



*China's Bluewater Navy Series*

**China as a Middle East Power:  
The Pros and Cons of a More Assertive and  
Capable China in the Gulf and Beyond**

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## ABOUT THE AUTHOR

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The views expressed in this report are personal and the author's alone. They are solely responsible for any errors in fact, analysis, or omission.

## ABOUT THE SERIES

As part of our study, "Beyond the San Hai: The Challenge of China's Bluewater Navy," CNAS commissioned a series of essays from Japanese experts exploring the implications of China's bluewater navy capabilities. These papers were crucial to our analysis and have done much to shape the study's findings.

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## ABOUT THE ASIA-PACIFIC SECURITY PROGRAM

The Asia-Pacific Security program seeks to inform the exercise of U.S. leadership in Asia by analyzing how the United States can rebalance its priorities; shape a rules-based regional order; modernize traditional alliances; build the capacity of new partners; and strengthen multilateral institutions. From exploring rising maritime tensions in the region to crafting ways to renew key alliances and partnerships to articulating strategies to extend and enhance America's influence, the program leverages the diverse experience and background of its team, deep relationships in the region and in Washington, and CNAS' convening power to shape and elevate the conversation on U.S. policy across a changing Asia.

## EXECUTIVE SUMMARY

By 2030, the strategic implications of China's rise as a maritime power in the Middle East, the Indian Ocean, and even the Mediterranean Sea will depend on:

- a) the overall geo-political landscape in the Middle East,
- b) the level of U.S. military presence in the Gulf,
- c) Gulf nations' comfort with such a continued U.S. presence,
- d) the level of U.S. will and commitment to secure relevant sea lines of communication (SLOCs),
- e) the level of tactical cooperation between Russia and China, and
- f) the nature of strategic rivalry between the U.S. and China in East Asia.

Control of SLOCs between the Gulf and East Asia (hereafter referred to as SLOCs-GEA) requires any sea power to possess not only operationally robust blue-water naval units, but also permanent and stable support facilities on the ground in the Middle East to assist such naval operations. China may have the former but not necessarily the latter. For this and other reasons, China is unlikely to completely replace American naval dominance on the waters of SLOCs-GEA before 2030, if ever. Yet Washington may still find it increasingly difficult to fully secure the SLOCs-GEA, including those in the South China Sea, if the political landscape shifts in a more hostile direction and the Chinese navy continues to be more assertive and capable on those waters.

Should China find itself in these more advantageous circumstances vis-à-vis the Americans, it may seek to challenge U.S. dominance in part of the SLOCs-GEA beyond the South China Sea, pursue U.S.-China bilateral maritime cooperative operations to jointly secure SLOCs-GEA, or some combination of both. Given the current circumstances in the Gulf and the Indian Ocean, China will most likely prefer the latter "major powers' maritime cooperation" type of scenario, since China is unlikely willing nor able to directly confront the U.S. navy far from its home shores.

For Japan, such political shifts could lead to a strategic nightmare. If the opinions of the Arab nations of the region turn against U.S. presence there, a total or partial withdrawal of American forces from the Gulf region could follow. Partial or total Chinese involvement in securing the SLOCs-GEA could easily aid her continuous efforts to become more politically influential on the waters. Even joint U.S.-China operations to secure the SLOCs-GEA could end up excluding Japan, India or Australia, and more quickly hasten Chinese dominance and American withdrawal from all of the SLOCs-GEA.

Japan consequently faces four strategic options or alternatives:

- If U.S. forces withdraw (voluntarily or not) from the Gulf region, Japan may feel obliged to build up her navy to extend her maritime presence into the Indian Ocean or even to the Gulf to substitute for the diminished U.S. naval presence there. The financial and political costs of such an undertaking, however, would make it very unlikely.
- Japan could with the United States and other like-minded nations (excluding China) jointly protect and secure SLOCs-GEA. Such an arrangement would be less costly than the first option,

but still enough so as to be daunting.

- In an optimistic variant of the above, Japan could pursue forming or joining a multilateral maritime arrangement that *would* include China to secure SLOCs-GEA. If found to be plausible, this option could have positive spillover effects on international cooperation maritime stability across the region. Unfortunately, such an arrangement could quickly fail if China continues to be more assertive and aims to maximize the maritime national interests of her own.
- Finally, if the United States continues to turn inward and her military presence loses support among Gulf nations, China may pursue a more stable naval presence in the region, including through the Pakistani port of Gwadar. If this happens, Japanese energy supplies from the Middle East could be at risk, and Tokyo may feel obliged to reconsider her national and military strategies and the credibility of existing security alliance and cooperation networks.

## HISTORICAL PERSPECTIVES

Over the course of her long history, China has engaged with the Middle East both over land and by sea. China and the Middle East developed as two mutually independent politico-cultural entities, but connected with trade and commerce. While vast, deserted lands and wide oceans were long a hurdle to closer ties or migration, modern technology and trade have brought the two areas into ever-closer contact. Traditionally a regional land power, energy economics and shifting political environments in the 1970s and 80s led China to realize the importance of the SLOCs-GEA beyond just the South China Sea, as well as the geoeconomic value of the Middle East and its oil supplies.

In recent years China has become more and more dependent on Middle Eastern oil and gas. Beijing has at the same time been upgrading its naval force, presumably in order to effectively resist potential U.S. maritime blockade operations against Chinese commercial and military vessels in the SLOCs-GEA. China's military expansion appears to be a serious political and fiscal undertaking, and Beijing is expected to become much more capable of resisting potential threats of coercion by about 2030.

## SEA LINES OF COMMUNICATION BETWEEN CHINA AND THE MIDDLE EAST

Although Chinese dependence on energy resources from the Gulf region has recently intensified, the SLOCs between China and the Middle East have been traditionally secured by non-Chinese powers. Yet while the SLOCs connecting the two regions (the aforementioned SLOCs-GEA) are conceived of as a single concept, they consist of two distinct geopolitical components: those traversing the Gulf waters, and those crossing the Indian Ocean.

### *SLOCs in the Gulf*

Although SLOCs inside the Gulf area have been secured by the U.S. Central Command since the 1990s, the stability brought by the U.S. 5th Fleet is relatively new. While under British dominion, which lasted until the 1960s, the southeastern coast of the Arabian Peninsula was called the "Pirate Coast." Once British fleet left the Gulf waters by 1970, a strategic power vacuum arose in the oil-

rich but politically unstable region. After the British, the Shah of Iran sought to control secure the Gulf SLOCs, but a power vacuum returned after the 1978-79 Islamic revolution in Iran toppled his regime.

The next challengers who tried to fill this power vacuum were the Russians and the Iraqis, but the Soviet invasion of Afghanistan in late 1979 and Saddam Hussein's war against Iran in 1980 again cast uncertainty onto the Gulf SLOCs. This period of political and commercial instability is the reason why the U.S. Department of Defense established the Central Command, a new regional U.S. combatant command exclusively responsible for the peace and stability in the Gulf region.

### *SLOCs in the Indian Ocean*

In contrast to the Gulf, the Indian Ocean's SLOCs have been relatively stable and effectively secured by the U.S. Pacific Command's 7th Fleet, whose vessels are based in Yokosuka and Sasebo, Japan. Unlike the Gulf area, the Indian Ocean is so vast and deep that no outside maritime powers, meaning other than U.S. or India, have seriously tried to dominate and control the SLOCs there until recently.

Chinese efforts to expand the PLA's naval activities and obtain necessary support facilities in the Indian Ocean (the so-called "String of Pearls" strategy) may consequently cause grave concerns among the status-quo naval powers. Naval dominance in the Indian Ocean without also controlling the Gulf waters will not guarantee full control of the SLOCs-GEA, but competition is heating up in this large region where there was previously little to none.

## **POLITICAL AND ECONOMIC TRENDS**

### *Middle East and East Asia: Toward a Unified Theater of Operation*

In Washington D.C. and elsewhere, Middle East and East Asian security issues have traditionally been handled by two different groups of experts, scholars and policy makers, namely the "Mideast hands" and the "Asia hands." Unfortunately, neither group seems to be well acquainted with the other, nor conceive of the regions as inextricably connected. As we noted earlier, control of SLOCs-GEA requires any sea power to possess operationally robust blue-water naval units not only in the Gulf water area, but also in the Indian Ocean and South China Sea.

Control of the SLOCs-GEA also requires permanent and stable support facilities in order to assist such naval operations along their entire length. Necessary facilities would not only need to be placed on the ground inside the Gulf, but also along the coasts in the Indian Ocean and near several choke points in the South and East China Seas. Although at this moment China is not expected to obtain all of the above, it could only be a matter of time by 2030.



### *The Shale Oil and Gas Revolution in the United States*

Some economists argue that the United States' so-called "Shale Revolution" and its decreasing dependency on energy resources from the Middle East will eventually lead to a disinterested America withdrawing its forces from the Gulf region. Such an argument betrays an incomplete understanding of the purpose behind such forces.

American forces stationed in the Gulf region are not only protecting the members of the Gulf Cooperation Council but also, indirectly but effectively, protecting U.S. allies in East Asia by securing the western end of the SLOCs-GEA. Keeping its allies' Middle Eastern energy supplies intact is a critical American geopolitical objective, and also demonstrates the importance of considering the Middle east and East Asia a single theater of political and military operations.

### *The Rise of China's Sea Power in the Middle East*

China's rise as a maritime power in the Middle East, the Indian Ocean, and even the Mediterranean Sea by 2030 holds serious strategic implications, not only for such sea powers as Japan and the United States, but also for other regional powers like India, Australia, or Saudi Arabia. How serious these strategic implications turn out to be will depend primarily on the overall geopolitical situation in the Middle East.

Although the United States is presently able to manage an alliance network in the Middle East, the strategic environment surrounding that network could become unpredictably fragile. If a new president of the United States further alienated the Muslim populations of the world, for example, Washington may find it more difficult to justify the U.S. security commitment to her allies and friends in the Middle east.

### *Possible U.S. Withdrawal from the Gulf*

In such cases, the United States may be forced, in response to the nationalist-isolationist sentiment among American voters, to downgrade the level of U.S. military presence in the Gulf. The United States may also be obliged to decrease the level of its force presence in the Gulf by the internal political instability of a host nation or because of local residents' hostile sentiment towards the stationing of American forces on their soil.

In either case, the United States may find it difficult, regardless of what the PLA Navy does or does not do, to uphold current levels of will and commitment to securing the SLOCs-GEA. This could fundamentally change the nature of the strategic games the U.S. and her allies play in East Asia, whether on the Korean Peninsula, in the East China Sea or the South China Sea, and in Southeast Asia.

In any event, when it comes to the naval rivalry between the United States and China in the Gulf or Indian Ocean, we should not only focus on the future competition between Chinese and U.S. military capabilities, but also on the U.S. or Chinese ability to obtain and maintain the indispensable

military bases or facilities from which they would operate. Ultimately, those factors will define the nature of U.S.-Chinese strategic rivalry in East Asia.

## CHINA'S OPTIONS

No matter how rapid and remarkable the PLA Navy's recent buildup may look, a bluewater navy is not easy for a new, inexperienced maritime power to build, sustain and, most importantly, wield in a real combat situation. In this context, there are clear advantages and disadvantages to the various Chinese weapons systems in Beijing is investing.

Aircraft carriers, for example, are becoming increasingly obsolete as a single weapon system. The current Chinese carrier, an old-fashioned Ukrainian-built platform, may not be usable in a real combat situation. Its fighters, probably because of insufficient engine power, do not yet seem able to take off and land with heavy bombs, fuel tanks, or missile systems under their wings. Even if the PLA Navy introduces newer carriers in the future, they alone may not be able to effectively protect themselves, since they do not have adequate missile defense or submarine warfare capabilities. In a nutshell, it will take a new naval power years, if not decades, to be able to operate aircraft carriers reliably in real combat environments.

That said, Chinese carriers are not necessarily for combat operations. These carriers are political weapons, not military ones, as Chinese navy professionals must be fully aware. Their carriers are better equipped for peacetime "gun boat" diplomacy and broader propaganda operations than actual fighting. The PLA Navy knows that if they send those aircraft carriers to the Arabian Sea, they may not have much military might, but they certainly will have political weight. If U.S. naval dominance wanes due to any of the trends discussed above, however, the latter could quickly become the former.

If such optimal political-military circumstances emerged for China, Beijing may pursue either one or both of the following:

Physically challenging U.S. dominance in all or part of the SLOCs-GEA beyond the South China Sea, including building permanent naval support facilities near and even inside the Gulf waters (for example on the Iranian coast), or

b) Pursue U.S.-China bilateral maritime cooperative operations to jointly secure the SLOCs-GEA.

Given the current circumstances in the Gulf and the Indian Ocean, as well as its own limited capabilities, China will most likely prefer the latter. The PLA Navy will not wish to militarily challenge or confront the U.S. Navy, especially so far away from their homeports. The latter option, a sort of "major powers' maritime cooperation" scenario, could be very attractive to some political leaders in Washington D.C., especially if they lost Saudi Arabia, Bahrain or other parts in the Gulf to souring ties or the influence of Iran.

## JAPAN'S STRATEGY, OPTIONS AND ALTERNATIVES

The SLOCs-GEA are indispensable for Japan. Fortunately, Tokyo has successfully secured them by providing home ports for the U.S. 7th Fleet and facilities for the Marines on their soil under the

Japan-U.S. security arrangements. Although the counterpart of the 7th Fleet, the Maritime Self Defense Force of Japan, is robust and in close coordination with the U.S. Navy, the JMSDF is not ready for combat operations in the Arabian Sea or in waters of the Gulf. Because constitutional restrictions may prevent Japan from being actively involved in a real combat situation in the Arabian Sea or the Gulf waters, whatever crisis arise in the Middle East will evoke in Tokyo one or more of the following strategic nightmares:

1) Total or partial withdrawal of U.S. forces from the Gulf region, either voluntarily after being forced out by political pressure from their host Arab countries in the region,

At least partial Chinese involvement in securing the SLOCs-GEA (and with it, progress toward becoming more influential at sea),

Bilateral U.S.-China joint operations securing the SLOCs-GEA, but excluding Japan, India or Australia, and ultimately,

Chinese naval dominance, completely replacing the United States in all of the SLOCs-GEA.

If one of the above takes place, Japan may have to review its longstanding strategies for securing the SLOCs-GEA, as well as to reconsider, at least partially, her strategic options or alternatives to do so. In such circumstances, Japan should consider the following:

A) If U.S. Forces withdraw from the Gulf region (partially or totally), Japan may feel obliged to build up her navy enough to extend her maritime presence to the Indian Ocean or even to the Gulf waters in order to substitute for the diminished U.S. naval presence there. It may be necessary for Japan to do so even if the Japan-U.S. security arrangements are intact in East Asia.

This, however, would be both financially and politically very costly in Tokyo, and it remains unlikely that Japan could significantly grow her defense spending in the foreseeable future. In addition, Japan's MSDF (like its Chinese counterparts) may find it prohibitively difficult to build, operate, and maintain a combat capable bluewater navy covering remote water areas far away from home ports.

B) While it is clear that Japan cannot even partially replace the roles of the 5th and 7th Fleets of the U.S. Navy in the SLOCs-GEA, the first alternative should be to pursue a closer and more effective U.S.-Japan naval activities to jointly secure them. In this option, China has no role to play, but there might be a possibility to involve such like-minded countries as Australia or India.

Yet even for this option, financial and political feasibility would be a significant challenge. If such U.S.-Japan joint operations to secure the SLOCs-GEA need the MSDF to exercise a full-fledged "right to collective self-defense" under the United Nations Charter, this option may still require amendments to the Japanese constitution – a tall order under the rosier of political circumstances.

C) Thus, Japan may have to resort to a different kind of concerted international effort to secure the SLOCs-GEA. Namely, Japan should consider pursuing a multilateral system, including the U.S., Japan, India and China, to jointly secure the entire SLOCs-GEA. If made to work, this option could



have many spillover benefits, such as enhancing international cooperation and contributing to maritime stability across the region.

However, the formula may not function as planned if China continues to be assertive, uncooperative, and in pursuit of maximizing her maritime national interests at the expense of others. The international community has witnessed similar disappointments before, such as when China joined the World Trade Organization but did not fulfill her obligations. If China holds to her narrow conception of self-interest, such an international system will eventually lose its value.

D) Finally, if U.S. political leaders become more inward-looking and isolationist and an American military presence continues to lose support among the Gulf nations, China, in order to fill this strategic power vacuum, may pursue a more stable and permanent naval presence in the region. This could include the use of the Pakistani port of Gwadar, for example, so that China could eventually enjoy maritime superiority in all parts of the SLOCs-GEA.

This would undoubtedly make Beijing much more politically influential in the Western Pacific. If this happens, Japan will lose her de facto guarantee of stable energy supplies from the Middle East and she may feel obliged to reconsider her national and military strategies, including reviewing the credibility of her existing security alliance or cooperation networks. Should that day arrive, it will be the day American hegemony in East Asia and the Western Pacific begins to dissolve.

## PECULIAR HISTORICAL RESEMBLANCES

When we examine the details of the current rivalry between China and the United States over sea lines of communication, the similarities between Imperial Japan of the 1930s and Communist China of the 2010s are striking. This may not be coincidental. Both rising Asian powers faced or face unhealthy nationalistic sentiment and an inferiority complex vis-a-vis the West. Both faced or face a virtually independent military command pushing to challenge the maritime status quo in the Western Pacific.

On December 8 every year, many Japanese look back with great remorse on their hubris before the World War II. They now know that Japan of that time was arrogant and narrow-minded. Another Asian nation, however, seems to be making mistakes similar to Japan's of 75 years ago. As Mark Twain put it, history does not repeat itself but it rhymes.

This is neither to claim that history repeats in East Asia nor to assert that the Japanese and Chinese histories are the same. Despite many differences, however, the historical Imperialist Japan and the current Communist China seem to have much in common. Both sustained nationalistic trauma upon being forced open by Western powers, be it American "Black Ships" in 1853 Japan or the British Opium Wars against China and her unequal treaties circa 1840. Both struggled with the prominence of their militaries, with each infused with nationalistic tendencies that could contort civilian policymaking.

Indeed, the PLA's more assertive hardliner activities recently caused serious concerns among its East Asian neighbors. On December 5, 2013, PLA naval vessels "irresponsibly" harassed the USS

Cowpens in the South China Sea. On November 23 of the same year, the PLA Air Force established more assertive ADIZ (Air Defense Identification Zone) over the East China Sea. Such activities will go on. The “artificial islands” China has recently created by landfilling in the South China Sea is a Chinese version of the “Manchurian Incident” of 1931. The award of the International Court of Arbitration issued in July 2016 is a Chinese version of the “Lytton Commission” report of 1931. Indeed, history does rhyme.

This is not to say that the current Communist China is making exactly the same mistakes as the Imperial Japan of the 1930s did. The issue is not about the colonization of the continent. It is about the waters and airspace in and above the Western Pacific. What is really at stake is the freedom of navigation on the high seas and the freedom of aviation thereabove.

The rise of China's bluewater navy capability is only a consequence of this behavior. If China continues down her hostile path and establishes de facto maritime and air superiority in the South China Sea, the next area the PLA Navy may pursue is the remaining portions of the SLOCs-GEA, which include the Indian Ocean, the Arabian Sea, and the Gulf waters.

All in all, the fundamental questions are whether the Chinese Communist Party can overcome the nationalistic trauma since 1840 and accept the existing liberal regional order, control its own armed forces and deny them a nationalistic political orientation, and peacefully co-exist with the neighbors in the region.

These decisions are fundamentally in the hands of the Chinese people. Tokyo wholeheartedly welcomes them if they are willing to accept the international status quo. However, if they still wish to overcome their historical trauma by unilaterally changing the existing liberal regional order, that will be when 21st century China starts making the same fatal mistakes as 1930s Japan.