

March 10, 2015

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“Testimony before the U.S.-China Economic and Security Review Commission”
Hearing on China and South Asia

1. How does China’s growing influence regionally and internationally impact India’s relative influence in South Asia? What challenges and opportunities does China’s rise present to India?

Over the past decade, China’s growing influence has diminished India’s historic predominance in South Asia and especially, in the Indian Ocean. China has made clear inroads into an area which could unquestionably have been called India’s “sphere of influence” until the mid-2000s. The notion of China as an extra-regional power in relation to South Asia, which had near universal acknowledgement for years, is no longer viable. The real question now is how deep and how sticky Chinese influence in South Asia is. I would argue that opportunities for India outweigh the challenges despite what at first glance looks like a Chinese juggernaut inexorably moving into South Asia.

The fact is that unsurprisingly, South Asia forms a core interest for India while the same cannot be said for China. China’s core interest lies elsewhere—in South China Sea, Taiwan and Tibet. This is a powerful predictor of the level of commitment each country can be expected to have to the region—if states are rational, we would expect them to pursue their foreign policies in some sort of rank order of priority. It is safe to say that China’s ambitions in South Asia cannot be pursued without taking into account Indian reactions, if not sensitivities.

The most visible impact on India is the growth of China as a geopolitical actor in India’s backyard. India’s eroding influence in South Asia became most evident as China’s relations tightened with Sri Lanka and Bangladesh, especially as Beijing went to work building critical infrastructure projects in these two states since 2010—Hambantota and Chittagong ports, on the heels of the ongoing port building in Gwador in Pakistan. For many observers, these represented three pearls in the so-called “string of pearls” strategy by China to contain and challenge India in the Indian Ocean. Geopolitics is conventionally viewed as a zero-sum game; thus any accretion of power or influence by China in the neighborhood must be a loss for India.

But does a rising and more activist China have to spell an inevitable decline in influence for India? I would suggest that the politico-strategic environment is not static, and that we cannot jump to the inevitability of China’s superior capabilities trumping India in its own neighborhood. Indeed, just in the past year, we have seen a reversal of sorts for China: the new government in Sri Lanka that came to power in January 2015 has cooled the previous regime’s ardor toward China and suspended further work on the Hambantota development; and in June 2015, Bangladesh in a historic break with the past, agreed to allow Indian cargo ships access to Chittagong port, which has been built up with Chinese finances. In Sri Lankan ports, it is Indian goods that dominate shipping. Thus we would not be too off the mark for Indian planners to pose the question: why not take advantage

of Chinese port building? We should point out that Sri Lanka approached India first to build Hambantota and only turned to China when India declined.

This has not been lost on India, and in many ways, one of the effects of China's greater involvement in South Asia has been for New Delhi to re-focus on its smaller neighbors. At least since the late 1990s, Indian leaders often seemed to be trying to "escape" South Asia and leapfrog into the global sphere as a major power. However, since 2014, one salutary policy of Prime Minister Narendra Modi has been to give priority to repairing and rejuvenating ties with countries nearby. This is evident both in symbolic terms like the invitation to all neighboring leaders to Modi's inauguration, and the successful completion of the border enclave swap in 2015 with Bangladesh to settle an unresolved border issue lingering since the end of colonial rule and partition in 1947, due mostly to domestic resistance in one key Indian state.

2. To what extent does India see China as a threat (economically, geopolitically, or militarily) in the near, medium, and long term? How do domestic politics inform debates over China's rise in India?

There are what I have called elsewhere several schools of thought in Indian debates on China: Globalists who put more faith in economic over military tools in international relations, and believe optimistically in the power of economic relations with China; Nationalists who distrust China (pointing to the long standing disputed border) and want to build up India's military to meet what they see as an inevitable geopolitical threat; and Realists who see scope for both competition and cooperation, involving costs and benefits. Right now the center of gravity in Indian opinion is tipped toward a blended Realist/Globalist outlook. Why is this despite regional anxieties over China's recent behavior?

India's top priority is to achieve the status of an economically developed country. Thus even a Nationalist-leaning governing party like the Bharatiya Janata Party (BJP) sees the value of economic integration as a way of stimulating economic growth. Economic growth in turn will lay the foundation for India's military and political power in the region and beyond. For this to happen, India needs a peaceful extended neighborhood and good relations with China. After all, China is India's largest trading partner too. Indian Globalists and Realists seem to be confident that economic development is China's top objective as well. In interviews with Indian business and political leaders, the sentiment I hear most often is that Chinese leaders are first and foremost business-minded. There seems to be a level of confidence that the leaders of both countries will not let relations get out hand. For example, in fall 2014 as Xi Jinping and Modi were meeting in India for a bilateral summit, the spectre of a border encroachment by China at the very same moment, threatened to derail relations. Instead, the two leaders skillfully managed the crisis and averted a blow up on the ground or in the diplomatic arena. This type of crisis management augers well for a Realist/Globalist perspective to continue to hold in India.

In the near and medium term, the threat from China is concerning but not unmanageable for India. This is in part because India has been putting into place selective military upgrades such as improving road and other infrastructure on India's side of the border, as well as developing its Agni 5 missile which can reach most any part of China, a major objective of India's deterrence strategy in the region. These are all policies that appeal to

both Nationalists and Realists, though Realists are more concerned that India pursue a prudent nuclear strategy with minimum deterrence whereas Hard Nationalists push for a bigger nuclear arsenal that is not tied down by India's No First Use pledge. Hard Nationalists in this instance represent a small minority opinion in India.

3. Assess India's "Look East" policy. What drives it? What have been its successes and failures? How, if at all, is India adjusting its approach to China and East Asia more generally in the face of growing skepticism about China's rise in the region and internationally?

India's "Look East" has now evolved to "Act East" under Modi, at least symbolically. Since the early 1990s when Look East was announced under the Congress government, Indian governments of all stripes have consistently tried to implement it. ASEAN has served as the central springboard for India's policies in this regard, and economics has been the major driver. One of the significant successes was the 2009 ASEAN-India Free Trade Agreement. This FTA took several years to hammer out mostly because of domestic opposition in India from sectors that feared competition from ASEAN in products such as rubber, coconut and coffee. The Indian government's success in pulling this off was a turning point, demonstrating the leadership's commitment to economic integration in the region despite domestic costs. As such, it sent a strong signal to ASEAN countries which had been complaining of India's inaction.

Although the Look East policy has always had an economic core, over time, especially since the early 2000s under the previous BJP government, a more strategic dimension became evident. India became a member of ASEAN Regional Forum (ARF) in 1996 and began holding annual summit level meetings in 2002. In 2014, India appointed its first full time envoy at the ambassadorial level to ASEAN. Others like China and U.S. had done so earlier and India was seen as dragging its feet. India's presence in ARF gives it a ready regional forum for discussing security issues.

At the same time, India has been cultivating a strategic relationship with Vietnam over several decades stretching back to the Cold War years. This is paying off in an implicit (and at times explicit) challenge to China in the South China Sea where India has offshore drilling rights from Vietnam in waters that are disputed between Hanoi and Beijing. ASEAN is likely to provide opportunities for India's continuing economic and now rising strategic interests in a soft balance against China. China's activism in the South China Sea should make India an even more attractive security partner for ASEAN countries who worry about China's unilateralism in the region. Still, economic drivers will remain paramount for India into the foreseeable future. A persisting hurdle for greater interaction with ASEAN by India is the lack of cheap and viable connectivity to Southeast Asia.

4. How do smaller South Asian countries (Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka) perceive and exploit Sino-Indian competition for influence in the region?

Each of these countries (with the exception of Bhutan) is highly nationalistic and politically charged when it comes to the question of relations with India. India has the burden of overcoming or disproving a perceived history of Indian high-handedness.

India's huge preponderance in the region (India's GDP is eight times the size of the next largest South Asian GDP in Pakistan) across the board has made it difficult for the smaller neighbors to avoid the Indian shadow, thus breeding a level of resentment. Where India sees itself as a "security provider," and has sought to maintain its natural "primacy," others have often viewed it as exercising undue dominance. Above everything else however, what has been most destructive for the region is the long running hostility between India and Pakistan. This has made the South Asia region much more fractured than many other regions of the world, and this situation leaves the smaller countries in a position to play off China and India, and most importantly, to allow an easier opening for China into South Asia.

The fact countries like Nepal (land locked with huge dependencies on India) are able to take advantage of the rivalry between India and China is illustrative. In each of these countries, we can increasingly see the rise of political constituencies that tend to favor India or China. At the same time, domestic politics in these countries are of course something that cannot be easily controlled or predicted. Trends in key countries are disturbing for India—whereas India was the largest source of imports for Bangladesh, that position is now held by China. China is also Bangladesh's largest military supplier. Until 2015, Bangladesh had been extremely reluctant to accept Indian investment though it has now agreed to set up an EEZ for India alone—a major policy change. Yet India shares three of Bangladesh's four borders and China shares no border with Bangladesh.

But if the smaller countries' leverage over India has increased, China has to worry about overplaying its hand as well. China's experience with Myanmar and the stoppage of the Myitsone dam construction on the Irrawaddy River and Sri Lanka's suspension of the Hambantota port development show the limits of Chinese influence. The Chinese style of infrastructure development (with the importation of Chinese workers who are kept isolated in the host country and marked by secretive negotiations and terms) while perhaps efficient, has caused consternation in some publics, particularly in Sri Lanka.

India too has its own pressure points over the smaller countries. India controls the all-important trade and transit agreement that is Nepal's lifeline. India controls the headwaters of the Ganges River and other tributaries of the Brahmaputra that feeds Bangladesh as a downstream state—especially one which is facing possible calamitous conditions in the future as a likely victim of climate change. There is a huge flow of millions of Bangladeshi migrants into India, both legal and illegal, which India could clamp down on even further. The fate of Sri Lanka's Tamil minority remains a concern for India and especially for the 70 million Tamils across the narrow Palk Strait in Tamil Nadu state. Despite the military defeat of the Liberation Tigers of Tamil Eelam (LTTE) by the Sri Lankan government, Colombo is partly at the mercy of India to keep the reassertion of Tamil nationalism in check.

5. In what areas are India, China, and other South Asian countries cooperating on issues of mutual concern? To what extent do other global and regional powers (including the United States, Australia, and Japan) play a role in these cooperative efforts?

The best available forum for South Asian states and friends to engage in mutually beneficial endeavors is the South Asian Association for Regional Cooperation (SAARC).

China is an observer in SAARC, something that occurred at the behest of Bangladesh despite India's misgivings. India took the lead in inviting Afghanistan into the group. There are nine observer members including the U.S., Japan and Australia. Despite the growth of members and agreements on issues such as free trade, services, poverty alleviation, and human trafficking, South Asia is the least integrated region in comparative terms. Agreements remain mostly nominal. Possible cooperative mechanisms tend to be overshadowed either by the India-Pakistan conflict or bilateral distrust. Moreover, apart from relations with India, other South Asian states have little interaction with each other. Without leadership from the region, it is difficult for outside countries like the U.S. to play any meaningful role.

One promising avenue of cooperation appears to be taking off in recent months in the form of a sub-regional venture termed BCIM—the Bangladesh, China, India, Myanmar Economic Corridor. This initiative is geared toward improving connectivity in a significant fashion—focusing on infrastructure, energy, trade and agriculture. It is a long awaited update of the 1999 Kunming Track II dialogue between these states to physically and economically link up India's Northeast, China's Yunnan province, Bangladesh and Myanmar. As it stands now, it is shoe-horned into China's grand schemes announced as the Maritime Silk Road which should give it a fair amount of resources. Economists tend to see a good deal of complementarities in trade among the BCIM countries. There is also a great potential for cooperation in the power sector, given the huge conventional and renewable energy resources in the area.

6. How do India's relations with the United States inform its China policy? How does China inform India's policy toward the United States?

India's relations with the United States are keenly driven by wariness of China. It is also driven by the belief that for India's great power aspirations to become reality, close relations with the U.S. is the best vehicle at this point. Democratic values also bring India and U.S. together though much more weakly than many would presume. Given that India shares a disputed border with a powerful China, New Delhi has been circumspect in drawing too close to the U.S. strategically in any open bid to "balance" China. For strategic culture reasons such as wanting to guard its autonomy, India is and will be averse to joining any formal bilateral or multilateral group that directly targets China. India, like many other countries, are also caught in the dilemma of having hugely important economic ties to China at the same time that it worries about Chinese intentions in South Asia, especially in the Indian Ocean. In this hybrid system, the best that India is going to do is hedge. India will continue do a delicate dance between not hugging the US too rightly and not hedging against China too stridently.

7. Policy Recommendations:

- Take measures to encourage India's membership in the Trans-Pacific Partnership which will be an important way to engage India in the economic transformation of the broader Asian region.
- Hasten India's membership in APEC.

- In pursuing American objectives in South Asia, work with India as the preferred partner and support, encourage and participate in innovative sub-regional, multi-lateral mechanisms.