

# Geostrategic Storm in the Indian Ocean

China, the US, and India are competing for political, economic, and military influence in the Indian Ocean. In the future, the strategic order in this institutionally underdeveloped region will become more multipolar and unstable. Maritime security is at risk, with possible repercussions for security of supply in Europe.

By Boas Lieberherr

A storm seems to be brewing in the Indian Ocean. This maritime space, which stretches from the east coast of Africa to the west coast of Australia, is at the center of strategic rivalry between China, the US, and India. This is becoming apparent in many ways – the competition for infrastructure projects, the stronger interference in national affairs of the littoral countries, and the increasing militarization of the region. The economic and technology sector is likely to take center stage in this strategic rivalry. While China is increasing its influence in this area, the foreign policies of India and the US are more focused on security. No tectonic shifts are predicted for the foreseeable future in the military sphere. India's stance is likely to play a decisive role in the future balance of power in the region.

The Indian Ocean is of key geostrategic importance. The economic boom in Asia and especially China, the rise of India as the most important country bordering the Indian Ocean, and the increasingly insecure global leadership role of the US are all playing a part in this. In essence, it is about access and control of the world's most important maritime chokepoints – the straits of Bab-el-Mandeb, Malacca, and Hormuz (see map). More than forty per cent of global trade and two-thirds of the world's



The navies of the four Quad states in the Arabian Sea during the military exercise "Malabar 2020."  
*Jose Madrigal / US Navy*

oil and gas already pass through the busy waterways of the Indian Ocean.

Maritime security in the third largest ocean is of central importance to the West. Europe's economic prosperity – including Swiss welfare – depends on free and secure international maritime trade and unhindered access to commodity markets. Disruptions to maritime energy and trade flows due to accidents, terrorism, or inter-

state conflicts could have a drastic impact on Europe's security of supply. Non-traditional maritime threats – above all climate change – are also putting stability at risk in the Indian Ocean. Rising sea levels could pose existential challenges to countries like Bangladesh or the Maldives.

## Regional Acid Test

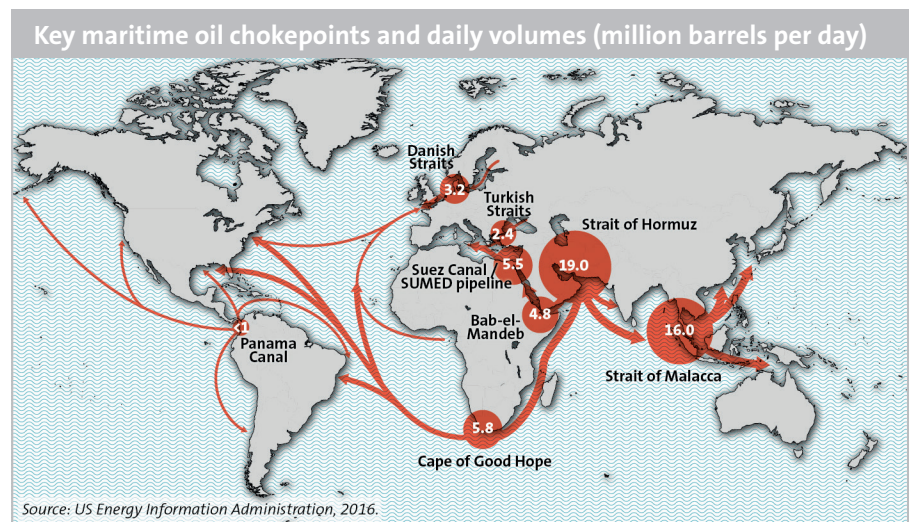
The region, which is institutionally and normatively underdeveloped, is currently

ill-equipped to deal with the complex maritime challenges. The strategic rivalry between China, the US, and India represents another complicating layer in the already unstable regional and maritime environment. This is likely to exacerbate existing lines of conflict and, therefore, have repercussions on maritime trade. Two hostile nuclear powers are at the center of the region – India and Pakistan. Thousands of kilometres of vaguely defined borders regularly lead to inter-state tensions – the most recent example is the Sino-Indian military escalation in the Himalayas in the summer of 2020. This already explosive mixture is further aggravated by intra-state conflicts in many countries in the area as well as terrorist organizations active both regionally and internationally.

At the same time, due to the overarching systemic rivalry, relatively little attention is paid to non-traditional maritime threats. This runs contrary to the immediate threat that illegal fishing, environmental hazards, and climate change pose to peoples' livelihoods and regional stability. Complicating matters further, illegal activities and environmental pressures are weakening the effectiveness of state institutions and economic inclusion, which in turn is creating conditions conducive to greater maritime insecurity and could ultimately exacerbate geostrategic rivalries.

### China on the Rise

The source of unrest in the Indian Ocean is China's increasing involvement in the region. Both Beijing's economic investment and its military presence have increased sharply over the past decade. With the China-Pakistan Economic Corridor (CPEC) – the most important infrastructure project of the Belt and Road Initiative (BRI) – China is working on a direct access to the Indian Ocean through the territory of its close ally Pakistan (see [CSS Analysis 195](#)). The ultimate goal is to reduce reliance on the Strait of Malacca, through which Beijing currently imports eighty per cent of its energy needs. China is also involved in various port projects in Gwadar (Pakistan), Hambantota (Sri Lanka), and Chittagong (Bangladesh) among others, which are of economic, and possibly military, importance. China recently launched BeiDou, its own GPS system, which Pakistan is already using for military purposes. Furthermore, many economies in the region are increasingly dependent on technological services provided by large Chinese corporations such as Alibaba or Tencent.



The Chinese Navy (People's Liberation Army Navy, PLAN) is also increasingly active in the Indian Ocean. Since 2008, China has maintained a continuous military presence in the Gulf of Aden as part of UN-mandated anti-piracy missions. This commitment was consolidated by the commissioning of China's first overseas military base in Djibouti in 2017. Chinese submarines can also regularly be seen in the waters off the Indian coast. At the same time, Beijing is expanding military cooperation with various countries in the region. Pakistan, Bangladesh, and Myanmar are sourcing the majority of their defense equipment from China.

China's economic interests and military presence in the Indian Ocean will continue to increase in the coming years. While Beijing is interested in protecting its economic

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investments, citizens, and sea routes in the medium term, more long-term goals are likely to involve other geostrategic considerations. However, the Indian Ocean plays a lesser role in Beijing's security calculations than the South China Sea. Furthermore, the PLAN's behavior in the Indian Ocean is currently much less assertive than in the Pacific.

Military supremacy in the Indian Ocean will remain out of reach for China for the

next few decades. Beijing is at a strategic disadvantage vis-à-vis the US and India. The potential threat posed by China's – so far moderate – influence, access, and capabilities in the region stems less from current assessments than from projections of its future role. Long, vulnerable supply lines into the Indian Ocean and a lack of access to logistical support limit China's military capabilities. Beijing also lacks reliable partners in the region. Its greatest strategic vulnerability is in the area of air power. The situation is different in the economic and technology sector, where the region is increasingly dependent on China.

China's still steadily growing influence in the Indian Ocean can also be explained by the shortcomings of other states. For a long time, the US only attached a secondary role to the region. For example, while Beijing has embassies in all six of the region's island states, US diplomatic commitment is limited to three countries and India's to five. For countries bordering India, such as Nepal, Sri Lanka, and Bangladesh, growing Chinese involvement offers them

the opportunity to break free from New Delhi's tight grip, along with economic benefits. This goes hand in hand with the fears harbored by many countries in the region of becoming increasingly embroiled in the power struggle between geostrategic rivals.

### The US is Closing Ranks

The US, together with other Western-oriented states, uses the "Indo-Pacific" conceptual framework (see box) to offer an al-



ternative to a possible China-centric reordering of the region. Washington sees the “Indo-Pacific” as the crucial geographic arena in its strategic competition with China. The political term emphasizes the growing importance of India and the Indian Ocean. Until now, the American Free and Open Indo-Pacific Strategy (FOIP) has been mainly geared towards security and defense policy. The aim has been to expand security cooperation primarily with India, but also with other countries in the region. While US President Joe Biden is likely to continue with this engagement, he will probably incorporate multilateral approaches and economic aspects more strongly than his predecessor. Indeed, the Trump administration’s trade policy creat-

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ed conflicts with various countries in the region rather than tying them more closely to Washington in economic terms.

The institutional centrepiece of the American FOIP is the reactivated Quadrilateral Security Dialogue (Quad), which is an informal alliance between the US, Australia, India, and Japan geared towards a free and secure “Indo-Pacific”. Up to now, the focus has been on coordinating military cooperation and joint maritime exercises. In March 2021, the first meeting between heads of state was held as part of this format. For the first time, topics such as vaccination diplomacy and climate change were high on the agenda. The addition of these topics illustrates the efforts of the four states to go beyond the focus on defense policy in order to counterbalance the growing Chinese influence in the region. At the same time, it opens up the possibility of cooperation to other actors.

Although its relative advantage is slowly diminishing, the US will remain by far the dominant military power in the Indian Ocean for the time being. In contrast to the Pacific, however, the strategic rivalry, particularly in the Arabian Sea and the Bay of Bengal, will mainly play out between China and India and not between China and the US. This is because US regional involvement to date has focused on ensuring stability in the Persian Gulf, while the other parts of the third-largest ocean are seen primarily as a transit corri-

dor. However, domestic challenges, such as the huge costs caused by the coronavirus pandemic, are likely to limit the resources available for regional engagement in the coming years.

### Where to Next for India?

Due to its strategic position at the heart of the Indian Ocean region and its growing economic and military weight, India plays a key role both in shaping the regional strategic order and in ensuring maritime security. The popular Hindu nationalist Modi government claims a leadership role beyond India’s traditional sphere of influence in South Asia. Sino-Indian competition for status, legitimacy, and influence will be one of the determining factors in future regional dynamics. However, New Delhi’s engagement in the Indian Ocean region is primarily centered around issues of security and defense. In the strategic competition for economic influence and infrastructure development India is falling far behind China. New Delhi seems condemned to be the runner-up.

Although New Delhi has long sought equidistance in the Sino-American rivalry, India has leaned more towards the West since the border conflict with China escalated last summer. Bilateral relations with the US have intensified since the turn of the millennium and are better today than ever before, especially in the area of security. However, the prospect of New Delhi distancing itself much further from its large neighbor seems unlikely due to economic dependencies. This limits India’s room for maneuver, but New Delhi will adhere to its policy of strategic autonomy and maintain more independence than Washington and Beijing would like.

The maritime domain has only more recently assumed a more prominent role in New Delhi’s security considerations. Compared with factors on land, the maritime environment presents clear strategic advantages over China due to India’s geographical position. Nevertheless, the Indian Navy’s reach remains relatively limited at present. Many systems are outdated and the national defense industry is slow and unreliable. The Indian economy has also been faltering – and not just due to the outbreak of the coronavirus pandemic. In order to strengthen its strategic position, New Delhi is taking advantage of the various opportunities that arise as a result of the global focus on the “Indo-Pacific”. India is pursu-

### The “Indo-Pacific”

The term “Indo-Pacific” was used for the first time in 2007 by former Japanese Prime Minister Shinzo Abe. While more and more states and regional organizations are using the concept, the previously common construct “Asia-Pacific” is losing significance. **“Indo-Pacific” is a political term.** It is based on different ideas on regional order that depend on the specific actor involved. **The American Free and Open Indo-Pacific Strategy (FOIP) aims to contain China.** In contrast, the Association of Southeast Asian Nations (ASEAN) includes China in its strategy. India and Japan emphasize aspects such as infrastructure development and connectivity. **The common denominator for all actors is the reference to a rules-based international order.** In Europe, in addition to France, Germany and the Netherlands, the EU has recently also launched an “Indo-Pacific” strategy. Beijing sees the concept primarily as a containment strategy directed against China under American leadership.

ing security cooperation with countries such as the US, France, and Japan, and seems to have abandoned its concerns about greater cooperation in the Quad.

### Maritime Insecurity

Alongside the potential danger that strategic rivalry poses to stability in the Indian Ocean, a multitude of non-traditional threats are jeopardizing maritime security. These threats are high on the security agenda of many countries in the region. However, due to the overarching strategic rivalry they are sometimes overlooked. Illegal fishing, organized crime, and natural and environmental disasters are already weakening the sustainable livelihoods of many coastal regions. The effects of climate change are even threatening the existence of various island states. Maritime uncertainty also creates a vicious cycle that is difficult to break. Illegal activities at sea and environmental risks undermine the rule of law and socio-economic welfare in coastal regions, which in turn encourages illegal activities and hinders the effective management of environmental risks.

The case of piracy off the coast of Somalia illustrates how closely the various aspects of maritime insecurity in the Indian Ocean are interlinked and how they can also have an impact on strategic rivalry. The collapse of the Somali state around thirty years ago and the ensuing lack of law enforcement was followed by the destruction of Somali

fishing grounds through illegal fishing – this was a major reason why impoverished Somali fishermen turned to piracy. Various states deployed naval vessels to the Horn of Africa to tackle the threat. Despite the de-

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cline in piracy in recent years, many countries still maintain a naval presence in the western Indian Ocean. This is, inter alia, how China also justifies the establishment of its naval base in Djibouti.

### Multipolarity and Instability

The future strategic order in the Indian Ocean will become more multipolar and unstable, making maritime security more fragile. Systemic rivalry exacerbates existing intra-state and inter-state conflict lines, which are likely to become most pronounced in weak states. Independence

movements, regional terrorism, and religious and ethnic tensions collide with the interests of competing geopolitical rivals. As a result, multidimensional, complex conflicts arise, challenging national cohesion and political institutions of many countries in the region. In this context, the vicious cycle of maritime insecurity is particularly precarious where systemic rivalry, weak state institutions, illegal maritime activities, and environmental risks negatively influence each other.

From a European perspective, both bilateral and multilateral approaches can be used to address the multi-layered security challenges in the Indian Ocean. Crisis prevention and peacebuilding measures reduce the potential for intra-state and inter-state conflict. Stronger cooperation with regional institutions, such as the Indian Ocean Rim Association (IORA), could help improve coordination among countries in the region in dealing with diverse maritime

challenges in the Indian Ocean. The areas of climate change mitigation and adaption provide various links for development cooperation.

The Indian Ocean's growing geostrategic importance is also generating opportunities for the region. To be able to extend their sphere of influence, China, the US, and India – as well as Europe – must align their engagement more closely with the security needs of the littoral states. The strategic rivals agree on one thing: access by sea and unhindered global trade flow ensure wealth. This common denominator can calm the waves of the Indian Ocean.

For more on trade and security in Eurasia, see [CSS core theme page](#).

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