

The perception of Asia as a “vertical”, coastal entity is narrow and outmoded. Infrastructure and economic ties stretching west into the heart of the Asian continent point to a different orientation.

Horizontal Asia

Anthony Bubalo & Malcolm Cook

Conventional wisdom now intones that the 21st century will be the Asian century, with power shifting inexorably away from the West toward that vast and, for many Westerners, rather vague entity called Asia. If this is the case, and there are grounds for believing it is, we need to clarify what exactly (or even approximately) we mean by “Asia.”

Geographical terms do not in themselves change the lines on maps, but they do shape conceptions and, consequently, behavior. “Asia” is certainly a term whose meaning has changed with historical circumstances and their contexts. In the heyday of Western imperialism, “Asia” typically referred to everything from Suez to Shanghai, with a particular emphasis on those parts of Asia readily accessible to Western navies and merchant ships. But by the third quarter of the 20th century, a series of events—the War in the Pacific, the rise of a communist regime in China, the Korean and Vietnam Wars, the economic ascent of Japan and the Asian Tigers (South Korea, Taiwan, Hong Kong and Singapore)—both narrowed what we took to

be “Asia” and underlined its growing importance. For most purposes “Asia” came to mean the north-south coastal region extending from Korea to Indonesia. The fact that the West’s key strategic interaction with the continent was via American naval power reinforced this vertical, maritime conception of Asia, as did late 20th century efforts at regional organization. Often expressed in the concept of the “Asia Pacific”, this particular geostrategic artifice created some odd legacies: Asia’s preeminent economic and political body, APEC, includes Chile but not India, Mexico but not Mongolia.

The vertical idea of Asia has now outlived its usefulness and serves to obscure reality rather than illuminate or shape it. We are not alone in this belief. Robert D. Kaplan sees the return of an old idea of Asia as a “continent reconfigured into an organic whole” that emphasizes its east-west connections. India’s leading strategic commentator, C. Raja Mohan, speaks of the revival of a Curzonian perspective in Indian foreign policy that also views Asia in whole-of-continent terms. As these ideas gain currency, however, there is risk of encouraging the adoption of one half-truth at the expense of another. Perhaps the most prominent variation thus far on the theme of Asia’s strategic reorientation is one focused on the Indian Ocean. Kaplan anticipates

Anthony Bubalo is program director for West Asia and **Malcolm Cook** is program director for East Asia at the Lowy Institute for International Policy in Sydney.



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A high-altitude bridge in western China on the railway to Lhasa, Tibet

a competition there between the naval fleets of Asia's two emerging powers, China and India. James Holmes and Toshi Yoshihara argue that China's growing naval reach prefigures its eventual adoption of Mahanian precepts emphasizing the importance of maritime power. The popular "string of pearls" thesis anticipates China building a ring of bases in the Indian Ocean.¹

But this focus on naval power ignores the increasing significance of Asia's vast territorial expanses. If the rise of Japan and the Asian Tigers, all island or coastal nations closely bound to the United States, accentuated Asia's vertical, maritime identity, then the rise of the great Asian land powers, India and China, and the persisting position and power of Russia, are surely redefining Asia in more horizontal and continental terms. That will matter enormously for the West. Chinese, Indian and Russian influence will grow in the Persian Gulf and Central Asia; and a less maritime Asia will be, unsurprisingly, less amenable to Western maritime power.

This suggests we need to read a little less Mahan and a little more Mackinder as we study up for the next half-century or so. The conceptual challenge for the West is to push out its view of Asia beyond familiar coasts, islands and archipelagos to encompass the continent as a whole. To do so we must have a firm grasp

of the related economic, energy and infrastructural trends emerging before our very eyes.

Trade, Energy and Infrastructure

For a good part of the 20th century, economic exchange, or rather the lack of it, helped keep Asia divided. The Soviet Union, India and China evinced little interest in international

¹See Kaplan, "Center Stage for the 21st Century: Power Plays in the Indian Ocean", *Foreign Affairs* (March/April 2009); Mohan, *Crossing the Rubicon: The Shaping of India's New Foreign Policy* (Viking Books, 2003); and Holmes and Yoshihara, *Chinese Naval Strategy in the 21st Century: The Turn to Mahan* (Routledge, 2008). The "string of pearls" thesis had its origins in a classified report written by Booz Allen Hamilton for the U.S. Department of Defense. The first public reference was Bill Gertz, "China Builds Up Strategic Sea Lanes", *Washington Times*, January 17, 2005. For a general discussion of the term see Christopher J. Pehrson, *String of Pearls: Meeting the Challenge of China's Rising Power across the Asian Littoral*, Carlisle Papers in Security Strategy, Strategic Studies Institute, U.S. Army War College (July 2006).

trade. As late as 1990, official India-China trade was a paltry \$190 million. In 1978, China, with 22.4 percent of world population, accounted for only 0.8 percent of world exports (now 19.7 percent and 9 percent, respectively). Up to the early 1990s, the vast bulk of the Russian Far East's trade was within Russian borders. By and large, all three countries had enough critical resources to satisfy their grinding, public sector-dominated economies. The consequence was to paralyze any movement toward transcontinental economic integration.

All that has changed as Asia returns to its geostrategic roots by way of new economic networks. Decisions by Beijing (in the 1970s) and New Delhi (in the 1990s) to give up Maoist and Nehruvian versions of autarky have released long-fettered market forces in Asia. According to Chinese statistics, China is now India's largest trading partner, with bilateral trade worth \$51.8 billion in 2008. That is 30 percent more than it was in 2007, and more than 40 percent larger than India's trade with its second-largest trading partner, the United States.

The scope of this change far transcends the China-India story. According to IMF figures, between 1990 and 2006, inter-regional trade involving "emerging Asia" increased by five times; in the same period, trade *within* emerging Asia increased by 8.5 times.² These data understate reality, however, for the IMF does not include Russia, Central Asia or the Persian Gulf in this accounting of intra-Asian trade. Between 1992 and 2007, Russian exports to China increased by six times and its imports by 15 times. In the same period, China's annual imports from Central Asia have gone from a little more than \$160 million to almost \$7 billion. Between 1990 and 2007, Chinese and Indian imports from the Persian Gulf grew from less than \$500 million and \$4 billion to \$44 and \$13 billion, respectively. In the same period, exports from China and India to the Gulf grew from around \$1 billion each to \$35 and \$20 billion, respectively. China is now the single largest merchandise exporter to the Middle East.

More limited bilateral cases are also instructive. Israel is India's third largest (and most technologically important) external source of weapons. Saudi Arabia has become India's largest supplier of imported oil and largest export market for basmati rice. In 2009, some 62

Chinese construction companies were working in the Kingdom, employing over 16,000 Chinese workers, while Saudi Arabian state-owned oil company ARAMCO, Exxon Mobil and Sinopec completed a \$5 billion refinery project in Fujian. In 1990, four of Iran's top five export markets were European countries; by 2008, four of five were Asian.

Energy has been a key factor in burgeoning Asian economic ties. China and India have joined Japan, Korea, Taiwan and others in Asia in their dependence on Persian Gulf oil, which now supplies 70–80 percent of Asian import demand. Central Asian and Russian Far East energy resources are also growing elements in this transcontinental energy network. Russia, in particular, is looking to underdeveloped areas in Siberia to ensure that booming state incomes from energy resources persist into the future.

Energy and resource insecurity have become a source of Asian power competition. In particular, China's active energy diplomacy has spurred other Asian powers to follow suit. Japan's 2006 national energy strategy requires 40 percent of its imported oil to be developed by Japanese firms by 2030. (Supplies of oil developed overseas by Japanese companies, what the Japanese call "Hinomaru oil", have recently accounted for about 15 percent of Japan's oil needs). Accordingly, Tokyo has launched new energy diplomacy initiatives such as its "Central Asia plus Japan" dialogue. Russia has the pleasure of having both China and Japan competitively seeking access to its energy supplies and their associated pipeline needs.

These new trends in energy trade have also introduced tensions into Japan's relations with the United States. Japan has long relied on U.S. power for the security of its oil supplies, combined with its own generous aid contributions to the Middle East. Yet Tokyo's alliance relationship with Washington proved a liability in Japanese efforts to develop Iran's South Azadegan oilfield, a project that could have boosted supplies of Hinomaru oil by

²The IMF defines "emerging Asia" as China, India, Hong Kong SAR, Korea, Singapore, Taiwan Province of China, Indonesia, Malaysia, the Philippines, Thailand and Vietnam.

60 percent. Wary of U.S. complaints, Japan dragged its feet, and Iran cancelled the project, leaving China, Russia and India to vie to develop the field. China won. The Azadegan affair is a microcosm of a larger phenomenon: In 1990, Japan was the only Asian country among Iran's top-five export markets. By 2008, Japan had been joined in the top five by China, India and South Korea.

Competition between Asian powers over energy and resources is not just being played out in the west of Asia. There is obviously a maritime dimension to the competition, too. China is developing its navy and seeking access to port facilities in the Indian Ocean to lessen the vulnerability of its long maritime supply lines to the Persian Gulf. This, in turn, is generating both insecurities and new forms of security cooperation in both the Pacific and Indian Oceans. India recently replaced China as the largest recipient of Japanese aid, while India was the second country (after Australia) to sign a joint declaration on security cooperation with Japan. Japan's new government is likely, if anything, to accelerate its path to an independent diplomacy and security policy. It is less likely that a Japanese government looking like the present one would have deferred to the United States in the Azadegan field affair.

Asia's growing economic and energy ties are being reflected in and reinforced by an expanding network of roads, railways and pipelines that are becoming the physical infrastructure of horizontal Asia. Asian oil and gas pipelines used to attract attention due to their failure to get built; that is no longer the case. The 7,000-kilometer pipeline linking Turkmenistan's significant liquefied natural gas (LNG) reserves to China via Kazakhstan and Uzbekistan opened in December 2009. South Korea's Daewoo International is leading a consortium with Indian and Burmese corporations to build a \$5.6 billion LNG project and pipeline to feed 500 million cubic feet of gas per day from western Burma to western China by 2013. In February of last year, Russia and China agreed on a \$25 billion, twenty-year investment to pipe Russian oil into China.

Even pipelines from the Persian Gulf to Asian energy consumers are edging closer to becoming a reality. The long mooted Iran-

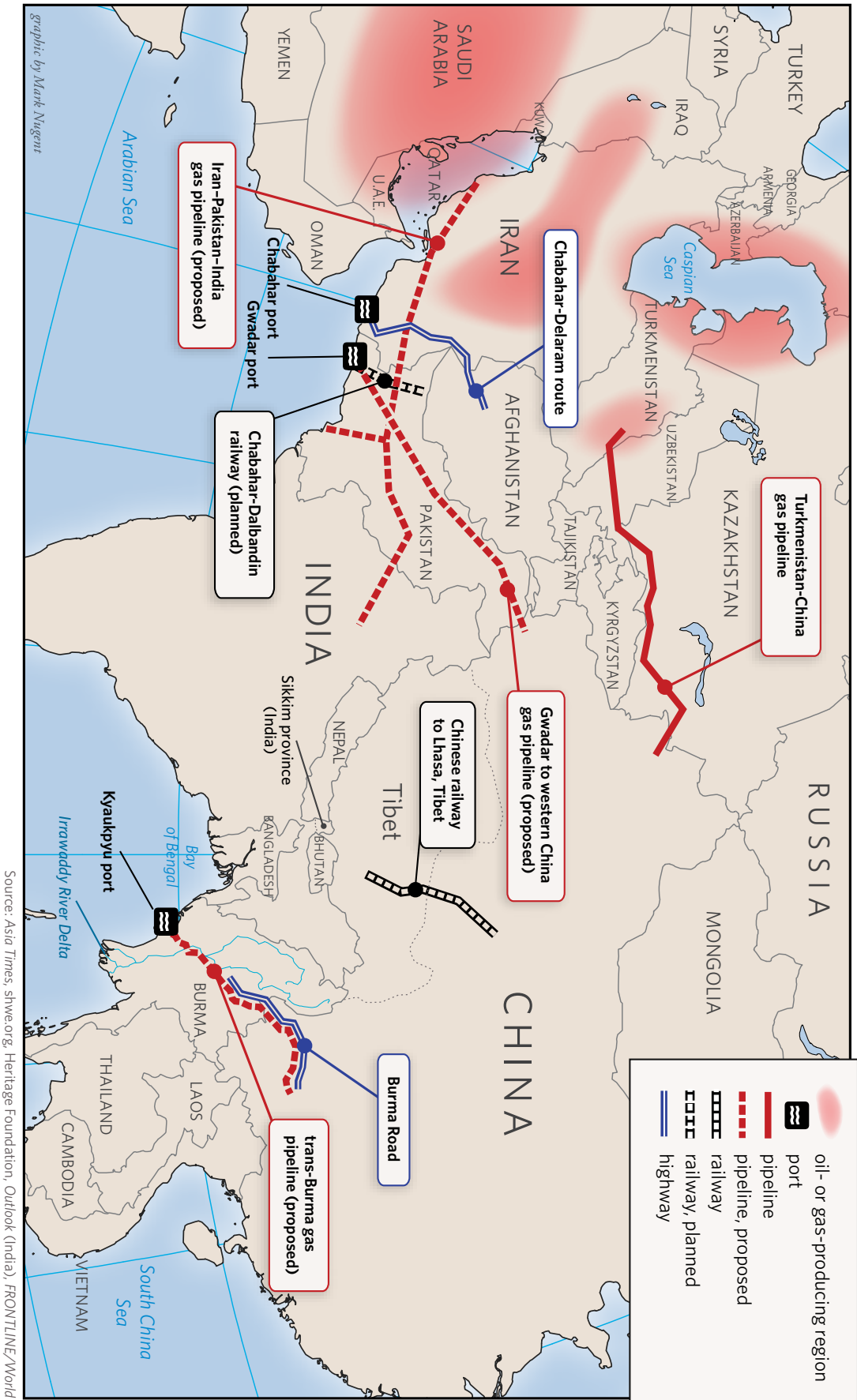
Pakistan-India gas pipeline might never be built, but the Iran-Pakistan section is under construction, providing a possible starting point—albeit for an eventual Chinese, rather than Indian, terminus. China's hesitation to finance a pipeline through Pakistan's troubled Baluchistan province to the port of Gwadar in 2009 probably will not last, given the project's potential to dramatically shorten China's sea lines of communication to the Persian Gulf.

The impact of emerging road and inland-waterway networks may be even greater than that of pipelines. In 2006, fulfilling a decades-old ambition, China completed the railway to Lhasa in Tibet. As part of the plan to make Tibet a hub for China-South Asia trade, Beijing is looking to extend this network into northern India, Nepal, Bhutan and Bangladesh. In 2002, civil engineers connected the colonial Burma Road network to a major highway complex in China, thereby directly linking Shanghai via road to Burma's Irrawaddy Delta. Plans are in the works to link this highway in turn to a new Indian Ocean deep-water port supported by Chinese finance at Kyaukpyu in Burma.

India, meanwhile, is proceeding with highway projects in the restive border province of Sikkim as a way of helping the impoverished province "grow out" of its insurgencies and asserting central government control. India has recently completed a major road project in Afghanistan connecting the southern part of the country to Iran's key port facility at Chabahar. This follows on from India's enhancement of road networks with Burma as a key land transport beachhead into Southeast Asia.

On the Continent

The trade, energy and infrastructure connections we've just summarized underline how Asia's markets, and particularly its key sources of energy, are increasingly being found on the continent rather than beyond its shores. They reflect how much the vital interests of Asia's great powers, the countries at the center of these connections, will continue to be tied to the land even as they develop at sea.



This is not to suggest that we should ignore the growing maritime power and interests of China and India, or even the declining but still significant naval power of Russia. Indian strategists are not wrong to fret about the prospect of Sino-Indian naval rivalry and China's purported "string of pearls" strategy. It is not wrong for American strategic analysts to note that China's long sea lines of communication, particularly for energy imports, have become a key vulnerability as well as a justification for its naval build-up. But it is, as we have suggested, only half the story, and very likely the less important half.

The Chinese navy will for some time remain poorly equipped and trained for blue-water operations. China's long-promised (or feared) aircraft carrier may eventually materialize, but the balance of its naval modernization remains skewed toward keeping U.S. aircraft carriers away from its eastern coastline and Taiwan. And while China's role in helping Pakistan develop the port of Gwadar is often called the largest "pearl" in its Indian Ocean plans, it can also be seen in a different light. More significant than the port and its strategic maritime implications are the rail, road and pipelines that China is planning on using to link Gwadar to western China. (China has also helped fund a railway line from Gwadar to Dalbandin in central Pakistan, which will be integrated with existing lines linking Pakistan to Iran). These overland connectors will eventually make China less reliant on ports and chokepoints in the Pacific, even as they generate new interests, rivalries and alliances on land.

The latter are already in train: Chinese and Indian fleets may one day maneuver against each other on the Indian Ocean, but New Delhi and Beijing are already engaged in stiff competition on land, particularly among Asia's weak states. In Burma, for example, China and India are spending huge amounts to develop trade routes and extract primary resources. In Afghanistan, India has invested heavily in infrastructure, while China has become the largest single foreign investor (unsurprisingly, in a mine). Meanwhile, what some see as a Sino-Russian rapprochement might add only greater cordiality to their inevitable competition in Siberia

and Central Asia, particularly as Russian fears about asymmetrical Russian-Chinese demographic trends in Siberia continue to fester.

Indeed, it is on land that the internal stability, territorial integrity and ambitions of China, India and Russia as regional and great powers are most at stake. Since World War II, all three have fought major border conflicts with one of the others in areas that represent the soft underbellies of these massive land powers (for example, China versus India in the Himalayas, and China versus Russia along the Amur). For Beijing, economic and infrastructure development in western China, a region that accounts for more than half of China's land area, is critical to ensuring that its restive continental hinterlands are not left further behind its economically dynamic coast. India faces a similar nation-building challenge in its fissiparous northeast, even as it shadowboxes with Pakistan in Afghanistan to its northwest. For Russia, access to resources in Siberia and Central Asia is critical to its remaining an energy superpower, particularly so if it can no longer be a military one. For all these reasons, Asia's strategic center of gravity is shifting inland, with major implications for the maritime nations of East Asia, and others, too.

In maritime Southeast Asian states there are deep concerns that China's and India's (and even Vietnam's) economic re-awakening is marginalizing them economically and strategically. In response, maritime Southeast Asia is simultaneously strengthening economic and strategic relations with the United States, India, Japan, China and even with countries of the Persian Gulf. Different as they are from one another, the basic diplomatic strategies of Indonesia, Malaysia, Singapore, Thailand and the Philippines have become quite similar.

Unlike Southeast Asian states, Japan, as maritime Asia's premier economic and military power, is hardly likely to be marginalized. Yet it too is being forced to respond to shifts in Asia's strategic fundamentals. More than any other country, Japan is simultaneously seeking closer relations with China and with other countries to hedge against China's rise. In particular, the rapid growth in Japan's

strategic relations with India is clear evidence that concern over China is leading Japan to seek new strategic partnerships across Asia, not just across the Pacific. Over time, this could tip Japan's century-old debate over its Asian and Western identities back in favor of its Asian one.

A Challenge for the West

If the implications of a more horizontal Asia are significant for East Asia, the implications for the West are greater still. If we understand that the Asian century is more likely to be a horizontal continental one than a vertical maritime one, then Western naval power, however formidable it remains, may become a diminishing asset. Naval supremacy will provide the West with more limited leverage on the continent than many would like to think, even as it responds to new challenges at sea.

This is particularly apparent when we look at the role of energy in forging a more horizontal Asia. There is no grand scheme behind the increasingly organic connections between Asian energy producers and consumers, but it is nevertheless occurring to the potential exclusion of both Western energy needs and strategic influence. The ability of India and China to meet an increasing proportion of their energy needs via overland pipelines, especially from Russia and Central Asia and perhaps eventually from the Persian Gulf, may well compromise the ability of Western consumers to access these resources and the importance of Western maritime power in securing them. And even where Western maritime power still matters greatly (as in policing the long sea lines of communication between the Persian Gulf and Asia), the efficacy of that power is diminishing. A more horizontal Asia reflects not just enhanced physical overland connections between Asian states, but also political and economic ones. In the past, energy suppliers have welcomed the West's ability to secure their chief export militarily, but these suppliers also crave stable markets and good prices. For the first time, their fastest-growing markets are now on their own continent, which will be a lot easier

to supply if the pipelines now in the planning stages are built.

The politics matters particularly. For Persian Gulf producers, Asian energy consumers are far less demanding politically than their Western counterparts. For Iran, switching from European to Asian markets replaces Western sanctimony with Asian expediency. Even for the seemingly stalwart pro-Western ally, Saudi Arabia, expanding economic, political and military contacts with India, China (from whom it may once again buy medium-range ballistic missiles) and Russia are sensible hedges against over-reliance on the United States, especially if the Al-Saud comes to think that the United States is either too reckless or too timid in the way that it uses its power to protect them.

This is where geopolitics and the delicate matter of geopolitical reputation come together. The permanence and proximity of Asia's great powers makes for more enduring leverage, commitments and interests such that, in Central Asia and the Caucasus, for example, great power competition mostly excludes the West. Russia is asserting what it sees as its natural and historical rights, with clear implications for everything from the security of gas supplies to Europe to the future of American bases in the region. In an effort to resist this suffocating bear hug, Central Asian states are turning not to the West but to China, something implicit in the founding of the Shanghai Cooperation Organization (SCO). Indeed, Washington's unwillingness to supply Georgia with weapons and NATO's general fecklessness during the summer 2008 Russo-Georgian war count in the region as evidence of the West's unreliability.

Washington's inability (so far) to bend Iran to its will on its nuclear program counts similarly. Regional states see this as a direct result of growing Russian and Chinese commercial and energy interests in Iran—interests that have been facilitated by Washington's three-decade political and economic estrangement from Tehran. Indeed, most regional observers understand that Moscow and Beijing's protestations against the prospect of a nuclear-armed Iran are mere diplomatic eyewash.

In Afghanistan and Pakistan the locals question the long-term commitment of the United States and its allies for reasons particular to their own experiences and circumstances. While the West's body language is all about leaving, India and China continue quietly building their influence in Afghanistan and, in China's case, in Pakistan as well. They will enjoy the security benefits if Western efforts there succeed and avoid local opprobrium if they fail.

Afghanistan and Pakistan are countries where Western influence has been relatively strong; what of those where it is weak? In Burma, the junta's possible nuclear activities add to already strong Western concerns about human rights and drug trafficking. The United States has tried isolation and engagement without notable success. Meanwhile, China and India compete on the ground for influence. Between high-sounding UN resolutions and occasional diplomatic forays, on the one hand, and investment, trade delegations and huge infrastructure projects, on the other, there is not much doubt about which path yields more influence.

The Regionalism Canary

One thing that should already alert us to more constrained Western influence in Asia is the continent's emerging regional institutions. For many years, "Asian" regional institutions promoted by the United States, Japan, Indonesia, Singapore and Australia, such as ASEAN and APEC, took shape on the basis of maritime strategic assumptions. Roughly twenty years after the explosion of Asia-Pacific and then East Asian regional bodies, horizontal Asia is witnessing a similar outburst. The most prominent is the China-led Shanghai Cooperation Organisation (SCO), established in 2001 with Russia, China, Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan as its founding members and India, Pakistan, Iran and Mongolia as observers, with Sri Lanka and Belarus recently as dialogue partners. Supporting this is the annual trilateral meeting of the Foreign Ministers of Russia, China and India inaugurated in 2002. Other, less developed groupings include the Indian-led Bay of Bengal Initiative for Multi-sectoral Technical and Economic

Cooperation (encompassing India, Bangladesh, Bhutan, Nepal, Sri Lanka, Burma and Thailand) and the biennial Singapore-led Asia-Middle East Dialogue, open to 49 countries and the Palestinian Authority.

Some of these are proving more effective than existing Asian institutions, especially in the security realm, and some considerably less so. What really distinguishes them is that, unlike the Asia-Pacific experience, most are being organized by Asia's rising powers and all exclude the United States. Even if these institutions currently coexist happily with more established organs like APEC, because they mirror Asia's gradual economic and geostrategic reorientation, they have the potential to overshadow existing bodies unless the latter adapt to new realities.

This puts into starker relief calls like that of Australian Prime Minister Kevin Rudd to revitalize the institutional structures of the Asia-Pacific. Unless these efforts take account of new Asian realities they will end up being largely irrelevant. Indeed, the risk is that we in the West are already missing the different way that Asia's emerging powers define what is Asian. One of China's leading international relations experts, Professor Jia Qingguo, commenting on the Australian government's initiative, noted that if you include India in the proposal "you may well need to include such countries as Iran, Iraq and Saudi Arabia, all of which are also Asian countries." At least, they are Asian in Chinese, Indian and Russian eyes, if not yet in Western ones.

The upshot is that we must draw for ourselves a new mental map of Asia that avoids the error of simply extending our existing maritime conception of Asia to a second ocean. Certainly the rising naval power of China and India deserves attention, but not at the expense of encouraging a peculiar kind of sea-blindness, wherein we are not blind to the sea, but blind because of it. We must rethink mindsets that reflect some three centuries of British and American maritime supremacy. We need a whole-of-Asia concept that combines north-south maritime perspectives with east-west continental ones, and economic perspectives with geostrategic ones. Given the continent's importance, nothing less will do in the Asian 21st century. 🌐