



SMA Reach-back Report

Strategic Implications of PRC's Base in Djibouti

Question (R5.6): *What are the strategic implications of the People's Republic of China (PRC's) new base in Djibouti? What will be the effect on the Iran-PRC relationship?*

Contributors

John Garver, Georgia Institute of Technology; Kyle Haddad-Fonda, Independent; Jeffrey Payne, Near East South Asia (NESA) Center; Daniel Serwer, Johns Hopkins School of Advanced International Studies

Executive Summary

Sarah Canna, NSI Inc.

Background

There are a number of legitimate reasons that account for China's decision to break with decades of tradition when it established its first foreign military base in Djibouti in 2009, according to Dr. John Garver, Professor Emeritus at the China Research Center at Georgia Institute of Technology. First, China has a strong economic interest in protecting vital shipping lanes that pass through the nearby Gulf of Aden (Garver, Haddad-Fonda, Payne). Notably, China expanded its maritime security role in the northwest Indian Ocean during the 2008-9 financial crisis in North America and Europe—a time when China's economic growth seemed "unstoppable" (Garver).

The second stated reason for the base was to support China's international humanitarian operations, according to Dr. Kyle Haddad-Fonda, an expert in China-Middle East relations. China has an interest in protecting the large number of Chinese citizens now living in every country in Africa and the Middle East. China prides itself on its ability to protect its citizens overseas and extract them from dangerous situations.

Strategic Implications

Looking beyond China's stated reasons, our contributors noted three particular strategic implications of China's decision to build its first base outside of the South China Sea.

Signal of China's Intent to Rise to Asia's Preeminent Power. No longer content to dominate the South China Sea, the base signals China's intent to exert strong influence in the northwest Indian Ocean as part of its long-term plan to become Asia's preeminent power, according to Dr. Garver. However, he cautioned that China does not see itself as becoming a dominant power in the Persian Gulf and Arab Sea, preferring instead that a non-hostile power such as the US, Iran, or maybe even Russia (but certainly not India) take leadership in that conflict-prone region.

Strengthens China's Capability for Sustained Operations in the Arabian Sea. China's base in Djibouti also extends its capability to conduct sustained operations in the Arabian Sea (Garver). It suggests that China might be interested in establishing additional People Liberation Army – Navy (PLAN) supply points—or even bases—to serve in a time of war (Garver). Mr. Jeffrey Payne, a China expert at Near East South Asia (NESA) Center, suggests that the base may “serve as a staging point and communications hub for PLA forces engaged in military operations other than war (MOOTW).”

Does Not Mean China Will Become Involved in Middle East Conflicts. While the base is positioned to serve as a platform for extending China's influence and reach into the northwest Indian Ocean, it is unlikely that China will increase its already reluctant participation in counterterrorism operations or take greater responsibility for the security of the commons, Mr. Payne argues. It is instead intended to project strength in the Arabian Peninsula and shore up its power in Africa.

Effect on PRC-Iran Relations

To answer the question about the base's effect on the PRC-Iran relationship, we have to look at a more comprehensive picture of China's desired outcomes. China is positioning itself to become the dominant power in Asia and a global maritime power (Payne). To extend its reach, it will need to establish reliable relationships with the governments of nations that have strategic, overland, deep water ports, namely: Myanmar, Pakistan, and Iran (Garver, Payne). Djibouti itself would not be useful during war with the US or India because China lacks overland access to the base (Garver).

China is actively building relationships and influence with these three countries as part of its One Belt One Road (OBOR) initiative (Garver). Of the three partners, Pakistan would be the most reliable partner in a conflict with India (if the US remained neutral) (Garver). However, Pakistan would not be willing to enter into a war with the US. Myanmar is a less ideal partner due to its long history of neutrality between India and China and a historical suspicion of Chinese motivations (Garver).

This brings us to Iran. China has a complicated relationship with Iran. Iran would be a reliable partner in a war, but China is cautious about developing strong ties with the country that might upset its relationship with the US, which it sees as fundamental to its economic growth (Garver). The thawing of the relationship between the US and Iran during the last two years of the Obama administration opened the door for China to increase its ties to Iran, which it did through its OBOR initiative (Garver). While China does not want to get drawn into conflicts in the Middle East, its growing ties with Iran threaten this (Payne).

Implications for the USG

In considering what the base means for USG interests in the region, it is helpful to look across a spectrum of time. In the short term, US interests in the Middle East are not undermined by China's presence in Djibouti (Payne). However, in the long run, the base signals that China is intensifying its global ambitions in terms of its desire to be the dominant power in Asia—both maritime and economically. OBOR is viewed by some as an effort to create an alternative to the US-led international system (Payne). As a potential gray zone threat,¹ Mr. Payne asserts that while “China's base does not pose a direct challenge, ... it serves as a clear reminder that China is using our very security system to undermine our position without confrontation.”

¹ Bragg, B. (2017). *Gray Zone Conflicts, Challenges, and Opportunities*. Strategic Multilayer Assessment, US Joint Staff. Retrieved from <http://nsiteam.com/integration-report-gray-zone-conflicts-challenges-and-opportunities/>

Expert Contributions

John Garver

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China's strategic objective in the northwest Indian Ocean region is to slowly and incrementally expand its influence there as part of China's rise as Asia's preeminent power. Growth of China's naval power in that region is a key element of China's effort to grow China's influence, and the new, permanent PLA-N base at Djibouti is part of that process. Beijing does not currently imagine itself becoming the dominant power in the Persian Gulf/ Arabian Sea region. Instead Beijing is willing to cede the vulnerable position of regional dominance to another hopefully not-hostile power: the US, the Islamic Republic of Iran, perhaps even Russia --- though certainly NOT India

The PLA-N established a continual, substantial and expanding presence in the Indian Ocean only in 2009 (a mere 9 years ago). Before then and starting in 1985 two or three ship squadrons of the PLA-N (typically a destroyer and a supply ship) entered the Indian Ocean once every several years to make friendship calls at a few ports around that littoral. Then in 2009 under the political protection of the international piracy effort in the Gulf of Aden, squadrons of PLA-N warships, drawn from all of China's three main fleets, began rotating through duty in the Indian Ocean, familiarizing themselves with conditions in those waters. By 2014 Chinese "anti-piracy" squadrons included atomic-powered attack submarines and amphibious assault vessels.

There were legitimate economic reasons for China to commit the PLA-N to anti-piracy duty in the northwest Indian Ocean. Merchandise delivery schedules and insurance rates for Chinese vessels had been adversely affected by pirate attacks. But the PLA-N's bold push into the Indian Ocean was also part of a calculated attempt to seize the opportunity of deep Western economic crisis juxtaposed to China's continuing and seemingly unstoppable economic rise.

With stockpiles and repair facilities under Chinese control, and some degree of guaranteed access, the base at Djibouti strengthens the PLA-N's capabilities for sustained operations in the Arabian Sea region. Djibouti broke China's long-standing taboo against "foreign military bases," and, as such, suggests further PLA-N supply points, and perhaps even full-blown bases defended by Chinese forces and with host-country guarantees of PLA-N access in wartime. Djibouti would, however, be of little use in the event of a conflict with either India or the United States. Even if defended by rapid pre-conflict forward deployment of the PLA-N's impressive "anti-access, area denial" systems and troops, without over-land contact with Djibouti the PLA would probably lose Djibouti in the first round of a conflict with either India or the United States. Viable Chinese defense of PLA-N forward operating bases would depend on friendly over-land routes that could permit reinforcement immune from superior Indian and/or US naval power.

There are three over-land options: Kyaukpyu in the Bay of Bengal, Gwadar in Pakistan Baluchistan, and an Iranian port, possibly Chabahar in Iranian Baluchistan and outside the crowded Strait of Hormuz.

China is building its influence with each of the sovereigns --- Myanmar, Pakistan, and Iran --- holding these ports. The high- speed railways and highways constituting Beijing's "One Belt, One Road" connecting China with each of these three countries and ports would greatly strengthen China's ability to hold one or all of these three ports in the event of a conflict.

Pakistan would be the most reliable partner for China, especially if China came into conflict with India but with the United States remaining neutral. Pakistan's willingness to enter a war against the United States in partnership with China is far more questionable. Myanmar with its long history of neutrality, balancing between India and China, and deep historical suspicion of China that makes Kyaukpyu a less viable option for PLA-N war time use. Iran, on the other hand, has several times proposed an anti-US front between China and Iran; Tehran has also several times demonstrated its willingness to "say no" to America along with a desire to drive US military forces out of the Gulf.

Beijing has been very cautious in responding to Tehran's occasional invitations to joint Chinese-Iranian struggle against the United States, and/or Israel. China's leaders have seen decent relations with the United States as a key foundation for China's economic modernization. The improvement of Iranian-US relations during the last two years of the Obama Administration (starting with the secret talks in Oman and culminating in the Joint Comprehensive Plan of Action in July 2015) created space for expanded China-Iran cooperation. PRC President Xi Jinping was the first foreign leader to visit Tehran after the JCPOA came into full effect in January 2016.¹ Xi offered large scale assistance to Iranian industrialization and identified ports, harbors and infrastructure as areas of expanded cooperation. It was also during this period that the PLA-N dropped its long standing taboo against military cooperation with Iran, with PLA-N warships visiting Iranian ports the first time a year before signature of the JCPOA.

Beijing's push for expanded military cooperation with Iran rouses major concerns for India. Chinese-Indian rivalry for Iran's friendship is intensifying. It is important for U.S. leaders to understand India's strategic interests and calculations in this regard, and show understanding and respect for the degree of Indian "strategic autonomy" necessary to counter China's friendship offensive toward Iran.²

¹ A chapter on "China and the Iran nuclear negotiations" by this author in a forthcoming book published by Oxford University Press, October 2017, titled Red Star and the Crescent and edited by James Reardon-Anderson, analyzes China's role and objectives in the Iran nuclear negotiations culminating in the JCPOA.

² An article by this author in a forthcoming issue of Strategic Analysis published by the Institute for Defense Studies and Analysis in New Delhi analyzes the growing Chinese-Indian rivalry toward Iran.

Kyle Haddad-Fonda
Independent

The stated reasons for the opening of a Chinese military base in Djibouti are to support anti-piracy patrols in the Gulf of Aden and the Indian Ocean and to “carry out international humanitarian obligations.” This latter aim is intentionally vague, and naturally it has led to considerable speculation about the expansion of China’s interests in Africa and the Middle East. While it is difficult to know exactly what Chinese military strategists have in mind—let alone how these plans might evolve in the coming decades—it seems reasonable to assume that one key purpose of the base is to make sure Chinese troops are ready to protect Chinese civilians working in the region. Communities of Chinese citizens now exist in every country in Africa and the Middle East. Reliable estimates place the total number of Chinese expatriates in Africa at over one million. In recent years, the Chinese government has prided itself on its ability to protect its citizens overseas. When mass protests in Egypt and then civil war in Libya broke out in 2011, the Chinese government not only evacuated its citizens in those countries quickly, but also produced widespread propaganda materials celebrating how efficiently it removed Chinese civilians from danger while leaving those countries to solve their own political problems. Just in the past week, China has evacuated its nationals from hurricane-ravaged Dominica, then celebrated that operation in the state-run media with headlines such as “Chinese overseas workers express gratitude to homeland during hurricane.” It is also helpful to bear in mind the reception of this summer’s Chinese blockbuster, *Wolf Warrior II*, which concludes when the Chinese military heroically appears to rescue civilians caught in an African conflict. While of course one must be careful about drawing lessons on military strategy from movies, the remarkable popularity of this particular film does demonstrate the extent to which Chinese citizens have come to expect that their government will be there to protect them, no matter where they travel, study, or work. The establishment of a military base in Djibouti is a significant step toward making this expectation a reality.

I was a bit surprised to see that this question linked China’s base in Djibouti with the country’s relationship with Iran. While Iran and Djibouti may be relatively close as the crow flies, a person who pays attention to China’s relations with the Middle East would not normally view them as connected. The reason is that China has historically differentiated between its ties to Africa and its ties to the Middle East, establishing distinct institutions to facilitate relations with each region. When I interviewed Arab diplomats in Beijing in 2013, several complained that China puts more resources into the Forum on China–Africa Cooperation than into the China–Arab States Cooperation Forum and that China chose a more effective diplomat to serve as special envoy to Africa than as special envoy to the Middle East. Nearly all press coverage of the opening of the base in Djibouti, including in the Chinese state media, has focused on the possibilities it creates for China’s involvement in Africa, but not in the Middle East. Considering the strict institutional dichotomy China has created between the two regions, as well as its consistent interest in avoiding the appearance of intervening in Middle Eastern conflicts, it seems reasonable to take the public statements of Chinese officials at their word and assume that the focus of the Djibouti base is primarily on Africa.

That is not to say that China’s relationship with Iran is entirely irrelevant to this discussion—just that one has to take a fairly broad perspective on Chinese foreign policy in order to see the connection. One of the most significant developments in Sino–Iranian relations in 2017 has been Beijing’s offers to negotiate between Iran and Saudi Arabia. These offers, which preceded the state visit of Saudi King Salman to Beijing in March, were part of a larger flurry of efforts this year to mediate conflicts in the wider Islamic world. This year alone, China has also offered its services to help settle disputes between Israel and Palestine, the Gulf Cooperation Council countries and Qatar, India and Pakistan, Pakistan and

Afghanistan, and even Eritrea and Ethiopia. China's interest in offering its services as a mediator appears to be driven in part by Beijing's need to bolster its reputation for impartiality. China's support for Bashar al-Assad's regime in Syria has taken a toll on its relationships with other Arab countries. In response, the Chinese government has tried to play up its longstanding commitment to helping all other countries without intervening in any. Beijing claims that the new military base in Djibouti will help it fulfill this promise by facilitating humanitarian missions. In that sense, the base and the mediation offers fit into the same public relations strategy by which China tries to present itself as consistently helpful at a time when the many conflicts in the region are making it more and more difficult to maintain such an image.

Jeffrey Payne

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China's recently opened People's Liberation Army (PLA) facility in Djibouti is set up as a dual use facility – serving both military and civilian functions, with most initial functions falling somewhere in the area of resupply and refuel. It also is intended to serve as a staging point and communications hub for PLA forces engaged in military operations other than war (MOOTW). Given the People's Liberation Army Navy's (PLAN) ongoing counter piracy and civilian escort function (ongoing since 2008), the positioning of the base in Djibouti makes sense, as does the PLA's focus on African and Levantine peacekeeping operations. Yet, the facility positions the PLA to do much more than these initially planned functions.

The PLA will certainly develop further capability in monitoring and intelligence gathering (signal intercept, etc.) in the region, use the PLA presence to provide further evidence of China's trustworthiness among regional states, and use the facility as a platform to communicate strength to Indian Ocean competitors (primarily India). At the same time, even with a prime position, China will continue to drag its feet in assisting in CT operations in the region (claiming a false premise of non-intervention) and will avoid taking on greater responsibility for the security of the commons.

In the short run, the strategic position for CENTCOM, the DoD, and the United States is not undermined by the PLA base in Djibouti. Yet, in the long run, the base is a clear signal that China is intensifying its orientation towards the western Indian Ocean region, positioning itself as a global maritime power, and working to push forward China's Belt and Road initiative as an alternative to the US-led current international system. In short, China's base does not pose a direct challenge, but it does serve as a clear reminder that China is using our very security system to undermine our position without confrontation.

The base in Djibouti does not appear to have a substantial impact on PRC-Iran ties. China's strategic and defense community remains divided on how heavily to orientate China's Middle East objectives towards Iran. China first and foremost wants to remain removed from regional conflict and major political problems and becoming too connected to Iran will eventually create strategic problems with the core of the GCC. Beijing does have long standing ties with Tehran and sees Iran as key to its continental belt of the Belt and Road, but there have been problems in the past within the bilateral relationship. Beijing was not pleased to see Iran woo European investors after the P5+1 Talks to modernize its energy infrastructure – as Beijing assumed its longstanding backing of Tehran would automatically give it preference. Tehran, for its part, has warmed to Moscow more recently – seeing a common political footing that China has never enjoyed with its Iranian partners.

The base in Djibouti has more to do with maritime efforts in the western Indian Ocean, projecting strength in the Arabian Peninsula, and shoring up power in Africa. Iran factors in, but on a secondary basis. Most PRC – Iran ties are connected to overland infrastructure and land-based strategic engagement – the connective tissue of the Central Asia-Iran-Levant aspect of the belt in the Belt and Road. Regular port visits by PLAN vessels should be expected and possibly intensified joint training, but the Djibouti base shall not likely serve to intensify maritime engagement beyond what is already on track.

Daniel Serwer

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A: We should be happy that China, which depends much more on oil through Hormuz than we do, is taking up a stronger position in the region, though the base's location in Djibouti so near to ours naturally causes a bit of heartburn. This is, however, far better than their enhancing their AA/AD abilities in the Asia Pacific, which threaten U.S. abilities to protect its allies. A blue water PLA Navy that can extend its anti-piracy operations in the Middle East to more responsibility for oil flows should be welcomed, by inviting it into multilateral exercises and creating a multinational naval force with Chinese participation. The Iranians will not attack such a force, since about half their oil exports end up in China.

Nor will a blue water Chinese navy represent a serious threat to the U.S. for decades to come. It may even be necessary to convincing Beijing that international norms on law of the sea are in their interest. Major naval powers have always taken up freedom of navigation as a cause: the Dutch invented it, the Brits followed, and the Americans inherited the baton. If we want Beijing to accept U.S. interpretations of law of the sea, we need to be prepared to accept China as a major maritime power, not just an unwelcome adversary.

Biographies

John Garver



John W. Garver is Emeritus Professor in the Sam Nunn School of International Affairs at the Georgia Institute of Technology. He served for many years on the editorial boards of *China Quarterly*, *Journal of Contemporary China*, *Issues and Studies*, and *Asian Security*. He is a member of the National Committee on US-China Relations. His research focuses on China's foreign relations. His most recent book is China's Quest; The History of the Foreign Relations of the People's Republic of China (Oxford University Press, 2016). The latest book is the first comprehensive history of PRC foreign relations from 1949 to 2015.

Kyle Haddad-Fonda



Kyle Haddad-Fonda holds a doctorate in Oriental studies from the University of Oxford, where he was a Rhodes Scholar. His academic research analyzes the history of China's relations with the Arab world, focusing on the roles of Chinese Muslims and Arab leftists. He is also a frequent commentator on China's current ties to the Middle East, and his articles have appeared in such publications as *Middle East Report*, *ChinaFile* and *Foreign Policy*.

Jeffrey Payne



Jeffrey Payne currently serves as the Manager of Academic Affairs at the Near East South Asia (NESAs) Center for Strategic Studies. As part of the Center's academic team, he helps to manage over 50 strategic engagements a year. He joined the NESAs Center in 2012, after serving for five years as an Instructor of Political Science at Butler University. While at Butler, he served as an expert on Asian politics, political economy, and contentious politics. Mr. Payne has also served as a consultant for the World Bank and as a faculty member for DePauw University.

As a long time Asia Hand, Mr. Payne conducts analysis on Chinese foreign policy, Eurasian security, maritime security, and international political economy. He is particularly interested in the intersection of maritime security and illicit trade in the Indian Ocean and the security

dimensions of growing East Asia-Middle East relations. Presently, he serves as the NESACenter's lead for engagements in the People's Republic of China, including programs focused on China's role in Afghanistan and the One Belt, One Road initiative. He also serves as the director of the Next Generation Seminar, an ongoing U.S. government program devoted to the rising generation of leaders in the Middle East employing unique methods to internally counter violent extremism, and leads NESACenter's Strategic Forum series on Indian Ocean threats.

Mr. Payne's writings have appeared in *ChinaFile*, *The National Interest*, *The Diplomat*, *War on the Rocks*, and the *Middle East Institute's MAP Project*, among others. He has presented at defense colleges, universities, and research centers throughout Asia and Europe.

Daniel Serwer



Also a scholar at the Middle East Institute, Daniel Serwer is the author of *Righting the Balance* (Potomac Books, November 2013), editor (with David Smock) of *Facilitating Dialogue* (USIP, 2012) and supervised preparation of *Guiding Principles for Stabilization and Reconstruction* (USIP, 2009). *Righting the Balance* focuses on how to strengthen the civilian instruments of American foreign policy to match its strong military arm. *Facilitating Dialogue* analyzes specific cases and best practices in getting people to talk to each other in conflict zones. *Guiding Principles* is the leading compilation of best practices for civilians and military in post-war state-building.

As vice president of the Centers of Innovation at the United States Institute of Peace (USIP), Serwer led teams working on rule of law, peacebuilding, religion, economics, media, technology, security sector governance and gender. He was also vice president for peace and stability operations at USIP, overseeing its peacebuilding work in Afghanistan, the Balkans, Iraq and Sudan and serving as executive director of the Hamilton/Baker Iraq Study Group.

As a minister-counselor at the U.S. Department of State, Serwer directed the European office of intelligence and research and served as U.S. special envoy and coordinator for the Bosnian Federation, mediating between Croats and Muslims and negotiating the first agreement reached at the Dayton Peace Talks; from 1990 to 1993, he was deputy chief of mission and chargé d'affaires at the U.S. Embassy in Rome, leading a major diplomatic mission through the end of the Cold War and the first Gulf War.

Serwer is a graduate of Haverford College and earned masters degrees at the University of Chicago and Princeton, where he also did his PhD in history.