

MONSOON ASIA: GROWING OUT OF CONFLICT?

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Asia is a geographical expression rather than a cultural construct. It has four very different ecosystems—the hot deserts to the West, the cold wastes in the North, the grasslands in the centre and the well watered areas in the South and East of the continent. The peoples who populate these ecosystems do not even have an indigenous word for this continent and often connect more with others than with fellow Asians. West Asia for instance has stronger cultural connections with North Africa and the Mediterranean world than with civilizations to its east. Central Asia, that waiting room for tribes on the move, shares its Islamic ethos with West Asia. Though both of these regions have impinged on the Sinic and Indic civilisations to their east, their face is turned towards the west.

This article is really about Monsoon Asia, the area east of the Indus and the Central Asian highlands and south of Mongolia. This region, whose ecology is defined by the seasonal monsoon winds that bear beneficent rain, is home to more than half of humanity, where two long-lasting civilizations, the Chinese and the Indian, have held sway for millennia and have provided a matrix for cultural interaction. It is a region whose cultural unity is not defined by a religion as is the case in West Asia, or Central Asia or Europe and a syncretic tolerance of diverse beliefs is a characteristic but threatened feature of its societies.

The Resurgence of Monsoon Asia

Monsoon Asia was the dominant part of the world economy for the greater part of the second millennium. Right up to the early nineteenth century, Asia accounted for 60-70 per cent of world GDP. Europe had little that it could export and its purchases of spices, silks and cotton were financed largely through the flows of silver that it obtained from the Americas. The change comes with the industrial revolution and the outward expansion of Europe after the eighteenth century and by the middle of the twentieth century most of Asia (with perhaps Japan as the only exception) fell way behind the civilizations of Europe and its American off shoots. But the narrative turns thereafter and the past several decades have seen a steady expansion of the Asian economies.

The resurgence of Monsoon Asia will surely be the lead story in any future history of our times. The story begins with the quick recovery of Japan after the end of the war and its rapid growth till the “oil shoku” of 1973. Hong Kong, to which much of China’s capital had fled after the revolution, followed suit with a rigorously laissez-faire capitalist path. South Korea and Taiwan began their break-out from poverty around the early sixties and Singapore and South East Asia a little later. With very high growth rates sustained over 20-30 years these countries leap-frogged into middle and even high income status.

All of this was impressive but would not merit more than an appreciative mention about the improvement in the lives of some 400 million people in the future historian's narrative. Perhaps this appreciation will extend to the US which oversaw major land reforms and economic restructuring in Japan, South Korea and Taiwan, provided a security umbrella that allowed these countries to concentrate their energies on development and used its deep pockets to underwrite the transition to an outward oriented strategy.

The big change comes later around 1980 when China, after the convulsions of Maoism, adopts a path of dual-track growth – one track maintaining the old system and the other zooming along in a different direction with a selective privatization of the socialist economy, the opening to foreign capital and rapid export growth. The results are spectacular – a ten fold increase in the scale of the economy in less than a generation. India followed some ten years behind with a gradualist reform programme that is now bearing fruit and promises a sustained period of high growth.

India and China are about 40 per cent of humanity. The addition of a huge new consumer class in Asia alters the economic geography of the world economy even more than the influx of New World silver did at the beginning of Western ascendancy. Like the early developers in East and South-East Asia these two do depend on access to US and European markets. But the equation is a little different as suppliers in the West also need continuing access to these booming Asian markets. Even the snooty luxury product manufacturers in old Europe are adjusting to the demands of these markets. The underlying politics is also different. Far from being under US tutelage at least one of them is seen as a potential adversary by the one super power.

How sustainable is this phenomenal pace of growth? Are the analysts who see China and India becoming the largest economies in the world in a generation or two right? What are the sources of instability and conflict that could roil the works?

Power dynamics

The changes that are taking place now in Asia are similar, in some ways to the transformation of Western Europe by the industrial revolution in the nineteenth century. The increase in population, urbanization, industrialization, the emergence of a middle class, the infusion of class conflicts on a matrix of linguistic and religious differences in Asia now have their parallels in the history of Europe some hundred-plus years earlier. What can we learn from this European experience that could give us a clue to where Monsoon Asia is headed?

The internal dynamics of European history was provided by the competition between nation-states that led to a balance of power based international system. A new element in the nineteenth century was the outward expansion of European rule through the acquisition of colonies. The class conflicts brought about by rapid industrialization and urbanization were superimposed on this political structure. We know now that these

continental and imperial rivalries provoked an arms race and led finally to two great wars. Both of these were resolved essentially through the intervention of the US and this signaled the end of European hegemony. Is this the fate that awaits Monsoon Asia?

Historically relations between the major Asian states were not driven by any tendency towards maintaining a balance of power. The concept of sovereignty that the two great empires, China and India, understood was of a paramount power which had tributary states that owed it allegiance and which left states that were beyond their pale of concern well alone. A paramount power does not aim at a balance. It aims at supremacy in its sphere of influence and has no goals beyond that. There could be some problems at the fringes, near the border between two paramount powers; but such problems in the marches would have little impact on the politics of the core areas. This was how India and China related to one another through more than two millennia. In fact until the 1962 conflict there was no serious military tension between the two civilizations even though they knew about one another, exchanged goods, people and ideas and had the economic and military means to project their power even across the formidable Himalayas.

Asia today is different. Like the Europe of nation states its international relations are driven by intense rivalries and competition, but without the potential for outward expansion that nineteenth century Europe had. The two ancient civilisations are trying to learn the habits of coexistence and power balance; but the history of paramountcy shapes their relations with their neighbours and that creates a window of opportunity for other powers.

China now is projecting its presence in the Indian Ocean with the base in Gwadar, the military relationship with Pakistan and its diplomatic activity in Bangladesh, Nepal and Myanmar. China's core strategic interest lie in its east and its rival, India, has been more circumspect and has not projected its military or diplomatic capacity in the China Seas. Both regional powers operate in an environment where the US continues to aim at "full spectrum dominance" rather than any balance. This makes the game trilateral rather than bilateral and it is not enough for India and China to find a *modus vivendi*.

Will this mélange of rivalry, ambitions for supremacy and a growing capacity to project power lead to catastrophic conflict? Or are military calculations sobered by the nuclear standoffs between potential belligerents? Will the looming presence of USA and to a lesser extent Russia be a force for stability or will they add to the potential for turbulence?

Territorial Disputes

Conflicts do not start because historians think they should. They need a trigger to set off a fight. The flash points are there. The big one is the possibility of Taiwan declaring its independence. But that may be restrained by the US. There are a large number of border disputes, many of them involving China, the most formidable power in Monsoon Asia. There is of course the well-known dispute with India. But China also has border disputes

with Russia, Japan, Korea, Vietnam, the Central Asian “stans” amongst others. There are other possible flash points with disputes between Japan and Russia and amongst the ASEAN states. Territorial problems in the region are chronic and little progress has been made in resolving them. That may however indicate that they will continue as festering sores rather than develop into a major breakdown.

A particularly difficult situation prevails in the Spratly Islands. Six coastal states-China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei-have competing claims to all or part of this archipelago and surrounding maritime space. Prospecting data indicate that abundant supplies of oil and natural gas, comparable to some large Middle East deposits, lie in the area of the Spratly and Paracel Islands. As a result, territorial problems in the South China Sea have become more acute, right up to military skirmishes between claimants—specifically, China, the Philippines and Vietnam—which have occurred numerous times over the past two decades.

Border disputes and rival claims over desolate marches seldom lead to generalized war unless some dim-witted ultra-nationalists come to power in several places simultaneously. A more likely source of conflict is the competition for the resources needed to sustain the high growth that Monsoon Asia needs to meet the consumerist aspirations of its people.

Water

Unlike Europe whose surplus population could migrate to the New World, India and China have no unexploited resource frontier to relieve the pressure on their own environment – land, water, forests, minerals, even living space. Much of this can be made good through trade. But one resource that cannot be traded is water. Could this become a source of conflict?

Monsoon Asia is not as water stressed as other parts of the continent. But it is water dependent. The greater part of its rural ecosystem is based on water-intensive rice cultivation. About 20 percent of Asians have no easy access to water, many located in economically important urban areas that will experience a doubling of their populations during over the next 25 years. Compounding the problem of water quantity is one of quality: 19 percent of Asians do not have safe drinking water, and 52 percent lack sanitation facilities, even though the overall supplies may be adequate.

Much of this water demand is met from shared rivers. Bangladesh, Cambodia, and Viet Nam rely on water from external sources for more than 65per cent of their annual water resources Pakistan and Thailand rely on international rivers to supply more than a third of their annual water resources.

Monsoon Asia has three great shared river basins and several smaller ones. The three big ones are:

- The Ganga-Brahmaputra-Meghna basin, covering some 1.6 million sq.km of area spread over India China Bangladesh, Nepal and Bhutan with a very high population density and medium water stress.
- The Indus basin covering some 1.1 million sq.km mainly in India and Pakistan and small areas in China ad Afghanistan with high population density and high water stress.
- The Mekong basin covering an area of 787 thousand sq.km shared mainly by China, Laos, Cambodia and Thailand and some area in Vietnam and Myanmar with medium population density and low water stress.

Does this dependence on shared resources translate into a potential for conflict? As many as 57 river basins in Asia are viewed as potential flashpoints for conflict between riparian neighbors as population and development pressures strain dwindling water resources. However actual instances of water related international conflicts are rare. There have been only 37 incidents worldwide involving water resources since 1948 that led to actual violence, and 30 of these were confined to Israel and one or more its neighbors.

In Monsoon Asia the rhetoric of disputation on shared waters is quite high. A UN-University of Oregon study listed 231 incidents in South Asia and 134 in Southeast Asia, while East Asia had 66 "events". However, the same study also notes that volatile regions are also more likely to seek a peaceful solution and there have been 237 interactions in South Asia as a result of disputes, 371 in Southeast Asia and 84 in East Asia.

Some of the shared river basins are covered by fairly effective agreements. In the Ganga basin there are two landmark agreements signed by India in 1996 with Bangladesh for the Ganga waters and with Nepal for Mahakali waters. The Indus basin is covered by 1960 Indus Treaty between India and Pakistan. In the Mekong basin there is an agreement signed in 1995 for cooperation in the sustainable development of the basin, though the pace at which China is harnessing Mekong waters is causing some disquiet in the downstream countries. There are some crucial areas that are not covered by agreements, notably in the Brahmaputra basin. Moreover only 30 percent of hydropower potential has been exploited in Asia, compared with 70 percent in Europe and North America and 40 percent in South America, reflecting the ambiguous status of shared river resources.

Water wars seem a remote possibility in Monsoon Asia. However the dependence on shared water resources can become a constraint on development if agreements for the cooperative use of these resources are not in place. The example of the Indus Treaty shows that the joint interest in better utilization and management of water, leavened with the promise of international aid, can bring even hostile states together. Hence the real challenge for the management of shared waters is not so much conflict prevention but development promotion. Perhaps water communities could become the starting point for regional integration the way the coal and steel community did in Europe.

Energy

Energy security will be a central goal of Monsoon Asia's strategic policies. The countries in the region are seriously energy deficient and the high-speed growth path they have chosen will require them to access a growing proportion of the world's energy resources as their energy consumption rises from around 28 per cent of the world total at present to around 38 per cent by 2030. The key issue however is the dependence on imported oil. By 2030 China will probably be the world's largest oil importer. Monsoon Asia as a whole will absorb around 40 per cent of the world's petroleum.

Most of this will have to come from the geographically proximate but politically distant Gulf region where the greatest potential for higher production is found. According to the projections made by the International Energy Association, production in the Gulf will have to increase by around 12 million barrels per day by 2030 and Monsoon Asia will want about three-quarters of this increase. Europe too will be a competitor for Gulf oil. However the Russia-Europe supply axis is developing fast and even the reserves in Central Asia will go to this channel as the Russian companies establish their control in this region. This perhaps is why the "stans" and West Asia figure more prominently in European strategic thinking than Monsoon Asia.

Monsoon Asia's military, diplomatic and business strategists have to give the highest priority to securing and diversifying energy sources and technologies. This can be seen already in the pace at which China is pursuing and securing oil concessions in Africa and Central Asia, followed, more timidly, by India. It is clearly a driving force of their diplomatic stance on a raft of issues. However neither of them has as yet established a substantial presence in the Gulf from where they have to get the bulk of their oil and gas supplies. The Gulf remains an American lake and its oil economy is dominated by Saudi Arabia. Energy security for China or India or any other country in Monsoon Asia is not a goal that these two countries necessarily share. But the Gulf is also a volatile region and can one rule out moves by the powers of Monsoon Asia to project their military capacity if and when the region boils over?

Monsoon Asia relies heavily on the unimpeded flow of oil tankers from the Gulf all the way to East Asia. There are a set of marine choke points in the Malacca straits, at Hormuz in the mouth of the Gulf and Bab el Mandeb at the western end of the Red Sea and the Suez Canal that could threaten this free flow if some hostile power were to close them to shipping. This dependence of the economies on imported energy and materials provides an economic case for a diplomatic and military policy that seeks to project power on the regional and world stage. That is why the strategic matrix for Monsoon Asia has to include the power equations in the Gulf region.

The risks of climate change introduces a new element into the geopolitics of energy. Incidentally some of the most severe effects will be felt in the low latitudes where much of Monsoon Asia lies. The industrial countries of Europe and North America never had to worry about carbon emissions when their energy use was growing. But China and India, because of their sheer size are under pressure to moderate their greenhouse gas emissions. In per capita terms China is already at 4 tonnes of carbon dioxide equivalent emissions from energy use and India is at around 1 tonne. These are of course lower than the 20

tonnes per capita emission from fossil fuel use in USA and 8 tonnes per capita in Europe. However, with the pace of expansion in Asia and the moves towards reducing emissions in Europe the gap will be much narrower by 2030. At that point or even before the global pressure for serious commitment by the countries of Monsoon Asia can lead to diplomatic tensions.

Prospects

The capacity to protect and project national interest through military means is increasing. Military expenditures in Monsoon Asia are rising more rapidly than in any other part of the world and have grown by some 60 per cent in constant dollar terms between 1992 and 2006. Over this period, in round figures, global military expenditure increased by some \$200 billion, of which half the increase is in the USA because of its adventures in Afghanistan and Iraq, around 30 per cent is in Monsoon Asia and 10 per cent in the neighbouring Middle East. Both China and India are developing a blue water naval capability. Two new nuclear weaponised states have emerged and there are many more with covert or potential nuclear capacity.

The regional arrangements for peaceful diplomacy on disputes are shaky. ASEAN, which was set up some forty years ago in 1967, has not succeeded in resolving the disputes that subsist amongst its members. The Asian Regional Forum (ARF) has yet to emerge as a significant space in regional diplomacy. In Central Asia, which lies outside the region that we call Monsoon Asia, the Shanghai Cooperation Organisation is still at an early stage of its existence to have made an impact. China's bilateral diplomacy is making some impact as it seeks to find ways of defusing disputes that could threaten its steady march to superpower status. But, for the foreseeable future, the primary modality for the exercise of power will be the use of economic clout and military capacity

There is a lot of military capacity sloshing around in this region. Will it be used largely as a deterrent to stimulate diplomatic compromises? Or can one envisage a scenario where a combination of political ambition and military miscalculation lead to a continental conflagration of the sort that led to the suicide of European supremacy?

One factor that will work against military adventurism is the need to maintain a high growth path so as to absorb the huge surplus population in rural areas and meet the consumerist aspirations of their population. Consumerism not nationalism is the new Asian god who allows its diverse races and religions to live together.

But a belief in the virtues of peaceful progress, or "harmonious development" as the Chinese now call it, may not be enough. Europe had that in the peace that prevailed before the slaughter of the two World Wars. What may however prevent a general conflict is the absence of a network of alliances that allow local differences to develop into a continental confrontation of belligerents, particularly if the locally dominant powers, China and India, revert a little, but only a little, to their old isolationist ways. Thus, paradoxically, it is precisely the lack of any tradition of balance of power thinking that may ensure that the potential flashpoints can at most lead to localized conflicts. One

thing that can ensure this is an understanding between China and India to respect each others national interest and desist from jockeying for influence in each other's neighbourhood.

The answer to the question in the title is that Asians may fight, but in Monsoon Asia these will be limited skirmishes rather than a generalized conflagration. However there are parts that adjoin where the risks of serious conflict are greater. West Asia with its volatile mix of oil, absolutism and religiosity could boil over and draw in the big powers of Monsoon Asia. Another adjoining region, the "stans" of Central Asia, is also unstable and has all the ingredients for violent conflict with many border disputes, major problems of water stress, absolutist regimes, a rising fundamentalism and two powers, Russia and China, jockeying for influence. The big risks of conflict in Monsoon Asia do not come from the internal power dynamics but from a potential entanglement in other people's quarrels. A broader set of risks, not necessarily of violent conflict but more of diplomatic tensions, arises from the incompatible aims of the superpower USA and China and India as they flex their economic and military muscle. In the long run the world system has to accommodate the resurgence of Monsoon Asia and the challenge is to do this peaceably.