

The Maritime Channel in Southeast Asia and China's Strategic Pivots*

ZHANG Jie**

Abstract: With its transition from land power to sea power and the rapid expansion of its national interests, the security of maritime channels has become an important agenda for China. China has shifted its focus from the dilemma of Malacca Strait to the construction of a sea-lane network in its bid to protect its maritime rights and interests. To build its sea power as a strong nation, China should follow its “21st Century Maritime Silk Road” strategy and establish its strategic pivots at harbors at Sumatra Island and Kalimantan Island in Indonesia so as to improve its ability to ensure its navigational safety.

Keywords: maritime channel; Maritime Silk Road; strategic pivot; Indonesia

Maritime channels refer to sea areas that large amounts of cargo pass through via shipping. They are of significant strategic value for economy and security, as they are the channels connecting major global centers of economy and resources, as well as the integral part of the most sea-lines and the point of convergence of various interests. Since the implementation of the policy of Reform and Opening-up, the security understandings and strategic thinking regarding maritime channels are undergoing constant change among decision makers and academia, as the Chinese economy transforms from being internally-oriented to export-oriented. In November 2003, President Hu Jintao stated to solve the “dilemma of the Malacca Strait” at the Central Economic Work Conference, which was an early public expression of concern from

* The kind-hearted revision of anonymous reviewers and comments from the editorial team of *International Security Studies* are very much appreciated and I am responsible for inappropriateness, if any, in the paper.

** ZHANG Jie, Associate Research Fellow at the National Institute of International Strategy, Chinese Academy of Social Sciences; Researcher at China Center for Collaborative Studies of the South China Sea.

the top decision-makers in China about maritime channels. In 2006, the white paper *China's National Defense* first mentioned the security issue of the maritime channels of transportation.¹ In 2012, the Chinese government proposed the strategic goal of building a maritime power as a strong nation, a signal that China has been transforming into a sea power from a thousand-year-old land power and that this transformation is being established as a national policy.

Chinese academia is in sync with decision-makers regarding their attention towards maritime security. At the beginning of the 21st century, there were two inclusive discussions in academia about topics such as whether China is a land power or a sea power and whether the “dilemma of the Malacca Strait” exists. Since 2010, maritime security has become one of the major challenges in China’s foreign affairs with neighboring countries. Academic discussions focus on issues such as disputes over territorial land and waters, China-US relations, maritime security, and maritime strategic construction.

There has been an obvious shift in the focus of decision-makers and academia on maritime security. The ever-growing demand of national interests also equips maritime channels with more missions; from safeguarding energy supply to safeguarding comprehensive security in politics, foreign affairs, economy, and the military of the country. Maritime channels have grown into an important strategic support for China to become a major country in the world.² This was concretized in 2013 when President Xi Jinping came up with the initiatives of the Silk Road Economic Belt and 21st Century Maritime Silk Road (One Belt One Road for short). These initiatives are not only new models of regional cooperation plans, but also drafts of a macro strategy of China’s neighborhood including politics, economy, security and culture. The radius of One Road is highly similar to the maritime channel. Therefore, it is a research agenda with significance in a real sense in evaluating the current security of China’s maritime channels; integrating the key factors in One Road, the layout of maritime strategic pivots and incorporating the interests of both economy and security.

This paper focuses on how China should construct a maritime strategic pivot in Southeast Asia. Southeast Asia is the source of strength for the One Road initiative and the sea areas of Southeast Asia are the most important in the global maritime network of China. The security status quo of this sea area and the security demands of China are both constantly changing. With the adjustment of national strength comparison and the Asia-Pacific security layout, the gaming among major countries over critical sea areas is the major factor impacting China’s maritime security. It is necessary for China to aim

1 *China's National Defense in 2006* (《2006年中国的国防白皮书》), http://www.mod.gov.cn/affair/2011-01/06/content_4249948.htm.

2 Cai Penghong, “To Build A Platform for the Maritime Silk Road: Outlook and Challenges,” *Contemporary World*, No. 4 (2014), pp. 34-37 (蔡鹏鸿:《为构筑海上丝绸之路搭建平台:前景与挑战》,载《当代世界》,2014年第4期,第34-37页)。

at its long-term need, enhance the strategic understanding of maritime channels, and develop better capacity to handle the maritime channels. Such capacity building needs to be supported by regional cooperation and maritime military forces, and needs to be coordinated with the One Road initiative, confirming the strategic pivot, and expanding China's capacity of management and control regarding important ports along the maritime channels via interconnectivity, infrastructure and industrial parks. Among those ports, the priority should be given to ports of Sumatra Island and Kalimantan Island of Indonesia.

1. The Security of Maritime Channels in Southeast Asia: Security Understanding and Academic Supply

The concept of security expands alongside national interests, not entirely with territory. In the traditional conception, China is a land power and has defended itself mainly against threats from land. After the implementation of the Reform and Opening-up policy, as the economic growth model transformed, China has grown from an internally-oriented agricultural society into an export-oriented market economy. Increasingly dependent on the outside world, it has since been paying attention to the security of maritime channels and maritime rights.³ The security of maritime channels has provoked more thinking from Chinese scholars on maritime rights, and the "dilemma of the Malacca Strait" has become the focus of discussion on maritime channel security. Taking papers from the China National Knowledge Infrastructure (CNKI) as the sample for statistics and searching with the keywords "maritime rights," "maritime channels" and "Malacca," we will see that the research of Chinese academia on maritime issues had grown slowly and steadily since the beginning of the 21st century. This trend changed in 2009, when there was an exponential growth of papers on maritime rights and maritime channel security. Such a trend is highly in sync with the swift expansion of China's overseas interests and the increased weight of maritime issues in decision-making.

A group of scholars represented by Zhang Wenmu and Ni Lexiong were proactively exploring maritime rights at an earlier stage. In his study on China's national security

3 Zhang Wenmu, "China's National Security in A Global View," *World Economics and Politics*, No. 3(2002), pp. 4-9 (张文木:《全球化视野中的中国国家安全问题》,载《世界经济与政治》,2002年第3期,第4-9页); Zhang Wenmu, "Economic Globalization and China's Maritime Rights," *Strategy and Management*, No. 1 (2003), pp. 86-94 (张文木:《经济全球化与中国海权》,载《战略与管理》,2003年第1期,第86-94页); Liu Xinhua and Qin Yi, "Modern Maritime Rights and National Maritime Strategies," *Social Science*, No. 3 (2004), pp. 73-79 (刘新华、秦仪:《现代海权与国家海洋战略》,载《社会科学》,2004年第3期,第73-79页); Zhang Wenmu, "On China's Maritime Rights," *Journal of Ocean University of China* (Social Sciences Edition), No.6 (2004), pp. 101-107 (张文木:《论中国海权》,载《中国海洋大学学报》(社会科学版),2004年第6期,第101-107页); Liu Zhongmin and Zhao Chengguo, "Thoughts on China's Strategies of Maritime Rights Development," *Journal of Ocean University of China* (Social Sciences Edition), No. 6 (2004), pp. 108-113 (刘中民、赵成国:《关于中国海权发展战略问题的若干思考》,载《中国海洋大学学报》(社会科学版),2004年第6期,第108-113页).

in a global context, Zhang placed maritime rights at the level of national security and in the general picture of China-US relations. He believed that it was necessary for China to pay attention to maritime rights, which were the focus of conflict between the strategic interests of China and the US.

Speaking of maritime rights, maritime channels would be the first issue to receive attention. Zhang Wenmu went as far as to equate maritime rights with maritime channel security.⁴ Ni Lexiong also pointed out the basic model of maritime rights throughout history – once the export-oriented economic structure of the maritime channel comes into being, it will definitely call for strong maritime rights.⁵ The prerequisite for safeguarding the global free trade of a country would inevitably be the self-defense control of resource transportation sea-lines. It is a must for China to safeguard the sea-lines so as to go global and have free trade. The loss of maritime rights would mean the loss of the rights of development for China to a considerable extent.⁶ It could be said that China's need for maritime rights is a natural byproduct at a certain stage of economic growth. Academia was acute to realize the significance of maritime channels for maritime rights and even the national interests of China.

On November 29, 2003, at the closing ceremony of the Central Economic Work Conference, the then President Hu Jintao analyzed China's economy and observed that finance and oil were the two major concepts of national economic security. He pointed out that some major countries intervened and tried to control the shipping lanes in the Malacca Strait, and therefore it was mandatory to stipulate new strategies of oil resource development from a new level of strategic overview and proactively safeguard the national energy security. Such a statement was interpreted by the international press as Hu Jintao's efforts to solve the "dilemma of the Malacca Strait"⁷ and therefore led to a rush of the academia to study the Malacca Strait (Figure 1). At that time, the "dilemma" theory was almost self-evident and its study focused more on the solutions to the locked strait. Various solutions came up, such as to construct a China-Myanmar oil-gas pipeline, to construct Kra Isthmus and to achieve naval modernization, etc.

- 4 Zhang Wenmu, "China's National Security in A Global View," *World Economics and Politics*, No. 3 (2002), pp. 4-5 (张文本:《全球化视野中的中国国家安全问题》, 载《世界经济与政治》, 2002年第3期, 第4-5页); *Maritime Channel Security and International Cooperation*, Beijing: Current Affairs Press, 2005 (《海上通道安全与国际合作》, 北京: 时事出版社 2005年版); Liang Fang, *Theory of Strategic Maritime Channels*, Beijing: Current Affairs Press, 2011 (梁芳:《海上战略通道论》, 北京: 时事出版社 2011年版); Yang Zewei, ed., *Legal Guarantee of the Security of China's Maritime Channels for Energy Transportation*, Wuhan: Wuhan University Press, 2011 (杨泽伟主编:《中国海上能源通道安全的法律保障》, 武汉: 武汉大学出版社 2011年版).
- 5 Ni Lexiong: *Transformation of Cultures and Maritime Rights of China: Historic Inevitability from Land Power to Maritime Rights*, Shanghai: Wenhui Press, 2011, p. 4(倪乐雄:《文明转型与中国海权: 从陆权走向海权的历史必然》, 上海: 文汇出版社 2011年版, 第4页).
- 6 Zhang Wenmu, "China's National Security in A Global View", *World Economics and Politics*, No.3 (2002), pp. 5-6 (张文本:《全球化视野中的中国国家安全问题》, 载《世界经济与政治》, 2002年第3期, 第5-6页).
- 7 Zhang Jie, "The Factors of the Malacca Strait in China's Energy Security," *International Politics Quarterly*, No.3 (2005), pp. 22 (张洁:《中国能源安全中的马六甲因素》, 载《国际政治研究》, 2005年第3期, 第22页).

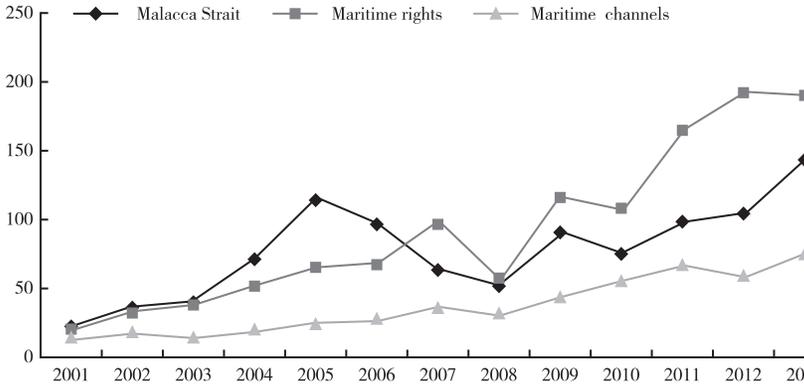


Figure 1 Research frequency of maritime issues (2001-2013)

Source of material: CNKI database

Around 2006, despite China's heavier dependence on the strait, the security situation at the Malacca Strait improved considerably. The Chinese academia therefore reevaluated China's security interests at the Malacca Strait and the focus shifted gradually to finding ways to better manage and control the strait in peaceful times.⁸ An article in *World Economics and Politics* in 2012 analyzed comprehensively the "dilemma of the Malacca Strait" and argued that it was unnecessary for China to overestimate the impact of the "dilemma" on its maritime transportation security ... that China should further improve the general energy transportation security in peaceful times, better its capacity of oil transportation and participate in the management of sea-line security of the Malacca Strait in a more proactive manner.⁹ Nevertheless, among various solutions and suggestions, what was missing in the research spectrum was the setting up of strategic pivots to better control the maritime channels and enhance the safeguarding capacity.

In the second decade of the 21st century, a consensus was reached by decision-makers and academia on the acceleration of China's maritime rights establishment. We have witnessed the stipulation of a national policy to build China into a maritime

8 Zhao Hongtu, "The Dilemma of the Malacca Strait and Rethinking China's Energy Security," *Contemporary International Relations*, No.6 (2007), pp. 36-42 (赵宏图:《“马六甲困局”与中国能源安全再思考》,载《现代国际关系》,2007年第6期,第36-42页); Lu Qixia, "Army at Malacca: the US Intends to Grip the Throat of World's Economy," *Jiefang Daily*, April 17, 2004 (陆绮霞:《驻军马六甲:美欲扼住世界经济咽喉》,载《解放日报》,2004年4月17日)。

9 Xue Li, "Connotation Analysis of the Malacca Dilemma and the Reactions of China," *World Economics and Politics*, No. 10 (2010), pp. 117-140 (薛力:《“马六甲困境”内涵辨析与中国的应对》,载《世界经济与政治》,2010年第10期,第117-140页)。

power¹⁰ and substantial increase of related academic output. The research on maritime channel security is also picking up speed¹¹ with changes and new features. The first change is enhanced understanding of the strategic value of maritime channels, i.e. the expansion of security from economy to sectors such as politics, diplomacy, and military affairs, entrusting it with national demand and historic mission in a broader sense. The second is a greater variety of research perspective, including experiences from other countries such as the United States, Japan, and India, as well as solution studies based on China's own characteristics. The latter builds upon China's fast-growing national strength and proposes a greater variety of strategic choices, such as military capacity building, international cooperation, and regional dialogue, as well as the reins over critical waterways and straits.¹²

Nevertheless, discussions about strategic pivots are rather scarce in these studies. It remains a relatively new and rather controversial issue whether China needs strategic pivots and how to construct them. The notion of 'String of Pearls' is among the earliest and the most representative in these studies. Fabricated and reinforced by the United States and India, this notion believes that China is building up naval bases along the maritime channels ("dual-sea channel") from the South China Sea to the Red

- 10 However, there are some disputes that started at the beginning of the 21st Century and they are still without definite answers: what kind of maritime rights will China develop, either an absolute one that seeks "global reach," or the achievement of limited strategic goals; either a complete transition to a sea power, or a country that values both the land and the sea? Representative research results of these disputes include: Xu Qiyu, "The Misdirection and Reflection of Maritime Rights," *Strategy and Management*, No. 5 (2003), pp. 15-23 (徐弃郁:《海权的误区与反思》, 载《战略与管理》, 2003年第5期, 第15-23页); Ye Zicheng and Mu Xinhai, "Thoughts on China's Strategy of Maritime Rights Development," *International Politics Quarterly*, No. 3 (2005), pp. 5-17 (叶自成、慕新海:《对中国海权发展战略的几点思考》, 载《国际政治研究》, 2005年第3期, 第5-17页); Ni Lexiong, "The Historic Inevitability from Land Power to Sea Power – A Response to Professor Ye Zicheng," *World Economics and Politics*, No. 11 (2007), pp. 22-32 (倪乐雄:《从陆权到海权的历史必然——兼与叶自成教授商榷》, 载《世界经济与政治》, 2007年第11期, 第22-32页); Lu Bingyan, "From the Continent to the Ocean – Strategic Orientation of China's Geopolitics," *Pacific Journal*, No. 5 (2009), pp. 68-72 (卢兵彦:《从大陆到海洋——中国地缘政治的战略取向》, 载《太平洋学报》, 2009年第5期, 第68-72页); Ni Lexiong, *Transformation of Cultures and Maritime Rights of China: Historic Inevitability from Land Power to Maritime Rights*, Shanghai: Wenhui Press, 2011 (倪乐雄:《文明转型与中国海权——从陆权走向海权的历史必然》, 上海: 文汇出版社 2011年版); Wu Zhengyu, "Maritime Rights and A Strong Country with Compounded Land Power and Sea Power," *World Economics and Politics*, No.2 (2012), pp. 38-50 (吴征宇:《海权与陆海复合型强国》, 载《世界经济与政治》, 2012年第2期, 第38-50页); Hu Bo, "Three Power Goals of China as a Maritime Power," *Pacific Journal*, No. 3(2014), pp. 77-89 (胡波:《中国海洋强国的三大权力目标》, 载《太平洋学报》, 2014年第3期, 第77-89页).
- 11 Zhou Yunheng and Yu Jiahao, "The Security of Maritime Energy Channels and the Development of China's Maritime Rights," *Pacific Journal*, No. 3 (2014), pp. 66-76 (周云亨、余家豪:《海上能源通道安全与中国海权发展》, 载《太平洋学报》, 2014年第3期, 第66-76页); Shi Chunlin, "The Security of Sea-lines on the Pacific Ocean and China's Strategic Reactions," *Pacific Journal*, No. 8 (2011), pp. 75-87 (史春林:《太平洋航线安全与中国的战略对策》, 载《太平洋学报》, 2011年第8期, 第75-87页).
- 12 Xu Shanpin, "Australia's Security Strategy of the Indian Ocean," *Pacific Journal*, No. 9 (2013), pp. 85-95 (许善品:《澳大利亚的印度洋安全战略》, 载《太平洋学报》, 2013年第9期, 第85-95页); Wang Lirong, "The Indian Ocean and China's Security Strategy of Maritime Channels," *South Asian Studies*, No. 3 (2009), pp. 46-54 (王历荣:《印度洋与中国海上通道安全战略》, 载《南亚研究》, 2009年第3期, 第46-54页); Zou Ligang, "Studies on Safeguarding the Security of China's Maritime Channels," *Rule of Law Research*, No. 1(2012), pp. 77-83 (邹立刚:《保障我国海上通道安全研究》, 载《法治研究》, 2012年第1期, 第77-83页); Li Bing, "Gaming about Maritime Strategic Channels – Discussion on International Cooperation of Strengthening the Security of Maritime Strategic Channels," *Pacific Journal*, No. 3 (2010), pp. 84-94 (李兵:《海上战略通道博弈——兼论加强海上战略通道安全的国际合作》, 载《太平洋学报》, 2010年第3期, 第84-94页).

Sea, constructing a strategic belt through ports, airports, diplomatic ties and military modernization, so as to protect the major trade channels of China, e.g. Gwadar Port of Pakistan, Hambantota Port in Sri Lanka, and Sittwe Port and Kyauk Pyu Port in Myanmar.¹³ The notion, "String of Pearls," has been met with official public denial from China. Liang Guanglie, then Minister of National Defense, stated that the People's Liberation Army had never established military bases overseas and did not consider doing so in the Indian Ocean.¹⁴ Academia has been extremely cautious about discussion of strategic pivots. It was believed that a series of challenges awaited the transition from civil ports to military ports, while the possibilities of recent establishment of overseas military bases, which would mean major adjustment to China's strategies, were very thin.¹⁵

It was not until the last one or two years that there has been more discussion over the importance and urgency of overseas strategic pivots from China's decision-makers, academia, and media.¹⁶ Some researchers believed overseas military bases to be important means for major countries to reflect military strength, to overcome geological disadvantages, and to deter and fight potential threats. They argued that while China's military forces would not set up overseas military bases in the western style, it should not oppose setting up several overseas strategic pivots according to the international custom. On the basis of equality, mutual benefits and friendly negotiation, China could set up relatively fixed overseas stations for supplies, personnel rest, and ship parking and repair.¹⁷ Some other researchers consider China's obtainment of the operation right of Gwadar Port an excellent trial. Gwadar Port should supply fuel, personnel, and food for the escort missions of the Chinese Navy in the Indian Ocean; cut the cost of long-distance conflict, enhance the capacity of long-distance marine warships, and expand the escort area of the Chinese fleet. Undoubtedly Gwadar Port alone is inadequate for China's strategic goals in the Indian Ocean. It would be best to set up several strategic points to support one another.¹⁸

- 13 Xue Li, "Connotation Analysis of the Malacca Dilemma and the Reactions of China," *World Economics and Politics*, No. 10 (2010), p. 135 (薛力:《“马六甲困境”内涵辨析与中国的应对》,载《世界经济与政治》,2010年第10期,第135页); Liu Qing, "Analysis on the Theory of the String of Pearls," *Contemporary International Relations*, No. 3 (2010), p. 12 (刘庆:《“珍珠链战略”之说辨析》,载《现代国际关系》,2010年第3期,第12页)。
- 14 Liang Guanglie, "People's Liberation Army has No Intentions to Build Military Bases on Indian Ocean," *Xinhua*, September 5, 2012 (梁光烈:《解放军无意在印度洋建军事基地》,新华网,2012年9月5日), http://news.xinhuanet.com/world/2012-09/05/c_123672646.htm.
- 15 Xue Li, "Connotation Analysis of the Malacca Dilemma and the Reactions of China," *World Economics and Politics*, No. 10 (2010), p. 136 (薛力:《“马六甲困境”内涵辨析与中国的应对》,载《世界经济与政治》,2010年第10期,第136页)。
- 16 Bu Yongguang, "The Construction of China's Overseas Bases: Seeking Balance between Demand and Reality," *Modern Ships*, No. 2B (2013), pp. 17-19 (卜永光:《中国的海外基地建设:在需求和现实之间寻求平衡》,载《现代舰船》,2013年第2B期,第17-19页)。Specialized research about how to build strategic pivot countries also appeared on the approval list of National Social Science Foundation Major Project 2014, see the website of National Social Science Foundation of China, <http://www.npops-cn.gov.cn/n/2014/0714/c219469-25278008.html>.
- 17 Hai Tao, "The Navy Building the First Batch of Overseas Strategic Pivots?" *International Herald Leader*, January 10, 2013 (海韬:《海军建首批海外战略支点?》,载《国际先驱导报》,2013年1月10日)。
- 18 Liu Xinhua, "Force Field Effect, Gwadar Port and China's Interests in West Indian Ocean," *World Economy & Politics Forum*, No. 5 (2013), pp. 15-16 (刘新华:《力量场效应、瓜达尔港与中国的西印度洋利益》,载《世界经济与政治论坛》,2013年第5期,第15-16页)。

The current studies of strategic pivots are far behind the fast-changing international and regional layout, and the growing national interests of China, which is shown in at least three aspects. First, it is difficult to safeguard China's interests by multilateral cooperation alone, as the US obviously intends to contain China from rising by implementing the Asia-Pacific rebalancing strategy and reinforcing its military alliance system. Second, the naval force of China needs modernization. The 18th plenary session of China's Communist Party set new overall strategy goals for the Chinese army, i.e. "to build up solid national defense and a powerful army that is in accordance with our international status, national security, and development interests." The Chinese navy faces strategic transformation from off-shore defense to ocean warfare which fundamentally changes the structure of Chinese naval fleets. Meanwhile, as a responsible major country, China must participate in a wider range of overseas military actions such as international peacekeeping, humanitarian rescue, anti-terrorism and anti-pirating missions. Third, China's stronger will to shape the external environment requires the enhancement of relevant supportive capacity. Compared with the past, there has been a major change in China's response, from passive to active, to the challenges from the external environment. That means, with growing national strength, China enjoys much stronger capacity to actively change and create its surrounding environment. Even though it was difficult to bring about a fundamental change of the whole picture in certain situations, it is at least feasible to dramatically alleviate the risk and threat with efforts, and this is also the case with the maritime channel security.¹⁹ Therefore, the maritime channel security is a must for the construction of maritime rights, the path to a stronger China, and the establishment of strategic pivots is central to the achievement of the above-mentioned strategic goals.

In 2013, China officially took over the operation rights of Gwadar Port. In September 2013, an agreement was reached by President Xi Jinping and Rajapaksa, President of Sri Lanka, to further invest in the Magampura/Hambantota Port. They also signed agreements on the operation rights of the second stage, and agreed to further construct the port city of Colombo. These efforts signal that, stronger maritime cooperation with other countries by various means, particularly investment, cooperation and utilization of strategic ports, are important economic activities of Chinese enterprises and are growing into a national act if seen from the security perspective.

At present, the academic research output is lagging far behind diplomatic practices. There is an obvious shortage in scholarly research. First, there is a lack of strategic perspectives and regional layout in the medium and long term. Second, it lacks a holistic view. There is no interactive research between the strategic pivot planning and the regional cooperation strategy and it fails to reconcile the economic interests and security concerns of China's outbound investment. Third, it is not detailed or

19 Zhang Yunling, "New International Environment Faced by China and the Solutions," *Contemporary World*, No. 4 (2011), pp. 4-9 (张蕴岭:《中国面临的新国际环境与对应之策》,载《当代世界》,2011年第4期,第4-9页)。

operation-friendly. There is no analysis of political stability of key countries, in-depth studies of natural conditions, or pros and cons of the economic development of key ports.

The maritime power strategy and the One Belt One Road initiative have provided China with an operation platform and a range of path choices for the construction of its strategic pivots. The One Road initiative, in particular, overlaps considerably with maritime channels in the route design, taking Southeast Asia and South Asia as the primary starting points. It echoes with the investment and development of key ports in achievement pathways, building on better interconnectivity and infrastructure. Nevertheless, most of the current research positions the initiative as an economic and diplomatic strategy, focusing on planning and promoting regional economic cooperation and cultural and social exchanges, and building China into a major country in economic trade and investment by constructing a new layout of regional economic integration.²⁰ Therefore, the security consideration, especially the improvement of China's maritime channel security, was not specifically included in the design plan. One of the reasons is that there is yet no unified understanding of the strategic significance of One Belt One Road. Related research and planning lack detailed design in such sectors as politics, economy, security and humanities. The other reason is that, in view of the sensitivity of strategic pivots and the feelings of surrounding countries, China emphasized the importance of economic cooperation and cultural exchanges and tried to alleviate the security significance of One Belt One Road when publicizing the policies.²¹ Undoubtedly, it takes time to understand the strategic significance of One Belt One Road. A few scholars earlier emphasized that it was necessary to have in-depth understanding of the content and the meaning of One Road initiative from the perspective of macro strategy. This initiative formulates a new strategic layout of China's all-dimensional opening-up facing the Pacific Ocean, and diplomatic affairs with neighboring countries, involving reconstruction of future maritime order.²² China needs to set up a new maritime order and rules through the construction of the Maritime Silk Road, and formulate new rules of international free shipping and cooperation.

The construction of One Road should involve security issues, including maritime security and cooperation, and maritime infrastructure and network. The major maritime channels are inseparable from relations with littoral countries and complicated

20 Ruan Zongze, "What Surroundings does China Need to Construct," *China International Studies*, No. 2 (2014), p. 19 (阮宗泽:《中国需要构建怎样的周边》,载《国际问题研究》,2014年第2期,第19页); Zheng Yongnian, "The New Silk Road: What to Do and How to Do It?" *Lianhe Zaobao*, June 24, 2014 (郑永年:《新丝绸之路:做什么、怎么做?》,载《联合早报》,2014年6月24日),<http://www.zaobao.com/forum/expert/zheng-yong-nian/story20140624-358341>.

21 State Councilor Yang Jiechi emphasized in his speech at Boao Forum for Asia that the major track of One Belt One Road was economic and cultural cooperation, see "Silk Road Section at Boao Forum for Asia, Yang Jiechi Calling for the Promotion of Silk Road Spirit," Ministry of Foreign Affairs of China, April 10, 2014 (《博鳌亚洲论坛举办“丝绸之路”分论坛 杨洁篪呼吁弘扬丝绸之路精神》,中国外交部网站,2014年4月10日),http://www.fmprc.gov.cn/mfa_chn/.

22 Cai Penghong, "To Build A Platform for the Maritime Silk Road: Outlook and Challenges," *Contemporary World*, No. 4 (2014), p. 37 (蔡鹏鸿:《为构筑海上丝绸之路搭建平台:前景与挑战》,载《当代世界》,2014年第4期,第37页).

geopolitical factors.²³ In July 2014, China's top decision-makers confirmed publicly the strategic security value of One Belt One Road, when State Councilor Dai Bingguo mentioned in a speech that the construction of One Belt One Road first required an international and regional macro environment of lasting peace and stability, which was to be established with joint efforts. All countries should contribute to land and maritime security of surrounding countries of the new land and maritime Silk Road. The construction of the 21st Century Silk Road should also include cooperation in other aspects, including the economic corridor, interconnectivity, maritime channels, maritime resource development, and cultural exchanges.²⁴

In the next ten years, the sea areas in Southeast Asia centering on the Malacca Strait will remain the maritime channels that are the most related with China's national interests. China will have more diverse needs from this channel, ranging from safeguarding the sea-lines to building the capacity of logistic supplies and guarantee along the line to support its maritime power to go out. Therefore, it is mandatory to implement as a national act, to select important ports along the channel as strategic pivots, and to further invest, construct and cooperate with the home countries. Based on such an argument, this paper first reevaluates the security situation of the maritime channels in Southeast Asia. On one hand, with the positive results of global anti-terrorism efforts, the political situation is stable in littoral countries and the negative factors for strait security are alleviated. On the other hand, as the United States implements the "Asia-Pacific Rebalance" strategy, we are witnessing intensified gaming in the Asia-Pacific among major countries, growing heat in the South China Sea issue and greater complexity of the security status of the maritime channels in Southeast Asia. Under such circumstances, maritime capacity building is the priority of China's strategic choices. National security interests must become the important strategic goal of One Belt One Road. To establish a spatial strategic layout with "nodes, lines and plans," the maritime channels should be designed as the backbone, with key straits and land features being the nodes, and integrated land-borne and sea-borne economic and trade activities being the ties. There are plans to build a number of comprehensive support stations of multi functions and levels at key sea-lines and ports via various means, such as commercial utilization, leasing and cooperative construction, so as to gradually transform the function of maritime channels from safeguarding energy transportation to safeguarding comprehensive security such as economic and military security. Given the unique geological status of Indonesia in the Malacca Strait, China

23 Among the existing research about One Road, the organization that has carried out comprehensive planning about maritime channels is the China Institute for Maritime Affairs, State Oceanic Administration. For research results, see Liu Yan, "Strategic Proposition of Maritime Silk Road," Symposium on Construction of Maritime Silk Road: Status Quo, Challenges and Solutions of the Security Environment, April 11, 2014, Beijing (参见刘岩:《海上丝绸之路的战略构想》, "构建海上丝绸之路:安全环境的现状、挑战与对策"研讨会, 2014年4月11日, 北京), http://cass.cssn.cn/keyandongtai/xueshuhuiyi/201404/t20140417_1070849.html.

24 Dai Bingguo, "Open and Inclusive, Joint Construction of 21st Century Silk Road," Ministry of Foreign Affairs of China, July 11, 2014 (《戴秉国:开放包容, 共建21世纪丝绸之路》, 中国外交部网站, 2014年7月11日), http://www.fmprc.gov.cn/mfa_chn/zyxw_602251/t1173753.shtml.

should consider it as the key country of cooperation and implement the construction plan centering on Sumatra and Kalimantan islands.

2. Geological Features of Maritime Channels in Southeast Asia and the Challenges for China

Maritime channels are the blue arteries for Chinese economy. Since the implementation of the Reform and Opening-up policy in the 1980s, the Chinese economy swiftly transformed from internal-oriented to export-oriented. Especially since its entry into World Trade Organization in 2001, China has accelerated its participation in economic globalization and integrated deeper in the international community. For the first time in its history, its outbound trade takes up a significant percentage of the national economy.

Maritime transportation is the major means of international trade. 80% of global commodity trade volume is transported by sea. China, being the second largest economy in the world, is no exception. According to the statistics of the General Administration of Customs, 66.6% of China's exports and imports in 2011 were water-borne. Water-borne transportation took up 69.5% of total volume of export and 63.4% of total volume of import (Table 1) and it is categorized into two types, the sea-borne and the river-borne, the former being the overwhelming majority in China's water-borne transportation. Therefore, it directly matters to the economic security of China to keep maritime channels open and sea-borne transportation smooth.

Table 1 Total value of export and import by means of transportation, 2011

Unit: 10,000 USD

Means of transportation	Total volume of export and import		Export		Import	
	Value	Percentage (%)	Value	Percentage (%)	Value	Percentage (%)
Total volume	364 186 444.5	100.0	189 838 088.7	100.0	174 348 355.8	100.0
Water	242 552 873.1	66.6	132 019 988.8	69.5	110 532 884.3	63.4
Railway	3 193 924.2	0.9	1 420 420.9	0.7	1 773 503.3	1.0
Highway	57 615 810.8	15.8	29 639 393.0	15.6	27 976 417.8	16.0
Air	55 163 414.2	15.1	24 571 567.0	12.9	30 591 847.2	17.5
Courier	128 255.3	0.0	87 315.8	0.0	40 939.6	0.0
Other	5 532 167.0	1.5	2 099 403.3	1.1	3 432 763.7	2.0

Source: *China Customs Statistics (2011)* (Volume 1), Beijing: China Customs Press, 2013, p. 22 (《中国海关统计年鉴(2011年)》(上卷), 北京: 中国海关出版社2013年版, 第22页).

China's ocean transportation starts from ports like Shanghai, Dalian, Qinghuangdao, Guangzhou, Zhanjiang, Tianjin, and Qingdao, with four sets of important sea-lines in the east, west, south, and north respectively. The east lines head east from China's littoral ports, pass by Japan, go across the Pacific Ocean and reach the United States, Canada and Latin America. The west lines head south from China's littoral ports, reach Singapore, turn westward, go through the Malacca Strait, enter the Indian Ocean, exit through the Suez Canal, pass the Mediterranean and enter the Atlantic Ocean; or they go around the Cape of Good Hope in South Africa, enter the Atlantic Ocean and reach countries or regional ports in South Asia, West Asia, Africa and Europe along the way. The south lines head south from China's littoral ports and reach Oceania and Southeast Asia. The north lines head north from China's littoral ports and can reach North Korea and Vladivostok, Russia in the Far East.

Among the four lines, the west lines are the busiest and matter directly to the steady operation of Chinese economy. Take crude oil transportation as an example. There are two means of international oil transportation: by oil tankers and by pipelines, the former being the leading means. This is the same case with China. According to the statistics from the General Administration of Customs, China imported 253,800,000 tons of crude oil in 2011, a year-on-year increase of 6.05%. The top ten exporters were Saudi Arabia, Angola, Iran, Russia, Oman, Iraq, Sudan, Venezuela, Kazakhstan and Kuwait (Figure 2).

Among these exporters, only crude oil from Russia and Kazakhstan could be transported from pipelines and the land. The total oil supply from seven countries in the Middle East and Africa is 16,364 tons, 64.5% of total import. Most of it must go through Malacca-South China Sea to arrive at China.

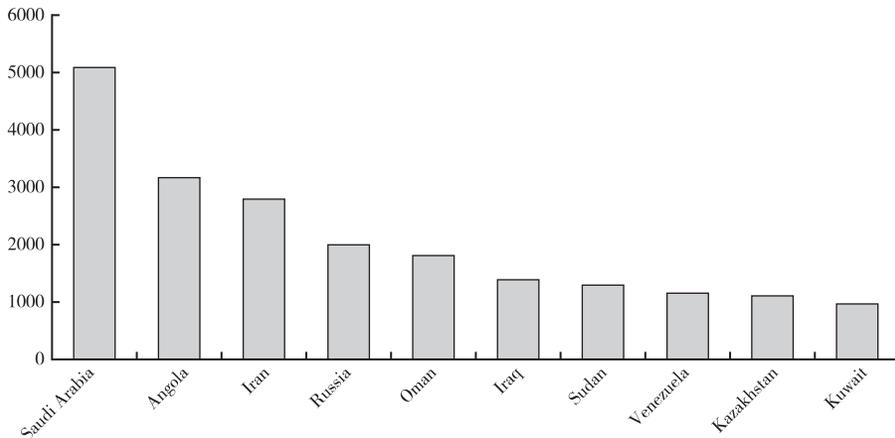


Figure 2 Top ten oil exporters to China (unit: 10,000 tons)

Source: organized according to *China Customs Statistics (2011)* by the General Administration of Customs of China.

The Southeast Asian sea area is an inevitable part of China's westward sea-lines. The sea-line network in this sea area consists of the Malacca Strait, Sunda Strait, Lombok Strait and Makassar Strait. The Malacca Strait is a major sea-line. A great number of giant oil tankers also often go through Sunda Strait and Lombok-Makassar Strait. This network is situated between Asia, Africa and Oceania, connecting the Pacific Ocean and the Indian Ocean, transporting 30% of global trade and 50% of oil supply.

Known as the "Oriental Gibraltar," the Malacca Strait is one of the busiest maritime channels in the world and one of the seven critical spots of oil transportation. 65% of China's crude oil import and 90% of Japan's crude oil import goes through the Malacca Strait. Although the Sunda Strait, Lombok Strait, and Makassar Strait could be an alternative in alleviating the pressure on the Malacca Strait, it is still the first choice in maritime transportation due to cost-efficiency. The strategic status of the Malacca Strait faces little challenge and therefore the control over it is the center of gaming among major countries.

China's concern about maritime channel security starts with and centers on the Malacca Strait. That said, does "the dilemma of Malacca Strait" truly exist? Some scholars believe that to be a false claim, or are at least suspicious of exaggeration. Nevertheless, many scholars are concerned that the security situation of the Malacca Strait will eventually threaten China's economic development, given its annually growing dependence on the strait. They argue that in a Hobbesian international environment, stronger power of one's own is the fundamental solution to the dilemma.

Security is a psychological cognition dependent on the objective situation of the environment, and one's own capacity and subjective judgment. The environment and one's own conditions are in constant change and interaction. Even in case of the deteriorating environment, the security situation does not necessarily deteriorate if one's own capacity strengthens. Moreover, the security situation of Malacca Strait should be assessed by time periods rather than generalization.

"The dilemma of the Malacca Strait" was proposed at the beginning of the 21st century against a unique historical background. On one hand, China was increasingly dependent on the Malacca Strait, especially as its crude oil imports first exceeded 100 million tons in 2004. The security of oil supply called for available supply and feasible transportation. Therefore, the maritime channel security had self-evident strategic significance for crude oil supply. On the other hand, under the impact of the international and regional environment, the security situation of the Malacca Strait did deteriorate. First, terrorism flooded the strait in Singapore, Malaysia, and Indonesia after the 9/11 terrorist attacks in 2001. Second, Indonesia obviously lacked governance capacity for strait security since, with Suharto no longer in power in 1998, the country was in political transition and its central authority was heavily diminished. Third, taking

the factors above as an excuse, the United States proposed the Regional Maritime Security Initiative in April 2004; attempting to make its military presence in the strait. Therefore, all countries, China included, were very much concerned about the security situation of the Malacca Strait. China was put on guard particularly by the intention of the United States to control the Strait.²⁵

However, the security situation in the Malacca Strait has started to improve during the second decade of the 21st century. First, the saturated transportation capacity of the strait was partially addressed by widening and deepening the channel, improving ship-making techniques, and detouring through the Sunda Strait and Lombok Strait.²⁶ Second, the threat from pirates and terrorists substantially decreased, thanks to the joint efforts of littoral countries and the international community. According to the statistics of international maritime agencies, the number of pirate cases and armed robberies in Southeast Asia was 199 in 2000 (80 in the Malacca Strait and 119 in the Indonesia sea area), 151 in 2003, one third of the world total, and decreased to 26 in 2009 (Figure 3). Of course, as pirates have been in existence in Southeast Asia since ancient times, it is still probable that its threat will go up. Finally, Southeast Asian countries obviously strengthened maritime security collaboration, especially among surrounding countries

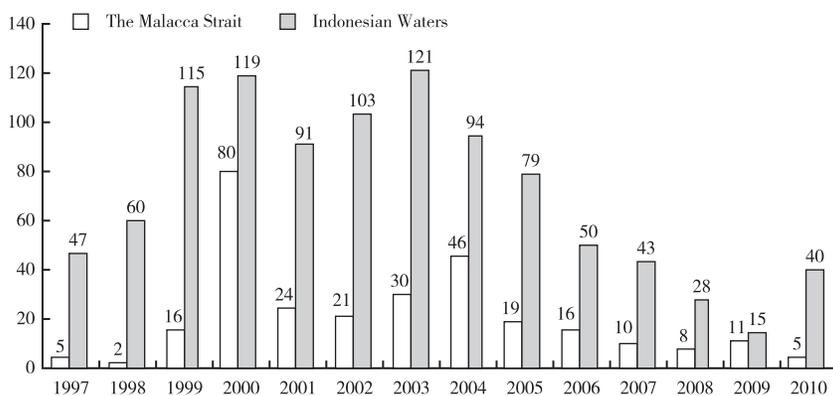


Figure 3 Statistics of piracy and armed robbery against ships in major sea areas in Southeast Asia (1997-2010)

Source: ICC International Maritime Bureau, "Piracy and Armed Robbery against Ships," Annual Report, 2011.

- 25 Jiang Shan, "Analysis of the Regional Maritime Security Plan of the US Army," *Modern Navy*, No. 7 (2004), p. 47 (江山:《透视美军〈地区海上安全计划〉》,载《当代海军》,2004年第7期,第47页);Feng Liang, "Strategic Thinking on Coping with the US Army Stationed in the Malacca Strait," *Window of Southeast Asia*, No. 1(2006), pp. 1-7 (冯梁:《关于应对美军进驻马六甲海峡的战略思考》,载《东南亚之窗》,2006年第1期,第1-7页);Wang Hai, "From Beibu Gulf to Indochina and Indian Ocean - Constructing China's Strategic Channel that Connects ASEAN and Avoiding the Malacca Dilemma," *World Economics and Politics*, No. 9 (2007), pp. 47-54 (汪海:《从北部湾到中南半岛和印度洋——构建中国联系东盟和避开“马六甲困局”的战略通道》,载《世界经济与政治》,2007年第9期,第47-54页)。
- 26 For detailed data analysis, please refer to Xue Li, "Connotation Analysis of the Malacca Dilemma and the Reactions of China," *World Economics and Politics*, No. 10 (2010), pp. 120-126 (薛力:《“马六甲困境”内涵辨析与中国的应对》,载《世界经济与政治》,2010年第10期,第120-126页)。

along the strait. Yet, being the major country among them, Indonesia still needs to improve its governance capacity. According to the International Maritime Bureau, from 2008 to 2010, apart from safeguarding the security of the Malacca Strait, the maritime security actions of Indonesia involved mainly combating smuggling and illegal fishing (Figure 4).

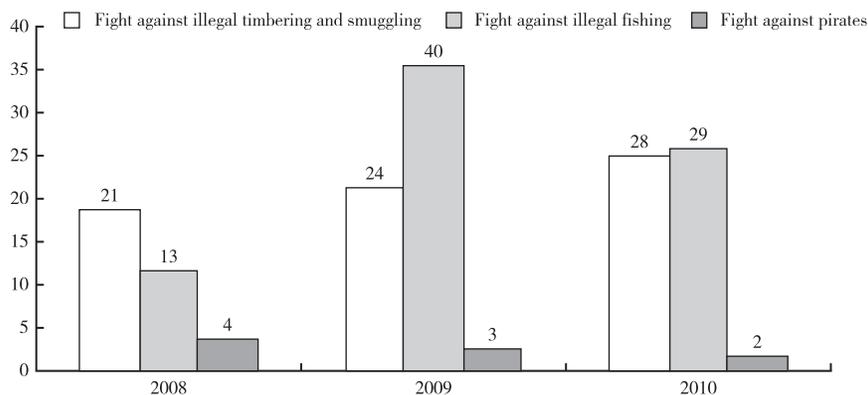


Figure 4 Maritime security actions of Indonesia (2008-2010)

Source: ICC International Maritime Bureau, "Piracy and Armed Robbery against Ships," Annual Report, 2011.

The "dilemma of the Malacca Strait" has been alleviated considerably, especially in terms of the security situation in the above-mentioned three aspects. Yet the second decade in the 21st century is witnessing dramatic changes in the overall security situation in the Asia-Pacific region. The major countries are gaming harder for the leading position in regional security order. Stronger factual presence in Southeast Asian sea areas and the Indian Ocean is the strategic focus of the United States, Japan, and India.

The decision-makers and academia of the US reached a consensus that China would be a maritime challenge to the US in the future, and therefore the US must strengthen its power presence in Pacific-Indian Ocean.²⁷ The United States maintains a military alliance with ASEAN countries such as Thailand and the Philippines. The Changi Naval Station in Singapore provides long-term service to the United States.

Moreover, in 2011 the United States announced that it would station troops at Port Darwin, Australia; in 2012, the United States sent littoral combat ships to be stationed in Singapore; in August the same year, the United States announced its plan to deploy

27 Toshi Yoshihara and James R. Holmes, *Red Star Over the Pacific: China's Rise and the Challenge to US Maritime Strategy*, Trans. Zhong Feiteng, Li Zhifei, and Huang Yanghai, Beijing: Social Sciences Academic Press, 2014 ([日]吉原恒淑、[美]詹姆斯·霍姆斯:《红星照耀太平洋:中国崛起与美国海上战略》,钟飞腾、李志斐、黄杨海译,北京:社会科学文献出版社2014年版).

X-band anti-missile radar in southern Japan and the Philippines; and in June 2014, the United States signed an agreement with the Philippines to allow the US troops to use military stations in the Philippines. As the US pointed out in the Asia-Pacific Rebalance proposed in 2012, in the next 5 to 10 years, the US would keep boosting its military presence in the Pacific Ocean region, to change the current 50-50 deployment layout of its naval force in the Pacific and the Atlantic, and to deploy 60% of the battle ships in the Pacific Ocean, a clear indication of the US' strengthening its regional control on a global scale. The contact and gaming between naval capacity of China and the US will grow more direct in the Asia-Pacific region.

Japan is unable to send troops directly or establish military stations in Southeast Asia, as is stipulated in its constitution. However, its long-term strategy is to encourage and support non-governmental organizations to play their role in safeguarding Southeast Asian sea areas. In 1962, Japan Shipping Promoting Society (later renamed as The Nippon Foundation) was established. Its aim was to safeguard the ships traveling through Malacca Strait, construct and maintain the shipping facilities, safeguard the marine environment of the strait and promote cooperation among related countries. In more than 40 years, this organization measured the waterway, built shipping facilities, analyzed and organized information and material about the strait, helped build 45 lighthouses and buoys in the littoral countries, installed automatic identification equipment for ships, participated in the survey and fishing of sunken ships, and set up special fund to prevent ship oil pollution. Since 1968, the agency has spent 13 billion yen on activities related to Malacca Strait. In 2002, this organization co-founded the Japan Maritime Center in Singapore, together with the Malacca Strait Council and the Japan Association of Marine Safety, continuing to collect and analyze information, propose solutions and promote international cooperation for shipping security and marine environment in the entire Southeast Asian sea area, including the Malacca Strait. This organization is not completely non-governmental. It receives directions from the Ministry of Land, Infrastructure, Transport and Tourism of Japan, as well as the Japan Coast Guard.²⁸ This fully demonstrates that Japan's operation in the Southeast Asian sea area is a long-term one, and it makes full use of public-private cooperation. Strong governmental support behind the civil organizations enables the governmental will of Japan to be implemented effectively via civil organizations, easing the political sensitivity of Japan's post-WWII return to the Southeast Asia and quietly strengthening its influence over the sea area. This piece of experience is of value for China to learn from.

India has substantial geographic advantages in the gaming among major countries regarding maritime channels in Southeast Asia. Andaman and Nicobar Islands are situated at the west entrance of Malacca Strait. India makes great efforts to build the islands into a military station and spent billions of dollars to renovate and expand facilities and deploy modern military equipment. The Indian navy consists of three

28 "A Cooperation Framework for Maintaining Safety in the Strait of Malacca and Singapore," July 10, 2014, http://www.nippon-foundation.or.jp/en/what/spotlight/ocean_outlook/story4/index.html.

fleets: the west, the south and the east fleet. Before the mid-1990s the west fleet had been the strongest in the Indian navy and was responsible for safeguarding the maritime channel for energy and trade. As the "Eastward Strategy" was implemented, the east fleet gradually grew to be more significant.

The command office of India's east fleet is at Visakhapatnam (also the base of Indian submarine fleet) in Andhra Pradesh in southeast India. Its management range reaches as far as Port Blair at Andaman and the Nicobar Islands, very close to the north entrance/exit of the Malacca Strait. July 2012 witnessed the official launching of the Baaz military station on Andaman and Nicobar Islands. This is an important window for the Indian navy to monitor Malacca Strait, as the navy is able to directly watch boats and ships of all countries that travel through the Indian Ocean.

Geopolitical environment is a vital factor for the making of strategic decisions. The Southwest Pacific Ocean and North Indian Ocean have a great number of littoral countries and complex political relations. No force, the United States included, is able to effectively control these two regions. Therefore, the common strategic choice for countries is to expand their impact on the Malacca Strait, choose strategic pivots and strengthen the actual presence of their force, resulting in the intertwined pattern of forces of all countries in Southeast Asia.

China is a late comer in this game. China's planning in the game is related to the achievement of its own interests in Southeast Asia and even the whole world. On one hand, either out of concern for its own security or acting as a responsible major country, China should participate in and promote bilateral and multilateral maritime cooperation in Southeast Asia, make full use of the China-ASEAN maritime cooperation fund, utilize the advantage in technology and human resources, fund littoral countries to maintain and repair the waterway, fight marine pollution, and take part in the management mechanism establishment of Southeast Asian maritime channels.

On the other hand, as China-US competition in the Asia-Pacific region is going to be a normal presence, in this battle for power, China's strategic position for Southeast Asia's maritime channel should cover not merely safeguarding the transportation channel, but also serving its ultimate goal of heading towards the deep sea, safeguarding global interests and establishing a major country in the world, by planning stations and layout in the region, supporting China's maritime activities, and helping China gradually develop long-distance military capacity. Just as President Xi Jinping has emphasized, promoting the construction of a maritime power has "significant and profound significance" for steady and healthy economic growth, secure national sovereignty, security, development interests, and the revitalization of the Chinese nation. China insists on a peaceful path of development, but would "never give up rightful rights and interests and never sacrifice core national interests." While addressing disputes via peaceful means and negotiation, China will also "be prepared to face all kinds of complicated situations," build the capacity of maritime rights protection and stand up for its maritime rights.

3. The Choice of China: to Implement Dual-island Strategy via the One Road Initiative

One Belt One Road is a preliminary form of China's macro outbound strategy. One Road – to build a 21st Century Maritime Silk Road – aims to promote and construct new maritime order in the new era, jointly build an economic belt of coastal development with related countries via cooperation, create new development space for port economy and coastal economy via port connections, and get through maritime channels based on openness and security.²⁹ One Road prioritizes the development of neighboring regions including Southeast Asia and South Asia. The initiative aims to take interconnectivity as the pivot, and to establish all-dimensional connection based on infrastructure, institution and personnel exchange, so as to develop a wide-spread infrastructure network.

This undoubtedly offers opportunities for China to establish strategic pivots overseas. Therefore, investment programs for One Road should be chosen not only for economic interests, but also for security concerns, combining commercial interests with security interests and prioritizing regions that are significant for China's maritime channel security. The ports could serve for civil purposes at the beginning, before the introduction of military purposes. The civil purposes should take the lead and, in due time, a transition should follow between commercial and military functions.

“Strategic pivot” is a term of geopolitics, similar to the geopolitical pivot countries proposed by Zbigniew Kazimierz Brzezinski. The sensitive geological position of pivot countries and their potential fragility can be central to the planners of geopolitical strategies. Their position, determines, in a way, whether an important player can enter an important region and could prevent it from obtaining certain resources. One geopolitical pivot country could sometimes serve as the guarding screen for an important country or even a region. Sometimes its very existence might exert critical political and cultural influence on a more active and neighboring geological strategic player. Hence, geopolitical pivot countries should be “managed.”³⁰

It has been mentioned by early studies in China that it should place its strategic pivots at critical straits so as to safeguard national overseas interests and expand effective influence along certain paths – be they maritime, land or both. In this way, more resource and strategic options could be possessed in the gaming of major countries, by stronger economic, political, and military ties with related countries.³¹

29 Zhang Yunling, “Understanding the Design of the Macro Strategy of One Belt One Road,” in Zhang Jie, ed., *China's Regional Security Environment Review: 2015*, Beijing: Social Sciences Academic Press, 2015, p. 7 (张蕴岭:《如何认识“一带一路”的大战略设计》,载张洁主编:《中国周边安全形势评估(2015)》,北京:社会科学文献出版社2015年版,第7页)。

30 See Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, Trans. China Institute of International Studies, Shanghai: Shanghai People's Publishing House, 1998, p. 55 ([美]兹比格纽·布热津斯基:《大棋局:美国的首要地位及其地缘战略》,中国国际问题研究所译,上海:上海人民出版社1998年版,第55页)。

31 Xu Qiyu, “The Misdirection and Reflection of Maritime Rights,” *Strategy and Management*, No. 5 (2003), p. 17 (徐弃郁:《海权的误区与反思》,载《战略与管理》,2003年第5期,第17页)。

Recently, Chinese scholars find themselves resuming the discussion about strategic pivots. For example, Huang Renwei believes that at least four factors have to be considered for the definition of strategic pivots. The first one is that a strategic pivot should have strong correlation with China's interests. Second, different from the "Asia-Pacific Rebalance Strategy" of the United States, China's strategic pivot could be a military alliance of the US, though not necessarily a complete follower. Third, a pivot should have strong influence in the sub-region, or be a major country in the region. Fourth, a pivot could cooperate with China on strategic issues.³² Yang Jiemian believes that the purpose of establishing strategic pivots is to have mutual support between China and certain countries in economy, foreign affairs, politics, security, and military. The strategic pivot countries should have diplomatic independence and not be blind supporters of the United States. They should cooperate closely with China and coordinate with one another in affairs involving core interests of both countries, major international and regional affairs.³³

As manifested from the above-mentioned statements, on one hand, the strategic pivots should be chosen specifically, and it should be different from the strategic interests of the US; on the other hand, they should form all-dimensional strategic correlations with China, rather than offering mere military and security support. Of course, dialogues about strategic pivots are to be conducted at the level of countries. However, this paper, an investigation of the security concern of maritime channels, is focused on the level of ports.

Nevertheless, from the perspective of positioning only, be it a country or a port, its function goes beyond military significance. It should differ from a military station in the traditional sense. It is necessary that a strategic pivot incorporate military application and be built on the basis of economic cooperation and not threatening the security and sovereignty of the country. To build fixed ports that are able to provide stable logistical support and supply would benefit global and regional peace, rather than forming military confrontation and increasing instability, particularly as the Chinese navy has more functions that defend non-conventional security, such as transportation escort, pirate cracking and maritime rescue.

In Southeast Asia, China should especially strengthen its cooperation with Indonesia. According to the standard of strategic pivot countries, first, Indonesia has important geological strategic status. It is one of the major littoral countries of the Malacca Strait, and also the governing countries of Lombok Strait, Sunda Strait and Makassar Strait. Second, Indonesia is an influential major country in the region. With an improved domestic economy, Indonesia enjoys a high political status in ASEAN, which plays an important role of coordination for China to stabilize its relations with Southeast Asian countries. Third, Indonesia has relatively greater diplomatic independence. It could

32 Huang Renwei, A Speech at the 2014 Symposium of Chinese Association of Asia-Pacific Studies, Nanning Guangxi, Nov. 18, 2014.

33 Yang Jiemian, A Special Speech at the 2014 China Studies of South China Sea Forum, Nanjing University, Dec. 3, 2014.

keep a balance in its relationship with the US, Japan, and China. It once insisted upon opposing the military forces of the US from entering the Malacca Strait. Fourth, the China-Indonesia bilateral relation grows rapidly and is echoed in some regional and international affairs. In March 2012, Susilo, then Indonesian President, visited China. In October 2013, President Xi Jinping visited Indonesia and the two countries established a comprehensive strategic partnership. Besides, the initiative of building a 21st Century Maritime Silk Road was proposed by President Xi Jinping during his visit to Indonesia, which fully demonstrated the importance that China attached to Indonesia. In 2014, Indonesia joined the Asian Infrastructure Investment Bank initiated by China. Indonesia also tried to coordinate and advance the China-ASEAN dialogue and consultation on issues concerning the South China Sea.

The One Road initiative could be strategically connected to the development of Indonesia. In 2014, Joko came forward with a plan of “maritime road” in the presidential campaign, aiming to develop maritime transportation. The plan called to improve the existing port facilities, to establish new deep-sea ports, and to connect the islands on the east and west end of Indonesia so as to promote logistics. When elected, Joko swiftly set up a new department of coordinated maritime affairs, to coordinate maritime affairs with department of fishing, department of tourism, department of transportation, and department of energy and mining.³⁴

For Indonesia, infrastructure is a key area of investment and construction. As an archipelagic country, Indonesia owns a great number of small-scale freight fleets, but lacks port facilities. Of its over 400 ports across the country, the Tanjung Priok Port and Surabaya Port in Jakarta are capable of container loading and transporting. Apart from these two ports, most of the ports have difficulties handling large-scale ships. The goods shipped to these ports have to be transferred by small-scale barges. Since the 1980's, the World Bank and the Asian Development Bank have been raising funds for Indonesian port construction, and have stipulated a feasible payback plan. However, this plan has been progressing rather slowly. The port construction is not able to meet the growing trade demand of Indonesia and its trade partners, in either scale or facilities.

Indonesia is referred to as “the country of thousands of islands.” Merchandise is transported among the islands by sea. In recent years, Indonesia has witnessed rapid economic growth. The skyrocketing demand of cross-island transportation offers enormous development opportunities for domestic marine shipping in Indonesia. Nevertheless, there are disadvantages such as outdated ships and facilities, inadequate technical personnel and inefficient operation in Indonesia. The continuous economic growth is experiencing an obvious widening gap in the shipping capacity in domestic sea and the supply of ships. Meanwhile, China has a relatively developed industry of ship manufacturing and shipping, thus favorable opportunities for developing

34 Liao Jianyu, “Joko's Dream of a Sea Power,” *Lianhe Zaobao*, Nov. 7, 2014 (廖建裕:《佐科的海洋强国梦》, 载《联合早报》, 2014年11月7日), <http://www.zaobao.com/special/report/politic/indopol/story20141107-409307>.

Indonesia's domestic sea shipping and related industries.

The ancient maritime Silk Road serves as an important reference for contemporary China to choose strategic pivots for current maritime channels. The maritime Silk Road has expanded during history into a golden route of transportation and trade. This road started from the littoral area in Southeast China, went through South China Sea, entered Indian Ocean and Persia Gulf, and reached as far as East Africa and Europe, establishing a well-spread network and an important corridor of global cultural exchange. There had been many trade ports along the maritime Silk Road that used to prosper. At present, some of these ports are still thriving, but some are already buried in history. Those trade ports came into being with intrinsic logic, either because of geological advantages or due to economic features. Besides, most ancient trade ports used to be habituated by the Chinese people. According to historic records, in the North Song Dynasty (960-1127AD), the Ministry of Trading and Shipping was established in the City of Guangzhou, Hangzhou and Mingzhou consecutively and the recorded trading partners in Southeast Asia included: Guxian (古暹), Dupo (阁婆), Zhancheng (占城), Boni(勃泥), Mayi (麻逸), Sanfoqi (三佛齐) and Jiaozhi (交趾).³⁵ It was proved by research that the Guxian is approximately the north of Malay Peninsula of today, Dupo the Java island of today, Zhancheng the south of Vietnam of today, Boni the Kalimantan island, Mayi the Mindoro Island of Philippines, Sanfoqi mainly in Sumatra and Jiaozhi the north of Vietnam. Among these trading partners, Jiaozhi, Zhancheng and Sanfoqi had the closest commercial ties with China. In 2013, President Xi Jinping pointed out in his speech in Indonesia that, Indonesia has played a vital role in the ancient Silk Road. As early as the 15th century, Zheng He, the renowned Chinese navigator of the Ming Dynasty, went on seven ocean voyages and visited Indonesian Islands on each trip, including Java, Sumatra, and Kalimantan.³⁶

Considering both the history and the reality, China should implement a “dual-island strategy” in Indonesia. The strategy would take major ports in Sumatra and Kalimantan as key investment destinations, so as to utilize local resources and establish economic development zones, to transfer the industries of iron and steel, shipping, and ore processing, so that these ports could gradually be able to provide logistic supplies for Chinese ships and become China's strategic pivots in Southeast Asia, creating a favorable external environment for the rise of China.

Sumatra and Kalimantan, two major islands of Indonesia, are rich in space and resources, and critical in geographical location. One major island of Indonesia, Sumatra is at the gate of Malacca Strait and takes up one fourth of total area of Indonesia. Java Island is to the southeast of Sumatra, with Sunda Strait in between; Malay Peninsula is

35 Lin Jiabin, “Trade between China and Southeast Asia in Song Dynasties,” *Journal of Sun Yat-sen University* (Social Science Edition), No. 4 (1964), p. 73 (林家劲:《两宋时期中国与东南亚的贸易》, 载《中山大学学报》(哲学社会科学版), 1964年第4期, 第73页)。

36 The Speech of Xi Jinping to the Parliament of Indonesia, Oct. 3, 2013 (《习近平在印度尼西亚国会的演讲》, 2013年10月3日), http://www.gov.cn/jdhd/2013-10/03/content_2500118.htm.

to the north, with Malacca Strait in between; Kalimantan is to the east, with Kalimantan Strait in between, and the Indian Ocean is to the west. Sumatra exports more than 60% of Indonesia's total export value and is second only to Java Island in terms of economic status in Indonesia.

The Kalimantan Island is the third largest island in the world, with Sumatra to the west, Sulawesi to the east, Java Sea and Java Island to the south, and South China Sea to its north. It is an inevitable location for any voyage through Lombok Strait and Sunda Strait. The Kalimantan Island is the only island in the world that belongs to three countries at the same time. In the north, there are Sarawak and Sabah of Malaysia. Between them, there is Brunei. In the south, there are the four provinces of East, South, Middle and West Kalimantan of Indonesia.

There are abundant natural resources on the Sumatra and Kalimantan Island. The Sumatra Island is rich in oil, natural gas, coal, iron, gold, copper and calcium, while the Kalimantan Island is renowned for coal mining in Indonesia. The known reserve of bauxite in Indonesia is 2.4 million tons, resources over 200 million tons, among which 85% are located on West Kalimantan. According to the Indonesian law, crude ores have been prohibited from export since 2014, which means ore businesses including Chinese companies must invest and build metallurgical plants within Indonesia, instead of merely exporting crude ores.

The investment climates in Sumatra and Kalimantan are improving considerably. In 2011, the Indonesian government announced the General Plan of Accelerating and Expanding Economic Construction of Indonesia, 2010-2025, which appointed Sumatra as one of the six key economic corridors of Indonesia and planned to invest USD 78.5 billion in the following 15 years. Apart from the three traditional industries of coal, palm oil and rubber, infrastructure will be the key object of development, including electricity, transportation, and telecommunication, which provide a favorable policy climate for Chinese enterprises to invest more in Sumatra. Undoubtedly, it is also necessary to have more detailed dynamic evaluation regarding the investment risks involving the ports of the two islands, such as potential risks of political corruption and geographical constraint on large ports construction. Meanwhile, Indonesia is also prone to natural disasters such as tsunami, earthquake and typhoon which will bring about disastrous consequences.

According to the current situations of the two islands and the needs of China, China should provide financial and technical support to Sumatra, to further build, repair and improve port infrastructure, enhance service capacity of the ports and provide help such as supporting software and personnel training. China should also have on-site investigation at small islands along the eastern coast of Sumatra and invest selectively. Regarding Kalimantan, it should improve the infrastructure and set up industrial parks at selected key ports. It must value the "software" construction of the ports, including introducing Chinese standards and equipment and promoting Chinese technologies in Indonesia. China should make good use of its industrial advantages and gradually

build up industries such as mining, metallurgy and ship manufacturing, to bring about preliminary industrialization of Kalimantan. By supporting local industry of ship manufacturing, it is possible to enable the island to supply for and repair Chinese ships, thus contributing to China's maritime transportation security and its control over critical sea-lines.

4. Conclusion

The choice and construction of strategic pivots are included in multi-layered and multi-dimensional concepts, plans and rules of China, including China's maritime power strategy, the One Belt One Road initiative, the 2+7 Cooperative Framework between China and ASEAN that involves the upcoming decade, as well as the China-ASEAN maritime cooperation fund.

Its implementation needs to stay in sync with overall strategic goals and make full use of all existing policy platforms and diplomatic resources, which require solid research and comprehensive planning.

The surrounding countries are China's priority in foreign affairs and the strategic support belt for the rise of China. The capacity and will of China to mold and operate the surroundings is being dramatically enhanced. In a certain perspective, the opportune promotion of strategic pivots is a must for China in dealing with its surroundings and establishing maritime order with Chinese characteristics, as well as a test of its proactive outbound strategy. The study on strategic pivots as conducted in this paper clearly demonstrates the need of China to make efforts in multiple aspects in foreign affairs with surrounding countries.

First, it is necessary for China to complete the planning of surrounding country strategy at the earliest time: that is, to specify China's strategic goals and pursuit of interests in surrounding regions and to specify the priority order of the strategic goals through top-tier design. To accomplish strategic goals, it is advisable to strengthen the coordination of all parties, to pursue overall interests rather than partial interests, and to pursue long-term interests rather than short-term interests. Just as President Xi Jinping stated at the Central Conference on Work Relating to Foreign Affairs in 2014, the comprehensive promotion of foreign affairs under the new situation needs a stronger centralized leadership of the CPC, a reformed and improved mechanism of foreign affairs, as well as stronger coordination of foreign affairs in all sectors, departments and local governments.

Second, it is necessary for China to integrate academic resources, so as to provide cross-disciplinary and comprehensive academic support to the making of foreign policies. The choice and layout of strategic pivots clearly shows that the making and implementation of foreign strategy is growing into a highly professional and comprehensive agenda. It cannot be restricted to the study of international relations

only. More cross-disciplinary knowledge is required in decision-making regarding port location, industrial park layout and supportive export of Chinese standards and Chinese equipment, which means that at the national level it is essential to continue setting up institutions and mechanisms of innovative academic research, coordinate the research in social and natural science and to promote cooperation and exchanges between them.

Third, it is necessary to strengthen country-specific studies. China has numerous neighboring countries with varied cultures, religions, political institutions and mechanisms, and levels of economic development. It is vital to have a dynamic assessment of geopolitical risks, sovereignty risks, foundations of mutual political trust, stronger mechanisms of risk management, and full awareness of the specific circumstances, politics and civil society of each country. These are the prerequisites to China's success of outbound investment and strategy implementation, as well as that to its effort to alleviate and eradicate the strategic doubts and strategic containment towards China from the countries of investment destinations and other surrounding countries. In this aspect, it is necessary to strengthen the support to country-specific studies, train professionals, and transform and intensify field studies under the guidance of theoretical studies, so as to produce more down-to-earth, innovative and pragmatic academic achievements.

Translator: YANG Congyu (English Department,
University of International Relations, China)

Reviewers: Patrick Burton and WANG Wenhua