

**Lecture by Ashley J. Tellis on “*Indian Ocean and U.S. Grand Strategy*” organised by the National Maritime Foundation, at India International Centre on 17 January 2012**

Good evening, everyone. Let me start by saying that it is really a signal honour for me to be addressing such a distinguished audience this evening, starting with the Chief of Naval Staff Admiral Nirmal Verma, his predecessor Admiral Sureesh Mehta, and Admiral K. K. Nayyar, Vice-Chief of the Navy before him. I am further honoured by the chance to speak under the aegis of the NMF, which has done remarkable work in getting India to think more seriously about the maritime dimensions of its identity, its policy, and the demands that come from the sea on India’s national security. I also want to take the opportunity at this point to congratulate Admiral Arun Prakash, especially since this is his last day as the Chair of the NMF. I also want to thank him, not only for his kind words this evening, but also for the friendship that I have enjoyed with him over the years, and for the remarkable job that he has done, first in shepherding the Indian Navy when he was Chief of Naval Staff, and then later, as Chairman of the NMF. So, I want to wish you God Speed and Bravo Zulu, as I believe naval officers say.

I must emphasise that what I am going to say this evening in my presentation is a personal view. Admiral Pradeep Kaushiva was very flattering in suggesting that the Obama Administration might have timed its remarks and the release of its defense guidance document to coincide with my presentation this evening, but as they say in the movies, it is all entirely coincidental. There is no relationship between the two, and as you will discover this evening, I have somewhat different views on several issues outlined in the guidance document.

I also want to recognize someone in this audience who has been an old friend and a co-conspirator of mine back in the United States, and that is Professor Eliot Cohen, the gentleman there with the bow tie. For those of you who follow military history, Eliot Cohen is one of our country’s premier military historians, and this is his first visit to India. I had been trying to convince him to come to India for many years, and at long last, we have succeeded. He is doing the rounds, and if you all get a chance to bump into Eliot afterwards and say “hi” to him, I think he would enjoy meeting you.

I am going to speak on the subject of “The Indian Ocean and U.S. Grand Strategy” this evening, and I am going to divide my remarks into three parts. First, I am going to start by exploring what the traditional significance of the Indian Ocean has been. Then, I am going to explore the question of whether the Indian Ocean is on the verge of becoming more important as a geopolitical space. Third, I will conclude briefly with some remarks about what the United States ought to do with respect to the Indian Ocean. In the course of my lecture, I will elaborate in an extended form on my central thesis: today, the Indian Ocean is on the cusp of becoming an arena of systemic significance.

Let me start by saying a few words about the goals of U.S. grand strategy, because that is really the backdrop within which everything that I say about the Indian Ocean must be taken into account. As a given, the natural object of any country’s grand strategy is the protection of its homeland. Beyond that, however, I would argue that since World War II, U.S. grand strategy has had three basic goals. The first is to prevent external hegemonic control over critical geopolitical areas of the world, and to prevent the rise of other threats to the global commons. The second goal is to expand the liberal political order internationally. Finally, the third goal is to sustain an open economic regime. Everything that the United States has done since the end of World War II can easily be fitted into a matrix that has taken its importance

and its bearings at various points from one or more of these three goals. These fundamental goals have not changed, and they are unlikely to change in the future.

Even as the United States looks to the Pacific Century, it will still be focused very consciously on preventing the rise of hegemonic powers that can control critical geopolitical areas of the world because such control could pose severe threats to the United States. The United States will continue to be very focused on protecting the global commons because it is a public good from which the entire international system profits. It will continue to promote an open and liberal political order to the degree that it can, and it will continue to sustain an open international economic regime. In this context, what is the significance of the Indian Ocean?

Everyone understands the basics. The Indian Ocean and its littorals contain about a third of the world's population, 25% of the global landmass, and about 40% of the world's oil and gas resources. Everyone knows these basic facts. But how are we to *think* about the Indian Ocean? I would posit that there have been two broad approaches with respect to thinking about the Ocean. The first approach contends that the Indian Ocean actually forms a coherent sub-system in international politics. There is a huge literature that talks about the connectivity between the countries in the Indian Ocean, the common history of the Indian Ocean states, and the shared patterns of trade and culture that have characterized the interactions across the Ocean. In fact, the use of the phrase "Indian Ocean society"—whether it be applied to India or anywhere along the Indian Ocean rim—implicitly assumes that the Indian Ocean is a coherent sub-system in international politics. I am not entirely convinced that this is true for three reasons.

To think about the Indian Ocean as a coherent system, it has to meet three tests. First, there has to be a strong sense of structural interconnectedness between all the littorals that ring the ocean space. There has to be, as theorists of international relations would say, strong security interdependence among all the littorals that ring the ocean. My reading of the Ocean's history is that such interconnectedness has actually been weak, not strong. There have been moments when that interconnectedness has been particularly pronounced, but across the broad sweep of human history, I would argue that that interconnectedness has been spotty, episodic, and less than robust. The second test that the view of the Indian Ocean as a coherent whole must meet is the density of interaction. Political, economic, military, and cultural interactions must be dense, and the denser the interaction is, the greater the coherence to the whole. Again, I would argue that the interactions across the Indian Ocean area have been highly variable, depending on the issue area and depending on the time in history at which one looks. So in that sense, the kind of coherence that we sometimes imagine existed actually eludes us. And the third test for the Indian Ocean as a unified strategic space must be the extent of institutionalization. Are there rules, norms, and organizational structures that are unique to this part of the world? I would argue that even by this standard, the unity of the Indian Ocean is less real than it appears at first sight. The rules, norms, and organizations that tie the various portions of the Indian Ocean together are either thin or they are embedded. In other words, they are rules that actually come from a larger international system which are then applied to the Ocean, as opposed to being unique rules which have been created for the Ocean basin which are then applied to the international system. So, by a strict definition of what constitutes a unified political space, I think it is hard to make the case that the Indian Ocean has been necessarily or consistently a coherent system in global politics.

Sugata Bose recognized this problem in his book on the Indian Ocean, and he attempted to circumvent the critique that I just offered by saying that the Indian Ocean is not a coherent

system but an inter-regional arena. It is a space between regions, and the regions—which essentially refer to the various littoral sections of the Ocean—may have a certain coherence, but the Indian Ocean per se as a unifying space is ultimately much thinner than it appears. If this is the case, then the problem of Indian Oceanic unity can be solved by admitting upfront that the real drivers of politics, the real drivers of change, are not necessarily what happens in the Ocean in the first instance; rather, the drivers of meaning derive, first, from what happens in the Ocean's littoral regions, second, in the interactions between those littorals, and only finally, by what happens in the arena itself.

I think that is another useful way of thinking about the problem, but in a sense, it only ends up confirming the argument that I made.

There is a second way to think about the Indian Ocean, which actually has a long tradition in the naval literature. It goes back, of course, to Alfred Thayer Mahan and his great book on *The Influence of Sea Power Upon History*. In it, he talks of the ocean as essentially, in his own words, “a great highway...a wide common.” If one thinks of the ocean as essentially that medium through which power can be applied into the littorals, then the coloration of the ocean is different than it would be if one thought of it as an autonomous geopolitical unity.

If one thinks of the Indian Ocean as a “great highway,” I think it is interesting to see how this highway has manifested itself in history. I would argue that there are three basic phases that describe the highway's interactions. Up until 1800, the history of the Indian Ocean was a history of local interactions. It was essentially an area of the world that was relatively isolated from the rest, and its history was defined by the various interactions among different portions of its littorals.

From 1800-1945, you enter the second phase, where what was previously an autonomous entity whose politics were defined by interactions between different elements along the littorals now slowly begins to be absorbed into the global system through colonialism. Colonialism brings external powers and the politics of the global universe into the Indian Ocean. So, from 1800-1945, you begin to see the Indian Ocean absorbed into a larger framework of global politics.

When you look at the Indian Ocean after 1945, I think the third phase can be broken down into two periods, 1945 to 1967 and then 1967 to 1991. The first period is one of British hegemony in the Indian Ocean, which transitions slowly to American hegemony in the second period. Broadly speaking, this third phase is interesting because it continues that dramatic transformation that takes place from 1800 to 1945. The Indian Ocean once again remains part of the global system, but with a very important difference – it retains an extremely high degree of structural autonomy. It retains that structural autonomy because there are truly no great powers that are resident in the Ocean littorals. The great powers that matter are visitors: they come, they conduct their business, they use the Ocean for purposes of great power politics, but they are not permanent residents of the Ocean spaces. And so the Indian Ocean enjoys a certain autonomy, which was not the case, for example, in the North Atlantic and the Western Pacific. In both those arenas, you had resident great powers whose territories abutted the ocean spaces, and the competition between those great powers defined the primacy of the Atlantic and the Pacific in a way that was simply not true of the Indian Ocean in this third phase.

So, the point that I want to make is that when one thinks about the Indian Ocean as a highway, there were two kinds of struggles that one sees in the Ocean's history. The first was

struggles for control of the highway itself. These struggles were actually very infrequent, but when they occurred, their effects were systemic and long-lasting. The first struggle for control of the highway really begins in the colonial period, where after a great deal of jostling between the European powers, the struggle concludes with British hegemony. British hegemony over the Indian Ocean left a very distinct geopolitical and cultural imprint, which is seen today all the way from South Africa to the Persian Gulf to India to Southeast Asia and Australia. In the middle of the Cold War, you have a peaceful succession from British hegemony to American domination. These are the two examples of fundamental struggles for control of the Indian Ocean highway, and both proved to be defining moments in the contemporary history of the Ocean.

Beyond struggles for control, the day-to-day interactions in the Ocean are struggles that one could think of as struggles along the highway, as opposed to struggles for control of the highway. If one looks at the pattern of these struggles, they are very complex because they have elements of both cooperation and competition, and they occur in eight broad issue areas. I am not going to describe all of them in detail; I just want to flag them for your attention.

The first area, the management of trade in commodities—which is basically goods and energy—has elements of cooperation and competition. The second issue area is the effort to use the Indian Ocean as an avenue for troop movements, and the contestation that takes place over those efforts. You see this all the way from the early periods of British colonization (especially the colonization that takes place in the Persian Gulf) through World War II, where there was a serious contestation over movements of troops. The third area is migration in the Indian Ocean. Anyone who looks at the political economy of the Indian Ocean knows clearly that there were enormous patterns of migration and labour flows that took place during the colonial period, which is how you have an Indian presence today along the coast of Africa and why you have an Indian presence today in Southeast Asia. It has been a circulating migration, because oftentimes these migrations were not permanent. A fourth issue area is capital movement. Indian capital movement in many parts of the world actually created new opportunities for growth and investment. The fifth issue area is that of cultural transmission, whereby the Ocean became the medium through which religion, artefacts, and ideas were exported throughout the basin. Next, the sixth issue area is struggles over the management of ocean resources. In its most modern form, we see struggles over sea bed mining, but in older days, the struggles were over fisheries and over the rights to trade goods and commodities. The seventh issue area is the struggles over what have been called national enclosure movements, or the efforts by modern states to control a larger and larger area of the contiguous spaces that touch their land borders. Finally, there is cooperation and competition with respect to managing the natural elements that appear in the form of disasters and accidents. I think of all these things as essentially being transactions that take place along the highway, and this constitutes the day-in and day-out business of what navies and maritime nations do. They are important, and they keep us in the business of using the Ocean, but they are not fundamentally transformative in the sense that I described the struggles over the oceans themselves.

If that is a useful way of thinking about the Indian Ocean, I would argue—and this is the second part of my presentation—that we are likely now to see the Indian Ocean becoming more important as a geopolitical space because we might be on the cusp of a third struggle for control over the Ocean. This is not destined and it is not inevitable, but it is a realistic possibility, and I want to lay out the argument for why I believe this is the case.

The first reason is that the Indian Ocean today is going to host an indigenous great power for the first time in a long while, and that is India. The second reason is that the Ocean is likely to become an arena for a new, emerging extra-regional great power—China—that will increasingly become present in the Indian Ocean because it has compelling interests that will bring it there and, in the process, create tensions involving the resident great power. The third reason is that the Ocean is likely to be witness to severe proliferation challenges in the years ahead, and proliferation challenges are significant because nuclear weapons have a peculiar quality in international politics. States with nuclear weapons can exercise very powerful kinds of vetoes over the way political interactions take place. So, if there is an increase in the number of nuclear weapons powers in the Ocean, then there are structural changes that take place in the Ocean's geopolitics, including more formidable capacities for enclosure. I want to say a few words about each of these developments.

India is clearly the first reason why the Indian Ocean is likely to acquire systemic significance, because if India sustains its rise as a great power, it will be the first indigenous Indian Ocean power. India is realizing its maritime identity and its interests in a way that was not true historically. India's economic growth is increasingly going to come about through a deeper interaction with the wider world, and more interaction—whether it be through trade or through dependence on resources—inevitably means that the maritime dimensions of India's rise will grow in salience in a historically unique way. As long as India was a completely inward-looking power that was growing at the Hindu rate of 3%, it had no need for the world and consequently no need for the Ocean. But as India continues to sustain its rise, the Ocean is going to become more and more prominent in the way that India thinks about its interests.

In this context, the Ocean is going to acquire even greater significance than before because India is going to increasingly see the Indian Ocean as providing it with an arena where it has real strategic leverage vis-à-vis its rivals. Along India's continental boundaries, I think it is fair to say that India is essentially in a situation of strategic stalemate. In those areas, it is very difficult for India to acquire, create, or force decisive change. But the Ocean offers India an opportunity with respect to strategic leverage that historically, the country simply did not have.

Finally, there are converging interests between India and the United States which create great opportunities for strategic bilateral cooperation. So, what you have is a case where the extant great power, the United States, and the rising great power, India, actually have no fundamental conflicts of interest with respect to the management of the Indian Ocean space. You get a very nice fit that allows us to think of the Indian Ocean as being on the cusp of a transformation, but in a fundamentally favourable way for our common interests. In other words, India's rise as a great power and as a maritime power does not pose any fundamental strategic challenges to the United States. If anything, it provides opportunities. However, that is not necessarily true about the next facet of strategic change which I am going to describe, which is China as a new Indian Ocean power.

When one talks of China in the Indian Ocean, one has to start off recognizing that China's principal strategic competition—if it chooses to pursue that path—will not be with India but with the United States. China's focus is the United States because the United States appears as the five hundred pound gorilla in the international system. China has to deal with the U.S. as, essentially, the limit on its own ambitions and on its own interests. The question then arises: if China has to deal with United States and has to think about the United States, why would it care about the Indian Ocean? My short answer to that question is that China will care about the Indian Ocean not because the Indian Ocean is important to China in the first

instance, but because the Indian Ocean becomes important to China in the final instance. What does that mean? Let me lay out the argument in the following way:

As China rises as an economic power, it is going to acquire a series of expanding interests, and those expanding interests—which are driven primarily by economics and the need to sustain an extremely resource-hungry (and actually quite inefficient) economic machine—are going to take China much further afield than its natural area of primary interest would otherwise demand. Since China's primary interest is the United States, China obviously focuses in the first instance on the Western Pacific, because the threats to China and the challenges to China are going to materialize from that direction. But because China's growth is now deeply linked with the evolution of the global system, China is going to move beyond the Western Pacific to other far-flung areas of the world, and it is in that context that the Indian Ocean is going to become important for China. It is going to be, admittedly, of derivative importance, but it will be an important arena nonetheless. I would flag five basic reasons why this is likely to be the case.

The first is that China's economic growth—which relies on what economists call an “extensive growth strategy,” or a demand for larger and larger inputs to sustain any given unit of output—is going to take China in the direction of looking for new sources of raw materials and energy, and, by implication, in the direction of greater and greater dependence on oceanic trade. Because of geography, China is inevitably going to think about the need for greater access to the Persian Gulf and to Africa. As this pattern of trade and dependence becomes more and more established, China will have to increasingly confront what Hu Jintao has very accurately called the Malacca Dilemma, or the reality that its resources are going to come through very narrow chokepoints which create geopolitical risks for Beijing and geopolitical opportunities for others. Because China, by definition, is growing through a strategy based around increased dependence on the resources and markets of the external world, the intensity of the Malacca Dilemma could become extremely pressing for China, especially if U.S.-China relations become competitive. In order to resolve this issue, China is going to be looking at oceans beyond the Western Pacific, and the single most important ocean that it has to confront in this context is the Indian Ocean.

The second driver that is going to motivate China to look closely at the Indian Ocean is again a crude fact of geography. China is a vast continental nation, and there are parts of China (e.g. western China and southwestern China) which are closer to the Indian Ocean than they are to the Western Pacific. It is hard to appreciate this reality when you look at the Mercator projection of the world, but if you look at an equidistant map, you begin to realize that Xinjiang or Tibet, for example, are far closer to the Indian Ocean than they are to China's eastern seaboard. As China thinks in terms of developing its hinterland, economic and strategic logic is going to take it in the direction of searching for new avenues of trade and commerce, which essentially means working through those littoral areas of the world that most closely abut the Indian Ocean.

The third reality is that, in thinking about protecting its own security in the Western Pacific, China cannot be oblivious to the need to protect the most important oceanic flank of its southern seas. Remember, the United States is a Pacific power, but it is more fundamentally a global power. The United States is not confined to engaging China through the Pacific alone. It can engage and confront China, if need be, through a variety of access points. If you are a Chinese geopolitician looking out at your Western Pacific seas, you become very conscious of the fact that U.S. lines of approach are not confined to the Pacific alone. The U.S. can appear from different directions of the azimuth, and so the requirement of protecting the

flanks (especially of your southern seas, where important Chinese assets and claims are located) makes it very important for China to think about what needs to be done with respect to protection of Indian Oceanic security.

The fourth driver is China's abiding need to balance against India for a very simple reason: India happens to be the last major continental rival left in Asia capable of balancing China. Once upon a time, the Russians could claim credit for playing that role as well. But anyone who looks at Russia's prospects today would find it very hard to argue that Russia is likely to be a serious continental check on the rise of Chinese power. Additionally, when you look at Asian geopolitics, you take seriously a country like Japan—which is formidable despite its small size—but at the same time, you do not foresee Japan as being able to single-handedly balance against a rising China due to inherent Japanese limitations. Thus, in terms of sheer concentration of potential power, a Chinese geopolitician cannot forget the one country that abuts it, right smack in its belly—and that is India. Accordingly, any Chinese strategy for balancing against India must involve the Indian Ocean, because that provides an avenue for China to use its resources to contain—and I don't mean contain in a political sense but in a loose sense—any potential challenge that might emerge from India.

The last driver is that, recognizing all the realities that I have just described, the Chinese military and state have begun to talk for the first time about China's new historic missions in distant seas. I want to spend a few minutes talking about this, because it is important to recognize what exactly this challenge entails. If China is on the cusp of thinking about the Indian Ocean in a far more serious way than it has for a long time, how will China think about it? I would argue that today, China still thinks of the Indian Ocean in the first instance as a continental power does, not as a maritime power, because China is fundamentally a continental state for reasons of history, geography, and economics. So, even when it looks at the Indian Ocean, it does not look at the Ocean as maritime powers do; rather, it looks at the Ocean as a sea space that abuts land spaces that provide opportunities for control.

Chinese naval strategy is, in the first instance, an extension of a continental strategy. Only recently has China begun to come to terms with the transition to what a maritime strategy demands. Until the mid-1980s, China's national strategy in the naval arena was essentially focused on what its leaders called "near coast defence," which basically meant that China had to control its territorial waters and perhaps a little beyond. From the 1980s until 2004, the view of near coast defence expanded considerably to what the Chinese called "near seas control." Near seas control, in the Chinese lexicon, essentially meant that China had to control the sea spaces up to what the Chinese called the "first island chain;" that is, the sea spaces bounded by Japan in the north, Taiwan in the middle, and the South China Sea in the south.

When China made the decision that it was going to focus on near seas control, it had a choice of following one of two models. One model was the model represented by the Imperial Japanese navy in World War II, which followed the strategy of a true maritime power. The Japanese military ranged all over the ocean spaces, wherever its ships and aircraft could take it. The second model, exemplified by the Soviet Union, involved not the strategy of a maritime power but rather that of a continental state attempting to protect certain oceanic peripheries. Between the 1980s and 2004, the Chinese essentially settled for a version of the Soviet strategy rather than the Japanese strategy. They decided, for reasons of both economics and history, that they were going to control the ocean spaces through the use of land-based instruments rather than sea-based instruments.

Consequently, the Chinese concentrated on investing in a large reconnaissance-strike complex. A reconnaissance-strike complex, as the phrase conveys, involves investing in a large C<sup>4</sup>ISR net managed, maintained, and controlled on land, in the service of land-based strike capabilities which primarily materialize in the form of ballistic missiles and shore-based naval aviation. This is essentially a replication of what the Soviets did at the high tide of the Cold War. Even though there was a Russian aircraft carrier that was built, particularly in the later years of the Cold War, Russian naval strategy—to the degree that one could call it that—was essentially an attempt to protect its sea-based peripheries through the use of land-based power. China did essentially the same thing from the 1980s to 2004, and its conception was again very limited in terms of its geography: use land-based capabilities to control these sea-based peripheries.

From 2004 onwards, Chinese strategy began to evolve and took the first baby steps towards a genuine maritime strategy. Those baby steps involved a transition from the focus on near seas to a focus on distant seas. China has now made the transition at a conceptual level, but it has yet to make the transition at an operational level. But that latter transition, I believe, is coming. How is it going to be manifested? That is really what I want to spend a few more minutes talking about since it has a direct impact on the Indian Ocean. I believe the transition that is mandated by this new doctrine of focusing on distant seas is going to materialize in three basic forms.

First, you are going to see a progressive reorientation of the reconnaissance-strike complex that China has steadily been building since 1996 (and which to date has been focused primarily on the Western Pacific) more and more towards its southern periphery, first in the South China Seas—because as you might have noticed, the Chinese have a few disputes with states on their periphery in that part of the world—and then eventually to the Indian Ocean. Why the Indian Ocean? For all the five reasons that I laid out earlier. If you believe that the logic of China's economic growth and the logic of China's geopolitics necessarily takes it towards the Indian Ocean, then it is reasonable to expect—and this is in a sense what we collectively ought to be watching for—a progressive shift of the reconnaissance-strike complex, which currently faces eastwards, to newer and newer azimuths, first to the southeast, and then eventually due south and southwest. What will this involve in practical terms? I think—and this is again me as an analyst thinking—that it will involve the search for a new, longer-ranged ASBM compared to the ASBM that China is presently working on. It will involve expanding China's satellite and space-based targeting footprint, and it will involve a reorientation of China's current land-based sensors. I expect that over the next decade, we are likely to see developments in all these three areas.

There is a second, broad change that is mandated by the desire for new distant seas capabilities. There is going to be a demand for China to protect its national interests more broadly, a demand that involves SLOC security and a protection of more expansive versions of China's maritime rights and interests. This is an inevitable evolution from how China has dealt with the ocean spaces in the Western Pacific up to now to how it must deal with newer areas where it sees its interests implicated. What form will this take? I would argue that it would take again multiple forms. You will see new Chinese efforts at raw materials extraction and deep sea mining in distant seas. You are going to see a renewed Chinese effort, in U.S. naval language, for “places not bases.” China, at least immediately, is unlikely to be seeking new bases in the Indian Ocean for all sorts of reasons. However, there is absolutely no constraint on China seeking places where its naval and maritime forces will have access for resupply, fuel, repairs, replenishments, and R&R.



Third, you are going to see, in my judgment, increased investment in China's ability to build and maintain naval task forces of some capacity in areas quite far removed from its traditional focus and interests, which means that Chinese surface combatants will be capable of more distant operations and they are likely to be larger ships. We are likely to see increased Chinese investments in auxiliary vessels, primarily underway replenishment vessels and things that can sustain naval operations at a distance. You are going to see increased investments in more late-generation nuclear submarines as opposed to the motley collection of diesel-electrics which, in some cases, are over 30 years old. Finally, you are likely to see a renewed Chinese effort to take carrier aviation very seriously. As a Chinese defence white paper says, "towards ensuring world peace" essentially means working towards making contributions to global public goods, to creating new partnerships with Indian Ocean states, and to extending new aid and assistance programmes.

In short, my story so far is that the Indian Ocean is likely to rise in systemic significance because you are going to see the rise of one resident new great power, India, and you are going to see the slow emergence and the presence of an even larger great power, China, which is going to be drawn to the Indian Ocean for reasons of both economics and politics. Whether the politics involve the local countries of the littoral, or whether the politics involves dealing with the United States, the end result is that the Indian Ocean slowly begins to appear in China's peripheral vision in a way that was not historically true.

I want to say a few words about the third variable that I flagged, and that is proliferation challenges. The most important proliferation challenge that we are going to face in the Indian Ocean in the near term is going to be Iran. All of you are very familiar with the challenge posed by Iran. It is a challenge that unfortunately for us does not promise to go away and, even worse, does not promise to go away *peacefully*, for reasons that have to do with Iranian insecurities, the struggles within the leadership in the Iranian regime, and the very tenuous relations between the Iranian state and its own society. All these variables come together to promise that the Iranian nuclear programme will continue to sustain itself on its current course towards a nuclear weapons capability unless one of two things occurs: Iran either faces a serious internal crisis that distracts the regime in other directions, or it is stopped by superior external powers. The bottom line is this: the Iranian pursuit of nuclear weapons has multiple consequences for the United States.

The first is that it threatens the NPT regime in very fundamental ways if a state can use the "peaceful use" opportunities afforded by the regime to build nuclear weapons. Now, the North Koreans did the same thing, but as far as one can tell, North Korea is not a country with a particularly bright future. So, the idea of North Korea being an outlier is genuine. It truly *is* an outlier. But Iran is a different matter. For one thing, it is a real country with power and the ability to affect regional affairs. Accordingly, an Iranian nuclear weapons programme poses a qualitatively different challenge than that posed by the North Korean programme. So, there is first the future of the NPT.

The second consequence is the threat of a proliferation cascade. An Iranian nuclear weapons programme is almost certainly going to provoke a Saudi reaction, and it may provoke a reaction by a chain of Arab states that feel uncomfortable with an Iranian nuclear presence.

Third and finally, the Iranian pursuit of nuclear weapons has grave consequences because it could lead to a potential Iranian hegemony that allows Iran to at least mount a local campaign for control of the Indian Ocean highway, even if it is only in a limited area. An Iran with nuclear weapons that threatens to control the Persian Gulf becomes a threat writ small, but

one that is nevertheless analogous to the challenge that we might imagine that China could levy on the larger ocean spaces. So, there is an issue of control over a particularly important quadrant of the highway—because of the energy that flows through the region—which is embodied in the Iranian nuclear weapons programme. I don't know how this is all going to end up, but the point is, the challenges of proliferation remain real and they engage the United States because there are systemic consequences.

What does all this add up to? I want to end this section on this note. What this adds up to is that the Indian Ocean is potentially on the cusp of becoming a systemically important arena because the interests of major powers are going to come together. There is a realistic possibility that there will be a struggle for control of the highway, in addition to all the problems that are likely to persist with respect to struggles along the highway. So, you are going to get an interaction that is quite significant and, by implication, a potential for a real transformation.

Now, where India, China, and the United States are concerned, it is an interesting problem because you have two security dilemmas, one involving India and China and one involving China and the United States. You have a coordination dilemma between India and the United States because it is not quite clear how the U.S. and India—despite their common interests—are likely to cooperate in dealing with the challenges that I have outlined. So, this is a work in progress that we will have to deal with.

I want end my presentation by saying a few words about what the United States should do about this strategic prognosis. First, we have to start by accepting the idea that recognizing this reality is challenging enough, because it is a reality evolving in slow motion. None of these things have yet happened, and so there is a certain degree of crystal ball-gazing, and when crystal ball-gazing is involved, it is hard to summon the political will to make decisions. You don't know whether this future is inevitable, you hope that this future can be averted, and there are a whole range of things that you hope will never confront you with the hard choices that you will be confronted with if this future comes about. So, recognizing the reality is challenging enough. But figuring out how to deal with that reality is even more challenging. I would argue, however, just for starters, that there are three things that we must recognize in the United States.

The first is that the Indian Ocean is going to be increasingly integrated with the Western Pacific. In fact, the concept of "Indo-Pacific" is not as fantastical as one would have thought a decade or two decades ago, because if the logic that I have laid out to you makes any sense, then economics and politics will combine to push a much tighter integration of these two ocean spaces than before. The second thing that the U.S. has to recognize is that the Indian Ocean will move from being the subordinate space that it was in the post-WWII period to becoming commensurate with the Western Pacific in terms of strategic importance. No longer can the U.S. say, "We have a choice; we are going to focus on the Western Pacific because that is where the action is." The Indian Ocean equally is going to be where the action is. Third, we have got to recognize that although serious security competition over the Indian Ocean is not inevitable, it is possible, and it is possible because a great deal will depend on the strategic choices that China makes. If China believes that its integration with the international system is best served by relying on the international system as opposed to mercantilist and statist strategies, then many of the things that we fear about the Indian Ocean will be averted. But if China's strategy increasingly moves in the direction of either mercantilism in the economic sphere or statist solutions that are unilateral in the security sphere, then you are likely to have a vicious interaction that is going to disturb the

environment in the Indian Ocean and create security dilemmas. So, the real question is going to be whether China settles for a strategy where it simply seeks to peacefully use the ocean—which is a very legitimate thing for any state, including China—or whether it is going to supplement what may be a desire for peaceful use with strategies which focus, if not on dominant control, then at least on selective control of certain ocean spaces. These are things that we have to recognize as we move forward.

As this Chinese choice becomes clear, we have got to appreciate that what you are going to see over the next decade in the Indian Ocean is a lot of shadow boxing. It is not going to be real boxing. No one expects a decisive battle in the Indian Ocean à la Mahan with great battle fleets duking it out. This is not going to be the Battle of Midway all over again. At least for the next decade, it will be shadow boxing, but shadow boxing that is going to have enormous implications because depending on how it comes out, the environment will either be favourable or unfavourable for American interests.

What forms will this shadow boxing take? The first is that there is going to be a new struggle for influence over the islands in the Indian Ocean, as well as over its entrances and its exits. Influence in the littorals matters, because whoever controls the littorals is going to be able to shape the way things happen in the ocean spaces, and any one of you who has been reading about the recent Chinese overtures to the Seychelles can see what I am talking about. There is a second struggle that is going to increasingly become manifest, and that is a struggle to see while avoiding being seen. There is going to be a struggle to acquire dominant maritime awareness with the emphasis on the word “dominant.” If you can see farther than the other guy, you have advantages that are extremely important, especially in naval warfare, and so this means that there is going to be a struggle for new surveillance systems, the capacity to base surveillance systems, the capacity to operate surveillance systems, and so on and so forth. Third, for the United States, there is going to be an emerging struggle to neutralize what will be an expanding Chinese reconnaissance-strike complex that moves beyond its original orientation in the Western Pacific.

So, how should the U.S. respond? Quickly, I would say that a cooperative security solution is obviously the most desirable option. But unfortunately, it is probably also the most unlikely. It is unlikely because the kind of cooperative security solutions that usually people think about—a concert of powers—is unlikely to materialize because there are real divergences of interests among the players involved. The divergences of interest can be masked by clever diplomacy on the margins, but if there are fundamental divergences of interest, then the kind of concert that existed in Europe historically is going to be very difficult to replicate. The U.S. is then left with essentially one of two strategies. We work hard to build coalitions of the willing—sorry, I can’t avoid my past—and second, we restore American strength. Now, this may look in the first instance like two alternate strategies, but I think they are deeply interdependent. If the U.S. does not restore its strength, both in terms of its economy and in terms of its naval and air power, then there will be no coalitions of the willing because no one will have the incentives to bandwagon with the United States in dealing with the challenges to Ocean security. Although in the political discourse it often appears as if cooperative multilateralism is an alternative to the restoration of American strength, the realities of global geopolitics imply that restoration of American strength must come first because it serves as the foundation on which any coalition activity can be constructed.

So I hope that as the Administration thinks about its strategy for the Indian Ocean, it is not going to focus simply on adapting to an American decline that it believes is somehow permanent, but rather that it thinks creatively of ways to overcome that decline. There is

nothing in American history that posits that American decline is either inevitable or secular. We have seen this movie before. The United States made good on its capacity to come back after the Vietnam War, and again after the rise of Japan in the 1980s, when everyone thought that we were about to be swallowed by this island that is probably 1/60<sup>th</sup> the size of the United States.

As the United States thinks about this, it needs to do the following. First, it needs to focus on building its own strength, which means particularly its naval and air power. Second, it needs to think about revitalizing its alliances, including its existing alliances with Japan, with Australia, with Singapore, and with others, in order to renew the “iron ring” that exists in the Pacific. Third, it needs to put a real effort into sustaining an engagement with India out of self-interest, because as I pointed out, India is the last continental power in Asia that is capable of balancing China and with which we have a set of common interests. Even as the United States does all of this, it ought to support various Indian Ocean groupings and efforts at institutionalizing Indian Ocean cooperation. All that is important, and the U.S. should invest in supporting the efforts that are already underway, but it should not delude itself into believing that institutional solutions of this kind are a substitute for the capacity to wield real power. Real power remains the bedrock on which all cooperative solutions grow and derive their vitality—and the United States should not forget that fact. Thank you very much for your time and attention. I think I spoke longer than I had intended to.