

South Asia as an economic battlefield between India and China: With special reference to Indian Ocean

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Abstract:

The industrial development of China resulted in increasing needs of energy and former has emerged as one of the largest energy importer in the world. Indian ocean which is known for its trade routes and energy passes, is witnessed of 85% of oil import of China from different parts of world. South Asian region and Indian Ocean are known for the domination of India. Therefore, China's approach towards South Asian region can be portrayed in two ways. On the one hand it is looking to increase its own leverage in South Asia and Indian Ocean and on the other hand want to mitigate Indian influence there. Now China is also looking to diversify its routes of trades and energy supply by making roads and pipelines from Bay of Bengal to Yunnan a Southern province of China. Moreover Beijing has developed Gwadar and Chittagong ports in Pakistan and Bangladesh respectively in order to increase its influence in Indian ocean.

Keywords: India , China, Economic aid, Indian ocean, South Asia

Introduction:

It is believed that Western countries are losing their grip over economic system and consequently economic power is shifting from West to East in which India and China occupy a significant place. Both countries are very aspirational as well as energetic to gain the status of great powers for themselves in world politics. No country can emerge as global power without domination in its neighbourhood and India and China are well aware of the fact. This first condition of emerging as a giant globally push India and China in a competition to gain more and more influence in their neighbourhood and Indian Ocean as well. Some South Asian states like Sri Lanka and Maldives are known as littoral states of Indian Ocean and some others like Bangladesh, Pakistan and India share border with this great ocean of world. This thirst of getting power of both Asian giants, enthrusts them to penetrate in the sphere of influence of each other. South Asian region and Indian Ocean are known as the domination of India and China is using economic aid in order to getting leverage in the countries of South Asia and Indian Ocean as well. (Nga&Thuong 2021).

China's approach towards South Asian region can be portrayed in two ways. On the one hand it is looking to increase its own leverage in South Asian region as well as Indian Ocean and on the other hand want to mitigate Indian influence there. Furthermore in order to achieve this goal it is providing huge economic aid to the states of sub region. India is also busy to maximize its influence in South Asia and Indian ocean. Both Asian giants are approaching to the countries of the area with bunches of economic aid which providing big opportunities to the states from the sub-region for economic and infrastructural development. Moreover competition between India and China is proving good for the states of sub region, who are getting benefits from both without deteriorating much their relationship with both Asian giants. These economic assistance, which are being provided by New Delhi and Beijing to these states will be proved as panacea in order to spread prosperity among the people of South Asian region(Mishra 2022).

Both India and China are demonstrating huge interest in the states of Indian ocean and pursuing different ways in order to get their goals. India believe in bilateral as well as multilateral approaches while dealing with the states of the sub region. But on the other hand China like to deal bilaterally with countries of the these states. South Asian region join the border with South

Western part of China, therefore Chinese leverage is not only important for economic benefits but also to secure sovereignty and integrity of country. Ostensibly, consolidating position of India in the South Asian and Indian ocean region is a major challenge to China's economic advantage there.(Nga&Thuong 2021).

Inauguration of Belt and Road initiative by China :

Belt and Road Initiative is a largest land connectivity program which China want in substantial form in order to enhance land connectivity with other countries of would along with to expand economic capabilities of the country in an extra ordinary way. In September 2013 it was first time when Chinese President Xi Jinping announced BRI project while delivering a speech at the Nazarbayev University of Kazakhstan. President Xi stressed on the need of increasing economic interaction among the countries of Eurasia for mutual benefits of all. Again in October 2013, President Xi Jinping repeated the need to revival of the age old maritime Silk Road, while addressing at the forum of Asia pacific economic cooperation. China is well aware of the fact that without funding, this project can not be got in substantial form. Therefore various financial institutions were established by China in order to fulfill the economic need for the infrastructural development of the signatories of BRI. Asian Infrastructure Development Bank (AIIB) is worth mentioning here in this respect, which has 86 members states. The total capital of this bank is amounted as 100 billions U.S dollars and the 30 billion U.S dollars of total amount has been provided by China alone. It reveals the dominating position of China in this gargantuan source of investment for the infrastructural development of various countries from different Continents (Sarkar P-159).

China's policy of String of Pearls :

South Asian sub region is also known as Indian backyard and sphere of influence as well. India is blessed with very significant geographical location in South Asia with having 72% of landmass of the sub region along with 75% of economic power projection. In addition 77% of inhabitants of South Asia are living in India which make it one of the biggest market of the world. All these extraordinary characterizes of India make it a hegemonic power in the region. For the years India has been enjoying the status of dominating power of the sub region but now after the entry of China in the South Asian the whole financial and strategic environment of the sub region is getting charged. Now China is developing ports in the countries located in Indian Ocean, where India has a hegemonic position as well. It is worth mentioning here that Gwadar port of Pakistan, Hambantota port of Sri Lanka, Chittagong port of Bangladesh etc are being developed by China in Indian Ocean. The navy and military development by China on these ports are serious cause of concern for India security and integrity. This encirclement of India by China is also describe as String of pearls in International arena. But China always deny this claim and explained these all developments only for financial purpose and deployment of navy or military on these ports is only for the protection of economic interest of country and sea lanes of communication of Indian ocean as well(Senevirathna 2022).

Belt and Road Initiative of China in South Asia and Indian Ocean :

Now China is busy to get it's largest connectivity programme in substantial form, which is known as Belt an Road Initiative. It is believed that almost 75% of total world population from 65 countries from different continents will be covered under the realm of BRI. This project needs huge economic aid and China has a plan to invest almost 4 trillion dollars in the countries from different parts of the world from which 1 trillion dollars would go to Asian continent alone annually. This huge investment and increasing leverage of China in various countries from inside and outside of the region alarm the security and financial tendencies for many regional and extra regional powers like America, Australia, India etc. It is fact that most of the countries from Asia, Africa and European continent want to become part of BRI in order to get financial benefits and all countries from South Asia except India and Bhutan have become part of BRI (Mishra 2022).

Economic emergence always come from industrial development which always need energy resources. China do not has sufficient energy resources at home and is mostly dependent on foreign countries to get energy in order to feed up it's intensified growth. Beijing always blamed that in past Western powers exploited the other states economically and militarily in order to emerge as gargantuan powers. But it do not follow such kind of methods for it's economic and military developments. It is dependent on it's industrial development to get status of great power in Asian region and world politics as well. This industrial development resulted in increasing needs of energy and Beijing has emerged as one of the largest energy importer in the world. Indian ocean which is known for it's trade routes and energy passes, is witnessed of 85% of oil import of China from different parts of world via strait of Malacca. These trade routes of the Indian ocean always became the victim of piracy and terrorist attack and China is well aware about these kind of risks. In order to provide protection to it's goods transportation and energy supply it is looking to consolidate it's position in India ocean. Now China is also looking to diversify it's routes of trades and energy supply by making roads and pipelines from Bay of Bengal to Yunnan a Southern province of China. Moreover Beijing has developed Gwadar and Chittagong ports in Pakistan and Bangladesh respectively in order to increase it's influence in Indian ocean(Ali 2010).

Economic aid by China to South Asian states having valency with Indian Ocean :

Bangladesh is an important country of South Asian region which is located in Bay of Bengal from where most of energy resources from different parts of world to China, which includes Africa and countries from Western Asia. Bangladesh emerged on the map of world in the wake of India-Pakistan war of 1971. At the initial stage China did not provide much space to Dhaka in it's foreign affairs. China is known as all weather friend of Pakistan therefore former used it's first veto against Bangladesh in united nations organization. Consequently relationship between China and Bangladesh during this time was not so cordial and friendly. But in a short span of time China came to know about the economic and strategic importance of Bangladesh and diplomatic relationship between both Asian countries was established on 31st August 1975(khondoker&Zaman 2022).

Now Bangladesh has become a favourite destination of China's economic aid and investment. In 2016 China made a promise to fulfill 27 projects in Bangladesh. Furthermore China is also very keen to promote people to people contacts between the people of itself and Bangladesh and Confucius institute was also promised for Dhaka university. Furthermore China is also laying down a railway track in order to enhance connectivity of Dhaka with Southern part of the country with the investment of worth 3.14 billion US dollars. This project is also known as Padma bridge rail link, which is very important for China to consolidate it's position in Bay of Bengal. China's investment in order to enhance infrastructural development of Bangladesh is not only beneficial for both states but also will be helpful to enhance land connectivity between India , Bangladesh , Bhutan and Nepal(Ibid 2022).

During Chinese president Xi Jinping's visit to Bangladesh in 2016 a bunch of agreements were signed between China and Bangladesh. Beijing promised to Dhaka to fulfill these agreements with the investment of worth 38.05 billion US dollars. In addition China had also became the largest trade partner of Bangladesh in 2005 which reached to 10 billion US dollars till 2008. This was evident of increasing mutual economic interaction between China and Bangladesh. This also demonstrate the increasing presence of Beijing in Bay of Bengal via Bangladesh (Ibid 2022).

Sri Lanka is located in Indian Ocean and has become a significant destination of Chinese investment in the form of loans and aid. In order to help Sri Lanka for it's infrastructural development China invested huge amount of money in the Country which resulted in increasing debt of former. It reached 8 billion US dollars which Sri Lanka could not return China (Bagchi 2021). Beijing also focused to increase it's trade relationship with Colombo which expanded to 4 billion US dollars in 2016 from 660 million US dollars previously. Today many officials and journalists are getting training in China in their respective professions. China has also established

Confucius institution in Kelaniya and Colombo university in 2007 and 2015 respectively in order to spread Chinese culture and values in Sri Lanka which will be helpful to enhance people to people contacts between the people of both sides.(shafqat 2022). In fact China invest most of money in the development of ports in Sri Lanka and Hambantota port is worth mentioning here. Increased debt of Sri Lanka from international organization and China put former in big problem and as the consequence of failure in paying back this loan Sri Lanka handed over it's Hambantota port to China on lease for 99 years. This port will be helpful of China to consolidate it's position in India ocean which is a big cause of security apprehension for India in the sub region(Bagchi 2021).

Maldives is another important littoral country located in India ocean.China and Maldives relationship are age old but Chinese embassy in latter was established on 9 November 2011. China is investing in Maldives in order to infrastructural development of latter and "China-Maldives friendship bridge" with total length of 2.1 km is worthwhile to described here in this regard.(Moorthy&Revi 2021). During the president ship of Abdulla Yameen Abdul Gayoom trade relationship between China and Maldives got a boost with 16.49% share of total trade of Maldives with the outer world. This increased economic ties helped China to emerge as the largest trade partner of Maldives. It is also a fact that there is a big gap in import and export of Maldives while interaction with China in economic domain. Male's import from China has reached to 338 million US dollars and export to latter is limited to just 30.4 million US dollars which demonstrate the big trade deficit between both states in favour of China. As the consequence of efforts made by both Maldives and Beijing total trade between both has reached to 274.86 thousands million dollars which was just 29,149 dollars in 2012(Aktar 2022).

Pakistan which is known as major rival of India in South Asian region has become a major destination of Chinese investment. China is constructing China-Pakistan economic corridor (CPEC) throughout the Pakistan. This corridor is known as basis of BRI project of China which will connect Southern part of China with Gwadar port of Pakistan located in Indian Ocean. In this way this corridor will be helpful for China to establish a direct land connect with India Ocean. In order to get this major project in substantial form, China announced 46 billion US dollars at the initial stage of CPEC. Afterwards the importance of this major infrastructural project which includes highways, railway tracks and pipe lines enthused China to expand this investment to 62 billion US dollars. CPEC corridor will increase economic capability of China which will also be helpful to develop it's Southern province as well. Furthermore Gwadar port is also known as linchpin of BRI project of China where the two parts of BRI called Maritime Silk Road Initiative(MSRI) and Silk Road economic Belt (SREB) join to each other. (Senevirathna 2022).

China has also a plan of developing Gwadar port as a industrial hub and largest port of world as well. This extraordinary development of China in the Indian Ocean in the form of Gwadar will also be helpful to expand trade relationship of China with countries of inside as well as outside of the Asian region (Ibid 2022).

China is also looking to increase it's strategic leverage in Indian Ocean and to fulfill this Chinese dream, Pakistan has a major role to play. Apart of Gwadar port, China is developing one another port of Pakistan in India Ocean which is known as Jiwani port. This port is just 60 km away from Gwadar port in the Western side. This port is known for navel base of Pakistani navy and both Pakistan and China has a plan to develop a air base at this port which on the one hand will enhance Chinese strategic leverage in IOR and on the other hand will pose a serious security threat to India. (Mishra 2022). In addition, China is expanding it's trade relationship with Pakistan which has registered a tremendous growth rate of 77% from 2012 to 2015.(Senevirathna 2022).

Indian reaction to increasing Chinese influence in littoral states of Indian ocean:

China now has emerged as major source of investment for the countries of the sub region , which is helpful for the infrastructural development of these states. This huge investment on the one hand increasing leverage of China in these states and on the other hand mitigating Indian leverage

in its own sphere of influence. India now is also focusing on the increasing its contacts and good will in the states of South Asian region and Indian ocean and had adopted the “Neighbourhood first policy” in this regard. The countries from the sub region also well aware of the on going competition between India and China to enhance their influence in these states. Therefore on the one hand these countries are trying to get more benefits from this competition and on the other hand striving to make a balance while interacting with both Asian giants. Visits paved by the Sri Lankan and Maldives leaders immediately after capturing political power are major examples in this regard.(Lama 2022).

In the wake of huge flow of investment by China in Maldives, India also inaugurated several infrastructural development programme in Maldives and construction of “Thilamale sea bridge project” is worth mentioning here. This bridge is very important in order to enhance Male’s reach to its three islands called Villingili, Gulhifahu and Thilafashi. This is 6.7 Km long bridge. Furthermore India is investing in health sector of Maldives and had sponsored 100 bed hospital to care cancer patients. Moreover New Delhi is also investing in Maldives to develop a airport in Kulhudhuffushi which amounted to worth of 800 million US dollars .(Moorthy&Revi 2021).

India is also focusing on maintain its influence in Sri Lanka as well. New Delhi invested huge capital in health and education sector of Sri Lanka. For instance India provided 300 ambulances to Sri Lanka from 2016 to 2019, which are operating in different provinces of latter. Hence India is also playing important role in building houses for the homeless peoples of Sri Lanka and 60000 houses have been constructed so far by India and had been handed over to the people of Sri Lanka(Bagchi 2021).

In order to counter Beijing’s policy to increase its influence in Indian Ocean, New Delhi is focusing on developing radar policy by providing marine surveillance radar system to Maldives and Sri Lanka. This radar system will be helpful for India to supervise developments taking place in Indian Ocean, which may jeopardize security and integrity of India(Nga&Thuong 2021).

Bangladesh which is very important country located in Bay of Bengal and where China is looking to enhance and consolidating its position. India is providing huge amount of money for the infrastructural development of the country which is amounted as 3.2 billion US dollars. Hence New Delhi has a plan to expand this investment by three times in upcoming years. Moreover Bangladesh has become largest trade partner of India from sub region and trade between two South Asian countries has reached to 9 billion US dollars along with informal trade via border which stands to approximately 8-9 billion US dollars(Chakravarty 2021).

In the Western side of India, it join border with Pakistan which is known for hostile relationship with it. Despite of historical, cultural and social similarities both countries are failed to increase mutual trust and cordial relationship. Furthermore terrorist activities conducted by the terrorist getting training in camps active on the soil of Pakistan is also big huddle in the way of improving relationship between India and Pakistan. A big terrorist attack took place in February 2019 in which 40 soldiers of central police lost their lives. In the wake of anti Indian activities , conducted and supported by Pakistan all kind of dialogue process was ended and relationship between India and Pakistan are in worst situation than ever in history(Pande 2021).

Conclusion :

India and China are two Asian giants having aspiration of becoming great powers in global politics. Both are well aware of the fact that without being a influential power in their neighbourhood and Indian Ocean, they can not get their due share in world politics. Both are neighbouring states and are in busy to enhance their influence in Asia particularly in South Asian states, located in Indian Ocean. South Asian sub region and Indian Ocean which are witnessed of India influence, having economic and strategic importance for China as well. In fact China has insufficient energy resources and dependent on foreign countries in order to fulfill its industrial demand of energy. This energy mostly passes through and nearby the South Asian states and Indian Ocean, where India occupy a dominating position. In the wake of such hegemonic position of India in the sub region, China step in the sub region with huge economic aid, which has been

welcomed by the countries of South Asian region. Now China is providing huge economic aid to the countries of South Asia located in Indian Ocean with dual purposes. On the one hand China want to mitigate Indian influence in South Asian region and Indian Ocean as well and on the other hand it want to consolidate it's own position there, in order to pursue it's economic as well as strategic interest. India is well aware of the Chinese ambitions towards the Indian ocean and is expanding it's economic interaction with countries of the area. This competition between India and China to get more leverage in the Indian ocean, provided appropriate opportunities of economic and infrastructural development to the states of the sub region.

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