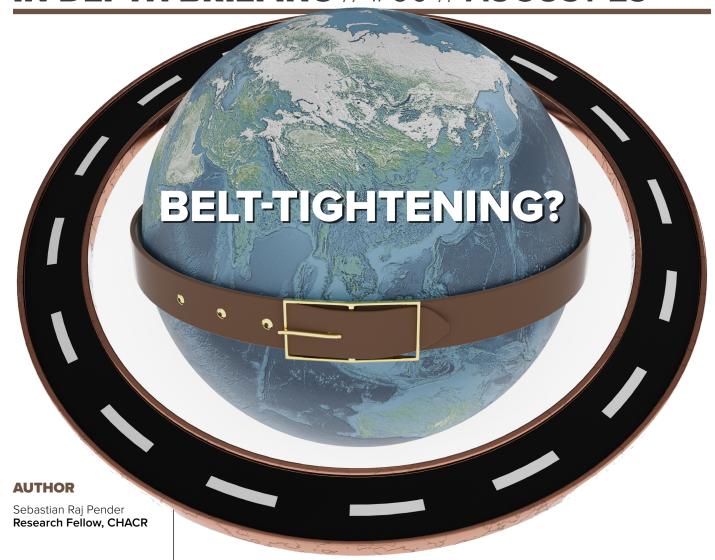
IN-DEPTH BRIEFING // #60 // AUGUST 23





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INDO-CHINA COMPETITION IN SOUTH ASIA AND THE GLOBAL BALANCE OF POWER

ONSIDERABLE
South Asian
engagement is
essential if China is to
realise its broader geopolitical
and geostrategic goals as part
of the Belt and Road Initiative.
Home to both Pakistan, the
scheme's most staunch ally, and
India, its greatest opponent,
the region presents China
with significant opportunities
tempered by seemingly
irrevocable challenges.

China's increasingly assertive and sometimes outright belligerent behaviour aimed at overcoming

obstacles in the region is now, however, encouraging India to shore up its own relationships with its neighbours in an attempt to offset growing Chinese influence. Further, India is seeking out new economic, diplomatic, and security partnerships across the Indo-Pacific with countries including the US, resulting in South Asia increasingly being shaped by the logic of major power competition. Accordingly, even though the US-China rivalry will most likely continue to centre on East Asia and the Western Pacific, it would be wrong to overlook the role of

South Asia in helping determine the 21st century's global balance of power.

SOUTH ASIA AND THE BELT AND ROAD INITIATIVE

Though a lack of transparency makes precise accounting impossible, many estimates put Chinese investment into

For an interesting analysis of how academic perceptions and policies in India and Pakistan evolved over time see Richard Ghiasy, 'The Belt and Road Initiative in South Asia', in Florian Schneider, Global Perspectives on China's Belt and road Initiative: Asserting Agency through Regional Connectivity, (Amsterdam: Amsterdam University Press, 2021), pp.265-290.



its enormously ambitious and potentially globally transformative Belt and Road Initiative north of \$1trillion to date.2 With 2023 marking the tenth anniversary of the scheme, it is worth noting that this figure only accounts for a small fraction of the total spend necessary to complete the construction of extensive highspeed rail networks and major port hubs required to realise China's ambition of forging a complex of direct connections to target markets across Asia, Africa, and Western Europe.

Of the thousands of miles which make up these 21st century terrestrial and maritime Silk Roads, those which run to and through South Asia are of special importance. As a region that has enjoyed decades of strong economic growth and which accounts for around 25 per cent of the world's population, South Asia is seen as one of the most promising regions for the Belt and Road Initiative. Though South Asia therefore represents a priority for Chinese trade and investment, it is the region's potential to unify the Belt and Road Initiative's land and sea routes that makes it vital to broader Chinese interests. By providing the

²Lingling Wei, 'China Reins in its Belt and Road Program, \$1 Trillion Later', The Wall Street Journal, 26 September 2022, wsj.com/ articles/china-belt-road-debt-11663961638



"WITH THE PROMISE OF ENORMOUS ECONOMIC AND STRATEGIC ADVANTAGES, PAKISTAN RESPONDED ENTHUSIASTICALLY TO PROPOSALS MADE BY CHINESE PREMIER LI KEQIANG IN 2013 TO DEVELOP A BILATERAL PARTNERSHIP."

Belt and Road Initiative with numerous potential access points to the Indian Ocean, South Asia not only has the potential to strengthen Chinese energy security by opening new transport links for Middle Eastern oil that bypass the Malacca Straits, but it enables China to project power into the Indian Ocean region. Taken together, therefore, South Asia is geographically, strategically, and economically central to the Belt and Road Initiative.³

Given the significance of the region, it is unsurprising that South Asia has emerged as a key focus for China over at least the last ten years, resulting in significant investment in infrastructure initiatives, the development of strategic partnerships, an increase in state sponsored cultural exchange programmes, and efforts to develop, solidify, and sustain economic cooperation and integration with its constituent nations.4 Accordingly, Afghanistan, Pakistan, Nepal, Bangladesh, Sri Lanka, and Maldives have all joined the initiative with India and Bhutan being the only two countries to decline outright. Though China has therefore experienced

considerable interest in joining the Belt and Road Initiative from countries in South Asia, Pakistan has been both China's most enthusiastic partner, and most significant strategic ally.

GWADAR PORT AND THE CHINESE-PAKISTAN ECONOMIC CORRIDOR

With Pakistan's relationship with the US wavering since at least 2011 and deteriorating significantly following the 2021 US withdrawal from Afghanistan, China's interest in forging a yet stronger bond between the two 'all weather friends' was welcomed by Islamabad, which saw China as an alternative partner to the US and as a potentially invaluable source of economic, diplomatic, and military support. In addition, with Pakistan and China both separately involved in their own protracted and rancorous border disputes with India, Pakistan has long looked to China for support against a country which it views as the greatest and most tangible geopolitical threat to its interests in the region.5

With the promise of enormous economic and strategic advantages stemming from involvement in the Belt and

Road Initiative, Pakistan responded enthusiastically to proposals made by Chinese Premier Li Keqiang in 2013 to develop a bilateral partnership leading to the China-Pakistan Economic Corridor being formally established by President Xi Jingping during a visit to Pakistan in 2015. Touted as the flagship programme of the Belt and Road Initiative, the corridor will link Kashgar in the Xinjiang Uygur Autonomous Region of Northwest China to Pakistan's Gwadar Port on the Arabian Sea. Requiring more than \$60 billion of investment to establish and renovate an extensive network of power plants across Pakistan as well as construct or else modernise and extend thousands of miles of roads, railways, and pipelines, the China-Pakistan **Economic Corridor promises** enormous economic advantages for Pakistan by dramatically improving its existing transport and energy infrastructure and creating much needed jobs in the process. With such extensive construction projects required to realise the corridor, China and Pakistan have further cemented their relationship with the designation of an initial nine special economic zones, of which four are already at an advanced stage of development.

Once complete, the corridor offers China several distinct advantages. With China's continued economic growth dependent on an abundant supply of raw materials and especially oil and gas, securing its sea lines of communication with Africa and the Middle East has been central to Chinese strategic thinking over the past two decades. In this regard,

³Anu Anwar, 'South Asia and China's Belt and Road Initiative: Security Implications and Ways forward', in Alexander L. Vuving (ed.), Hindsight, Insight, Foresight: Thinking About Security in the Indo-Pacific, (Honolulu: Asia-Pacific Centre for Security Studies, 2020) pp. 161-178.

^{&#}x27;Manjari Chatterjee Miller, 'China and the Belt and Road Initiative in South Asia', Council on Foreign Relations, Discussion Paper June 2022 - cft.org/report/china-andbelt-and-road-initiative-south-asia

⁵See Rudra Chaudhuri, 'The Making of an 'All Weather Friendship'': Pakistan, China and the History of a Border Agreement: 1949 – 1963', The International History Review, (2018) 1, pp.41–64. See also Manjari Chatterjee Miller, 'How China and Pakistan Forged Close Ties', Hindustan Times, 2 October: 2022.

the implications of what then Chinese President, Hu Jintao, termed China's Malacca dilemma in 2003 has been the subject of prolonged scrutiny by analysts. Linking China and other major Asian economies including Japan, Taiwan, and South Korea with the Indian Ocean, the Malacca Straits is a key choke-point for maritime trade routes passing through Southeast Asia and therefore, from China's perspective, a significant vulnerability to its energy security and broader prosperity.6 The China-Pakistan Economic Corridor, however, goes a long way to mitigate against the implications of China's Malacca dilemma. With Pakistan's Gwadar Port located around 250 miles from the Strait of Hormuz, it provides China with a strategic line of communication with the Persian Gulf that is not dependent on the Malacca Straits, and therefore helps secure Chinese access to its share of the 17 million barrels of oil that are shipped through the Arabian Sea daily. In addition to reducing Chinese vulnerability to the machinations of hostile maritime powers, acts of piracy, and natural disasters, China believes that the corridor will stimulate much needed economic development resulting in a reduction of political instability in Xinjiang province.7 Taken together, therefore, the economic corridor promises significant strategic and economic advantages to China.

INTEGRATION OF AFGHANISTAN AND THE SMALLER SOUTH ASIAN NATIONS INTO THE BELT AND ROAD INITIATIVE

With the exception of Bhutan, whose relationship with China is complicated by long-standing border disputes, the smaller South Asian nations have responded to the Belt and Road Initiative as a potentially welcome alternative to what many see as the region's historical over-dependence on India.8 Nonetheless, their



integration into the scheme has not been uniform owing primarily to how these countries have factored in their existing relationship with India when negotiating with China, alongside a range of historical, cultural, political, and economic factors which have influenced attitudes to the initiative at the national and even sub-national levels. In addition, the careful analysis of the positive and negative experiences which have resulted from decisions made by other South Asian nations to engage with the programme have influenced if, how, and when neighbouring states have chosen to likewise engage.9

Though the smaller South Asian nations which have joined the Belt and Road Initiative have therefore experienced asymmetrical integration, the impact of the scheme is obvious across the region. In the strategically significant island nations of Maldives and Sri Lanka, for example, extensive and ambitious infrastructure projects have been completed including the deep-water Hambantota port on the southern tip of Sri Lanka, and the nearly mile-long Maldives-China Friendship Bridge, which is pictured above

and links the islands of Malé, Hulhulé and Hulhumalé.10 Bangladesh has entered into a strategic partnership with China and together established a Chinese Economic and Industrial Zone which has played a key role in attracting Chinese investment and trade resulting in China becoming the largest source of foreign direct investment in Bangladesh, as well as the country's biggest trading partner and supplier of military hardware. Despite extensive infrastructure projects being announced for Nepal, a range of issues including Nepalese concerns stemming from the debt accrued by other small South Asian nations due to their involvement in the Belt and Road Initiative has mired progress, though there are now signs that a range of connectivity projects may be expedited. Afghanistan, meanwhile, is seen by China to represent both a potentially valuable source of natural resources and a significant security threat that could further destabilise Xinjiang province by fuelling Uyghur separatism and even providing direct support of various kinds to the militants. These concerns have helped motivate Chinese strategic engagement in Afghanistan

being conducted under the Belt and Road banner, most recently resulting in the decision to extend the China-Pakistan Economic Corridor into Afghanistan.¹¹

INDIA AND THE CHALLENGE OF THE BELT AND ROAD INITIATIVE

As most recently reiterated by Indian Prime Minister Narendra Modi, whilst chairing the 23rd meeting of the Council of Heads of State of the Shanghai Cooperation Organisation on July 4, 2023, India has deep rooted objections to the Belt and Road Initiative. Addressing the meeting attended by - among others - Chinese President Xi Jinping, Pakistani Prime Minister Muhammad Shehbaz Sharif, and Russian President Vladimir Putin, Modi made a less than subtle allusion to the initiative when arguing that though projects aimed at increasing regional connectivity offer many advantages, "it is essential to uphold the basic principles of the Shanghai Cooperation Organisation charter, particularly

⁶For a good overview that remains relevant see Mare Lanteigne, 'China's Maritime Security and the 'Malacca Dilemma', Asian Security, (2008) 2, pp.143-161.

For discussions on the political vs economic rationale of CPEC see Jeremy Garlick, Reconfiguring the China-Pakistan Economic Corridor: Geo-Economic Pipe Dreams Versus Geopolitical Realities, (Abingdon: Routledge, 2022); Squadron Leader Mohit Choudhary, 'China's Malacca bluff: Examining China's Indian Ocean Strategy and Future Security Architecture of the Region', Journal of Indo-Pacific Affairs, (2023) 1, pp.99-108.

⁸Tanvi Madan, 'Major Power Rivalry in South Asia', Council on Foreign Relations: Discussion Paper Series on Managing Global Disorder No. 6, October 2021, pp. 1-44 - cft. org/report/major-power-rivalry-south-asia

⁹Ibid; Anwar, 'South Asia and China's Belt and Road Initiative'.

 $^{^{10}}Bridge\ now\ named\ Sinamal\'e\ Bridge.$

¹¹For more on China's relationship with the Smaller South Asian countries see Nilanthi Samaranayake, 'China's Engagement with Smaller South Asian Countries', United States Institute of Peace, Special Report 446 (2019), pp.1-23 - usip.org/publications/2019/04/chinas-engagement-smaller-south-asian-countries

respecting the sovereignty and territorial integrity of the member states". Central to India's objections to the Belt and Road Initiative in this regard is the China-Pakistan Economic Corridor, which passes through what New Delhi considers Pakistan-occupied Kashmir, making activities pursued as part of the project "inherently illegal, illegitimate and unacceptable". 13

Further fuelling Indian concerns in this regard is the prospect of the growing Chinese civilian presence in the area attracting the direct protection of the Chinese military. With Chinese nationals continuing to be the

¹²English Translation of Prime Minister Shri Narendra Modi's Remarks at the 23rd SCO Summit, 4 July 2023, mea.gov.in/ Speeches-Statements.htm?dtl/36750/English_ Translation_of_Prime_Minister_Shri_ Narendra_Modis_Remarks_at_the_23rd_ SCO_Summit#:~:text=Regardless%20 of%20its%20form%20or,standards%20 om%20sucht%20serious%20matters

¹³Arindam Bagchi, Spokesperson for the Ministry of External Affairs. See 'Illegitimate, Unwarranted': India Rejects References to Kashmir, CPEC Made in Xi-Sharif Meet', The Wire, 4 November 2022, - thewire.in/ diplomacy/cpec-xi-sharif-joint-statement

¹⁴For an analysis of how China may respond to future crises in South Asia, see Yun Sun, 'China and South Asia Crisis Management in the Era of Great Power Competition', Norwegian Institute of International Affairs (NUPI), pp. 1-7.

¹⁵Sushant Singh, 'Can India Transcend Its Two-Front Challenge?', War On The Rocks, 14 September 2020 - warontherocks. com/2020/09/can-india-transcend-its-twofront-challenge; Darshana M. Baruah, 'India's Answer to the Belt and Road: A Road Map For South Asia', Carnegie India, 21 August 2018 - carnegieindia. org/2018/08/21/ india-s-answer-to-belt-and-road-road-mapfor-south-asia-pub-77071

¹⁶Gurmeet Kanwal, "Pakistan's Gwadar Port: A New Naval Base in China's String of Pearls in the Indo-Pacific," Centre for Strategic And International Studies, Briefs April 2018 - csis.org/analysis/pakistansgwadar-port-new-naval-base-chinas-stringpearls-indo-pacific

¹⁷Saroj Kumar Aryal and Simant Shankar Bharti, 'Evolution of 'India's Neighbourhood First Policy'' Since Independence', Society, (2023) 1, pp.224-232.

¹⁰Saroj Kumar Aryal, 'India's "Neighbourhood First" policy and the Belt and Road Initiative', Asian Journal of Comparative Politics, (2021) 4, pp.744-756.



"VIOLENCE ON THE INDO-CHINA BORDER AND CHINESE INTERESTS IN PAKISTAN CONTROLLED KASHMIR HAVE COMBINED TO RAISE FEARS IN NEW DELHI OF A TWO-FRONT WAR ERUPTING ON INDIA'S NORTHERN BORDERS."

target of attacks launched by several different militant groups based in Pakistan, there are fears in India that Chinese military outposts may be established, or else already covertly exist, to help safeguard China-Pakistan **Economic Corridor employees** and infrastructure. Such a presence would clearly raise significant security concerns for India and would also, alongside the growing number of Chinese civilians in the area, influence the way China would respond to a violent escalation on the Indo-Pakistan border.¹⁴ Such concerns should themselves be considered in relation to the long-standing Indo-China border dispute which, as well as resulting in a war in 1962, has more recently erupted in sporadic violence including the 2020 Galwan Valley crisis that led to the deaths of 20 Indian and at least four Chinese soldiers. This escalation of violence on the Indo-China border and greater Chinese interests in Pakistan controlled Kashmir have combined to raise fears in New Delhi of a two-front war erupting on India's northern borders. 15

Though the construction of transport and energy infrastructure in Pakistan, and especially in contested territory as part of the China-Pakistan Economic Corridor, is therefore of great concern to India and is the subject of overt, trenchant,

and persistent criticism from New Delhi, it is arguably China's growing maritime footprint in the Indian Ocean region that most threatens Indian interests, and the regional balance of power. Part of what some observers consider China's 'String of Pearls' strategy, the corridor's gateway to the Indian Ocean at Gwadar poses a significant potential security risk. Though ostensibly a civilian port, speculation that it could become a People's Liberation Army naval base raises fears that China may in the future use it for power projection and intelligence gathering in the Indian Ocean region. In such a scenario, Gwadar's proximity to the Strait of Hormuz could pose a significant threat to regional and global energy security. Alongside other 'pearls' including Sri Lanka's deep-water Hambantota port, which was handed over to Chinese stateowned companies on a 99-year lease in 2017, and Kyaukphyu port located in the Bay of Bengal at the end of the China-Myanmar Economic Corridor, many in New Delhi see Gwardar Port as part of a comprehensive Chinese containment strategy aimed at India. Combined with existing military facilities in Djibouti, and China's developing strategic relations with the region's island nations, New Delhi fears that the development of China's maritime

Silk Road may have as its ultimate

objective the total domination of the Indian Ocean.¹⁶

NEIGHBOURHOOD FIRST, ACT EAST AND PROJECT MAUSAM

With the Belt and Road Initiative representing a significant threat to Indian interests, New Delhi has responded by developing, resurrecting, or else strengthening several distinct policies to mitigate or negate the impact of China's increasing presence in South Asia and the Indian Ocean region. To this end, India has expended considerable diplomatic effort and economic resources renewing and cultivating relationships with strategically located countries in the Indo-Pacific.

A key component of India's attempt to counter China's increasing influence in South Asia has been to re-energise its Neighbourhood First policy, which has been a crucial, if sometimes neglected, cornerstone of India's broader foreign policy since 1947.17 Aimed at strengthening India's relationship with its neighbours whilst perhaps even going so far as to promote a regional identity as part of a unified South Asia, Modi has emphasised the importance of this policy since his election in 2014. Indeed, his decision to invite the eight heads of state of the constituent members of the South Asian Association for Regional Cooperation to his inauguration in 2014 was itself interpreted as a powerful statement of India's commitment to the region. This gesture has been followed by India initiating diplomatic visits, instituting cultural initiatives, and forging stronger economic and militarial ties with its neighbours.18 In the case of Pakistan and Gwadar Port, where entrenched interests and obstacles limit diplomatic and economic efforts, India has instead prioritised the development of Chabahar Port located in Iran, some 50 miles further west, to limit the geostrategic significance

of Pakistan's bilateral relationship with China.¹⁹

Beyond attempts to secure the immediate neighbourhood, Modi's administration also re-prioritised and extended India's 'Look East' policy which it accordingly renamed 'Act East'. Through the development of new economic relationships, defence cooperation programmes, and strategic partnerships with countries including Vietnam, the Philippines, and Indonesia, India is now emerging as a strategic actor in Southeast Asia with the intention of balancing China's influence. On the cultural front, meanwhile, the launch of Project Mausam is in large part, as Raghvendra Singh explained in 2020 whilst speaking as a senior representative of the Ministry of Culture, an attempt "to remind the region as to why the ocean is called the Indian Ocean".20 Aimed at telling an alternative story to the one promoted by China's maritime Silk Road, Project Mausam is a mnemonic project that attempts to (re) connect the countries that make up the Indian Ocean world and unite them with a shared history that prioritises their historic relationship to India.21

THE QUOD AND US-INDIA COOPERATION IN ASIA AND THE INDO-PACIFIC

Though the cultural, economic, and strategic programmes launched by India in response to China's growing influence in South Asia and the broader Indo-Pacific are of great significance, it is India's growing relationship with the US that represents the most important development in the region when seen from a global perspective. With a strong convergence of interests between the US and India over the past two decades in preventing China from dominating Asia and the Indo-Pacific, the two countries have found common ground on which to build a strong bilateral relationship focused on

defence cooperation and sharing advanced technology.²²

Indeed, as demonstrated by Modi's recent four-day state visit to the US in June 2023, during which he was accorded the honour of addressing Congress for the second time in his tenure as Prime Minister, the United States sees India as a cornerstone of their Indo-Pacific strategy. The extent to which India likewise values and benefits from the strategic partnership was underscored by several significant announcements being made during the visit regarding US-India defence relations including the signing of a memorandum of understanding between General Electric and Hindustan Aeronautics Limited for the manufacture of GE F-414 jet engines in India, alongside the procurement of armed MQ-9B SeaGuardian drones by India's defence ministry, boosting Indian intelligence gathering and reconnaissance capabilities. In many ways commensurate in scope to the relationship shared by the US with its treaty allies, the US-India strategic partnership that emerged as a result of Modi's state visit brings the two countries closer than ever before on the world stage.

An important additional component of US-India cooperation in the Indo-Pacific is their joint engagement with the Quadrilateral Security Dialogue. Established as a loose coalition between the US, Japan, Australia, and India to help facilitate and coordinate humanitarian assistance in response to the 2004 Indian Ocean earthquake and tsunami, the Quad was resurrected in 2017 to help deepen economic, diplomatic, and military ties between member states, and to act as a counterbalance to China's growing influence and assertiveness in the region. Though India originally positioned itself as a somewhat reluctant member when the Quod was revived in 2017, its greater

buy-in to the grouping since the recrudescence of tension and clashes on the border with China is emblematic of the extent to which India now perceives the US and its allies to be an essential component of its own strategy in the region.

Hopes and fears that the Quad might develop into a formal alliance or even an 'Asian NATO' are somewhat misplaced, however, and rely on a fundamental misreading of India's geopolitical aspirations and current interests in the region. Short of an all-out border war with China appearing imminent to New Delhi, or else developing due to an unchecked escalation resulting from one of the all too frequent skirmishes, India does not want to sacrifice its albeit strained relationship with China by formerly aligning itself with the US or a US coalition. Further, unlike the US' relationships with countries in the anglosphere for example, India is not a partner that would be prepared to at times subserviate what it otherwise identifies as its own interests for the sake of serving the broader geostrategic goals of the US. This reality is clearly demonstrated by India's continued refusal to condemn Russia's ongoing war in Ukraine, coupled by its willingness to purchase discounted Russian oil despite international sanctions. Rather than acquiesce to US pressure and threaten an important international relationship with a country that continues to supply it with an enormous amount of military hardware, India instead leveraged the international situation to its own advantage. Though it is therefore essential for the US to appreciate the contours of its relationship with India when evaluating what support it might expect in the event of a US-China crisis resulting from, for example, the blockade or invasion of Taiwan, shared apprehensions about the prospect of China

dominating Asia and the Indo-

Pacific mean that the US-India relationship will continue to help shape global politics.

CONCLUSION

Though the epoch defining rivalry that is developing between the US and China will most likely focus on East Asia and the Western Pacific, the significance of South Asia to the Belt and Road Initiative means that this region will not be immune to the effects of 21st century great power competition. Though Pakistan believes that greater Chinese interest in South Asia will be to its benefit, India is increasingly opposed to China's maritime Silk Road on the grounds that it is aimed at the domination of the Indian Ocean and is part of an initiative that has as its ultimate objective the creation of a reconfigured Eurasian order that has China at its centre. India feels compelled, therefore, to upgrade its engagement with the smaller South Asian countries in an attempt to secure its neighbourhood, whilst reaching out to other countries and powers in the Indo-Pacific to help bolster its geopolitical position. With India and the US finding common cause to manage China's rise, major power competition will play a significant role in structuring and restructuring South Asia in the decades to come.

¹⁹Anwar, 'South Asia and China's Belt and Road Initiative', p.172.

²⁰Raghwendra Singh, Keynote Address at Indian Council of World Affairs Webinar on Roads, Winds, Spices in the Western Indian Oceane, 6-7 July 2020 - icwa.in/ show_content.php?lang=1 &level=1 &ls_ id=5709&lid=4033

²¹indiaculture.gov.in/project-mausam

²²See Dennis Kux, India and the United States: Estranged Democracies, (Washington DC: National Defence University Press, 1993).

²³Purnendra Jain, India's Changing approach to the Quadrilateral Security Dialogue', East Asian Policy, (2022) 1, pp.56-70.

²⁴For contrasting viewpoints see foreignaffairs. com/india/americas-bad-bet-india-modi and foreignaffairs.com/united-states/americasbest-bet-indo-pacific