



## **China and Japan set to redefine South Asian Geopolitics**

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When the leaders of seven South Asian nations gather in New Delhi during April 3-4 for their annual summit, they will be joined for the first time by senior representatives from other countries, including President Hamid Karzai of Afghanistan and the foreign ministers of China and Japan.

As the increasingly assertive East Asian powers enter into the expanded South Asian regional forum, the geopolitics of the Subcontinent might never be the same again.

The 14<sup>th</sup> Summit of the South Asian Association for Regional Cooperation (SAARC) in New Delhi marks two important transformations underway in the Subcontinent.

Firstly, the admission of Afghanistan as a full member restores to SAARC its natural geographic scope. Secondly, the entry of China, Japan, South Korea, the European Union and the United States as observers heralds the long overdue globalisation of the Subcontinent. Since it was founded in 1985 with Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka as members, SAARC invited at best a big yawn from the rest of the world. For decades the region was seen as Asia's backwaters. The inward looking economies put the region off the commercial radar of East Asia and the world.

South Asia's marginalisation, however, is coming to an end. Afghanistan and Pakistan today are at the centre of the global war against terrorism. The rise of India meanwhile promises to recast the Asian balance of power.

On the economic front, it is not just India that impresses the world with its high annual growth rates. Pakistan and Bangladesh too have turned in good economic performances in recent years to make South Asia one of the fastest growing regions of the world.

Long the laggard among the world's regional organisations, SAARC in recent years has stumbled towards greater regional economic integration by negotiating a free trade agreement that came into force last year.

The peace process between India and Pakistan, the arch-rivals of the Subcontinent, has survived for more than three years against all odds and there is hope that Indo-Pak disputes may no longer undermine South Asian regionalism.

Washington hopes that the Subcontinent's embrace of Kabul would help stabilise Afghanistan and restore its status as the traditional land bridge between the Subcontinent and Central Asia.

The U.S., however, may not seem to have the requisite political energy to promote South Asian

economic integration. China and Japan are more likely to be new drivers of regionalism in South Asia.

The U.S. is sending its Assistant Secretary for South and Central Asian Affairs, Richard Boucher, to participate in the New Delhi SAARC summit. Signaling their new political interest in the Subcontinent, China and Japan have deputed their foreign ministers Li Zhaoxing and Taro Aso respectively to New Delhi.

China, which shares more than 5000km of border with Pakistan, India, Nepal and Bhutan, is well poised to become the most consequential external power in the region.

China's booming bilateral trade with India is expected to reach US \$40 billion by 2010 and make Beijing the largest trading partner of New Delhi. China's traditionally strong economic links with Pakistan have now been reinforced by a recent free trade agreement and massive new Chinese investments into infrastructure development. China's economic weight in Bangladesh, Sri Lanka and Nepal is also rapidly rising.

China's West region development strategy launched a decade ago is beginning to have a huge impact on the Subcontinent. As China poured billions of dollars into the development of Xinjiang, Tibet and Yunnan that border South Asia, the traditional trading links between these provinces the Subcontinent are gaining a new lease of life.

To take full advantage of geographic proximity, China is modernising its road and rail connectivity upto and across the Himalayan barrier. Given the fact that South Asian ports are closer to western China than its own major entrepots on the east coast, Beijing is investing heavily in building maritime infrastructure in South Asia and linking them to western China through overland transport corridors.

The Gwadar port, built with Beijing's financial assistance on the Makran coast in Pakistan, is only one example of the new Chinese strategic activism in South Asia. China is also looking at building new ports in Bangladesh, Myanmar and Sri Lanka.

India, which has anxiously watched the rising Chinese profile in its own backyard, has responded in two ways. For one it has seen the value of bringing other powers to balance the rising Chinese economic influence in South Asia.

At the 13<sup>th</sup> SAARC summit in Dhaka at the end of 2005, India found its neighbours Pakistan and Bangladesh pressing for a formal Chinese role in SAARC. India insisted that if SAARC's scope were to be expanded to include China, then Japan and the U.S. too should be welcome.

For decades, Japan has been the largest aid donor for South Asia. Although its trade volumes have remained relatively low, its political presence in the region has begun to increase.

The naval support to U.S. military operations and economic reconstruction in Afghanistan, and the active involvement in the peace processes in Sri Lanka and Nepal underline the new Japanese interest in South Asia.

As Japan responds to the rise of China, it has focused on building a strategic partnership with India. Tokyo and New Delhi now have good reasons to increase their own political coordination in South Asia and jointly promote economic prosperity in the region.

In bracing up to the new Chinese thrust into Subcontinent, India has also recognised the

urgency of reclaiming its traditional economic primacy through a more enlightened strategy on regional cooperation.

India, deeply suspicious in the past of SAARC as an attempt to undermine its natural weight in the Subcontinent, now appears determined to regain the initiative on South Asian regionalism.

Amidst the rise of China and India and the unshackling of Japan, the Subcontinent is emerging as an important theatre for the new Asian power play.

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