# CHINA'S POLICY TOWARDS SOUTH ASIA — AN APPRAISAL

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China, even if outside geographical precincts of South Asia, has increasing influence in regional geopolitics due to her power potential and friendly relations with most South Asian states. China's constructive engagement with regional countries based on her independent foreign policy and five principles of peaceful coexistence has always been a source of stability in South Asia.

In retrospect "China's policy towards South Asia is a collection of distinct bilateral relationships, characterized by economic opportunities, territorial disputes, security fears and resisting US influence"[2].

This paper is an effort to understand China's policy towards South Asia, nature of her relations with regional countries particularly India and Pakistan and influence of key external actors on her policy to identify the ensuing challenges and opportunities.

## PART I ANALYSIS OF CHINA'S POLICY TOWARDS SOUTH ASIA

### I. Evolution of China 's Policy towards South Asia

1. Inception. Since beginning, China's policy towards South Asia has been based on a sincere desire of constructive relationship for peace and stability in the region. In early 1950's, the policy was based on the belief that newly independent nations of the region such as India hadrecently unshackled themselves from colonial rule, therefore, "with Western Imperialists as common enemy, China and South Asian nations could have been some sort

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2 Denny Roy, "China 's Foreign Relations" , London: MacMillan Press Ltd, 1998, p158.

of semi allies sharing common interests"[3] . Chinese Prime Minister Zhou-Enlai and Indian Prime Minister Nehru, laid down Five Principles of Peaceful Coexistence.

2. Sino-Indian War of 1962. Following a brief marriage of convenience with India, the peaceful coexistence was severely challenged when the border dispute between China and India resulted in a war in 1962. With American and Soviets on Indian side, China felt isolated, rather encircled by hostile powers from all sides. The situation compelled China to comprehensively review her policy towards South Asia by enhancing relationship with Pakistan. Since then, strategic relationship with "Pakistan emerged as a constant factor for China in South Asia"[4] .

3. The Cold War Era. In the ensuing years, China's policy in South Asia shaped around Sino-Soviet equation of the Cold War era. In nutshell, the policy could be summarized as "single-dimensional and limited"5, i.e. security being priority concern, intention to status-quo based on strategic relationship with "single pillar—Pakistan"[6]. However, having adopted the policy of reforms and opening up in 1978 and a course of economic development in early 1980s, China started strengthening trade and economic ties with most of the South Asian states for mutual benefits.

4. Sino-Soviet and Sino-Indian Rapprochement. Around 1985, i.e towards the end of Cold War, USSR reoriented her policies aiming at rapprochement with China by disengaging from Sino-Indian disputes. Sensing the isolation, India also changed her belligerent attitude towards China.

5. Post Cold War Era. At the end of Cold War, China redefined her South Asia policy to create space for political influence and enhance trade ties with the region especially India. India seems to be the biggest beneficiary of this policy, as it is only after this that her economic trajectory practically took off.

## II. Current Engagement of China in South Asia

1. Strategic National Interests and Current South Asian Policy. Keeping in line with overall strategic national interests of sustained economic development and modernizations, China's national interest in South Asia remains peaceful periphery and unhindered economic activities. In pursuit of

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3 Zhao Gancheng, "China's South Asia Policy: Balancing and Stabilizing" , Regional Studies, Islamabad, summer 2005, p5.

4 Dr Muhammad Yunus, Reflection on China, p132.

5 For details see Ye Hailin, China and South Asian Relations in a New Perspective, available at http://yataisuo.cass.cn/English/Articles/showcontent.asp?id=1118, accessed on 10 Mar 2012.

6 For details, ibid.

these interests, China at present is following a balanced and multidimensional policy towards the region with following objectives:

a. Ensure regional peace and stability through diplomatic influence and balance of power.

b. Avoid confrontations by reserving own disputes and taking neutral position on regional disputes.

c. Engage regional countries including India through friendly relations, multidimensional cooperation and economic ties.

d. Secure sea lanes of communications in Indian Ocean for ensured energy supply to blooming economy.

e. Support US led anti terrorism campaign without getting intractably involved to avoid spilling over of menace across its own borders.

f. Counter USA's contain or hedge China strategy in the region.

g. Retain leverage in the region for access to oil and gas rich Middle East, Central Asia and Caspian Sea resources.

2. Bilateral Relations with South Asian Nations. Over the decades, China's strategic engagement in the region has tremendously increased. China's rapid economic growth in itself has opened new opportunities for the region as well. Salient of her relations with South Asian states are:

a. Sino-India Relations. Since initial rapprochement in 1988, Sino-India relations have improved significantly. Exploiting the common ground of emerging economies, both have strengthened trade ties. Economic opportunities have helped tone down political differences between the two to some extent. Nevertheless, various security and strategic variables like unresolved border disputes, Tibetan Government in Exile and China's influence in India's neighboring countries continue to haunt their relations.

b. Sino-Pakistan Relations. China's strategic relationship with Pakistan outweighs any other bilateral relationship that China maintains in South Asia. Collaboration in defense production from tanks to aircrafts, nuclear power plants, mega projects like Gawadar deep sea port and construction of KKH etc are only a few well known illustrations of these strategic relations. On diplomatic front, China has long been supporting the cause of Pakistan on Kashmir. Keeping the same brotherly relationship in view, recently "Pakistan has offered to serve as Trade and Energy Corridor (TEC) to China"[7].

c. Relations with Other South Asian States. China enjoys good bilateral,

7 Humayun khan, A historical view of China's Foreign Policy towards Big Powers, Institute of Strategic Studies Islamabad, available at http://www.issi.org.pk/journal/2006_files/no_2/article/a4.htm, accessed on 23 March 2012.

economic and military relations with Bangladesh, Nepal and Sri Lanka. She has contributed towards development of war ravaged Afghanistan as well.

d. Emphasis on Peace and Stability. China's present political and diplomatic efforts in the region remain focused on easing tensions and maintaining peaceful periphery to ensure environment conducive to her sustained economic development.

## PART Ⅱ CHALLENGES FOR CHINA'S POLICY TOWARDS SOUTH ASIA UNDER EMERGING GEOPOLITICAL ENVIRONEMNT

### I. Paradoxes of Sino-Indian Relations

Foundation of Sino-Indian relations lies in strategic question whether or not any of them should accept hegemony of the other. The mistrust still lies in mutual fear of the regional domination by the other.

Notwithstanding China's putting of its own disputes at back burner, Sino-Indian relations forecast competition in many spheres. Ongoing relations between the two seem to be suffering from a paradox of cooperation for ultimate competition.

### Ⅱ. Regional Security Calculus and China's Role in South Asia

"India is the most prominent state by all standards in the region"[8] and certainly a tempting market as well, her overwhelming size and military might creates numerous security concerns among regional states. India's hegemonic designs and attitude towards its neighbors since independence are the fundamental reasons for these concerns[9]. Although, to many, peace and stability prospects in the region seem hostage to Indo-Pak estranged relations over chronic Kashmir conflict, India's relations with regional countries like Nepal, Bangladesh, Sri Lanka and even Maldives have generally been those of misgivings and by and large turbulent.

South Asian states have always resented Indian domineering attitude and hegemonic ambitions. Traditionally "China is regarded in the region as a stabilizing factor for the smaller countries"[10] . However, many still argue that

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8 Ashley J.Tellis, Strategic Asia 2001/2 - South Asia, The National Bureau of Asian Research, p224, available at http:// www.jstor.org, accessed on 7 March 2012.

9 India's unequal friendship treaties with Bhutan and Nepal in 1949 and 1950 respectively, mischievous annexation of Sikkim in 1975, four wars besides many war like crises with Pakistan and dismemberment of its eastern wing, water and territorial disputes with Bangladesh and Pakistan, over a yearlong economic blockade of Nepal in 1989/1990 are some examples which cause nervousness among smaller states about Indian intensions in the region.

10 Muhammad Ramazan Ali, opcit, p96.

with balanced approach towards regional conflicts, Chinese involvement in the region is becoming increasingly economics oriented rather than "balancing and stabilizing"[11] .

When it remains to be seen that how China will react to Indian future hegemonic overtures in the region, what is clear, is that she is pursuing two substantially contradictory objectives: maintaining regional peace and stability through balance of power while strengthening the regional hegemon—India, through bilateral and economic relations.

### III. Indian Military Designs and Armed Forces Modernization

Indian policy makers also believe that "China is the real long-term challenge on the strategic horizon and India's security planning is geared toward it"[12] .

China's naval strategy to secure her sea lanes of communications in Indian Ocean is viewed by Indians as challenge to their great power pretentions. India's evolving Asia policy reflects a desire to build an arc of strategic partnerships with the United States and "China-wary" Asian countries to neutralize continuing Chinese military assistance and activity around India.

The Indian armed forces are undergoing rapid modernization[13] with heavy investments in areas like missile defense system and a nuclear triad.[14] For last many years India is in first five countries of the world in terms of GDP percentage of defense expenditure. Since 2006 India has surpassed China as the world's largest importer of weapons systems. Recently approved Indian Armed Forces "Long Term Integrated Perspective Plan 2027" and "Five Years Plan 2017" are also aimed at countering China's armed forces modernization.

### IV. USA's Interests in the Region and Indo-US Nexus

USA's South Asia policy principally hinges upon competing interests with China as a potential contestant to its global hegemony, combating terrorism, non proliferation, tapping large consumers market and assured access to riches of Gulf, Central Asia and Caspian Sea resources. In this backdrop, USA finds a natural ally in India. USA's strategic partnership with India is an effort to build her as counterweight to China in Asia.

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11 Zhao Gancheng, opcit, p5.

12 Gurmeet Kanwal, http://www.reuters.com/article/2011/02/28/india-budget-military-idUSSGE71R02Y20110228, accessed on 27 March 2012.

13 Details at http://en.wikipedia.org/wiki/Indian_Armed_Forces#cite_note-6, accesed on 30 March 2012.

14 Donald Greenlees, China and India Leading Asian Missile Build-up, Centre for Strategic and International Studies, http://www.nytimes.com/2007/09/19/world/asia/19iht-missile.1.7565471.html, accessed 0n 3 April 2012.

US involvement in South Asia, when putting together with her strong backing of anti China forces of Taiwan and encouragement of Japan to militarize and even deploy forces in Iraq projects host of difficult scenarios for China. India can play a front line state for US interests in the region, to counter Chinese influence, as many Indians perceive that China's influence in South Asia is at their expense.

## V. Challenges Confronting the Region

1. Under Development and Poverty. Unfortunately South Asia is one of the most underdeveloped and poorest regions[15] of the world. Reasons may be many, however bad governance and political instability figure out to be the primarily reasons. Worst comes when taking advantage of weak governments in these countries external powers start interfering and dictating their policies.

2. Extremism and Terrorism. Roots of ongoing extremism and terrorism in South Asia trace back to Soviet invasion of Afghanistan in 1979, when USA strategized the phenomenon in the form of radicalized Mujahidin to bleed and expel USSR from the region. The situation aggravated when USA irresponsibly abandoned the region after Soviet withdrawal, without demobilizing and rehabilitating her creation of proxy forces. Expanding terrorism is detrimental to China's national interests as well in many ways ranging from challenges to her economic interests; to transcending of menace across its borders to restive areas of Xinjiang and Tibet.

3. Energy Shortages. Energy shortages are the common issue facing both China and South Asia. Though many South Asian countries have adequate potential to produce electricity from their own untapped hydro or mineral resources; shortage of funds keeps them from developing these resources to meet their energy demands.

4. Marginalized Regionalism. In contemporary world, when regionalism is a buzzword for common development and regional stability, SAARC, (primarily) due to Indo-Pak confrontation on the question of Kashmir, remains marginalized at the periphery of emerging Asian resurgence.[16]

5. Balance of Trade. Favorable balance of trade amid trade competitive environments is becoming a point of concern for China due to increasing trade disputes with the potential to affect her bilateral relations with some countries.

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15 Graph showing region wise poverty, prepared basing on data from World Bank Report 2011.

16 For details see Zahid Shahab Ahmed, India Pakistan relations and SAARC, www.insightonconflict.org, accessed 16 January 2012.

## PART Ⅲ WAY FORWARD/OPPORTUNITIES

Though China's balanced and multidimensional policy towards South Asia seems to be working well so far, emerging challenges and US interests in the region are perceived to put it under stress in medium to long term timeframe, affecting her economic objectives as well. It would be in China's national interests that policy is revisited to identify the areas requiring improvements for mitigating the challenges, consolidating present foothold and exploiting new opportunities of mutual interdependence with South Asian states. In this backdrop some suggestions are being proffered in succeeding paragraphs for consideration by Chinese policy makers.

### I. Balancing and Stabilizing the Regional Security Environment

It is in China's interest to continue pursuing the objective of peace and stability in the region through balance of power and conflicts resolution rather than strengthening the hegemonic position of the biggest regional country—India. Balance of power in South Asia, does contribute towards China's interests in South East Asia by curtailing India's liberty of action.

### II. Promoting Regionalism

China's entry into the SAARC is likely to reinvigorate the forum and enhance regionalism in South Asia. China, due to its political clout may play an important role in fostering mutual trust, conflicts resolution and promoting good neighborly relations among regional states through SAARC plus one mechanism. Notwithstanding above, expansion of SCO to South Asia, may also realize the concept of regionalism albeit at bi-regional level.

### III. Integrating Smaller Regional States in Economic Development

To enhance long term economic interdependence, South Asian states may be integrated in China's economic development. Towards this end, China may gradually change its development mode by introducing own brands and shifting some production oriented activities to these states.

### IV. Regional Anti-Terrorism Cooperation

US/NATO seems to be failing in stabilizing Afghanistan and curtailing spill—over effects of terrorism to other countries. It is prudent that regional countries as well as regional neighbors should get involved more constructively and comprehensively to eliminate the menace, China can play an important role in rallying the regional countries to fight this common threat.

### V. Enhancing Sino-Afghan Engagement

The situation in Afghanistan holds the key to regional security and access to energy resources rich Central Asia. China being the nearest and responsible

great power may gradually enhance its involvement in reconstruction and economic development of Afghanistan with long term objective of stabilizing the country. Opportunity of expanding investments for exploration of untapped oil and mineral resources of Afghanistan may be availed for mutual benefits.

**VI. Helping South Asian States to Meet their Energy Needs**

China may significantly help South Asian countries to meet their increasing energy needs by sharing renewable energies technology like wind and solar power etc besides assisting them to explore their untapped mineral and hydropower resources.

**VII. Promoting Soft Power Image**

Present level of youth exchange programs, cultural, sporting and people-to-people interactions may be expanded. Enhanced interaction between universities, think-tanks, academic institutions, mass media, and film and television industries is also likely to help China to occupy cognitive space in the region, mitigating the effects of negative propaganda of western media.

**VIII. Bolstering Sino-Pakistan Cooperation**

Strong and exemplary relationship between China and Pakistan may be further cemented to increase China's leverage in the region and avoid possibility of Indo-US encirclement. Among the emerging areas for cooperation are Afghanistan, anti-terrorism, military to military cooperation and energy security.

Pakistan-China anti-terrorism cooperation is crucial not only because both the countries are victims of terrorism, but also in view of the fact that the anti—terrorism drive by the external players is at the same time being used by them to reshape the geopolitics of the region which may not be entirely in the interest of both.[17] Therefore, possibilities of expanding present level of anti-terrorism cooperation be sought and exploited for mutual benefits.

Pakistan possesses over 185 billion tons of coal reserves which can be used for electricity generation, however excavation and utilization of these reserves "necessitates technological progress, where there are high chances of Chinese assistance"[18]. Cooperation in the fields of alternative energy sources,

17 Fazal-ur-Rahman, Traditional and emerging areas of strategic cooperation between Pakistan and China, available at http://www.issi.org.pk/old-site/ss_Detail.php?dataId=500, accessed on 25 March 2012.

18 Sannia Abdullah Ms, Energy – the coal story, paper presented at Seminar on Global Trends in Arms Control and Disarmament: Implications for Pakistan at Institute of Strategic Studies, Islamabad, http://www.issi.org.pk/conference-seminar-files/1296625968_6073653.pdf, accessed on 23 March 2012.

like wind and solar power may also be mutually beneficial for both.

Development of proposed "Trade and Energy Corridor" through Pakistan may also be evaluated for implementation.

Since the end of Cold War, China's policy towards South Asia is undergoing changes both in theory and practice in line with changing global geopolitical environments. Despite China's earnest desire to work in harmony with South Asian nations for common prosperity, mutual benefits and regional peace and stability, the policy faces many future challenges. The nature of Sino-India relations and Indo-US relations figure out to be the biggest challenge. At the same time, situation offers worthwhile opportunities as well, which can be exploited after a comprehensive appraisal of the policy for long term national interests.

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