

# The Geopolitics of China's Influence in South Asia: Implications for India and the Region

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## Abstract

*This paper analyzes China's growing engagement with South Asia and its strategic implications for India. It aims to provide a foundational understanding of regional developments and assess India's strategic responses within Indo-Pacific maritime diplomacy. China's rapid ascent to global prominence has had Burhan's attention since its economic reforms in 1978. Within four decades, China has positioned itself as the world's second-largest economy, a leading exporter and importer, and a significant military power. This rise significantly impacts South Asia, where China's influence has grown through increased trade, military sales, and infrastructure development, like the China-Pakistan Economic Corridor (CPEC). Some view these activities as a strategy to encircle India and enhance China's presence in the Indian Ocean Region, raising security concerns for India.*

*The paper employs qualitative research methods, including the analysis of policy documents, scholarly articles, and media reports, as well as case studies of China's engagement with specific South Asian countries. The paper concludes that China's growing influence in South Asia poses a complex challenge to India. While China's economic engagement benefits the region, its military and strategic activities raise security concerns. India's strategic countermeasures and diplomatic efforts are crucial in shaping the region's future dynamics.*

**Keywords:** Belt and Road Initiative, China, Geopolitics, India, Influence, Security, South Asia

## Introduction

China's rapid ascent on the global stage has been a focal point of international attention since its economic reforms began in 1978. In a remarkably short period, China has positioned itself as the world's second-largest economy, a leading exporter and importer, the holder of the largest foreign exchange reserves, the second-largest military spender, and a recognized nuclear power. This swift rise in economic power has significantly enabled China to enhance its diplomatic outreach and military capabilities.

This expansion has had profound geopolitical implications for South Asia, where China's influence has grown substantially in recent years. This growth is evident in the rapid increase in trade relations and military sales to several of China's southern neighbors, including Myanmar, Pakistan, and Sri Lanka, as well as the development of infrastructure and trade and transport corridors connecting them. The China-Pakistan Economic Corridor

(CPEC) is a centerpiece of these efforts, building on earlier proposals like the BCIM multi-modal corridor, with China envisioning further expansion.

Official Indian policy views this infrastructure development as a strategy by China to encircle India, strengthen its presence in the Indian Ocean Region, and ultimately compete with the U.S. It is seen as the latest move in China's "String of Pearls" geostrategic policy aimed at containing China's rivals in the Indian Ocean Region. Concerns also exist regarding China's ventures into the region's energy sector through constructing dams and nuclear power stations and exploring and developing LNG terminals, storage facilities, and refineries. China's aggressive pursuit of ownership in mining and energy interests in several regional countries is an additional source of apprehension.

These concerns have led many to believe that India has already begun a strategy, with U.S. assistance, to contain China in the Indian Ocean Region. This paper analyzes the contours of China's

growing engagement with South Asia and its strategic implications for India. It seeks to provide a foundational understanding of South Asian developments alongside China's evolving global and regional ambitions. The study will assess the necessary strategic responses and the broader context of Indo-Pacific maritime diplomacy.

The research will employ qualitative methods, including analyzing policy documents, scholarly articles, and media reports. It will also examine case studies of China's engagement with specific South Asian countries, such as Pakistan, Sri Lanka, and Nepal, to illustrate the diverse nature of its influence.

The paper will conclude by arguing that China's increasing influence in South Asia presents a complex challenge to India. While China's economic engagement has benefited some South Asian countries, its military and strategic activities raise significant security concerns for India. India's strategic countermeasures and diplomatic efforts to counterbalance China's rise will be crucial in shaping the future dynamics of the region. The evolving geopolitical landscape necessitates a nuanced understanding of the interplay between China's regional ambitions and India's strategic interests.

## Findings and Discussions

### Historical Context of China-South Asia Relations

From ancient times shared along the famous Silk Route to economic and cultural interactions in an increasingly interconnected world, China's imprint on South Asia has been a continuing tradition. Stretching from Tibet to Sri Lanka, the multi-front engagement reflects the evolving balance of power in the region under the colonial and post-colonial order, opened up by shared borders, interests, and disputes. At the same time, irrational fears persist and are being reinforced by global dynamics.

At its broadest extent, South Asia constitutes Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. Despite such a list of different states mirroring multiple cultures, ideologies, and policies, China's policy planners have always viewed the region as a coherent unity, deeply influenced by the geographical proximity to the southern mainland and the disputed border areas. Wary of the geo-strategic threat posed by India and the seeds of its competition among South Asian countries, Chinese strategic thinking has nevertheless attempted to use the smaller entities to balance India's overwhelming power.

Growing regional rival interests have escalated cross-border disputes between China and India. Meanwhile, an increasingly globalized world has projected these standing problems into distant parts of the country, spurring into paranoiac Indian allegation of Chinese containment strategy as a rationale for arms build-up. Participating in the proceedings, other South Asian countries also perceive the specter of a Chinese dragon awakening from its hundred-year political slumber.

### Economic Engagement: Trade and Investment

China's involvement in the South Asian region has introduced significant changes to the strategic dynamics of the Indian Ocean system. This engagement presents new security challenges for South Asia, although significant powers can leverage bilateral and multilateral policies to foster security cooperation. South

Asian nations, on their part, must continually strengthen their capabilities and institutions to manage transnational challenges effectively. The transformation of China's economic status and growth trajectory since the early 1990s has redefined its regional and international interests, subsequently affecting the dynamics of global economic and security architectures.

The expansion of Chinese economic ties in South Asia has become a critical element of its maritime Silk Road initiative, which raises concerns among major global powers vying for supremacy in the Indian Ocean and the broader Indian-Pacific region. Despite an established official diplomatic dialogue mechanism between China and India, their relations remain volatile due to several contentious issues, including China's support for Pakistan, ongoing boundary disputes, and apprehensions regarding China's military modernization. Concurrently, India has actively pursued stronger ties with the United States and Japan. At the same time, China has cultivated a strategic alliance with Pakistan and maintained a policy of non-interference in Sri Lanka and the Maldives.

China's engagement with South Asia can potentially alleviate some trade imbalances in the region. However, it concurrently raises alarm over China's strategic intentions, particularly regarding the growing frequency of port calls by Chinese naval forces and the development of naval and space collaborations. This analysis delineates the contours of China's engagement with South Asia and its implications for India's strategic interests. By establishing a foundational understanding of South Asian developments alongside China's evolving global and regional aspirations, this paper will assess necessary strategic responses and the broader context of Indo-Pacific maritime diplomacy.

### Infrastructure Development and the Belt and Road Initiative

In recent years, there has been a growing debate on China's increased engagements with South Asia, highlighting its infrastructure and economic development initiatives across the region. These activities are further considered part of Beijing's encirclement strategy to enhance its global influence. A notable portion of these development projects is related to the "Belt and Road Initiative," or BRI, which aims to connect Eurasian economies [1]. The China – Pakistan Economic Corridor (CPEC), China – Nepal – India Economic Corridor, and other similar infrastructure projects are viewed as a strategic objective of Great Power to further amplify its influence across the region, resulting in significant concern for India.

From Beijing's perspective, infrastructure development across South Asia and beyond is vital to sustain China's economic growth. The region's underdevelopment presents distinct challenges for meeting the rising demand for Chinese imports; thus, significant investments in infrastructure are a logical response from Chinese planners [2]. Additionally, China's infrastructure investments in South Asia primarily aim to bolster its regional influence. These initiatives have been argued to yield substantial benefits for South Asian nations, many of which grapple with considerable challenges in development and economic growth [3].

Nevertheless, balancing these benefits against potential financial obligations these countries may incur due to such projects is crucial. Historically, it is worth noting that several developing nations have initiated extensive infrastructure ventures with mixed results, often resulting in dependence on more powerful states [4]. For India, the increasing influence of China in South Asia represents a significant strategic concern, leading it to interpret many of these projects through a security lens. India's encirclement strategy is reflected in its infrastructure development efforts across the subcontinent, making potential strategic and geopolitical ramifications of infrastructure initiatives critical points of inquiry in ongoing discussions.

### **Military and Strategic Presence in the Region**

The rising profile of China is having a significant impact on international relations, particularly in the South Asian region. While the economic aspects of China's engagement with South Asia have been adequately analyzed in recent years, less attention has been paid to its military and strategic presence. As China is perceived as a potential military competitor, its growing military ties and presence in South Asia significantly impact regional security dynamics [5]. These changes are primarily guided by India's shifting strategic outlook and the Sino-Indian competition, but they also significantly impact other South Asian countries.

This new strategic environment heavily influences bilateral relations between these South Asian countries and China on the one hand and between these countries and other extra-regional countries on the other. The focus is, therefore, China's military and strategic presence in South Asia, both by increasing military collaboration with these countries and by active participation in the region, specifically since the establishment of strategic partnerships with Pakistan, Sri Lanka, Bangladesh, and Nepal.

Since the alliance period, military relations between South Asian countries and China have notably evolved, incorporating various cultural dimensions, requests for assistance, and other relevant aspects. Recent developments indicate a substantial increase in China's military presence, particularly within the region's political context. Although China's military footprint is relatively modest compared to the extensive presence of the United States, it nonetheless wields significant influence over neighboring states and their diplomatic interactions [6].

A key feature of these developments is China's success in arms sales, emerging as a primary supplier of military equipment throughout South Asia, including India, which has historically approached military collaboration with Beijing with caution. The centralized Chinese government strongly supports these arms exports, offering older or less advanced weapons systems at competitive prices and favorable credit terms to facilitate transactions.

Additionally, a crucial element contributing to enhancing military relations is the increased engagement in mutual training and military exercises with various regional nations. Notably, Pakistan, Sri Lanka, Bangladesh, and Nepal have actively participated in joint exercises and training initiatives alongside

Chinese military forces. While it can be asserted that China's military engagement in South Asia remains limited in scale compared to other global powers, it has undeniably had a remarkable and lasting effect, reshaping strategic partnerships and alliances within the region.

### **Diplomatic and Multilateral Engagements**

South Asia is increasingly becoming a focal point for Chinese economic, political, and strategic influence, mainly through initiatives like the Belt and Road Initiative (BRI). This heightened interest is reflected in China's foreign policy, which emphasizes maintaining regional peace and stability. China's South Asian engagement illustrates a blend of geo-economic and geopolitical strategies. Economically, the region holds significant importance for China, with investments reaching billions of dollars [7]. Geopolitically, China aims to gain access to the Indian Ocean, facilitated by controlling or owning several key ports.

The overarching goal of China's approach is to reshape the existing dynamics where South Asia has traditionally been viewed as an Indian sphere of influence. China's strategy encompasses bilateral relationships with the members of the South Asian Association for Regional Cooperation (SAARC) and infrastructure investments under the BRI. For instance, while China has recently committed \$60 billion to Africa, a portion of the total is also anticipated for South Asia. Moreover, China is vying for observer status in SAARC, a move currently met with resistance from India, as it seeks to enhance its regional influence and counterbalance Indian dominance. However, the reception from other SAARC nations remains uncertain, given New Delhi's considerable sway in regional matters.

The imminent agreement on security and law enforcement with the Maldives underscores a future in which China's presence is economic and geopolitical. Alongside diplomatic and bilateral efforts, China strives to shape regional alliances through organizations such as the Shanghai Cooperation Organization (SCO) and SAARC, which are expected to promote multipolarity and uphold international justice [8].

In the security context, joint military exercises and defense collaborations within the SCO signify a growing alignment between China and Russia, both advocating for a revamped global order that could potentially limit U.S. influence. This dynamic is mirrored in South Asia, where initiatives like the China-Pakistan Economic Corridor and assistance to Sri Lanka reflect China's involvement in regional disputes that do not favor Indian interests. Additionally, the proposed economic corridor between China, Nepal, and Bangladesh has prompted New Delhi to establish a maritime consultancy forum to safeguard its interests.

### **Soft Power and Cultural Diplomacy**

In recent years, South Asia has emerged as a focal point in China's foreign policy, with intentions that span economic investments in infrastructure and the expansion of Chinese influence across various domains such as defense, science and technology, education, public diplomacy, and culture. The prevailing Western narrative often depicts Chinese cultural diplomacy as simplistic, focusing primarily on exhibitions of textiles and pottery or culinary workshops. However, this perspective does not capture the multiple dimensions of China's cultural diplomacy in the 21st century.



The skewed representation of Chinese cultural initiatives to address, this chapter provides an in-depth exploration of China's evolving cultural diplomacy in South Asia. It underscores China's burgeoning cultural influence through political discourse, substantial investments in arts and education, and its broader image as a hub of economic development and cultural refinement. This analysis also highlights nascent findings that may inform future regional cultural diplomacy research. It discusses contemporary strategies for fostering constructive cultural diplomacy between South Asia and China while identifying new research opportunities.

Despite a notable increase in the visibility and pace of Chinese cultural diplomacy, much of the scholarly analysis remains in its infancy, especially from Western perspectives. The chapter explores four central themes related to South Asia, revealing that the narratives disseminated by official Chinese cultural diplomacy are often misleading, giving rise to misconceptions and unfriendly sentiments towards China within the region. As such, it is anticipated that the divide between China and South Asia will further widen, exacerbated by the lack of engagement from impartial third-party civil society actors [9, 10].

### Security Concerns for India

Chinese arms supplies to Pakistan have been documented since the late 1960s, though initially in limited quantities. Over the years, both countries have collaborated on joint projects, including developing military equipment such as the F-7 and JF-17 fighter aircraft, the MBT-2000 tank, and the Babur and Ra'ad nuclear-capable cruise missiles. This collaboration has substantially increased Pakistan's military inventory, which includes a diverse array of missiles and components for the H-2 launch vehicle [11]. The defense relationship between China and Pakistan poses significant challenges to Indian security. The People's Liberation Army's (PLA) use of Gwadar port for logistical support is noteworthy, especially in light of China's recent evacuation efforts in Libya.

In addition, China extended military assistance to Nepal in the 1950s, aiming to bolster a national armed force that could serve as a "Third Force" amid global tensions. However, this initiative has not spurred substantial engagement [12]. The dynamic between China and India exhibits low trust and elevated suspicion levels. However, recent developments have initiated more vigorous interactions, including frequent visits by Chinese military officers to Nepal, attempts to establish relationships with governmental and Maoist factions to protect Chinese nationals, and high-level engagements involving Chinese State Councilor and naval visits.

Consequently, Nepal is receiving military hardware from China, such as aircraft, armored vehicles, anti-aircraft artillery, and rocket launchers, purportedly for anti-poaching and defense needs [13]. China and India are encountering emerging security concerns in new territories; China faces maritime security challenges, while India grapples with stability issues in Nepal and the implications of a potentially transformative regional security landscape.

### Border Disputes and Territorial Claims

China is regarded as a significant global power in the post-Cold War era due to its rapid emergence as a leader in energy, industry, and technology. With a flourishing economy that generates substantial trade surpluses, China has leveraged its financial resources to enhance its strategic influence across various regions. Despite this seemingly benign stance, Beijing's ongoing border tensions with India in the Himalayan region reveal a more complex reality.

Over time, the China-Pakistan partnership, often called an all-weather friendship, has evolved into a robust and enduring alliance. This relationship extends far beyond military cooperation, encompassing a wide array of economic, diplomatic, and other forms of collaboration. The security implications of the China-Pakistan nexus have generated considerable debate, especially regarding their impact on regional stability, a concern for Delhi [14].

In military terms, the ties between China and Pakistan have increasingly intertwined. China has emerged as the primary supplier of advanced weaponry to Pakistan, equipping each branch of its armed forces with Chinese-made military technology. These deepening connections also extend into the nuclear domain; clandestine transfers from Beijing have reportedly allowed Islamabad to develop a nuclear arsenal estimated to include up to 90 warheads of various types. Moreover, China's assistance has been crucial in establishing a formidable Pakistani nuclear missile deterrent, exemplified by the Shaheen II missile, which is believed to have been developed based on Chinese M-series technology and can strike any location in India while extending a deterrence capability over the Indian Ocean. Additionally, China is influential in enhancing the Pakistan Air Force's capabilities, as evidenced by the recent introduction of the JF-17 fighter jets—a product of joint development expected to become the backbone of Pakistan's air fleet. These developments present alarming implications for Indian defense strategies.

Impact on India's Neighbors: Nepal, Sri Lanka, and Bangladesh  
China's strategic initiatives in increasing its influence in South Asia nurtured mainly through investments in infrastructure, trade agreements, and its rapidly expanding consumer market—have resulted in the rise of a strategic competitor in a region that has traditionally been India's sphere of influence. China-Nepal and China-Sri Lanka defense agreements and China-Bangladesh agreements on yellow croaker export to Bangladesh and arms purchases, after visits by Chinese President Xi Jinping and Chairman of China's National People's Congress Standing Committee Zhang Dejiang, respectively, have strategic implications for the region.

China's progress in adopting regional multilateralism in the form of a free-trade agreement with the South Asian Association for Regional Cooperation (SAARC) country Sri Lanka and its bilateral agreements with SAARC countries Nepal, Sri Lanka, and the non-SAARC country Bangladesh are seen by India as potential sources of regional influence. As a result, over the last decade, he and Nepali politicians have become critical of the Indian government multiple times for apparently pressuring

the State government to impose a blockade on Nepal, leading to severe fuel and food shortages. They have argued that India's response to China was genuine "economic engagement" facilitated by the end of the civil war [5].

### India's Response and Strategic Countermeasures

India's multifaceted responses to the challenges springing from the rise of China in South Asia have three pillars: strategic countermeasures, outward-influence broadening, and efforts to create a complex interdependence pattern. Regarding military modernization, efforts to further enhance power projection capabilities adapt its security posture to acquire "strategic depth." Since the late 21st frontline states, China's counter-strategies have driven India to form a coalition strategy by enlisting Japan, Australia, and the U.S. The Military Logistics Sharing Agreement with those three countries represents a paradigm shift in Indian security thinking [15].

Diplomatically, more relations are being forged with influential extra-regional powers to counterbalance China's rise, especially within the court of Western democracies. A broad convergence of interests is apparent in the opposition to constructing the One Belt One Road (OBOR), the Five principles for peaceful co-existence, and the rules-based international order. The EU is particularly opposed to OBOR infrastructural projects in the Indian Ocean. COVID-19 technology wars and India's receptive environment for new industrial investments have led to deeper Indo-EU trade relations, including a commitment to the fight against the regulatory barriers to the Sound economic partnership.

An Industrial Agreement on the data-pooling industry is indicative of this newfound hospitality. From May 2021, India will chair three major international initiatives: the UN Security Council, the G20, and the Quad. Be it military relations with countries near the Persian Gulf (the UAE and Oman) or export restrictions on missile codes to Pakistan and the construction of Military fleets in Bangladesh make India's appeal to the U.N. Security Council more compelling as a response to rising Chinese engagement in South Asia [5]. In a significant revamp of its foreign policy, New Delhi is taking an unprecedented leap towards strategic countermeasures, including a mainly new aggressive stance on military, diplomatic, and economic domains.

Internationally, the rising Indian proactive presence in Afghanistan has worried Chinese strategists. Economic countermeasure proposals involving moving part of the supply chain out of China, the thing China fears the most, are being taken further. Playing the Islamic card amid Myanmar, Bangladesh, and the UNHCR is resulting in the common struggle against terror with these neighbors. However, one needs to temper realistic expectations about the military counter sanctity and sustainability because of a national-level ability, inflamed by China's hostilities and support for an increase in Taliban and other Islamic groups.

Despite such fortes, India has taken pains to marshal a compelling web of structured countermeasures to confront the challenge head-on in the spirit of realpolitik and to treat strategic divergences with talk of mutual benefits, evolving itself as the wariest hedging in South Asia. There is ebb and flow in duali-

ty; express concern on media over Pakistan for Donald Trump and the recent phone conversation with Muhammad DRIurst, pledging to promote connectivity along the border. However, it is ancient anger kernels about counting maritime tensions and concerns about Chinese satellite monitoring and military connectivity periscope in the Indian Ocean.

Japan will reportedly partake in Malabar, France, in a ground-breaking spirit. Naval manures and energy cooperation on the high seas. Marching to USRI's tune, Inodus will deepen intrigue with Vietnamese Maritime forces, determination to see no Chinese boost in South Asia. Concerted internationalism is underway to Trash Chinese Means, from pushing the climate change agenda to the DRIV to standing with Bolivia's take on the South China Sea at the Hague. Buttering up strategic allies like the US, India will purchase drones and fighter planes from Russia for a cool \$14 billion. On the defense acquisition front, a historic 44 agreements are being fast-tracked with the US for Rupees 13 billion.

To consolidate the anti-Chinese Maritime Silk Road alliance with Japan and the US, an A "port should be offered. Diplomacy covered the gamut of emotions regarding China. There is mutilated guilt in Nepal, but in Bhutan, pressure responses appear. After all, Thimphu is shelled. Do check the sea tense. Chini-Bhutanity is fraying, creating a flash point around the tri-junction, vowing that.

### Regional Cooperation and Alliances

Regional cooperation and alliances are pivotal to the South Asian geopolitical landscape. South Asian nations have a range of frameworks for collaboration, including the regional grouping South Asian Association for Regional Cooperation (SAARC) and cross-border cultural and economic cooperation. These nations often share common challenges, like combating terrorism or dealing with natural disasters, and collaboration can help to address these challenges more effectively.

At the same time, these countries have potential divisions and conflicting interests. China influences each South Asian country, and the relationships of these nations with China and India can create additional challenges to their unity and cooperative endeavors [5]. A country eager to join a regional project with China may face pressure from India and vice versa. Some countries may also prefer closer relationships with the US.

Since the early 1980s, external pressures from powerful countries, particularly China and India, alongside internal challenges, have significantly affected the unity of South Asian nations. In response to the dominance of their larger neighbors, some countries in the region adopted non-alignment policies. However, it is essential to recognize the substantial influence exerted by China due to its growing economic power and increased engagement with various nations. For instance, several South Asian countries have experienced benefits from China's rise, creating a complex landscape of alliances.

Recent developments suggest potential new coalitions among South Asian nations, which may involve China and extend to countries beyond the region. Changing dynamics are evident, with Pakistan, traditionally allied with China, now pursuing

joint initiatives concerning Afghanistan, while India is fostering military partnerships with Afghanistan, Bangladesh, and Iran. To enhance regional stability and development, South Asian nations need to deepen cooperation in economic and security sectors, particularly in today's globalized context. Nonetheless, significant divisions and conflicting interests remain barriers to effective collaboration among these countries despite their shared historical and cultural heritage, which is often overshadowed by existing tensions [16].

### **The Quad: USA, Japan, Australia, and India**

On March 12, 2021, U.S. President Joe Biden convened a virtual Quad summit, marking significant developments in the geopolitical landscape of the Indo-Pacific region. The Quadrilateral Security Dialogue comprised of Australia, India, Japan, and the United States has transitioned from in-person consultations to more robust collaborative engagements. The Quad has primarily focused on fostering 'security cooperation' and enhancing 'economic resilience' through various initiatives [17]. Previously, its efforts centered on connectivity, quality infrastructure, humanitarian aid, and disaster response coordination. On September 18, 2021, the Quad introduced three key initiatives: 1) climate financing, 2) underwater communication, connectivity, and cybersecurity, and 3) a working group on critical and emerging technology.

The inaugural Malabar military exercise in Phase II saw Indian forces integrating with over 200 U.S., Japanese, and Australian personnel. During these military drills, Quad navies reported encounters with Russian naval vessels in the Pacific, further highlighting the shifting dynamics in maritime security [18]. A dialogue framework addressed crucial areas such as cybersecurity and 5G technology. Amid these developments, China's response has been characterized by a blend of competition and cooperation. The Quad aims to address pressing global challenges, notably supply chain vulnerabilities and climate change, while acknowledging the shifting geographies of the Indo-Pacific [19]. The Quad's initiatives have generated apprehension among its members regarding China's Belt and Road Initiative as they strive to foster sustainable regional development.

The potential for the Quad to extend its security architecture is supported by regional forums advocating for collective security. Despite pragmatic endeavors, there is a pressing need for diplomacy, a method previously embraced during the Quad's earlier engagements. Since its revival in 2017, the Quad has encountered skepticism, with some voices expressing doubts regarding the coherence of its vision and collective interests. If a genuine sense of commonality eludes the Quad member states, efforts may diminish to delivering sporadic 'safe harbor' declarations. China plays a pivotal role in shaping the Quad's agenda, as its rise is perceived as a challenge and a potential catalyst for the dialogue's resurgence [20].

The economic rise of China coincides with the Quad's efforts, although direct diplomatic or security confrontations among these nations remain infrequent. South Asian countries are increasingly pivotal to balancing the influence of major regional powers,

posing challenges for the Quad in pursuing direct engagement within these territories. Thus, the critical task lies in formulating a foundational vision anchored in principles conducive to a rules-based order.

**The Role of International Organizations:** UN, WTO, World Bank China's engagement with international institutions is regarded as a status indicator in global politics, even as it is wary of "Western" and international interference in domestic affairs. Recent trends suggest China is stepping up its engagement with international organizations, and the policies of these organizations have an indirect role in shaping China's South Asia policy. For instance, while China has not overtly supported the Kashmir cause in Kashmir's favor, the existence of UNMOGIP & OIC has ensured that it is not forgotten either.

Policies on nuclear trade and testing in South Asia are also somewhat regulated by the intervention of international organizations. This can be extended to South Asia's economic sphere, where institutions like the WTO and the World Bank in India have been critical in promoting regional cooperation between China and India on economic issues. An interesting case here is how the dispute resolution mechanism of the WTO can be used as an informal forum to resolve politically sensitive disputes like those around the National Hubs and Corridors network.

However, more attention should be paid to how these organizations help or prevent China from achieving its security aims in South Asia. China's engagement with international organizations like the WTO & its attempts to leverage these organizations to legitimize its regional policies contrasts with India's dissatisfaction with these organizations and its attempts to subvert their role in South Asia [15].

China is a permanent member of the Security Council of the UN, and this modest accountability should be utilized to foster the political development of regional cooperation. Concerns have been raised that the separatism talks with rebel Indian groups in Myanmar and Bangladesh have been stunted due to Chinese intervention in these countries. With the formation of the BRICS Development Bank and the favorable position China holds in these organizations to the benefit of its economic security interests, India needs to improve the position of these organizations to its advantage in order to effectively oppose Chinese dominance in the region [21].

### **Implications for Global Power Dynamics**

A changing balance of power results from China's increasing engagement and growing influence in South Asia. This development has profound implications for South Asia and the global power configuration. The rise of China is expected to continue to dominate international strategic concerns. The focus of debate has shifted from China's rapid growth and the abilities of East Asian countries to manage this, if not directly curb its growth, to interest in how China might behave as a powerful global actor.

There are concerns about China's alliances with states like Pakistan and the factors feeding into China's relative neglect of regionalism, its military expansion, and its projection of soft power in South Asia. Similarly, China's quest for markets, resources,



and geopolitical space raises many fears and concerns in South Asia and beyond, in countries as divergent as the United States, Nepal, and Australia.

As such, the discussion of China's rise feeds into an agenda of significant power trajectories, alliance and rivalry behavior, and potential competition and rivalry between major global powers, as well as how these might be managed and what structures might be put in place to govern and mitigate such competition. India is caught in a strategic dilemma of how to respond to China's rise as it attempts to play the dual role of "searching for global power status while catering to immediate threats to its security" [22]. Major global players have started to pay increasing attention to China's engagement and growing influence in South Asia and to respond proactively.

Japanese infrastructure investments in various parts of South Asia to counterbalance China have been on the rise, to the extent that an "infrastructure war" is being claimed in the region. Given this backdrop, the possibility of intensified global competition in South Asia is explored. At the same time, the potential for collaboration among major global players on issues of their mutual concern in South Asia is examined. South Asia's dynamics do not exist in a vacuum, and many interactions are driven foremost by economic interdependence and strategic considerations flowing from outside the region. This case study illustrates the broader interplay between the regional and global power structures.

### **Economic Competition and Market Access**

Since the turn of the century, China and India have competed economically and geopolitically for influence in critical regions. South Asia is a major theater of this competition. Due to this struggle, economic rivalry between India and China has translated into fierce competition for market access in the region's countries [23]. China's Belt and Road Initiative promised significant infrastructure investments across South Asia to complement its commercial networks. At the same time, India has taken strong economic measures to prevent such engagements.

Both India and China have employed many strategies to secure favorable trade agreements and investments, leading to tangible consequences for the local economies and the trade patterns of these countries. The strategies include offering more generous loans, a two-step process of integrating investments with detailed trade agreements and engendering political agreements. Despite high risks related to dependency on China and concerns over its economic footprint, China's offers of investment bring the promise of new infrastructure projects that can significantly reshape market access for Indian businesses that are seeking a larger overseas market [24].

When China and India use tariffs and other trade barriers to protect their domestic industries, this inevitably influences the dynamics of economic interconnections between third countries and the rest of the world. Particularly in South Asia, the issue of tariffs on Chinese goods, restrictive technical barriers in industries where China is assertive, as well as volatility in how India and China engage with partners is paramount in understanding these dynamics [22]. Understanding these complex interactions can inform why some countries might be drawn more to India as a way of denouncing Chinese privileges despite not having long-standing ties, while others, with high growth potential, diversify their exports to protect against potential shocks.

The story of how economic competition between India and China affects the economic and infrastructure markets of South Asia is told, casting light on the early links of the Indian and Chinese regional markets as well as anticipating what is yet to come. Economic interaction between China and India will be further explored to comprehend how regional competition intensifies and what India is doing to respond and be more competitive. Strategic responses may include successful attempts to increase engaging partners, unsuccessful efforts at diversification outside the traditional trading partners, and understanding what it means for other countries in the region.

The push for cooperation in regulating emerging technologies and the booming sectors of energy, digital, and biotechnologies will be examined in this context. The burgeoning possibilities of cooperation may indicate a move towards an evolution from an economic competition model to one of integration by the regional powers.

### **Technological Competition and Cybersecurity Concerns**

With breathtaking speed, China and India have embraced technological advancements transforming their economies, societies, and military and soft power capabilities. This spectacular burst of technological advancement, spurred by rapid economic growth and vast investment in R&D, has deepened the potential for strategic competition and has also fostered more significant vulnerabilities for both countries individually and the region as a whole [22].

Technology is now the great enabler of strategic advantage in both military and civilian realms, and its development and application are being carefully watched across the capitals of India's neighbors. The transformative impact of economic and military technology on power and statecraft is not new. Realist theorists have long prioritized the trajectory of research and development and the use of technology by states as a critical dimension of their strategic behavior and the international environment [15]. The nuclear revolution is often cited as the supreme example of military technological shifts shaping the balance of global power. However, today, information technology has emerged as the critical frontier in leveraging power and influence, impacting many sectors of society, industry, and statecraft.

India and China are increasingly pursuing and deploying cutting-edge technologies across commercial, military, and soft power spheres. However, this fast-paced and significant transformation is also problematic as vulnerabilities proliferate. In recent years, both capital cities have been rocked by high-profile incidents involving the theft of military secrets. Both countries view the attempts to penetrate each other's communication infrastructure and disrupt military and civilian networks as matters of the utmost seriousness.

Consequently, they have aggressively attempted to safeguard their systems and have explored ways to fortify their technological infrastructure. In recent years, governments and private sector actors in both countries have allocated significant resources to cybersecurity. In response, both states have developed sophisticated cyber warfare capabilities, though the clandestine nature of their use makes their application challenging to trace and assess. It is becoming increasingly clear that cybersecurity is inherently complex in an international relations setting.

Promoting interlocking national cyber-infrastructure networks across South Asia has emerged as an equally bold state-led attempt to fortify against potential cyber threats. However, the 2008 agreement between New Delhi and Colombo on fighting cybercrime indicates that such arrangements may also be politicized. The broader regional trend of rapidly increasing dependence on IT for economic growth and modernization in South Asia is accompanied by the proliferation of cyber vulnerability. Moreover, currently, neither the architecture nor the regional will to create common regulatory standards aimed at enhancing cyber security nor to establish regional and multilateral mechanisms to tackle cybercrime, cyber terrorism, cyber warfare, and cyber espionage together.

At the same time, trade and cooperation in high-technology goods remain essential to that modernization process despite the downside of allowing adversaries potential access to sensitive technologies. The complex and problematic nature of technology and cybersecurity in modern geopolitical interaction is often overlooked in South Asian literature, which tends to see this only as a straightforward story of growing Chinese technological inroads into South Asian states.

## Conclusion

China's economic, military, and cultural penetration in the entire subcontinent is being strategically utilized and expertly instrumentalized to effectively counter-balance India's hegemonic and dominant position in South Asia. While the economic component of China's extensive and multifaceted involvement in South Asia has consistently garnered significant attention in numerous forums, discussions, and debates, it is crucial to highlight that China has concurrently pursued military partnerships and collaborations that are increasingly important within the complex region.

Moreover, as China undergoes a notable transition from its traditional military strategy towards a distinctly more assertive and markedly more aggressive military posture, its strategic space is poised to expand considerably, potentially leading to increased security challenges for India and its neighboring countries. This evolving situation is particularly disquieting given the harsh reality that the region continues to be afflicted by deeply entrenched political rivalries, ongoing disputes over territory and valuable resources, and widespread poverty that affects a large segment of the population. Under these persistently challenging circumstances, the intricate and multifaceted strategic problems among major powers will likely be transformed into significant regional security challenges, possibly even crises that could have far-reaching and long-lasting implications for regional stability and peace.

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