China Threat Theory is being misconstrued.

CHAPTER 1

1.1 The Importance of the Indian Ocean Region (IOR):

The Indian Ocean is the third largest ocean in the world, after the Pacific and Atlantic. It spreads over seven sub-regions (Southern Africa, Eastern Africa and the Horn, the Gulf littoral and Arabian Peninsula, South Asia, South East Asia, Australia and the Indian Ocean Islands) and embraces 33 countries¹. But, what makes the Indian Ocean vital to sustaining economies around the world is the fact that it has four out of six 'choke points' including the Straits of Malacca (Indonesia and Malaysia) , Straits of Hormuz (Iran and Oman), the Mozambique Channel, Bab-el-Mandeb (Djibouti and Yemen)². The 20th century naval flag officer, historian and strategic thinker Alfred Thayer Mahan had prophesized that the future of the world in the 21st century would be decided on the waters of the Indian Ocean in these words:

"Whoever controls the Indian Ocean dominates Asia. This ocean is the key to the seven seas in the 21st century, the destiny of the world will be decided in these waters"³.

¹ "'Indian Ocean' — Merriam-Webster Dictionary Online". Retrieved 10th February 2013. "Ocean East of Africa, South of Asia, West of Australia, & North of Antarctica area about 28,350,500 squaremiles (73,427,795 square kilometers)

² 'World oil transit choke points' Washington DC: Report by Energy Information Administration, March 2007 Retrieved from: www.eia.doe.gov/cabs/World_Oil_Transit_Chokepoints/Background.html

³ Khan ", Sufyan A "Greater Indian Ocean: A Peaceful Geo-Political Pivot Or A Contentious Source Of Hedging" 23rd June 2011, Eurasia Review < <http://www.eurasiareview.com/23062011-greater-indian-ocean-a-peaceful-geo-political-pivot-or-a-contentious-source-of-hedging/>> Retrieved on February 11th 2013.

This foresight is indicative of the importance of the Indian Ocean in particular to the Asian giants, also (but not limited to) to other large economies and navies such as South Africa and Australia. The Indian Ocean Region has abundant resources and is the number one source of global energy supplies,⁴ particularly hailing from the Middle East. Therefore, it is of dire importance to all Indian Ocean nations, especially the two emerging economies of Asia.

1.2 Maritime Security Issues:

Reiterating Mahan, Mohan Malik states in his book 'China and India: Great Power Rivals': "Current geostrategic, economic, energy and demographic trends indicate that the Indian Ocean Region, could well emerge as the strategic centre of the twenty-first century, much as the Atlantic and Pacific oceans played this role in the twentieth century."⁵ "Traditional issues' in maritime security including, protecting the SLOCs especially the broadband communication cables that traverse the seabed of the Indian Ocean, connecting Europe, Asia and the United States⁶, ensuring the safe passage of ships along the trading routes and safeguarding chokepoints from piracy, ports and shipping lanes from terrorists, monitoring arms trade and drug trafficking are now the concern of all states who depend upon Indian Ocean waterways. The growth of infrastructure comprising of ports, airports, roads, railway and pipelines that facilitate access from the Indian Ocean to these nations, has taken on increasing significance seeing as the boost in traffic will also heighten competition. 'Non-traditional' issues include migration due to rising sea levels as a result of global

⁴ Malik, Mohan. 2011, 'China and India Great Power Rivals', pg324, Lynne Reiner Publishers

⁵ Malik, Mohan. 2011, 'China and India Great Power Rivals', pg325, Lynne Reiner Publishers

⁶ C. Uday Bhaskar and Geoffrey Kemp, 'Maritime Security Challenges in the Indian Ocean,' 24th February 2011, Centre for the National Interest.

warming, natural disasters, pollution and depletion of fisheries due to over-fishing and poor monitoring.⁷

What tends to complicate the scenario is the lack of regional institutions to deal with maritime security issues. There is a need for multi-lateral cooperation to secure the global commons, a task that no one nation can undertake on its own.

CHAPTER 2

Historical Background and Contemporary Situation of the Region:

- Relations Between States, territorial disputes, Cold-War Alignments and balance of power

The dynamism of the Sino-Indo-Pak region is only equaled by its perils; it is indeed an unfriendly neighborhood. It is home to almost one-fifth of the world's population, two mammoth economies, and three nuclear states each with territorial disputes with one or both countries. To see where we are heading, we must know where we came from. The following chapter looks at the historical and contemporary relations between the 3 major countries, China, Pakistan, India and the strategic interest of the United States; whose stake in the region cannot be overlooked. Understanding the historical background of the Asian giants and important alliances and rivalries gives much needed insight into Sino-Indian relations which have both had bitter experiences of colonization and whose history, nationalism and desire to rise to past glory, shapes national policy till this day.

⁷ Ibid

2.1 The Dragon VS the Elephant:

History:

India and China are two of the world's most ancient continuing civilizations each maintaining their distinctiveness over the ages. They are described as civilization-states. The establishment of ties between the two countries occurred in 1950, when India was the 16th state to establish diplomatic ties with China on April 1st 1950⁸ and break ties with the Republic of China (Taiwan) thus, recognizing the People's Republic of China. The popular slogan in India became 'Hindi-Chini bhai bhai' in Hindi which translated means 'Indians and Chinese are brothers'. Both countries leaders were influenced by socialist ideals which made them seek deeper cooperation and stronger relations. But relations soon turned sour over border regions and the main bone of contention Tibet which China had occupied in 1949. The Indians granted asylum to the Dalai Lama and refuge to Tibetan refugees, resulting in one major war with sporadic skirmishes over the next few decades. The first Indo-China war began on 20th October 1962 and only lasted a month. The Indians suffered a crushing defeat at the hands of the Chinese army. Tibet remains a sore subject, as the Indians granted asylum to the Dalai and Lama and believe Tibet should be emancipated. The fact that it is the source of many of the region's rivers further aggravates the conflict.

Contemporary Situation:

Minxin Pei, of the University of Pennsylvania adds an interesting dimension to the traditional ties between the two countries along with a warning that if perceptions don't change, it

⁸ Ministry of Foreign Affairs PRC www.fmprc.gov.cn/eng Retrieved on 15th February 2013

is this very factor that will define the future of China-India relations.⁹ He examines the view of the Chinese towards Indians and vice versa at various levels of society. As power is measured by perception and actual ability, the way both countries perceive each other is very important to the relations between the two.

According to him, the average Chinese believes in the general stereotype that India is a backward, impoverished country. A study by Washington Pew Research Centre revealed that 62% Chinese have an unfavorable view of the Indians and only 44% view the rise of India as being positive for China a decrease from six-in-ten in 2010,"¹⁰ the centre said. A majority also view India's rise negatively. On the other side of the border, "only 23 % of Indians describe their country's relationship with China as one of cooperation and only 24 % think China's growing economy is a good thing for India,"¹¹ it said.

The survey showed that the Chinese had a better attitude towards Pakistan as compared to India. "China's relationship with Pakistan is much brighter, with nearly half of Chinese (49 percent) seeing the relationship as one of cooperation and only 10 percent describing it as one of hostility,"¹² Pew said.

Furthermore, Dr. Pei says of the Chinese: "While elites affiliated with the government tend to discount India's potential as a great power, they obsessively worry about India's role as a strategic counterweight that could be used by the West in containing China¹³". However, China tries to downplay the threat of India, but are wary of the China-US alliance and it seems that India tends to exaggerate the threat of China.

⁹ Minxin Pei, "Dangerous Misperceptions: Chinese Views of India's Rise" Centre for Advanced Study of India , 23rd May 2011 <http://casi.ssc.upenn.edu/iit/pei> Retrieved on: 14th February 2013

¹⁰ <http://www.pewglobal.org/2012/10/16/chapter-2-china-and-the-world/>

¹¹ Ibid

¹² Op Cit

¹³ Minxin Pei, "Dangerous Misperceptions: Chinese Views of India's Rise" Centre for Advanced Study of India, 23rd May 2011 Retrieved from: <http://casi.ssc.upenn.edu/iit/pei> Retrieved on: 14th February 2013.

The study provides overwhelming proof that the misperceptions are a leading cause of stunted cooperation between India and China. Indeed, the perceptions from the society right up to the elite distorts decision making.

Historical bitterness and distrust persists till present day, due to deep rooted forces that are embedded in different political systems, competing interests, strong nationalism and their relative positions in the international system. India's rise as an economic power gives an alternative model to developing countries from China's state-capitalist model, which deepens the rivalry. India is the largest democracy in the world and not a threat to the West, whereas, China is considered so.

Both countries are vying for regional hegemony and appear to be in a classic security dilemma. These two Asian giants are at loggerheads not just as competitive economies and military rivals, but they are also competing for global resources. But that does not entirely rule out cooperation and it is the direction that the relations must take given their unmistakable interdependence.

Although bilateral relations apart from trade between the two Asian giants are limited, their solidarity on multilateral platforms seems more promising, especially in regards to issues of common interest. China and India have the potential to establish an enduring alliance that can stand up to the west as both countries represent the global south.

In the past the Chinese and Indians have cooperated in the international arena on issues such as climate change. During the Copenhagen Climate Change Conference in 2009¹⁴, they defended their stance as developing countries and allied against the global north.

During the WTO Doha Development Trade Talks in 2008, there was a breakdown in talks due to a rift between the US, EU coalition and the BASIC group (Brazil, South Africa, India and China). This

¹⁴ Tobias Rapp, Christian Schwägerl and Gerald Traufetter, 'How China and India sabotaged the UN Climate Summit' 5th May 2010 Spiegel Online International Retrieved from: <http://www.spiegel.de/international/world/the-copenhagen-protocol-how-china-and-india-sabotaged-the-un-climate-summit-a-692861.html>

occurred due to the United States refusal to discuss 'special safeguard agreements' in agriculture at the behest of India¹⁵. China supported India in its stance, disregarding harsh criticism from developed and developing countries alike.

However, strategic competition is bound to continue since both countries have their misgivings about one another and a strong bond cannot be formed on the foundation of mistrust. This would lead to both sides continuously assuming the worst behavior from the other major power.

2.2 Sino-Pak All Weather Friendship:

China and Pakistan's 'all weather' friendship is a bond that has been described by former Prime Minister Yousaf Raza Gilani as "higher than the Himalayas, deeper than the Indian Ocean, and sweeter than honey."¹⁶ This rhetoric was matched by a statement just as endearing when Premier Hu Jintao proclaimed in 2006, that China could leave gold, but never leave Pakistan¹⁷. The robust relationship spanning six decades, is testament that the partnership is based on mutual trust (and benefit) and understanding.

Pakistan was the third country to recognize communist China in 1950 and diplomatic relations were established the following year. In the earlier years, relations between the two countries were limited due to Pakistan's inclination to the West and due to its membership in SEATO (South East

¹⁵ Whalley, John and Shekhar Tanmaya. 2010. Rapidly Deepening India-China Economic Relationship. CESIFO WORKING PAPER. www.CESifo-group.org/wp

¹⁶ The statement was made during the visit of Chinese Public Security Minister, Meng Jianzho, to Pakistan in September 2011. See 'Ties with China hailed: Gilani cautions US on negative messaging' Dawn (28 September 2011) <http://www.dawn.com/2011/09/28/ties-with-china-hailed-gilani-cautions-us-on-negative-messaging.html> Accessed on 15th February 2013.

¹⁷ Hu Jintao said this during a state visit to Pakistan in November 2006. See Dawn (26 November 2006), <http://archives.dawn.com/2006/11/26/top3.htm>. Accessed 17th February 2013

Asia Treaty Organization) and CENTO (Central Treaty Organization). The turning point in Sino-Pak relations came during the Sino-Indian War of 1962 and China supported Pakistan during their war with India in 1965. Since then, they have been bound in friendship due to the existence of a common enemy; India.

Importance of the China-Pakistan Alliance:

Pakistan serves to fulfill several of China's geo-strategic objectives in the region. Firstly, the alliance acts as an effective counterbalance to India's growing influence in the region. Secondly, Pakistan is China's link to the rest of the Muslim world and provides China access to energy rich countries in the Middle East and Central Asia which is vital for China's mounting energy demand. This in turn could be key to developing the turbulent region of Xinjiang in China. Thirdly, China seeks to keep a check on American presence in the region. The alliance is imperative to Pakistan's existence faced with the looming and imminent threat of a much larger, more powerful neighbor. Pakistan enjoys China's Big Brother status, given the fluctuating love-hate relationship that Islamabad shares with Washington. Pakistan needs to prove to the United States that they have an alternative source of aid. This was most apparent after American unilateral action in 2011 when Navy Seals stormed a compound in Abbotabad, Pakistan, found and killed America's most wanted man and terrorist-at-large, Osama bin Laden¹⁸. China defends Pakistan's sovereignty in the matter of U.S drone strikes on Pakistani soil. Pakistan is also heavily reliant on China's assistance in its defense and nuclear technology development. This is unquestionably the most sound, long-standing dimension of their relationship.

¹⁸ Cooper, Helene "Obama Announces Killing of Osama bin Laden". 1st May 2011 (20:00 UTC), The New York Times Retrieved from: <http://thelede.blogs.nytimes.com/2011/05/01/bin-laden-dead-u-s-official-says/>

Military Alliance and Nuclear Weapons:

Sino-Pak defense cooperation can be traced back to 1965, when the United States imposed an arms embargo on Pakistan during the Pak-India War of 1965 and they were compelled to resort to China for supplies¹⁹. On 4th December 1968, U.S Secretary of Intelligence and Research, George C. Denney wrote a report to Secretary Rusk entitled “Pakistan and Communist China Strengthen Cooperation”. The report claimed that Pakistan allowed the Chinese access to F-104 supersonic fighter aircraft that the US had given to Pakistan, in breach of the agreement with the United States²⁰. In return China granted Pakistan interest free loans. The United States condoned this betrayal as they had had bigger plans for Pakistan, believing they had more to gain from Pakistan’s closeness to China. Pakistan’s Prime Minister at the time, Yahya Khan was instrumental in arranging for Henry Kissinger’s initial visit to China in 1971, which was followed by President Nixon’s landmark visit the subsequent year²¹.

China is one of Pakistan’s principal defense suppliers, with reportedly almost 40% of arms exports heading to Pakistan. From 1978-2008, the Chinese had sold US\$7 billion worth of equipment to Pakistan²². This is even true after 2001, when the United States became Pakistan’s largest donor of military and economic aid. China’s support for Pakistan goes beyond conventional weapons, a

¹⁹ Jamal Afridi, and Jayshree Bajoria, ‘China-Pakistan Relations’ 6th July 2010 Council on Foreign Relations Retrieved from: <http://www.cfr.org/china/china-pakistan-relations/p10070>

²⁰ George C. Denney, ‘Pakistan and Communist China Strengthen Cooperation’, Director of Intelligence and Research, U.S Department of State, 4th December 1968, Accessed at <http://www.gwu.edu/%7Eensarchiv/NSAEBB/NSAEBB114/chipak-2.pdf>, 23 February 2013

²¹ n.a Sultan Mohammed Khan, Foreign Secretary, Pakistan, on: Nixon’s meeting with Pakistan president, Yahya Khan’ n.d PBS Retrieved from: <http://www.pbs.org/wgbh/amex/china/filmmore/reference/interview/khan01.html>

²² Bruce Reidel and Pavneet Singh ‘US-China Relations: Seeking Strategic Convergence in Pakistan’, Foreign Policy at Brookings, Policy Paper (January 2010), pg.4.

reality that is most alarming for India and yet vehemently denied by both sides. The China backed nuclear program gives Pakistan the honor of being the only Islamic state with nuclear capability.

When the United States signed a civilian nuclear energy agreement with India in 2008, (the framework to this agreement having been set in place in 2005)²³, China's retort was stern and swift, offering to assist Pakistan in expanding its own nuclear program by providing them with two nuclear reactors. Pakistan is therefore, key to counter balancing the Indo-US alliance that China deeply fears.

2.3 US-Sino-India Triangular Relationship:

Henry John Temple (Lord Palmerston of the UK) in a speech to the House of Commons in 1848 affirmed "We have no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow."²⁴ This reaffirms the strategy of most major powers today, which are constantly engaged in games of cooperating, competing, colliding, conspiring, combining forces with and against one another. The Sino-Indo-US relationship emerged as one of great importance to the world in the post Cold-war era, possibly shaping the global order and largely based on strategic interests. It is thought that India views China the way China views the United States, that is, India believes China's intentions are targeted towards containment and encirclement the same way China perceives the United States intent.

Historically foreign powers have tried to play off the rivalry and mutual distrust between the two state-civilizations China and India, and seem poised to continue doing so. Outside influences cannot be ignored. Cold-War Alignments continue to have implications on relations between these

²³ Sultan, Maria; Mian Behzad Adil (September, 2008). "The Henry J. Hyde Act and 123 Agreement: An Assessment"(PDF). South Asian Strategic Stability Institute, London

²⁴ Jasper Ridley, *Lord Palmerston* (London: Constable, 1970), pg

countries till today. During the Cold War America sought China as an ally to counter the Indo-USSR alliance. The 1970's and '80s saw the emergence of an alliance that is almost unthinkable today; the US-China-Pak axis. It is forecast that the defining bilateral relations of the 21st century may be US-Russia, US-China and China-Russia. The recent China-Russia summit which was the first state visit of newly elected Premier Xi Jinping,²⁵ could imply closer ties between the Chinese and the Russians, which has distressed both India and the United States.

The Sino-India-US relationship is characterized by uncertainty and three countries that have so much to gain from each other and yet, at the same time, so much to fear from one another. As witnessed in the past, there will be a continuous shift of alignments in bilateral relations and multilateral cooperation, depending on respective interests and the issue at hand. The US is viewed as the pivot in this triangle and India as the swing state, which could oscillate between either power. But a rigid alignment against the 'engine of global economic growth' is unlikely. Given the unpredictable nature of international affairs and the broad scope of issues, it would be difficult to predict where the relations in this triangle are heading.

CHAPTER 3

3.1 Is there a String of Pearls Strategy?

Governments, defense analysts, scholars and the like have been debating over whether or not China has formulated the 'String of Pearls Strategy'* in the Indian Ocean Region by sheer

²⁵ Scott W. Harold and Lowell Schwartz. 'A Russia-China Alliance brewing?' 12th April 2013. Retrieved from: <http://thediplomat.com/2013/04/12/a-russia-china-alliance-brewing/> Retrieved on 13th April 2013.

coincidence or meticulous planning and whether the motivations are economic or military. The 'String of Pearls' is a term coined by Defense Contractors Booz Allen Hamilton in a report in 2005, titled 'Energy Futures in Asia'²⁶ to describe China's move to increase its geopolitical influence by establishing naval bases, enhancing diplomatic ties, accessing energy resources and further modernizing its military throughout littoral South Asian nations of the Indian Ocean. China has done so by signing air, trade and defense agreements, investing in commercial ports and constituting closer ties with Pakistan, Sri Lanka, Bangladesh, Myanmar, Maldives and Somalia among others. These countries are attracted by China's economic diplomacy and 'no strings attached' mantra. It is pertinent to mention here that China denies the existence of such a strategy, but in light of these developments, the 'String of Pearls' does indeed exist, but not for the over-hyped reasons offered by China's rivals. The 'String of Pearls' are of great strategic value to China as the Indian Ocean supply line accounts for 80% of China's imported crude. China will have access to Persian Gulf state's oil from the Indian Ocean and land channels avoiding the choked Malacca Strait and East China Sea. But according to David Zweig et al (2005): 'securing China's energy needs does not just revolve around obtaining them, but more importantly, the ability to get them home safely²⁷.' This justifies China's need to safeguard the channels of energy imports.

²⁶ Juli A. MacDonald, Amy Donahue, and Bethany Danyluk, *Energy Futures in Asia* (Washington, DC: Booz Allen Hamilton, Nov. 2004), iii

Also see: "China builds up strategic sea lanes," *The Washington Times*, January 17, 2005, <<http://www.washingtontimes.com/news/2005/jan/17/20050117-115550-1929r/>> Retrieved on 21st February 2013.

²⁷ David Zweig and Bi Jianhai, "China's Global Hunt for Energy," *Foreign Affairs*, Sep/Oct 2005. Vol. 84, Issue 5, pp. 25-38, <http://www.foreignaffairs.com/articles/61017/david-zweig-and-bi-jianhai/chinas-global-hunt-for-energy>



Figure String of Pearls

3.2 Rationalization for the String of Pearls Strategy*:

The 'String of Pearls' Strategy may not be as menacing as it sounds. Below are the possible reasons that have necessitated the strategy for China.

Energy Security:

Energy is vital for development of a nation and has been called a strategic commodity.²⁸ Strategic commodities are both essential for a country and the supply is uncertain or

²⁸ Zaleski, P., 2001. Energy and Geopolitical Issues. In: Rao, D.B., Harshita, D. (Eds.), Energy Security. Discovery Publishing House, New Delhi

may cause risk. Energy fulfills both these conditions and is therefore a strategic commodity. The abundance or lack of energy can make or break a country's progress. Recent world events and most certainly occurrences in the future will be a result of states trying to ensure their energy supply.

According to International Energy Agency (IEA) China is now the number one consumer of oil, taking over the United States²⁹. China consumed 36.51 million tons of oil in June 2010 alone, estimates which the Chinese government deny³⁰, which was around 11 percent above that of the preceding year. Global energy pundits predict that by 2015, China's oil consumption could reach 10.6 million barrels per day and could need up to 16.1% of global oil by 2020. China needs a constant supply of oil and other energy resources to fuel its insatiable growth with an average annual rate of over 9.5%³¹. The future economic growth of China depends on the constant supply and availability of energy. To facilitate this, China has to secure ports and pipelines.

However, China's rapid growth and progression into the world energy market has outstripped its ability to militarily keep pace with its global energy interests. This justifies China's obligation to strengthen her defenses to secure her economic interests.

The Harsh Realities: Global Trends in Energy:

Global energy demand is expected to rise by over one third between 2010 and 2035, with emerging economies accounting for 90% of that growth³². On the supply side, crude oil production from existing fields declines by 47 million barrels per day by 2035. Making up for this decline will

* China obviously has never referred to the strategy as such, but for simplicity the term will be used throughout the thesis

²⁹ International Energy Agency (IEA) "China overtakes the United States to become world's largest energy consumer," July 20, 2010

http://www.iea.org/index_info.asp?id=1479

³⁰ Chen Aizhu, "UPDATE 2-China oil demand on double-digit expansion pace in June," Reuters, July 15, 2010, <<http://www.reuters.com/assets/print?aid=UKTOE66D05H20100715>>

³¹ World Bank Country Data 2011, Retrieved on 21st February 2013, Retrieved from <http://data.worldbank.org/country/china>

³² Nobuo Tanaka, 'Energy Security and Sustainability for Asia in the 21st Century', 11th June 2012. IEA, World Energy Outlook

require new production capacity equal to twice the current total oil production of all OPEC countries in the Middle East. In addition to conventional crude oil, the contributions of natural gas liquids and unconventional oil expand to supply one-quarter of the market by 2035³³. As is evident from the graph below, both the rising economies of China and India are ranked the highest consumers of energy.

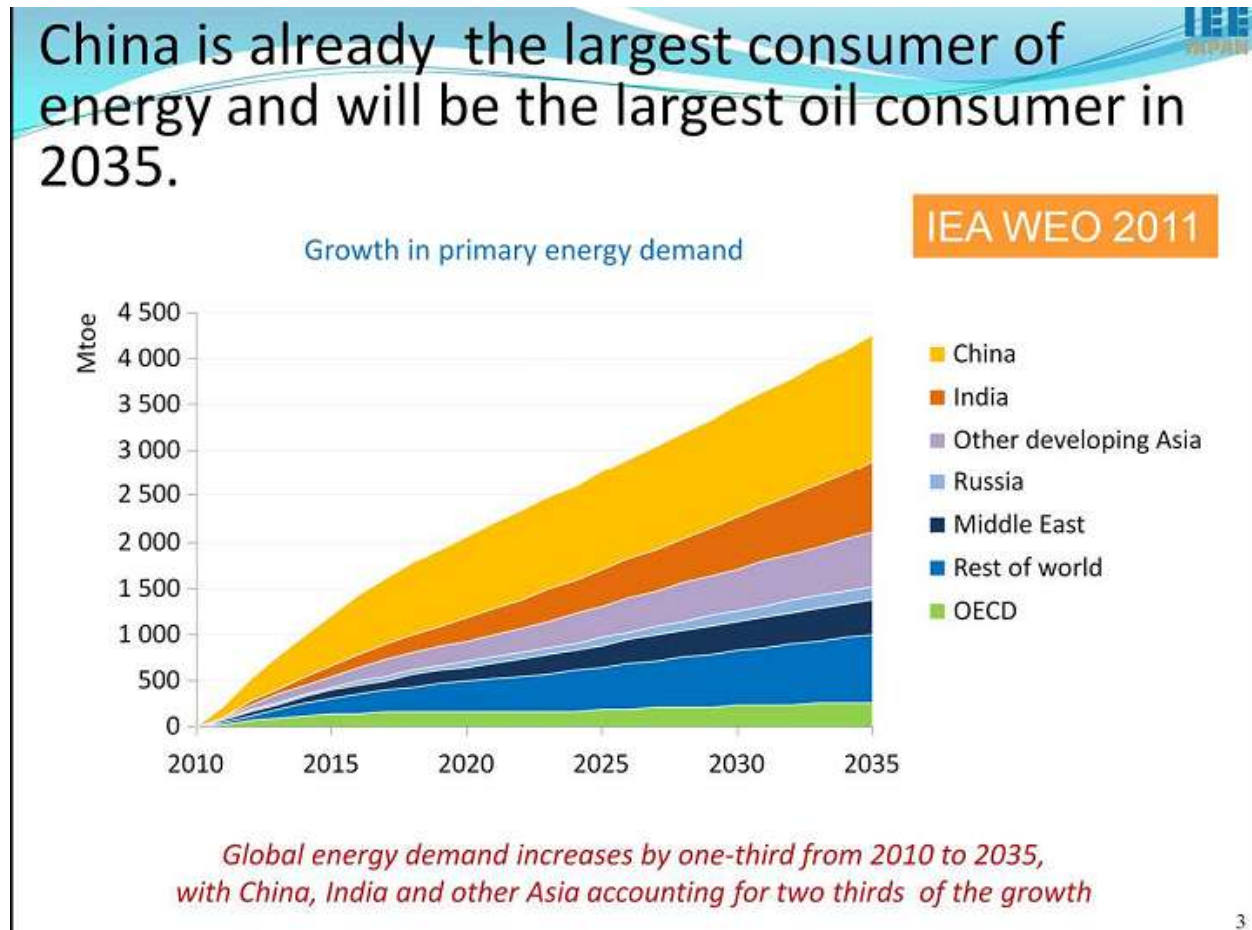
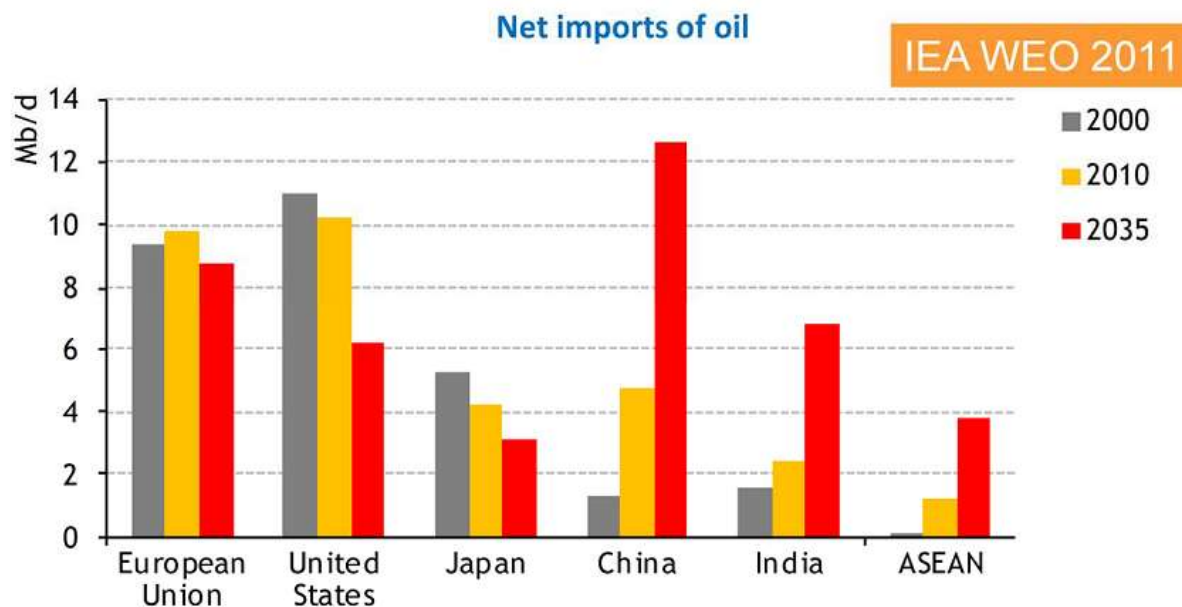


Figure Global Growth in Energy Demand

³³ Ibid

Petroleum security is particularly the issue for Asia in the 21st Century.



US oil imports drop due to rising domestic output & improved transport efficiency: EU imports overtake those of the US around 2015; China becomes the largest importer around 2020

Figure Petroleum Security

The Malacca Dilemma:

The Malacca Strait is one of the world's most important waterways and the shortest route between the Indian and Pacific Oceans. Separating Malaysia and Indonesia with Singapore at its Southern tip, an estimated 25% of global trade passes through the narrow passage. China has the world's fourth largest merchant fleet and 80% of China's oil imports³⁴ pass through these Straits.

³⁴ Hongyi Lai, "China builds bridges to fuel its engine room," Financial Times, London (UK): Jul 5, 2010. p. 9

The immense strategic value as expressed by a Chinese naval strategist is: ‘the straits of Malacca are akin to breathing itself, to life itself.’³⁵ But the Malacca Straits are susceptible to threats from state as well as non-state actors. Aware of this weakness, disrupting shipping flows could be used as a weapon against China by other states. This is China’s principal fear. Piracy is commonplace in these waters and a concern for any country that depends on the Malacca Straits as a trade route. China has committed to defend these sea lanes and so have other regional and off shore powers. The naval build up has only heightened tensions and suspicions between rivals.

Access to New Markets:

China hopes to access previously untapped markets to sell Chinese goods through its presence in the ‘pearls’. By investing in various projects in the ‘pearls’, China is also creating business opportunities for Chinese enterprises and jobs for its citizens. For example, the construction of roads in Myanmar created 400, 000 jobs for Chinese laborers, half of whom remained in the country for repair and maintenance work.³⁶

Regime Survival and Social Stability:

Domestically, the survival of the CCP depends on the ruling elite’s ability to keep their masses content. With a growing middle class that are educated and well informed about the rest of the world, they demand sustained prosperity or drastic change; since the system is inherently corrupt

³⁵ Erickson, Andrew ‘China naval analysts consider the energy question’ n.d All Academic Inc. Retrieved from: http://citation.allacademic.com/meta/p_mla_apa_research_citation/2/1/1/7/7/pages211779/p211779-16.php

³⁶ Shee Poon Kim, ‘An Anatomy of China’s String of Pearls Strategy’, The Hikone Ronso, Spring 2011, No.387

and accountability of CCP officials is low. The CCP deems it necessary to keep the growth rate to a minimum of 8% (Bao Ba) to prevent social unrest.³⁷

3.3 Reaction to the ‘String of Pearls’:

The importance of the perceived threat of the ‘String of Pearls,’ can be gauged from the reactions warranted by it. These developments are keeping China’s rivals especially India and the United States, on their toes and they have not concealed their discontent. Despite repeated reassurances from Chinese officials among them, the Ambassador to Pakistan Liu Jian, saying that no third party should be worried about the developments (of Gwadar port) and his dismissal of speculation that the port will be used for military purposes, mere rhetoric may not suffice to allay suspicions that China may have ulterior motives. But counterproductive statements issued by Chinese officials such as “We can no longer accept the Indian Ocean as only an ocean of the Indians,”³⁸ by General Zhao Nanqi, DG Logistics PLA, only serve to ignite further tensions.

INDIA:

India believes China is pursuing an encirclement and containment policy. She has historically regarded the Indian Ocean as her exclusive sphere of influence, much like the Chinese view the China Sea. For India, it is intrinsically tied to and will determine her status as a regional power. India fears China would block off trading routes and sea lanes, given the ports close proximity to the Straits of Hormuz, a vital Indian shipping channel. External Affairs Minister of India Mr. S.M. Krishna remarked “The Government of India has come to realize that China has been

³⁷ Aki Ito and Patrick Ria, “Rogoff Says China Crisis May Trigger Regional Slump,” Bloomberg Businessweek, February 24, 2010, <<http://www.businessweek.com/news/2010-02-24/rogoff-says-china-crisis-may-trigger-regional-slump-update1-.html>> Retrieved on February 24th 2013.

³⁸ Sakhuja Vijay, Oct 2000, ‘Dragon’s Dragonfly’, Strategic Analysis, p. 1368-1383. Also see, Ranjit B Rai, 2009, ‘China’s String of Pearls vs India’s iron Curtain’, IDR, Oct/Dec issue, p 94.

showing more than the normal interest in the Indian Ocean affairs. So we are closely monitoring the Chinese intentions”³⁹. The concern stems from the realization that they are at a disadvantage in many respects. One of India’s top Defense Analysts and retired admirals, Arun Prakash shared his apprehension that India doesn’t possess a grand strategy. He is not alone. Even India’s Prime Minister Dr. Manmohan Singh concedes that ‘China is ahead of us in planning for its energy security’ and that India ‘can no longer be complacent’⁴⁰. Hence, the absence of a grand strategy, inept diplomacy and domestic politics means that India lags behind China in the race to gain dominance in the region.

However, India is not simply sitting idly, she is countering China with what is being dubbed the ‘Iron Curtain’. India is pursuing a strategy of renewed diplomacy, increased naval presence, defense cooperation and establishing/strengthening alliances. She has increased her naval presence near Mauritius and the Seychelles and consolidated relations with Maldives, Madagascar and the rim states of Southern Africa. She is capitalizing on her cordial relations with Iran and helped build the Chabahar Port in Southern Iran near the Pakistan-Iran border,⁴¹ as it serves as an entry point for India to Afghanistan and Central Asian states. India reserved its right to use and stressed the necessity of the port amid opposition by the United States and European Union due to sanctions imposed on importing Iranian oil. A move more difficult to prove is the alleged inking of secret weapons agreements with Taiwan in 2002⁴², in an attempt to counterbalance China. Through diplomatic avenues, India has endeavored to persuade the Sri Lankan government to abandon the

³⁹ ‘India monitoring China’s intention in Indian Ocean, says Krishna’, The Hindu, New Delhi, 1 Sep 2010 at <http://www.thehindu.com/news/national/article605780.ece> - 6th March 2013.

⁴⁰ Mingjiang Li, “Sino-Indian Energy Politics,” Conference on Geopolitics of Energy in South Asia. The Geopolitics of Energy in South Asia, Singapore: Institute of Southeast Asian Studies, 2009, p.153

⁴¹ Bedi, Rahul. 2012. ‘India begins use of Chabahar port in Iran despite international pressure’. <http://www.telegraph.co.uk/news/worldnews/middleeast/iran/9115192/India-begins-use-of-Chabahar-port-in-Iran-despite-international-pressure.html> (05 Jul 2012).

⁴² Yang, Andrew N.D, Vice Minister (Policy), Ministry of National Defense, Republic of China, ‘Mainland China’s Military Development and Taiwan’s Countermeasures’, Brookings Institute, November 2011

Hambantota Port project, but their attempts have not borne fruit. These actions may be too little too late.

India had become the world's top military weapons importer as of 2011, according to Swedish Research Group, Stockholm International Peace Research Institute (SIPRI)⁴³. India purchased \$12.7 billion in arms, 80% of which came from Russia over the period of 2007-11. This may be in part attributed to the fact that they are not producing sufficient weapons or basic military goods domestically. But the pace and urgency of militarization, is in all probability a response to the intimidation from China.

If critically analyzed, India may be partly to blame for China's insecurities and consequently the development of the String of Pearls, as they had threatened to block off Pakistan's ports of Karachi and Muhammad Bin Qasim during the war in 1971 and the Kargil Conflict again in 1999.

UNITED STATES:

The Americans share the Indian doubts and had initially brought the 'String of Pearls' idea to their attention. In fact, the United States continue to monitor and scrutinize China's moves regularly apprising the Indians. They believe China will challenge their dominance in the Indian Ocean. Japan, South Korea, Vietnam, India and Australia have all strengthened their military ties with the United States. "The U.S. has adjusted its force deployment in the Asia-Pacific, increased the number of nuclear-powered attack and guided missile submarines in the region, expanded the military base in Guam and dispatched F-22 stealth fighters and various types of strategic

⁴³ Kumar, Hari. "Why has India become the world's top arms buyer" New York Times, 21st March 2012. Retrieved on 24th February 2013.

bombers.⁴⁴ The United States is positioning itself for potential threats to its primacy. This could become a self-fulfilling prophecy as power transition theory posits that an established hegemon such as the US may engage in conflict with the rising power from which it feels threatened and which seeks to challenge the status quo.

More recent reports emerged of U.S armed forces redeployed in the Asia Pacific such as marines training military personnel in the Philippines, Thailand, South Korea and Japan, in island defense maneuvers.

Fuelling paranoia are claims that listening posts and monitoring stations have been hidden among the cranes in some of the ports, to monitor US and Indian naval movements⁴⁵.

Interestingly enough, the Bush administration reestablished ties with India in 2005, the same year as the 'String of Pearls Report' was published. The move is looked at as one of the Bush regime's greatest triumphs and a watershed in US-Indian relations. Since then, Washington has been keen on forging an even stronger alliance with New Delhi and has been encouraging India to build up its maritime security. The Americans are not mixing their words pertaining to China. In February 2011, Admiral Robert Willard, Commander of the US Pacific Command speaking at a Conference in Honolulu declared that America needed 'to get China right', and 'this will pose the greatest challenge of the 21st century'⁴⁶. America will not give up its supremacy of the Indo-Pacific region and is committed to maintaining peace in the region, but it sees China as the biggest challenger to its continuing dominance. The independent report conducted by the Centre for Strategic and Independent Studies (CSIS), commissioned by the U.S Defense Department in 2012, made the

⁴⁴ Yang , Andrew N.D, Vice Minister (Policy), Ministry of National Defense, Republic of China, 'Mainland China's Military Development and Taiwan's Countermeasures, 'Brookings Institute, November 2011.

⁴⁵ Townshend, Ashley S. 'Unraveling China's String of Pearls', 16th September 2011, Yale Centre for the Study of Globalization

⁴⁶ Holmes, James Yoshihara Toshi. 'Is China Planning String of Pearls' 21st February 2011. The Diplomat. Retrieved 25th February 2013.

following recommendations in preparation for possible conflict with China (after consultation with top US military personnel in the Pentagon's Pacific Command) to strengthen the American military force in the region: "basing a US nuclear aircraft carrier in Western Australia, doubling the number of nuclear attack submarines based at Guam; deploying littoral combat ships to South Korea; doubling the size of amphibious forces in Hawaii; permanently basing a bomber squadron on Guam; boosting manned and unmanned surveillance assets in Australia or Guam; upgrading anti-missile defenses in Japan, South Korea and Guam; and strengthening US ground forces. While recommending consideration of all these options, the CSIS specifically calls for more attack submarines to be placed at Guam—that is, within easy striking distance of Chinese shipping routes and naval bases". Leon Panetta announced in 2012, that 60 percent of U.S navy ships would shift to the Asia-Pacific region by 2020 despite budgetary pressure.⁴⁷

Another Indian Ocean nation; Australia has proposed stronger military ties with India. During Australian Prime Minister, Julia Gillard's trip to India in October 2012, to promote trade and negotiate civil nuclear cooperation, she expressed the similar security interests of the two countries and the hope that cooperation would strengthen in due course especially for maritime routes. "In time this could include more regular and combined talks at ministerial level, and stronger co-operation between our defense forces, including full naval exercises."⁴⁸ Her government also decided to lift the ban on the sale of uranium to India. These actions came in the wake of the release of the 2009 Australian Defense White Paper that warned against the growing militarization of China: "the speed of China's military build-up has the potential to cause regional concerns if it is not carefully explained."In stark contrast to the 2000 White Paper which stated, "China, as the

⁴⁷ China's Defense Minister Comments on US Asia-Pacific Deployment 28th June 2012. [www.xinhuanet.com
http://news.xinhuanet.com/english/china/2012-06/28/c_131682278.htm](http://news.xinhuanet.com/english/china/2012-06/28/c_131682278.htm)

⁴⁸ British Broadcasting Corporation, 15th October 2012, 'Australia PM Julia Gillard begins India visit'. Retrieved on 20th February 2013, <<http://www.bbc.co.uk/news/world-asia-india-19944264>>

country with the fastest growing security influence in the region, is an increasingly important strategic interlocutor for Australia. The Government places a high priority on working with China to deepen and develop our dialogue on strategic issues"⁴⁹.

The case for China is worsened by its aggressive stance over its various territorial disputes in the South and East China Sea and in its reaction to Vietnam, Philippines, South Korea and Japan over the Diayou/Senkaku Islands in 2012⁵⁰, also believed to be rich in resources. Indeed, like any other nation, disputes over territory are critical issues that assume priority on the national agenda. However, China's tenacity to not compromise on these issues tarnishes its image.

3.4 Maritime Security and Naval Strategy: Comparison of Chinese, American and Indian Military and Naval Power

The United States had an annual military expenditure of US\$689, 591, 000, 000 million in 2012 around 4.7% of GDP, China's was \$ 129, 272, 000, 000 around 2% of GDP and India's was \$44, 282, 000, 000 around 2.6% of its GDP. The United States is planning \$500 billion in defense spending cuts over the next ten years, whereas China is planning an increase in its defense spending by 10.7% in 2013, making it US\$114.3 billion⁵¹. This development is causing growing speculation the world over as to China's motives behind the surge in spending, but it is still incomparable to the United States defense budget. However, China is believed to have the ability to surpass the United States at this rate (refer to figure below). But, in accordance with Beijing's official policy "defense development should be both subordinated to and in the service of the

⁴⁹ Australia's Defense White Paper 2009 and 2000. Available at www.defence.gov.au/whitepaper/. Retrieved on 10th March 2013.

⁵⁰ Perlez, Jane 'China steps up pressure on Japan in Island Dispute' 15th December 2012 New York Times Retrieved from: http://www.nytimes.com/2012/12/16/world/asia/china-steps-up-pressure-on-japan-in-island-dispute.html?_r=0

⁵¹ www.China.org.cn

country's overall economic development, and that the former should be coordinated with the latter⁵²." This indicates that economic growth and military strength should mature in tandem. China's new leader Xi Jinping is said to be more dynamic than his predecessors, even though he has only recently assumed office and has little to do with the decision. However, all the fear mongering and exaggeration can be diffused as China perceives the need to meet challenges in its increasingly hostile regional environment; with the US pivot to Asia, the threat of North Korea, the need for increased maritime security due to disputed islands and to secure trade routes at sea. Even in the face of this reality, China's rivals are likely to perceive this as a defensive measure and follow suit. India's proposed surge in military spending to \$37.7 billion in 2014, has been given much less attention. It is estimated that by 2020, India would become the fourth largest defense spender behind China, U.S and Russia, surpassing France, Japan and UK.⁵³

The United States, China and India are ranked as the first, third and fourth naval powers in the world respectively, according to Global Fire Power rankings of 2012⁵⁴. In terms of power projection and sea control the United States is still the undisputed 'King of the Sea'. Her navy is paramount in executing her offshore balance of power and reassuring allies of her commitments to preserving peace. With the United States in relative decline, it is important that she maintains at least the military aspect of her super power standing. Undoubtedly, the two major wars the United States has engaged in at the beginning of the 21st century have meant that the U.S has maintained its military supremacy. Most naval powers have prescribed to the Mahanian theory of naval power in the past including Great Britain, Imperial Germany, Imperial Japan and the United States, which describes

⁵² China's National Defense in 2008. Information Office of the State Council of the People's Republic of China. Chinese government's Official Web Portal. January 2009, Beijing. http://english.gov.cn/official/2009-01/20/content_1210227.htm. Retrieved on 3rd March 2013.

⁵³ 'India Increases Defense Budget to \$37.7 billion. The Wall Street Journal 28th February 2013 Retrieved from: <http://online.wsj.com/article/SB10001424127887324662404578331762186925312.html>

⁵⁴ www.globalfirepower.com

how to consolidate power at sea. The United States heeded the guidance of their navy admiral who advised the United States to seek a presence in East Asia. Around 2007, the US navy decided to shift focus of operations to the Indian and Pacific Oceans as opposed to the Pacific and Atlantic Oceans.

China's Naval Strategy: Following the Mahanian Philosophy

China's naval modernization was formally decided upon by the Central Military Command around 1992-1993 and the PLA was instructed to aim at making it "the world's most powerful navy."⁵⁵ James R. Holmes Associate Professor of Strategy at the U.S Naval War College, defended the assumption made in his book 'Red Star Over the Pacific' that China does not follow the Mahanian Naval Strategy in its entirety, but instead the Logic and Philosophy contained in it : "Mahan's logic of sea power meant assuring commercial, political, and military access—in that order—to vital regions. Doing so set in motion a virtuous cycle in which commerce generated wealth, wealth provided revenue to fund a navy, and the navy protected trade and commerce"⁵⁶. This is so far true in China's case. He therefore advocates the idea that China is a limited Mahanian adherent, 'sticking to tried and true methods' in terms of implementation of the strategy. So, China believes in the guidelines set out by Mahan, but in practice relies on her own history and tradition to enforce them. One of Mahan's most popular ideas was the establishment of large out of country military bases. China's reluctance to do so further demonstrates that they are not entirely adhering to the Mahanian model. But what of China's blue water ambitions? PLAN debuted its first aircraft carrier in 2012. But, experts believe that the PLA's ambitions far outstretch their capabilities in the short-run. They have obligations ranging from Japan in the North to the Malacca Straits in the South and the navy is yet to develop to cover the Asian periphery. Even though China has the greatest

⁵⁵ Holmes, James R., and Toshi Yoshihara. Chinese Naval Strategy in the 21st Century: The Turn to Mahan. New York: Routledge, 2008

⁵⁶ Holmes, James R "What Makes China Mahan?" November 18th 2011. The Diplomat Magazine. <http://thediplomat.com/flashpoints-blog/2011/11/18/what-makes-china-mahanian/>

capacity in terms of total naval strength (refer to table 1)*, she has a lot of catching up to do to equal the naval force of the American 7th Fleet in the Indian Ocean and therefore, the speculation of the Chinese contesting the Americans in the Indo-Pacific, is improbable. This is also due to the question of quality of equipment and operational capability of the Chinese navy. Furthermore, China concentrates most of its naval presence closer to home and in future their blue water navy is geared up to be limited in scope; 'regional' as opposed to 'global' or as Chinese naval strategists put it: 'a regional blue water navy'⁵⁷.

Indian Naval Strategy:

India prides itself on having a 'three-dimensional blue water navy'⁵⁸ protecting its maritime interests which includes patrolling sea lanes, fighting piracy in the Sea of Aden, Malacca Straits and the South China Sea, protecting littoral states and engaging in environmental efforts in the Indian Ocean. India claims to pursue a non-threatening, peaceful naval build-up that is not trying to compete with China⁵⁹. India realizes the strategic importance of the IOR stating that 'all major powers of this century will seek a toehold in the IOR⁶⁰.' India also recognizes choke points as being an essential bargaining chip in the international power game, according to the 2004 Maritime Doctrine⁶¹ and pursues naval development, acquiring an aircraft carrier soon after China in 2012. India does not shy away from its blue water ambitions.

⁵⁷ "China has aircraft carrier hopes" 17th November 2008 BBC news <http://news.bbc.co.uk/2/hi/asia-pacific/7732679.stm>

⁵⁸ Scott, David "India's drive for a blue-water navy" *Journal of Military and Strategic Studies*, Winter 2007-08, Vol. 10, Issue 2

⁵⁹ Available at <http://www.indianexpress.com/news/dont-have-capability-or-intention-to-match-china-force-for-force-navy-chief/500573/>

⁶⁰ Vines, A. "Mesmerized by Chinese String of Pearls Theory" (2012) *The World Today*, 68, 33-34. Retrieved from <http://proxy1.library.ln.edu.hk:2197/docview/1001183813?accountid=12107>

⁶¹ Ibid (Vines)

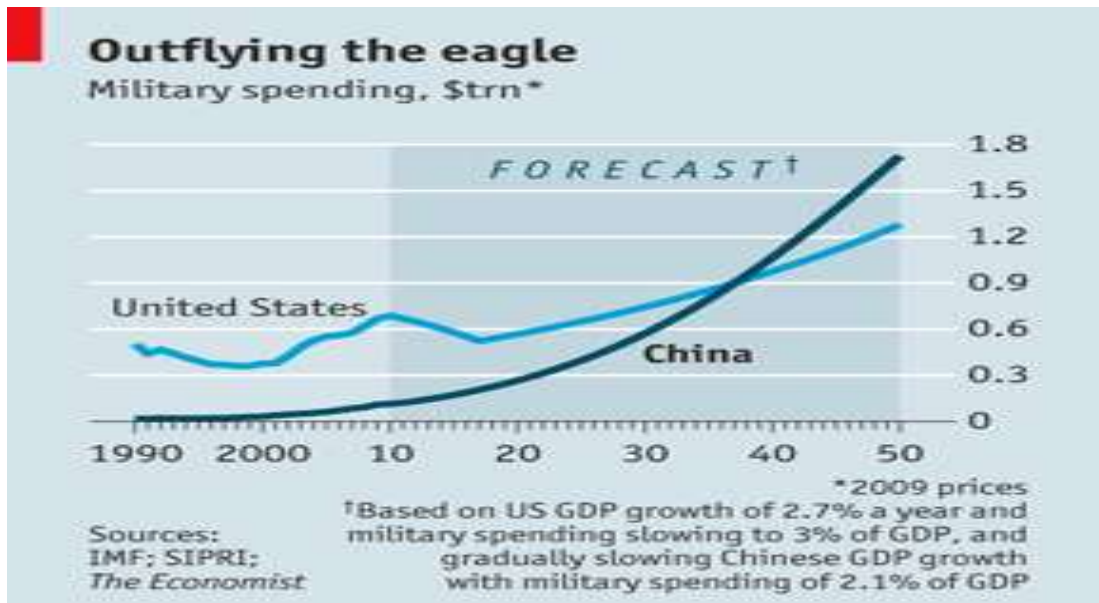
The table below is a comparison of each countries naval power: (hardware)

Country	United States	China	India
**Total Strength	290	972	170
Aircraft Carriers	10	1	1
Frigates	24	47	14
Destroyers	61	25	8
Corvettes	0	0	24
Submarines	71	63	15
Coastal Craft	12	322	31
Mine warfare	14	52	8

Source: GlobalFirePower

*Values are as of 2012

** Total Strength includes auxiliaries



China's Military Spending Forecast⁶²

3.5 Evidence to support China's Mercantilist Intentions:

The odds of China's rival's fears being realized are slim at best and in the absence of concrete evidence, the threat may be exaggerated, as so many matters concerning China usually are. The reasons are numerous:

1. War mongering is a loss to China and a loss to all parties involved:

First and foremost, it is imprudent for China to cause any kind of conflict that may affect its own ability to use these trade routes. China has great stakes in preserving global order. China herself is

⁶² China's Military Rise: 'The Dragons New Teeth', The Economist, 7th April 2012. Retrieved from: <http://www.economist.com.hk/node/21552193>

in a vulnerable position in the Malacca Straits, her lifeline, where US naval ships could blockade the shipping lanes. It is highly improbable owing to the high degree of risk and the harm she would inflict on her own economy. Why risk a total meltdown of the economy in the event of conflict, when economic stability is so important to the survival of the China Communist Party? China seeks an enduring presence and a guarantee of its interests in the Indian Ocean, not dominance, as it endeavors to build its image in the international arena as a responsible power.

In the highly unlikely event that China became belligerent, she would not go unpunished. She would face stiff resistance, not only from US forces but other navies in the region which are also pursuing programs of expansion and development targeted at the rise of China. The United States has been strengthening its military ties with its traditional 'hub and spokes' allies and forging new partnerships in the Asia-Pacific region. The pivot towards the Asia-Pacific signifies the transfer of defense resources, both hardware and software away from the Middle East to the region.

Given China's relatively new 'modernized' navy (PLAN), which has little 'real combat experience', facing a more advanced adversary could be daunting. This reality is reiterated in a 2006 publication by the US Army War College:

"Unrivaled American military capability and U.S.-supported theater security cooperation efforts are the means for the United States to guarantee security in the "String of Pearls" region and Asia in general. A strong military posture and healthy security relationships will hedge against a possible challenge from China should Beijing attempt to dominate the "String of Pearls" region.⁶³"

2. Emergence of Swing States:

⁶³ Pehrson, Christopher J. "String of Pearls: Meeting the challenge of China's rising Power across the Asian littoral" July 2006. Retrived from: <http://www.StrategicStudiesInstitute.army.mil/>.

‘Convincing these (the pearl) states that building PLAN (People’s Liberation Army Navy) bases on their soil is in their best interests will be a challenge⁶⁴’. These countries are deemed ‘swing players’, as their loyalties don’t lie with any single power and are cautious not to entirely align themselves with any single power (United States or China or India) in favor of one over the other. Most of the pearls have economic and military relations with two or more of the major powers, which makes their decision to align to one power against the others, unlikely.

3. Alternatives to Military Bases:

Military bases are important for intelligence purposes, force projection and logistics⁶⁵. China may not need military bases in the South Asian littoral states at all, given the major developments in what the U.S calls ‘C4ISR’ (the U.S concept of Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance) and what the Chinese call “informatization”, over the past twenty years⁶⁶. This includes satellites, open source intelligence, unmanned vehicles and cyber technology. On the premise that China can conduct most of its intelligence collection and dissemination on home turf, using this technology, military bases are not as critical as they used to be. Therefore, China may be pursuing the ‘places not bases’ strategy. These ports will serve chiefly as resupply, refuel and maintenance hubs and China is working with Chinese commercial companies to deal with the logistics of the operations⁶⁷.

⁶⁴ Townshend, Ashley S. ‘Unraveling China’s String of Pearls’, 16th September 2011, Yale Centre for the Study of Globalization

⁶⁵ Martin E. Conrad, “Does China Need A String of Pearls?” September 2012, Naval Postgraduate School Monterey

⁶⁶ Ibid

⁶⁷ Michael, McDevitt “PLA Naval Exercises with International Partner”, 2011, Strategic Studies Institute of the US Army War College (SSI), Carlisle, United States

The United States, Britain and Israel are cases in point. They all pursued a drawdown of troops at their bases in South Korea, the Falkland Islands and Southern Lebanon respectively in favor of a C4ISR centered approach believing that bases were gradually becoming outdated. Unlike these powers, China does not have such binding obligations to its allies and commitments to keep peace in the global commons. Hence, "China's evolving maritime power suggests that the PLAN is concerned with protecting SLOCs to keep open the "choke points" relevant to safeguarding trade and ensuring uninterrupted transport of energy resources."⁶⁸

China may be realizing that a military presence in other countries is unnecessary. Pakistan offered China an opportunity to build a naval base at Gwadar port, but in 2011, she refused the proposal in the wake of terrorist attacks on Pakistan's own naval base by the Taliban⁶⁹ Defense analysts perceive that this is an indication that the port will remain solely commercial for now; "It is very important to note that for now, despite Pakistan's request that it do so, China has said it does not want to establish a naval base and has refused to do so," says Shahshank Joshi of the Royal United Services Institute in London. "So right now, we are talking about a civilian Chinese company and not one that is just a front for the PLA (People's Liberation Army)."⁷⁰ However, China is considering the offer to build a naval base in the Seychelles⁷¹. This is only to facilitate the Chinese navy's 'resupply, rest and reorganization' during multinational antipiracy patrols. China has maintained that building bases is not their intention. When asked if China was also discussing the offer to base personnel or

⁶⁸ Pehrson, Christopher J. "String of Pearls: Meeting the challenge of China's rising Power across the Asian littoral" July 2006. Retrived from: <http://www.StrategicStudiesInstitute.army.mil/>

⁶⁹ Dasgupta, Saibal. "China rejects Pakistan's Naval Base Request", Times of India, May 24, 2011 http://articles.timesofindia.indiatimes.com/2011-05-24/china/29577192_1_naval-base-ahmad-mukhtar-gwadar-port. Retrieved on 24th February 2013.

⁷⁰ Recknagel Charles, Siddique Abubakar 'Gwadar: A Port For China, A Tinderbox For Balochistan', Radio Free Europe Documents and Publications, 27th February 2013

⁷¹ Simpson, Peter & Nelson, Dean. China considers Seychelles military base plan' <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/seychelles/8953319/China-considers-Seychelles-military-base-plan.html>, 13th December 2011. Retrieved on 24th February 2013.

planes in the Seychelles, China's Foreign Ministry spokesman, Liu Weimin said: "I have not heard of this. On this issue China's position is clear. China has never set up military bases in other countries."⁷² The rumored naval base in Tanzania has also been brushed off by China, despite US\$ 10 billion in Chinese funding for the port. China's Defence Spokesman Yang Yujun was quoted as saying: "The port in the Tanzanian town of Bagamoyo is a Sino-Tanzanian joint business project and any attempt to hype up its military purpose is meaningless"⁷³

3.6 Key countries in the String of Pearls Strategy: Pakistan, Myanmar and Sri Lanka

The ports will be responsible for stimulating economic activity in regions which were previously overlooked, including stimulating growth in China's backward Western provinces. So both China and the host countries are at an advantage. The String of Pearls plan is quite ingenious in that China controls the supply chain from source to destination and therefore, does not have to compete in the 'open market' and in turn is not affected by unexpected rises in oil prices. Assuming the String of Pearls remains a strictly commercial concern, there may be factors and outstanding circumstances beyond Beijing's control that could prevent their full prospects being realized. This is yet to be determined and has little effect on relations with China's rivals. What's more important is to look at the developments within the pearls themselves, to further understand China's intentions and the destabilizing effects on the region. The relation with three of the pearls is explained, giving further precedence to the argument that China's intentions are commercial in nature.

⁷²Official Statement of Liu Weimin, spokesperson for Foreign Ministry of the People's Republic of China <http://www.fmprc.gov.cn/eng/xwfw/s2510/t887527.htm>, retrieved on 25th February 2013.

⁷³Zee News India. 28th March 2013 http://zeenews.india.com/news/nation/not-using-tanzania-port-for-military-purposes-china_838375.html. Retrieved on 30th March 2013.

PAKISTAN:

Pakistan is an important country on the cross roads of Central, South and West Asia. For China, its geo-political importance and its long standing enmity with India make it the perfect candidate to be a constant irritant to its larger eastern neighbor if it so chooses. Any strengthening of alliances with Pakistan is deemed a menacing move by India. Though not comparable in size, economic progress or population to India, Pakistan has a forceful military machine, thanks to the Chinese, that can stand up to the Indian's military might, especially in terms of non-conventional weapons as a result of their nuclear program. According to the CRS Report for U.S Congress published on 13th February 2013, Pakistan's nuclear arsenal may consist of 90-110 nuclear warheads⁷⁴. This is thought to have contributed to peace in the region since the Indo-Pak War in 1971, given the nuclear doctrine of deterrence practiced by both sides. Pakistan is also a strategic front line state in the War against Terrorism and is therefore, indispensable to the United States. But due to her robust ties with China, enmity with India and shaky relations with the U.S she is often viewed as the thorn in the side of Sino-India-US relations.

Despite her significance, Pakistan is often treated as a pawn on the 'chess board of the strategic rivalries and maneuverings of great powers'⁷⁵; her need is felt, but her sacrifice maybe imminent. Pakistan's ruling class may be playing both sides for their own benefit, a classic swing state. But such games are extremely perilous. Offering China a military presence on Pakistan's soil where there is a known American presence, is just asking for trouble. But, China's refusal of the proposal only strengthens their argument; that the String of Pearls is indeed to safeguard their economic viability.

⁷⁴ Kerr, Nikitin "Pakistan's Nuclear Weapons: Proliferation and Security Issues," CRS Congressional Report for Congress, 13th February 2013

⁷⁵ Malik, Mohan. 2011, 'China and India Great Power Rivals', pg329, Lynne Reiner Publishers

Pakistan will serve as an important corridor for energy and trade for China. Gwadar is an ultra-strategic port located 520km from the Strait of Hormuz, recognized as such by the CIA in the early 1980s. The proposed oil pipeline project and railroad will link Gwadar to Kashi in western China in the shortest land route possible to the Indian Ocean and eventually the Middle East, in particular Saudi Arabia. This might pose the biggest challenge, as traversing a pipeline and constructing a rail road through some of the most hostile territories of Pakistan could spell doom for the project.

Besides India's obvious opposition to the project, Iran could also be against the functioning of Gwadar port as it would be competition for Iran's Chahbahar Port. Iran's fall out with the west, the US in particular, means the prospect of Gwadar becoming a success is greater.

On 18th February 2013, Pakistan signed over rights of the Gwadar port to the China Overseas Port Holdings Ltd, which took over Singapore's PSA International⁷⁶. According to the China Daily, the agreement stipulated that the Chinese company would manage the port but that it still belonged to Pakistan. Pakistan is hopeful of the economic activity and employment that the port will generate for the backward province of Balochistan. China has so far invested approximately US\$198 million into the project, four times the amount of the host and an additional US\$200 million to build a highway from Gwadar to Karachi⁷⁷ and will have to further invest in infrastructure and land. But not everyone shares their enthusiasm or expectations. For the Baloch nationalists that claim the province as their rightful inheritance, this is another attempt by the government to exploit the vast natural resources and deprive the people of the province of their entitlements. One very influential tribal leader, Amir Ahmed Suleman Daud articulates his dissent in these words: "When China is

⁷⁶ Zhao Shengnan, China Daily, 'Management Handover of Gwadar Port Begins' 19th February 2013, retrieved 20th February 2013 < http://www.chinadaily.com.cn/china/2013-02/19/content_16234533.htm>

⁷⁷ Sudha Ramachandran, "China's pearl in Pakistan's waters," Asia Times, March 4, 2005, <http://www.atimes.com/atimes/South_Asia/GC04Df06.html>

interfering the way it is, we don't have any choice but to defend our land. China has come over there on the Punjabis or Pakistan Army's invitation, we have not invited them.⁷⁸"

The project has had its fair share of impediments in the past, with Chinese engineers abducted for ransom and workers killed by terrorist groups. The Baloch separatists have sabotaged government installations (energy and logistical frameworks)⁷⁹. With no control over the writ of law in the tribally administered provinces of the north and south-west, Pakistan cannot provide safeguards to China. Gwadar has seen very little traffic so far, due to Pakistan's failure to fulfill her end of the bargain, that is; establishing rail and road links to China. China then pledged to build the infrastructure herself, but hasn't delivered on the promise yet⁸⁰. This may be a sign of China's diminishing interest in the project; a project that has caused such a racket amongst its neighbors.

MYANMAR:

Myanmar lies at the juncture of Southeast Asia, South Asia and East Asia. It is historically a contested region between China and India and considered a tactical 'pearl'. Whereas, there is little question of where Pakistan's loyalties lie among its immediate neighbors, Myanmar is trickier in this regard. China supported the ruling military junta and was its biggest ally for decades "investing in infrastructure, hydropower dams and twin oil and gas pipelines to help feed Southern China's growing energy needs"⁸¹, before the army backed government came to power in 2011. Now that Myanmar has liberalized and on the path to democratization she is gradually aligning with Western powers. China is concerned that she may become a U.S ally and part of the United States broader

⁷⁸ Recknagel Charles, Siddique Abubakar 'Gwadar: A Port For China, A Tinderbox For Balochistan', Radio Free Europe Documents and Publications, 27th February 2013.

⁷⁹ Ibid

⁸⁰ Atal, Maha. China's String of Pearls, Real or Fake? Forbes Magazine. 2nd February 2013. Retrieved from: <http://www.forbes.com/sites/mahaatal/2013/02/02/chinas-string-of-pearls-real-or-fake/>

⁸¹ Blanchard, Ben. 'Myanmar President says democracy won't change China friendship' Reuters. Beijing, September 21st 2012. Retrieved on 10th March 2013. <http://www.reuters.com/article/2012/09/22/us-china-myanmar-idUSBRE88L02P20120922>

objective of containing China. Myanmar's President Thein Sein has tried to pacify the Chinese in these words: "China has for a long time provided a large amount of sincere support and help, and stood at Myanmar's side at the most difficult of times. Myanmar's people will never forget this."⁸²

SRI LANKA:

Sri Lanka lies 20 miles east of India. It is situated on the East-West Shipping lane, where all goods shipped from Europe, Africa and the Middle East have to pass to reach East Asia. Therefore, its strategic, commercial and military value cannot be stated enough. China has provided \$360 million for the development of Hambantota that includes building a harbor, cargo terminals and a refueling depot. The agreement was signed on March 12, 2007, between the Sri Lanka Ports Authority and the Consortium of China Harbor Engineering Company Limited and Sino Hydro Corporation Limited⁸³. Sri Lanka's President Mahinda Rajapaksha insists that India never offered assistance on this scale and has reiterated that the move is 'strictly business'⁸⁴. He has high hopes of the port becoming the 'second Colombo'. But this by no means implies that India doesn't matter and China is their sole benefactor. India had contributed 'US\$ 500 million by 2008 for the construction of a coal-fired power plant and Indian companies have been invited to build technology parks and invest in

⁸² Blanchard, Ben. 'Myanmar President says democracy won't change China friendship' Reuters. Beijing, September 21st 2012. Retrieved on 10th March 2013. <http://www.reuters.com/article/2012/09/22/us-china-myanmar-idUSBRE88L02P20120922>

⁸³ Mahdi Darius Nazemroaya, 'Great Power Confrontation in the Indian Ocean, the geo-politics of the Sri-Lankan civil war' 23rd October 2009 Retrieved from: <http://www.globalresearch.ca/great-power-confrontation-in-the-indian-ocean-the-geo-politics-of-the-sri-lankan-civil-war/?print=1>

⁸⁴ Reuters 31st January 2012 Retrieved from: <http://in.reuters.com/article/2012/01/31/srilanka-china-idINDEE80U0CC20120131>

telecommunications.⁸⁵ Cooperation with both India and China have helped Sri Lanka fund the war and defeat the Liberation Tigers of Tamil Eelam (LTTE). So, it is in Sri Lanka's interest to balance the relations with both China and India.

With such close proximity, it is almost ludicrous to believe that China would establish a naval base. It would be like having 'a dagger pointed directly at India'⁸⁶.

Bangladesh like Sri Lanka, has also denied the reports of China having an interest beyond an economic one in their country. Similarly, the Maldives, another pearl approached India and not China, to enhance their maritime security. So, to answer whether or not the countries in the 'String of Pearls' actually want a Chinese military presence; the answer is overwhelmingly NO. Thus, the naval strongholds that India fears are non-existent and present no security implications for her.

Analysis:

The String of Pearls as a commercial interest has the potential to uplift regions of the South Asian littoral that have always been ignored and can benefit greatly from foreign investment, but if transformed to military strongholds their impact would be equally as destructive to the peace of the Indian Ocean Region. It has been proven that the scenario doesn't have to progress that far to cause dispute. The build-up of naval power and maritime security by China, strengthening of alliances and overall influence has seen India and other regional powers react defensively towards her. This

⁸⁵ 'China making inroads in India's backyard, wooing Lanka' March 10th 2008. The Economic Times. Available at: http://articles.economictimes.indiatimes.com/2008-03-10/news/27697450_1_island-country-sri-lanka-human-rights

⁸⁶ Kostecka, Daniel. "Hambantota, Chittagong, and the Maldives – Unlikely Pearls for the Chinese Navy." The Jamestown Foundation, China Brief, 19 November 2010.

thesis has shown that at most, China is guilty of strengthening her political influence and her access to the Indian Ocean.

Though both China and India have established their power in terms of greater ability in the Indian Ocean, perception also has a bearing on deteriorating relations. Growing misperceptions and miscalculations of power, lead to increased mistrust and suspicion which in turn leads to the arms race that has been witnessed in East and South Asia. The military alliances established by both states, reflects this reality. India and China are fixated by the 'containment' arguments and thus will see any move by either side as being directed towards them. More generally a gain of one side, is seen as a loss to the other; a zero-sum game.

This is the tragedy of great power rivals, best described by John J. Mearsheimer⁸⁷ in his book of the same namesake. He believes China's rise cannot be peaceful. Like great powers before them, both China and India are concerned with balance of power and security. They are states exhibiting defensive realism; ensnared in a security dilemma. The insecurity each rival feels forces them to take defensive measures against what they deem as a potential threat and the chance of conflict becomes apparent. As they cannot gauge each other's intentions, they are forced to become as powerful as possible. Persistent mistrust drives them to assume the worst behavior from their counterpart.

Apart from the realist argument, there is little hope for the alternative; once thought of China-India partnership labeled 'Chindia' to ever be realized. However, the need for entente between India and China is becoming increasingly imperative to the peace of the region. This is going to take

⁸⁷ John Mearsheimer is professor of political science at the University of Chicago and the author of *The Tragedy of Great Power Politics* (W.W. Norton, 2001)

remarkable leadership and resolve by the ruling elite of both hyper nationalistic countries. But the stakes are unmistakable given their symbiotic relationship.

Both China and India have stakes in keeping peace in the Indian Ocean and keeping sea lanes open. Commentators in government, strategists, scholars' and media from both China, India and other countries with stakes in the IOR, are playing a negative role inflating the threat of the 'String Of Pearls' theory. This is dangerous as it can negatively affect decision making at the national level; "when it enters the realm of public policy, they can influence practitioners' thinking in unhealthy ways, obscuring some possibilities, exaggerating others, or goading the executors of national policy into unwise actions"⁸⁸. Instead of propaganda and slander campaigns they should adopt more constructive roles if the intents of 'peaceful rise' are to be realized. India's newly appointed Foreign Minister in 2012, Salman Khurshid, has come as a breath of fresh air to Indian foreign policy. He believes that India should accommodate China in their backyard: "We will have to accept the new reality of China's presence in many areas that we consider an exclusive playground for India and its friends."⁸⁹ It's yet to be seen what impact he has on national policy and if he can convert his hopes to actuality. There needs to be a global acceptance that there is a shift in the international order that cannot be reversed and globalization has intertwined the destinies of the Indian Ocean nations. While China's importance cannot be overstated, giving India due recognition for its place in the international system is also crucial. Strategic relationships and alliances will also determine the direction of future relations. This is probably the most complex matter influencing Sino-India affairs and the United States is a key determinant. Goading India, perhaps to share some of the burden of maritime security, due to its imperial overstretch⁹⁰ or pursuing the broader 'Containment of China

⁸⁸ Holmes, James and Yoshihara, Toshi. 'Is China Planning String of Pearls' 21st February 2011. The Diplomat. Retrieved 25th February 2013

⁸⁹ 'We must accept China in our backyard: India minister'. Global Times. 12th December 2012. Available at: <http://www.globaltimes.cn/content/749618.shtml>

⁹⁰ Vines, A. 'Mesmerised by chinese string of pearls theory', 2012 The World Today, 68, 33-34. Retrieved from <http://proxy1.library.ln.edu.hk:2197/docview/1001183813?accountid=12107>

Strategy' can only have a negative impact. But on the other hand, entrusting too much faith in India to balance China, would be imprudent, as India's historical ties with Russia still persevere, especially in regards to its security strategy. Conversely, the recent development of Sino-Russia ties also offers some food for thought.

With the Asian powers' increasing spheres of influence, the opportunity and necessity for cooperation in the Indian Ocean has presented itself. "Cooperation in areas like disaster relief, maritime domain awareness and counter terrorism could lay the ground work for a more durable partnership in maritime Asia, alleviating the concerns about sea lane security that could deflect China in a more ominous direction. Considering the stakes, it would be worth the effort US and Indian leaders would expend in negotiating such a partnership"⁹¹ Therefore, the US as a responsible world power and key player in the IOR, also needs to demonstrate resolve to improve ties: "The United States and China share an interest in viable oil prices, secure sea-lanes, and a stable international environment, all of which can help sustain their economic prosperity and that of the rest of the world"⁹². Engaging China in more naval exercises in order to further 'socialize' China at sea, concentrating efforts on the 'real enemy' in the IOR; Somali pirates and international terrorists, should become the new focus of the IOR powers. In promoting naval cooperation, framing rules of engagement and confidence building measures to promote stability, both sides could work towards inking a "Sino-Indian Incidents at Sea Agreement"⁹³ This would minimize any untoward occurrences much like the Soviets and United States INCSEA during the Cold War. In short, IOR countries should remain committed to respect maritime freedom, international legislation and norms at sea. Elizabeth Cobbs Hoffman of San Diego University and Stanford Chair Woman goes one step further and suggests that China has great potential to play the role of

⁹¹ Holmes, James R. et al (2009). "India Naval Strategy in the Twenty First Century" pg 149. Routledge Publishers.

⁹² David Zweig and Bi Jianhai, "China's Global Hunt for Energy," Foreign Affairs, Sep/Oct 2005. Vol. 84, Issue 5, pp. 25-38, <<http://www.foreignaffairs.com/articles/61017/david-zweig-and-bi-jianhai/chinas-global-hunt-for-energy>>

⁹³ Rehman, Iskander. 'China's String of Pearls and India's Enduring Tactical Advantage'. Institute for Defense Studies and Analysis Comment. June 8th 2010. <http://www.idsa.in/node/5468/493>

peacemaker in the region, replacing the United States⁹⁴. Her constructivist point of view stems from her understanding that in 2,200 years, China has remained a non-bellicose civilization.

But a more pessimistic outcome of China-India rivalry has been predicted by Jonathan Holstag author of 'China and India: Prospects for Peace' who sees the options available for peaceful development as limited. He does not foresee a direct armed conflict but rather one between China and India's allies. The countries in which both powers are heavily investing in, such as Myanmar and Nepal, may encounter political crisis and draw the two powers into proxy wars⁹⁵.

As demonstrated by the rigorous arguments throughout this thesis, the 'String of Pearls' myth of naval bases can be debunked as there is no convincing evidence that PLAN has engaged in such activities. China's realization of her weakness in maritime security in the Indian Ocean especially along trade routes has obligated her to increase maritime security and enhance ties with countries along this route. Hence, these moves are legitimized. The strategy logically stems from the perceived need to safeguard these interests.

Supporting this argument are the theories that China is (i) pursuing a limited Mahanian Naval Strategy therefore not seeking to build bases or consolidate her power in the Indian Ocean (ii) The 'pearls' are mostly swing states with dual or multiple loyalties to other regional and supra-regional powers and have no desire to host Chinese bases on their soil (iii) China maybe seeking alternatives to military bases themselves, as they are recognized as being outdated. In light of all the evidence presented, it seems the 'String of Pearls' theory can be busted and remains in the minds of China's rivals.

⁹⁴Hoffman, Elizabeth C. "China as peacekeeper" Reuters 27th March 2013 <http://blogs.reuters.com/great-debate/2013/03/27/china-as-peacemaker/>

⁹⁵Tharoor, Ishaan. 'The Coming China-India Conflict: Is War Inevitable?' Time Magazine, 23rd March 2010. Available at: <http://www.time.com/time/world/article/0,8599,1974028,00.html>. Retrieved on: 17th March 2013.

So far, it seems China's strategic thought aims at preventing conflict, if only it was perceived as such. There is a fine line between perception and reality. Whereas, the creation of goodwill by both sides and an end to tit-for-tat exchanges would be desirable, it is more likely that national interest and competition trumps sincere cooperation and accommodation. Unfortunately, manipulation, posturing and cajoling of the major powers will persist to influence their way into comfortable positions for future prosperity.

Works Cited

Aki Ito and Patrick Ria, "Rogoff Says China Crisis May Trigger Regional Slump," Bloomberg Businessweek, February 24, 2010, <<http://www.businessweek.com/news/2010-02-24/rogoff-says-china-crisis-may-trigger-regional-slump-update1-.html>> Retrieved on February 24th 2013

Atal, Maha. China's String of Pearls, Real or Fake? Forbes Magazine. 2nd February 2013. Retrieved from: <http://www.forbes.com/sites/mahaatal/2013/02/02/chinas-string-of-pearls-real-or-fake/>

Bedi, Rahul. 2012. 'India begins use of Chabahar port in Iran despite international pressure'. <http://www.telegraph.co.uk/news/worldnews/middleeast/iran/9115192/India-begins-use-of-Chabahar-port-in-Iran-despite-international-pressure.html> (05 Jul 2012)

Blanchard, Ben. 'Myanmar President says democracy won't change China friendship' Reuters. Beijing, September 21st 2012. Retrieved on 10th March 2013. <http://www.reuters.com/article/2012/09/22/us-china-myanmar-idUSBRE88L02P20120922>

Bruce Reidel and Pavneet Singh 'US-China Relations: Seeking Strategic Convergence in Pakistan', Foreign Policy at Brookings, Policy Paper (January 2010), pg.4

Chen Aizhu, "UPDATE 2-China oil demand on double-digit expansion pace in June," Reuters, July 15, 2010, <<http://www.reuters.com/assets/print?aid=UKTOE66D05H20100715>>

"China builds up strategic sea lanes," *The Washington Times*, January 17, 2005, <<http://www.washingtontimes.com/news/2005/jan/17/20050117-115550-1929r/>> Retrieved on 21st February 2013

C. Uday Bhaskar and Geoffrey Kemp, 'Maritime Security Challenges in the Indian Ocean,' 24th February 2011, Centre for the National Interest

David Zweig and Bi Jianhai, "China's Global Hunt for Energy," *Foreign Affairs*, Sep/Oct 2005. Vol. 84, Issue 5, pp. 25-38, <http://www.foreignaffairs.com/articles/61017/david-zweig-and-bi-jianhai/chinas-global-hunt-for-energy>

Dasgupta, Saibal. "China rejects Pakistan's Naval Base Request", *Times of India*, May 24, 2011 http://articles.timesofindia.indiatimes.com/2011-05-24/china/29577192_1_naval-base-ahmad-mukhtar-gwadar-port. Retrieved on 24th February 2013

George C. Denny, 'Pakistan and Communist China Strengthen Cooperation', Director of Intelligence and Research, U.S Department of State, 4th December 1968, accessed at <http://www.gwu.edu/%7Eensarchiv/NSAEBB/NSAEBB114/chipak-2.pdf>, 23 February 2013

Hoffman, Elizabeth C. "China as peacekeeper" 27th March 2013 <http://blogs.reuters.com/great-debate/2013/03/27/china-as-peacemaker/>

Holmes, James Yoshihara Toshi. 'Is China Planning String of Pearls' 21st February 2011. *The Diplomat*. Retrieved 25th February 2013

Hongyi Lai, "China builds bridges to fuel its engine room," *Financial Times*, London (UK): Jul 5, 2010. p. 9

Hu Jintao said this during a state visit to Pakistan in November 2006. See *Dawn* (26 November 2006), <http://archives.dawn.com/2006/11/26/top3.htm>. Accessed 17th February 2013

'India monitoring China's intention in Indian Ocean, says Krishna', *The Hindu*, New Delhi, 1 Sep 2010 at <http://www.thehindu.com/news/national/article605780.ece> - 6th March 2013.

International Energy Agency (IEA) "China overtakes the United States to become world's largest energy consumer," July 20, 2010 http://www.iea.org/index_info.asp?id=1479

Jasper Ridley, *Lord Palmerston* (London: Constable, 1970), pg

Juli A. MacDonald, Amy Donahue, and Bethany Danyluk, *Energy Futures in Asia* (Washington, DC: Booz Allen Hamilton, Nov. 2004), iii

Khan, Sufyan A "Greater Indian Ocean: A Peaceful Geo-Political Pivot Or A Contentious Source Of Hedging" 23rd June 2011, Eurasia Review < <http://www.eurasiareview.com/23062011-greater-indian-ocean-a-peaceful-geo-political-pivot-or-a-contentious-source-of-hedging/>> Retrieved on February 11th 2013

Kerr, Nikitin "Pakistan's Nuclear Weapons: Proliferation and Security Issues," CRS Congressional Report for Congress, 13th February 2013

Kostecka, Daniel."Hambantota, Chittagong, and the Maldives – Unlikely Pearls for the Chinese Navy." The JamesTown Foundation, China Brief, 19 November 2010.

Kumar, Hari. "Why has India become the world's top arms buyer" New York Times, 21st March 2012. Retrieved on 24th February 2013

Malik, Mohan. China and India Great Power Rivalry, 2011, Lynn Reiner Publishers

Martin E. Conrad, "Does China Need A String of Pearls?" September 2012, Naval Postgraduate School Monterrey

Michael, McDevitt "PLA Naval Exercises with International Partner", 2011, Strategic Studies Institute of the US Army War College (SSI), Carlisle, United States

Ministry of Foreign Affairs PRC www.fmprc.gov.cn/eng Retrieved on 15th February 2013

Mingjiang Li, "Sino-Indian Energy Politics," Conference on Geopolitics of Energy in South Asia. The Geopolitics of Energy in South Asia, Singapore: Institute of Southeast Asian Studies, 2009, p.153

Minxin Pei, "Dangerous Misperceptions: Chinese Views of India's Rise" Centre for Advanced Study of India , 23rd May 2011 <http://casi.ssc.upenn.edu/iit/pei> Retrieved on: 14th February 2013

Nobuo Tanaka, 'Energy Security and Sustainability for Asia in the 21st Century', 11th June 2012. IEA, World Energy Outlook

PEW Global Centre Survey: <http://www.pewglobal.org/2012/10/16/chapter-2-china-and-the-world/>

Recknagel Charles, Siddique Abubakar 'Gwadar: A Port For China, A Tinderbox For Balochistan', Radio Free Europe Documents and Publications, 27th February 2013

Rehman, Iskander. 'China's String of Pearls and India's Enduring Tactical Advantage'. Institute for Defense Studies and Analysis Comment. June 8th 2010. <http://www.idsa.in/node/5468/493>

Sakhuja Vijay, Oct 2000, 'Dragon's Dragonfly', Strategic Analysis, p. 1368-1383. Also see, Ranjit B Rai, 2009, 'China's String of Pearls vs India's iron Curtain', IDR, Oct/Dec issue, p 94

Scott W. Harold and Lowell Schwartz. 'A Russia-China Alliance brewing?' 12th April 2013. Retrieved from: <http://thediplomat.com/2013/04/12/a-russia-china-alliance-brewing/> Retrieved on 13th April 2013

Shee Poon Kim, 'An Anatomy of China's String of Pearls Strategy', The Hikone Ronso, Spring 2011, No.387

Simpson, Peter & Nelson, Dean. 'China considers Seychelles military base plan' <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/seychelles/8953319/China-considers-Seychelles-military-base-plan.html>, 13th December 2011 Retrieved on 24th February 2013

Sudha Ramachandran, "China's pearl in Pakistan's waters," Asia Times, March 4, 2005, <http://www.atimes.com/atimes/South_Asia/GC04Df06.html>

Sultan, Maria; Mian Behzad Adil (September, 2008). "The Henry J. Hyde Act and 123 Agreement: An Assessment"(PDF). South Asian Strategic Stability Institute, London

Tharoor, Ishaan. 'The Coming China-India Conflict: Is War Inevitable?' Time Magazine, 23rd March 2010. Available at: <http://www.time.com/time/world/article/0,8599,1974028,00.html>. Retrieved on 17th March 2013

Townshend, Ashley S. 'Unraveling China's String of Pearls', 16th September 2011, Yale Centre for the Study of Globalization

Vines, A. (2012, Mesmerised by chinese string of pearls theory. *The World Today*, 68, 33-34. Retrieved from <http://proxy1.library.ln.edu.hk:2197/docview/1001183813?accountid=12107>

Whalley, John and Shekhar Tanmaya. 2010. Rapidly Deepening India-China Economic Relationship. CESIFO WORKING PAPER. www.CESifo-group.org/wp

World Bank Country Data 2011, Retrieved on 21st February 2013, Retrieved from <http://data.worldbank.org/country/china>

Yang , Andrew N.D, Vice Minister (Policy), Ministry of National Defense, Republic of China, 'Mainland China's Military Development and Taiwan's Countermeasures', Brookings Institute, November 2011

Zaleski, P., 2001. Energy and Geopolitical Issues. In: Rao, D.B., Harshita,D. (Eds.), Energy Security. Discovery Publishing House, New Delhi

Zee News India. 28th March 2013 http://zeenews.india.com/news/nation/not-using-tanzania-port-for-military-purposes-china_838375.html. Retrieved on 30th March 2013

Zhao Shengnan, China Daily, 'Management Handover of Gwadar Port Begins' 19th February 2013, retrieved 20th February 2013 < http://www.chinadaily.com.cn/china/2013-02/19/content_16234533.htm>

MaleehahAli