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Impact of China dominance in South Asia political and economic shifting situation

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Prologue

In *the past decade, Chinese appetite in Asia is growing day by day. Its rising influence and economic prospectus in South Asia have many implications for India and its neighbours. The Chinese policy in the region of Asia is that of exploitation and self-serving. South Asian are falling into the debt trap, like Sri Lanka, effectively turning these areas as Chinese territory. China's dominance needs to be countered before it turns South Asian countries into Chinese colonies.*

South Asia holds a special place in Chinese foreign policy owing to geographical, historical, economic ties and the migration of millions of ethnic Chinese to the region. In the post-war period, China's relations with the South Asia have evolved through distinct phases.

Increasingly, China is employing a combination of economic inducements and coercion to advance its strategic objectives in the region. It does so through a host of new institutions and projects, notably the Belt and Road initiatives (BRI). BRI launched in 2013, is the most visible platform for advancing China's neighbourhood diplomacy and achieving a community of common destiny to South Asia.

In addition, China is developing new sub regional initiatives, such as Lancang-Mekong Cooperation (LMC) mechanism, to coordinate BRI projects and advance its economic and political ambitions in mainland South Asia.

China is becoming more involved in the domestic affairs of South Asian countries. Officially, non-interference in the internal affairs of other countries has been a core principle of Chinese foreign policy since 1950s. While principle and practice have sometimes diverged, Beijing has generally sought to remain good relations with the countries where China does business or has diplomatic or security interests.

China has carried out aggressive diplomatic moves to defend its far-reaching sovereignty claims in South China Sea based on the 'nine-dash line', its historical claim that encircles as much as 90% of the contested waters. This tongue-shaped line extends as far as 2,000 kilometres from the Chinese mainland to within a few dozen kilometres of the Philippines, Malaysia, Vietnam and Brunei. Chinese aggression is a threat not only to the South Asian region but also to world peace and prosperity.

Methodology:

- Descriptive Analysis
- Qualitative research

- Analytical research
- Evaluative research

The problem:

In South Asia, China has encountered a dynamic region marked by as many endemic problems as enticing opportunities. It is a region struggling with violent conflict, nuclear-armed brinksmanship, extensive human development challenges, and potentially crippling exposure to the ravages of climate change. But it is also one whose economic growth prior to the COVID-19 pandemic was robust, that has a demographic dividend, and whose vibrant independent states are grappling with the challenges of democratic governance including the world's largest democracy like India. Unlike the arms race of 20th century, the bone of contention in the 21st century is that of influence.

India-China

Beijing wants to expand its influence in South Asia for its own sake and to force India to devote time and resources to its neighbourhood rather than to project influence into East Asia. For its part, New Delhi worries about encirclement by Beijing. China seeks access to India's large domestic market and potential for economic growth. To drive economic cooperation, China has relied on leader-level engagement, direct investments, and low-cost consumer and industrial goods. However, recent Indian moves to restrict access for Chinese firms, particularly in the technology industry, show deepening concerns about the economic, political, and security effects of engagement with China and a determination to avoid dependency on Beijing.

India is one of China's few neighbouring states that has outright and publicly rejected participation, much to the chagrin of Chinese leaders. Beijing seeks to gain economically from India's involvement in BRI, but New Delhi clearly harbours deep suspicions about how BRI could be used against it. Specifically, India worries that BRI is too enticing for the smaller and poorer South Asian countries to turn down, thereby opening the door to India's potential encirclement by countries participating in the project. While BRI certainly seeks heightened economic interaction with India's neighbours, it remains debatable whether Beijing has a grand plan of leveraging BRI for regional power projection purposes in the future. What is clear, however, is that New Delhi feels uncomfortable with Chinese attempts to secure port access agreements along the Indian Ocean in places like Sri Lanka and Bangladesh, and New Delhi is probably watching Myanmar closely as well. The bottom line is that India will not want to relinquish its dominant position in the Indian Ocean.

China undoubtedly wants to prevent India from getting any closer to the United States. Although Chinese military preparation for potential contingencies against Taiwan or in the East or South China Seas understandably receives much of the attention in the West, Chinese military scholars have written extensively about the potential for a renewed border war against India along the Himalayas.

Pakistan-China

The China-Pakistan axis is strengthening, which has a detrimental effect on governance and economic reform efforts in Pakistan given the concomitant lack of transparency and accountability. Chinese-funded development projects are hardly the sole cause of problems in Pakistan, but BRI projects, in working outside established standards, can exacerbate underlying weaknesses in governance and

contribute to an already unsustainable debt load. Although it wants to avoid taking on the burden of Pakistan's problems, Beijing is also heavily invested in the China-Pakistan Economic Corridor (CPEC) as the potential crown jewel of the BRI and an overland transit route to the Indian Ocean. The CPEC faces many obstacles and its visions remain largely unfulfilled, but China's commitment remains durable, particularly given the reputational risks of letting the BRI's flagship corridor fail and Beijing's increasing determination to balance India. The relationship is also buoyed by military ties and diplomatic support, which further entrench the army's role in Pakistan's government and strengthen illiberalism within Pakistan.

Afghanistan-China

China seeks Afghan reconciliation, to include Taliban integration, in a future government. Most recently in September, Beijing noted that Afghanistan "should have broad representation and inclusiveness in order to make all factions and ethnic groups equally involve[d] in the political life so as to build a united political foundation." This has been a consistent Chinese policy over the years.

As noted earlier, Beijing further seeks to incorporate Afghanistan into BRI. According to a readout of Xi's meeting with Afghan President Mohammad Ashraf Ghani in June 2019, Beijing seeks to "steadily promote practical cooperation in economy and trade [via BRI]." In April, Chinese Foreign Minister Wang Yi reaffirmed Beijing's interest in helping Afghanistan through BRI, stating "China is willing to work with Afghanistan to deepen joint construction of the Belt and Road and advance bilateral cooperation in various fields in order to jointly benefit the two countries and peoples."

Like in its relationship with Pakistan, China looks to Afghanistan to support counter-terrorism operations to prevent instability from spilling over into bordering Xinjiang province. Xi has pledged to "continue to help Afghanistan build its capacity in fighting terrorism and maintaining stability." Xi further "called on the Afghan side to continue to firmly support China in its fight against the terrorist force of East Turkistan Islamic Movement." In a trilateral context, China, Pakistan, and Afghanistan are working together to share more intelligence related to counter-terrorism.

Lastly, China probably views the continued stationing of US troops in Afghanistan as foolhardy. According to a Chinese opinion piece from February 2017, "the total expense of the mission is even higher than that of reconstructing Europe after WWII. However, only 63 percent of Afghanistan's territory is under the control of the Afghan government, and the area is plagued by rampant opium plant and corruption problems." The editorial goes on to state that "the [U.S.] government is unable to function without international aids. The U.S. seems to be overwhelmed by its operation in Afghanistan." Given these conditions, Beijing probably finds it strategically advantageous to have the US hobbled by this conflict and less able to focus on countering China in the Indo-Pacific.

Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka

In July, Chinese Premier Li Keqiang met with Bangladeshi Prime Minister Sheikh Hasina, and the two leaders focused much of their discussion on the need for the economic development of Bangladesh via BRI funding. According to the joint communique issued after the engagement, "the two sides shared the view that the BRI offers a model of international cooperation for all the participants and provides new opportunities for regional connectivity and economic integration." It

is possible that Beijing seeks to leverage BRI development of a power hub at Payra to obtain port access in the future.

In addition to the focus on economic issues, China and Bangladesh pledged to deepen defence cooperation, especially in the areas of "defence industry and trade, training, equipment and technology, mutual visits of navy ships, and the UN peacekeeping operations." The Chinese navy in 2016 made its first port visit (and again in 2017) to Chittagong, perhaps signaling Beijing's belief that the largest port in Bangladesh holds geostrategic value. China is also the largest arms supplier of the Bangladeshi military, providing 71.8 percent of weapons from 2008 to 2018, suggesting that Beijing seeks to further ingratiate itself with Dhaka through these sales. A final important feature of Chinese statements on Bangladesh is that Beijing will continue to look to Dhaka for counter-terrorism cooperation as both "opposed terrorism in all its forms and manifestations."

Bhutan does not have diplomatic relations with China, and so there is much less interaction than with other South Asian countries. However, in the last meeting held in February 2019 between visiting Chinese ambassador to India, Luo Zhaohui, and Bhutanese Prime Minister Lotay Tshering, Beijing emphasised the need to continue working together with Bhutan on resolving the border issue. This is likely in reference to the Doklam region in which a China-India dispute occurred in 2017. Either way, the last round of China-Bhutan border talks were held in 2016.

China's relationship with the Maldives is near-exclusively focused on leveraging BRI to develop Maldives as well as to raise Chinese influence there to counter India. Beijing's preferred Maldivian President, Abdulla Yameen Abdul Gayoom, was defeated in elections in 2018, and the current leader, Ibrahim Mohamed Solih, is more amenable to India's wishes. Bilateral ties, however, remain positive, with Chinese Foreign Minister Wang as recently as July 2019 noting his appreciation for continued Maldivian support of BRI. Beijing has touted the completion of the "China-Maldives Friendship Bridge" as a tangible example of what positive bilateral relations can create to benefit average Maldivians. Indian and Western suspicions persist, however, that Beijing plans to develop Maldives for geostrategic purposes.

Following his visit to India in October, Chinese President Xi went directly to Nepal in what was the first visit by a Chinese head of state in 23 years. While on the ground, Xi signed 20 agreements through BRI to better enable China to develop and connect with Nepal. The two sides "will accelerate the building of the Trans-Himalayan Multi-Dimensional Connectivity Network through connectivity projects including ports, highways, railways, aviation, and communications, and have announced the launch of a feasibility study of the China-Nepal cross-border railway." Beijing was further pleased to see Kathmandu acknowledge that "Tibet affairs are China's internal affairs, and the determination [of Nepal] on not allowing any anti-China activities on its soil."

Finally, on Sri Lanka, the Chinese focus is mainly on developing the island and likely currying influence there for future geostrategic aspirations. During a meeting between Chinese Premier Li and Sri Lankan President Maithripala Sirisena in May 2019, the two leaders expressed an interest in progressing with BRI projects, consistent with the last joint statement issued in 2016. Western "debt-trap" concerns persist, however, and rightfully so. In exchange for paying down Colombo's BRI debt, the Chinese got Sri Lanka in December 2017 to hand over Hambantota port on a 99-year lease; Hambantota is geostrategically located on the Indian Ocean, potentially bolstering Beijing's String of Pearls.

In response, Beijing has noted that debt-trap fears are "a false proposition created by Western media with a direct attempt to obstruct the joint development of China and other developing countries, including Sri Lanka." Beijing has instead argued that "the Hambantota port was built for the Sri Lankan government and its people" and has focused on improvements to the port making it more commercially viable. To demonstrate that it has no malign intentions at Hambantota, Beijing has floated the idea that third countries should invest in the port.

ASEAN countries-China

According to China's pronouncements, the core of its regionalism strategy is "to secure a peaceful environment"—both regional and global, so that it could focus on its own economic development. The fact is that beginning in the mid-1990s, China has endeavoured to integrate the Southeast Asian region with itself at its centre. It has extended economic assistance to countries like Indonesia, Cambodia, Laos, Malaysia; and it has exported arms cheaply to the region. Between 2012 and 2018, Beijing upgraded its bilateral relations with almost all ASEAN member-states to either 'strategic cooperative partnership' or 'comprehensive strategic cooperative partnership'.

From the 2010s, China has initiated efforts to consistently contest the US in the region. Xi Jinping's call for "Asia for Asians" implies a Chinese 'Monroe Doctrine' which does not fit in well with its proclaimed commitment to globalisation. To be sure, however, China's development assistance to Asia remains highly limited compared to that of Japan. Most of China's aid and investment activity in the region comes as BRI infrastructure funds, and loans from the Asian Infrastructure Investment Bank (AIIB), which is China's answer to the World Bank.[28] According to AIDDATA Policy Report of June 2018, China's "official finance with diplomatic intent" to Southeast Asian countries (2000-2016) sector-wise is the following: infrastructure – 95 percent, debt relief – 2.7 percent, budget support – 1.3 percent, and humanitarian aid – 0.5 percent.

Whether China will become the dominant power in the Southeast Asian region will depend on whether the states in the region come to believe that depending on China for both development and security is what they should strive for, or alternatively, if the US decides to withdraw from the region. The following paragraphs take a closer look at the responses of ASEAN member countries so far.

Conclusion:

As detailed in this brief, Chinese interests in South Asia stretch far beyond simply maintaining amicable relations in the region. Rather, China is dissatisfied at the LAC with India and is trying to improve the situation to its liking. Beijing is also frustrated with New Delhi's persistent support of the Dalai Lama and rejection of BRI. As a result, China seeks to undermine India by aligning closely with arch rival Pakistan.

India is already painfully aware of these realities, and since Modi came to power in 2014, New Delhi has attempted to deter China while being cordial and productive with it—most notably through the series of informal leadership summits held between Xi and Modi at Wuhan (2018) and Chennai (2019). However, as the recent border flare-up demonstrates, Beijing does not simply appreciate New Delhi's cooperation and dispense with assertiveness in the bilateral relationship. Instead, China doubles down, and that is likely to push India even closer to the US and other like-

minded democracies such as Australia and Japan—with all four countries making up the Quadrilateral Security Dialogue or 'Quad'.

Beyond India, China further uses its long-standing and deep relationship with Pakistan to insulate itself from terrorism and to establish a strategic foothold in a future Afghanistan. Furthermore, Beijing leverages BRI in nearly every country (except India)—potentially with geostrategic implications, especially at ports throughout the Indian Ocean. Going forward, all South Asian countries should be aware of what precisely Beijing is attempting to achieve in their region, and the potential long-term consequences.

Chinese aggression can be effectively countered by alliance of Quad countries, the USA, India, Australia and Japan. India as a leader of Asia has to take proactive steps to maintain balance of power in the region. South Asian countries also form important partners in India's economic dreams and any threat to the region is threat to India's economic and political endeavours. 'New Alliance' is therefore necessary to counter unbridled rise of China and aggressive diplomacy of dragon.

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