

THE RISE OF CHINA AND GEOPOLITICAL RECONFIGURATION IN SOUTH ASIA: REGIONAL STATES AT THE CROSSROADS

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Abstract

The changing regional and global dynamics have increased South Asia's strategic significance for China. The bilateral relations of China have evolved differently with each regional state while prioritizing the state's strategic relevance, domestic politics, and pattern of conflict and cooperation. Except for India, all South Asian countries consider China a stabilizing factor and have readily joined the Belt and Road Initiative (BRI) for economic benefits. India perceives China's active involvement as a threat to its hegemony and uses a carrot and stick policy against its suzerainty, and continues to strengthen its bilateral relations with the US. This research work highlights the growing influence of China in South Asia and the opportunities it offers to the regional states. Lastly, it also discusses the dilemmas that some South Asian states face vis-à-vis maintaining a balanced relationship with India and China.

Introduction

China shares land borders with five South Asian countries Afghanistan, Bhutan, India, Nepal, and Pakistan (Bhatnagar & Shahab, 2021). China's foreign policy towards South Asian

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states, especially India, was formulated on the principle of Panchsheel, and the agreement signed in 1954, characterized by peaceful coexistence, mutual non-aggression, and mutual non-interference (Panda & Droop, 2024). However, the 1962 war over the disputed Himalayan border punctured the initial cordial relations between China and India. Following the Sino-India war, China revised its South Asian foreign policy, driven by geopolitical considerations and prioritizing Pakistan as its regional ally (Chakravorty, 2017). Nevertheless, the end of the Cold War and the changing global environment stimulated China to set aside territorial differences with India and return to a more pragmatic approach towards both India and Pakistan (Hakro et al., 2021).

The other regional countries, such as Nepal and Bhutan, remained low on China's foreign policy agenda due to India's influence in managing their domestic issues, internal security, and foreign policies (Ranade, 2024). Moreover, China aimed not to alarm the major powers; resultantly it refrained from strengthening its relations with Sri Lanka and the Maldives, due to their respective strategic location as both countries are regarded as the Indian Ocean outposts. Hence, Beijing's foreign policy was dominated by the agenda of cautious engagement by the end of the twentieth century. However, China has started to adopt a more assertive foreign policy under the presidency of Xi Jinping (Miura, 2023).

Against this backdrop, three main objectives dominate China's foreign and security policy vis-à-vis South Asia, i.e., a. managing peaceful resolution of Indo-Pak bilateral dispute; b. peaceful resolution of its border disputes with Bhutan over the Doklam Plateau and India over Arunachal Pradesh and Aksai Chin; c. preventing the continuous rise of insurgent-cum-non state actors, eliminating the support base of extremist movement in Xinjiang province (Faisal, 2013). The twenty-first century also

witnesses the inclusive rise of China, evident from its factoring into America's strategic calculus. To counter China's rise, then US President Barack Obama adopted the "Pivot to Asia" policy characterized by strategic rebalancing from the Europe and the Middle East to Asia, economic engagement with the regional countries by utilizing the platform of the Trans-Pacific Partnership (TPP), strengthening security and military alliances, and the expansion of democracy and human rights in the region. However, China's inclusive assertiveness and the lack of implementation on account of limited resources and political challenges resulted in a "lost decade" for the US Pivot to Asia strategy, and Beijing continues to increase its global influence (Campbell, 2013).

Nonetheless, President Donald Trump also acknowledged the rise of China in the National Security Strategy (2017), dubbing Russia a revisionist power and China a rising power. The National Security Strategy was followed by the US "Free and Open Indo-Pacific Strategy (FOIP)" articulated in 2017. The US emphasized bilateralism over multilateralism by preferring to deal with the states on an individual basis, strengthening of QUAD, and imposing tariffs and various restrictions on China. Moreover, the US has identified India as a regional rival of China's growing influence and a partner in its Indian Ocean Region (IOR) policy (Ettinger, 2018). China's twenty-first century foreign policy vis-à-vis South Asia and Indo-Pacific is shaped by multiple factors such as the Washington policy of Beijing encirclement, active military in Chinese neighborhood, anti-economic and technological measures against China, ideological-cum-diplomatic squeezing of China, and the US-led bilateral and multilateral agreements e.g. the Quadrilateral Security Dialogue (QUAD), Communications Compatibility and Security Agreement (COMCASA), Logistics Exchange

Memorandum of Agreement (LAMEO), and Basic Exchange and Cooperation Agreement (BECA) (Zulfqar, 2025).

However, the strategic importance of the region remained unchanged for Beijing due to its strategic location and geographical proximity. Over the years, the Dragon's pathway to global routes, characterized by Beijing's Grand Connectivity Plan of Belt and Road Initiatives (BRI), has made it an attractive destination for the Global South in general and South Asia in particular. Hence, the BRI has presented various opportunities for the regional countries that have already joined it (Sharma & Khatri, 2019).

While the other regional countries have started to benefit from the opportunities China has offered, India has remained a vocal critic of China's growing influence in the region. India has been considered a predominant and established power of South Asia, courtesy of its geographical size and location, population, economic magnitude, and military power. Moreover, the suzerainty status of Bhutan, the Maldives, and Sri Lanka for socio-economic and political stability has also contributed to India's hegemonic status in the region. Since its inception, Pakistan has been the only regional country to challenge India's hegemonic aspirations (Bharti, 2023). This paper analyses the growing influence of China vis-à-vis South Asia and applies the theory of liberalism as a theoretical perspective. It also discusses the bilateral relations of China and regional countries and highlights the strengths and weaknesses in bilateral relations. This research work relies on secondary sources, including academic articles and research papers, to gain a deeper understanding of the subject matter. The content analysis approach is used to analyze the qualitative data to support the argument of the study.

Theoretical Framework

Unlike Realism, which advocates power politics, liberalism expounds peace and cooperation as an alternative to mitigate the effects of global anarchy and the absence of international authority in the international political system. Economic cooperation has been regarded as one of the most important tenets of the liberalist school of thought that accounts for mutual goals and a shared economic future. Both Realism and Liberalism have contrasting views on mutual cooperation. Realism views mutual cooperation as a zero-sum game, whereas liberalism interprets it as a win-win situation. Moreover, liberalist believe that cooperation between states serves as a stepping stone to achieve shared objectives (Jumarang, 2011).

In this theoretical backdrop, Chinese President Xi Jinping announced the One Belt One Road (OBOR) initiative to present an economic-centric regional and global order in 2013. As the name suggests, the project implies two routes: a continental belt across the Central Asian Regions (CARs) and the maritime route through the Indian Ocean Region (IOR). OBOR, commonly known as the Belt and Road Initiative (BRI), has been a Chinese-funded infrastructure project to connect various regions and continents. The significance of the BRI is reflected by its incorporation in the Communist Party's Charter (CPC) in 2017. Moreover, the BRI's possible offshoot, "a community with a shared future for humanity," was also made part of the Chinese constitution in 2018. President Xi Jinping envisions completing the BRI by 2049, marking the hundred years of Chinese independence.

The academicians have a consensus that the BRI is China's string of prosperity that has the potential to transform regional and sub-regional security architecture and maintain the balance of power in the IOR. The BRI is also expected to evade Beijing's longstanding Malacca Dilemma as it will moderate the overall capabilities of China's rivals to interdict shipping to ports

on China's eastern coast during conflict. The foreign policy of China towards South Asia has been more influenced by the liberalist agenda of economic cooperation to achieve a win-win situation. The following section of this paper will discuss the strategic importance of South Asia for China in the changing regional and global dynamics.

Strategic Significance of South Asia for China

As stated above, five South Asian countries share a land border with China. China is also home to various ethnic minorities such as Uyghur, Yi, Hui, Manchu, and Zhuang, mostly occupying the areas of Xinjiang and Tibet. These minorities occupy 8.4 percent of China's population and cover 64 percent of its land area. Xinjiang in the northwestern side and Tibet in the southwestern side of China are also home to ethnic unrest and repression because of the Chinese government's assimilation policies. This ethnic unrest from various ethnicities shapes the foreign policy of China vis-à-vis South Asia. To address the issues of regional disparities and inherent inequalities, the government in Beijing launched the Western Development strategy to develop its underdeveloped areas through infrastructure development and job creation. This strategy of the Chinese government is proving to be a double-edged sword; developing the underdeveloped areas on one hand and strengthening its relations with South Asia on the other hand (Muzaffar & Khan, 2022).

China's rapid industrialization and its subsequent shift from a low-manufacturing economy to high-tech industries, innovation, and global investment through various projects ascended it to surpass Japan and become the second-largest economy in the world in 2011. Courtesy of its continuity in above nine percent GDP growth rate for the last three decades, China has been able to lift 800 million people out of poverty. The

growing economic clout has assisted China in gradually enhancing its overall influence in various regions of the world, including South Asia, courtesy of trade and investment, cultural initiatives, and military cooperation.

China's economic reforms and "open door policy" began to transform its economy from a closed, state-planned system into a more globally integrated economy that positively affected Beijing's economic growth and skyrocketed its trade with South Asia from US\$8 billion in 2005 to US\$52 billion in 2018. Unlike Europe, South Asia is the fastest-growing region in terms of population, and around 150 million inhabitants are expected to enter the job market by 2030. Courtesy of its rapid technological innovation, China offers and demands expertise, knowledge, and service in AI, quantum computing, biotechnology, 5G/6G, EVs, and renewable energy without compromising its strategic autonomy and political liberalization (Jin, 2020).

The strategic importance of South Asia as a region is also increasing with every passing day. Starting from its geostrategic location that acts as a bridge between various regions such as East Asia, Central Asia, the Middle East, and the Indian Ocean, offers a Secure Lane of Communication (SLOC) by bypassing the US-dominated Strait of Malacca to the large consumer market offered by India, Pakistan, and Bangladesh. South Asia also offers massive investment opportunities for China, ranging from infrastructure to energy ports and technology. Hence, South Asian ports will help China to ensure its energy security through IOR, and the dual-use of this region will also help Beijing to maintain the Balance of Power and neutralize regional-cum-global threats coming vis-à-vis the US.

Chinese political scientist Liu Jinxen commented on the significance of the BRI by highlighting that this flagship project of China should be considered as a bridgehead strategy while also identifying strategic regions located on logistical and supply chain controlling the flow of resources concerning international trade routes. Historically, China's bilateral relations with South Asian countries have evolved based on its domestic considerations, the state's strategic importance, and its changing conflict dynamics regarding other regional states (Agustiyan et al., 2022). To conclude, China's active presence in South Asia has been perceived as a stabilizing factor by smaller states and a threatening feature by India.

China-Pakistan Strategic Partnership

Historically, China-Pakistan bilateral relations have been unprecedented and time-tested despite different political regimes, ideologies, and religions on both sides. It dates back to 1951 when the newly independent Pakistan recognized the People's Republic of China (PRC) by forming diplomatic relations. China-Pakistan bilateral relations accelerated owing to a defense agreement during the Sino-India war in 1962 and the Indo-Pak war in 1965. China-Pakistan relations have not remained limited to defense agreements and nuclear cooperation; rather, Beijing has been supporting Islamabad's national interests on various international forums for decades. The regional security and mutuality of national interest remain instrumental in shaping the regional balance of power, favoring Pakistan vis-à-vis India (Javaid & Jahangir, 2015).

According to China Briefing, Sino-Pakistan trade volume reached US\$23.1 billion in 2024, an increase of 11.1% from the previous year, courtesy of the China-Pakistan Free Trade Agreement (CPFTA). Moreover, CPEC, the flagship project of

China's BRI, has transformed bilateral relations into a multidimensional relationship as the project is not limited to trade and infrastructure development rather has socio-economic, energy, strategic, and geopolitical dimensions (Nadeem et al., 2025). India views the Sino-Pakistan strategic partnership as a concerning factor, especially when China augments Pakistan's defense capabilities with reference to India. Moreover, Pakistan's recent thaw with post-Hasina Bangladesh came as a shock to India, who see it as a formation of a new anti-India bloc directed by China. This perceived anti-India bloc has the potential to bring about a strategic transformation in the South Asian regional order (Swati et al., 2024).

Bangladesh's Dilemma

Bangladesh sustained the legacy of East Pakistan and continued to improve bilateral relations with China in the political and economic spheres. However, the bilateral cooperation on the economic front remains the hallmark of the Sino-Bangladesh relationship. In a very short time, China managed to surpass India as Bangladesh's top-trading partner, with Beijing's export amounting to 27% of the total export of Dhaka. China has been enjoying this status of top-trading partner for a decade now. China also reciprocated with Bangladesh, as selected Bengali products have been given duty-free access to the Chinese market. Bangladesh is also accommodating Chinese investors by reserving two Special Economic Zones (SEZs) for them: one in Dhaka and the other in Chittagong (Jianjun, 2024).

In an increasingly geopolitical contest, Bangladesh has been wary of offending India despite having multidimensional cooperation with China. Bangladesh's policy of hedging between China and India has created dividends for Bangladesh on account of signing a bilateral agreement with India, including the

exchange of 162 territorial enclaves spreading over both sides of the border to Bangladesh, ratified by the Indian parliament in June 2015. However, India and Bangladesh are still at loggerheads on multiple fronts, such as sharing the River Teesta water, trade imbalance, and cross-border skirmishes and killing of Bengalis by Indian forces.

Against this backdrop, the strategic location of Bangladesh at the juncture of South Asia and South East Asia gives the breathing space to landlocked countries such as Nepal, Bhutan, and some of the northeastern states of India to get access to the Bay of Bengal. This fact was highlighted by Muhammad Younas, Bangladesh's Chief Advisor, during his recent visit to China. Moreover, the fall of the pro-Hasina regime shifted the balance of power in China's favor vis-à-vis India as Muhammad Younas requested China to play a proactive role in the provision of healthcare facilities to Bangladesh, sought Beijing's mediatory role in solving the Teesta river dispute with India, and resolved the issue of the Rohingya crisis with Myanmar. Bangladesh's expectation from China showcases Beijing's increasing political clout in the region, along with global affairs (Hosain et al., 2024).

Sri Lanka's Leverage

Sri Lanka is an island state located en route to Asia and Africa. Historically, Sri Lanka had close trade links with Rome, Persia, the African Kingdom, Greece, and Byzantium. Instead of a blessing, Sri Lanka's strategic location proved to be a misfortune for it, as it remained the victim of colonization for the longest period of any South Asian country. Starting from defense ties, Sino-Sri Lanka bilateral relations elevated to a strategic partnership in the Presidency of Mahinda Rajapaksa. The continuity in cordial relations made China the largest trading

partner of Sri Lanka, reaching US\$4.4 billion in 2017, surpassing India by a landslide margin.

For long, President Mahinda Rajapaksa wanted to neutralize India's influence in Sri Lanka on account of the bitter history of training, funding, and supporting the Liberation Tigers of Tamil Eelam (LTTE) for decades. The LTTE was an insurgent group with an aim to carve out a separate nation for Tamils in Northern Sri Lanka. India's involvement in Sri Lanka was not limited to the LTTE; rather, its active role in domestic politics was long resented by the citizens at large. The government-LTTE war ended after 26 years in 2009 and largely impacted the contours of Sri Lanka's foreign policy (Moramudali & Panduwawala, 2024).

However, it was the US's continuous pressure on Sri Lanka to improve the human rights situation and ensure good governance in both pre- and post-counter-insurgency operations against the LTTE that compelled Colombo to join Beijing's hands. Even the loans were made conditional on the pretext of societal harmony. To stabilize its economic indicators, Sri Lanka sought to procure Chinese assistance. China responded swiftly with the post-war reconstruction and rehabilitation of Sri Lanka. Going further, China also provided diplomatic support to Sri Lanka by vetoing a bill in the United Nations Security Council on authorizing an independent mission to investigate alleged human rights violations during the civil war in 2009.

The successive changes in Sri Lanka's government and precarious economic situation hampered the continuity in its foreign policy. The pro-China policy of President Rajapaksa was reversed by his successor, Maithripala Sirisena (2015-2019). President Sirisena suspended various Chinese-financed projects to appease India while making foreign policy driven by a zero-

sum game. Moreover, President Sirisena was replaced by Gotabaya Rajapaksa (2019-2022), who preferred to hedge between China and India. However, the widespread protests against President Rajapaksa forced him to leave the country, and he was replaced by an experienced Ranil Wickremesinghe through popular vote. President Wickremesinghe categorically stated that he is neither pro-Indian nor pro-China; rather, he is pro-Sri Lanka. He is ready to accommodate India, China, and even non-state actors if it benefits Sri Lanka's national interest (Samarathunga, 2022). For instance, President Wickremesinghe negotiated a new Anti-Terrorism Bill to replace the controversial Prevention of Terrorism Act, which sounded highly offensive to the West.

Maldives' Conundrum

The Maldives, an archipelago, constitutes two important designated Sea Lanes of Communication (SLOCs) on both the northern and southern parts of the country. Diego Garcia, which is controlled by the UK, has a strong military presence of the US in the IOR, increasing the geostrategic significance of the Maldives. The presence of SLOCs and Diego Garcia influenced the strategic thinking of the Maldives' policymakers. However, the Maldives did not make cordial relations with China until 2012, but the BRI, the Chinese flagship project, changed the strategic priorities of President Abdulla Yameen, who readily endorsed the initiative (Zahir, 2021). President Abdullah's endorsement allowed China to make inroads into the Maldives and start investing in its infrastructure projects.

The inherent geographical constraints, such as climate challenges and its dependence on the West, have restricted the Maldives' capabilities to achieve self-reliance. However, the endorsement of the BRI project by President Abdulla acted as a

bargaining chip for periodic realignment and a hedge between China and the West. Multiple factors have contributed to the Maldives' outward approach, such as non-fulfillment of domestic projects, the rise of a multi-party system, challenges to the legitimacy of the political leaders, and changing geopolitical dynamics en route to multi-polarity. However, likewise Sri Lanka, the successive change in governments also reflected the policy reversal in the Maldives' foreign policy.

When President Ibrahim Mohamed Solih came to power in 2019, he reversed the foreign policy priorities of President Abdulla and started to give India more space in day-to-day affairs. Hence, his foreign policy was termed as “Pro-India” (Rahman et al., 2025) Nonetheless, during the election campaign as a presidential candidate, Mohamed Muizzu enunciated the “India Out” policy while indicating non-renewal of the hydrographic survey agreement and removal of Indian troops stationed in the Maldives. Moreover, indifferent to presidential convention, Mohamed Muizzu visited China rather than India, and also went one step ahead and declined an invitation to the Colombo Security Conclave. However, India came up with its countermeasures to boycott the Maldives as a tourist destination that accounts for 70 percent of the Maldives' GDP. Subsequently, President Mohamed Muizzu had to shun anti-India rhetoric and visited New Delhi to revive economic and security agreements (Shabbir, 2021).

Nepal's Challenges

Landlocked countries facing the “tyranny of terrain” are found to have limited foreign policy options. An established political scientist, Dick Hodder, has described the dilemma of landlocked states suffering from double dependency, such as their geographical location and a periphery state, in terms of political

economy. However, in the case of Bhutan and Nepal, being mountain-locked states, both states face triple dependency, facing restrictions on the availability of restriction for cultivating land and limiting transit opportunities.

Often synonymous with the Himalayan state, Nepal, after its unification by Prithvi Narayan Shah continuously involved in conflicts with neighboring states, be it China, Tibet, Sikhs, and the UK. Geographically, Nepal is sandwiched between two Asian giants; both countries are not at equidistance geographically, economically, and culturally. These inherent traits make Nepal a feasible option for trade, transit, and investment (Kaul, 2022).

However, the presence of Nepal as a neighboring state proved blessing in disguise for India as it inherited the British government's open-door policy. The open-door policy strengthens social and cultural relations between both countries by allowing Nepalese to travel and work in India without many restrictions. Moreover, in geopolitical considerations, Nepal always proved a secure line of defense for India. India also signed a standstill agreement with Nepal to govern the relations on the basis of the 1923 treaty between Nepal and British India. The treaty frontier of Nepal to consult India on conducting security and foreign affairs. India also signed the Treaty of Peace and Friendship (1950) with Nepal to ensure Nepal's neutrality vis-à-vis China. This treaty was signed after China's forceful invasion of Tibet in 1950-51 (Rae, 2021).

Nepal's efforts to balance or hedge its relations with China and Pakistan were met with strong criticism by India. India has used the renegotiation of the trade and transit agreement as a bargaining chip to maintain the suzerainty status of Nepal. For decades, India has been using various tactics such as economic blockade and regime changes as a means to use Kathmandu's

foreign policy for its national-cum-security interests. However, the anti-India sentiments started to fuel when India started to interfere in the domestic politics of Nepal, which was met with strong criticism by the national and international media. Nonetheless, relations went haywire when India claimed 150 square miles of Nepalese territory as part of its territory in 2020 (Baniya, 2023).

Suffering from the tyranny of terrain, to cope with the territorial dependence of India remains one of the most daunting challenges for Nepal. The BRI project of China offered Nepal to transform itself from a landlocked to land land-linked country by providing an alternative transit and trade route. Subsequently, Sino-Nepal signed the Transit Transport Agreement in 2017, which will allow Nepal to access various seaports of China. Even Nepalese political parties have different opinions on joining the BRI, such as the Congress Party showing reluctance in the implementation of the BRI project in China on account of “Debt Trap Hype” and becoming Chinese suzerainty in the future, whereas the Communist Party has been in favor of joining the BRI for economic benefits. To conclude, Nepal has been struggling to balance its relations amidst regional and global great powers such as China, the US, and India. The US has occasionally provided humanitarian aid to Nepal for poverty reduction, healthcare centers, and coping with climate-related challenges (Kc & Chand, 2024).

Bhutan’s Experiments

Another Himalayan state encountering the tyranny of terrain is Bhutan, which has a distinct nationalist perspective, and it perceives the external environment from its own perspective. Nepal remained under British suzerainty since 1910, and after independence, it concluded a new treaty with India for managing

its foreign relations. Against this backdrop, Bhutan enjoys special relations with India and remains reluctant to form cordial relations with China. However, China's invasion of Tibet brought massive insecurities for Bhutan on account of continuity in strategic autonomy and independence. Resultantly, Bhutan leaned towards India. In response, India provided Bhutan with transit access to ports and funded a narrow strip to differentiate Nepal from Bhutan and Bangladesh. Indo-Bhutan strategic cooperation grew courtesy of hydropower projects, as New Delhi is the largest importer of Thimphu's electricity (Kaul, 2022).

However, Bhutan aimed to diversify its relations with neighboring states on account of socio-economic development, bringing it closer to China. A sharp increase was witnessed in trade relations between the two countries since 2018. One of the contributing factors to Bhutan's aloofness from China was the territory of Doklam, a contested area claimed by India, China, and Bhutan. China's construction of roads in the Doklam area, claimed by both states to bring socio-economic development, led to the Doklam crisis in 2014. India supported Bhutan's side of the story, which brought both countries closer to each other. However, the growing China's clout on the global stage made Bhutan realize of a peaceful resolution of the dispute in 2017. Consequently, the Bhutanese Prime Minister's invitation to the Chinese and India's premier for the table talk was unwelcome by India. Bhutan's invitation was perceived by India as legitimizing China's claim on Doklam. Moreover, Bhutan has started to support the One China policy and is willing to cede control of Doklam to China to get an alternate route for reducing its dependence on India (Dorji & Thomas, 2024).

India's Quest for Regional Dominance

India and China are the two largest states of South Asia that gained independence in the late 1940s after years of colonial rule. Both countries had similar experiences and outlooks of anti-imperialism and anti-colonialism that contributed to the establishment of cordial bilateral relations in the beginning, characterized by the Panchsheel Agreement. The five principles of the Panchsheel Agreement were non-interference, non-aggression, mutual respect, equality, and peaceful co-existence. However, frequent border skirmishes over unresolved boundaries led to the first Sino-India war in 1962. Nonetheless, the observer status of China in India's pioneering Non-Aligned Movement (NAM) during the Cold War paved the way for the improvement in bilateral relations as both states focused on socio-economic development, setting aside political differences over territorial disputes (Mishra, 2023).

Since its inception, both countries have contested claims over each other's territory. India claims 33,000 square kilometers of area known as Aksai Chin, which is controlled by China. Similarly, China claims 90,000 square kilometers of area, termed as the state of Arunachal Pradesh, that is controlled by India. These contested claims resulted in frequent border skirmishes between both countries; however, the issue of border disputes has periodically flared up since 2013. The military standoff became a new norm between India and China, but the Ladakh conflict (2020-2021) brought serious casualties on both sides. The infrastructure development in the bordering areas of both states resulted in the Ladakh conflict, as it was perceived by other states as provocative to operate in inhospitable high-altitude terrain. As long as the border dispute remains unresolved, the possibility of future conflicts remains intact (Banarjee, 2022).

Besides territorial disputes, the political dimension of the presence, activities, and interaction of Tibetan leadership,

including the Dalai Lama and the Central Tibetan Administration, has also been considered a bone of contention between India and China. The Dalai Lama's frequent meetings with the US and the deployment of Tibetan soldiers by India in the Ladakh conflict (2020-2021) angered China. Moreover, the revocation of Articles 370 and 35-A and illegal annexation by the Indian government in Jammu & Kashmir (J&K) and splitting them into two union territories have further deteriorated the bilateral relations. China challenges the autonomy of India in J&K and issues separate visas for the residents of J&K and Arunachal Pradesh. Similarly, India also rejects the One China policy and maintains close security, economic, and technological ties with Taiwan without its formal recognition (Sukhija, 2021).

Sino-India relations have been complicated by economic dimensions such as India facing a trade deficit, a lack of access to the Chinese market, and supply chain vulnerabilities. India's trade deficit vis-à-vis China reached \$85 billion alone in 2023 despite New Delhi's efforts to reduce it. India's efforts remain unsuccessful because of its heavy reliance on Chinese imports in various sectors such as pharmaceuticals, automobiles, electronics, and renewable energy. Though India's efforts to decouple from Chinese products by banning 59 Chinese apps, suspension of Chinese construction companies, and indicated disengagement from the use of Huawei 5G have made a slight difference (Chauhan & Kumar, 2024).

Furthermore, Sino-India simultaneous efforts for vying for South Asia and Indo-US strategic partnership, characterized by bilateral and multilateral agreements such as QUAD, COMCASA, LAMEO, and BECA, in the backdrop of the US' Indo-Pacific strategy, have further complicated bilateral relations. Hence, the containment of China on the regional and global level appeared to serve the interests of both the US and India.

Geopolitical Reconfiguration in South Asia: Choices for Regional Actors

The geopolitical changes characterized by variations in the global power structure have enhanced the socio-economic and political opportunities of South Asian states. China's BRI project has enhanced the inclusive regional engagement of Beijing in many ways. Starting from Pakistan, China offered the BRI's flagship project, named China-Pakistan Economic Corridor (CPEC), to Islamabad and acts as a pillar of balance of power in the region. Moreover, the assertive foreign policy of post-Hasina Bangladesh has become a challenge for India to be reckoned with. Bangladesh's access to the Bay of Bengal gives it leverage over other landlocked South Asian states to pursue an independent foreign policy.

Likewise, the Nepal Communist Party aims to pursue an independent foreign policy by reducing its unending dependence on India and joining the BRI project for socio-economic and infrastructural development (Dar & Ahmed, 2024). Moreover, Bhutan has started to prioritize developmental goals through the Chinese offered various projects and aims to resolve the boundary dispute peacefully to overcome the historical legacy of mistrust with China. The changing geopolitical states have also encouraged the island states, such as the Maldives and Sri Lanka, to revise their conventional foreign policies and start acting as swing states on account of economic uncertainties and geographical vulnerabilities.

Moreover, as stated by an established political scientist, Azar Gat, in his research work "The End of End of History," the developing countries are increasingly keen to follow the Chinese model of economic development and one-party system. Moreover, the BRI project of China also offers an alternative

option for the South Asian countries that are wary of Indian encroachment in their domestic politics. The increasing Indian intrusion is flaring anti-India sentiment and the popular demands from respective citizens of the countries to adopt alternative policies. On the contrary, China's non-interference and economic-driven foreign policy has generated goodwill for China in South Asia, thus paving the way for greater engagement. Chinese active presence in South Asia is perceived as a stabilizing factor vis-à-vis Indian hegemonic design (Bhuiyan & Yi, 2025).

In contrast, Indian is using a carrot and stick policy against its suzerainty states to overrule Chinese influence in the region. India has realized that it neither has economic resources nor the political will to match the Chinese growing clout. Resultantly, New Delhi has been using sub-regional groups by downplaying the role of SAARC in South Asia. Regarding Indo-China relations, the US continues to support the Indian stance, such as setting preconditions for dialogue, renaming, and building infrastructure in disputed territories, imposing restrictions on the issuance of visas and official visits to China (Tantray, 2025).

Conclusion

China's inclusive initiatives of socio-economic and infrastructural development, such as the BRI project and its indifference towards regional countries' domestic politics, have made China increasingly relevant in the strategic calculus of South Asia. Even the less developed region, such as South Asia, aspires to learn from the Chinese model and the developmental strategy it has carried out by becoming part of the BRI project.

For decades, the smaller states of South Asia remained vulnerable to the brinkmanship of India without having a viable alternative.

India, the largest, most populous, and economically developed state, has been dictating to smaller states through various measures such as meddling in their domestic politics, using punitive measures, and economic blockade, considering those states as its suzerainty. Resultantly, these states consider China's presence as a stabilizing factor. Against this backdrop, it can be assessed that China has gained a considerable amount of leverage in South Asia vis-à-vis India. However, India has failed to realize that a carrot and stick policy will not bear similar fruits in the changing regional and global dynamics. In the age of fast-growing economic globalization, South Asian countries have to step in to bear their respective fruits offered by globalization, and China has provided regional countries with this opportunity without demanding any change in their respective political structure. Hence, the Chinese policy of non-interference and adherence to the promotion of cultural and civilizational identity has appealed South Asian region at large.

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