

**China in South Asia:  
A Critical Appraisal of the Drivers Behind China's National Interests and Statecraft Strategy**

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**Abstract:**

China, once a great civilization, is approaching to acquire its previous grandiose by enhancing its power and clout in the contemporary global politics. China has been spreading its sphere of influence around the world and South Asia is no exception. This paper seeks to trace out the factors that motivate China to engage South Asia as it is considered imperative to understand its statecraft strategy towards this region. The key objective is to identify the elements that instigate China to make its presence felt in the region. This study aims to explore why China is keenly interested to project its influence in South Asia and what are the factors that propel China to engage regional countries? It is a qualitative study which utilizes case study method to bring multiple perspectives which are rooted in a specific context. It has been found out that there is a range of factors that provoke China to extend its influence in South Asia including ensuring energy security, maintaining security in the Sea Lanes of Communication (SLOCs), maintaining relative peace and security both at home and abroad, realizing economic prosperity, and guaranteeing support for anti-hegemonism.

**Keywords:** China, South Asia, statecraft strategy, national interest, energy security, economic prosperity

**INTRODUCTION**

South Asia certainly is a region of grave interest for China for numerous reasons. It shares a certain commonality of interests derived from a common heritage, history, linguistic, culture and social practices. South Asia, being one of the oldest and richest civilizations of the world, carries a unique identity. It is the most densely populated region in the world registering 25.2% of world's population ("Russia overtakes Saudi Arabia," 2023). It was among the poorest economies in the world contributing only for 2% of the world's output as of 2004 (World Bank, 2004). However, it is expected to grow by 6% this year making it the fastest growing economy of the world (Ohnsorge, 2023). Rapid economic growth in India is the most significant contributing factor for the continuous economic growth in South Asia. World Bank notes positive development in the economic growth in

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the form of declining acute poverty and a growing middle class which open opportunities of new markets for rapidly growing industrial countries like China or Southeast Asia.

Keeping the background in consideration, this paper aims at exploring China's deep-rooted interests in South Asia and its statecraft strategy to protect these interests. It has been observed that despite having common borders with some countries in South Asia, Beijing's interaction with South Asia has never been that strong as is the case with Central and Southeast Asia. However, since the onset of 21<sup>st</sup> century, China's footprints have been increasing in South Asian region. To many analysts, it is the rising importance of South Asia which has triggered China's new-found interest in this region. Amidst numerous assumptions, this study is designed to understand the reasons behind China's increasing presence in this region. In this given context, the key objective of this study is to understand China's new-found interests and statecraft strategies in South Asia and to find out how these strategies help Beijing gaining influence in this region. This study focuses on this question: What are Chinese interests in South Asia and how they are realizing those interests?

### **LITERATURE REVIEW**

A far as the unity among the region is concerned, it is, unfortunately, the least integrated region of the world (Kher, 2012). Intricate security problems, numerous inter-state disputes, and distrust resulted from deep-rooted historic differences and political issues stand as hurdles to better integration of this part of the globe. Intraregional trade in the South Asian region stands at almost 5% of its entire trade compared to 25% of ASEAN (World Bank, 2023).

Though SAARC was established in 1985, the regional countries could not succeed much to enhance integration and drawing benefits from positive improvements of the member states. Taking the example of India's rapid development, its spillover effect on the development of the other countries in the region is not very significant. Consequently, South Asian region provides ample opportunities for extra regional powers like China to engage with the region and exert its influence through providing attractive benefits for the small member states. Analysts around the world are of this belief that Indian dominance which has resulted in power asymmetry in the region, lack of regional integration and external powers or institutions to provide assistance for the small South Asian countries provide "fertile ground" for China to exert influence in the region (Singh & Mir, 2014).

Looking deep into the past, China had very limited interaction with South Asian region contrary to its more frequent and comprehensive interactions with Southeast Asia. In spite of having borders with good number of South Asian countries, Chinese gave limited attention to South Asia. To many analysts, Myanmar and Thailand were given immense importance purely because of its supplies that used to travel through these countries by China in the past (Cheema, 2015). "The huge extent of Himalayan mountain range, the absence of a consistent Chinese maritime tradition, the land routes through European steppes, and the continuous invasions from the West are some of the factors that kept China away from developing close ties with South Asian countries in the past" (Cheema, 2015).

China's emergence as a great power on international horizon has shifted its perception and treatment of South Asia. A closer look at China's economic and strategic trends reveals that South Asia is rising in significance in China's national security and foreign policy (Malik, 2010). Currently,

it enjoys third place in significance after the Northeast and Southeast Asian regions in China's foreign policy priority.

China's BRI and its flagship project of CPEC, along with other massive investments in the South Asian region, reflect a continuous change in China's stance towards South Asia. Chinese investments in the region have multiplied and it has become one of the top trading partners for all the South Asian countries. This enhancement has received a mixed response from the recipient countries. While China's generosity is welcomed in one hand, there has been criticism of a possible "China threat" or "debt-trap" in South Asia. China's aggressive posturing in maritime disputes with Japan, the Philippines, and Vietnam further fuels the "threat perception".

As far as China's security environment is concerned, south Asia is not considered to be its immediate neighborhood. It is rather deemed as its "extended neighborhood". So, South Asia is not given the same significance as is the case with Southeast Asia in its security environment.

China's bilateral engagements with South Asian countries especially trade ties have been increasing since the start of 21<sup>st</sup> century and China's presence in the region has become a breaking news of in the regional politics. Even the Chinese scholars cannot deny that though China places special emphasis for Southeast Asia in its foreign policy, South Asia is also considered of paramount significance in its extended neighborhood policy now. A closed examination of the new developments between China and South Asian region reflects that it has several interests in the region including energy security, peace and stability, economic development, security of the SLOCs, and promoting anti-hegemonism.

## **RESEARCH METHODOLOGY**

This study employs qualitative and case study method. Case study method is primarily used as it is considered to be the most appropriate method for this study. Moreover, it is the most accepted method to bring multiple perspectives which are rooted in a specific context. The context studied in this paper is Chinese transforming and evolving statecraft in south Asia in the 21<sup>st</sup> century. In addition, it is believed to be a popular research method employed in analyzing nation's statecraft. For example, Baldwin's "Economic Statecraft", a signature study on this very subject, has explained his subject by employing case studies. Regarding data collection, this study primarily utilized secondary data from various sources including government's statistical reports, statistical data from World Bank, IMF, and various other organizations. Apart from available literature, newspapers and articles have also been utilized. Primary data has also been collected through interviews while using the random sampling technique.

## **KEY DRIVERS BEHIND CHINA'S INTEREST TOWARDS SOUTH ASIA**

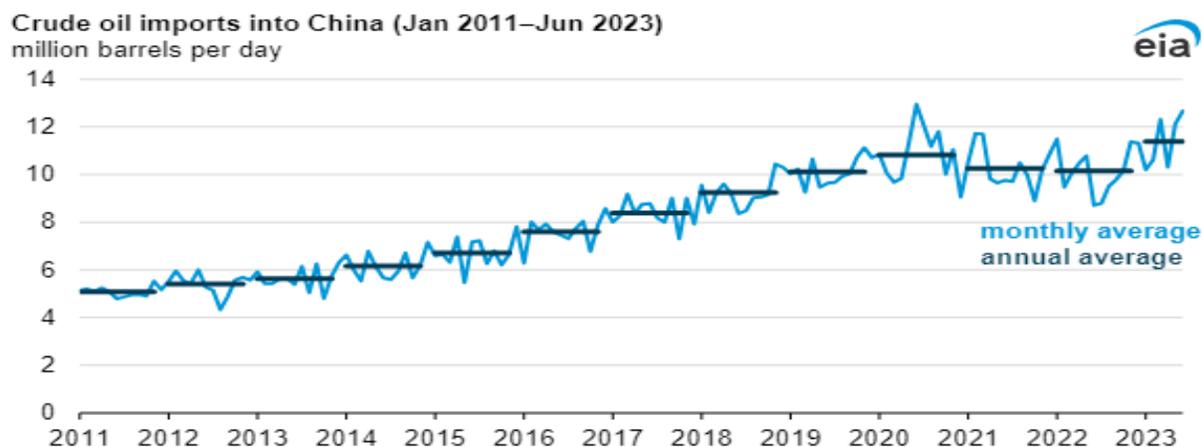
In this section of the study, a comprehensive examination of the key drivers behind China's interests in the region is presented to understand the changes in its statecraft strategies.

### **Energy Security**

Despite being not heavily enriched region in energy resources, South Asia still plays a crucial role to ensure energy security of China. China surpassed the US to become the largest energy consumer in the world back in 2014. Till 1990s, it used to be a net oil exporter and this swift change caused primarily because of its phenomenal economic growth for three decades. Resultantly, its energy

needs raised manifolds by 2009 (EIA, 2023). Regarding primary energy production and consumption, China is the largest in the world. In addition, it is the largest coal producer and the second largest petroleum consumer. Even though its consumption of oil and coal is slowing down, they still contribute to approximately half of country's energy need. Moreover, its manufacturing and industry sectors are largely dependent on export energy (EIA, 2023a). Keeping the track of its energy demands, reliance on imported energy is key to its uninterrupted economic development and it's a major concern for China as well to ensure its energy security.

As far as the indigenous oil reserves are concerned, China "holds 24.6 billion barrels of proved oil reserves, up over 0.3 billion barrels from the 2014 level and the highest in the Asia-Pacific region (excluding Russia)" ( US Energy Information Administration (EIA), 2015). Still record amount of crude oil is being imported by China to meet its growing energy demands. For instance, China received 11.4 million b/d of overseas oil in the first six months of 2023 which is 12% more than the annual average of 2022 (EIA, 2023-b). This massive increase in oil imports is caused primarily by its refinery expansion and reopening of its economy after zero COVID policy restrictions. The shift in oil imports are reflected in the figure 1:



**Figure 1:** Crude Oil Imports into China (EIA, 2023-b)

As far as import destinations are concerned, majority of its oil imports are realized from Africa and the Middle East. This energy is transported through sea across the Indian Ocean surpassing the South Asian region. Rising dependence on the sea lanes of communication across the Indian Ocean has made China taking initiatives to diversify its supply routes using land corridors. Having land access to Indian Ocean has long been the desire of China and it is provided either through Pakistan or Myanmar. Che Xiangming, a People's Liberation Army (PLA) strategist, explained that "there will be no important factor than oil that could induce wars between nations. Competition over oil will become a major characteristic of future international security" (Zhang, 2010). So, most of the Chinese analysts and strategic thinkers have been lobbying to diversify country's energy sources and supply routes. Men Honghua argued that "China must expand beyond its traditional oil dependence on the Middle East to consider obtaining from places like Africa, Central Asia, Russia and Latin America" (Zhang, 2010). He further explained that "China must develop a land strategy to bypass its vulnerability on the Indian Ocean and the Malacca Strait" (Zhang, 2010). The top ten countries from China imports crude oil are presented in the figure 2:



**Figure 2:** Crude Oil Imports to China from Top 10 Trading Partners (EIA, 2023-b)

To achieve this diversification of energy destination and transportation routes, South Asia becomes an important partner. China funded Gwadar Port Project in Pakistan, Hambantota Port Project in Sri Lanka, the proposal of BCIM Corridor with India, Bangladesh and Myanmar, Nepal-China-India Economic Corridor, and CPEC in Pakistan are all targeted at ensuring accessibility to oil and energy supply markets in the Middle East and Africa without having to circumvent through the Indian Ocean crossing Malacca Strait (China is suffering from “Malacca Dilemma” and is concerned about the security of its energy supply). Completion of Gwadar Port and CPEC will help China to directly bring oil and natural resources from Africa and the Middle East without even having to cross the middle of the Indian Ocean. With the development of container facility in the Hambantota port and opening up of BCIM, China has the ability to transport goods via Bangladesh and Myanmar, without having to surpass Malacca Strait. Hence, even in a situation where the Malacca Strait is blocked – as it is often feared by the Chinese – its economy will not be affected. In order to realize these needs, China has to develop strong ties with the South Asian countries, and it also has to bring them on board for these projects. Because of this, South Asia has become an integral part of realizing China’s energy security interests.

### Significance and Relevance of the Indian Ocean in Chinese Scheme

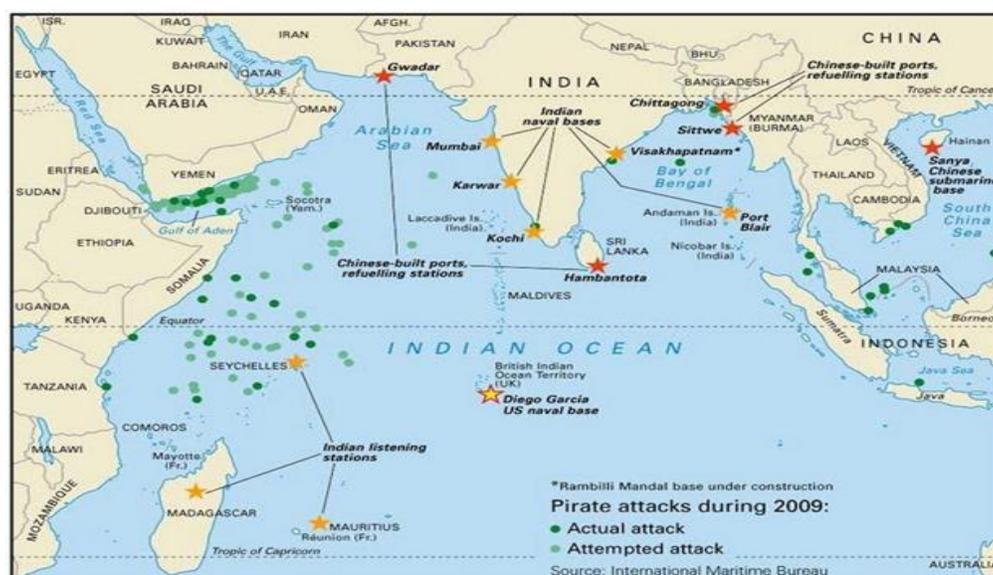
This body of water is a significant interest in China’s policy in South Asia due to following reasons. **security of SLOCs; and natural resources.**

Energy security is one of the key interests of China in its dealings with South Asia. Its interest in the Indian Ocean is partly related to ensuring energy security. Most of the imported oil comes from the Middle East. Almost half of China’s oil needs are acquired from the Persian Gulf. Though the Middle East provides the highest amounts of energy to China, African countries – especially Angola – contributes to a considerable oil requirement. In 2013, China imported 2.9 million barrel per day from the Middle East. The imports from Africa accounted for 1.3 million b/d and the Americas 562,000barrel b/d. In 2022, China acquired half of its oil from the Middle East and KSA was the major supplier providing around 16% of its total crude oil exports. While Chinese received more oil supplies from Russia than KSA in the start of 2023 because of its discounted prices driven by

sanctions ("Russia overtakes Saudi Arabia," 2023). Thus, it is evident that half of China's oil requirements travel through the sea, especially the Indian Ocean passing the narrow chokepoints of Hormuz Straits and the Straits of Malacca, making the Indian Ocean an integral part of China's economy.

Same is the case with Chinese supplies of imported raw materials. Majority of these supplies are traveled through the Indian Ocean to reach China. China's raw materials are provided primarily by the Middle East and Sub-Saharan Africa. Also, China exports its products to the markets in Africa, the Middle East and South Asia via the Indian Ocean. Security and free passage in the Indian Ocean are the backbones of China's economic development at home.

Majority of Chinese analysts argue that the greatest concern of national security for China is the vulnerability of energy particularly oil largely owing to the global military and political dominance of the United States. To them, the US has the ability to influence the countries which produce oil in huge quantity to stop their energy supplies to China. Given the high dependence on sea lanes to import oil, and the fact that more than 50 percent of oil has to pass through Indian Ocean, Malacca Strait and South China Sea, in a context of war, the United States could use its dominance in the ocean to cut off oil supply, the lifeline of Chinese economy. President Hu Jintao's words in 2005 which explained China's Malacca Dilemma shows the rising importance of this body of water in China's strategic calculus. "There is little question that it is a key choke-point on China's oil supply routes. Part of China's interest in developing alternative ports and pipelines, such as in Pakistan and Burma, would seem to be motivated by a desire to reduce the criticality of Malacca strait."



Map 3.5: Vulnerability of Sea Lanes in the Indian Ocean (Vasan, 2020)

Besides the vulnerability of natural chokepoints, frequent security threats such as violent extremist networks like Al-Qaeda, and piracy pose additional challenges in the region. In addition, the very same waterways that transport oil and other export products are utilized for other purposes such as trafficking in drugs and human, making it highly challenging for the

economies which are dependent on Indian Ocean's SLOCs. China has been facing this challenge for the last many years and taking measures to address this issue comprehensively.

There are two ways that China can utilize to ensure the security and free passage in the Indian Ocean. Going by the conventional method, it can modernize its navy and deploy forces in the Indian Ocean, which will eventually lead to a strategic contest with the other powers that are already operative in this body of water. Secondly, China can try to build strong ties with the IOR countries and make sure that it gets the fullest support for ensuring security and the free passage. China does not seem to have a plan to militarize the Indian Ocean at the moment. It is considered a costly option for China at the moment. So, as long as the free passage is ensured in the Indian Ocean China hardly seems interested in deploying navies in this body of water. While China is modernizing its Navy and it is already predicted by many scholars that it will soon be a two Ocean Navy, (Kaplan, 2010) China seems to be more interested in realizing its current security interests in the Indian Ocean by employing the second methodology.



Map 3.6: China's Growing Presence in the Indian Ocean (Butt & Siddiqui, 2021)

Given the proximity of South Asia with Indian Ocean, China has been interested in developing strong ties with the regional countries especially the countries having coastal areas. China has increased its trade and economic ties with the South Asian countries. It is investing in infrastructure facilities including ports and airfields in the countries around the Indian Ocean region. The proposals made under President Xi's New Maritime Silk Road show clear connection as to how relationships will be strengthened in this body of water.

It is deemed a significant part of this strategy to have access to these infrastructures in South Asian countries when necessary. The port facilities in Pakistan, Sri Lanka, Bangladesh, and Myanmar are some of its glaring examples. China is also developing strong diplomatic ties in these countries through engaging in business, supporting their political and economic objectives and developing mutual confidence. It also supports ensuring the security of South Asian countries. The military support China gave Sri Lanka during the last stage of its protracted war against terrorism is one of the best examples. By doing so, China is able to realize its interests in the littoral states of Indian Ocean.

Resource wealth in the Indian Ocean is another strong reason for China's rising interest. While observing China's behavior in the last couple of decades, it is apparent that China tends to identify the areas where there are untouched natural resources. China's strategy towards Africa is a glaring example. By doing so, China gets to eventually utilize the resources. It is predicted that this geographical area holds 62% of proven oil reserves, 35% gas, 40% gold, 60% uranium, and 80% diamond of the world (Erickson, et. al., 2010). Thus it can be predicted that China's interest in this body of water is also influenced by a number of untouched resources available under the sea.

Apart from this, there is a strong belief that China has a strong military and naval interest in the Indian Ocean. Kaplan predicted in his book *Monsoon* that "The Chinese navy would obviously prefer to be not a one-ocean power but a two-ocean power, with multiple access routes between the Indian Ocean and western Pacific to ease the so-called Malacca dilemma" (Kaplan, 2010). The first "Blue Book" released in the region called for Chinese to strengthen their relations with the littoral states of Indian Ocean whilst highlighting that it is already behind India and the US for not having a proper Indian Ocean strategy. This idea was further reinforced when China issued its Defense White Paper 2015.

Concluding this discussion, China is found downplaying its strategic interest or maritime interests in the Indian Ocean. As it has been often observed, China does not admit that it has military interests. Its vehement opposition to comments on "string of pearls theory" proves that. Moreover, it is often highlighted that its interests in this body of water are related to economic development of China. When asked about its strategic importance for China's strategy towards South Asian, a scholar from Beijing responded that its interests in this body of water have nothing to do with a naval strategy or a maritime strategy as it is often predicted. It was further explained that any interest China has in the Indian Ocean is associated with overall development. In a nutshell, it can be easily stated that this body of water is nothing but a lifeline of its economy.

### **Peace and Stability at Home and Abroad**

Peace and stability is another key factor that drives China's interests towards South Asia. Peace and stability both at home and abroad is considered a prerequisite for uninterrupted economic development for China. It is important to note that China deems internal peace in China as well as peace and stability in its immediate neighborhood as key determinants to realize its national interests. Owing to that, peace and stability in South Asian region is a major interest. During the telephone interview with a Chinese scholar from Shanghai, he pointed out that China's involvement in South Asia began increasing after the ill-famed 9/11 incident. These attacks shout out to the world that South Asia is not a stable place and breeding terrorist due to the existence of Al-Qaeda in Afghanistan. J. Mohan Malik notes that: "Beijing's concerns about separatist Islamic influence in its far-western region of Xinjiang explain China's indulgence towards Pakistan. China apparently feels strongly that engaging Pakistan's government, and even its fundamentalist religious parties, is an important part of keeping control of its own restive Muslim northwest" (Malik, 2010).

China has long been facing a persistent threat to its internal security and stability from the groups operating in Xinjiang Autonomous Region. To respond to this situation, China has opted to extend security presence in the areas threatened by militants and advance for economic development. Hence, the increasing investment of Chinese in Pakistan "represents an international extension of

China's effort to deliver security through economic development" (Markey, & West, 2016). An article in Foreign Affairs informed that China's investment in Pakistan will create job opportunities, help to address extremism, and pave way for improving law and order in Pakistan (Markey, & West, 2016).

Similarly, Chinese support to eradicate terrorism in Sri Lanka can be understood with the same lights. LTTE was seen advancing its military technology quite impressively during the latter period of war. Moreover, traverse the ocean was posing a threat to the international sea lanes of communication. Had the LTTE continued to exist and advanced its naval capacity, there was every possibility of improvement of the piracy threat in the Indian Ocean. As such, the logical response for China was to support Sri Lankan government in eradicating terrorism. By doing so, China managed to gain three rewards. It secured the sea lanes for its vessels to travel without military threat, and it found a new market for investments. Most importantly, by enhancing its strategic relationship with Sri Lanka, China managed to gain influence in another strategically important nation in South Asia like Pakistan.

### **Economic Prosperity**

There is no denying this fact that China advances its interests overseas in order to realize its economic development interests. It is altogether true in the cases of Africa, Southeast Asia and other parts of the world where Chinese influence is growing. In South Asia, China's intentions are no different. However, contrary to its designs in Africa, it is not looking for raw materials or natural resources. For China, South Asia is a booming market and an investment hub where it can export its manufacturing industry. According to World Bank, despite the impact of global resilience, which was expected to be slowing down the growth momentum in the region, South Asia has successfully registered its highest growth as a region in the world with the forecast of 7.3 percent GDP growth for the year 2017 (World Bank, 2016). South Asia hosts India, the world's second largest consumer market whose middle class is growing at a rapid scale. So far, China has not been able to make an admirable entrance into the Indian markets due to the hostilities between the two countries. China is also beware of the fact that India is among the top trading import destinations for many of the South Asian countries. If China manages to establish manufacturing factories it will be able to export the products from the South Asian countries to India. This option will be more practical and cost effective due to the geographical proximity of India and the South Asian countries and their trade relations.

Additionally, South Asian region offers low-cost skilled labor. China, due to its aging population and increasing labor cost, is looking forward to exporting its manufacturing industry to other parts of the world. South Asia, unarguably, offers an ideal location for this purpose. First and foremost, South Asia has a young population. They, led by Sri Lanka and Bangladesh, have higher human development index which promise of an educated, skilled and healthy labor force. Since they are also demanding for FDI for its own development, China has the opportunity to exploit this situation. As the Chinese scholar from Beijing emphasized what China is looking for in South Asia is labor, not raw materials.

Finally, the region is in dire need of investment and infrastructure requirements as it lacks adequate capital to meet its needs. Thus, China sees huge potential in this region for its economic

growth. Also, China's interest in natural resources in these countries cannot be completely ignored. It has been recently revealed that Bangladesh possesses of an unexplored natural gas reserve. Mannar peninsula in Sri Lanka also has been identified as possessing natural resources. In this context, China will always be keeping an eye on this new founding.

### **Anti-Hegemony Agenda**

South Asia also supports in China's anti-hegemony agenda. China is promoting a multi-polar world where everyone has equal status. As such it is vehemently opposed to the US hegemony which is in existence. It makes every effort to prevent expansion of the US hegemony. Given the increasing significance of the Indian Ocean Region in geopolitics, the US seems to have enhanced its influence and presence in Asia. Its 'pivot to Asia' policy reflected this new interest in Washington's foreign policy. As scholars note, Beijing is not content with Washington reaching out to India as a part of the balance of power effort and building strategic partnerships with Asian countries (Malik, 2010). China obviously does not welcome this new development. The US spreading its wings in South Asia means that it is encircling China from yet another side. Already, the US presence is felt from East and Southeast Asia. China does not want to tackle the US from its western borders as well.

According to Indian Researcher Jabin Jacob, it was the US' growing interest in the region that made China fast-forward its policies in South Asia. "China was aware of the fact that the US is trying to come to the South Asian region and influence Afghanistan and Pakistan markets. The US is China's biggest rival. And the Chinese believe that wherever the US is, it will make things even more difficult for China if they come anymore closer to its neighborhood" (Jacob, 2012). It was this realization that made China to rapidly engage with South Asia.

China was also challenging the Indian hegemony in the South Asian region. It is a well-known factor that both India and China are reaching to attain regional power status, in which, both does not want to share the power with each other (Malik, 2010). They are attempting to build their own Monroe Doctrine (Malik, 2010). While both the countries are attempting to reassert their "traditional suzerainty over their smaller neighbors" (Malik, 2010) both are accusing one another of attempting to pursuing "hegemony and entertaining imperial ambitions". While China accepts India's primacy in the South Asian region, it does not prefer if India is obstructing its interests in the region. It opposes Indian dominance and builds its ties with the small South Asian countries as a means of balancing Indian hegemony in the region. By doing so, China has managed to gain trust and confidence among the small states and has succeeded in diluting Indian dominance to a certain extent. As it was explained at the beginning of this chapter, the small South Asian countries, who are weary of Indian dominance welcomes Chinese gesture to balance against India. As a result, China has managed to earn the trust of the South Asian neighbors and has also gained the support of its anti-hegemony interests.

### **Factors Influencing China's Statecraft Strategy towards South Asia**

China's relations towards South Asia are marked by asymmetry. Hence, its statecraft strategy is marked by sharp variations towards different countries in the South Asian region. For instance, it's of competitive relations with India, growing relations with Pakistan, and China charming itself with the small South Asian countries to realize its interests.

John Garver is one of the distinguished writers who have written extensively on China's competitive relations with India. He is of this belief that China's healthy relations with other countries in the region are the result of its competitive ties with India. To him, both of them are destined to compete and conflict with each other owing to their historical past. Their geographical proximity, common interest to dominate Asia and historical experience at the hands of imperialism make the relations more complicated. As a result, since the beginning of their new nation state status, both countries have been competing with each other, be it to gain permanent seat at the United Nations Security Council or to dominate the developing South (Garver, 2001). Garver has provided an extensive account of how India and China use their respective resources and power status in South Asian countries to safeguard their national interests.

As far as China's statecraft strategy towards Nepal is concerned, Garver provides a comprehensive understanding of how Beijing managed to gradually develop its relationship from non-existence to that of a significant bilateral relationship. By employing China's tributary claims for Nepal as a security concern, India managed to lead Nepal to sign a Treaty of Friendship between India and Nepal which according to India "forms the basis for Indian policy toward Chinese-Nepalese relations" (Garver, 2001). The pact gave pervasive economic, political and cultural influence on Nepal to India. Resultantly, China's opportunity to influence Nepal was reduced. However, China has managed to gain mutual trust through patiently waiting for the right opportunity. Understanding the significance of carefully deciding its policy moves, for decades, China always stick to the policy of non-interference in the internal affairs of other countries. For example, it neither supported communist movement like it did in Burma, nor did it criticized the Nepali monarchy.

On the other hand, China's approach to Bhutan is quite different from that of Nepal. It is observed that the special relations between India and Bhutan are the basis for how China can play its role in this small South Asian country. Contrary to Nepal, Bhutan has continued to rely on India's security sphere due to Chinese repression of Tibet. Consequently, China does not have official diplomatic ties with Bhutan. Hence, China's statecraft in Bhutan is not to gain influence, but "to bring about the dissolution of India's special relation with Bhutan, slowly and cautiously" (Garver, 2001). For this to understand, it is imperative to look into how China is using propaganda mechanisms and diplomatic communication as its tool of statecraft in Myanmar.

Garver also provides glaring insights into China's military statecraft. India deems South Asian region as its natural area of influence, China seems not contented with the policy of letting India establish its hegemony there. As a result, not only does China have used its military forces to demonstrate who has power by winning the 1962 war, it has also been using various measures to balance Indian dominance. China entered into an "entente cordial" with Pakistan to balance the Indo-Soviet nexus during the cold war. It has emerged as the trusted friend and partner to smaller South Asian states such as Nepal and Burma, and has developed economic and diplomatic ties with Indian Ocean countries such as Sri Lanka and Bangladesh.

This competitiveness between India and China and its longevity is further endorsed by Harsh V. Pant. He emphasizes how both China and India are not ready to let go of their mutual competition and desire for regional dominance, and how this aspect is forming China's statecraft in the South Asian region. Pant begins by emphasizing that "China is today more deeply involved in South Asia

than it has ever been” (Pant, 2012). Due to India’s dominance, it is observed that the smaller South Asian countries prefer to play the China card to balance against India.

China’s statecraft in South Asia is both improving and increasing in its influence. It is noted that “Chinese activism in the South Asian region was reinforced by its activism at the international level” (Pant, 2012) and Arthur Waldron agrees that “by investing massively in South Asia and Africa, while developing a strategic presence in those places, China has sought to create a ‘string of pearls’ – a chain of military bases that will support her blue water navy, which in turn will safely convoy the raw materials from and the exports to a growing array of captive markets” (Pant, 2012). According to the chapter authored by Srikanth Kondapally for instance, PLA modernization and its efforts of co-operating with the Indian neighborhood are viewed in India either as part of “strategic encirclement” or “marginalization” (Pant, 2012).

The military and economic statecraft of China is further reflected through building port infrastructure in Pakistan, Bangladesh, Myanmar and Sri Lanka, and its plans of constructing transport infrastructure in Nepal. These initiatives clearly explain that Beijing is making efforts to engage with India’s South Asian neighbors militarily and economically.

As far as India’s and China’s perception of each other is concerned, it is not complementary which reflects competitive nature of their interaction in South Asia. For instance, to Hu Shisheng, India’s rise is benign and non-threatening while, to Kondapalli, China is among India’s most important security challenges (Fingar, 2016). Apart from highlighting key role Sino-Indian conflict plays in China’s South Asian policy, it is also emphasized that the small South Asian states perform a pivotal role for China in realizing its interests. China is using economic support as a means to realize its interests and security goals. Mohan Malik notes “Beijing’s economic ties with South Asian states supplement and reinforces its military security objectives and goals. China’s use of economic means in its rivalry with India for influence in Nepal and Bangladesh is a case in point” (Malik, 2010).

The Common revelation of literature on China’s South Asia policy reveals several aspects. Firstly, they emphasize on the prominence given to India in China’s policy in South Asia. It should be noted that majority of the existing literature on China and South Asia are highlighting the Sino-India competition as the basis for Beijing’s relations in this region. Chinese increasing visibility in the region and its growing footprints in the Indian Ocean are analyzed in the backdrop of Sino-Indian competition. Thus, they observe Chinese South Asia policy as a response to that of India’s and vice versa. They also highlight the significantly important ties China has with Pakistan, India’s neighbor and arch enemy. Some of the literature also focuses on the importance of small South Asian countries to realize China’s interests, and there are others which discuss the security thinking of small states which open opportunities for Chinese to perform a significant role in their countries.

## **CONCLUSION**

South Asia’s significance to China can be best described by Jonthan Ping’s assessment that similar to Malacca’s importance for the Ming Empire, South Asia is very crucial for the PRC to materialize its national interests. This study concludes that China has multiple interests in the South Asian region including ensuring energy security, maintaining security in the sea lanes of communication, making sure of peace and stability at home and abroad, realizing economic development, and guaranteeing support for anti-hegemonism among others. While China’s energy is primarily shipped through sea

lanes of communication in the Indian Ocean, South Asia enjoys key position in Beijing's new goal of supply routes' diversification. Additionally, South Asia, indeed, has become a promising market for Chinese exports and overseas investments. To mitigate its fears that emanate from energy security issues, South Asia has become China's immediate response and destination as it helps diversifying its supply routes.

Since the beginning of 21<sup>st</sup> century, China's approach and dynamism towards South Asia has undergone massive changes. With the declaration of China's 21<sup>st</sup> Century Silk Road, South Asia has become an even more important partner. The initiation of economic corridors, port infrastructure, and special economic zones in South Asian countries under the BRI have provided China with strong footprints and influence in this increasingly important region.

Regarding China's statecraft strategy towards South Asia, China's shift of focus to economic resources or interests encompasses its full gamut of its ties with South Asian countries by establishing economic connectivity through 21<sup>st</sup> Century Silk Road in particular. Chinese statecraft towards South Asia is a careful blend of soft and hard power and it is found that its soft power instruments have varied considerably in South Asia between India and other countries in the region. Further, it is concluded that China's statecraft strategy towards South Asia can be segregated into Indian and non-Indian factor with the blend of soft and hard power differing between these two. Though it has deployed hard power resources in the region, but it is short of coercion or force. It is, rather, employing attraction and inducement as a tool to extend its influence in South Asia.

### **Recommendations**

As it is reflected from the findings of this study that China has successfully enhanced its reach and influence in South Asian region. As for now, countries particularly small states in the region seem welcoming to China as they see greater opportunity for them in the shape of China. But, it may prove a short honeymoon phase as the saying goes in international relations that there is nothing permanent among states' relationship but national interest. Hence, it goes without saying that if everyone wants to realize their interests and manage the ties as it is, it is imperative for each country to make an effort for it. Thus, it is strongly recommended that China and small South Asian countries should try to keep good relations with each other and not to jeopardize their national interests.

For China, it is crucial to keep maintaining its beneficial relationship with the small South Asian countries. Overall, its growing presence is welcomed and celebrated in the region except in India. So far, China is deemed to be a benign power but there is growing concern of whether China will act in a similar fashion or act differently with rising power in the future just like the US. This concern can be witnessed from the protests against some infrastructure projects launched by Chinese both in Pakistan and Sri Lanka. China's assertive policy can be seen through its response to these protests and concerns. This growing concern reveals that South Asian countries do not overwrite the possibility of China being a hegemonic power. Hence, China should be more cautious in its dealings with small South Asian countries if it wants to keep realizing its interests in this region.

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