

CHINA-SOUTH ASIA: CHANGING CONTOURS

By Dr Swaran Singh¹

The most recent indicator of China's activism, and acceptance, in South Asia remains the fact that – despite their internal dissensions, that remain, at least partly, rooted into China's own acts and omissions – the South Asian Association for Regional Cooperation (SAARC), in its 13th summit meet in Decca (Bangladesh), agreed to grant China, entry into their parleys.² This was a noble development in the turmoil ridden evolution of SAARC. Several other names like Afghanistan, Japan, Myanmar, South Korea, Germany, European Union, and, of course, the United States, also remain under consideration. It is possible though that this debate for expansion may mean nothing more than a mere reflection of their internal jostling amongst SAARC members to get their friends onboard to balance-out other's friends.³

Indeed, this noble initiative to invite China seems also goaded by the larger trends in the Asia-pacific region. Starting from January 2002 Oman session of the Indian Ocean Rim Association for Regional Cooperation (IORARC), where China was granted the Observer status, this trend has since been followed by China allowing India, Pakistan, Iran and Mongolia into the Shanghai Cooperation Organization (SCO)⁴ and also finally relenting to India's entry into November 2005 inaugural East Asian Summit at Kuala Lumpur.⁵ The Association of South East Asian Nations (ASEAN), of course, epitomizes in having pioneered this trend from early 1990s and ASEAN Regional Forum (ARF) today encompasses most global players.

The most visible outcome of these new trends has been accommodation of China, as if, from once being a pariah to becoming the leading light in building these soft-security

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² "Pakistani PM welcomes China to be associated with SAARC", *The China Daily* (Beijing), dateline 12 November 2005 at http://www.chinadaily.com.cn/english/doc/2005-11/12/content_494148.htm; Amit Baruah, "India to back U.S. into SAARC as observer", *The Hindu* (New Delhi), 12 April 2006, p. 12; "China dedicated to peace, stability in S. Asia", *The China Daily* (Beijing) dateline 20 April 2006, at http://www.chinadaily.com.cn/china/2006-04/20/content_572915.htm

³ Tarique Niazi, "Sino-India Rivalry For Pan-Asian Leadership", *China Brief*, Vol 6, Issue 4, (15 February 2006), pp.5-8; Mohan Malik, "China's Strategy of Containing India", *The Power and Interest News*, 6 February 2006, at http://www.pinr.com/report.php?ac=view_report&report_id=434; also see Sreeradha Datta, "SAARC: A Potential Playground for Power Politics", *The Power and Interest News*, 17 April 2006, at http://www.pinr.com/report.php?ac=view_report&report_id=473&language_id=1; Zaglul Haider, "Crisis of Regional Cooperation in South Asia", *Security Dialogue* (Oslo), Vol. 32, No. 4, (December 2001), p.423-437.

⁴ Pallavi Aiyar, "A regional group spreads its wings", *The Hindu* (New Delhi), 13 June 2006, p. 8. What really vindicates to China's successful engagement of this region is that the 5th SCO summit in Shanghai, held on 15 June 2006, was attended by heads of States from Pakistan, Afghanistan (as special invitee), and Iran as Observers in SCO.

⁵ Edward Cody, "East Asian Summit Marked by Discord", *The Washington Post*, dateline 14 December 2005, at <http://www.washingtonpost.com/wp-dyn/content/article/2005/12/13/AR2005121300753.html>; also Martin Walker, "Walker's World: Battles around new Asia summit", *The Washington Times*, 4 April 2005, at <http://www.washtimes.com/upi-breaking/20050402-102241-8632r.htm>

frameworks across Asia. To many, this remains part of China's search for alternatives in soft-power since it can not compete with great powers on the basis of its military. China is today seen leading or working closely in several other forums like the Bohao Forum, the Conference for Interaction and Confidence-building in Asia (CICA), Singapore's annual Asian Security summit and so on. It is in this evolving new context of China's hyper-activism beginning to result in obtaining it greater influence in regional affairs that this paper tries to map out China's global activism in South Asia, gauge South Asia's response to China's increasing presence and influence as also outline its implications for the US security interests in this region.

India-driven Economic Engagement

The most visible part of China's interface with South Asia has been its booming bilateral trade which has risen ten-fold in last decade alone. This trade-led transformation provides perhaps one interesting barometer to crystal gaze the changing contours of China's activism and its growing engagement and acceptance in this region (See Pie Chart at end of paper). Salient feature of this transformation in trade remains the rise of India as China's largest trade partner in South Asia since mid-1990s.⁶ India's share in China's trade with South Asia has since moved from being mere 35% for 1993 to 70% for 2004 and it is still making rapid strides. China's trade with other South Asian states has remained virtually stagnant and one-sided. Nevertheless, the Chinese believe that, with South Asian countries, their bilateral trade and commerce reflect the "warming political climate" which posits good for China-South Asia interface in coming times.⁷ In terms of its political spin-off, China's growing posture of neutrality in South Asian Affairs has been cited as the most visible outcome that clearly favours New Delhi.⁸

To highlight the future of this dramatic tilt, during 2000-2005, while the China-India trade registered a hike of over 521 per cent, US-India trade has increased only by 63 per cent.⁹ China remains all set to become India's largest trading partner and Greater China (the Chinese mainland, Hong Kong, Macau and Taiwan), of course, has already emerged as India's largest trading partner. What vindicates India's contribution to facilitating this transformation is that this period has witnessed India bringing down tariffs from its peak of 400 per cent to 87 per cent with the average tariffs dropping from 87 per cent to 27 per cent.¹⁰ The two are already members of the World Trade Organisation (WTO) thereby extending each other Most Favoured Nation (MFN) treatment. Indeed, not satisfied with the MFN status exchange the two have been discussing a Free Trade Area (FTA) as well. Especially, their border trade has emerged as a major confidence building measure (CBM) in China-India ties.¹¹

Seen in the larger Southern Asian context, what makes China-India trade such a strong driver of change is its sound footings: much against the global trends in China's foreign

⁶ Swaran Singh, *China-India Economic Engagement: Building Mutual Confidence*, (New Delhi: Center de Sciences Humaines, April 2005), p. 86.

⁷ Zhang Lijun, "Closer Ties", *Beijing Review* (Beijing), Vol. 49, No. 2, (12 January 2006), p. 16.

⁸ Swaran Singh, *China-South Asia: Issues, Equations, Policies*, (New Delhi: Lancer Books, 2003), Chapter 14: China's Posture of Neutrality, pp. 343-358.

⁹ Mohan Malik, "'China's Strategy of Containing India'", *PINR*, 6 February 2006, at http://www.pinr.com/report.php?ac=view_report&report_id=434

¹⁰ *Ibid.*

¹¹ Swaran Singh, "China-India Border Trade: A Tool for Building Mutual Confidence", in Isabelle Saint-Mezard and James K. Chin (eds.), *China and India: Political and Strategic Perspectives*, (Hong Kong: Center of Asian Studies, 2005), pp. 49-72.

trade (including in US-China trade), China-India trade has often witnessed the balance of trade being in India's favour; making it one most balanced trade and thereby promising bright future.¹² Conversely, China's bilateral trade with other South Asian States remains virtually one-sided and is beginning to retard the China-India trade ties. This is so because, in absence of a balanced trade, China's relations with most other smaller South Asia States remains primarily defense-centric; nursing India's skepticism against Beijing. For year 2004, for example, China's trade with some of these states included China's exports up to 99.7 % in case of Maldives, 97.45 % in case of Bangladesh, and 76.5% in case of Pakistan.¹³

Secondly, this trade-transformation remains only an exercise into the future possibilities and at best a channel for China's soft-power while it is hard power that remains the long-standing and presently most decisive determinant in China's interface with most of the South Asian countries. In many ways this only reflects the general tenor of international relations where it is the pure and simple physical (read military) power that determines the nature of inter-State ties. This trade transformation, therefore, provides only partial explanation to China's activism and acceptance amongst South Asian countries. To make an assessment on the basis of these noble and nascent 'future' trends would sure be premature and does not reflect the 'presently underlying' iceberg of China's deep and long-standing entrenchment amongst South Asian nations.

Even in terms of China's economic engagement, Pakistan still remains China's "biggest market" for its capital investment in infrastructure projects; most of which remain of strategic importance if not directly all part of their defence collaborations. Despite India's seven-time larger economy and fast growth rates, China had invested (by mid-2004) a mere \$26 million in India compared to over \$5.38 billion in Pakistan.¹⁴ Conversely, by September 2005, India had contracted investment worth \$339 million in China which again indicates to India's growing acceptance of China.¹⁵

What remains most critical in shaping China's engagement with South Asia, nevertheless, is the whole spectrum of China's primarily defense-centric relationships with India's neighbours and much talked about trade-transformation represents but only noble and wishful thinking with limited success since late 1990s. Even if these defense-centric relationships are no longer intended to contain India's rise, these continue to provide incentives to India's smaller neighbours allowing their small-State mindset to use their friendship with China in that format. Secondly, even when Beijing's direct engagement with New Delhi may have signaled change in China's South Asia policy, China has continued with its commitments and initiatives with those states in those traditional sectors. Thirdly, China has also facilitated evolution of its mutual ties with them onto more broad-based and firmer channels, of which the SAARC, SCO, ASEAN, IORARC, CICA remain primary examples. China indeed often seeks to balance its nominating India into regional forums with other South Asian countries.

¹² Swaran Singh, "China-India Trade: Strong Fundamentals, Bright Future", *China Perspectives* (Hong Kong), No. 62, (November-December 2005), pp. 23-31.

¹³ See People's Republic of China, Office of the State Council, *China Statistical Yearbook 2005*.

¹⁴ Zhang Lijun, "Closer Ties", *Beijing Review* (Beijing), Vol. 49, No. 2, (12 January 2006), p. 17.

¹⁵ *Ibid*, p. 16.

China's Defence-Centric ties

Historically, Pakistan has been known as China's bulwark for keeping India – its main rival – tied down to South Asia.¹⁶ China-Pakistan all-weather, time-tested, long-standing 'special relationship' and China's defence-centric engagement with countries like Myanmar, Bangladesh, Nepal and even Sri Lanka have been the defining pillars of South Asian security and development trajectories. Critics have often accused New Delhi as only reacting to Beijing's initiatives. China, for long, had approached India through its South Asian neighbours and even insurgents and though that may have ceased to be since late 1970s yet China continues to inspire India's left-leaning Naxalites who today inflict regular violence in one-third of India's landscape.¹⁷ The picture is changing but remains tangled with past legacies and memories.

Apparently, China continues to be the most reliable supplier of weapons to most of these smaller South Asian states. According to *SIPRI Yearbook 2005*, during these last three years of China-India bonhomie, Pakistan has ordered from China 4 Jiangwei-class Frigates, 4 Z-9C ASW helicopters, 2 Type-347G Fire Control Radars, 16 C-802 Anti-ship missiles and agreed to supply Bangladesh 19 T-37B trainer aircraft. Similarly, Sri Lanka contracted China for 3 CEIEC-408C Air Surveillance radars.¹⁸ During the recent pro-democracy protests in Nepal, there were reports of China and Pakistan collaborating in supplying weapons to Nepal's King who was facing arms embargo from most of Nepal's suppliers including India.¹⁹ The list of their past acquisitions from China – that continue to dominate their present stockpiles – remains exhaustive.

Then there is this issue of suspected proliferation of nuclear and missile technologies and know-how to and from Pakistan which remains most critical and outstanding especially with its growing link with the emerging new threat of non-State actors.²⁰ Though not much credible evidence has appeared in public domain, and both China and Pakistan continue to deny any such transfers, this suspected nexus has since become the most threatening to South Asian peace and development. So much so that juxtaposed with the issue of Kashmir – where China, India and Pakistan remain claimants-armed-with-nuclear-weapons – repeated military and diplomatic stand-offs have made South Asia synonymous with Kashmir as nuclear flashpoint which owes a great deal to China's 'special relationship' with Pakistan.²¹ But there is this other school that believes that

¹⁶ J. Mohan Malik, "China-India Relations in the Post-Soviet Era: The Continuing Rivalry", *The China Quarterly* (London), No. 142, (June 1995), p. 324.

¹⁷ K. Subrahmaniam and Ajai Sahni [in Face Off Column], "Does the MHA need to change tack?", *The Economic Times* (New Delhi), 14 June 2006, p. 12. Over 220 districts of the total 602 districts of India remain infested with insurgents and terrorist violence of which 165 districts in 14 provinces remain inflicted by a single coordinated Naxalite movement. India's Interior Ministry though believes that only 76 of these remain "badly affected yet the Group of Ministers Report of February 2001 had noted how this had "eroded the Union government's authority to deal effectively with any threat to the nation's security."

¹⁸ Stockholm International Peace Research Institute, *SIPRI Yearbook 2005: Armaments, Disarmament and International Security*, (New York: Oxford University Press, 2005), pp. 460, 467, 509.

¹⁹ "Nepal buys ammunition from China, Pakistan", *Jane's Defence Weekly*, 5 October 2005 reproduced in *Strategic Digest* (New Delhi), Vol. 36, No. 3 (March 2006), p. 301; "India worried over China, Pak arms supply to Nepal", *The Indian Express* (New Delhi), 20 December 2005 reproduced in *Strategic Digest* (New Delhi), Vol. 36, No. 1 (January 2006), pp. 51-52.

²⁰ for details Swaran Singh (ed), *China-Pakistan Strategic Cooperation: Indian Perspectives*, (New Delhi: Manohar, 2006 forthcoming)

²¹ Swaran Singh, "China Factor in India's Nuclear Policy", *Journal of Peace Studies* (New Delhi), Vol. 5, No. 3 (May-June 1998), pp. 56-65.

having emerged as a full-fledged state with nuclear weapons has also created complication in China-Pakistan relations. Question then is whether China will still continue with its four-decade-old one-sided indulgence or is it that the role of hard-power is anyway eroding in China's foreign relations?

Is Hard Power Eroding?

It is believed that defence-centric China-Pakistan axis had peaked during late 1980s and has since been eroding for various shifting global, regional, bilateral and domestic variables. This line of argument explains that since China-Pakistan axis had evolved driven by Pakistan's sense of insecurity against India – which has declined given Pakistan's nuclear deterrence and recent India-Pakistan Composite Dialogue – both China and Pakistan have been searching for more realistic basis for their future relations. As a result, while several of the old channels of China-Pakistan hard-power axis continue to be re-enforced,²² the two have also unleashed soft-power overdrive on others issues (like economic cooperation and/or terrorism)²³ and forums like SAARC, SCO, ASEAN, ARF, CSCAP etc. The credit goes especially to Pakistan for being able to engage China despite its slip ups and grievances by Beijing.²⁴

Meanwhile, Pakistan has also been expanding its cooperation with China into other sectors. For instance, China's efforts at multiplying its sources of strategic energy have encountered more barriers than expected. Against this general backdrop, President Musharraf, in an interview to *Beijing Review*, had offered Pakistan as 'corridor' for China's energy and trade and other regional activism: "Because of our friendship with China and Central Asian republics, we would like to provide a short cut route and contribute to all kinds of trade and energy cooperation."²⁵ These sentiments have had their echo amongst China's academics. To quote Pan Zhiping, Director of the Center for the Central Asian Studies of the Xinjiang Academy of Social Sciences (Urumqi): "Pakistan's Gwadar Port is capable of serving as China's important energy transfer station. Oil from Africa and the Middle East will reach the port and go on to China via road, rail or pipelines."²⁶

Given these changing contours of their mutual equations, China's perceptions about Pakistan's special position in China's quest for expanding its trade links – especially energy supply lines and to overcome its vulnerabilities to Strait of Malacca chokepoint – would ensure continuation of Pakistan's 'special relationship' with Beijing.²⁷ Pakistan,

²² During President Musharraf during February 2006 the two had signed a 'framework agreement' for defence cooperation and signed a deal for F-22 frigates for Pakistani navy and for co-production of JF-17 aircraft which has 'rekindled' their friendship as President Musharraf described it as "higher than Himalayas and deeper than deepest oceans." See Guardian New Service, "Pak village at heart of China's Strategy", *The Hindustan Times* (New Delhi), 12 November 2005, p. 14; "Sino-Pakistani fighter improved", *Jane's Defence Weekly*, 7 December 2005, p. 12; "Pakistan to slash F-16 requirement", *Flight International*, March 28-April 3, 2006.

²³ "China, Pakistan must jointly fight terror: Hu", *The Hindu* (New Delhi), 21 February 2006, p. 12.

²⁴ For a brief period during late 1990s Pakistan inability to reign in Taliban from abetting violence in Xinjiang, Pakistan's decision to conduct nuclear tests and Pakistan's general reputation for its links with terrorism and China's increasing requirement to be seen as 'responsible' power has forced Beijing to ensure a safe distance from Pakistan.

²⁵ Ni Yanshuo, "Corridor of Cooperation", *Beijing Review* (Beijing), Vol. 49, No. 13, (30 March 2006), p. 16.

²⁶ *Ibid.*

²⁷ Mokhzani Zubir, "The strategic value of the Straits of Malacca", in *MIMA Online Papers* (Malaysia, 2004), available at <http://www.mima.gov.my/mima/htmls/papers/pdf/mokhzani/strategic-value.pdf>, p. 9; Mokhzani Zubir and Mohd Nizam Basiron, "The Straits of Malacca: the Rise of China, America's Intentions

therefore, is all set to continue to enjoy that unique place in China's regional activism. The significance of Pakistan to China was so aptly captured in a recent article in *Beijing Review* that said:

To China, Pakistan's role is far beyond the energy corridor. It is also the sea channel connection between China and the Indian Ocean and the land channel connecting China and Iran. Its unique geographical position connecting East Asia and West Asia and joining the Indian Ocean and the hinterland of Asia also supplies a new channel for Chinese enterprises to go global.²⁸

If sustained, these shifting contours in favour of soft power do represent promise, howsoever nascent and vulnerable this may appear at present. Especially for India, this seems to have opened the floodgates for building its own mutual confidence approach that China and India have so assiduously evolved since early 1970s. This has witnessed a spate of new initiatives including setting up of Special Representatives for border talks, their six rounds in quick succession and their signing, during April 2005, an Agreement on Political Parameters and Guiding Principles for their border talks and another Protocol on the Modalities for the Implementation of Confidence Building Measures in the Military Field along the Line of Actual Control in China-India Border Areas. The most recent addition has been one of their June 2006 Memorandum of Understanding for greater coordination and dialogue between their two defence establishments.²⁹ Their other new forums like Security Dialogue since March 2000 has also been upgraded to Strategic Dialogue from January 2005.³⁰

Other example of China's soft-power remains their recently set up Confucius Institutes both in India and Pakistan. Similarly, China has become a hot favourite destination for medical education for South Asian students. China and India have designated year 2006 as 'Year of Friendship' between and series of interactions have been organized around this conception. But the two have also begun to experience completely different kinds of challenges and collaborations in their quest for energy sources, in terms of all its three components: sources, suppliers and supply lines. This, for instance, witnessed China and India floating a 50:50 joint venture – called Himalayan Energy (Syria) limited – which put up and won a bid for Syria's *Al Furat* oilfield in December 2005.³¹ But China has been known far more for undercutting Indian bids for energy abroad than for its cooperation or

and the Dilemma of the Littoral States", *MIMA Online Papers* (Malaysia, 2005), available at <http://www.mima.gov.my/mima/htmls/papers/pdf/mokhzani/mz-mnb.pdf>; also David Zweig and Bi Jianhai, *The Foreign Policy of a "Resource Hungry" State*, Working Paper 5, (Hong Kong: Center on China's Transnational Relations, 2004); also Henry J. Kenny, "China and the competition for oil and gas in Asia", *Asian Pacific Review*, Vol. 11, No. 2 (November 2004), p. 36.

²⁸ Ni Yanshuo, "Corridor of Cooperation", *Beijing Review* (Beijing), Vol. 49, No. 13 (30 March 2006), p. 17.

²⁹ Rajat Pandit, "China moving up the trust ladder?", *The Times of India* (New Delhi), 14 June 2006, p. 13. The two have already held joint naval exercises during November 2003 off Shanghai coast and December 2005 off Kochi coast in Indian Ocean. Similarly, while Indian military observers were invited to the China-Russia military exercise of October 2005, Chinese Observers had attended Indian military exercises in 2005. Pakistan also has held naval exercises with China.

³⁰ "China-India strategic dialogue manifests partnership", *The Peoples Daily* (Beijing) at http://english.people.com.cn/200601/12/print20060112_234849.html; Amit Baruah, "India, China to hold "strategic dialogue" today", *The Hindu* (New Delhi) 24 January 2005, available at <http://www.thehindu.com/2005/01/24/stories/2005012407800100.htm>; also Jiang Zhuqing, "China, India hold 'strategic dialogue'", *China Daily* (Beijing) online edition available at http://www.chinadaily.com.cn/english/doc/2005-01/26/content_412160.htm

³¹ Sanjay Dutta, "India-China oil JV scores Himalayan victory", *The Economic Times* (New Delhi), 21 December 2005, p. 19.

understanding. Thus, their new soft-power equation not only remains far too blurred and fragile as yet, it remains full of additional pitfalls and challenges.

And finally, this second beginning of China-Pakistan axis³² – this time in favour of building a broad-based engagement – seems once again driven by their disaffection with both India and with the US, especially the US inability to fulfill all expectations in Islamabad. For instance, US insistence on ‘democratic reforms’ and the recent cut in US aid from proposed \$500 million to \$300 million has not gone well with the Musharraf regime.³³ This has its obvious resemblance to President Ayub Khan’s original policy shift in late 1950s: from describing Pakistan as the ‘the most allied ally’ of the US and then warming up to Beijing in response to what he called the ‘uneven course’ of Pakistan-US relations.³⁴ Given this new India-US activism, China and Pakistan have been re-casting their axis and, both China and Pakistan do share concerns about their links being narrowly focused, and their ties in terms of economic cooperation, cultural exchanges and people-to-people having been ignored till recent times.³⁵

Implications for US Security Interests

At the very outset, the US remains the sole surviving superpower which implies super commitments and expectations. From that perspective, the larger global debates on American ‘hegemony’ have since been replaced by those on American ‘empire’ which marks a shift from US omnipresence to its supremacy in world affairs.³⁶ This supremacy as well remains confined to its military prowess over three ‘commons’ i.e. the deep seas, the airspace above 15,000 feet and outer space.³⁷ In the land-space, US has been facing increasing contestations which indicates to its shrinking stature and this owes itself to ‘three American deficits’ – the economic deficit, the manpower deficit and the attention deficit.³⁸

In the fiscal 2006, for instance, US defence budget stood at \$ 419.3 billion and its homeland security budget at \$34.2 billion together equals the US budget deficit of \$521

³² Nirupama Subramanian, “Musharraf turns to China”, *The Hindu* (New Delhi), 12 June 2006, p. 11. This article quotes Shaukat Qadir of the Islamabad Policy Research Institute (IPRI) who writing in *Daily Times* (Islamabad) says that in reaching out to “alternative power sources internationally”, China would always remain “a constant despite new realities...”

³³ The US insistence on ‘democratic reforms’ and the recent cut in US aid from proposed \$550 million to \$300 million has not gone well with the Musharraf regime. See Nirupama Subramanian, “Pakistan faces cut in US aid”, *The Hindu* (New Delhi), 12 June 2006, p. 13.

³⁴ Hussain Haqqani, *Pakistan: Between Mosque and Military*, (Lahore: Vanguard Books, 2005), p. 45; Philip E. Jones, *The Pakistan People’s Party: Rise to Power*, (New York: Oxford University Press, 2003), p. 74; also *Khalid bin Sayeed, Pakistan: The Formative Phase*, (London: Oxford University Press, 1968), p. 198-199. What especially testifies President Ayub’s disaffection with the US is evinced by his autobiography *Friends Not Masters: A Political Autobiography* (London: Oxford University Press, 1967), p.166, where he described communism as ‘a panacea for an acutely diseased society’ and still become the architect of China-Pakistan axis.

³⁵ Pakistan has a very limited numbers of Chinese language or China studies and it was only on 4th April 2005 that Beijing had set up the Confucius Institute at the National University of Modern Languages in Islamabad.

³⁶ Charles Krauthammer, Niall Ferguson and Dametri K. Simes, “America’s Imperial Dilemma”, *Foreign Affairs*, Vol. 82, No. 6, (November-December 2003) and for its limitations see, Michael Walzer, “Is There An American Empire?”, *Dissent*, Fall 2003.

³⁷ Barry Posen, “Command of the Commons: The Military Foundation of US Hegemony”, *International Security*, Vol. 28, No. 1, (Summer 2003), pp. 7-14.

³⁸ Niall Ferguson, *Colossus*, (New York: The Penguin Press, 2004), p. 290.

billion.³⁹ US manpower deficit flows from its increasing military commitments abroad and the continued reluctance of its allies to contribute troops to US military initiatives. And finally, this ‘imperial overstretch’⁴⁰ of its expanding military engagements around the world have often resulted in its approach shifting to mere firefighting and prolonged military engagements leading to domestic pressure to withdraw on specific politically driven deadlines. This has resulted in US is not able to sustain its attention (or ‘attention deficit’) to any of the enduring conflicts where US sees its vital interests directly threatened.

In the Asia-Pacific region for instance, critics have been talking about its difficult ‘congame’ with China leading to fissures in US relations with its friends and allies like Australia, South Korea and Japan, in that order. It so appears that while its allies have been reluctant (and even opposed) to supporting US military actions, its friends have shown increasing enthusiasm. In the US-China strategic rivalry, for instance, India is increasingly projected as the ‘swing State’ in Asia. This has its own advantages and disadvantages for South Asia even if this assessment on India as the ‘swing’ state of Asia remains only a partial truth.⁴¹ Two things remain of vital importance in analyzing India-US cooperation. Firstly, this India-US *rapprochement* is not driven by their defence cooperation alone but by their overall mutual coordination and complementarities. Secondly, India has its advantages of younger and increasingly skilled population.⁴² This partly explains the strengths of the emerging ‘true partnership’ between US and India and why it promises to be of lasting returns.

But this is *not* how most Chinese read these shifting diplomatic sands howsoever India and US may pride themselves of their *rapprochement* being excessively debated in public and therefore too transparent to allow contradicting interpretations. Chinese do have their interpretation to India-US *rapprochement*. Its commonplace today that, in spite of its continuing hiccups, the US-India ‘strategic and cooperative partnership’ forged in their 18 July 2005 Joint Statement in Washington DC is formally hoisted as aimed at (a) fighting terrorism, (b) push forward the democratic constructions around the world, and (c) boost economic prosperity through fair and free trade, and improve the living standards of people. The Chinese commentators, however, have different explanation about US-India motivations.⁴³

- Firstly, India’s IT revolution has brought these two countries closer together and India is today the biggest overseas bases for US IT sector.
- Second, Washington needs New Delhi to stabilize South Asian security, as well as its war on terror.⁴⁴
- Third, most importantly, India is the best bet to restrict a future strong China, as per US regional strategy for Asia.⁴⁵

³⁹ See US budget 2006 at <http://www.gpoaccess.org/usbudget/> and for US defence budget see <http://www.defenselink.mil/releases/2004/20040202-0301.html>

⁴⁰ Paul Kennedy, *The Rise and Fall of The Great Powers: Economic Change and Military Conflict from 1500 to 2000*, (London: Fontana Press, 1989), p. 666.

⁴¹ Amit Gupta, “US-India-China: Assessing Tripolarity”, *China Report* (New Delhi), Vol. 42, No. 1, (2006), p. 69.

⁴² Xu Changwen, “New Chapter in Sino-Indian Trade”, *Beijing Review* (Beijing), Vol. 49, No. 9, (2 March 2006), p. 10. For instance, for year 2003, over 298,000 people had earned engineering degree in India, compared to 195,000 in China, 103,000 in Japan, 82,000 in Russia and mere 61,000 in the US.

⁴³ Zhang Lijun, “A Passage to South Asia”, *Beijing Review* (Beijing), Vol. 49, No. 11, (16 March, 2006), p. 14.

⁴⁴ There was this time when President Bill Clinton’s Joint Statement in Beijing during June 2000 was read in India as if US was hoisting China as manager of India-Pakistan nuclear competition.

US Challenges in Southern Asia

Now the foremost challenge to US foreign policy in South Asia comes from the fact that, given China's aforementioned interpretations of growing India-US relations, Beijing has become far more proactive in refurbishing its engagement with South Asian States; much of this remains on lines of their time-tested defense-centric ties. This has especially seen China becoming far more generous in engaging India as well and their recent high-level visits, series of agreements, and booming trade clearly reflects that new reality. Particularly, India's smaller neighbours do see this as great opportunity. As a result, China is often projected (in South Asia) as an alternative to US (of other big powers') presence and influence which has increased in general given its links to the global activism in dealing with threat of terrorism.

Thus, in cases where any of these smaller states of South Asia may have grievance against either India or the US, the story is often seen as repeated with these South Asian states seeing it possible to at least flaunt their friendship with Beijing. Beijing, of course, would like to strengthen this sentiment and take necessary initiatives. This nascent shift has at least the following few challenges for the US foreign policy in Southern Asia which clearly reflects China's new interface with South Asian countries.

- *Firstly*, on issues of energy, sea lanes, and environmental security that threaten to cause tensions in this region in the long-term – and on which China-South Asian interface remains oblivious – it is only US that can coordinate its global leadership in ensuring dialogue and coordination amongst these countries. Especially, the rise of China and India can not be premised on petroleum as source of power and US again has a responsibility to ensure innovation and help in evolving alternatives to ensure their peaceful development.
- *Secondly*, with none of their traditional issues – like colonial legacies, border wars, political polemics – being very disturbing in the short and medium term, it is their proximity to the US which has emerged as the most contentious factor in determining China's interface with South Asia as also intra-South Asian equations and policies. This means that US will have to seriously ensure balancing its policies with each of these countries and ensure that its engagement with one of few does not become destabilizing.
- *Thirdly*, it is also vital to constantly read how do the South Asian officials and experts read the fast shifting sands of US-China relations. The most visible common point in media commentaries has been the changing language of US officials and analysts. The US Deputy Secretary of State, Robert Zoellick, for instance, was the first to propose China in September 2005 to become a 'responsible stakeholder' in international affairs which continues to face China's skepticism.

The official China has played cautious as yet and interprets this as signal by Bush administration for "setting new standards on mutual ties."⁴⁶ During his January 2006 visit to China, Secretary Zoellick was to further expand on his 'stakeholder' concept calling it a mechanism that provides a "sense of direction" for US-China ties and help them "to

⁴⁵ Chinese cite American media comparing President Bush's March 2006 visit to India to President Richard Nixon's trip to China. And since President Nixon was then trying to get China to resist the Soviet Union, President Bush it believed to be using the same strategy against China.

⁴⁶ Ding Ying, "From 'Competitor' to 'Stakeholder'", *Beijing Review* (Beijing), Vol. 49, No. 8, (23 February 2006), p. 10.

manage some of the issues [like Iraq or Afghanistan] where there are differences.”⁴⁷ And later, even the usually critical Pentagon leadership, was seen to be taking, though reluctantly, the same line. Addressing the annual Asia Security summit in Singapore on 3 June 2006, Secretary Donald Rumsfeld was to outline China’s position in the US grand plan thus:

People’s Republic of China is an important stakeholder in the world system, and as such they have an obligation to see that the system is successful because they benefit so enormously from its success.⁴⁸

Conclusion

Given the rising curve of economic growth rates in much of South Asia and China, this new situation places tremendous restraint on these states in terms of even contemplating brinkmanship or pursuit of conflict, at least, in the short term. If this recent trade-led transformation is nourished carefully, then some of the contending issues – like Taiwan issue, Tibet issue, China-India boundary question, maturing of China-India-Pakistan nuclear triangle and possibly Kashmir – can be resolved in the medium term. But this still leaves China-South Asia equations in the long-term open to ignite speculations and skepticism. And, one factor that promises to emerge as most critical in the medium and long-term is their proximity to the US that remains several notches ahead of each of these, as also collectively.

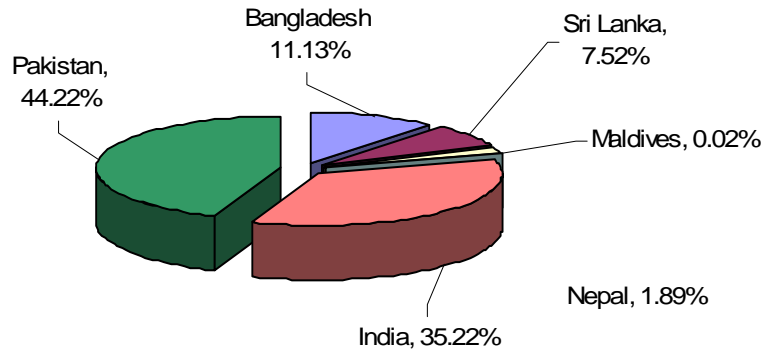
China and India are bound to have a major role in facilitating each other’s peaceful development as also China’s interface with South Asian countries. Especially, in long-term future, India is projected to emerge stronger and play a critical role in China’s gradual accommodation as a status quo power in world affairs as also in maintaining China’s peaceful equations with this larger region and in maintaining peace. India’s proximity with the US will remain Beijing’s main worry though China’s unwillingness to accept India’s role as facilitator will only force India to openly side with the United States.⁴⁹ Vice versa also remains equally true though India’s relative slower rise has raised fewer eyebrows making bigger powers feel comfortable in engaging New Delhi. To sum, this means that US will continue to play the balancer and will remain a major influence in determining China’s peaceful development and its engagement of South Asian countries.

⁴⁷ *Ibid.*

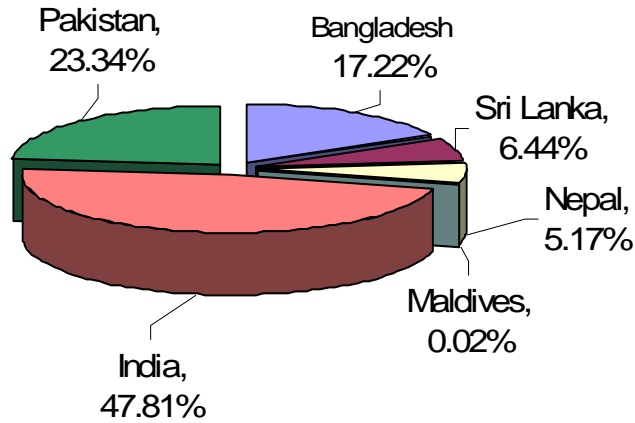
⁴⁸ P. S. Suryanarayana, “China and America’s grand strategy”, *The Hindu* (New Delhi), 12 June 2006, p. 11.

⁴⁹ Amit Gupta, “US-India-China: Assessing Tripolarity”, *China Report* (New Delhi), Vol. 42, No. 1 (2006), p. 82.

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