



COMMENTARY

China's Strategic Influence in South Asia

B. Raman*

China is not a South Asian power, but it has been seeking to build up for itself a strong South Asian presence which could cater to its strategic needs in the long term. It has made inroads in the South Asian countries in recent years by taking advantage of their hunger for the development of their infrastructure and their requirement of financial assistance for major infrastructure projects and for the exploitation of their natural resources.

While India too has been helping these countries in these domains, China has a definite advantage over India due to its large cash reserves, garnered as a result of its huge trade surpluses and the reservoir of excellent construction engineers with experience in infrastructure building which it has built up over the years. The fact that China has no contentious issues affecting its bilateral relations with these countries – as against many contentious issues in the relations of India with its neighbours – has also worked to its advantage.

The Chinese policy in the South Asian region has a mix of strategic and opportunistic dimensions – that is, working for carefully calculated long-term strategic objectives while not missing short- and medium-term opportunities that

*Shri B. Raman is a strategic analyst and presently Director of the Institute of Topical Studies, Chennai. The commentary is excerpted from an address by Shri B. Raman during a seminar "Strategic Contours of India - China Relations" organised by the Indian Navy's Eastern Naval Command (ENC) on 14 July 2011.

come its way. One sees the strategic dimension in the case of its relations with Pakistan. One sees a mix of the two in its relations with other South Asian countries.

Its relations with Pakistan, which continue to enjoy the highest priority, are driven by a strong strategic calculus. That calculus arises from its perceived need for a second front to keep India preoccupied. In its strategic calculation, its ability to prevent a military conflict with India would depend on a strong military-related capability in Tibet and a strong Pakistani military capability in the nuclear and conventional fields.

China has been trying to see that Pakistan has an edge over India in its military nuclear capability, including the delivery vehicles. It has been strengthening Pakistan's offensive and defensive air and naval capabilities. After the recent raid by the US naval commandos in Abbottabad to kill Osama bin Laden on 2 May 2011, it has promised to expedite the delivery of aircraft needed by the Pakistan Air Force (PAF) to strengthen its air defence capability.

Simultaneously, it has also been helping Pakistan in repairing and upgrading the Karakoram Highway and has promised to help in the construction of other roads. A feasibility study for the construction of a railway line from Xinjiang through Gilgit-Baltistan has been undertaken.

Of the various proposals received from Pakistan for the development of its infrastructure, China has given high priority to those relating to Gilgit-Baltistan and low priority to those relating to Balochistan. It has not shown an interest in taking up for the time being Pakistan's proposals for the upgradation of the Gwadar commercial port, built earlier with Chinese assistance, into a naval base. Similarly, it has been going slow in follow-up action on other pending Pakistani proposals for the construction of a petro-chemical complex in Gwadar and oil-gas pipelines from Gwadar to Xinjiang.

The priority given by China to infrastructure projects in the Gilgit-Baltistan area is meant to enable Pakistan to protect this area from any future Indian threats and give the Pakistani armed forces the capability to pose a credible threat to India, which would serve China's strategic objective too.

There have been unconfirmed reports from a US journalist about the presence of a little over 10,000 Chinese troops in the Gilgit-Baltistan area. If true, these reports would further underline China's strategic objectives in Pakistan. A significant development post-Abbottabad was the strong defence of Pakistan's counter-terrorism

record by Beijing and its attempts to see that no harm came to Pakistan as a result of US suspicions regarding possible Pakistani complicity – governmental or non-governmental – in sheltering Osama bin Laden for a little over five years in Abbottabad. Thus, China's strategic interest in protecting Pakistan; strengthening its capabilities; and maintaining the effectiveness of the threat it could pose to India in times of need, remains as strong as ever. It will remain so even if there is an improvement in India's relations with China and Pakistan.

The Sino-Pakistan axis means not only the need for our being able to fight on two fronts simultaneously in times of war, but also a two-front capability for the collection of intelligence in times of peace. Collection of intelligence – human and technical – from China requires capabilities totally different from those required for the collection of intelligence from Pakistan. Our strategic planning has to cater to requirements in times of war as well as peace.

Next to Pakistan, Nepal enjoys the second priority in China's strategic calculation. The importance of Nepal to China's strategic thinkers and planners arises not only because of its potential for being used against India in times of peace as well as war, but also because of its potential to India for being used to create instability in Tibet if there are disturbances there after the death of His Holiness the Dalai Lama. In China's calculation, Nepal can be a double-edged sword.

How to strengthen the potential of Nepal for being used against India? It is for this purpose that the Chinese have been trying to extend their road and rail network from Tibet to Nepal and to develop close relations with the Maoists headed by Prachanda and their cadres who are likely to be integrated into the Nepal army. Strengthening China's political, economic and military influence in Nepal by taking advantage of the presence of the Maoists in power is an important objective of Beijing.

The military–military relationship has been given increasing attention since 1998, when the Nepalese Army started sending officers and soldiers to study in Chinese military universities. In the academic year 2006/2007, 21 officers and soldiers of the Nepalese Army went to China for training. China has sent military officers to participate in the adventure trainings organised by the Nepalese Army since 2002.

Addressing the Nepal Council of World Affairs at Kathmandu on 5 August 2008, the then-Chinese Ambassador to Nepal Zheng Xianglin said: "Nepal is situated in a

favorable geographical position in South Asia, and is a passage linking China and South Asia”.¹

That is the principal reason for the Chinese interest in Nepal – as a passage to South Asia and as an instrument for strengthening the Chinese presence in South Asia. China has a Look South policy to counter our Look East policy. As we try to move eastwards to cultivate the countries of South-East Asia, it is trying to move southwards to outflank us.

China has already given indications of its interest in strengthening the value of Nepal as a passage to South Asia by connecting the road network in Tibet with that in Nepal and by extending the railway line to Lhasa to Kathmandu. If China succeeds in concretising these ideas, the threats to our security will be enhanced.

China has other reasons to welcome the rise of the Maoists to power in Nepal. It is hoping with reason that Nepal would stop the anti-China activities of the 1000-strong community of Tibetan refugees in Nepal. They have been in the forefront of the agitation against the Han colonisation of Tibet. Some of them are being used by the US government funded Radio Free Asia for producing programmes directed to the Tibetans. China apprehends that if there is unrest in Tibet after the death of the Dalai Lama, these refugees might be utilised by the United States – with the complicity of India – to destabilise the Chinese presence in Tibet. It is hoping to pre-empt this with the cooperation of a Maoist-dominated government in Kathmandu.

India finds itself in Nepal in a situation not dissimilar to the situation in Myanmar – all the time having to compete with China for political influence and economic benefits. Till now, India almost monopolised the strategic playing field in Nepal. Now, there is a second player in China. In Myanmar, whenever the former military government had to choose between Indian and Chinese interests, it always chose the Chinese interests because of its fear of China and its gratitude to China for the support extended by it to the former military junta in international fora such as the UN Security Council. In Nepal, whenever there is a conflict between Indian and Chinese interests, a Maoist-dominated government may choose Chinese interests not out of fear or gratitude but out of considerations of ideological affinity.

It is in India's interest to see that China does not succeed in its objectives in Nepal. In Pakistan, India has no cards which it can use to counter the Chinese objectives. In Nepal, India has more cards than China and it should not hesitate to use them intelligently to counter the Chinese designs. India continues to have a much

stronger economic presence in Nepal than China. India still has many objective allies in the non-Maoist segment of the population and administration. It should not hesitate to use these cards to maintain its influence in Nepal and to counter the Chinese designs.

Bangladesh is the third priority for China. Prime Minister Sheikh Hasina, despite her strong friendship with India, has continued with the Look East policy of her predecessor Begum Khalida Zia and strengthened the links with China. During her visit to China, an agreement was signed with a Chinese company for oil/gas exploration in Bangladesh. She also sought Chinese help for the upgradation of Chittagong into a modern deep sea port. Her government has sought to calm Indian concerns by reassuring India that India will also be allowed to use the Chittagong port modernised with Chinese help.

At least Sri Lanka and Myanmar sought to treat India on par with China by granting it equal rights of oil/gas exploration, but Bangladesh has not given any such contracts to India due to strong local opposition to India playing any role in the development of its energy resources.

Sheikh Hasina also reportedly discussed with the Chinese plans for linking Yunnan with Bangladesh through Myanmar by a modern road. If the Chinese company finds oil or gas in Bangladesh it is only a question of time before the Chinese production facilities in Bangladesh are connected with those in the Arakan area of Myanmar so that oil and gas from Bangladesh can flow direct to Yunnan through the pipeline connecting Arakan with Yunnan now being constructed. There has also been talk of a Chinese-aided railway line from Yunnan to Bangladesh via Myanmar

Bangladesh news agencies reported that during the visit of Chinese Vice President Xi Jinping to Dhaka on 13 and 14 June 2010, Mr Xi “proposed to give assistance to Bangladesh for building a deep seaport in Chittagong and installing the country’s first space satellite”.² Briefing reporters on the outcome of the talks, Foreign Minister Dipu Moni said the Chinese side assured more investment in Bangladesh, and promised to reduce the bilateral trade imbalance by allowing more Bangladeshi products to have duty-free access to the Chinese market. She added that the Chinese agreed to help Bangladesh in ensuring food security and in combating militancy and terrorism.

Sri Lanka occupies the fourth place in Chinese strategic planning in South Asia. More than 50% of the funding received by Sri Lanka from abroad for construction and development projects, since President Mahinda Rajapaksa came to power, has come from China. China has been assisting Sri Lanka in the construction of the Hambantota port, the Maththala international airport at Hambantota, a new container terminal in Colombo and the Colombo–Katunayake Expressway. It has also agreed to help in the modernisation of the railways.

There are no indications so far that China is going to help Sri Lanka in upgrading the commercial port at Hambantota, the first stage of which has already been commissioned, into a naval base for use by the Chinese or the Sri Lankan Navy or both. Hambantota is a good example of the opportunistic dimension of China's strategic thinking and planning. The idea for the construction of an international port of modern standards comparable to if not better than Colombo at Hambantota was reportedly initially broached by the Sri Lankan government with the Government of India. When New Delhi did not react positively, Colombo turned to Beijing which pounced on the opportunity to get a foothold in the port sector in Sri Lanka.

The indications are that China's interest in helping the countries of the South Asian region in the development of their port infrastructure is related to its need to ensure the security of its energy supplies from West Asia and Africa. It has no naval power projection dimension at present.

Till now, the main driver of China's strategic interest in Gwadar, Hambantota and Chittagong has been the perceived need for refuelling, re-stocking and rest and recreation facilities for its oil/gas tankers and naval ships deputed for anti-piracy patrols in the Gulf of Aden area. China is not yet interested in an overseas naval base, but is interested in overseas logistic facilities for its oil/gas tankers and for its naval vessels.

Individual retired officers of the People's Liberation Army (Navy) have been talking of the likely long-term need for an overseas naval base in the Indian Ocean area, but the Communist Party of China (CPC) has been discouraging such talk. Presently, the Chinese interest in playing a role in the development of the port infrastructure is not designed to place its Navy in a position as to be able to challenge the primacy presently enjoyed by the navies of the US and India in the Indian Ocean region.

China has seen as to how the over-assertiveness of its Navy in the South China Sea has had a negative impact on the comfort level of its relations with the Association

of Southeast Nations (ASEAN) countries. The Indian Ocean is not comparable to the South China Sea. China has no territorial claims to islands in the Indian Ocean area. It has no disputes relating to fishing and exploration of oil and gas with any of the countries of the Indian Ocean region. China and its Navy are, therefore, welcomed by the countries of the region. This comfortable position could change if China graduates from energy security to power projection in its strategic planning for the Indian Ocean region.

This is not expected to happen in the short or medium term (five to 10 years). However, if the Chinese strategic thinking changes in the long term, what could be the new threats to India and what will be the options for our Navy? We have to start thinking on this. After Pakistan, Sri Lanka provides a good example of the use of a military supply relationship by China to advance its strategic interests. Over the years, we had seen how China uses its military supply relationship with Pakistan in the nuclear and conventional fields for keeping Pakistan closely tied to it and for countering India. In recent years, we have been seeing the use of a military supply relationship with Sri Lanka for increasing the Chinese influence in Sri Lanka. The Chinese readiness to supply modern and heavy arms and ammunition to the Sri Lankan Armed Forces without worrying about the moral implications of its actions played an important role in helping the Sri Lankan Army crush the Liberation Tigers of Tamil Eelam (LTTE) ruthlessly. Next to an infrastructure development relationship, a military supply relationship has become an important addition to China's basket of strategic eggs.

It is instructive to look at the incipient Chinese interest in the Maldives, which has emerged as a favourite destination for Chinese tourists. China has been helping the Maldives in the fields of house construction and modernising some aspects of its banking infrastructure such as the installation and operation of automatic teller machines for the benefit of foreign tourists. We have to closely monitor the evolution of its interest in the Maldives.

It is important for India to challenge China's monopoly in the infrastructure development sector in the South Asian region. Presence in the infrastructure sector has a strategic importance. We must be able to find the funds and the required number of construction engineers for this.

India has three advantages over China which it must exploit vigorously to increase its strategic presence in the region and to counter the Chinese presence.

- (a) Firstly, India provides a huge market next door for the products of these countries. Their traders value the Indian market more than the Chinese market. We should be generous in our trade concessions in order to keep them attracted to India and prevent them from drifting towards China.
- (b) Secondly, India could play an important role in helping these countries develop their educational facilities such as institutions for technology studies.
- (c) Thirdly, culturally, the people of these countries still look up to India and not to China. India's soft power has to be effectively utilised for strengthening our presence and influence in these countries. China is not in a position to compete with us in soft power.

Whether India should compete with China in selling arms and ammunition and nuclear technology to these countries has to be carefully considered keeping in view the implications of the likely use of Indian arms and ammunition by these countries against their dissident elements, which often look up to India for moral support. As regards the supply of nuclear technology, India may not be in a position to provide the kind of financial back-up that China provides.

Notes

1. Speech by Zheng Xianglin, Chinese ambassador to Nepal was made on August 5, 2008, <http://english.people.com.cn/90001/90776/90883/6467050.pdf> (accessed January 20, 2012).
2. "China to Help Build Deep-Sea Port", TheDailystar.net, June 15, 2010, <http://www.thedailystar.net/newDesign/news-details.php?nid=142777> (accessed January 20, 2012).