



China and the South Asian association for regional cooperation

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Abstract

The quest by China to improve its presence in SAARC threatens the conventional Indian hegemony in the region. The emergence of China as an influential powerhouse by penetrating the Indian economy and strategising to strengthen its presence is an issue of concern to India. The Belt and Road Initiative (BRI) aims at enhancing connectivity and economic integration in South Asia through infrastructure projects. Apart from helping to build capacity, the BRI also spreads the strategic presence of China, which results in the concern of being a debtor. The Pakistan and the Bangladesh are in favour of China becoming a full-fledged member of the SAARC as they consider it an opportunity to renew the organisation as well as counterbalance the dominance of India. Their support of inclusion of China highlights the changing regional dynamics and the changing alliances in the South Asian geopolitics. This paper will discuss why China is trying to become increasingly engaged in SAARC, what interests and concerns India has in this matter, how the region has responded to it so far, and what it means to the future of South Asian multilateralism.

Keywords: China SAARC dream, debt trap, India-China competition, CPEC, neighbourhood first

Introduction

The modern geopolitical situation in South Asia has turned out to be the reality of power struggle between the powers inside the region and outside of the region. The South Asian Association of Regional Cooperation (SAARC) was an invention with the purpose of assisting the member states of the association in their economic and cultural integration between themselves, they are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka hence the name South Asian. Over the years, the SAARC has turned out to be a place where the unity of the desires in the region and political intricacies have been experienced. Since it became an observer in the SAARC in 2005, China has been keen on obtaining its status to full membership. Such an ambition has caused much controversy in the sphere of diplomacy, as well as in political sphere, in general, particularly in India, which has always been considered South Asia as the sphere of its influence.

The Indian problems are not just historic problems, but also are strategic in nature. These are founded on the historical conflicts and reasons, territorial conflicts and the fact that China has been developing a strategic and economic relationship with the South Asian neighbours. This paper examines why China would like to contribute even more to the SAARC, why India is concerned about its strategic interests, how the region has also risen and how this would be translated into future of multilateralism in South Asia.

Why China Wants to Join SAARC

China is also insisting on the full-membership of the SAARC to have greater power in the South Asian region that is long dominated by India. As an observer member since 2005, China has been trying to strengthen its membership and balance India through the association with its less powerful neighbours like Pakistan, Nepal, and Sri Lanka. The lack of relations with India with borders issues and opposition to the BRI is forcing China to consider SAARC as an avenue in advancing the agenda in the region. South Asia boasts of nearly two billion population and China has realised huge market potential to trade and invest. Full membership would help in the formalisation of economic associations and propagation of regional projects. The fact that China is closely associated with Pakistan is also an advantage to its membership as Islamabad supports this decision. However, India does not see this favour and would only like South Asian nations to be added to this grouping. The veto of India through the agreement decision making process has aggressively derailed the intentions of China to become a full-fledged member of SAARC.

China's Rising Influence Over India's Neighbours

China has created positive bilateral relationships with nearly every country that is a member of the SAARC and has used its advantage over India which has poor relationships with its neighbours to build its presence. One of the BRIs is the China-Pakistan Economic Corridor (CPEC) that is perceived to be against the Indian domination of the South Asia by the Islamabad. Sri Lanka has had significant Chinese investments in the infrastructure even

though it has been traditionally intimate to India that has created issue of sovereignty due to the lease of Hambantota Port. Past Indian economic blockades had negatively impacted Nepal more than ever and has resorted to the Chinese in terms of supporting infrastructure and trade. The Maldives has taken turns in favour of pro-India and pro-China and the Chinese investment in their debt is very heavy. These countries are walking a thin line of Chinese investments that could lead to development and the state of debts.

China's Belt and Road Initiative

The BRI which was established in 2013 by Chinese President Xi Jinping aims at enhancing the level of regional connectivity and economic integration through infrastructure undertakings in Asia, Europe, and Africa. The BRI takes two subsections: first, Silk Road Economic Belt - a land route between China and Central Asia, Middle East and Europe. Second is the 21st Century Maritime Silk Road - a route of the sea including the Chinese ports to the Southeast and South Asia, East Africa and Europe. The project targets the promotion of trade, promotion of foreign investment and the economic development of over 140-member states, in addition to the provision of energy pathways. Geopolitically, the BRI can be considered as the way of China to impose itself and the threat to the international order, which has started to be shaped by the United States and its allies since the Second World War. Despite these challenges, BRI is a relevant component of the foreign policy of China and its performance is affected by factors such as transparency, environmental standards, and mutual profitability of the host countries.

China's Financial Assistance to SAARC Nations

This has also led to the emergence of China as an issue of concern due to its growing economic influence in South Asia where it lends massive amounts of cash on infrastructure projects. The intension is it may lead to strategic supremacy in the event that the nations cannot afford to repay the debts. An example of such is the case of Sri Lanka which leased the Hambantota Port to a Chinese state-owned company for 99-year after it was unable to settle its debts. Excessive CPEC of above 60 billion in Pakistan has also played a role in the accrual of external debt in the country and a difficulty to its sovereignty. Other countries like Nepal, Maldives and Bangladesh are also part of the BRI in which they face the threat of debt burdening and political intrusion. The risk of debt entrapment as a result of the re-evaluation of the dependence of certain countries on China will become an immediate issue, and India will have to remove it actively by supporting alternative options and creating more productive relations with neighbours.

China Wants to Replace India in South Asia

The move to involve China more in South Asia is aimed at challenging the old status of India in the region as the hegemonic power. This has always been the historic situation as India has been geographically central and economically strong. However, China is substituting its power by initiatives like the BRI, that entails significant infrastructural growth initiatives including the 60 billion CPEC including in Sri Lanka. Another effort by China is to undermine the role of India by improving its relationship with the member states of the SAARC and increasing its naval presence. Even though India has a Neighbourhood First policy; it wouldn't afford to match the level of investment that China offers particularly to smaller states. China follows string of pearls policies to offering aid. India has not taken any tactical approach yet to this problem such that Beijing gains more influence in the region and India's neighbours trusting it.

SAARC's Integrity at Risk

India believes that the involvement of China will render SAARC not a geographical bloc but a geopolitical border. Rather than co-operation, this platform can turn into a place of Indo-China rivalry and its effectiveness will decrease. India is strongly apprehensive that the China entry in SAARC can radically alter its standpoint in transforming it into a regional cooperation arena into a geopolitical battle ground. The transformation causes some degree of apprehension that instead of enabling the South Asian nations to collaborate as an organization, the SAARC will devolve into a situation of larval competition between China and India. This is likely to destroy the efficiency of the forum and jeopardise the well-being of the region and collaboration among the member states in support of more competition and geopolitical gambols.

The Way Forward: Strategic Balancing or Confrontation? Improving the efficiency of SAARC

This has been placed largely on the internal political differences particularly between India and Pakistan and as such, this has seen the SAARC lose its relevance in recent times. India has unofficially decided not to proceed with the reform of the SAARC rather to adopt alternatives like BIMSTEC and the Indian Ocean Rim Association (IORA) that would provide it better opportunities of regional cooperation.

Managing China's Influence through Engagement

Instead of renouncing it, professionals believe that India can take a role in interacting with China in the multilateral forums to develop regulations for future engagement. To be strategic can be balanced rather than exclusive and its results may be more sustainable.

Building Strategic Trust with Neighbours

The Indian bilateral tensions with certain neighbours have made China become influential in South Asia. India has been in the intension to solve the pending bilateral issues to achieve complete dominance in the region, enhancing of the interpersonal relations and building of trust.

Conclusion

China's full membership of the SAARC has signified its broader geopolitical interests in South Asia which has been one of its strategic areas of interest. The fact that Beijing is determined to position itself as a multi-polar development partner means that the history of it using debt diplomacy, strategic encroaching and intimidation policies sends India an alarm. The situation in the case of New Delhi is complicated: it must prevent the attempts to include SAARC into the mechanism of Chinese expansion and, simultaneously, provide a new life to the organisation in the framework of an increasingly disintegrated region. The future of India may lie in a fine balancing act that will involve the ensuring of the safeguarding of its national interests, and making sure that its future bilateral cooperation would be more inclusive as regional cooperation without any interfere with its sovereignty and save its strategic independence in South Asia.

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