China's Projection and Pursuit of Power in South Asia: Implications for India

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South Asia is increasingly becoming central to global geopolitics, not least because of China's stupendous rise and the simultaneous emergence of Indo-Pacific as the world's economic and strategic center of gravity. China's interest in the South Asian region is not a new development but comes as an abiding factor of its foreign and security policy. It not only encompasses China's outlook toward India and its partnership with Pakistan, but is also embedded in its broader foreign policy goals of achieving national rejuvenation and entering into a new era of glory. In South Asia, China's policy aims not only to maintain a strategic balance in its growing acrimony with India or rivalry with the United States, which is seeking foothold in the region because of significant stakes, but also to secure its interests in its troubled provinces (Tibet and Xinjiang) that are susceptible to "external meddling." Projecting, if not procuring, stability in its restive provinces is integral for China to continue its assertive advances in the Indo-Pacific, not just along the Himalayan borders but particularly in the Indian Ocean, East and South China Seas, and Taiwan.²

South Asia is one of the world's most dynamic regions but home to several lines of flux—of which the conflict between India and Pakistan is central to the South Asian quagmire.³ This intractable dispute is only augmented by the frictions between India and China at their disputed border, the Line of Actual Control (LAC). Beyond such contentions, new fault lines are quickly emerging in and around Afghanistan, which stands in a precarious situation after Taliban's takeover of the government, and within Pakistan, which is now witnessing growing internal political strife and instability. In a testament to frictions and trust deficit between the eight regional states—Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka—South Asia is the world's least-integrated and disconnected region, with intraregional trade amounting to merely 5 percent.⁴

In view of such fault lines, China recognizes that it can gain tremendous influence in the region. Notably, with international land borders with 14 states, ⁵ China shares a contiguous boundary ⁶

with five of the eight South Asian countries—Afghanistan, Pakistan, India, Nepal, and Bhutan—making the region its immediate concern. As China looks to establish its position as an Asian hegemonic power with global ambitions, deeper and more extensive contacts between Beijing and the capitals of the regional states have become a way to gain strategic ground and aid China's rise in its south.

China's economic, geo-political, and strategic footprint has expanded rapidly over the past decade, bringing with it crucial implications that the international community is only just beginning to understand and address. While advanced industrial economies and strong democracies seek to come together to take a united stance against authoritarian belligerence, countries that have a limited capacity to "manage and mitigate political and economic risks" remain especially "vulnerable" to China's influence activities. This is especially true in South Asia, where countries do not have the wherewithal to counter China's active influence operations.

Against such a scenario, what implications will China's South Asia diplomacy under Xi Jinping have for India? What are the key features of Xi Jinping's foreign policy vis-à-vis this region? How does it differ from that of the previous administrations? Importantly, how does it affect China-India relations given the continuing stalemate in boundary negotiations? Is the People's Liberation Army (PLA) influence in the border areas unassailable? Can India effectively maneuver its partnerships with the West (United States and the European countries) and in the Indo-Pacific (Japan, South Korea, and Southeast Asian States) to consolidate its hold in South Asia and the Indian Ocean Region (IOR)?

This paper attempts to answer these questions by first reviewing Xi Jinping's "new era" policies in South Asia, especially his directed focus on China's borders. It looks at the areas where China's expansion in South Asia is most noticeable. The paper analyzes China's ties with four South Asian states, namely Afghanistan, Bangladesh, Bhutan, and Nepal, examining their respective roles in China's South Asia policy and how they impact India. The paper also looks at the India-China boundary disputes through PLA's increasingly modern and massive maneuvers. In a nutshell, the paper studies the trends and patterns in China-India relations in South Asia through China's foray into India's neighborhood, and how that plays into their boundary disputes.

Evolution of China's South Asia Outlook: Examining Xi's "New Era" Paradigm

In recognition of the vital role that South Asia holds in China's security calculus and hegemonic ambitions, Beijing has been paying closer attention to the region. Post the 1962 Sino-Indian war, China conducted a comprehensive review of its South Asia policy and made a calculated decision to enhance ties with India's adversary Pakistan, starting with the Sino-Pakistan Boundary Agreement of 1963—wherein as per Indian claims, Pakistan illegally ceded 5,180 sq. km in Pakistan-Occupied Kashmir to China. The fact that both China and Pakistan shared positive relations with the US at that time only served to add credence to their partnership, while making it a strategic concern for India.

In the years following the Sino-Indian war, China's outlook toward South Asia was largely driven by the Cold War and its equation with the Soviet Union. Hence, security was of primary concern in Beijing's outreach. As China opened its economy under Deng Xiaoping, concerted effort was made to extend trade relations with countries in the region so as to enable better economic integration and thus greater security. Toward the end of the Cold War, as China

entered into a period of rapprochement with both Russia/Soviet Union and India, previously two of its major regional adversaries, Beijing's South Asia policy changed from being security-focused to one garnered at achieving greater economic and political influence.

Since Xi Jinping assumed leadership, China's South Asia policy has gone from a strategy of keeping a low profile and acting as a benevolent, assertive partner to an aggressive hegemon in recent years. Unlike his predecessors, Jiang Zemin and Hu Jintao, who adhered to a conservative foreign policy, ¹⁰ Xi's priority has been to forge a favorable environment for China's ascension to a "global leader in terms of composite national strength and international influence." Accordingly, Xi has already laid the blueprint for a two-stage development plan, traversing 2020-2035 and 2035-2050, to transform China's image, including in South Asia, in order to become a *global power center*. The ideological underpinning of this "new era" strategy stresses on developing "socialism with Chinese characteristics" to ultimately realize "socialist modernization," by first building a "moderately prosperous society." ¹²

Besides seeking to entrench control over its extended neighborhood through bilateral ties, Xi's South Asia policy also includes exerting greater sway in multilateral regional institutions, such as the South Asian Association for Regional Cooperation (SAARC; China is an observer)¹³ and the Asian Infrastructure Investment Bank (AIIB; China is a founding member). Since Xi Jinping's accession to power, Beijing has focused on connectivity- and infrastructure-centric projects in South Asia where it has strengthened its bilateral relationships with countries such as Pakistan and Nepal.¹⁴

One key endeavor to get a permanent foothold in the region has been the launch of the Belt and Road Initiative (BRI), which runs through Latin America, Europe, Central Asia, Africa, East Asia, and South Asia—which is a critical intersection point for BRI's components, the Silk Road Economic Belt (SREB) and the Maritime Silk Road (MSR). Through the BRI projects in South Asia, China is looking for "alternative overland routes" to the strategic Malacca Strait, on which China is heavily dependent for both its economic and energy security but that can be easily blocked by India. The MSR would allow an alternative access to the Indian Ocean through its "crown jewel" of Gwadar port (Pakistan) in the Arabian Sea, which is close to the Strait of Hormuz, another important trade passageway for China.

Therefore, bolstering a military presence in the IOR including through building of overseas naval bases and deployment of submarines—while at the same time detracting from India's status as the major regional power and security provider—has become an important endeavor for Beijing. China's assertive and growing presence in the IOR is obviously an offshoot of its rising maritime military capabilities that look to rebalance power in the Indo-Pacific.

Further, in the wake of the pandemic, the BRI has been supplemented by the Digital and Health Silk Road Initiatives, with an intense focus on vaccine diplomacy, as a way of further enhancing its soft power in the region. ¹⁸ In addition to these features, Xi's South Asia policy has also persisted in retaining Pakistan as an *all-weather friend* and lending the new Taliban government of Afghanistan a steady (if measured) helping hand, with the aim of consolidating its influence after the US withdrawal.

Another notable part of Xi's new era policy in South Asia is the land border law, which came into force on January 1, 2022. 19 The law is proclaimed as a tool to defend territorial integrity arising out of anything from protracted conflict to natural disasters that affect land border security, as well as pursuing infrastructure and economic development of the border areas. 20

According to the state-run media outlet *Global Times*, the law also provides ample "legal foundation for China in dealing with border disputes." This law aims to establish markers along state borders, ²² allowing the army and police to use weapons against intruders; focuses on building "Xiaokang" (meaning "moderate prosperity")²³ in border villages and encourages civilians to aid the PLA. ²⁴ Considering that China has been enacting several such laws amid brewing tensions with neighbors, the intent certainly is to aggressively cow bordering states into submission. ²⁵

Notwithstanding its immense financial stimulus to the region, China's growing economic and military presence poses equally significant security challenges. In case of the BRI, for instance, the region faces the very real risk of poorly regulated loans with little transparency and exorbitant conditions that serve to snare economically struggling South Asian states further into a debt trap. Rather than merely a connectivity and developmental mechanism, the BRI has become a central component of Xi's South Asia strategy and holds the potential to significantly restructure the security architecture in the region, which is currently dominated by India. ²⁶ As India's rise and stand against Xi's unilateral and belligerent attempts to change the status quo threaten China's bid at primacy in South Asia, Beijing has come to view India as a regional competitor. Accordingly, China's foremost goal in context of its regional policy has been to leverage its economic and military prowess to encourage—arguably even coerce—smaller states to tilt toward China. Gaining such inroads, amid bolder power projection in the IOR, will certainly have enormous security implications for India.

China in Afghanistan: From Bystander to Taliban Benefactor?

Afghanistan's geographical location at the crossroads of Central Asia and South Asia—neighboring China, Iran, Pakistan, Uzbekistan, Tajikistan, and Turkmenistan—ensures its strategic and geopolitical importance.²⁷ After the controversial US-led North Atlantic Treaty Organization (NATO) coalition's withdrawal and the takeover by Taliban, a frantic race to fill the political vacuum has begun. It includes not only immediate neighbors such as China, Iran, and Pakistan, but also India that considers Afghanistan a "contiguous neighbor" and Russia, which no longer seems inclined to be directly involved in the country except as a security provider to the three former Soviet republics for fears of domestic instability (importantly, however, its future will affect the China-Russia dynamics).²⁸ Of all the players, China's role has elicited the most relevance, largely due to its growing global influence and great power ambitions.

However, China is not an established stakeholder in the country. Historically, especially post-Cold War, even though the PLA provided military training and arms to the Mujahideen during the Soviet rule and engaged with the Taliban during its previous rule (1996-2001), China continued to maintain a low-level engagement only for security reasons. At the same time, China was wary of the Taliban for its linkages with the Turkistan Islamic Party (formerly, East Turkestan Islamic Movement), a militant outfit supporting Uyghur separatism. Curbing the rising Islamic fundamentalist activities in Xinjiang and across borders became the main motive for China joining hands with Russia, Kazakhstan, Kyrgyzstan, and Tajikistan (the Shanghai Five, formed in 1996). The alliance was later formally institutionalized as the SCO³² (which now has India and Pakistan as members, too) to oversee the member-countries' economic and security interests in Afghanistan. Color of the Scool of the

Post the September 2001 attacks, even as China perfunctorily supported the US "war on terror," it did maintain informal contacts with the Taliban. 34 Once the United States and its allies occupied the Afghan landscape, China did not want to be a secondary player and participate

militarily; it preferred to keep a low profile that allowed it to fulfil its "limited goals." In 2017-2018, China started to shed its peripheral role, as the US administration under Trump was brokering a peace deal with the Taliban; the Taliban engaged with China, through Pakistan as a broker, on several occasions, with a Taliban delegation going to China in 2019. Notably, with Xi Jinping laying down his "national rejuvenation" dream, Beijing was looking to expand not only through its "mercantilist" outlook but also in the security domain (to prevent Islamic radicalism and protect its business interests in the state). 37

A "fractious" Afghanistan would be catastrophic for China's domestic integrity, ³⁸ and if China plays its cards right with the Taliban, namely it is able to secure legitimate assurances of Taliban to control Uyghur extremism activities, the Taliban can emerge as an important ally in solidifying China's outreach in the region. ³⁹ Though China is yet to officially legitimize Taliban 2.0, it has renewed support to the Afghan government. ⁴⁰ The partnership with the Taliban will not only boost its influence in the region, but also allow China resource access for technology-related development; military access to the Arabian Sea; ⁴¹ expansion of the BRI via the China-Pakistan Economic Corridor (CPEC) and the Trans-Himalayan Multidimensional Connectivity Network (THMCN) into Afghanistan increasing its outreach to Eurasia and West Asia; and tamping down on terrorism, extremism, and separatism in Xinjiang, provided the Taliban keeps its promises. ⁴²

The China-Pakistan-Taliban bonhomie spells bad news for India, which has been losing hold over Afghanistan, especially considering the stalled border negotiations with China. It would reduce India's regional influence and give China an upper hand.⁴³ As part of its strategy to redefine its role, India could coalesce with its Quadrilateral Security Dialogue (Quad) partners with a view to contain China's outreach in this region, as also increase its machinations in the SCO.

China and Bangladesh are "Brothers" in Trade and Defense

Bangladesh's geopolitical importance to China lies in its location in the Bay of Bengal, which connects South Asia to Southeast Asia; its proximity to India; its growing economy; and the West's growing awareness about its potential, be it to fight terrorism, pursue climate action, or counter China's connectivity initiatives. China and Bangladesh developed diplomatic relations in 1976,⁴⁴ but ties only deepened post Xi's succession to power in 2013. In 2016, Bangladesh joined the BRI during Xi's visit to Dhaka, and subsequently, established a "strategic partnership." The partnership intended to support Bangladesh's goal of becoming a "middle-income country by 2021 and a developed country by 2041."

A number of infrastructure connectivity projects are ongoing in Bangladesh including the US\$3.3 billion Padma Bridge, the US\$1.9 billion Pigeon Power Plant, the US\$1.32 billion power grid development, and a US\$1 billion digitalization project. ⁴⁷ During 2009-2019, China invested an estimated US\$9.75 billion in various transportation projects in Bangladesh. ⁴⁸ In 2019, the two governments inked deals worth US\$1.7 billion toward Bangladesh's power sector. ⁴⁹ These projects have implications beyond the economy, showcasing Beijing's soft power in South Asia. Besides, China has also expanded its partnership in the field of education via the opening of various Confucius institutes, for example, and is building rapport with Bangladesh's leading political parties [the Awami League signed a memorandum of understanding (MoU) with the Chinese Communist party in 2019]. ⁵⁰

China could also use the discord between India and Bangladesh over the pending Teesta river water-sharing agreement; China offered Bangladesh assistance of about US\$1billion for an

irrigation project on the Teesta.⁵¹ If implemented, the Chinese project would certainly cast a shadow on India's sphere of influence, if not majorly impact the negotiations with Bangladesh on Teesta water-sharing.

Notably, trade and defense ties are the mainstay of their cooperation. China is one of the largest trading partners of Bangladesh, which in turn became China's "third largest market" for engineering contracts in South Asia in 2021.⁵² In the past few years, China has invested heavily in Bangladesh:⁵³ As per Bangladesh Bank statistics, the net foreign direct investment (FDI) inflow from China was US\$45 million in 2021 (January-March), up more than three times from 2020 (same time period); and the trade volume was US\$13 billion, up 58.9 percent year-on-year.⁵⁴ However, in the two-way trade, Bangladesh suffers from a huge trade deficit; for example, in 2018-19, China's export value was about US\$13.6 billion, whereas Bangladesh's was US\$560 million.⁵⁵ After China provided 97 percent duty-free benefit to Bangladesh in 2020, trade has seen "double-digit growth."⁵⁶

In 2019, China and Bangladesh agreed to deepen defense cooperation through "industry and trade, training, equipment and technology, mutual visits of navy ships, and the United Nations peacekeeping operations." Bangladesh is equipped with Chinese tanks, frigates, and fighter jets. China has also raised red flags for India and the security in the Bay of Bengal after its navy made port visits to Chittagong in 2016-2017. In 2019, Prime Minister Sheikh Hasina allowed China access to the Chittagong and Mongla ports; Beijing will also help Bangladesh construct its first submarine base, which will house two Chinese-made submarines purchased by Dhaka from Beijing in 2016. Bangladesh became China's second-largest buyer of military hardware globally in 2020. Bangladesh became China's second-largest buyer of military China would likely set up a maintenance facility in Bangladesh for surface to air missiles that were supplied in 2011. It reported that the facility would be part of a "raft of Chinese military-related investment and supplies" to Bangladesh that includes warships, naval guns, anti-ship missiles, and surface to air missiles. Bangladesh has however denied the report as "misleading."

By luring a long-standing ally of India, China is playing psychological games to exert pressure on India, while at the same time increasing its sphere of influence. Thus, India faces a triple threat: economic, political, and security. However, China is not without its own fears, particularly of Bangladesh joining the Quad, or Quad-associated projects like the Supply Chain Resilience Initiative (SCRI), which would certainly undermine China's efforts and possibly set an example for other South Asian states. ⁶⁴ The fear is serious enough for Beijing to warn Bangladesh of "substantial damage" in relations were Dhaka to support the Quad, even as there is no such move planned. ⁶⁵ China's remarks, reminiscent of its wolf-warrior diplomacy intended to intimidate states, are simply an extension of its strategic competition with India in South Asia.

China's Himalayan Gambit: Bhutan and Nepal in the Mix

The Himalayan borders are at the heart of the geopolitical tensions in south Asia. 66 China's invasion of Tibet in 1950 transformed the Himalayan region from a strategic buffer to a region with intensified rivalries, as is evident today. China's enhanced military power and aggressive tactics have impacted not only India (Ladakh and Arunachal Pradesh) but also the Himalayan borders of Nepal and Bhutan: Satellite imagery has revealed that China been constructing several structures since 2020 along Bhutanese and Nepalese borders. 67 Though the Bhutan government has refused to comment on these activities, in 2022, Nepal officially confirmed

Chinese interference in its territory. 68 Such incidences have reiterated the security implications of China's infrastructural and economic connectivity activities in this sensitive region (both geopolitically as well as environmentally). China claims that it is boosting infrastructure projects in the Tibet Autonomous Region (TAR) for economic development, but the dual-use intent is primarily for military purposes. 69 In the Himalayan borders, China's "invisible incursion," namely using cultural tropes to increase influence, has been particularly useful. 70 Pursuing economic and diplomatic engagements while enhancing military infrastructure and capability is China's common foreign policy maneuver in the borders. The tactics, naturally, impact the trust factor among its neighbors, and subsequently undermine its influence, even if they provide short-term gains.

Bhutan

Notably, Bhutan does not have diplomatic relations with China, although it recognizes the PRC as the only legitimate government of China and follows the One China policy.⁷¹ It has also engaged with China through trade, culture, tourism, and even diplomat-level exchanges.⁷² Their bilateral boundary negotiations that began in earnest in the 1980s focused on the 270 sq. km stretch of the contentious India-China-Bhutan tri-junction and the valleys in Bhutan's northern region. The tri-junction—a highly strategic and vulnerable point because of its access to India's north-eastern states via a narrow passageway called the Siliguri Corridor—was the focal point of the Doklam crisis in 2017. The crisis stalled the Bhutan-China negotiation process, as it originated because the Chinese military constructed a road in the contested area (near a Bhutan army camp).⁷³ Nonetheless, the talks resumed in April 2021 and soon after in October, China and Bhutan signed a "historic" MoU, the so-called "Three-Step Roadmap for Expediting the China-Bhutan Boundary Negotiation."⁷⁴ Although India so far has been rather cautious in its response to the MoU development, there are legitimate fears about Bhutan's changing equation with China, which in turn will blunt India's influence with the historically close ally. 75 Moreover, India's exclusion from the negotiation table is being viewed as a diplomatic victory for China.

As Bhutan is not a member of the BRI,⁷⁶ China does not yet have significant investments, which could change once the MoU comes into effect. The sectors needing most attention are road connectivity and water harnessing, as the Himalayas are crucial sources of water supply for the Asian region. Already, Chinese companies like Sinohydro and Huaneng are apparently seeking to tap into hydropower resources in Bhutan, where India has invested US\$695 million in the Mangdechhu hydro-project.⁷⁷

Nonetheless, Bhutan would be cautious about China's intent as not only are there reports of Chinese villages being built in the Himalayan borders, but China has also claimed Bhutan's eastern Sakteng region, in parallel to the negotiation process. The claim was serious enough for Bhutan to issue a stringent protest attesting the sovereignty of its territory (the Sakteng Wildlife Sanctuary). The sakteng Wildlife Sanctuary of its territory (the Sakteng Wildlife Sanctuary).

Broadly, the China-Bhutan MoU in the context of China's land border law and its increasingly antagonistic tactics certainly worry India. In 1996 and 2020, China offered a "package deal" to Bhutan, namely exchange of territory in central Bhutan for Doklam, which Bhutan rejected. However, given the evolving tense situation, the LAC deadlock, and the possibility of Bhutan embracing the post-MoU relations with China, the overall impact may reflect negatively on the India-China border talks, particularly if India is unable to reconfigure its diplomatic outreach to Bhutan.

Nepal

The delineation and demarcation of the Nepal-China boundary was achieved via an agreement on March 21, 1960. This boundary agreement replaced the Thapathali Treaty, recognized Chinese sovereignty over Tibet, surrendered all rights granted by the old treaty, and led to the subsequent formation of a new border treaty in 1961 resulting in the construction of the pillars of demarcation. Nonetheless, scattered disputes over the boundary have remained, such as over Mount Everest and pillar 57, with the treaty having witnessed several changes like the inclusion of 76 permanent border pillars. Yet, the dispute did not escalate toward greater hostility.

However, over the past three years, incidences of Chinese belligerence along the demarcated border have grown. In 2020, China reportedly constructed nine to eleven buildings on the Nepali side. Reports concurrently cited a survey conducted by the Nepali Ministry of Agriculture claiming there had been consistent illegal Chinese encroachments in bordering districts. In 2021, tensions with Beijing further escalated when border pillars vanished in the Daulkha district. The Chinese embassy in Nepal has denied claims of encroachment, with *Global Times* terming it a "smear campaign." After the land border law was put into effect by China, the Nepalese government is more on guard, given China's propensity for using salami-slicing and civilian reallocation tactics.

Nonetheless, being a small kingdom that is heavily dependent on the Chinese economy and has been a part of the BRI since 2017, a dichotomy in Nepal's China policy is clearly visible. Despite viewing China as a threat to its sovereignty and national security, it has remained actively engaged with Beijing not just economically, but also strategically via frameworks like the Himalayan Quad (China, Pakistan, Afghanistan, and Nepal; the first meeting was held virtually in July 2020). ⁸⁷ This framework on face value offers support through transport, trade, and medical infrastructure, focusing on improving post pandemic recovery, but the security aspect, developing it a counter to the US-led Quad, is hard to ignore. ⁸⁸

Nepal has signed multiple agreements for transboundary connectivity via the BRI. ⁸⁹ During President Xi's visit to Nepal in 2019, Nepal became a strategic partner, opening new avenues of cooperation. ⁹⁰ As part of the BRI, China is pushing to accelerate the THMCN, which will link Kathmandu with TAR and operate close to the Indian border, raising security concerns in India. ⁹¹ China's infrastructural diplomacy not only promises growth and development but also provides Nepal with alternative trading routes while neutralizing its reliance on India, its traditional partner. ⁹²

Xi Jinping's focus on promoting "peripheral diplomacy" (*waiwei waijiao*) and "good neighbor diplomacy" (*mulin waijiao*) looks to complement his trans-Himalayan power politics play. ⁹³ As the India and China border-talks stalemate continues and China's assertiveness in Sikkim and Arunachal Pradesh increases, the future of the middle sector covering Uttarakhand and Himachal Pradesh comes into question. ⁹⁴ In this context, Nepal emerges as a pivotal player, and China's charm offensive—coupled with its massive economic weight—in Kathmandu would be a major foreign policy tool.

Meanwhile, India has struggled to manage its "neighborhood policy," the unresolved border dispute with China being the major hindrance. 95 With Nepal, India-driven connectivity developments been limited due to unsettled boundary issues in <u>Kalapani</u> and <u>Susta</u>. As the India-China border tensions escalate, it becomes important for India to focus new synergy into

its relationship with Nepal; the threat from China's military incursions into border territories, especially in light of the new land border law, and protecting their respective national sovereignty is a common agenda. India and Nepal need to revitalize their long-standing historical connections to present a joint response to China in the Himalayas, especially as Xi Jinping's bid for a third term in office draws close.

China-India Boundary Dispute: PLA's Unassailable Influence?

Since Xi's accession to power, there has been a marked rise in India-China border conflicts, culminating with the deadliest clash in 45 years in 2020 (Galwan Valley), which has also become a rather prolonged crisis. 96 As discussed earlier (see sections on Bhutan and Nepal), the PLA has enhanced its military infrastructure build up since 2020 especially along the LAC. In 2021, the PLA carried out live-fire precision strike drills in the Karakoram mountains to test the troops' "fire strike efficiency and combat capabilities under the harsh cold in plateau regions."97 The same year it was reported that China was constructing buildings in Arunachal Pradesh and several villages around Doklam. 98 In early 2022, India raised objections to China's "illegal" construction of a bridge on the Pangong Tso Lake (for facilitating faster movement of PLA troops) despite completing the disengagement process (in Pangong and Gogra regions) in 2021. 99 In April, days after US Secretary of Defense Lloyd Austin warned about Beijing "eroding the security" of the Indo-Pacific by constructing "dual-use infrastructure along India's border," 100 an official in Ladakh claimed that China had installed three mobile towers in its hot spring close to the Indian territory. 101 China's construction activities, which include new roads, bridges, bases, airstrips, and landing bases, are spread across the three sectors of the India-China boundary. India, too, is engaged in improving its infrastructure in the border areas (e.g., its Border Roads Organization completed more than 100 projects and has built new airstrips and landing areas), besides enhancing surveillance along the boundary. 102

Post the Galwan clash, China has mobilized large-scale deployment of PLA forces along the LAC; enhanced the PLA training activities and equipment fielding operations, especially for potential contingencies in high-elevation regions; expanded the use of Unmanned Aerial Vehicle (UAVs) for regular intelligence, surveillance, and reconnaissance missions; and installed a fiber optic network in the remote western Himalayan region, as also 5G wireless communications in TAR (bordering Sikkim), for "faster communication and increased protection from foreign interception." The PLA's proficiency in employing "virtual war domain capabilities" (e.g. cyber and electronic warfare) and "digital influence operations" (e.g., through social media platforms) during peacetime and wartime give it an edge over India, which lags behind China in modern warfare methods. ¹⁰⁴

The PRC's socio-economic development along border areas and diplomatic efforts reinforce its military modernization plans. Apart from maintaining close contact with the military leadership of neighboring countries through the PLA, the PRC uses its economic and political clout in multilateral forums and organizations to expand its defense and security network in other countries, and isolate those that do not cooperate (e.g., Lithuania faced China's wrath for allowing Taiwan to open a de facto embassy). Moreover, PLA's superior capabilities along the LAC would provide China "war-winning advantages," especially as these limited skirmishes and widespread use of its "military-civil fusion" strategy (which is an integral part of the new land border law) have increased the PLA's readiness to fight wars. 106

Both the countries have held 15 rounds of talks for disengagement to defuse the tensions in the area without complete resolution of issues, mainly due to non-negotiable border demarcation views along the LAC. ¹⁰⁷ Moreover, even as India and China have agreed to disengage their troops in the Gogra Heights area of eastern Ladakh and in Pangong Lake area, China's aggressive tactics, the presence of a large number of troops in border areas, and the two sides' inability to grant any territorial concessions have not allowed the bilateral relationship to become "normal." ¹⁰⁸ Both sides have differing views: for India, these crises are transgression attempts by the PLA to change the status quo across the boundary by creating temporary or permanent structures, carrying out patrols or drills, and hindering "normal" Indian patrols. ¹⁰⁹ On the other hand, China claims its "historical" sovereign rights, a universal tactic across its borders as a means to establish its national rejuvenation goals on its way to achieve global hegemony. ¹¹⁰

At the same time, Beijing is not too keen to prolong the border crisis with India so as to prevent India from growing closer to Washington; the PRC has warned US officials to not interfere in its relationship with India. ¹¹¹ Beijing has also repeatedly criticized the Quad (comprising India, United States, Japan, and Australia) as an anti-China US tool. Moreover, China does not want the border conflict to harm other areas of its bilateral relationship: India has a burgeoning trade with China, which crossed US\$125 billion in 2021, up 43.3 percent from 2020. ¹¹² In March 2022, Wang Yi in a surprise visit to New Delhi reiterated China's intention to put the border issues at an "appropriate position," take a long-term view of bilateral relations, explore "China India plus" development model in South Asia, and pursue cooperative multilateral engagement. ¹¹³ However, India not only continues to stress the "abnormality" in the bilateral relations but also seeks "fairer market access in trade" as trade remains "unbalanced" in China's favor due multiple reasons, including non-tariff barriers. ¹¹⁴

Summing Up: Xi's "Socialist Modernization" Policy: Implications on India

China's growing clout in India's traditional sphere of influence (including the IOR) and India's "pointed alignment" via increasing bonhomie with not just the United States but also the European Union, Japan, Australia, and South Korea has intensified the China-India regional rivalry. Some of the implications marked by Xi's "new era" foreign policy in South Asia that seem to be directed against India are as follows:

- In light of PLA's enhanced warfighting readiness and superior communications capabilities and to contend with PLA's assistance to the Pakistan military, India must hasten its military modernization plans.
- The border resolution process will continue to be plagued by slow progress—China will relegate it to the sidelines. At the same time, India will need to address China's economic, diplomatic, and military support of Pakistan, as well as its repeated stoking of the Kashmir issue [in 2022, Wang Yi's speech at a conference of the Organization of Islamic Cooperation (OIC) in Pakistan supported the OIC's stand on Kashmiris' "inalienable right to self-determination"]¹¹⁶.
- Even as the war-like situation will continue to loom large in the near future, India and China will also show each other witting and unwitting support: e.g., in 2021, China joined India in their decision to push forward a "phase down" rather than "phase out" of coal at the United Nations Climate Change Conference in Glasgow; India backed

China's Winter Olympics in 2022; and both India and China have maintained strategic silence (or even tacitly supported Russia) during the Ukraine war.

- China will seek to further cooperation in multilateral forums such as the SCO and Russia-India-China grouping; India is likely to attend the next BRICS (Brazil, Russia, India, China, South Africa) summit hosted by China in mid-2022.
- India will continue its power-partner equation with China through developmental partnership, i.e., thriving economic partnership and strategic autonomy in policies will seek to counter China's growing belligerence.
- India will continue to be cautious in its engagement with the United States so as to not appear overtly anti-China, throwing weight around its policy of not being part of the alliances or camps yet pursuing "pointed alignment" (as highlighted in its stand during the Russia-Ukraine war).
- India will showcase more assertiveness in its security partnerships with "like-minded" countries; its connect with the European countries and Japan in the Indo-Pacific will seek to balance China in a way more suited to its foreign policy than Washington's confrontational approach. These partnerships will also boost its Indian Ocean maritime security strategy.
- India will need to strengthen neighborhood equations not through the traditional "big brother" lens but in view of the evolving regional scenario, wherein each neighbor in South Asia is reconfiguring its own importance in bilateral relations.
- India must revisit its Act East Policy, and pursue enhanced cooperation with the Association of Southeast Asian Nations (ASEAN) as a bloc, as well as bilaterally and trilaterally (with ASEAN dialogue partner and its long-time ally, Japan) with individual states
- India could use its growing relationship with Taiwan as leverage to revisit its One China policy by collaborating with the island in creating projects such as the SCRI and supporting the inclusion of the Taiwan question in the Quad's agenda, perhaps by including Taiwan as a Quad dialogue partner. India's engagement with the Quad will continue in similar lines; the Quad framework will however evolve to include more countries in its plus format.

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