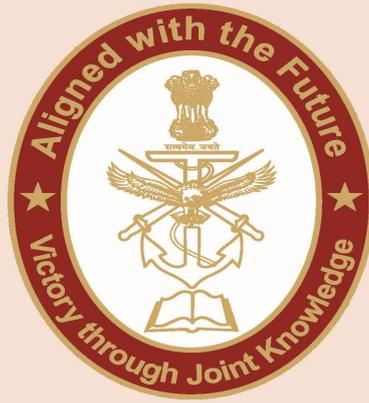


CENTRE FOR JOINT WARFARE STUDIES



CENJOWS

INDIA NEEDS TO RECALIBRATE ITS RELATIONSHIPS IN THE SUBCONTINENT

BY

MAJ GEN HARSHA KAKAR (RETD)

Introduction

There has been a change of government in Malaysia and Maldives, while political turmoil continues in Sri Lanka. The new Malaysian and Maldivian government have a single point agenda, cut dependence on China. The Oli led government in Nepal is shifting focus towards China. Myanmar continues to face international pressure on Rohingya's. While it remains under Chinese influence and debt, it is also seeking to cancel projects, considering them unviable.

Bangladesh is gravitating towards elections, hopefully the ruling party would return. The new government in Bhutan may seek to play the balancing act between India and China. Pak is in deep financial straits and despite assured assistance from Saudi Arabia and China needs to seek an IMF bailout, which may compel it to divulge Chinese investments in the CPEC. It continues to needle India, assured of Chinese support. India-China relations though peaceful, remain distrustful and distant.

Amid these changing contours, India is entering the election mode. The attention of the nation would shift inwards as PM Modi would seek another tenure in office. However, its external focus should remain, and it should seek to enhance its influence in those nations where opportunities are presenting themselves.

Malaysia

Malaysia is pushing back Chinese projects fearing falling into the Sri Lankan type debt trap. It has already cancelled projects worth 22 billion dollars. Mahathir Mohamad, the Malaysian PM was a staunch Chinese supporter in his earlier stint as PM from 1981- 2003, while being critical of the west, mainly the US military interventions in the Middle East.

Presently, even China sees him as a critic. Malaysia would now be a voice for mutually beneficial and balanced relations between smaller ASEAN nations and China. With common friends and a common adversary in China, India and Malaysia could move forward together. The PM visited Malaysia enroute to Singapore, however nothing substantial was announced.

However, there would always be a doubt on Mohamed's intentions. The recent visit by Imran to Malaysia has a reference to Kashmir in the joint statement. With Malaysia and Japan also moving closer towards joint naval exercises, India would soon be drawn in. India, therefore should continue engaging with Malaysia.

Maldives

Maldives witnessed a surprise election. Solih won an unexpected victory. PM Modi was the only high-ranking dignitary to be present at the swearing in ceremony. It placed India back into the driver's seat. While Maldives has already announced measures to scale back its relations with China and enhance ties with India, neither would be easy nor possibly rushed. Presently, Maldives remains unaware of the figures that it owes China. Indian aid and support, including financial support from the Japan led Asian Development Bank would be an added support. India must carefully exploit the situation.

Bhutan

In India's neighbourhood, Bhutan has a new government. While there is nothing to indicate any change in stance towards China, India needs to continue its nurturing of the state. It should continue supporting Bhutan as it has done hitherto fore, however being careful not appear as a dominant neighbour, but an ally.

Nepal

The new government in Nepal has indicated a desire to proceed ahead with loans from China, including joining the BRI. The Chinese have offered opening four seaports and three dry ports to Nepal, to reduce its dependency on India, which Nepal has accepted. While the distances are large, almost three times the distance to Kolkata, the message to India is clear. Nepal has

an alternative route. Modi has visited Kathmandu twice since Oli assumed office cementing their personal rapport.

In Jun this year, Oli travelled to China and signed agreements worth 2.4 Billion Dollars. The highlight is the railway line connecting the Tibetan border town, Kerung with Kathmandu. It is being billed as a tourist line, likely to bring in 2.5 million Chinese tourists, apart from linking Kathmandu with Chinese ports. Within Nepal the same is being debated as possibly unfeasible technically and economically. It could like Sri Lanka end up placing Nepal into the debt trap.

India biggest fear is Nepal falling into the Chinese debt trap, which could add to Indian security concerns, though it cannot do much to prevent it. India recently released additional funds for the ongoing construction of 14 road packages. Indian dam projects in Nepal have not seen the light of day. The Pancheswar multipurpose project has been languishing for 22 years. With India announcing it would not purchase electricity produced by Chinese built dams, their future has yet to be finalized.

Oli is aware of Indian influence on political stability in the country and hence he would seek to continue engagement with India. India cannot repeat the blackmail of the Madhesi agitation. It now needs to continue enhancing ties. There is no doubt that Modi and Oli share a good relationship, which can be exploited.

Bangladesh

India-Bangladesh relations appear to have never been better. Over 90 agreements have been signed and tricky issues like conclaves resolved. With duty free access to Bangladesh goods, exports to India of garments went up by 115%. Several development projects were launched including Bhairab and Titas bridges, Akhaura-Agartala rail track and the Rampal coal fired power plant.

However, the issue of illegal migrations continues to be a roadblock. India has also been unable to convince Bangladesh to open a rail/road corridor linking West Bengal to Tripura, reducing dependency on the Siliguri corridor. Resolving of the Teesta water sharing agreement has yet to be inked, as West Bengal is unwilling. While India contributed to the management of the Rohingya refugees in Bangladesh, it supported Myanmar in the crises, which did not go well with Bangladesh.

Chinese investments in Bangladesh are on the rise. China has pledged 38 Billion dollars to Bangladesh, of which only one project has commenced. China has also purchased a 25% stake in the Bangladesh stock exchange.

Bangladesh is the second largest importer of Chinese defence equipment, after Pakistan. It has also supported and joined the BRI.

The reality is that Bangladesh is playing a major balancing act between the two giants, aware that each is investing in the country for their self-interests. India can only continue positive engagement with Bangladesh, seeking to curtail Chinese influence.

Myanmar

Myanmar was strongly supported by India during the Rohingya crises. It is deep into the Chinese lap. China is possibly the only country which can provide the economic assistance, political support and military cooperation which Myanmar needs. As a veto member of the security council, it was China which blocked the UNSC from passing a resolution to put on trial those responsible for the Rohingya crises. Myanmar has also joined the BRI. Chinese investments are heavy in the country.

India has enhanced its military engagement with Myanmar with the holding of the India-Myanmar bilateral military exercises for both, the army and the navy. India and Myanmar are working together for developing the India-Myanmar-Thailand trilateral highway, whose PDC is 2021. The Kaladan multi-modal transport project is also underway, likely to be completed by end 2019.

While India would continue engaging with Myanmar, it is China on whom Myanmar would depend on. It would not be easy for India to reduce Chinese influence in the country.

Sri Lanka

Sri Lanka is presently in the middle of a political crises. Whether pro-China Rajapaksa or pro-India Sirisena becomes the PM is yet to be seen. The Chinese Ambassador rushed to congratulate Rajapaksa as soon as the announcement was made while India waited and watched. Sri Lankan debt is about 77% of its GDP and it needs to pay USD 4 Billion next year to service its loans. India needs to engage with all political leaders in the fray, without interfering. It must remain neutral. Sri Lanka is already in the Chinese debt trap, hence unless engaged continuously, could become a security nightmare.

Pakistan

With Pak, despite the opening of the Kartarpur corridor, relations would remain the same. Chinese diplomatic, military and economic assistance provides Pak the support to continue with its anti-India activities. Its attempt to expand terror activities to Punjab would only worsen relations.

The recent warning by the Indian army chief was to pre-empt any further expansion of terrorist activities by Pak. Aware that it cannot match India in conventional capabilities, the gap in which would only expand over the years, it is banking on nuclear threats, which India may have to ignore at some stage, in case Pak crosses Indian threshold of tolerance.

Conclusion

The neighbourhood in some cases has opportunities for India, which it cannot afford to let pass, if it needs to ensure that Chinese footprints do not increase to the level of enhancing security concerns. It is evident that Chinese influence commences with economic investment, leading to it gaining a foothold, Sri Lanka is a leading example. Diplomatic engagements, economic assistance and military exercises would keep China at bay. A joint 'whole of government' approach needs to be considered by the newly reconstituted National Security Council.

Disclaimer: Views expressed are of the author and do not necessarily reflect the views of CENJOWS.