Who Can Restrain China’s Military Ambitions?

For a long time now China has been Asia’s leading economy. Its influence and growing ambitions worry many neighbouring countries. At the same time, in recent years, United States influence in the Asia Pacific region has decreased noticeably. Therefore, Washington needs strong Asian partners, who can assist in restraining the growth of China’s power. For their part, countries that are unhappy about China’s expansion have been forced to undertake their own efforts to counter the pressure from the Middle Kingdom. The recent escalation of territorial disputes over the Paracel Islands and Spratly Archipelago, which are claimed simultaneously by China and Taiwan, Brunei and Malaysia, Vietnam and the Philippines, have intensified the fraught atmosphere. Many negotiations are currently being held on creating anti-Chinese coalitions in the Asia Pacific region, led by the USA. Moreover, the talks concern military and not economic cooperation.

China’s main competitors in Asia are India and Japan, which are the second and third largest Asian economies respectively. While deepening and broadening their collaboration, these two countries are quite able to “catch up with and overtake” China. Some people are of the opinion that the USA is counting particularly on them, hoping to form an anti-Beijing coalition. The recent exercise Malabar 2015, with participation of naval forces from the USA, India, and Japan just added fuel to the fire. These countries already tried to conduct similar exercise in 2008, but cancelled them due to active protests from the Chinese side. In 2015, however, the exercise was held, and this attests to the participating countries’ concern over China’s policies which, in recent months, have been characterized by active military reforms with a goal of strengthening the country’s military preparedness and expanding its military presence beyond mainland China’s borders.

In December 2015, the prime ministers of India and Japan held a meeting, at which Shinzo Abe and Narendra Modi signed important agreements on cooperation. In addition to an agreement on construction of the Mumbai-Ahmedabad railway, and cooperation in the field of atomic energy, contracts were signed for trade in weapons of defense and joint security of information related to military technology. All this (especially, of course, after the exercise Malabar 2015) provided many analysts with grounds to speak of the militarization of the Asia Pacific region.

This rhetoric, however, raises doubts if one examines closely economic, rather than military reports. Is full-fledged military cooperation possible without even closer trade relations? Will countries be able to form a strong, anti-Chinese coalition, when their economies depend directly on China?

For the time being, economic cooperation between India and Japan is not sufficiently developed, even though their longstanding relations have remained rather friendly. It would seem that these countries have all the prerequisites for a close partnership. Although during the Cold War Japan remained a loyal ally of the USA, while India maintained neutrality, siding more with the USSR, the history of Indo-Japanese relations were not clouded by wars, in contrast to these countries’ relations with China. The only serious disagreement between them took place in 1998, when India conducted atomic weapons tests. Then, Japan froze part of its “official assistance for development”, the main recipient of which had been India. In 2005, however, the USA and India signed an accord on cooperation in the field of a “peaceful atom,” which to all intents meant recognition of India’s rights to its own atomic designs. After this, Indo-Japanese relations once again normalized. Nevertheless today, China is, in fact, both countries’ main economic partner, in spite of all the political and territorial disputes. Once again, this demonstrates that business is guided...
primarily by the profit motive.

India has not participated in the Asia-Pacific Economic Cooperation forum and Trans-Pacific Partnership. It is a member, however, with China in the BRICS group, which many countries have viewed recently as a competitor to the TPP. China is India’s number one trading partner. The annual trade volume between India and China is nearly $100 billion. For their part, Japanese businessmen prefer to conduct deals with China from behind numerous bureaucratic obstacles, which exist for their business in India. Although Japanese business invests rather actively in the Indian economy, and in the previous decade, more than 1,500 Japanese companies appeared in India, and even in spite of the 2011 free trade zone agreement, Indian operations account for only 1% of the total volume of Japan’s imports, exports, and investments. Additionally, Japan is among China’s ten, chief trading partners. Their joint trade volume exceeded $300 billion in 2014.

Let’s examine the figures once more. The trade volume between India and Japan recently attained $25 billion. The trade volume between Japan and China reached nearly $100 billion. With these simple figures, one can suppose that Japan and India are not likely prepared for a full-scale standoff with China, with or without USA support. Life, of course, is full of surprises. When forecasting further development of events, however, this factor is also worth considering. The threat of losing such vast income cannot help but serve as a constraint in relations among China, India, Japan, and other Trans-Pacific Region countries. Most important, one must also not forget that the trade volume between China and the USA amounts to more than $500 billion. In other words, the China’s main geopolitical opponent cannot permit itself to go too far in its anti-Chinese adversarial position.

Taking these figures into account, it’s possible to doubt the readiness of the countries listed to destroy the established trade relations by military conflict. It’s possible to object that the Trans-Pacific Partnership was created for that reason - as opposition to China, and to allow the countries of the region to conduct trade by sidestepping China. The TPP project, however, has not been implemented. Furthermore, creation of the TPP does not mean that its chief members - the USA and Japan - will refuse to trade with China. That would cause both countries serious losses. Moreover, China’s entry into the TPP is being actively discussed. China is too significant a player on the world stage to simply forego mutually beneficial economic relations with it. At the same time, China will hardly wish to lose fantastic profits, which it obtains from exports and investments. Accordingly, it’s possible to hope that economically developed countries that are bound tightly by trade relations, have sufficient financial levers to influence each other, so as not to resort to military force.

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