

China's Himalayan Hustle – Part III

How China Is Upending the Himalayan Status Quo

Webinar Report

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Institute for Security & Development Policy

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ABOUT ISDP

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LIST OF SPEAKERS



Dr. Frank O'Donnell

Dr. Frank O'Donnell is a Senior Research Adviser in the Asia-Pacific Leadership Network, a Nonresident Fellow in the Stimson Center South Asia Program, and an Adjunct Fellow with the East-West Center. With a particular speciality in Southern Asia, his areas of expertise include military posturing, arms control, non-proliferation, and national security policymaking processes. He was previously Deputy Director of the Stimson Center South Asia Program and has held postdoctoral research roles at the Fletcher School and US Naval War College. He has also been a Stanton Junior Faculty Fellow at Harvard University and an Assistant Professor at the Britannia Royal Naval College.



Prof. Vincent Wei-cheng Wang

Prof. Vincent Wei-cheng Wang is Dean of the College of Arts and Sciences and Professor of Political Science at Adelphi University in New York City. He is a Senior Fellow in the Foreign Policy Research Institute's Asia Program (Philadelphia). He was formerly a Professor of Politics and Dean of the School of Humanities and Sciences at Ithaca College; Associate Dean, at the School of Arts and Sciences, and Professor of Political Science at the University of Richmond in Richmond, Virginia, where he had also served as the chair of the Political Science Department and the coordinator of the International Studies Program. He has taught at the University of Miami, been a visiting professor at National Chengchi University and National Sun Yat-sen University in Taiwan, and Colégio de México in Mexico, and a visiting researcher in South Korea (Institute of Far Eastern Studies) and Singapore (East Asian Institute).



Dr. Astha Chadha

Dr. Astha Chadha is an Associate Professor of International Relations at Ritsumeikan University in Kyoto, and an invited lecturer at Ritsumeikan Asia Pacific University, Beppu. She is currently the Communications Officer at Religion and IR Section (REL) of International Studies Association (ISA), Researcher at Democracy Promotion Center, Beppu and Women Peace and Security (WPS) Fellow at Pacific Forum, Hawaii. She publishes on India-Japan relations, South Asian security, Indo-Pacific affairs, and religion in world politics. She is the author of *Faith and Politics in South Asia* (Routledge, 2025, *Forthcoming*).



Dr. Srinivasa Sitaraman

Dr. Srinivasa Sitaraman joined the Daniel K. Inouye Center for Asia Pacific Studies (DKI APCSS) as a Professor in December 2019. His focus at the DKIAPCSS is on Indo-Pacific Security with a particular focus on South Asia, Regional Conflict, and India-China Relations. He is also interested in New Technologies & International Security, Internet and Digital Diplomacy, Non-proliferation, and the United Nations and International Law. Prior to arriving at the DKI APCSS, Dr. Sitaraman was a tenured Associate Professor in the Department of Political Science at Clark University in Worcester, MA, where he directed the award-winning Model United Nations Program. He was also a core faculty member of the Asian Studies Program and affiliated with the Strassler Center for Holocaust and Genocide Studies. In addition, Sitaraman was an associate in research at the Fairbank Center for East Asian Research at Harvard University.



Mr. Rahul Karan Reddy

Mr. Rahul Karan Reddy is a Senior Research Associate at the Organisation for Research on China and Asia (ORCA). He works on domestic Chinese politics and trade, producing data-driven research in the form of reports, dashboards, and digital media. He is the author of *'Islands on the Rocks'*, a monograph detailing the Senkaku/Diaoyu island dispute between China and Japan. Rahul previously worked at the Chennai Centre for China Studies and is part of the Young Leaders program at Pacific Forum. He is the creator of the India-China trade dashboard and the Chinese Provincial Development Indicators dashboard. He is the editor of a Special Issue titled *'Transboundary Water Security in South Asia'*.

Moderator



Dr. Jagannath Panda

Dr. Jagannath Panda is the Head of the Stockholm Center for South Asian and Indo-Pacific Affairs at the Institute for Security and Development Policy, Sweden. He is a Professor at the Department of Regional and Global Studies at the University of Warsaw, and a Senior Fellow at The Hague Center for Strategic Studies (HCSS) in the Netherlands and an International Research Fellow at the Canon Institute for Global Studies in Japan. Dr. Panda has testified to the US-China Economic and Security Review Commission at the US Congress. He is also the Series Editor for *Routledge Studies on Think Asia*.

DISCUSSION



This webinar aimed to put a spotlight on China’s manipulative efforts to gain greater influence in the Himalayan region via its “charm offensive,” but ultimately coercive engagement with the smaller bordering countries of Bhutan, Nepal, or Pakistan, as well as continuing its military and psychological intimidation of its main regional rival, India.

– Jagannath Panda

The webinar conducted by SCSA-IPA, Institute for Security and Development Policy, on August 15, 2024, was opened by **Dr. Jagannath Panda**, moderator, welcoming all the panelists. He shared that this was the third webinar in series. The first webinar covered China’s infrastructural planning in the Himalayan region while the second was about China’s economic dominance in the region. This, third webinar deals more with how the Chinese are trying to change the status quo in the Himalayan region.

This webinar brought together some of the finest experts on the subject and aimed to put a spotlight on China’s manipulative efforts to gain greater influence in the Himalayan region via its “charm offensive,” but ultimately coercive engagement with the smaller bordering countries of Bhutan, Nepal, or Pakistan, as well as continuing its military and psychological intimidation of its main regional rival, India. In other words, it explored how China seeks to alter the “relationship dynamics” among the Himalayan neighbors, and in turn in South Asia in general. For such a purpose, it examined the following questions:

Is the China-Pakistan growing economic-military convergence a double-edged threat to India and the region? Is China taking advantage of Pakistan?

What should Nepal and Bhutan be mindful of when dealing with the China challenge?

How should the EU and the US respond to Pakistan's exceedingly China-friendly engagements?

How can the EU pursue a developmental engagement with India and its Himalayan neighbors like Nepal and Bhutan?

Dr. Panda. pointed out there were a number of issues to discuss, one of which is the way China is carrying out military modernization program in the Tibetan Plateau which has substantial implications for the Himalayan regions; second is the range of connectivity issues and the economic course and strategy they are implementing; third, is the way they are trying to grab land not only from India but

also from other South Asian neighbors like let's say Bhutan and going forward maybe even Nepal and Pakistan; and fourth is the way they are carrying out their diplomatic ties and building miniscale alliance kind of a partnership in the Himalayan regions trying to change the status quo.

He invited the panelists to share their views on these and other aspects of the topic and explain China's strategy. He acknowledged that much of the current strategy was Xi Jinping centric with the new policy measures and aggression towards India, but all of this started before Xi Jinping came to power. So what can India and the Western countries do together in order to check the China's revisionist strategy that they are trying to implement and change the status quo.



The real concern is that China is building upon what it has, while continually seeking fleeting windows of opportunity to push forward and gain a strategic height or additional territory. We saw this with the effort to take Yangtse Ridge near Tawang in Arunachal Pradesh in December 2022.

– Frank O'Donnell

Dr. Frank O'Donnell, Senior Research Adviser in the Asia-Pacific Leadership Network, focused on two main points – the military posturing by China in and around the Himalayas and, more broadly, the geo-economic front.

Starting with military posturing, he said, we are past the four-year mark since the 2020 Ladakh incursions. These remain a significant turning point for the Sino-Indian strategic relationship and a window into Xi Jinping's thinking about India. India is fortunate to still occupy key overlook heights in and around the newly occupied areas in Ladakh. However, it is still clear that China isn't going anywhere; it is continually upgrading its force presence and facilities in the area. One assessment in April held that 70 percent of China's 57 India-facing Western Theatre Command air bases and heliports are either new or being upgraded. China's most advanced stealth fighters, the J-20 aircraft, have also been spotted at the Shigatse Peace Airport in Tibet.

A big focus of the PLAAF development facing India has been heliports. This reflects the geographic difficulty of building long enough runways for transport and other aircraft to take off from, given the mountainous terrain and that the high altitude imposes extended runways for takeoff due to the thin air. Helicopters don't face that runway challenge. It also signifies the intention of the PLA to stay put. Helicopters allow rapid reinforcement and resupply of PLA

ground forces closest to India. These PLA forces are well entrenched with hardened bunkers and artillery, but they often sit in different valleys and pockets and can be fairly disconnected from each other. The helicopters help link this. On top of this there is a persistent and expanding sophisticated Chinese drone fleet, to detect vulnerabilities in the Indian position, which could be exploited; identify similar vulnerabilities in Chinese deployments to be shored up; and also, if need be, conduct strikes.

So the real concern is that China is building upon what it has, while continually seeking fleeting windows of opportunity to push forward and gain a strategic height or additional territory. We saw this with the effort to take Yangtse Ridge near Tawang in Arunachal Pradesh in December 2022. After this failed, China is now deploying combined arms brigades near that specific area. And along the LAC, Ladakh in the Western Sector has, of course, seen the most heated clashes. But the areas around Arunachal Pradesh in the Eastern Sector could see a similar

intensification of China-India skirmishes. The Central Sector remains relatively quiet – but that could change. All of this stretches the Indian military.

Coming to geo-economics, China has been able to penetrate much of the region. We recently, saw, for example, the degree of Pakistan’s fiscal dependence on China, when Prime Minister Shahbaz Sharif had to write a formal letter to the Chinese government asking for debt reprofiling. China has invested heavily in new roads, hydropower projects, fiber optic networks in Bhutan, while at the same time was quietly creating building military presence in the north central areas of Bhutan and around the Doklam plateau critical to Indian security. China is Nepal’s biggest source of FDI and is engaged in similar infrastructure projects there. I’m only focusing on Himalayan countries, and haven’t touched on Sri Lanka or the Maldives. But there is this intensifying Chinese challenge to Indian interests, which is backed by this patient Chinese dedication of resources to a long-term strategy.



There's a contest between a rising China and a rising India. Most people talk about the rise of China but I also pay attention to the rise of India. Many Chinese strategic thinkers view the rise of China and the rise of India in zero-sum terms.

Therefore, in order for China to establish strategic eminence, it must supplant, suppress, or displace India.

– Vincent Wei-cheng Wan

Prof. Vincent Wei-cheng Wang, Dean of the College of Arts and Sciences and Professor of Political Science at Adelphi University, New York City, started by drawing an analogy, sort of a maritime analogy which is how China had changed the status quo on the South China Sea. Now South China Sea obviously is full of water not full of mountains but Chinese tactics are nonetheless very similar. What the Chinese did was that they gradually change the facts on the ground with unilateral actions. Each action is too small to make a big deal or involve more actors and, but gradually they change the facts on the ground in China's favor (perhaps irreversibly). This is especially after Chinese leader Xi Jinping in 2015 committed to not militarize the South China Sea. Now several years later you can see that the South China Sea is very militarized and China was the main actor in creating artificial islands with airfields, reinforcement of military vessels and denial of other countries' claims. There are six claimants in the South China Sea. The US is not a claimant but its main interest is freedom of navigation in this region. So I think this is actually a very important similarity which is that China was the one that resorted to a series of unilateral actions to change the facts on the ground and the second, as I already mentioned is that China's promise was empty. China had already committed to not militarize the region and at the same time sort of like a split screen movie, China was engaging

with all these Southeast Asian countries in a conversation known as the Code of Conduct, which had been going on for 20 years. It's still not going anywhere, so this reminds me of the off-and-on and inconclusive talks between India and China on the border dispute. It started soon after 1962. So I think the Chinese behavior can be described as a duplicity campaign, and that it's very similar to the China-India border dispute.

The final similarity between the South China Sea issue and the Himalayan issue is that in the South China Sea case, China is much larger and much more powerful than any Southeast Asian country and China also cares a lot more about this, because it defines it in territorial integrity terms. In fact, starting from 2010 the Chinese leaders have defined South China Sea as "core interest" (in other words non-negotiable) but then at the same time China would roll out the red carpet for these Southeast Asian countries, now more recently it is the Belt and Road Initiative (BRI). Basically China was trying to decouple this military aggression from its "charm offensive" of economic enticement. So I see a similarity there with what China is doing in the Himalayas. Size and salience matter. On the one hand China dwarfs over Nepal, Bhutan and other countries and even Pakistan but then on the other hand, the only real contender in this region is India.

Why China does this? I think there are three main reasons. One, I think is

really just the need for a rising power with global ambitions (not just regional ambitions) to expand its strategic space. China used to be oriented toward East Asia. It aspired to become a maritime power (in East Asia) but encountered powerful maritime states, such as Japan and the United States, and has long been concerned about the Strait of Malacca as a "choke point," as the sea lanes were controlled by the United States. In recent years especially after 1959 China has fortified its infrastructure development in Tibet. Tibet has been used as a wedge to expand into South Asia. So this is a rising power that wants to connect two strategic realms— East Asia and South Asia. And in South Asia, as I said earlier, the only real contender is India.

The second reason already mentioned is the size and salience comparison. Simply put, China is much larger than any single state in South Asia and cares more, so it is more likely to push its weight around without encountering real resistance. Third, I will argue that in the case of India, there's a contest between a rising China and a rising India. Most people talk about the rise of China but I also pay attention to the rise of India. Many Chinese strategic thinkers view the rise of China and the rise of India in zero-sum terms. Therefore, in order for China to establish strategic eminence, it must supplant, suppress, or displace India. These three reasons can explain China's behavior in the Himalayas.



It is important to recognize that the perception of the LAC is very different on the Indian side and very different on the Chinese side.

It's easier to understand it in terms of loss of buffer zones. As a result of these LAC skirmishes, the Indian territory seems to have become the buffer zone rather than India and China sharing a buffer zone.

– Astha Chadha

Dr. Astha Chadha, Associate Professor of International Relations at Ritsumeikan University in Kyoto, continued the discussion stating that India sees enough space for two powers to rise but Chinese perception is different. One, Beijing doesn't see enough space for the simultaneous rise of two powers, and two, China doesn't really see a relatively less capable India as an equal contender. Hence the Himalayan hustle that demonstrates China's calculations that by partnering with India's neighbors, it could actually push India into a certain corner such that India does not become a challenger to China.

What we need to understand about the Himalayas is that it's a very complex issue, as my fellow panelists already highlighted. As an ongoing issue, it's unlikely to be resolved very soon. We need to look at certain trends in Chinese behavior in contested spaces, and how it is being perceived by the Himalayan nations and other countries. On the one hand, China wants to maintain its peace and tranquility, diplomatically. On the other hand, China wants to highlight its sovereignty within the region especially along the Himalayan border. There is also this repeated issue when it comes to other countries developing any sort of infrastructure along that line. China expects other nations to accept Chinese infrastructural developments because it's happening on claimed Chinese territory but when it happens on the other side of the border, there is sometimes a

violent opposition. The nature of these constructions could be anything from a bridge, road, or dam to a dual-purpose village.

The second issue is that China believes its actions are a result of provocation by other neighbors, even though they appear pre-meditated or planned, especially when it comes to how and why China chooses to attack or how and when China chooses to behave with a neighbor.

Third, anytime that there is a friction at the LAC or across the Himalayas, the outcome is gain of land for China. To understand this more specifically, it is important to recognize that the perception of the LAC is very different on the Indian side and very different on the Chinese side. It's easier to understand it in terms of loss of buffer zones. As a result of these LAC skirmishes, the Indian territory seems to have become the buffer zone rather than India and China sharing a buffer zone. It is really a difficult issue because the way China wants to de-escalate is through equidistant disengagement. However, that really is not a very good option when you look at it from the Indian perspective.

The fourth issue is that China is challenging the status quo not only in terms of security but if you look at Chinese constructions across the LAC, for that matter any construction that has suddenly started happening, there are implications for economic livelihood of communities and environmental damage.

The fifth point I'd like to touch on are

the trends that Professor Vincent earlier mentioned when he was juxtaposing the South China Sea issue with the Himalayan issue. I too notice that Chinese behavior is not necessarily specific to the Himalayan region point of view. There is militarization, there are surprise attacks, there is sometimes violence leading to death, and/or violence leading to injuries, as we saw in the case of the Philippines very recently where there is a claim on South China Sea territories which is based on historical records. When China perceives a region as its territory because of ethnic or historical reasons, China strives to keep the conflict alive because that continues to, in a way, fuel China's desire to have an active border. It can consistently contest the borders and then there is, as a result, a renaming of territories which China has done repeatedly, whether it is with the Senkaku Island dispute or along the LAC.

Lastly, as I mentioned, China has been busy establishing dual-purpose villages which mainly should be looked at as a surveillance mechanism. Japan has learned equally with its own Senkaku Island dispute with China so I'm going to put India and Japan there together and try and see what both of them have learned in their individual cases and how that learning can actually help them collaborate more. Chinese actions in both nations have been interpreted as being aggressive and assertive. They are also seen to be premeditated or planned and not really a result of provocation. Both

the nations understand the need for better infrastructure. When it comes to Japan, for instance, it is developing infrastructure not just in its own island disputes but also helping India develop its northeast region. There is a need for collaboration amongst Himalayan partners so it's not just an India-China issue. There are other sovereign nations along the border as well. Last, but not the least, there has to be a certain amount of military preparedness. We saw India partnering in an exercise with the US in Himalayan region in 2022, and in 2023 they moved it to the Alaskan

mountains to kind of mimic Himalayan temperatures and terrain. Similarly India also did the Vajra Prahar in 2023 which was again in Himalayas and lastly, there is this understanding specifically with regard to Himalayas that India needs to make its forces aware of the Himalayan cultures. For instance, recently India started teaching Tibetology to its defense forces in order to help them understand what they're dealing with. What it really comes down to is partnerships; India and Japan realize that they need partnerships, preparedness and proactiveness.



We have to place what is happening between India and China within the current geopolitical context and see if there are ways to see if we can march back some of the salami slicing tactics, changing facts on the ground, or the way that they (the Chinese) eat the cookie one bite at a time. By the time they finish eating the cookie, nobody really notices that the cookie is gone!

– Srinivas Sitaraman

Dr. Srinivas Sitaraman, Professor at Daniel K. Inouye Center for Asia Pacific Studies (DKI APCSS), started with an official disclaimer that he does not speak on behalf of the Department of Defense, the US government, or any of its agencies. I'm here exclusively as an individual citizen and as a person who studies this part of the world.

He went on to point out that, the Indo-Pacific command is the one that looks at the whole of Asia. A former US Indo-Pacific Commander was fond of saying they look from Hollywood to Bollywood, from polar bears to penguins—that was his quote. The region is vast and if you look at the flash points and the strategic priorities, there are many just concerning China, not talking about Russia-Ukraine or the emerging security situation in the Middle East, which obviously has a bearing on what we are talking about today directly.

The first one is that the Taiwan Straits is a big issue, something that we grapple with almost on a daily basis and that our interlocutors and our visitors and the people that we dialogue with bring up every session. There is a sense of urgency there which sort of waxes and wanes on a day by day basis.

The second one is the Korean Peninsula, deeply embedded in the broader Northeast region not just because of North Korea but also whatever happens in Taiwan Strait will have reverberations for the Korean Peninsula as well as for Japan. If you step a little further south,

then you have the South China Sea issue where the key antagonist now for the PRC is the Philippines. And the relationship between Philippines and China much like India and China can flip depending on who is in power in the Philippines. When Duterte was in power, it seemed like the Philippines was going one way, now, we seem to be going another way. Currently, the situation is very tense. There are other players in the South China Sea, particularly Vietnam. However, ASEAN, as a player, is trying to downplay some of the urgency or some of the force with which other partners see the situation.

Then you come down the map, and there's another area that is easily missed in the broader scheme of things, that is Oceania. We look at Oceania very closely, and there a lot is happening with the Solomon Islands, Fiji, Papua New Guinea, and the Republic of Marshall Islands. In Vanuatu, there is a lot of movement with huge infrastructure, economic, diplomatic, and security fronts. Fishing is a huge issue for the island nations, and they recognize the importance of China. For the region, it is a partnership that comes with certain values, but they are also aware of the dangers associated with it. China is also doing what they're doing in South Asia. They're picking off one island or one partner at a time with economic and security incentives.

Lastly and most importantly probably is South Asia, which other speakers have covered the various dynamics along the

border, but let me highlight in the last, say, one month or less than a month, there's been a slight thaw in the political relations between India and China. In the sense, that they are opening up a small window for dialogue, which has not been present in the previous four years. I'm not talking about the Corps Commander level talks but about the talks at the level of the Foreign Ministry. I think India has chanced upon that window because it realizes the asymmetric military balance, overwhelmingly tilts in favor of China. It may not be wise for India to engage in a military contest with a superior adversary unless it is absolutely necessary to do so in that particular region. Therefore, I think there's an opportunity there, but it is not going to last forever.

There are so many changes happening in the region. I particularly want to highlight the intense civil war in Myanmar. We see a lot of reports on how the balance is fluctuating and the Chinese have a problem on the border, and the Myanmar problem has an impact on India and its Northeast as well as in Bangladesh. For that matter, as you know, Bangladesh is seeing a revolutionary change in many ways. A year back, a similar one was seen in Pakistan, and before that, in Sri Lanka. You almost saw another flip, even though it was a democratic change in the Maldives. In all the countries in India's near neighborhood, the role of the People's Republic of China has been felt in one way or another, either in the change of the

governments that were being propelled because of worsening economic or political situation or, due to external pressures. I am also including Afghanistan in this list, which is socially regressing, but it is also sitting on a treasure trove of minerals that many countries particularly China is uniquely placed to extract.

Given this broad geopolitical picture that I have painted here, I think we have to place what is happening between India and China along the border even though it precedes many of the issues that we talked about earlier in this particular session, we have to place that within the current geopolitical context and see if there are ways to see if we can march back some of

the salami slicing tactics, changing facts on the ground, or the way that they (the Chinese) eat the cookie one bite at a time. By the time they finish eating the cookie, nobody really notices that the cookie is gone! The gray zone stuff that they are doing in the South China Sea, the Pacific Islands or in the Himalayas is a perfect example of that.

Looking at the geo-political picture, Dr. Panda agreed that the smaller countries, medium rank or smaller economies in the region should be mindful about China's grey zone tactics, salami slicing tactics and also the economic coercion that China is trying to implement from time to time.



Besides the economic dimensions to China's strategy, there are a lot of political engagements with elites and civil society that China undertakes to undermine the regional order, manipulate public opinion and change the status quo.

– Rahul Karan Reddy

Mr. Rahul Karan Reddy, a Senior Research Associate at the Organisation for Research on China and Asia (ORCA), provided an overview of China's destabilizing actions in the Himalayan region. He began by discussing three overarching ways in which China has over the course of the last decade or so with particular reference to Pakistan, Nepal, and Bhutan altered the status quo and sort of undermined the regional order. The first is trade and commercial interactions, and it isn't just about trade deficits that are being formed between China and Himalayan countries. It's the nature of trade dependencies and the asymmetry of products traded that tells us exactly how China is cultivating these dependencies.

Take the case of Nepal where China's trade relationship is highly biased in favor of itself and it reveals a troubling trend. Nepal's exports to China totaled \$11 million USD in 2022 and Nepal's imports from China were \$1.8 billion in return. But more interestingly, over the past five years, the exports of Nepal to China have decreased at an annualized rate of 16 percent and China's exports to Nepal have grown at a rate of 8.5 per cent – so this is just a very one-sided economic relationship. Even if you take a cursory look at the products that are traded between these two countries, it shows you how these trade relations are skewed in China's favor: China mainly exports communication equipment, computers and industrial goods and in return Nepal

exports a lot of textiles, agro-products and natural resources. Moreover, China's exports are expanding into sectors that Nepal has traditionally been exporting to China. So China is now exporting the same goods at competitive rates and it is eroding any export capacity that Nepal might have with respect to China. This essentially is what will slide into a situation of complete trade dependency as has already happened with Pakistan where the asymmetry of economic engagement is most evident among all South Asian countries.

Another commercial instrument that China deploys is trade facilitation infrastructure. This mainly serves the purpose of indebting South Asian countries and extracting concessions on the basis of them. In Pakistan, for instance, the China Pakistan Economic Corridor (CPEC) has turned into a massive drag on Pakistan's economy. And the fact that China has refused to fund fresh projects due to the lack of progress on existing CPEC projects itself is revealing of how projects like the Gwadar port have become unappetizing investments mainly due to their unprofitability.

This is happening in other Himalayan countries as well. Take the Trans Himalayan Multi-dimensional Connectivity Network which is part of the BRI and is similar to CPEC but it's between Nepal and China. The entire project amounts to about 10 percent of Nepal's entire GDP. It's a very straightforward tactic to ensnare Nepal in debt and establish a lot of leverage.

Besides these economic dimensions to

China's strategy, there are a lot of political engagements with elites and civil society that China undertakes to undermine the regional order, manipulate public opinion and change the status quo. China cultivates a lot of political capital by engaging agents across the spectrum which is clearly visible in Pakistan and Nepal. For instance, in June the China Pakistan Political Parties Joint Consultative Mechanism met to discuss the CPEC. During the meeting all the parties expressed full support for the project. One political party in Pakistan was even banned for criticizing the BRI in 2020. So this is how public discourse and political dialogue is distorted. In Nepal, you have China engaging the Communist parties to enable them to form a coalition government and in 2018 it facilitated a merger of both factions of the Communist Party but the decision was later overruled by the Supreme Court. These political ties are part of Beijing's strategy to cultivate a lot of political capital among elites in the Himalayan region and ensure that support and perceptions of China remain highly favorable.

China engages with elites of all kinds, including those in the media and in the intellectual circles. They do this by funding a lot of trips to China, setting up friendship associations, organizing conferences, conducting public diplomacy campaigns and so on. It's a comprehensive engagement strategy with elites of countries in the Himalayan region and it has greatly influenced public opinion

and official positions in favor of China. This slowly alters the balance of power and the stability of existing relationships. Finally, China's military posture is a clear attempt to use force to change the status quo. The pattern is very consistent across China's border management approach and elsewhere, not just in India, Nepal, and Bhutan.

In Nepal, China has trespassed in Humla district and according to Nepal government documents, China has encroached on 36 hectares of Nepal's land at 10 different places on the northern border. In Bhutan, the government has accused China of unilaterally attempting to change the status quo again by building roads. This happened in 2017 and more recently, it happened in 2023. These are very briefly some of the ways in which China has gone about altering the status quo in an effort to become a dominant hegemonic force.

I'll quickly highlight very two significant trends in the region that I think are relevant for the future. The first is multi-alignment with respect to Nepal, Pakistan, Bhutan. Smaller countries in the region are increasingly pursuing multi-alignment to hedge their bets and it's become a source of strength for these countries but it also has its drawbacks as smaller countries are keener to leverage their positions in the interest of maximizing the benefit they can get from larger regional players. China's neighborhood strategy has identified this and it is well positioned to attract countries into China's orbit by offering them what is

perceived to be the best deal.

The second trend is water and transboundary rivers which are going to be extremely significant for the immediate future. All the main river systems of South Asia originate in Tibet and China's control of Tibet is complete along with the fact that they are increasingly willing to dam these rivers. It is a highly worrying trend for a water stressed region like South Asia and countries in the Himalayan region are locked into a cycle of water insecurity that involves dam building to secure a precious resource. China's is aware of this strategy and is willing to leverage its hydro hegemony. It will have a greater impact as the decades go by and as water becomes more of a security issue.

Dr. Panda, invited the participants to have a further follow-up discussion about what specifically a country like India could do, as it has been mentioned that India is the only challenger. Rising India is indeed becoming a challenge to the rise of China. Keeping this aspect in mind, what India and the Western alliances, particularly India and Japan and India and Europe could actually collaborate on pertaining to the Himalayan regions. Is there a scope to collaborate? Of course, when it comes to the boundary dispute and I think officially both China and India would like not any external actors to interfere there but there are a number of other issues in the Himalayan regions, particularly the

ecology and environmental issues, water issues, glacier issues, then the connectivity and the corridor issues, which concern not only the smaller countries in the Himalayan regions but also many external actors. India's foreign policy narrative welcomes the Western countries to come to the region and to invest and take advantage of India's foreign policy planning, particularly, the way India is trying to develop corridors and connectivity in the region.

Prof. Vincent Wei-cheng Wang said in the South Asian context, China is butting heads with India because this region traditionally is India's strategic space. China fully understands that in order to become dominant it must displace India in this area. Just like China would say that the Pacific Ocean is large enough to accommodate two great powers, it means that it is trying to gradually supplant and expel the US. So what can the US and other countries do? I think that the notion about India as a partner has improved a great deal. Gone are the days when India was allied with the Soviet Union and otherwise practiced an "independent" foreign policy, but I think India is still very hesitant about increased alignment with the United States. But let's also remember that just like in the South China Sea context, in the Himalayan case the US would be an offshore balancing power so this will be like Great Britain playing the role of an offshore balancing power for

Continental Europe balance of power. So India must play a leading role in allying with all those small countries in South Asia but at the same time convince the US or at least let the US see the common interest of playing the role of offshore balancer.

I think there are a few things that they can do. One, is that, for instance, China has been very active in using economic means such as infrastructure, trade and connectivity to increase its relationship with these smaller South Asian countries. I think the US could consider maybe using a strategic rationale to open a discussion about free trade agreement with some of these countries. It would be surprising to many of us that the US has free trade agreements with only 20 or so states and some of them are not on economic grounds. For example, I cannot imagine that US has a very strong economic rationale for FTA with Jordan or Oman or Israel, but a rising economic power such as India is another matter. If India and the United States have a FTA I think that will symbolize an enhanced relationship beyond the purely strategic aspect but it is more difficult at this moment and I think that other countries should also learn from regions such as South China Sea and realize that their best approach with China is actually multilateralism, not bilateralism. This is why China prefers to deal with each and every Southeast Asian country bilaterally because in every bilateral context, China is much more powerful and it can exert leverage.

I agree that the Himalayas is actually

a global commons. There are international treaties regulating, for example, the obligations of upstream states. In this case, China would be the upstream state because all the great rivers originate in the Tibetan Plateau. They cannot simply just dam the water and cause cycles of drought and flood in the downstream states so that discussion must be multilateral.

Dr. Panda then posed the question: Do you think practically it is possible for India and the US to collaborate and check China's hegemonic strategy? If yes, what could be done practically particularly when it comes to protecting the Himalayan region, the commons, particularly the glacier environment, water issues? Can there be a real ground level strategic understanding evolving between India and the US in the Himalayan region?

Dr. Frank O'Donnell said he would first focus on the security aspect and then the military and economic ways that the US and India can cooperate. In the security field, with security in its broadest meaning, I think there do need to be candid discussions between Delhi and Washington about ultimately the kind of end-state each would like to see for the Himalayan region, as well as more widely in South Asia and the kind of complementary roles each capital can play toward that end.

I also understand that there's been frustrations from Delhi in the past when the US has been seen to be providing military equipment to non-Pakistan states in South Asia without prior consultation with India. So there needs to be candid diplomatic discussion between the two capitals, and I think a larger perspective of enabling the South Asian Himalayan states to stand on their own feet and protect their independence as sovereign states while still delivering for their citizens. There should be at least that perspective as the minimum shared security vision Washington and Delhi can adopt, and then the military and economic cooperation pieces can come downstream of that.

In the military field, I think there first needs to be clarity around the kind of net security provider that India wants to be. There are concerns in the US around the persistently low Indian defense budgets, despite the Chinese challenges to India itself. The Indian Army has had to effectively weaken its posture against Pakistan, in order to meet the growing Chinese threat, retasking the existing I Strike Corps from Pakistan-centric to Chinese-centric missions. Added on to this is the Atmanirbhar Bharat defense technology indigenization thrust, and its likelihood of being able to field the defense technologies that India needs yesterday. Clarifying what India is looking for will help in turn shape the scope of US military assistance to these Himalayan states. For example, there could be greater scope for

US Foreign Military Financing technology deals with these Himalayan States – but clarity on India’s own position, and perhaps its ability to provide these technologies instead of the US, can ensure the support is most effective. While these big questions are being resolved, I think in the meantime there is scope for things like joint US-India training on mountain warfare and border protection with Himalayan states. This would be a useful measure, and perhaps potentially scale this up to include these states in the annual US-India Yudh Abhyas army exercise.

There does need to be closer US-India economic cooperation to provide that effective counter to Chinese economic penetration. This could be run through the Quad if necessary for Indian political reasons, which would also help in linking together the growing Japanese and Australian interests in improving economic ties and investment in South Asia and the Himalayan region.

Something that is being looked at in DC is a broader re-calibration, or resetting of expectations, from the India relationship. We’ve seen a bit of a learning curve in the US in terms of working with a state like India in the last couple of years. For example, we saw this huge surprise in Washington, and in particular in the US Congress, about the initial Indian diplomatic positions toward the Russia-Ukraine war. This really stems from the fact that the US Congress in particular just doesn’t have a lot of experience

dealing and working with a partner which deviates from US preferences any further than, you know, France under De Gaulle. I think there’s been a learning curve in the US, since then but at the same time there’s been a resetting of expectations. So I think there’s been a quiet US move away from expecting significant Indian military support in a Taiwan contingency. When you get to the larger North Korean questions in the future of the Korean Peninsula, I’m not sure if we can expect that India would be kind of a leading player in resolving that beyond diplomatic support.

So I hope that there is scope there for expanded cooperation, but there needs to be a fairly candid exchange of perspectives on those end states for the Himalayan region. It is ideally the best starting point, as well as arguably the most urgent for India, so the two capitals can build forward from there and then decide how they can work together most effectively.

Dr Panda agreed that there has to be a closer understanding between India and US particularly keeping the geopolitical environment in mind and there is a scope to talk about greater collaboration not only within the Quad but outside the Quad ambit and also keeping the Taiwan contingency in perspective but this also encourages me to draw Srinivasa’s attention again trying to link it with the big picture. Given the fact that between India and the

US, there are four foundational agreements particularly on security and defense issues, do you think is it sufficient that India and the US could collaborate within those agreements in the Himalayan regions and outside the Himalayan regions or is there something specific we need in order to discuss the issues, challenges and threats in the Himalayan regions. If yes, what are those possible agreements and what issues should be covered in those agreements? How do you really see the emerging security concerns arising in the region particularly after the Ukraine war and given the kind of authoritarian buildup is happening with China and Pakistan, with closed networks emerging between China, Russia and North Korea? Do we need something else between Indian and the US to address Himalayan issues?

Dr. Srinivasa Sitaraman said the historical frustrations that India and the United States have experienced are resurfacing in quite an urgent manner. The frustrations are largely happening because there is an excessive amount of focus or a naturally excessive amount of focus on India's domestic issues, which is getting a lot of coverage in Washington. That also drives a lot of wedges in the mutual relationship. I think the way India is also reacting in its public posture has been a little bit sharp, I should say "sharp diplomacy" as India's external affairs minister himself has described it, and the sharpness has

only gotten more edgier in the past six months or so as elections in India were conducted. The elections of Ms. Hasina in Bangladesh and where India was aligned on it, and we will have to see what the narrative is coming out as we speak about the changes in Bangladesh and also about India's treatment of its own population in certain areas. All this has almost overtaken the bilateral dialogue and I think I agree with Frank that there needs to be more honest and 1-on-1 bilateral conversations between India and USA, maybe off the books without having external issues impinge on them. I know this is easier said than done. I do not think there is any particular appetite for it in both countries for that presently.

Both countries are charting their own path regarding security and domestic issues. The United States as you know has a big election coming up, and that is going to determine a lot of how the policy shapes going forward in there. The defense issue, particularly foreign military sales, has been in the media for a long time. India has been buying Russian oil that has been a source of concern. India has been buying Iranian oil also although its footprint has reduced significantly on that particular count. The Indian prime minister's relationship with Moscow has been a particularly sore issue. India has been asked to take a public stand on Ukraine and it has been historically unwilling to do so because it would mean that it has to give up on its special status of relationship with Moscow. That also has

a bearing on the defense procurement and defense acquisition strategy that has been very slow and is mired in domestic politics. India has not shown a greater urgency in procuring big defense purchases. This could be a budget issue, could be a domestic politic issue, or *Atmanirbhar* (self-reliance) policies; the latter has been around for a long time.

India has been trying to produce a light combat aircraft, its own tanks, machine guns, you name it, but the production capacity is not scaled enough to meet the urgency of the situation. So therein is the challenge. Even the United States is grappling with a significant issue with the defense industrial production base. The chipsets are made in Taiwan and the ammos are being produced in different parts of the world and not every 155mm gun can fire them. So there's a lot of issues that the US itself is facing, and I think India has not shown, at least in a public urgency, on that matter. In fact, it is trying to steer the conversation or dampen the urgency of the issue in the Himalayas, and that has been a concern for some analysts. The way of going forward is to find a mutual ground where the US can play a role as a stabilizer in the region that it has historically done. With many political transitions happening in the smaller South Asian countries, India is also leaning in such a way that it is telegraphing to China that India is defensively prepared with external support to be able to counter the challenges on the northern front.

Dr. Panda requested Rahul to address the question of India and Nepal relationship. Here is one country which is actually creating debt traps in the region particularly if we take into consideration the case of Sri Lanka or for that context you know a few other countries from outside the regions. So Nepal should actually have a realistic review about China's Belt and Road Initiative. What would you recommend to our Nepali friends to review some of the Chinese projects which come wrapped up in a charm offensive but eventually trap them in the longer run?

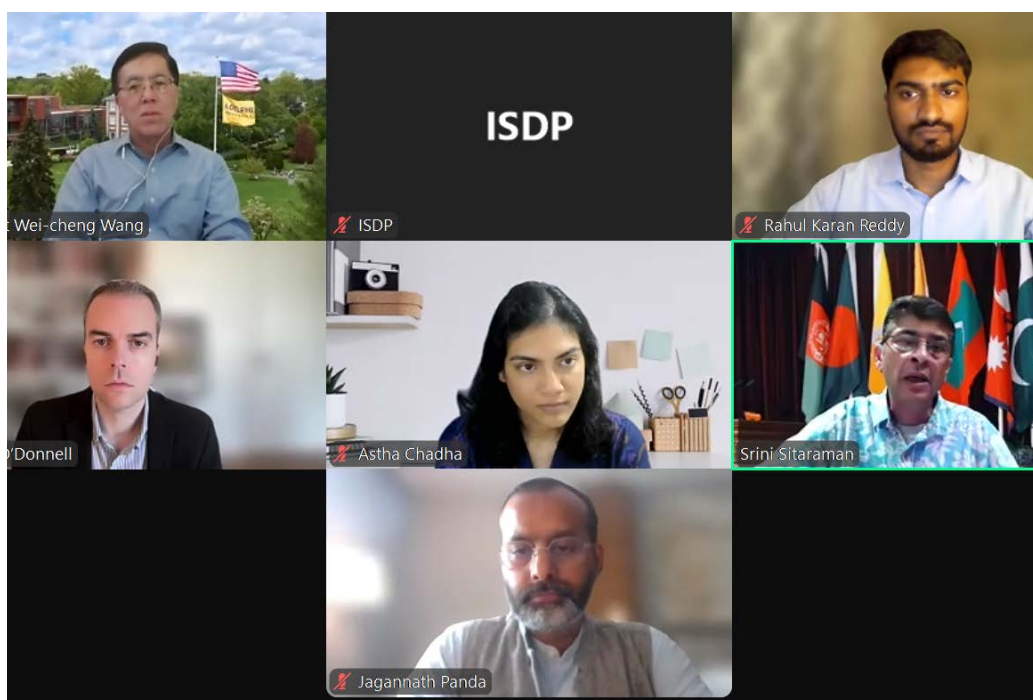
Mr. Rahul Karan Reddy pointed out that the realization that Beijing's inroads into South Asia have a destabilizing effect has always been there in India. I think this thinking has become more prevalent over the last few years and but India's unilateral actions have been rather agile and effective after over the last few years. With respect to Nepal, I think the first thing to do would be to counter the narrative that China promotes, that it offers the most reliable development partnerships to countries in the Global South. India has vocalized that it has a differentiated development outreach and it contrasts this to the kind of development model that China offers, and it does so by emphasizing that unlike debt from China, its own development partnership focuses on the sustainability of debt and also on transparency in the processes related to disbursement of

finance and project development. India has brought these concerns to the forefront and flagged them as serious issues associated with China's development partnership narrative. It has indicated how India's own development outreach is rooted in democratic principles and it involves consultations with local stakeholders, is in adherence to local laws and norms while delivering on promises at the same time. For some time now, the BRI and China's development narrative had no answer, no counter. India has been partially successful in presenting a more clear and realistic picture of the BRI to countries in South Asia and it's already working at least with respect to Nepal because Nepal has a BRI implementation program and it's not been signed in about six seven years. There is not a single BRI project in Nepal and the railway that is often discussed is a highly unfeasible project. The feasibility study has just been commissioned for which some funding has been released but not for the project itself. There's no absorption capacity for it and some of the officials in Nepal are uncertain of its professed impact. There are a lot of these unviable projects that China has presented and over time countries are becoming familiar with dealing with China. I think Nepal and some of the smaller South Asian countries have become a little more wary about dealing with China especially when it comes to large big-ticket infrastructure. There's another way in which India has sort of been countering China in the Himalayan region

and that is with respect to infrastructure buildup within India itself. This is to sort of check Beijing's military aggression in disputed areas, so projects like the Arunachal Frontier Highway and the Sela tunnel and several other highway projects, tunnels and bridges are all signaling India's will to stand up to salami slicing tactics along the Himalayan region. The border villages program is also part of that same effort. The point is to establish this border infrastructure as a major signal to China that China will have to incur greater costs if it wants to alter the status quo.

I would recommend solutions that expand India's development outreach. India should look to offer development solutions that are sustainable, driven by local demand and developed in partnership with trusted actors. A great example of this is third country cooperation that India and Japan are engaged in in the northeast of India and in Bangladesh. I think such arrangements bring trade facilitation infrastructure into South Asia and need to be accelerated and institutionalized.

Another effective way of countering China would be to leverage soft power. India has significant cultural and social linkages with the Himalayan countries. China doesn't share the same linkages and what it does share is via Tibet and those are being eroded slowly by China's heavy hand in the province. So India's soft power has great reach and potential to shape public perceptions. The public opinion survey I conducted in Nepal last year revealed that



more than 65 percent of the respondents that I spoke to described India as more relatable and as a “friend”. Perceptions of China were more transactional.

Finally, I think India should shoulder the effort to build more global partnerships via institutions which are gateways for international engagement in South Asia. The Bay of Bengal in Initiative for Multi sectoral Technical and Economic Cooperation (BIMSTEC) in this regard has recently acquired legal personality, and can now involve new members in its engagements. This institution can match what China is offering by promoting regional integration. There’s the motor vehicles agreement and the coastal shipping agreement, which are regional integration initiatives that bring the South Asian countries under a regional framework for connectivity. There is also the opportunity to engage via manilaterals

like the BBIN (Bangladesh Bhutan Nepal and India). Under these broader institutional arrangements, you have smaller cooperation frameworks that can work. When these arrangements deliver on the promises and they align with the value systems of South Asian countries, they can counter China’s efforts to establish a Himalayan quad.

Dr Panda: Could Japan be a greater partner of India in the region particularly given the fact that Japan is already the largest investor in the northeastern part of India? Can Japan take the risk of investing in the core Himalayan regions, say in the Ladakh region? Japan is still having good relations with Pakistan and even China, which is one of the key economic partners of Japan. So can Japan take that risk with India and

if yes, what are the sectors and further initiatives that India and Japan should take in the region in order to strengthen the partnership and how is it really going to benefit Japan?

Dr. Astha Chadha tackled the question in two parts. One is to highlight why Japan is the preferred partner for India really when it comes to the Himalayan region or such a sensitive geography, and two, what they are doing and what they're not doing effectively.

So why Japan? One of the biggest reasons is that Japan does understand that India wants a very specific issue-based engagement with a third partner especially in sensitive regions such as in India's Northeast. Japan is willing to put in the money on Indian terms, which means that it's not going to impose any other conditions on India and aid India in the way India needs it. The second important thing is that Japan also understands what an antagonistic nuclear pair could look like. Japan is already dealing with China and North Korea. It knows what a security issue could look like and when it analyzes India's position versus China and Pakistan, it does understand India's vulnerabilities in that aspect. Third, Japan also understands how China is trying to slowly nibbling the cookie till it really eats it all up. This is why the Japanese Diet in 2022 began recognizing issues of Tibet or sensitive issues of Hong Kong as pertinent to human rights violation

and a challenge to the status quo. This was new coming from Japan.

Japan can provide an alternative to the Chinese model of development. In general, Japan has a very good track record. There is no issue of financing, there is even lesser issue of quality. All the projects are really running well and there is no direct political implications for the projects unlike the ones that we see with China. Lastly, why India got very interested is that Japan has recognized Arunachal Pradesh as a territory of India, as reiterated by current Prime Minister Kishida in Japan when he was the Foreign Minister back in 2015.. That angered China because it came across as very confrontational but Japan held on to its position, and so did the US before that, so India felt like this is one partner we can rely on.

Additionally, Japan has more experience when it comes to disaster risk management in fragile economies as well as environmental issues so there is that knowledge that can be exchanged. Japan under Kishida came up the new Indo-Pacific strategy wherein connectivity is a key pillar and Japan highlighted one, India as the key partner of choice within the Indian Ocean region and two, Northeast region of India and strategic islands around India as points wherein Japan is willing to invest. The strategic islands I'm talking about are the Andaman and Nicobar Islands which are very close to the Malacca Straits.

Further, there is very direct relationship

between Japan's idea of Expanded Partnership for Quality Infrastructure and India's Act East Policy. What must be noticed here is that when Doklam happened in June 2017, very quickly in September 2017, India and Japan established an Act East Forum which was very much focused on Northeast India and developments there. There were two main objectives, one was to promote connectivity, economic development and livelihood of the people there alongside environmental conservation in India's very less developed northeast but also to connect the northeast to the Bay of Bengal and the wider ASEAN region. The connectivity angle provided Japan with an opportunity to step in as the only partner that India was willing to have in that sensitive region.

When we look at India's Northeast region, the Japanese projects range from building dams and roads to helping people with medical facilities, water supply, and people-to-people exchanges. Japan's responsible debt financing practices allow Japan to pitch projects in BBIN countries and connect them to both the Bay of Bengal and ASEAN nations by building ports and other facilities.

Japan and India have together also launched the Asia Africa Growth Corridor (AAGC). Although I am not very satisfied with the way the development of that project is going because it continued to slow down, especially during COVID but it was a good example of an alternative

partnership that could exist by two countries that don't appear antagonistic or in any way want to encroach on any other country's territories. Of course, India and Japan strengthened their partnerships with the Acquisition and Cross Servicing Agreement, the Malabar exercises, joint naval exercises. Japan is simultaneously trying to not provoke China while trying to invest in more projects in Bhutan, or Nepal which don't appear outright confrontational and close to Chinese territory or too close to the LAC for that matter. But these projects are helping India build key road connectivity projects that provide access to sensitive areas to both India and other smaller nations.

The India-Japan partnership is running some successful projects such as the Matabari port in Bangladesh. Given the current situation in Bangladesh it is yet to be seen what's going to happen eventually but as of now that project is active. There is an understanding between the three nations, Japan, India and Bangladesh, that this is important to their connectivity. Further, within the Himalayan region Japan has already identified 11 corridors which are clearly road and highway projects. So it's going from bilateral to trilateral to multilateral very quickly given a successful Indo-Japanese diplomacy and partnership. Lastly, India and Japan have officially named their collaboration as 'Connecting Himalayas and Mount Fuji'. Although it is presented as a policy for cultural understanding but then there are

security undertones to it. Japan and India together are beginning to understand why Japan needs to push itself a little bit deeper into where India's vulnerabilities are and help India there, and at the same time help India also establish itself as an alternative player within the wider Indo-Pacific region where they lack presence.

I think that's very pertinent because one example that comes to my mind is the Jakarta Bandung railway project which China won vis-a-vis Japan. What we need to understand is that Japanese strategies for quality infrastructure have impacted China and how China is revamping its BRI projects. There are lessons to be learned and this is a learning that all countries together need to understand. This is not just a case of Sri Lanka. This is a fairly recent case wherein a certain amount of money was promised and the Indonesian government shouldn't have had to take that much of a financial burden but they suffered both the financial burden and the delay. I think the region in general is understanding what is happening and they are weighing the pros and cons of picking Japan or India or China as their preferred partner.

On the other hand, we must understand two things. One, a lot of times these projects and who wins these projects has to do with domestic politics and how China's checkbook diplomacy sometimes wins. Two, India and Japan are a bit hesitant. Japan still wants to be or would prefer to be seen as a pacifist, peace-loving nation. Similarly India wants to appear non-

confrontational to China. So even though there are avenues wherein like I mentioned all these projects which have just started, so New Delhi and Tokyo can really expand them to include more partners but we need to weigh in the fact that they're constantly trying to balance with China and trying to make sure that China doesn't perceive them as completely antagonistic.

Dr Panda pointed to two specific questions in the chat Q&A box. First, there was a mention is the discussion about China building and eventually exploring one-sided trade relationships. Can the panelist highlight areas where trade complementarities could be built between India and China? Two, how can India manage anti-India sentiments in Nepal especially with the Nepali elites?

Dr. Frank O'Donnell said trade complementarity is very difficult at the moment. Going back to what was previously said about there being a bit of a thaw between the MEA and China MOFA, we're seeing in India a recognition that it simply hasn't got an economic-industrial base distinct enough from requiring Chinese components for electronics and things like that. So, for example, Indian businesses are calling for some of the post-2020 restrictions on China trade to be lifted. I don't think this necessarily helps India long-term, and I think that ideally

the kind of complementary trade would be one where a developed India was able to essentially do what China is doing now, and sell sophisticated high-end technologies at low-cost price into China to be more competitive against Chinese products. But right now it is difficult to see a kind of a complementary trade relationship between India and China, given we know how much China does weaponize trade.

Mr. Rahul Karan Reddy agreed, saying that the idea of India and China having trade complementarities doesn't seem realistic anymore especially now that we know the way China weaponizes supply chains and leverages its dominance especially with respect to renewables, lithium, all kinds of critical technologies and materials. I think the appetite for exploring or even discussing trade complementarities with China is very limited in India at the moment but recently there have been a few signals about allowing Chinese FDI back into India. It's a bit of a roundabout way of dealing with the problem because the trade deficit is a sensitive issue. You're able to reduce the trade deficit slightly by allowing the factory to be established in India and I think that is the thinking at the moment so that's why there is a bit of a conversation going on about allowing Chinese FDI into India at the moment but it's mainly focused on a short-term objective which is to reduce the trade deficit

but not actually alleviate the dependencies on China. If you just look at the trade, the import-export profiles of both countries—which is something we do at ORCA we have a trade dashboard that looks at all trade between the two countries from the most generic level down to the most specific level, every single product—you can tell that there is an asymmetry in the relationship. There are deep dependencies that China will exploit and can exploit, so even a conversation about trade complementarities doesn't appear to be on the horizon.

Coming to anti-India sentiments in Nepal, there are opportunities that present themselves to India when certain events and developments in Nepal offer India of the opportunity to take advantage of those events and show support. That's a great way of mending fences with Nepal and building up that positive public opinion back up again. The anti-India sentiment in Nepal is because mainly of the 2015 blockade and there have been efforts to repair the India-Nepal relationship since then but it's an on-and-off thing. But in 2021, there was an earthquake in Nepal and I felt like that was an opportunity to restore how India deals with a humanitarian crisis at its doorstep. Apart from that, a lot of public diplomacy work goes on in Nepal. There's a lot of investment in the education sector and a lot of Nepali students look to come to India, so making it easier for them to access education and even the job market here in India is necessary. All of those

things would cultivate and create a lot of favorable impressions among the younger generation of Nepalis.

Dr. Panda then invited the panelist to share their thoughts very briefly as to what are the urgent issues in the regions that we should or the Himalayan neighbors should take into account about China's revisionist strategy in the Himalayan region. What are the two key points or trends that are problematic that countries like Nepal, Bhutan, Bangladesh, including other countries like Sri Lanka should take a note of it and probably should take a step back at Chinese offers at face value. Second, what should India and the US or India and Europe or India and the other Indo-Pacific partners do together in order to create a kind of a challenge to China in the Himalayan regions?

Dr. Srini Sitaraman said, that the 2015 blockade of Nepal is definitely one such sore point. So the problem with India's near-neighborhood policy is that it has a long history. During the British colonial India where all the countries surrounding India were part of it one time or another. Now India sort of is the big tiger in the region and these are smaller sovereign countries. There's a perception that rightly and maybe wrongly that it (India) has mismanaged its relationship. There's a long history with Sri Lanka and it doesn't

need to be revisited but recently I think they moved the button I should say or moved the chess piece a little bit post collapse of the Rajapaksa government. India's relationship with the Ranil Wickremesinghe government has been modulated. If you take Maldives when the current president Mohammed Muizzu came into power, the relationship was really rough for first few months with the Twitter war and so on, but now it seems to have stabilized a bit. India has removed its small contingent of HADR personnel from one of the outer islands of Maldives and the External Affairs Minister of India just met with the President of Maldives. The India-Nepal relationship needs a little bit of work. The India-Bhutan relationship probably is the best out there. India and Bangladesh may face some friction as India sided with the Hasina government and that is going to produce enormous frictions for India with the new government, whether it is the government of Dr. Yunus or the potential future BNP government. They are not going to be what Prime Minister Hasina was and that's definitely a tough neighborhood situation.

I often tell people, India's got so many problems in its neighborhood, they don't even have time to look at Southeast Asia or the South Pacific Islands. It is so preoccupied with its own neighborhood, and that is both a benefit and a significant constraint that it is not able to punch out of the boxes that it is within. For example, I've been calling for a more robust relation

with Taiwan but the Indian government has been a little bit more resistant to it as historically they don't want to poke the bear or poke the dragon in this case with the Taiwan relationship. There is also a great opportunity for India to build its technology industry with Korea and there is some relationship in automobiles, some relationship with cellular phones, but the Korean industrial capacity especially in port building, ship building, maritime capacity, with submarines is pretty extraordinary. What Korea has achieved is parallel to Japan in many ways. There is an opportunity there that needs to be tapped. Even the India-Japan partnership in the area of trains has proceeded a little bit slowly than many people would like. But for all the reasons, there's one elevator pitch—let's be urgent about it, let's seize the day and move the cart forward rapidly.

Dr. Astha Chadha reiterated that India really needs to rethink and revamp its Neighborhood First policy because even though India would like to prioritize its neighborhood, it needs to also ensure that the neighborhood says India First and not India Out, so that's really important. The onus lies on India to be vigilant about what China is doing in the Himalayas, what China is doing in the Indian Ocean region, to maintaining a dialogue mechanism, including all partners in that discussion. If SAARC is an issue, there is BIMSTEC, there is BBIN and nothing is

stopping India from creating another such platform with other partners. India really needs to proactively look at promoting the understanding of what China is doing and how it could actually impact the region as a whole.

Then, there is a possibility and a big possibility of potentially partnering with EU as a whole or certain EU nations because EU has a lot of technological advantage and scientific research regarding glacier melting, tackling disasters in the Himalayan region. These are issues on which probably an India-EU partnership will not look confrontational to China but just collaborative or developmental. Similarly with India and Korea, I think India is kind of missing out on that opportunity because Korea recently announced that in the next few decades it's going to pull Nepal out of the least developed country status. That is the kind of opportunity India needs to seize and say how about we partner with you and help Nepal do that. India hasn't done it yet but it would be a welcome step.

Similarly, there's a lot more India and Japan can do but bureaucratic pressures and political issues try to pull those initiatives down. But again India needs to be more active on that front and lastly, I think India needs to also start taking new initiatives in the region and not merely responding to China because Indian foreign policy more or less still looks like it is always responding and is always on the back foot at all times. I'll sum it up

where I began earlier by saying that India needs to do more on three fronts as a whole in terms of preparedness, in terms of more partnerships, and in terms of more proactiveness.

Professor Wang: From someone who actually has a lot of admiration for India, I think it is time for India to begin behaving more like an establishment power rather than an anti-establishment power now. Our immediate topic today is China's hustle in the Himalaya. My question is why should other people or other countries care about India's agenda if India cannot reciprocate or show more empathy and understanding. Let me just give you one example.

I am joining you from Vilnius, the capital of Lithuania. It's a small country with a population of 2.88 million, smaller than many Indian cities. They have Ukrainian flags flying all over, even in front of their presidential palace. Look at what India is doing- India is buying Russian oil buying Iranian oil and so on and is very hesitant to join the condemnation against Russia. It would not be wrong to say that India in some ways is actually behaving like China. China is doing the same so I think India need to change. India needs to revamp its neighborhood policy. I think the Indian Foreign Service of 800 people, all very elitist, but it's too small for a country of 1.4 billion people to work on a lot of issues. If India seeks more cooperation and solidarity from other countries, it cannot afford to practice

very parochial foreign policy.

Mr. Rahul Karan Reddy highlighted a few policy angles for India to consider. India's investment in critical infrastructure in South Asia needs to be accompanied by a lot of standard setting and regulatory integration to bring Himalayan countries and South Asia under a regional framework of standards and norms. This could be in the domain of cross-border electricity trade, digital public infrastructure, railways and all kinds of development projects. You need institutional vehicles to achieve this. If you're going to do it outside a bilateral setting in BIMSTEC, etc, then these other regional frameworks need to be energetic and vitalized.

Second, India has conducted joint exercises in the Himalayas and other strategically important regions. I think it is necessary to improve interoperability and operational readiness and this engagement needs to be regularized and institutionalized. Finally, I think technical education and training programs to build up human capital in smaller countries in South Asia is absolutely vital because these programs provide the smaller countries the autonomy that they need and want. They also provide them the self-reliance they seek and they also eliminate the need for China to step in. This has a bearing on positive public perception as well. For example, in Nepal there are no railway engineers to man certain cross-

border railway lines, especially like the one connecting Bijalpur to Jayanagar. Such technical education programs fill important gaps and I think they should be a priority in any regional or international aid or development initiative.

Dr. Frank O'Donnell responding to the second question, said, it's a challenge especially with the EU in particular in terms of making the sell that it should be spending a lot of aid money elsewhere. Given its demographics as an aging population, it always wants money to be spent within the EU. I think framing it to the EU in terms of climate resilience – which I know is not the focus of this webinar – is perhaps a stronger argument to the EU for why there should be more developmental spending in the Himalayas to counter that of China. From climate resilience we can get into phrasing aid as being about human security and so on. I think that's perhaps a valuable avenue and way of framing it to unlock that kind of development to complement that of Japan and India.

I also think – and I'm sure that the states are already doing this – it would be perhaps wise for the Himalayan states to work on developing their own independent relationship with Washington. Doing so obviously helps get them more on Washington's radar for their own end, but it also should help ideally compel that kind of US-Indian conversation. This

is because India's diplomacy does tend to be fairly reactive, and with regard to its neighborhood, fairly intermittent. So if India reacts if something is happening in the neighborhood, such as significant independent Himalayan state outreach to Washington, you can kind of use that tendency to perhaps compel hopefully permanent Indian interest in the region through partnering with Washington.

My last point is in response to earlier comments, is that I'm less concerned with India buying oil from Russia because I think Russia has been comparatively losing money on this oil. It's creating a hole in its budget because India is one of the few buyers that can negotiate down the cost of Russian oil. The second part is that if it doesn't get sold to India, then more of it would likely go to China, and even further deepen Russia's economic and strategic dependence upon China. So for those kind of strategic reasons, I'm not really as concerned about India importing Russian oil.

Dr. Panda thanked all the panelists and participants for a useful and enriching discussion. It has really been beneficial in terms of understanding what India could possibly do not only with the west but on its own in the Himalayan regions. And how the smaller countries in the Himalayan region should behave keeping in mind how the Chinese are changing the status quo in the region.

KEY TAKEAWAYS

- China is building upon what it has while continually seeking fleeting windows of opportunity to push forward and gain a strategic height or additional territory. We saw this with the effort to take a Yangtse ridge near Tawang in Arunachal Pradesh in December 2022.
- China is a rising power with global ambition that wants to connect two strategic realms– East Asia and South Asia. And in South Asia, the only real contender is India. There's a contest between a rising China and rising India. In order for China to establish strategic eminence, it must supplant, suppress or displace India.
- Chinese perception is different. One, it doesn't see a space for two powers rising at the same time and two, it doesn't really see India as an equal contender either. This is why there's this Himalayan hustle because China has an understanding that by partnering with other nations that are India's neighbors, they could actually push India into a certain corner where India really does not rise and start becoming a challenger to China.
- China insists its actions are a result of provocation by other neighbors but there is also this slight hint of everything being either pre-meditated or planned when it comes to how and why China chooses to attack or how and when China chooses to behave a certain way with a neighbor. Anytime that there is a friction at the LAC or across the Himalayas, the outcome is gain of land for China.
- There is a need for collaboration amongst Himalayan partners. It is not just an India-China issue. There are other sovereign nations along the border as well.
- There has been a slight thaw in the political relations between India and China in the last month or so. In the sense, they are opening up a small window for dialogue which has not been present in the previous four years. I think India has chanced upon that window because it realizes the asymmetric military balance which overwhelmingly tilts in favor of China. It may not wise on the part of India to engage in a military contest unless it is absolutely necessary to do so in that particular region. So there's an opportunity but the opportunity is not going to last forever.
- Smaller countries, medium rank or smaller economies in the region should be mindful

about China's grey zone tactics, salami slicing tactics and also the economic coercion that China is trying to implement from time to time.


- Apart from trade and infrastructure building, Beijing's strategy is to cultivate a lot of political capital among elites in in the Himalayan region and ensure that support and perceptions of China remain highly favorable. They do this by funding a lot of trips to China, setting up friendship associations, organizing conferences, conducting public diplomacy campaigns and so on. It's a comprehensive engagement strategy that has greatly influenced public opinion and official positions in favor of China. This slowly alters the balance of power and the stability of existing relationships.
- Smaller countries in the region are increasingly pursuing multi-alignment to hedge their bets and it's become a source of strength for these countries but it also has its drawbacks as smaller countries are keener to leverage their positions in the interest to maximize the benefit they can get from larger regional players. China's neighborhood strategy has identified this and it is well positioned to attract countries into China's orbit by offering them what is perceived to be the best deal.
- All the main river systems of South Asia originate in Tibet and China's control of Tibet is complete along with the fact that they are increasingly willing to dam these rivers. It is a highly worrying trend for a water stressed region like South Asia and countries in the Himalayan region are locked into a cycle of water insecurity that involves dam building to secure a precious resource. China is aware of this strategy and is willing to leverage its hydro hegemony. It will have a greater impact as the decades go by and as water becomes more of a security issue.
- Like in the South China Sea context, in the Himalayan case the US would be an offshore balancing power. So India must play a leading role in allying with all the small countries in South Asia but at the same time convince the US or at least let the US see the common interest in playing the role of offshore balancer.
- Other countries should also learn from regions such as South China Sea and realize that their best approach with China is actually multilateralism not bilateralism. This is why China prefers to deal with each and every Southeast Asian country bilaterally because in every bilateral context, China is much more powerful and it can exert leverage.
- There does need to be candid discussions between Delhi and Washington about ultimately the kind of end state each would like to see for the Himalayan region as

well as more widely in South Asia and the kind of complimentary roles each Capital can play toward that end.

- With respect to Nepal, there is need to counter the narrative that China has that it offers the most reliable development partnerships to countries in the Global South. India has vocalized that it has a differentiated development outreach and it contrasts this to the kind of development model that China offers, but more needs to be done.
- Another effective way of countering China would be to leverage soft power. India has significant cultural and social linkages with the Himalayan countries. China doesn't share the same linkages and what it does share it shares via Tibet and those are being eroded slowly by China's heavy hand in the province. The public opinion survey in Nepal revealed that more than 65 percent of the respondents described India as more relatable and as a friend. Perceptions of China were more transactional.
- India should shoulder the effort to build more global partnerships via institutions which are sort of gateways for international engagement in South Asia. The Bay of Bengal in Initiative for Multi sectoral Technical and Economic Cooperation (BIMSTEC) in this regard has recently acquired legal personality, and can now involve new members in its engagements. Under these broader institutional arrangements, you can have smaller cooperation frameworks that can work.
- The idea of India and China having trade complementarities doesn't seem realistic anymore especially now that it is known that China weaponizes supply chains and leverages its dominance especially with respect to renewables, lithium, all kinds of critical technologies and materials.
- EU has a lot of understanding, technological advantage and scientific research regarding glacier melting, tackling disasters in the Himalayan region. These are issues on which probably an India-EU partnership will not look confrontational to China but just collaborative or developmental.
- India is kind of missing out on an opportunity because Korea recently announced that in the next 10-15 years it's going to pull Nepal out of the least developed country status. That is the kind of opportunity that India needs to seize and say how about we partner and help Nepal do that. India hasn't done it yet but it would be a welcome step.
- Technical education and training programs to build up human capital in smaller countries in South Asia is absolutely vital because these programs provide the smaller

countries the autonomy that they need and want. They provide them the self-reliance they seek and they also eliminate the need for China to step in. This has a bearing on positive public perception.

- India needs to also start taking new initiatives in the region and not merely responding to China because Indian foreign policy more or less still looks like it is always responding and is always on the back foot at all times.
- India really needs to rethink and revamp its neighborhood first policy because even though India would like to prioritize its neighborhood, it needs to also ensure that the neighborhood sees India first. India needs to do more on three fronts as a whole, in terms of preparedness, in terms of more partnerships, and in terms of more proactiveness.



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