

Instead of being alarmed at China's growing inroads in the region, India needs to take a harder look at its own role and find new ways to win neighbours and increase influence in the region's growth story.

No one would accuse Prime Minister Manmohan Singh of being alarmist. So when, addressing the Heads of Missions last month, he spoke of paying close attention to "global powers exercising influence in the Indian Ocean Region," it was assumed that the Prime Minister was genuinely concerned about China's growing role in the region. When he spoke to editors some days later about his concerns on China again, the assumption was sealed.

India's growing concern rose from two factors — the first, Beijing's sudden decision to provide Northern GOC General Jaswal with a stapled visa, saying his command includes a 'disputed' region; and the other, newspaper reports that the People's Liberation Army (PLA) had approximately 11,000 soldiers in Gilgit-Baltistan, digging tunnels and posing a direct threat to India across the LoC.

Diplomats on both sides now say they are 'sorting out' the visa issue, with Beijing on the back foot, particularly given that General Jaswal has travelled to China in the past. Meanwhile, the reported build-up in PoK was aggressively denied by Beijing and Islamabad, both insisting that the troops are there to help contain flood damage, and the impending threat of the Hunza dam overflowing, and also to work on the Karakoram Highway project. India's suspicions that China's army is now securing its land route to the Arabian sea via PoK have nonetheless grown, given that China has also wrested control of the Gwadar port back from the Singaporean Port Authority. The development ties in with the fear of India being choked by a strategic "String of Pearls" — a U.S. Defence Department term for China's ambitions for bases in the Indian Ocean Region. With Gwadar in Pakistan, Hambantota in Sri Lanka, Chittagong in Bangladesh, and the Sittwe port in Myanmar, it would seem the string is slowly turning into a choke-chain for India.

At one level, the fears of China overrunning Pakistan to open a front with India may seem far-fetched, even hysterical. At another, it may be a much needed wake-up call for India to reassess its preparedness to counter an increasingly assertive Chinese military. At an entirely different level, New Delhi's alarm in the past few weeks could be most constructive if it ensures that India takes a closer look at its own role in the region, and why China is making headway with so many of our neighbours.

Take Sri Lanka that has many reasons to welcome Indian investment. Whether it has been the tsunami, the war against the Liberation Tigers of Tamil Eelam (LTTE), or the post-war demining and rehabilitation effort, Indian agencies have been at the forefront to help. And yet, as Sri Lanka recasts itself as the Singapore of the region, it is China that is its biggest infrastructural investor, bagging many coveted projects given China's deeper pockets. Much of it is a result of

Indian apathy – the Hambantota port, for example, was offered to India first. New Delhi's lack of interest in developing this strategically located harbour was easily the gain of China, which worked double time to complete the project with \$60 billion funded from China's Exim bank, building the port, the city centre, the airport, a stadium, and a massive convention centre. Many in India worry that Hambantota's future could include a Chinese naval base too.

While Indian concerns about Hambantota are well known, practically no one speaks of the port project that India does have, in the northern town of Kankesenthurai (KKS). Originally, after the tsunami, the project was handed to the Dutch, but after India showed interest, the Sri Lankan President tore up that contract and invited India to build the port. Yet 18 months later, this harbour near Jaffna has seen little by way of construction; even a feasibility survey taken in June 2010 has not yet been finalised. Meanwhile Hambantota will receive its first ship in November, some six months ahead of schedule. The contract for the Colombo port has just gone to a Chinese consortium — no Indian company having even tried to bid for it. Given that the National Thermal Power Corporation (NTPC)-Sampur coal 500-MW plant is already delayed years beyond its 2011 deadline, it is hoped that other projects India has committed itself to including the northern rail line, the Palaly airport and the Jaffna stadium will be dealt with more expeditiously.

While many in India would see these projects essentially as aid to a needy neighbour, it is time to invert the prism and see them, just as we accuse China, as ways of increasing our footprint and extending our ambitions to a sphere of influence well beyond our land mass.

In January this year, a historic agreement with Bangladesh Prime Minister Sheikh Hasina seemed to redefine how India would deal with its neighbours. Amongst a slew of agreements came India's \$1-billion credit line — for 14 infrastructural projects. Even while the agreements were being finalised — Dhaka delivered some of the most wanted United Liberation Front of Asom (ULFA) militants. Despite opposition cries of a sell-out, Sheikh Hasina's India deal won her accolades in Bangladesh. Yet it took eight months before Finance Minister Pranab Mukherjee flew to Bangladesh to operationalise the credit line, and by the time he reached, India had decided to change its earlier offer of \$1bn at one per cent interest to 1.75 per cent — terms that took many in Dhaka by unpleasant surprise. Also, unless India relaxes its trade barriers to Bangladeshi goods, it will be accused of exploiting the transit rights only for its own benefit. It is hoped that Dr. Singh, whose trip to Dhaka is imminent, will address some of those concerns. Meanwhile China has moved into the delay gap on projects like the Chittagong port with ease, funding much of its refurbishment, as also the construction of the second Padma bridge, as it vigorously pushes MoUs on road links via Myanmar and a rail line connecting Beijing to Dhaka — as part of a \$2.2-billion Chinese package on infrastructure.

A bolder move, but one that would win many hearts is to consider lifting tariff and non-tariff barriers and duties unilaterally in the South Asian Association for Regional Cooperation (SAARC) region altogether. Suspend the reality of our relations with Pakistan for a moment to think about the impact of ending such protectionism in a year that has so devastated Pakistan's economy. According to estimates, the destruction of standing crops on two million hectares has virtually wiped out Pakistan's staple revenue from export of cotton, rice, and sugar. The country will be dependent on importing these for the next few years. With 77 million people likely to go

hungry, and Pakistan's projected growth likely to fall by half to about two per cent, it is only natural that China's interventions in flood relief, rebuilding destroyed roads, schools and bridges, aid and trade will grow. The question is: will India watch with its customary alarm but do nothing?

On our other frontiers, it must be said, the government has made some moves — increasing development aid to Afghanistan to \$1.2 billion and discussing a \$1-billion dollar credit line to Myanmar as well. Describing some of these initiatives at Harvard University this month, Foreign Secretary Nirupama Rao said: "Today, with sustained high economic growth rates ... India is in a better position to offer a significant stake to our neighbours in our own prosperity and growth." It is equally important to stand that assumption on its head, and consider India's stake in the prosperity and growth of its neighbours. Whether it's Mauritius or Maldives, Nepal, Sri Lanka, Bangladesh, Bhutan, Afghanistan or yes, Pakistan — these are countries with close cultural, linguistic, historic ties to India no other country can match. As a result, it shouldn't be possible for China or any other superpower to encircle a country like India. The only thing that encircles us is our fear that they will.

~ The Hindu ~ By Suhasini Haidar