

**MILITARY MODERNISATION IN THE ASIA PACIFIC: SOWING THE SEEDS
OF AN ARMS RACE?**

BY

BRIG (RETD) RAHUL K BHONSLE, INDIA

Honourable Chairperson, excellencies, respected guests, fellow participants, ladies and gentleman, it is a honour and privilege for me to be participating in this very invigorating and thought provoking dialogue on, “Strengthening Comprehensive and Cooperative Security in the Asia Pacific”. The particular subject allotted to me, determining if military modernisation in the region replicates an arms race forms an important component of the comprehensive and cooperative security process and being closer to my area of specialisation should hopefully enable me to provide an informed view to this highly knowledgeable audience. Military security, arms control and disarmament are essential components of the comprehensive security paradigm. As a responsible member of the international community, India has always fostered the concept of security cooperation as a strategic tool towards confidence building, demilitarisation and consequently arms control. These concepts are not wholly incongruous in the real politic of the 21st Century given the shift in security dialogue from that of balance of power to cooperative and comprehensive security denoted most appropriately by the ASEAN Regional Forum (ARF). With that as the backdrop, let me come to the subject proper-

Introduction

The Asia Pacific region comprises of a broad agglomeration of states and regional complexes which intra as well as inter regionally represent the paradox of political and economic plenty and indigence. Historically the region is not alien to conflict, be it during the Second World War, the Indo China wars in the 1950's and 1970's or the current phase of global war on terror, all countries in the region have been exposed to traditional as well as non traditional threats. While the contemporary World does not share concerns of an overt state on state conflict, memories of the past continue to haunt the elites to revert to acquisition of arms as a safety valve for the future. Moreover it is seen that economic and security engagement per se does not reduce incipient perception of threat, this comes about through the supplement of deterrent capability provided by modern armed forces.¹

Given the expansion of security threats and need for solutions which reflect socio-cultural realities, regionalism is the flavour for substantial dialogue. One of the most robust institutions in the Asia Pacific region is ASEAN and its securitised arm, ARF. The ARF was formed in 1994, for the express objective of providing a forum for constructive dialogue, confidence building and preventive diplomacy. The strength of the ARF lies in the possibilities that it opens for open regionalism or engagements outside the region.² The role of the ARF in arms control however has been limited.³ Can this be expanded and will it facilitate reduction in military build up in the region needs deliberation. It would therefore be necessary to identify the roots and contours of arms build up in the Asia Pacific, chart out the future and denote the path for control through the collective

and comprehensive security approach. In doing so, it is intended to carry out a nominal rather than a judgemental overview of the arms build up to provide greater credibility to the discourse.

Aim and Scope

The Paper will critically examine the phenomenon of arms build up in the Asia Pacific region with particular reference to identifying the scope for establishing non intrusive arms control options possibly through the ARF. The following issues will be discussed:-

- Prevailing and future trends in military expenditure and purchases in the region.
- Factors driving trends in military expenditures and acquisitions.
- Extent and scope of missile defence systems in the region over the next decade..
- Confidence building measures and role of the ARF.

Prevailing and Future trends in Military expenditure and Purchases.

Classically the Asia Pacific region can be denoted by four broad sub regional complexes; East Asia, South Asia, South East Asia and Oceania each having specific peculiarities within the overall regional framework. Of these the Oceania region is the most stable and broad policies followed by the governments of say Australia and New Zealand tend to support constancy in military expenditures driven primarily by universal factors of, “strategic complexity and uncertainty.”⁴ This is also borne out by a factual examination of the rise in defence expenditure from 1996 to 2005.⁵ The region denoted an increase from \$ US 8.6 to 11.5 billion (at constant 2003 prices) which at 33 percent is

just below the global average of 34 percent for the same period.⁶ The average growth for the same period for East Asian region including ASEAN has been from \$ 91 Billion to \$ 120 billion which is also well within the global average. Within the East Asian region the ASEAN region has denoted a healthy trend of constant expenditure on defence particularly during the period from 2000 to 2005 at 8.2 percent, which is far below the global average of 27.6 percent.⁷

However China's defence expenditure for the first time exceeded that of Japan in 2007 and both these large economies seem to be driven by mutual suspicion based on past history and future concerns to enlarge their arms acquisition envelope. In terms of annual growth rate vis a vis the GDP, the Chinese defence budget is following a virtually parallel course growing at 11.8 percent yearly from the period 1996 to 2006 as against the GDP at 9.2 percent.⁸ On the other hand in the case of South Asia for the same period the increase in expenditure is over 61 percent far exceeding the global average by 27 percent, which is a cause of concern.⁹ The problems of lack of peace in this region are also evident with the major states of South Asia falling in the lowest 40 in the Global Peace Index published by the Vision of Humanity for 2008.¹⁰

As a measure of percentage of global arms spending to regional expend, the major acquisitions in the Asia Pacific region include Japan (4 %), China (4 %), India (2 %), Australia (1 %) and South Korea (2 %) accounting for 13 percent of the global spending in 2005 in terms of constant US dollars rate as of 2003. However given that the USA accounts for 48 percent of the arms expenditure in 2005, in the non American universe,

the spending of the region would be 36 percent or one third, which may be considered to be on the higher side.

Examining expenditures of some individual countries, rise in Chinese military expenditure over the years has been extensively debated. By nominal estimates the SIPRI has indicated that Chinese expenditure has been growing steadily from 10.7 percent in 1996 remaining constantly in double figures except for the year 1997 and 2005.¹¹ Similarly a graph denoting growth of defence expenditure in three key ASEAN states Indonesia, Malaysia and Singapore is as per Figure 1 below. The bars represent defence expenditure at three data points, 1999, 2001 and 2003 in local currencies. The constancy of expenditure levels maintained by Singapore with a creeping pattern of growth and rising levels of expenditure by Indonesia and Malaysia need to be noted.

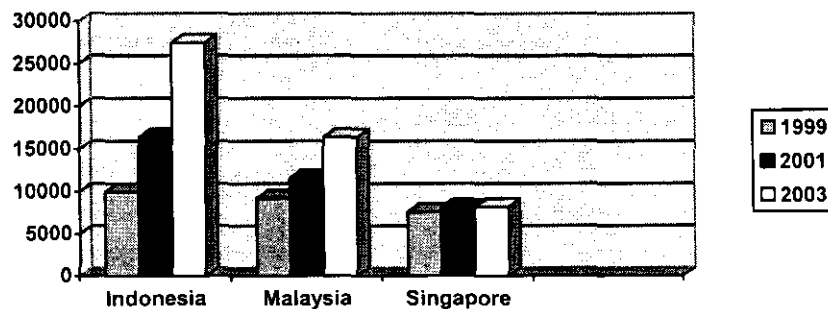


Figure 1 – Comparative Growth in Defence Expenditure – Selected ASEAN States¹²

Qualitatively the focus of arms acquisitions is mainly on modern equipment and concepts to foster growth in military competencies. Chinese defence expenditure for instance represents the People's Liberation Army's (PLA) drive to modernize an agenda which has been outlined in definitive time lines in China's White Paper 2006.

Informationisation and Mechanisation driven by the RMA with Chinese characteristics is the main focus of the PLA. Keeping in view this trend, eight new satellites are being launched from 2006-2008, which along with the satellite killer test during 2007, has raised many qualms of an arms race in the space. In terms of conventional arms, China is set to acquire force multipliers, to include modern fighter aircraft, Su 30 MKK and Su 27, long range refuellers and transport, nuclear powered submarines, amphibious assault ships, fast attack craft and missile destroyers. India on the other side of the Himalayas has recently floated a global tender for purchase of 126 medium multi role combat aircraft, to make up for its perceived necessity of maintaining a 39.5 squadron air force. Similarly the nuclear and missile proliferation regime in South Asia is a worrying phenomenon. Both India and Pakistan are maintaining a lineage of 6 to 8 varied missile systems and developments in the field are ongoing. Analysts believe that unless India's concerns over China's nuclear or missile forces are not resolved, capping and roll back of Indian as well as the Pakistani nuclear weapons program would not be practical.¹³

The trend of modernization of militaries in South East Asia is evident particularly in Singapore, Malaysia, Indonesia and Thailand. ASEAN states have roughly undergone four phases of military modernizations, three of which have been identified by J N Mak as the 1960's, end of 1970's, post 1987.¹⁴ The fourth and the most important phase for the present discourse is that which commenced in late 1990's and followed through 9/11. During this period qualitative up gradation of armed forces has taken place in various states some of which is recounted herein.

The Singapore Armed forces for instance has the most modern air force with F 16 C as well as E2C Hawkeye surveillance aircraft with an inventory of precision missiles, 9 KC 130/135 mid air refuellers, 3 tactical submarines, 6 corvettes with an active submarine and frigate development programme in conjunction with France. It was till recently a participant in the F 35 Joint Strike Fighter programme and has placed orders for Leopard tanks with Germany to enhance its present strength of 450 tanks, largely the light AMX 13.¹⁵ Singapore apparently seems to be following the United Kingdom model for structuring armed forces providing potential for defence of the island state as well as limited extra territorial capability as the needs arise.

Malaysian air force is well equipped with two squadrons of MiG 29 and a squadron of 8 F/A 18 Hornet fighter aircraft and 4 KC 130 H tankers. The wide ranging defence procurement programme includes tanks, armoured carrier vehicles, patrol vessels, submarines of Scorpene and Augusta class and an array of fighter aircraft including Su 30 MKM. Indonesia is acquiring two Type 1300 submarines from South Korea and prospects ideal ship strength of 300. The Indonesian Air Force has a mix of Su 30 and F 16 fighters, tankers and transport aircraft along with a sizeable helicopter force. Indonesia is also reportedly planning to purchase additional Sukhoi fighters to create a fighter squadron. This is also being followed up by purchase of 11 PLZ M 28-05 light transport aircraft from Poland at an estimated cost of \$ 50 million with part of it being on a long term loan by the Polish government to the tune of \$ 135 million.¹⁶

Thailand as the frontline state holds an aircraft carrier, the only one in ASEAN. The Royal Thai Air Force is said to have a purchase budget in excess of Singapore \$ 20.5

billion including AWACs platforms, the Army is slated to acquire tanks, multiple launcher rocket system, self propelled guns and AFVs to the tune of US \$ 12. 5 billion while the Navy is in for an upgrade worth, US \$ 19 billion to include SSK submarines and new generation off shore patrol vessels.¹⁷

Factors Driving Trends in Military Expenditures and Acquisitions.

The road to development of military power generally follows the path of overcoming deficiencies and weaknesses in armed forces, defence modernization, building defence capabilities to provide optimum deterrence, competitive arms build up and finally an arms race. At each level there is adequate evidence to denote existence of a commercial client-state interest and corruption which upgrades costs and results in serrated acquisitions which do not contribute to building strategic capabilities.

Arms procurement arising out of insecurity emerges out of a number of factors. Instability and conflict have been related with arms acquisition by David Mussington and John Sislin when it results in attaining breakthrough capabilities, decrease in warning time, widen the range of targets, create hostilities and provide exponential information advantage to one side of another's military preparation.¹⁸ Ross Babbage has expanded this list to include eight criteria, offensive or defensive use to which weapons can be put, scale and speed with which these are being acquired, deployment, global political situation, past international record of the countries involved, type of political system, open or closed and involvement of the recipients in CSBMs.¹⁹ Applying these arguments to the Asia Pacific region would indicate that states do not seem to have undertaken an arms build up programme in line with assessed necessities. The prestige factor appears to

have taken priority in some cases. This is also explained pithily as a, “toys for the boys” concept, where neighbours buy weapons purely to keep up with purchases seen across the border. Strangely in the context of South and South East Asia there appears to be some logic to this argument. Thus most nations in the region are seen to possess matching weapons systems with Myanmar going in for MiG 29 aircraft to match Thailand’s F 16.²⁰ Thailand on the other hand seeks parity with Malaysia’s MiG 29 and so on.

The problem of corruption and arms purchases has been plaguing the region much as it has done many other parts of the developing World. India’s acquisition system is beset with problems of allegations of corruption. In Indonesia, the delivery of Mi 17 helicopters from Rosoboronexport, the Russian state arms export agency to the Indonesian Air Force and 16 Mi 2 helicopters to the Indonesian Navy was delayed due to payments usurped by intermediaries. Similarly irregular agreements between the Indonesian Navy and the Dutch naval ship builder Schelde have come to light.²¹ Thailand has also reported a number of cases of corruption in arms sales which are said to average 15- 20 percent in every deal.²² The Malaysian Armed Forces are reported to have been affected by this problem till recent years. The problem of opaque deals and kickbacks is thus seen to considerably reduce the operational pay offs that could be accruing from arms acquisitions.

Examining the phenomenon of existence of an arms race, it would be seen that arms race denotes a degree of competition between two hostile states, “racing” to maintain the status quo. A number of factors such as conscious antagonism, increase in quantity and quality of equipment, military effectiveness and quantitative competition

denote existence of an arms race.²³ This is a balance of power phenomenon which may not fit into a cooperative security paradigm. Going back to our set of four sub regions, in the Asia Pacific, it would be evident that in Oceania and ASEAN or South East Asia, there are no indicators of existence of an arms race, though the trend of military expenditure and arms acquisition is on the rise in some states, particularly those endowed with greater buying potential. A combination of factors such as legacy of colonialism and external invasion, wars of communist containment, the US – China power dyad, inter state apprehensions, geo strategic location astride the critical sea lines of communications (SLOCs), dispute over maritime sovereignty hyphenated by an expanded Exclusive Economic Zone (EEZ) could also be factors leading to acquisitions. In addition commercial factors such as marketing allurements by arms majors may also be generically speaking form a part of this phenomenon.

Broadly speaking it could be concluded that there are concerns of an emerging arms race in South and East Asia with unease driven by the large economic capacities of China, Japan and partly India. The cycle of unfriendliness established between China, India and Pakistan is driving nuclear and missile build up at a different level due to cognitive deficiencies rather than strategic calculations. In both cases it is felt that there is scope for correcting these biases through greater confidence building measures.

Extent and Scope of Missile Defence Systems in the Region

In the European context, missile defence is seen as the next step in the hierarchy of an arms race between the United States and Russia. On the other hand given the nature of the arms race in the Asia Pacific region, three spheres, missiles, submarines and

informationisation are of concern. To some extent informatization may bring about transparency on the other hand Chinese anti satellite test in January 2007 has underlined fragility of détente in the region. As submarine proliferation is also related to the ability to covertly locate nuclear tipped ballistic missiles, an effective ballistic missile defence may act as a dampener to any state intending to proliferate in this sphere.

A number of active missile defence initiatives are being undertaken in the Asia Pacific region. Japan is reportedly joining the Missile Defence Initiative program of the United States and production of the PAC 3 interceptor by Mitsubishi Heavy Industries of Japan has been ongoing. Recently the Japanese have been requesting accretions in the defence budget for acquisition of the Patriot system. Land based PAC 3 systems as part of a layered ballistic missile defence system is to be followed by deployment of Aegis sea based ones.²⁴ South Korea is also seeking to deploy PAC 3 missile systems on the west coast. India has undertaken an indigenous ballistic missile defence development programme and is attempting to engage with the US to provide technical inputs on the Patriot PAC 3 air defence system. Media reports indicate conduct of exothermic as well as endothermic trials of a missile by New Delhi. The focus is on exo thermic tests which can target a missile out side the atmosphere and an endo thermic one within the atmosphere. Given the proliferation of Chinese missile systems, India may have to develop an effective BMD in the near future.

The action-reaction paradigm indicates that, an active ballistic missile defence may induce an adversary to develop missiles with multiple independently targeted reentry vehicles and stealth capabilities to ensure the BMD defences are overcome. A BMD

system provides an adversary a means to defeat the missile superiority and conduct operations within this shadow. This is one of the scenarios envisaged in the Japan-China security dyad at present.²⁵

Confidence Building Measures and Role of the ARF.

Proliferation of weapons of mass destruction and existence of long range missiles in the Asia Pacific, past proclivities to conflict in some of the front line states as China and India, latent animosities as well as misjudged perceptions underline the need for undertaking confidence building measures in the Asia Pacific. This has to transcend sub regional geography, contribute to greater transparency and lead to trust building which is more rigorous and thus a more credible from of the process of arms control. Some of the effective CBMs which need consideration are regular strategic dialogue within the region on defence and security issues, voluntary statements on defence policy, white papers, creation of conventional arms registers, exchange of visits of military personnel, joint exercises and so on. However it is seen that a whole cycle of self reinforcing measures has to be established for substantive arms détente and one off processes do not pay adequate dividends.

The ARF concept paper has non proliferation and arms control as one of its agendas; this has been limited to making South East Asia a nuclear weapons free zone. Conventional arms control agreements have not been envisaged. This concept can be carried forward to broaden the scope to include conventional arms control and disarmament. Conventional arms control agreements should proceed from, “not using” to “not deploying” and “not acquiring” reversing the well established arms control

paradigm.²⁶ Encouraging states to acquire only defensive weapons which for instance in the case of maritime defence and protection could include off shore patrol vessels, mines, anti ship missiles, helicopters, and surveillance aircraft and so on would be another way of implementing arms control and building confidence.²⁷

In the second phase, CBMs could be extended to Confidence and Security Building Measures and finally graduating to Trust Building Measures to which the Chinese allude to as, “xinlai” (trust) rather than “xinren” (confidence), with the latter being a step in the accumulation of trust.²⁸ Asia Pacific region has a strong backing of TBMs, with Gareth Evans, currently President of the International Crisis Group and Paul Dobbins considering these as more relevant to the cultural context of the Asia Pacific. Moreover trust building is seen as more action oriented and thus focusing on practicality of implementation. Within the ARF, measures such as establishing a regional arms register, security and weapons information data bases, periodic visits and exchanges of Track 1 to 3 dialogues, notification of exercises and so on can be considered.

Conclusion

CBMs and CSBMs are more effective when undertaken in the regional context. The ARF thus could be an ideal forum for such trust building. Confidence and trust building is a continuous process which borders on a soft approach towards preventive diplomacy that is avoiding conflict before it occurs rather than peace building and its attendant addendums. The ARF is appropriately located within the security discourse in the Asia Pacific to act as a catalyst to conduct such dialogue. However a conscious effort would have to be made politically as well as organisationally to create processes,

institutions and commitment within the community for bringing hostile neighbours closer through a step by step approach of recidivism. This would have to be undertaken in the famous, “ASEAN Way” Plus. The Plus element includes minimal institutions required to catalyse the CBMs and TBMs, record keeping and providing institutional continuity. At the same time limitations of the ARF to bring about CBMs in some frameworks such as the Sino-Indian bilateral one needs to be highlighted. In such dyads of conflict between large states based on long term history of antipathy, the ARF may be posed with major challenges. Operating within this frame work of opportunities and discontent, the ARF will have to lead the way towards arms control in the Asia Pacific.

¹ Storey, James Ian. *Living with the Colossus: How Southeast Asian Countries Cope with China* Parameters, Winter 1999 – 2000. pp. 111-25.

² Capie, David. Evans Paul. *The Asia Pacific Security Lexicon*. Institute of South East Asian Studies. Singapore. Singapore. 2002. p 179.

³ The ASEAN Regional Forum. Accessed at <https://www.aseanregionalforum.org/Default.aspx?tabid=49> on 12 December 2006.

⁴ Australia's National Security: Defence Update 2005. Available at <http://www.defence.gov.au/update2005/index.cfm>

⁵ For the purpose of the Paper, data from the IISS London Military Balance and SIPRI Stockholm published through the Year Book has been taken as standard. While this may not represent the sum total of defence expenditure by some states, for a comparative analysis this is considered reasonably accurate.

⁶ Shalenheim, Petter. Ed. *Military Expenditure*. SIPRI Year Book 2006. Oxford University Press. (OUP). Oxford. 2006. p 298.

⁷ Ibid. 299.

⁸ *Military Power of the People's Republic of China*. Department of Defence. USA. [China_Military_Report.pdf](#).

⁹ Note 6. 299.

¹⁰ *Global Peace Index Rankings 2008*. Available at <http://www.visionofhumanity.org/gpi/results/rankings/2008/>

¹¹ Shalenheim, Petter. Ed. *Military Expenditure*. SIPRI Year Book 2006. Oxford University Press. (OUP). Oxford. 2006. p 310.

¹² *East Asian Strategic Review 2005*. The Japan Times. National Institute for Defence Studies. 2006. p 154.

¹³ Gordon, Sandy. *India in Asia Pacific Security*. In Klintworth, Gary. Ed. *Asia Pacific Security, Less Uncertainty, New Opportunities?* Addison Wesley Longman. Melbourne. 1996. p 76.

-
- ¹⁴ Mak, J N. The ASEAN Way and transparency in South East Asia. In Ed Bates Gill and J N Mak. Arms, Transparency and Security in South East Asia. SIPRI. Oxford. OUP. 1997. P 39.
- ¹⁵ East Asian Strategic Review 2005. The Japan Times. National Institute for Defence Studies. 2006. p 153.
- ¹⁶ East Asian Strategic Review 2005. The Japan Times. National Institute for Defence Studies. 2006. p 153.
- ¹⁷ Mahmud, Ghazemy M. Ed. Asian Defence Year Book. 2005. p 51.
- ¹⁸ Mussington, David and Sislin John. Defining destabilizing arms acquisitions” Janes intelligence Review Vol 17 No 2. pp 88-90 in Ed Bates Gill and J N Mak. Arms, Transparency and Security in South East Asia. SIPRI. Oxford. OUP. 1997. P 73.
- ¹⁹ Note 11. Mussington, David and Sislin John. Defining destabilizing arms acquisitions” Janes intelligence Review Vol 17 No 2. pp 88-90 in Ed Bates Gill and J N Mak. Arms, Transparency and Security in South East Asia. SIPRI. Oxford. OUP. 1997. P 73.
- ²⁰ Tan, Andrew T H. 2006. South East Asia: Threats in the Security Environment. Singapore. Marshall Cavendish. P 71.
- ²¹ East Asian Strategic Review 2005. The Japan Times. National Institute for Defence Studies. 2006. p 153 - 154.
- ²² Tan, Andrew T H. 2006. South East Asia: Threats in the Security Environment. Singapore. Marshall Cavendish. P 72.
- ²³ Gray, Colin. 1972. The Arms Race Phenomenon. World Politics. Vol 24, No 1. 1972. P 41.
- ²⁴ Langton, Colonel Christopher. Military Balance 2005-06. Routledge. IISS. London. 2006. p 260.
- ²⁵ Mathu, Ritu. TMD in the Asia Pacific : A View from China. Strategic Analysis. A Monthly Journal of the IDSA. November 2000 (Vol. XXIV No. 8)
- ²⁶ Schelling, Thomas. 2005. In Larsen Jeffrey A. Arms Control. New Delhi. Viva. P xiv.
- ²⁷ Ed Bates Gill and J N Mak. Arms, Transparency and Security in South East Asia. SIPRI. Oxford. OUP. 1997. P 74
- ²⁸ Capie, David. Evans Paul. The Asia Pacific Security Lexicon. Institute of South East Asian Studies. Singapore. Singapore. 2002. p 223.