

**The Sino-Indian rivalry in South Asia in the XXI
century on the examples of Nepal, Sri Lanka and
the Maldives**

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Abstract:

In the article the author focuses on the analysis of Sino-Indian rivalry in the three countries, seeking common points and differences in their situation. These are the inland Nepal, located between India and China; the islands of Sri Lanka, lying adjacent to the Indian subcontinent; and the Maldives, five hundred kilometer away from it. Author claims that in the 21st century there is an increase of intensity in relations between the People's Republic of China and the Republic of India in the field of competitive impacts in the analyzed countries. However, due to the significantly lower potential of India in the economic sphere and less activity in the international arena, the policy of this country in South Asia is most often reactive to China's actions. In the 21st century a significant change in the political situation in Nepal, Sri Lanka and the Maldives can be seen. India's former hegemony has been undermined by China, which has gained an advantage in all of these countries.

Key words:

India, China, South Asia, rivalry, sphere of influence

Introduction

One of the most significant issues of the contemporary international relations is a change in the global balance of power. Joseph Nye reads it as a transfer of power from the West to the East, from the Atlantic to the Pacific (Smolar 2011). Zbigniew Brzeziński talks about shifting the center of the global power from the Atlantic world to Asia, at the same time mentioning the "global political awakening" – an increase in social and political aspirations of huge numbers of the world's population (Brzeziński & Scowcroft 2009). Ryszard Kapuściński (2007) puts it this way: "If you look at the world's calendar, you can see in which direction the motor

of civilization is moving. It began with the Sumerians and Mesopotamia, then the Mediterranean, then the Atlantic, and now the Pacific region. Taking into account both Americas, Australia, Russia, China, Indonesia (...) it constitutes an extraordinary conglomerate of cultures, religions, races".

There is no doubt that importance of Asia has been growing in the global international system for several decades. Dynamically developing Asian countries exert an increasing influence on the international balance of power not only in the economic, but also in political, military and cultural dimensions. China and India are the key actors in this process. They have an increasing impact not only in their immediate geographical neighborhood, but also in other parts of the world. Both countries are already among the most important world powers, and their role will probably grow. It makes analysis of Sino-Indian relations very important, because their significance goes beyond the bilateral dimension. They contain elements of cooperation (especially in the aspect of economics) and competition, the latter being much more important for the assessment of the nature of mutual relations.

The most important area of competitive impacts of India and China is South Asia. Since the creation of the Republic of India in 1947, it has been the traditional zone of influence of this state, but at the moment there is a consistent increase in the importance of China in the region. This process was partly initiated already in the era of the Cold War, but it was intensified after its end and gained real impetus from the beginning of the second decade of the 21st century (Chanana 2010).

Currently, each South Asian country is an arena of Sino-Indian rivalry, regardless of its size, the specificity of the political or economic system. It should also be mentioned that the South Asian region is characterized by high instability. It results not only from the competing international strategies of the region's states, but also the lack of institutionalization of political cooperation and low level of institutionalization in the economic sphere, interstate, intra-state and transnational conflicts, the presence of numerous asymmetrical threats and, finally, the serious problem of poverty and illiteracy (Zajączkowski 2009).

In the article the author focuses on the analysis of Sino-Indian rivalry in the three countries, seeking common points and differences in their situation. These are the inland Nepal, located between India and China, the islands of Sri Lanka lying adjacent to the Indian subcontinent, and the Maldives, five hundred kilometer away from them.

The hypotheses put forward by the author are as follows:

- 1) In the 21st century, there is increase of intensity of relations between the People's Republic of China and the Republic of India in the field of competitive impacts in the analyzed countries.
- 2) Due to the significantly lower potential of India in the economic sphere and less activity in the international arena, the policy of this country in South Asia is most often reactive to China's actions.
- 3) In the 21st century can be seen a significant change in the political situation in Nepal, Sri Lanka and the Maldives. India's former hegemony has been undermined by China, which has gained an advantage in all of these countries.

Nepal

The importance of Nepal in Indo-Chinese relations in the 21st century is based on similar considerations as in the previous period. In the geological dimension, the Indian and Eurasian plates collide on the territory of Nepal, while in the geopolitical sense, Kathmandu is a small enclave analogically pressed between two powers, increasingly competing for influence in this area. This is a fundamental problem shaping the strategic identity of the state, trying to skillfully balance between India and China, drawing the benefits from both neighbors. Just as the earthquakes affect Nepal in a tragically literal sense, there have been metaphorical shocks in Kathmandu's foreign policy for more than a dozen years. Remaining earlier in the Indian zone of influence, Nepal is approaching China more and more decisively. While it could have been interpreted as an attempt to balance foreign policy, the PRC has now gained an advantage in Nepal. And to a lesser extent, the obstacle in this process is the objective difficulty associated with the location of the PRC and Nepal on opposite sides of the Himalayan chain.

Over the years, the political scene in Nepal was so dominated by New Delhi that after the creating of the multi-party system in 1990, the majority of parties had Indian financial support, while relations with south neighbor were always one of the most important topics of the election campaign. New Delhi helped to conclude an agreement terminating the civil war in Nepal in 2004, but at the same time it was repeatedly accused of destabilizing the political situation in the country, among others, by seeking to overthrow those governments who run an insufficiently pro-Indian policy (six changes of prime minister took place in 2013-2017). The Embassy of India located in the Lainchaur district was unofficially called the "Lainchaur manor", because important decisions for Nepal were made after consulting this institution. Currently, the embassy of the People's Republic of China in Balouatar is at least equally important. In November 2016

the Prime Minister of Nepal Pushpa Kamal Dahal welcomed there the newly appointed ambassador Yu Hong (*Chinese Ambassador calls on Nepal PM*).

Until recently, the only possibility of transporting goods from Nepal was to use the territory of India. In 2016, Beijing and Kathmandu, however, signed a contract for use Chinese infrastructure and seaports to transport goods. However, for its effective implementation, it is necessary to expand the infrastructure also on the Nepalese side. The Chinese provide development assistance and investment loans to Nepal, build roads and beltways, scientific and congress centers, hospitals and power plants. It would be difficult to find a sphere in which Chinese capital would not have been present for the several years. The next step in the direction of rapprochement with China turned out to be the decision by the authorities in Kathmandu to join the Belt and Road initiative promoted by Beijing. The PRC indicates that one of the elements of the initiative will be the development of infrastructure connections with Nepal, with particular emphasis on the railway line from Tibet to Kathmandu. The development of cross-border infrastructure allowing free exchange of people and goods between China and Nepal would be a real revolution, also in the geopolitical dimension. The possibility of direct transport of goods from China without the troublesome stop in Indian ports would change economic relations in this region.

When Nepal suffered a catastrophic earthquake in April 2015, China and India were the largest donors to Kathmandu. Beijing offered assistance in the amount of 483 million dollars, and New Delhi 250 million dollars and 750 million dollars in loan. What's more, the Indian and Chinese rescue teams had to outdo each other in the speed of help given to the injured. Nepal, in turn, refused to accept support from Taiwan fearing exposure to the PRC's wrath (*Furmanowicz 2015*).

Narendra Modi attempted to regain initiative on the political Nepalese chessboard, when shortly after being sworn in as a prime minister, and as the first head of government for seventeen years, he went to Kathmandu in August 2014 (two months earlier Prime Minister of Nepal Sushil Koirala made a successful trip to the PRC). During the visit, for the first time the Indian side distanced itself so clearly from the treatment of Nepal as a "younger brother", which could have marked a new opening in mutual relations that would have a more equal character from that time. An important gesture in the symbolic sphere was Modi's confirmation that Prince Siddhartha Gautama (later Buddha Shakyamuni), was born in the territories currently belonging to Nepal (*Muni 2017: 126*).

However, it soon turned out that the partner relations of both countries will remain in the wishes sphere of the authorities in Kathmandu, because India is not going to give up maintaining relationships based on hierarchical dependence. The controversial issue was the work on the Constitution of Nepal, conducted by the Constituent Assembly established in 2008. Narendra Modi has repeatedly referred to this matter in public statements, however, the Indian treatments ultimately did not bring the expected results.

In September 2015, the Nepali Parliament passed a new constitution, which India took as a threat to its interests, or at least an act insufficiently consulted with New Delhi. The axis of the dispute was the undervaluation of the people of Madhesi, who live in Teraju (south of Nepal) and show the strongest cultural ties with India, especially the inhabitants of the border states of Bihar and Uttar Pradesh – and therefore politically oriented towards New Delhi. Representatives of this community were not involved in the work on the constitution, and perceived the act as unfair. The claims made by Madhesi concerned the course of their provincial boundaries and the rules for granting citizenship to their family members, as well as the insufficient representation of Teraju citizens in the Nepali Parliament. The second group, which India supported against Nepalese authorities were the Dalits – located outside the varnas division and, therefore the worst situated as a group in the society of Nepal. New Delhi has repeatedly, especially since the BJP took power as a party that promote Hindu nationalism, appealing to a cultural community with Dalits based on a religious dimension. If we add to this the influence exerted on Nepalese political parties, we get an image of a powerful instrument of pressure on Kathmandu.

India also criticized the provisions of the constitution stating that single women would not have the right to transfer citizenship to their children, which was justified by the fact that offspring from Nepalese women relationships with foreigners, mostly Indians, may show greater loyalty to fathers' countries of origin than to Nepal. What's more, the constitution has decreed that Nepal is a secular state, which can be interpreted as an attempt to weaken the influence of India resulting from the Hindu community (Tharoor 2015).

The reaction of India to the adoption of the constitution in an undesirable form proved to be very decisive. Madhesi's protests led to the blocking of the Indo-Nepalese border, which is a matter of great importance to the smaller country, given the dependence on New Delhi in various areas of life. India was not formally involved in the blockade, but they did not abstain from supporting Madhai's demands, so it was clear to everyone that in fact the protests punish Kathmandu and attempt to discipline the Nepalese. The blockade lasting until February 2016 caused huge damage to the economy of Nepal, as estimated, even exceeding the costs of the

previous tragic earthquake. The inability to bring fuel was particularly important, because Nepal has sufficient supplies for only a dozen days or so.

China rapidly used the Indo-Nepali mismatch. During the crisis cooperation was undertaken by the oil companies Nepal Oil Corporation and China National United Oil Corporation, which broke India's monopoly in the supply of raw materials. Cooperation has also been intensified in other areas, or such steps have been announced in the future (Baral 2017). It seems, therefore, that New Delhi has achieved the opposite effect from the intended one. Declaration of Nepal in 2016, which states that "No Nepalese area will be used to act against neighbors," could have been read as a concession addressed to China (Rybczyńska 2016).

Katmandu's warming of relations with Beijing also involves limiting the rights of Tibetan refugees staying in Nepal. The successive agencies dealing with diaspora matters are being eliminated, and crossing the border from Tibet is becoming increasingly difficult. Tibetans displaying anti-Chinese views are detained, and in the event of Buddhist monks self-immolation in Nepalese territory, the authorities refuse to issue bodies to celebrate funeral ceremonies in order not to anger China with political demonstrations.

In January 2018, the Sino-Indian struggle for influence in Nepal in the next sector began. Beijing offered Kathmandu to launch a fiber-optic Internet service which would allow the Nepalese to break the New Delhi monopoly (*Nepal accesses internet through China...*). The ten-day Chinese-Nepali military exercises with the codename "Sagarmatha friendship" (Sagarmatha is the Nepalese name of Mount Everest), which took place in April 2017, also echoed loudly. Earlier, the armed forces of Nepal were practicing only with the Indian and American armies (Arif 2017).

On the one hand, the cultural proximity of India and Nepal is obvious, but on the other, it involves also problems. The latter are associated primarily with the treatment of a smaller neighbor by New Delhi as a part of their own civilization and a more or less concealed disregard for the Nepalese people. Many of them work in India, but most often they do heavy and often physical jobs – many Nepalese are employed, for example, for the construction of mountain roads in the north of the country. In addition, they are often treated by locals with superiority. Many Indians view Nepal as a sovereign state only formally and recognize the interventions of New Delhi in its internal affairs as absolutely natural and even desirable.

The Chinese, in turn, do not raise resentment in Nepal, the PRC government does not interfere too insistently in Nepal's internal policy – it is therefore no surprise that Kathmandu is seeking to strengthen relations with Beijing, especially since Nepal is largely functioning thanks

to international financial assistance. In 2014, China took the place of India as the main foreign investor in Nepal and one can expect to maintain an upward trend in mutual relations.

In addition to struggling for influence on Kathmandu himself, New Delhi fears the use by the PRC of the territory of Nepal to support the centrifugal tendencies in India, for example insurgent groups in Bihar or Gurkhas in Darjeeling demanding the creation of a separate state (Paudyal 2017). However, the cultural proximity itself and the Indian belief in the rightness of their reasons may prove insufficient foundation for maintaining the Nepalese enclave in their sphere of influence. And even if Indian politicians rightly argue that the social and political problems of Nepal are a fact and not an invention of New Delhi, they push the Nepalese into the arms of Beijing with their rhetorics and actions. Krzysztof Iwanek (2012) accurately notes that in the fight for Nepal "the first to cross the Himalayas will win - in the case of China they will be the physical Himalayas, whereas in the case of India - the Himalayas of mental habits".

Sri Lanka

Sri Lanka is an island located south of the Indian subcontinent. At the narrowest point, the sea border between India and Sri Lanka is just 50 kilometers long. According to Hindu mythology, there once existed a bridge connecting both territories, which was built by god Rama. Due to its location and specific shape, Sri Lanka is sometimes called the "Tear of India". In the last decade, the island could indeed cause tears to Indian strategists, because its foreign policy was turning towards China.

The most important political problem of Sri Lanka during the last few decades was the conflict between the majority of the Buddhist population of the Sinhalese and the minority of Hindu Tamils whose armed representation was the Tamil Tigers. The dispute was often interfered by India, which not only want to controlling the events in its own sphere of influence, but also feel ethnic and cultural affinity with part of the Sri Lankan community. The Tamils are the majority of the population of the more than 70 million Tamilnadu state in the south of India.

The paradox of Indian involvement in the conflict in Sri Lanka reflects well the fate of Rajiv Gandhi, who as the Prime Minister made the rapprochement with the Island in 1987. Then, the day after the signing of the bilateral agreement on friendship, Sinhalese extremist made the failed attempt on Gandhi's life, in revenge for Indian support for the Tamils. After sending Indian peace forces to the island and supporting the Sinhalese Sri Lankan government, in 1991 Rajiv Gandhi was unable to save his life from the assassination by the Tamil Tigers. In addition to Gandhi's policy regarding the conflict in Sri Lanka, the assassination was probably

also due to India's aid to the Maldivian government during the coup carried out by the Organization of the Liberation of the People of Tamil Ilam in 1988 (Huggler 2006).

The Sinhala-Tamil conflict also proved to be crucial for strengthening the relationship between Sri Lanka and China. In 2005 Mahinda Rajapaksa came to power on the island. During the first presidential term he ended the civil war by military pacification of the remaining Tamil forces, carried out by government troops in 2008-2009. The last phase of the operation aroused indignation of the international community due to war crimes committed to a large extent thanks to weapon bought from China. It was common to use Tamil civilians as live shields (which both sides did). This did not bother the PRC, which advocate the principle of non-interference in the internal affairs of states, and in no way could gain the support of India, as well as Western states, paying attention to the observance of human rights¹.

The Rajapaksa's presidential decade ending in 2015 brought a very strong rapprochement with China. The government in Beijing provided Sri Lanka with multi-billion dollar loans, which allowed to create highways, airports, ports and other infrastructure facilities. This helped the island to rise from the destruction of the civil war. In 2005-2017, China invested almost 15 billion dollars in various ways in Sri Lanka, while, in comparison, the International Finance Corporation, which is part of the World Bank Group, in 1956-2016 put out only 1 billion dollars (Tarabay 2018).

The most important Chinese investment on the island is Hambantota, once a small fishing village destroyed by the tsunami in 2004, located in the most southern point of the island. The PRC decided to build there a huge port, capable of serving the Chinese transoceanic fleet, and the accompanying infrastructure. Hambantota is in the same part of the island, which one of the expeditions of Admiral Zheng He has reached six hundred years ago – it is also worth remembering that in the 15. century the lands of present-day Sri Lanka were under Chinese rule for three decades (Kaplan 2013: 244). On the occasion of the investment in Hambantota, the frequency of visits by Chinese warships, including submarines, in other Sri Lankan ports, increased significantly.

In 2015, Rajapaksa unexpectedly lost presidential elections with Maithripala Sirisena. One of the reasons for this election result was the conviction of part of the electorate that the dependence on China, despite the economic benefits it brought, went too far. Sirisena announced the balancing of foreign policy, and to some point it was clearly visible. There has been an improvement in relations with India, also in terms of security, but in January 2016 another crisis

¹ In this context, it is worth recalling Marvin Ott's law, that the less interests the United States has in a given country, the more human rights count in US policy towards it – and Sri Lanka is a peripheral area for the US.

took place in mutual relations. The authorities in Colombo have signed an agreement to buy eight Pakistani JF-17 Thunder fighters, which were created in cooperation with China. On the lost field, it left Indians proposing their own HAL Tejas construction (Hladij 2016). Earlier, the Prime Minister of Sri Lanka also expressed interest in buying Chinese transport aircraft. The Chinese and Pakistani interference that came together was too much to the Indian power ambitions and the government in New Delhi sent a diplomatic note to Colombo in which it pointed to the JF-17's defects and claimed that Sri Lanka does not need fighter aircraft. The island buckled under pressure and gave up the contract (Panda 2016).

In December 2017 it turned out that despite the desire of President Sirisena to maintain an equal distance from India and the PRC, Chinese initiatives have too strong grounds to reject them. Sri Lanka was unable to pay its debt to China a \$ 8 billion US, which is why it decided to sell to Chinese 80% stake in Hambantota port (*Sri Lanka formally hands over...*). This decision was protested on the island and eventually the authorities gave control over the commercial activity in the port to two companies managed by China Merchants Port Holdings, which are to lease it for 99 years – just as the British had once leased from the Chinese Empire Hong Kong (Stacey 2017). Formally, the Sri Lankans have to participate in managing the port and take care of security issues, and no vessel, including Chinese, will be able to enter the port without their consent. However, there is a fear on the island that taking over Hambantota is a step towards making Sri Lanka a de facto Chinese colony. PRC has also gained permission to invest in a special economic zone created around the port, where the construction of factories is planned. It was protested by the local population whose land was leased to the Chinese (Lim & Mukherjee 2017).

India also held talks on the investment in Hambantota. Former President Mahinda Rajapaksa said that he firstly proposed the expansion of the port to government in New Delhi, but the Indians were not interested in the costly expansion (Velloor 2010). Now, however, India is trying to balance Chinese assets in the port by taking over the management of the Hambantota airport (built by Chinese) together with the Sri Lankan Aviation Services Limited. Control over the Hambantota airport would allow the Indians to oversee Chinese operations in the port. At the same time, India proposed setting up a flight school and service center at Mattala airport to increase its revenue and make it a destination for Indian tourists (Aneez & Miglani 2017).

In the policy of balancing between China and India, Sri Lanka has been much closer to the Middle Kingdom in the last decade. President Maithripala Sirisena is seeking to rebalance the policy, but the extent of Chinese influence combined with the economic problems of Sri Lanka

means that the rulers in Colombo must decide for further concessions to China. India, it seems, has neither political will nor financial resources to replace China as the patron of the island. At the same time, they rightly fear that the economic dependence of Sri Lanka on the PRC can significantly reduce the sovereignty of its foreign policy (Chandran 2017).

The Indian domestic policy influences the shaping of the relations with the island by the government in New Delhi. Political realism would require India to develop relations with Sri Lankan authorities dominated by Sinhalese, regardless of any objections that could be made against them, but the authorities cannot disregard the feelings of the Indian Tamils who are a significant group of the electorate. At the same time, Sinhalese perceive themselves as the last defenders of Buddhism in the Indian subcontinent, still threatened by Hindu Tamil expansion from the north. Thus, Sri Lanka is another state after Nepal, with which historical and cultural ties are rather a burden for India than an asset, while China shapes relations with them from more neutral positions, supported by the power of money.

The Maldives

The Maldives are another state of the region whose significance for Sino-Indian relations is expressed primarily in its geographical location. They constitute an archipelago of almost 1,200 islands, located just above sea level and more and more threatened by flooding. Their total area is only 300 km², and it is inhabited by less than 400,000 people. The archipelago, however, lies about 500 km southwest of the southern tip of India, that is, on the most important Asian transport route, and at the same time the sea branch of the Chinese Belt and Road initiative. The straits of the Maldives are used by Chinese tankers sailed from Saudi Arabia to China (*Saudi Arabia intends to...*). There are also transport routes between India and Africa nearby.

From the moment of gaining independence from Great Britain in 1965, the archipelago was in the Indian sphere of influence. The authorities in New Delhi conducted a Machiavellian policy by parallelly supporting for three decades dictator Maumoon Abdul Gayoom and opposition to him. The latter was led by Mohamed Nasheed, with whom, under pressure from India, Gayoom ultimately faced in the 2008 presidential election and lost. The victorious Nasheed remained loyal to the India, but in 2012 he had to submit the office due to strong public protests. From that moment, the policy of the Maldives towards India and China has changed radically. Nasheed's successor, Mohammed Waheed, canceled the contract with the Indian company GMR to manage the international airport in the capital, Male, while the current president, Abdullah Jamin, who has ruled since 2013, awarded it to the Chinese company Beijing Urban Construction Group (*Maldives airport to be expanded...*).

China, which before 2011 did not even have an embassy in the Maldives, started the rapid expansion of its influence on the archipelago. During Jamin's term, further Chinese investments took place (for example the Friendship Bridge connecting Male with the Hulhule Island), crowned with the signing of a free trade agreement with China in December 2017, which made the Maldives the second state after Pakistan, which has this type of deal with PRC. At the same time, a memorandum inviting the Maldives into the Belt and Road project was signed (Oleszko-Pyka 2018). Previously, from the constitution was deleted regulation prohibiting the purchase of land by foreigners, which was interpreted through the prism of the Chinese people who would buy paradise islands for the purpose of creating their own resorts.

The unofficial struggle between India and China occurred when in February 2018, Abdullah Jamin declared a state of emergency in response to the decision of the Maldivian Supreme Court ordering the release of political prisoners from the opposition. At the president's order, two judges were arrested, and the others canceled the earlier decision. This was the culmination of the whole Jamin's presidency, which was full of cases of human rights violations (Mandhana 2018).

After the proclamation of the state of emergency, speculations quickly arose as to whether India would send troops to master the situation in the archipelago, as it did in 1988, when Indian troops halted the coup, supported by Tamil partisans from Sri Lanka. Probably taking into account this eventuality, the Chinese Navy warships appeared near the Maldives, which supported Abdullah Jamin's political position. Modi's government only decided to express "deep concern", pointing out, quite rightly, that the prolongation of the state of emergency took place in violation of the constitution. In fact, India is less concerned with the restoration of democracy, and much more with the removal of Chinese influence from the Maldives - but in both cases it seem to have no idea how to do it. Modi's government did not feel strong enough to say "check", after the Chinese bluff with the appearing of ships close to the archipelago.

The Maldives have become the place of practice of the same Chinese strategy that the Beijing has also applied to Sri Lanka. The partner was seduced by promises of substantial investments, supported by bribes to local decision makers. Investments in the long run proved to be unfavorable. Then debts are used by the PRC to get even more political and economic influence (Stacey 2017). Former President Nasheed estimated that three-quarters of Maldivian's foreign debts already is connected with China, and interest on loans account for over 20% of the state budget (Tarabay 2018).

In February 2018, during the political crisis, there were reports that the Chinese would build an underwater ocean observatory at the Makunudhoo Atoll on the northwestern tip of the

Maldives, which could also be used as a base for submarines in the future. There are also regular rumors that China plans to build a port in the southern Maldives on the Laamu atoll. Although the Maldivian side denies any agreement, the fact of evacuation of the inhabitants of the atoll is significant (Swarajya 2018).

India has so far behaved passively, hoping to create an alliance with the United States and the United Kingdom and putting pressure on the President Jamin to restore democracy and organize new elections. New Delhi hopes that as a result there would be a new political arrangement on the archipelago. C. Raja Mohan believes that patience may pay off, and the experience of Indian interventions in the countries of South Asia says that it is not easy to solve problems and the consequences of actions are unpredictable. According to this narrative, the priority for India should be primarily stability in the region (Krishnan 2018). The question, however, is whether this policy does not serve to consolidate China's newly acquired influence not only in the Maldives, but in all of South Asia, showing at the same time that India is weak.

Conclusions

In relations with all analyzed countries of South Asia, China uses a similar pattern of action. They use their economic opportunities to make large-scale investments in partner countries, most often financed by the Lorans (Ping 2013: 21-40). This is followed by gaining political influence and cooperation in the field of security, including the sale of weapons as well as various forms of cooperation of armed forces. China is a leading supplier of weapons to most regional entities and, because the military is an important center of power there, close ties with the armed forces of these countries give the PRC greater opportunities in shaping their policy (Bhandari & Jindal 2017).

The final (so far) effect of Chinese activities is taking over facilities located in other countries, with particular emphasis on deep sea ports. This way, piece by piece, South Asian countries are assigning their sovereignty to the PRC. In return, they receive opportunities (which are not always made use of) for faster economic development, as well as a chance to balance the influence of India, which has always tried to dominate the region. The Chinese promise of building roads, ports, airports and railways is particularly attractive when remembering that South Asia is the least integrated region in the world – according to the World Bank, intra-regional trade accounts for less than 5% of the total turnover of the countries located here, compared with 35% in East Asia and 60% in Europe. Better infrastructure can certainly contribute to the change of this state of affairs and a more intensive development of an area of 1.7 billion inhabitants (*In South Asia, Chinese infrastructure...*).

In this way China builds, or, according to its own narrative, rebuilds a kind of tribute system, similar to the one that functioned in the imperial period. As part of the hierarchical perception of the international system, the Middle Kingdom is located in the center, while "barbaric" countries (all others) can enjoy its favors, if they recognize Chinese authority.

In relation to Sri Lanka and the Maldives, PRC also implements the "two oceans" strategy (connected with other strategy called „String of Pearls”), i.e. the development of the backward western part of the country thanks to access to the Indian Ocean. A one-off investment in South Asian deep sea ports is not a sufficient guarantee for China that their ships will have free access to these in subsequent years, for example when unforeseen political tensions arise. Even in the case of formal concluding port lease agreements from the point of view of the authorities in Beijing, it is necessary to maintain the dependence of the region's states on the Chinese political protectorate, investment, or both (Kaplan 2013: 246). Nepal, in turn, has additional value for China and India in the context of the border dispute between those two countries. It lies in the vicinity of the disputed areas, and in addition its own territory can be used by neighbors forces.

India for many years seemed surprised by the PRC's activity in South Asia. New Delhi was inclined to pay more attention to shaping bilateral relations with China, hoping that their improvement would also bring about harmonious cooperation between the two countries on the international arena. It was no different with the cabinet of Narendra Modi, who counted on a new opening in relations with the PRC, recognizing that the prospect of multibillion contracts will convince the Beijing authorities to treat India in South Asia (and not only) in a more partner way.

It seems, however, that in New Delhi there was a re-evaluation of the relationship with the Middle Kingdom, which was reflected in the crisis around the Bhutanese Doklam in 2017. Then, for the first time, Chinese efforts in South Asia were met by such a determined Indian resistance. The policy of Modi is also active in relation to other countries in the region, but it does not always bring expected results. The reasons for this phenomenon are not only objective – China simply has more to offer, but also subjective – historical-cultural relations of India with other countries of the region are more often a burden than an asset. The Republic of India appears as a country with exceptional soft power, the world's largest democracy that boast (not always rightly) the reconciliation of internal differences and contradictions, and thus can serve as example (see: Hasanat Shah et al. 2017: 268-288). However, without disregarding this potential, it is worth noting that the experiences of individual countries in the region with the democratic system are different, and the attitude of India towards its neighbors often does not reflect the

lofty ideas that are being proclaimed. For example, in relation to Nepal India still has a syndrome of a larger neighbor who knows better what is good for the Nepalese people.

David Malone (2011: 150) accurately points out that Indian soft power may gain in importance comparing with China, if in the future it would turn out that democratic India develop faster than authoritarian PRC. However now India undoubtedly needs a more pragmatic approach to South Asian countries, as in the case of relations with Burma. In them, negative historical heritage and Burma's internal problems have been put in the background, and the focus has been on real possibilities for developing cooperation (Prasad Routray 2010: 304-306).

At present, the Indo-Chinese relations in South Asia are definitely confrontational. Both powers are determined to defend their possessed influence and to acquire new. Therefore a sensible balance policy between Beijing and New Delhi, carried out by the countries of the region, can bring them significant benefits. The requirement here, however, is to maintain a safe distance from both capitals, because the lack of it can result in becoming a protectorate rather than the partner of one of them. Of course, it is easier to fall into a similar trap, when the country is poor, and there are plenty of poor countries in South Asian.

Finally, it is worth emphasizing that too large increase in tension between India and China instead of acting in favor of the states of the region accepting initiatives of both powers, may result in a direct threat in the case of the Sino-Indian military confrontation. In the case of inland states, there is a fear of waging a war on their territory (the casus of Bhutan in 2017 is an instructive example), and when it comes to coastal countries – also naval fights or the economic blockades. It is worth emphasizing all the more because China and India strengthen the military presence year by year both near the land border and in the Indian Ocean. PRC still has an advantage in most types of armed forces with aircraft carriers as an important exception (GFP 2017; IISS 2018), but India is intensively expanding its potential, being the world's largest global arms importer in 2017 (Blanchfield et al. 2017). Thus, they pose a growing challenge to China in this regard (Malik 2001: 84).

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