



South Asia policies of the USA and China

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Abstract

This paper focuses on the growing strategic competition that is developing between the United States and China in South Asia. It refers to historical developments, geopolitics, economic engagements, regional reactions and the way moving forward. The paper claims that the South Asian vital trade and energy routes have become the political battleground on which both countries are seeking to find safe access to them, in order to develop strategic alliances and further expand their power. This competition is having major implications on regional alignment, development and world order. The U.S.-China rivalry in South Asia reflects a larger global power struggle between the two countries, striving to enhance their influence in this geopolitically critical region. The competition between China and India is having an effect on the South Asian countries with regard to stability in the region, economic development and foreign policy independence. In addition, the means by which these regional states are involved in the power competition and their associated implications in terms of security, development, and diplomacy are discussed in the paper.

Keywords: USA South Asia policy, China South Asia policy, South Asia, SAARC, BRI

Introduction

Since the beginning of the 2000s, South Asia has become a very important arena of strategic competition between China and the United States. The strategic importance of the region, with its central sea routes and its role as a conduit for continental hegemony, has "a major emphasis on the importance and urgency of the U.S.-China competition." China's Belt and Road Initiatives (BRI) are encouraging anti-Chinese behaviour in its neighbourhood, and Washington has responded to it by growing diplomatic and economic relations in countries via its Indo-Pacific Strategy, like the Quadrilateral Security Dialogue (QUAD). The major sea routes, India-Pakistan rivalry and geo-strategic positioning of the region are highlights of the geo-strategic importance of South Asia. China is seeking to step up its influence through partnerships and investments. At the same time, the US is involved in defence diplomacy and formation of alliances with countries like India, Bangladesh, Nepal and Sri Lanka to counter the rising Chinese power in the region. This historic competition has changed the dynamics of regional security, economic growth and diplomatic relations, which has now compelled South Asian countries to redefine their relations with both powers while striving to secure strategic space in their foreign relations. From the discussion of historical background, important elements of the rivalry, and future implications, this article offers a forward looking on this compelling rivalry.

History of America's Engagement with South Asia

The United States has been engaged with South Asia for decades, and much has changed in the US strategy towards South Asia based on ever-changing international priorities and changing dynamics of the region. During the Cold War, the U.S. targeted its foreign policy mainly on Europe and the Pacific, and thought these to be the most important theatres in the fight against the expansion of communism. However, with the changing geopolitical environment and the rising tensions, the significance of South Asia as an

important geopolitical region was felt more strongly. On the other hand, India under Prime Minister Jawaharlal Nehru wisely adopted the policy of non-alignment. Through this, India was able to maintain its sovereignty and an independent foreign policy, which was away from the Western bloc or joining hands with the Soviet Union. The complex balance of power in South Asia at this time laid the foundation for diplomatic and military manoeuvring that would follow and continue to affect US relations. Moreover, the US views small nations such as Bangladesh, Nepal, Sri Lanka and the Maldives as its allies to curb the increased influence of China in the region. Overall, South Asia remains a region of strategic importance to the U.S., including a focus on regional stability, counterterrorism, and great power competition. The foreign policy of the US is still shaping up to promote the establishment of stable and democratic regimes within the region

China's Intentions in South Asia

In South Asia, given the strategic, economic and geopolitical interests, the engagement of China has grown enormously in the past decades. The region, which includes India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, and the Maldives, is important to Beijing's aspirations. The main aspect of this is the stability of the borders of China, especially in Xinjiang, because where there is instability, extremism can spread. Furthermore, China's strategic counterbalance of power in India, with its strategic tie with Pakistan through \$60 billion China-Pakistan Economic Corridor (CPEC), is the prime example of strengthening its ties with Islamabad and gaining access to the Arabian Sea. China also wants to control crucial energy and trade Sea routes. Its port investments in Sri Lanka, the Maldives and Bangladesh are consistent with its 'String of Pearls' strategy, which refers to China's attempts at creating a network of military and commercial installations in the Indian Ocean region. Although these facilities are mostly for economic development, there are still issues with military applications.

The BRI is at the heart of China's influence dispersion through uniting regional economies through infrastructure investments. Politically, China poses as a neutral player in the regional diplomatic circuit through the offer of economic carrots as a means of currying favours and as an alternative to the traditional Western donors and India.

Political Intentions and Implications

China's regional approach is based on the promotion of connectivity, maritime access and economic interdependence through initiatives such as the BRI. This has seen investments to the tune of more than \$100 billion in South Asia, such as the \$60 billion CPEC, important strategic ports like Gwadar, Hambantota and Kyaukpyu to form a 'String of Pearls' in the Indian Ocean. China has upgraded economic ties with Pakistan as well as enhanced its diplomatic ties with Nepal, Bangladesh and the Maldives through economic incentives. As a result, the US has redirected its approach to South Asia and incorporated India as a key partner in its counter-Chinese approach. The relations have been enhanced in all sectors as per the U.S.-India Comprehensive Global Strategic Partnership. The U.S. is also involved with soft power, with education programs and democracy training, and the Millennium Challenge Corporation helps promote regional development within the area.

Economics and Political Diplomacy

China and the United States are not only rivals in the military sector, but also in terms of the economy. Besides providing loans with fewer political conditions, BRI also offers loans that raise fundamental questions on debt sustainability. The term debt-trap diplomacy refers to the situation in which a country is not able to repay the loans it has taken from another country, thereby granting the lender an opportunity to get economic or political concessions. This idea was put into the forefront after the Hambantota deal in Sri Lanka. In contrast, the United States places transparency, environmental standards, and democratic accountability at the top of its list of values when providing development assistance. The South Asian countries are becoming increasingly calculating and cognizant of the strategic and economic returns of projects. However, although infrastructure projects are generally viewed as being delivered by China on record time, issues such as sovereignty and payment terms are raised.

Soft Power Influence in South Asia

In both countries, soft power is an issue of trying to shape their perceptions and elite opinions. China is using infrastructure, media, scholarships and Confucius Institutes as symbols of its soft power. As a result, the US provides funding for academic exchanges, carries out public diplomacy, and advances democratic values. In recent years, China's aggressive diplomatic policy has come under criticism, particularly in the wake of the COVID-19 pandemic and other human rights issues. This relationship has been called into question from time to time because of the effectiveness of the US role, but it still has a positive image derived from civil society and media-based networking.

America and China's Ambitions in the Region

As a country in South Asia, Pakistan is a strategic player in

both the US and the Chinese foreign policy-making. Pakistan has long been regarded by the U.S. as a strategic partner; particularly during the Cold War, Pakistan was regarded as an important ally. In the 1950s and 1960s, Pakistan was fighting against the Soviet Union and was getting abundant help and economic aid from Western countries. The Government of China, on the contrary, assists Pakistan in balancing the Indian influence in the region. Their "all-weather friendship" is manifested through military cooperation, economic projects, and convergence of interests. This relationship is further strengthened by the CPEC, which provides China with a water route to the Arabian Sea and augments China's maritime strategy. While the U.S. shows interest in Pakistan primarily on a security level, China is understanding Pakistan's relevance from a strategic and economic point of view.

India's Trade with both the USA and China

The trade relations between India and America, and India and China have improved largely in the last two decades, and hence, they are two of India's major trading partners. The United States is India's largest bilateral trade partner, with a trade of over 130 billion dollars per year. The trade is well balanced, with most of the exports being in the pharmaceutical, textile, and software services industries, and imports of crude oil and high-tech machinery. The economic relationship between the countries is also marked by large flows of information technology services trade and investments based on the common interest in innovation. As a matter of comparison, India imports almost \$115 billion of goods from China in a year, making their trade relationship dysfunctional. Indian major exports to China are raw material exports, such as Iron ore and cotton, and the major imports are acceptable goods, such as machinery and electronics. Hence, India is taking a cautious approach to Chinese investments and imports and diversifying the supply chains by increasing the scrutiny under the Atmanirbhar Bharat campaign.

Conclusion

The rivalry between India and China and the China-US contest in South Asia heralds a dramatic change in the international power dynamics. The region's geographic and economic importance places it at the centre of this opposition. While the U.S. takes the high ground of democracy and openness in financial aid, China manipulates economic statecraft and closer relationships. Regional states need to learn how to compete intelligently, guarding their interest without becoming victims of their petty vices. Through well-balanced and effective engagement, diplomacy has an important role in maintaining peace in South Asia. However, Pakistan and India are seen as two strategic partners by the U.S. and China, respectively, for a variety of reasons. Washington perceives Pakistan as a complicated ally, and Beijing believes that Pakistan is its strategic ally and is expanding its influence. This shared interest further solidifies Pakistan's pivotal role in the rivalry. China's South Asian strategy combines economic outreach, geopolitical diplomacy, and partnerships to secure its borders, power projection in the Indian Ocean Region, counter leadership influence of the US and India, and reshape the regional order in line with its global ambitions.

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