



**GLOBAL INDIA PODCAST
The Brookings Institution**

**“How India and China compete in non-aligned South Asia
and the Indian Ocean”**

**Washington, D.C.
October 18, 2023**

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Episode Summary:

China’s economic, diplomatic, and military activities in South Asia and the Indian Ocean island states have New Delhi concerned about Beijing’s growing influence in its neighborhood. In this episode of *Global India*, Tanvi Madan speaks with two experts—Darshana Baruah from Carnegie Endowment for International Peace and Constantino Xavier of the Centre for Social and Economic Progress in New Delhi—who discuss how India is responding.

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MADAN: Welcome to *Global India*, I'm Tanvi Madan a senior fellow at the Brookings Institution, where I specialize in Indian foreign policy. In this new Brookings podcast, I'll be turning the spotlight on India's partnerships, its rivalries, and its role on the global stage. This season our conversations will be focused on India's relationship with China, and why and how China-India ties are shaping New Delhi's view of the world.

In 2017, China hosted his first Belt and Road Forum. Some Western countries like Greece, Italy, and Spain were represented by their prime ministers. Australia sent its trade minister. The Japanese delegation was led by the secretary general of the ruling party. And from the United States, a senior National Security Council official attended with a team.

Conspicuous by its absence was India, and not just because it was the only major country not represented. What was striking was that India announced that it was boycotting the forum. Moreover, New Delhi outlined its reasons in a statement, including the fiscal impact and lack of transparency of certain Belt and Road Initiative projects, as well as the impingement of India's territorial integrity and sovereignty in the case of some other projects.

This Indian decision reflected its intensifying concerns about China's increasing activities and influence in India's continental and maritime neighborhood. Beijing's activities in South Asia and the Indian Ocean island states and India's concerns about them proceed the Belt and Road Initiative. But Delhi's wariness has increased due to the scale of activities and worries that China is gaining political influence and shaping the strategic choices of India's neighbors to include dissuading them from respecting India's sensitivities.

All this is complicated by the fact that India and China have overlapping peripheries, with Delhi's activities in Southeast Asia growing as well. And so the two Asian giants will continue to bump up against each other in the region.

New Delhi's enhanced concerns have led to shifts in its perspectives and policies including a more welcoming approach than in the past of American activities in South Asia and the Indian Ocean region, and a willingness to consult and cooperate with Washington in the region.

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In today's episode, we will look at China-India dynamics in South Asia. In this region, think of two categories. One category includes the countries that are aligned: Pakistan with China and Bhutan with India. We'll consider them in a future episode. Today, we'll look at the second category, that is non-aligned South Asia, and explore India's perception of Chinese activities in Nepal, Bangladesh, Sri Lanka, Maldives, and other Indian Ocean island states, as well as examine how New Delhi is responding.

My guests are Constantino Xavier, a nonresident fellow with us at Brookings, and a fellow at the Centre for Social and Economic Progress in New Delhi, and Darshana

Baruah, fellow at the Carnegie Endowment for International Peace, where she directs the Indian Ocean Initiative. Both are working on books, Constantino on how India's democratic experience and values at home have shaped its foreign policy towards Nepal, Sri Lanka, and Myanmar. And Darshana, on the island states of the Indian Ocean and the region's increasing importance.

MADAN: Constantino Xavier—Tino—welcome to the *Global India* podcast.

XAVIER: Hi Tanvi. Great to be here.

MADAN: Darshana Baruah, welcome to you as well.

BARUAH: Thank you, Tanvi. Good to be here.

03:41 How India sees China's activities in Nepal, Bangladesh, and Sri Lanka

MADAN: We're going to be talking about India's neighbors today, and how New Delhi sees increasing Chinese activity in the region as well as China's increasing influence. Tino, we're going to start with you and I'm going to ask you to talk about three of India's neighbors. One, Nepal, which is a landlocked country lying between China and India; one that is India's continental and maritime neighbor: Bangladesh; and another one which is an island state neighbor of India's: Sri Lanka. Tino, tell us a little bit about how India sees China's activities in the region in these three countries in particular.

XAVIER: Thanks, Tanvi. I was thinking the best way to maybe explain, especially to an American audience, what's happening in this region is that it's very close to what happened in the 1950s and '60s when the Soviet Union started to build up its presence in Central and South America in what was in the United States' backyard under the Monroe Doctrine of the 19th century. This was an area that the U.S. had been very influential, and suddenly you had an adversarial power poking around in the immediate periphery.

So today, I think that's the sense also in India, that there is a sense of threat, competition, adversarial relations with China in its immediate periphery. Countries, the ones you mentioned, that traditionally depended on India, on economic support, on trade relations, on political and security provisions.

So, China, the last ten years, has established very rapidly a foothold in these countries across different sectors. And therefore, the difficult India-China relations since the 1960s with ups and downs—and we're seeing a particular down since 2020 in India-China relations—is manifesting itself in competition and conflict, occasionally. Diplomatic, economic conflicts, political sometimes, in these three neighboring countries where China and India often find themselves in different camps, have different preferences, different ways to engage, and support these countries' different political preferences—like we just saw in the elections held in the Maldives recently.

So, there is that sense of competition and threat. And there's various dimensions to this. We just finished here at the Centre for Social and Economic Progress a report on how China engages South Asia with several case studies on Nepal, Bangladesh,

and Sri Lanka. This is a regional effort with experts from these three countries who helped me and my co-editor, Jabin Jacob from Shiv Nadar University, understand the depth and the scope of China's influence in these three countries.

It is one that manifests itself in economics. China today is one of the major trade and investment partners of these three countries. In terms of economic connectivity, infrastructure relations, China today is a major funder of infrastructure modernization in these three countries. For example, one of the most known projects is the Hambantota port in southern Sri Lanka, but also a new airport in Nepal, power sector in Bangladesh. And also these three countries are all part of the Belt and Road Initiative that China has partnered with them on. India has not—India decided to stay away. So that's one.

A political pillar is, of course, also very important. That's a very new phenomenon. Today we have the Communist Party of China establishing direct links with the political parties in power and in opposition in these three countries. There are workshops, there are training sessions on the Xi Jinping way for development and governance. So you have a political dimension to development.

You have a military and security pillar. The People's Liberation Army traditionally remained absent from this region except for Pakistan and a bit of Myanmar, which is another neighbor of India. But in Bangladesh, Nepal, that relationship has intensified. China, for example, just transferred two submarines to the Bangladesh navy; it continues to train and equip most of Bangladesh's military assets. With Nepal for the first time, that is a sandwiched country, landlocked between India and China, you had the first joint military exercise between the PLA and the Nepal army.

And finally, the last pillar, Tanvi, that is important is the governance and the regulatory pillar. This is something that surprised us. We talk a lot about the economic flows, trade, military, security realms in which China establishes a foothold around the world, in this case in particular in South Asia. But the deeper unknown impact that China's having on setting standards, legislation, regulation on telecommunications, on infrastructure, on environmental and social assessments for infrastructure, and how they should look like. This is very interesting. This is state-owned enterprises from China who are indirectly through parliament engagement, political engagements, think tank engagements, engaging civil society and in many ways establishing a system that will be favorable to Chinese companies and Chinese interests over the next decades.

MADAN: And it's interesting, Tino, because you have written about how one of the things that India is having to get used to is that it used to have a monopoly as such in the neighborhood or a relative monopoly. And now it's having to deal with a more competitive environment in the region.

09:28 How India views the Indian Ocean island states

Darshana, let's move to India's maritime neighborhood, where we've seen some similar trends, also one trend that Tino alluded to: while there is this new and renewed focus and interest from China thanks to what used to be the One Belt One Road, now the Belt and Road Initiative, China's engagement precedes that. And you've seen Beijing increase its engagement in the Indian Ocean region. So, let's

move to India's maritime neighborhood and talk to us about the Indian Ocean island states with whom India has had longstanding ties, but where Beijing has been increasing its investments, as well as its influence in recent years.

BARUAH: Thanks, Tanvi. I agree with a lot of what Tino's mentioned in terms of some of the complexities that India has had to deal with in its competition with China. In the Indian Ocean region, I think the story is slightly different from, say, India's continental neighborhood, because I see two developments. One is, of course, the way India itself looks at maritime security and the broader Indian Ocean region—in the sense that the ocean has traditionally been divided into eastern Indian Ocean and western Indian Ocean, and it has had a continental division of a maritime domain.

So, Sri Lanka and Maldives is viewed through the prism of South Asia, whereas say, Seychelles and Mauritius, which is on the western Indian Ocean along with Madagascar and Comoros, comes under the Africa lens, which has a more of a continental view than say a maritime view. And I think somewhere India has also made that difference despite having really strong relationship with Sri Lanka, Maldives, and then Mauritius and Seychelles within the Africa bureau. It has had different levels of interactions and engagements with the different sets of islands.

So when we talk about the islands of the Indian Ocean region, there are six. So from east to west there's Sri Lanka, Maldives, Mauritius, Seychelles, Madagascar, and Comoros, all the way to the Mozambique Channel, and this side is the Andaman Sea. And together that constitutes the Indian Ocean, the entirety of the Indian Ocean region.

The one aspect of the competition is, because of India's proximity to Sri Lanka and Maldives, that competition in the recent years have been felt more acutely. Because combine that with what's happening with Bangladesh or Nepal or even conversations on Afghanistan, Pakistan, it feels more accentuated—there's a sense of urgency that is felt in Delhi in a way that developments in, say, the middle of the ocean, which is, say, in Mauritius and Seychelles, remain somewhere slightly at a distance. And Madagascar and Comoros, I would say, is pretty much at the periphery of it.

12:06 How China engages with Indian Ocean island states

Whereas from the China perspective, in my view, China looks at the region as one and engages equally with all six islands. So, the reason when it comes to the islands of the Indian Ocean region why we hear more about Sri Lanka and Maldives and less about Madagascar and Comoros is because of how India views that and what is being discussed in India's political engagements.

For instance, China has an embassy in all six islands in the Indian Ocean region. It's the only major power to have a political and a diplomatic footprint across all the Indian Ocean islands. Nobody else has it. Not the United States, not UK, not France, not India, not Japan, not Australia, no other player has it.

So, a lot of the engagement has essentially really been sustained over several decades. But combined with what has been happening on continental South Asia, combined with China's larger approach and engagement on the Belt and Road

Initiative, and combined with China's even expanding engagements with, say, Africa and Middle East, which all have an Indian Ocean coast, the conversation on the Indian Ocean region and China's increasing presence is beginning to be felt more because it's beginning to be discussed more.

But a lot of them have essentially been a continuation of a lot of the projects that have either, as you said, predates the Belt and Road Initiative, or essentially is something that China has been building on strategically and politically.

And because there was never essentially direct competition between India and China at sea in a way that has existed across the land borders, I think the heat of that or the pressure of that is felt more acutely. And now combined with all of the continental troubles and the continental escalating tensions, their presence in the maritime domain is beginning to be felt in a strategic and political level in a way that India had not really looked at it.

But I would say in competition within the Indian Ocean region, it is an evolution over a period of time. It's not an development of the last five years or even ten years. It's just that we are hearing more of it because of the combination of multiple different factors, which leads to the question or the conversation that how the region is reacting to it. And we can go into that later. But essentially that the reaction or the engagement from regional players—the maritime neighbors towards India—is also a reflection of how India has engaged with these neighbors over the last several decades.

For instance, I cannot remember any cabinet-level visits to Madagascar, Comoros from India in at least in the last several decades. But you will not struggle to find such high-level visits, say, from China. Even when Prime Minister Modi went to Sri Lanka in 2015, I think it was after a gap of 28 years that an Indian political leader had gone there. When they went to Maldives it was a gap of several decades.

So, it's not something that has happened overnight or because it's a direct reaction of India-China competition on the continental border. It's just that the maritime conversation was never a front and center conversation in India's foreign policy engagement in a way it has become in the last five years, and why we hear and see the competition being played out in the Indian Ocean region.

MADAN: It's interesting that both of you have made the point that what we're seeing in terms of India's neighborhood and Chinese activity there, and how India is seeing it is very much connected to the continental context, particularly the intensifying of the border dispute and that broader intensifying sense of competition. But also, that this is a reminder that this competition between India and China now goes beyond—and has for a while gone beyond—that border dispute. And it is about the neighborhood as well.

15:51 How is India responding to greater Chinese engagement in its continental neighborhood?

One of the things I've noticed that's changed as well is that you used to hear a few years ago from Indian officials, and I would say this would be about a decade ago, that, yes, you know, China is building roads or infrastructure in this region, and that's

pretty secular infrastructure. Everybody can use it. There was a debate about whether there was going to be a Chinese “string of pearls” of ports, of dual-use infrastructure. But it was largely seen as not from such a competitive prism as it is today.

But what you’ve seen increasingly is not just a sense that this economic activity has increased—as, Tino, you mentioned, the political engagement, governance engagement; Darshana, you mentioned the diplomatic engagement—but also that this economic activity is coming with strategic influence, and China actively potentially shaping these countries’ choices, not just about India, but also, for example, about the U.S. And we’ve seen this in a few different countries and maybe we can come to that.

But given that we’ve talked about this competitive prism and these developments, what has New Delhi been doing about this? How is it responding to China’s activities in the context of its own concerns about Chinese engagement and influence in the neighborhood?

XAVIER: Yeah, Tanvi, you used the word “competition,” and I think we all agree that competition brings out the best out of us. I think it forces us to perform more, better, rethink ways of engaging.

And, Tanvi, you’re the queen of relationship metaphors in geopolitics. I see your book behind you on *Fateful Triangle* and many others you’ve used to explain how countries also think about options.

Let me experiment also to explain how India is responding in two ways to courting its neighbors. When you take these countries for granted, smaller states around your periphery, you get very lazy. You do not perform well. You take them for granted. So, you don’t invest much in those relationships, which was the case, like you mentioned, till the 1990s and 2000s between India and Nepal, India and Bangladesh, India and the Maldives, India and Sri Lanka. These are countries that were insulated economically from the rest of the world as India was. They lived in many ways under the shadow of this regional behemoth, India.

Now, what China brought, competition, has forced India to rethink the terms of its relationships with these countries. And it does it in two ways. One is obviously by courting them and giving them more. So, rather than denying economic aid, assistance, or sitting on requests for support—that was often the natural reaction from India just because they were not a priority; you could afford not to invest—and that is no longer tenable, which means that India’s shifting. And this is the first response from a logic of denial or nonperformance to one of delivering—more, better, and faster—because of what China is doing in these neighboring countries.

That means that also countries, Nepal or Sri Lanka, expect more from India. They want more. In the past, sometimes they themselves were reluctant about economic linkages, trade linkages with India, services liberalization, for example, in terms of mobility of talent. Bangladesh today is negotiating a major economic partnership with India because it’s graduating as a middle-income country in 2026. And in fact, in relative terms, today is as wealthy, if not wealthier, than India. It has done very well.

So, these countries see in India a growth engine and therefore India needs to deliver much more in terms of that economic interdependence. It's doing a lot on the basic transportation infrastructure that this region has dismantled. India just inaugurated the first two petroleum products pipelines in the region. India is developing new railway linkages with its neighbors. It's upgrading its border management infrastructure so trade can flow faster through digital mechanisms and systems. The ports of India are now finally giving access to landlocked countries like Bhutan and Nepal to import and export and communicate with their markets with the rest of the world.

Finally, we have now trilateral power connectivity between Bangladesh, Nepal, and India. India's often opposed its role as a transit country for Nepal to export power to Bangladesh. And Nepal, Bhutan—both countries in the Himalayas, in the mountains—sit on some of the world's largest hydropower potential. So finally, these two countries are now exporting to India, to Bangladesh, and to third countries. So that's the first one.

20:44 How India is partnering with other countries to compete with China in South Asia

The second response, the response, Tanvi, again to your relationship metaphor, is partnerships with other countries. As China has shown up to be a very strong competitive player for India, I think India has also realized that it has more to gain by partnering and developing complementarities, coordinating, pooling efforts with countries beyond the region, inside the region. That means that today India is very comfortable working with Japan in Sri Lanka and in Bangladesh. In fact, it took India to nudge Japan to reengage with Sri Lanka after their major financial default last year. The Japanese had invested a lot in Sri Lanka and were a bit reluctant to return to Sri Lanka. It took a lot of political and diplomatic effort from India to engage Japan. And give conditions to Japan, to say, please come into Sri Lanka, we need you in Sri Lanka to support with capital, with knowhow, with skilling, with infrastructure development the revival of the Sri Lankan economy, which in turn benefits southern India in particular in terms of economic interdependence.

With the U.S., there are some areas, and some geographic and sectoral areas where India may still have some reluctance about working with the U.S. But on most accounts, India welcomes a greater American presence in Nepal, where, for example, under a recent agreement the U.S. has provided \$600 million worth grant for electricity connectivity between Nepal and India. U.S. just opened up a new embassy in the Maldives. So that is all seen positively today.

The same could be said about France. We saw the first ever visit by a president of France to Sri Lanka. President Macron was in Colombo recently. We saw the European Union showing up across the region. The European Union today is working with India to develop energy grid connectivity in eastern South Asia through the European Investment Bank.

So that is the second response. India's much more comfortable to work in complementary terms with other countries beyond the region to match and surpass what China's doing in its own periphery.

MADAN: And that agreement that you mentioned with the U.S. and India and Nepal working together was part of or under the rubric of the Millennium Challenge Corporation compact that the U.S. and Nepal signed, which some reports indicate was something Beijing was actually trying to run interference on.

We've seen similar reports of Beijing also trying to exercise influence to shape choices vis-à-vis India and the U.S. in Sri Lanka, for example, as well, whether it was a visiting forces agreement or whether it was certain economic projects with the U.S., India, or Japan.

23:30 How is India responding to greater Chinese engagement with the Indian Ocean island states?

Darshana, what about the Indian Ocean island states? How is India approaching these countries in the context of increased Chinese engagement and influence?

BARUAH: I think, Tanvi, initially the response was actually pretty reactionary in the sense that suddenly there was this series of new development projects across the Indian Ocean Islands, but also on littoral states. So, the view that suddenly China was investing so much needed a reaction out of it. And I think it was not actually suddenly, it was happening pretty incrementally over the years. But then it came to attention with the Belt and Road Initiative, and China's submarines in Indian Ocean region for the first time. It was a series of factors that led to like, okay, China truly is now present in the Indian Ocean region, using fishing vessels, survey vessels, submarines, deployments, and development projects.

So, the initial responses were quite reactionary. In the sense that I think, to something Tino said, that for a very long period of time India remained unchallenged in being a key partner for a lot of its neighbors. And for the first time it was beginning to feel that pressure. So, if China was building a port, so do we build a port for a port and a bridge for a bridge?

And I think we did see a series of announcements of infrastructure projects, even initiatives that did not really stand time. I think like Asia-Africa Growth Corridor, where India and Japan announced that, and then it didn't really materialize. Because there was this scrambling to work with whoever was available to announce alternatives to Chinese-led infrastructure projects. And was much more a reactionary response than actually thinking through.

And I think at some point there was a pause and a reevaluation of how to address this issue, because it was not going to be short-term or even a mid-term issue. It's a long-term issue. And the realization that these development projects are embedded in long partnerships between the island nations, or littoral nations, and China.

And over time, I'm seeing definitely better engagement with the island nations, with these littorals, to understand the sentiments on the ground. The one thing India has done well in the Indian Ocean region coming out is utilizing the advantages of its geography. And to just give a very specific example: COVID. At the time of COVID, the Indian navy did lead in providing supply and materials, whether it's medicines, whether it's taking medical camps, providing masks.

When the world began to shut down and India was evacuating its own citizens and students from China, it did bring back students of Maldives and Sri Lanka and Bangladesh to say that, look, I am your very closest neighbor. We can help. We will always be here, whether we have development issues, whether we have engagements or economic ties. India was always going to be in the Indian Ocean region. It was always going to come back. So, this is how we can offer that help.

India had a pretty impressive vaccine outreach across the Indian Ocean region, that I think it offered it equally to all the islands, but also littorals. But it was not just limited to vaccines. It did extend to critical medicines, it did extend to foodgrains, rice at a time where the whole world was really shutting down.

And I think India used that advantage of geography to reengage with the region, to say that there are different ways that we can help, there are different ways that we are willing to help. And we are also willing to come to your aid when the rest of the world is shutting down. And I think that has really had an impact. And from the region also to see that, yes, you can't be in a binary of India versus China, because both are important in different ways. And also accepting the geographic reality of India and the Indian Ocean region that did come true.

[music]

27:09 India's increased diplomatic engagement with the Indian Ocean island states

And I'd also say, another thing in the last couple of years that has really been helpful and does carry a lot of weight is the diplomatic presence and diplomatic footprint. The regular visits, not just at the prime minister level, but also more regularly at the embassy level, foreign ministers' level, in a way that we're used to not seeing in the last decade or so. So, you have an election in Sri Lanka or Maldives, you'll have an Indian official right there, one of the first ones there, to congratulate the new government. We saw that happen in Sri Lanka. I would expect some sort of reaction with Maldives as well.

The diplomatic footprint, the importance of the sovereignty of the nation, that is important. And for India to take up time and to make that visit, and not just go to the bigger powers of the Western nations or even Japan or Australia, has gone a long way in beginning to correct the narrative that it became lazy in that engagement, that strategic inertia that India felt or was also, I think, caught up in in the last couple of decades. It's beginning to change that.

So, I do see a better engagement in the region, better perceptions, willingness to listen to the sentiments on the ground, whether you agree or not. It was something that was hard to communicate with Delhi for a very long period of time. But now there is a recognition that on the ground, yes, people, political parties, and the local perception of India are different. And then accepting that it's different, but then they're still seeing a role to play.

There's definitely a long way to go because the political baggage is significant. I would say that the local perception is pretty fresh in terms of the number of years that India, at least from the regional perspective, they felt that India had not abandoned them, but got lazy in that engagement. I think it really goes to a lot of the

things that Tino mentioned, taking time in processing requests or coming up with solutions. And I think India's really taken a concerted effort in addressing those issues.

And just a final example on how structurally India is building that in its response to the neighborhood is the Indian Ocean Division within the Ministry of External Affairs—a separate division that has come up to better understand what coordination mechanisms are required to really look at the island nations of the Indian Ocean region with its maritime identity, with its geography. You have now a separate division trying to coordinate that and trying to figure out where does this fit in within, say, India and Africa outreach, or India and South Asia outreach, or India and neighborhood outreach. But there's still a separate division looking at the Indian Ocean region, which I think goes to talk about how structurally India is beginning or has begun to review its engagements in the region as a response to what it saw coming up very quickly and fast in Chinese engagements across the area.

29:48 Institutions in the region, and regional perceptions of India?

MADAN: Tino, you mentioned that India's moved from denial to delivery; Darshana, from more dictating to listening. But there is this aspect where India also finds ways to make clear its red lines to its neighbors as well. So that aspect hasn't entirely disappeared. And it is something that doesn't happen publicly. But we do hear reports of it and often from the region.

I just do want to ask both of you a couple of follow up questions to just have brief answers. One is to just talk a little bit about organizational infrastructure. We used to have in South Asia, the South-Asian Association for Regional Cooperation, or SAARC. We've seen some shift away from that. Could you talk about that?

But also this other aspect, which both of you alluded to, is regional perceptions. We've seen these countries in some ways adopt an approach that India took in the Cold War, which was non-alignment and playing one off against the other sometimes, taking advantage of competition to benefit. Have you seen that recently in the neighborhood? And where do you think that will go in terms of how the neighbors are actually seeing India-China competition?

XAVIER: On three accounts: one, organizational cooperation institutions. There used to be the South Asia Association for Regional Cooperation. In fact, it still is, but it's been in the freezer now for six, seven years, simply because India and Pakistan do not get along well currently. They have reduced their relations to one of their many record lows, but that's where we are currently. So there's no appetite to work through regional institutions from both sides.

This also has to be understood from a geoeconomic perspective. If you look today at Pakistan's economic growth and connectivity priorities, they are aligned with China northwards. They're aligned southwards towards the Gulf region. And they're aligned westwards towards Central Asia, Afghanistan partially, depending on what happens there. So there's no eastern interest in Pakistan to develop economic growth, et cetera.

Vice versa for India. If you look at where the investments have gone into the efforts from government, the political visits that Darshana was talking about that have been historic after decades often. If you look, for example, at a study we did of where India currently has opened and currently has consulates, diplomatic missions below the embassies in capitals, they're almost currently all towards the east and south. That means in the Bay of Bengal region, Bangladesh, Nepal, Bhutan, Myanmar, Thailand, Indonesia, which is a maritime neighbor of India we forget often, as well as Thailand, Sri Lanka. So, India's interest has been towards the east and the south geographically speaking. Of course, this is a simple way to explain it. But therefore there's very limited interest for India and Pakistan to work through common regional organizations for that growth imperative that I was discussing before.

Second, on the politics that you mentioned, I can't resist paraphrasing one of India's strategic doyens in India, K. Subrahmanyam, who happens to be the father of India's current external affairs minister, who in the 1980s took this very realistic take on politics in the region. And basically said, whatever we do, we will never be loved in the region. He said, you know, you can work really hard. You will be sometimes feared, disrespected. At best, if you work really hard and deliver, then maybe there'll be some sense of tolerance or respect for you as the great big country, big neighbor, big brother in this region, surrounded by really smaller countries, except Pakistan.

So, I think also one of the illusions you have often here in India is that you must be loved by your neighbors. They must appreciate and be grateful. And why are we just not loved? I mean, I don't see that as passionately. I think naturally all smaller countries have genuine concerns that transcend politics. I'll give you one example. When India tried to do a major effort that all economists and technocrats think is very important for regional economic growth, which is a motor vehicles agreement for trucks, cabs, and cars to cross borders in a facilitated way. Bhutan rejected this in Parliament because there were concerns about a mass entry of vehicles from India, possibly risks of migration. There were local lobbies of taxi drivers and truckers that opposed this.

So it's very difficult to promote a regional interdependence and connectivity agenda because there will also be political losers from that political economy change in the region. So that is happening. It will continue to happen. It's something India has to manage, and it will be difficult.

34:52 How non-aligned countries in the region are responding to India, China and other major powers

Last point is about this non-alignment perspective you brought in, Tanvi. And absolutely, I think these countries are doing to India what India has done, and in many ways still does, with other greater powers. This means that these countries are learning the difficult art of balancing, diversifying risks, expanding partnerships—and going beyond the India-China binary also looking for other options. That's why I mentioned Japan being welcome in the region.

That's why the European Union now has an Indo-Pacific policy and establishing a growing presence in Sri Lanka, in Bangladesh—economics, trade, diplomatic, security presence. Individual countries from Europe are doing this. France in particular, but Germany is beginning to do it too. The United States, I've mentioned

before, is also expanding its network and its presence in the region. So these countries are learning that.

The biggest challenge, though, Tanvi, is that it's very easy to have a vision of non-alignment, but to implement it to policy decisions is very difficult. These are small states and they don't have much state capacity often. This means, for example, looking at different projects and deciding which one is going to be more aligned with our developmental ambitions, with our governance and political preferences. And there I see some concern, many of these countries want to play the balancing game, but often end up committing to China too much or to India or to other countries. And let's see how that pans out. In Sri Lanka, certainly, there are great concerns about how Sri Lanka was not able to play this non-aligned game and paid a price in its default last year.

36:33 India, China and Indian Ocean regional mechanisms

MADAN: Darshana, have we seen in organizational integration terms India rethink or reshape its approach to some of the organizations in the region? There've been a few. We've also seen the Indian National Security Advisor now meet with some of his counterparts regularly. What are the other developments we've seen in this space? Especially as China in some ways in the neighborhood, is also trying to change the way it deals with them. We've seen China call these group meetings of South Asian leaders or ministers that don't include India, on the side so to speak. But, Darshana, in the Indian Ocean, what have we seen?

BARUAH: Similar, Tanvi. Of course, the most prominent regional structure that Indian Ocean has is the Indian Ocean Rim Association, which brings together the littorals and the island states across the ocean, which is again, something that India is very much been a leader in that organization, as well as IONS, Indian Ocean Naval Symposium, which brings together the navies of the area.

But there are also, for instance, China recently set up a China-Indian Ocean islands forum, recognizing the absence of a platform that brings together all the islands of the Indian Ocean region. Because, for instance, say, Sri Lanka and Maldives on the eastern Indian Ocean side. And the rest, which is Mauritius, Seychelles, Madagascar, and Comoros, in some form or the other speak French and they are within the African Union, but they also have connections with EU.

So there has been this division that I think has this imaginary line that runs right across the Indian Ocean region, putting them in different camps.

And India interacts with them either bilaterally—so you have the India-Sri Lanka or India-Maldives—or you have the trilateral now that you're referring to, at the NSA-level of India-Sri Lanka-Maldives, and then bringing in Mauritius as observer or bringing in Seychelles.

But as India and, say, island nations, there wasn't anything that includes all of that. Because Madagascar and Comoros in India's maritime purview is absolutely on the periphery and perhaps Comoros is sitting outside of that boundary as well. It's something so new. And maybe a lot of people might not agree with this, but in my view, India is a coastal nation, but it's not a maritime nation in the sense that it does

not think maritime security is foreign policy in the way that it thinks continental. So, it has a large coast. So, it reacts in response and engages with issues that emerges from the sea, from the ocean, whether it's on the economic side of it or whether it's on the security side of it. But from a strategic, political, and diplomatic side, India's not a maritime nation in the way we're used to thinking about maritime powers and naval powers and maritime nations. The navy's a different conversation.

So it misses points or it misses developments that it would have been so much easier for India to do, to set up an Indian Ocean islands forum. Beijing was the first one to even offer it. Why did it miss Delhi's mind to have something like that despite having such closer interactions with them? And I think it does go back to how India views its own geography and how it thinks about its foreign policy engagements.

39:36 China's "clean slate" in the Indian Ocean region

On regional, also this other thing, which is China does have a pretty clean slate in the Indian Ocean region, as opposed to the western Pacific or South China Seas. China has no sovereignty disputes in the Indian Ocean region. It has no political baggage. It does not have any bad blood or bad history with anybody in there. It is this new, alternate, productive player with a clean political slate with a lot of capital and an interest, willingness, and time to invest in there. So everyone's welcomed that, whereas it was India missing or whether it was U.S. using the Indian Ocean for its engagements with Afghanistan and Middle East but not really engaging in the ocean itself.

So, China was this productive, creative new player that is welcome. So, China in the Indian Ocean is not necessarily a bad player or problematic player. China is not embroiled in issues of, say, Chagos or Diego Garcia issues in a way that other countries are invested. Or territorial disputes between Madagascar, Comoros, and France that is a legacy issue from colonialism.

So from a regional perspective, China is welcome. And maybe the larger players are beginning to feel threatened by what China can offer to smaller nations. That's when you're trying to push them out.

An interesting recent development: we hosted the Islands Dialogue in New York just last month and we had the president of Sri Lanka speak there. And he mentioned the Quad. He mentioned Quad and AUKUS, as these unilateral, multilateral, smaller forums amongst India and Western powers that have come up. But then he alluded to the point that, how important is it for the region? And Sri Lanka is just assuming chairmanship of IORA [Indian Ocean Rim Association]. And, he was saying, how important or how engaged is Quad with IORA? And is Quad just essentially a mechanism to compete and push back China or is it really going to engage with the region?

And I think there is an issue in the sense that you do have multilateral organizations and you have unilateral that decide amongst themselves on what they should do in the region without really discussing with the region. And this is true for whole Indian Ocean and the Pacific. And I think that is a reflection of the sentiment on the ground.

One last thing that I would say in terms of India's engagement on the governance, but also how it's looking to correct its narrative. A big pillar of its re-engagement also has been diaspora engagement to really leverage or go back into the Indian diaspora across islands. I'll make this distinction that the diaspora in islands and in larger countries is a little different and the sentiment is different. Like, for instance, in the U.S. it's Indian Americans. But the Indian diaspora in Mauritius don't have that link, like heritage link, they don't call themselves Indian Mauritians, they're Mauritians, they're Sri Lankans, they're Maldivians.

And the history of their movement to those islands was so much more different than the history of immigration of Indians to America that the concept translates very differently on islands—where it is almost seen as India trying to impose or use these heritage links to say that, okay, this is somebody somewhere said this is Mauritius is mini-India. It's not looked at positively. The diaspora connection is not necessarily something that might work in favor of India because it is actually seen as India trying to leverage Indian last names that have existed for decades and centuries on a different context in its advantage. Whereas India is trying to make the parallel of how diasporas have worked in Indian America and how it could work in Fiji and Maldives. But the context is completely different and India should be a little cautious of that.

MADAN:

43:06 Myths about India-China dynamics in the South Asian and Indian Ocean regions

And that Darshana, I think, is also part of some learning happening, that needs to happen on New Delhi's end in terms of how these countries have seen India's previous approach or even some aspects of its current approach. But I want to end our discussion today asking you a question we ask at the end of each segment or episode, which is, what is the myth that you have heard about India-China dynamics, in your case in the South Asian and Indian Ocean region? Tino?

XAVIER: So, I wanted to go with the myth of pro-India, anti-India, pro-China, anti-China, which is a really restrictive myth that does not help us understand what's happening in these smaller states. It's much more complex. But let me go with another one quoting what a senior Thai diplomat told me recently. He said, In this current geopolitical turbulence, we don't want to be forced to make choices, but we also cannot afford not to make choices. So, the myth that many smaller countries have is they can stay away, neutral from India, China, U.S., and the big powers that are fighting it out. We can stay in our little corner and be neutral. I think that's a tremendous myth. Countries are coming under stress, smaller countries, too. They have agency, they have power. They may not have as much as big countries, and they cannot afford not to make choices. They have to make choices, a choice on Monday that is different than the choice on Wednesday and on Friday. But they will have to make very informed choices. And for that they need good capacity in terms of expertise, bureaucratic knowledge, and strategic and political impetus to take these difficult decisions.

MADAN: Darshana?

BARUAH: I agree with Tino completely. And the myth is that tends to be a narrative that China's presence in the Indian Ocean region is to counter and compete India essentially, more or less. But China has real interest in being present in the Indian Ocean region. And if you really want to understand how this is going to play out, it will be necessary to understand how China presents itself as a maritime power, presents itself as a global power, how it talks about sea lanes of protection, sea lines of communications, and projecting sea lines of communications and choke points and its energy transits. The competition with India, competition with U.S., is a byproduct of this real interest, which ties itself towards its engagements with Africa, with Middle East, its securing energy, and its engagements with Europe and the island states.

Regardless of this competition China will be in the Indian Ocean region no matter what happens until and unless they decide to not be a global power, not be a maritime power.

So, looking at it from the viewpoint or the lens of India-China competition does not give us the answers or the long-term predictability of the trends of where this might be headed to. Because I truly think that India question has come up as China has sought to better manage its engagements in the Indian Ocean region in its own view, which is important to becoming maritime power. Because just to end on a fact that is often missed because of this continental division of an ocean, is: China has one overseas base anywhere in the world. It's in the Indian Ocean region, it's in Djibouti. Just because it's in Djibouti, which is the African continent. But it has an Indian Ocean coast. It's regarded as an Africa development, and it misses the maritime point of it. But China's engagement across the Indian Ocean region is something that will continue to be sustained and engaged. And I think the myth is that it was all about competing and countering India, and it's a byproduct of actually its larger ambitions.

MADAN: This point about China's presence was also made by one of our previous speakers, retired Admiral Karambir Singh. He also made the point that it's not so much China's presence that should be the source of observation, but its behavior in the region.

And that we'll also watch and see how countries in the region, as their debt repayment obligations come up and as the demands from Beijing come as well, do they start to see China in a different way as well? With that, thank you Constantino Xavier, and thank you Darshana Baruah as well.

[music]

MADAN: Thank you for tuning in to the *Global India* podcast. I'm Tanvi Madan, senior fellow in the Foreign Policy program at the Brookings Institution. You can find research about India and more episodes of this show on our website, Brookings dot edu slash Global India.

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My thanks to the production team, including Kuwilileni Hauwanga, supervising producer; Fred Dews and Raman Preet Kaur, producers; Gastón Reboredo, audio engineer; and Daniel Morales, video editor.

My thanks also to Alexandra Dimsdale and Hanna Foreman for their support, and to Shavanthi Mendis, who designed the show art. Additional support for the podcast comes from my colleagues in the Foreign Policy program and the Office of Communications at Brookings.