

China's Himalayan Hustle – Part II

**Will Eco-Dominance
Be China's New War Front?**

Webinar Report

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Institute for Security & Development Policy

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ABOUT ISDP

The Institute for Security and Development Policy is a Stockholm-based independent and non-profit research and policy institute. The Institute is dedicated to expanding understanding of international affairs, particularly the interrelationship between the issue areas of conflict, security and development. The Institute's primary areas of geographic focus are Asia and Europe's neighborhood.

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LIST OF SPEAKERS



Dr. Jingdong Yuan

Dr. Jingdong Yuan is the Director, China and Asia Security Programme at Stockholm International Peace Research Institute. Dr. Yuan's research focuses on Indo-Pacific security, Chinese foreign policy, Sino-Indian relations, China-EU relations, and nuclear arms control and nonproliferation. He is the co-author of *Chinese Cruise Missiles: A Quiet Force-Multiplier* (2014) and *China and India: Cooperation or Conflict?* (2003), and co-editor of *Re-engaging China: Can Australia Lead the Way Again* (2023), *Trump's America and International Relations in the Indo-Pacific* (2021) and *Australia and China at 40* (2012). His publications have appeared in *Asian Survey*, *Australian Journal of International Affairs*, *Contemporary Security Policy*, *International Affairs*, *International Journal*, *Journal of Contemporary China*, *Journal of International Affairs*, *Nonproliferation Review*, *Washington Quarterly*, and in many edited volumes.



Mr. Richard Ghiasy

Mr. Richard Ghiasy is an advisor and researcher on Asian geopolitics and security, often revolving around China and India. He is the Director of GeoStrat, a boutique geopolitics consultancy in the Netherlands. In his 17-year career, he has provided policy advice to inter alia the EEAS, European Commission and Parliament, Ministries across Europe and Asia, the UN, the World Bank, OSCE, and OECD. He has also presented at several of the world's top 20 universities. Honed by professional travel in over 75 countries, frequently his work has a conflict-preventive nature. Richard is a Senior Fellow at the Leiden Asia Centre at Leiden University in the Netherlands and a registered expert at the Dutch Government Sinologists Council (CKN).



Dr. Zsuzsa Anna Ferenczy

Dr. Zsuzsa Anna Ferenczy is an Affiliated Scholar at the Department of Political Science of the Vrije Universiteit Brussel (Free University of Brussels), Head of the Associate Network at 9DASHLINE, a fast-growing platform dedicated to offering original comment and analysis on issues affecting the Indo-Pacific, Research Fellow at Taiwan Next Gen Foundation, Expert Consultant on China, Taiwan and the Korean Peninsula of Human Rights Without Frontiers. Currently Zsuzsa conducts research as a Taiwan Fellow hosted by the Ministry of Science and Technology of Taiwan, and is Assistant Professor at the National Dong Hwa University in Hualien. Zsuzsa's fields of expertise are EU foreign and security policy, European normative power and human rights, EU relations with China and Taiwan in the Indo-Pacific.



Ms. Eerishika Pankaj

Ms. Eerishika Pankaj is the Director of Delhi NCR based Organisation for Research on China and Asia (ORCA). She is also an Editorial Assistant to the Series Editor for Routledge Series on Think Asia; a Young Leader in the 2020 cohort of the Pacific Forum's Young Leaders Program; a Commissioning Editor with E-International Relations for their Political Economy section; a Council Member of the WICCI's India-EU Business Council and an Emerging Quad Think Tank Leader in the U.S. State Department's Leaders Lead on Demand program. Primarily a China and East Asia scholar, she recently co-edited the ORCAxISDP Special Issue "The Dalai Lama's Succession: Strategic Realities of the Tibet Question".



Mr. Ryohei Kasai

Mr. Ryohei Kasai is a Visiting Associate Professor at Center for South Asian Studies, Gifu Women's University, Japan. He received an MA in International Politics from School of International Politics, Economics, and Business, Aoyama Gakuin University, Japan. Working on international relations of South Asia, modern and contemporary history of Japan-India relations, and Japan's Asia policy, he teaches these subjects at Komazawa

University and Yokohama City University. He previously served as a political researcher/advisor at Japanese Embassies in Beijing, New Delhi, and Islamabad. Since June 2022, he has also been contributing to the Japan-India Association as one of the directors of the board

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 U.S.-China Economic and Security Review Commission at the U.S. Congress. He is also the Series Editor for *Routledge Studies on Think Asia*.

DISCUSSION



“China’s attempts at controlling regional resources have international implications as they run counter to the basic tenets of a free, open, and rules-based global/Indo-Pacific order. In the wake of the Ukraine war, as China and Russia create greater convergence, the Russian control of the Arctic and China’s growing interest in the Arctic region for its resources will pose problems for the U.S. and the European states.”

– Jagannath Panda

The webinar conducted by the SCSA-IPA, Institute for Security and Development Policy, on June 18, 2024, was opened by **Dr. Jagannath Panda**, moderator, welcoming all the panelists. He shared that this was the second webinar in the series.

He outlined how China’s development projects in the Himalayan region are primarily aimed at securitizing its national interests by exploiting natural resources to meet the Chinese mainland’s growing energy and water demands. In the process, China intends to not only take greater control of the region but also regulate access to basic resources such as water for the neighbours.

China’s attempts at controlling regional resources have international implications as they run counter to the basic tenets of a free, open, and rules-based global/Indo-Pacific order. In the wake of the Ukraine war, as China and Russia create greater convergence, the Russian control of the Arctic and China’s growing interest in the Arctic region for its resources will pose problems for the U.S. and the European states. Therefore, the Indo-Pacific stakeholders must create newer ways to combat China’s gluttonous need for natural resources and in turn to conserve the liberal world order ethos.

This webinar, therefore, involving some of the finest scholars on the subject,

explored China's Himalayan strategy through its control of natural resources. For such a purpose, the webinar addressed the following questions:

- In what ways is China expanding its revisionist goals in the trans-Himalayan region through renewable energy projects, including the BRI?
- What are China's near-term and long-term plans in the Himalayan valley?
- Are China's mega dams and large-scale renewable energy projects essential for clean energy? Or are they "green washing" initiatives, as a means to a geopolitical end?
- How is China's modernization plan in Tibet affecting environmental degradation and its control or occupation of the Tibetan territories, language, people, and culture as a whole?
- Does the notion of China as a hydro-hegemon have legitimacy, or is it merely a myth?
- How can the international community, primarily the EU – which considers

China a strategic competitor – as well as U.S. – for whom China poses a "pacing," existential threat – and its regional allies and partners, including India – China's regional rival that has most to lose in the Himalayas – collaborate to outmanoeuvre the Chinese strategy for exercising total dominance over resources?

The effort was to understand how India and the West could collaborate with regard to China's Himalayan strategy which is unfolding for some time now.

We know for a fact that at the beginning of this century, China introduced a neighborhood policy that is continuously evolving through military modernization in the Tibetan Plateau, through economic modernization programs, and most recently through the Belt and Road Initiative. The webinar discussed some of these issues and whether China was going ahead with its Himalayan strategy, or was there something else that needs to be considered.



“Integration into international commerce and all the rest elevates the growing importance of Indian Ocean and the rise of South Asia, in particular the rise of India, and the geostrategic importance of the Indian Ocean, the broader Indo-Pacific and within the BRI, the China Pakistan Economic Corridor which is one of the so-called flagship projects.”

– Jingdong Yuan

Dr. Jingdong Yuan, Director, China and Asia Security Programme at Stockholm International Peace Research Institute (SIPRI), started by saying that for a very long time, China’s foreign policy focus and prior priorities have always been in the East, that is the Western Pacific

where China is at the moment engaged in an intensive great power rivalry with the United States. China certainly faces the rise of minilateralism especially some of the new formations or revival of the minilateral security arrangements like the Quadrilateral security dialogue and also AUKUS, the more defence oriented security arrangement between Australia, UK and the US.

China is very aware of the many different bilateral security partnerships that are not necessarily controlled and led by the US but certainly has US encouragement and endorsement. Basically, the US strategy since the Biden administration came into power is to expand and include allies and partners in a broader sort of a security network to manage China rather than fight or confound China alone. But apart from that there are three clear aspects to Chinese foreign policy.

One, the Himalayan region, of course, has been on China’s foreign policy map for quite some time. One can go back to 2001 to the start of Gwadar Port construction. This is already more than 20 years, so it was obviously informed and encouraged by China’s energy security consideration, for instance, to bypass the Strait of Malacca.

Former Chinese president Hu Jintao spoke about this Malacca dilemma that all of China’s energy or raw materials will have to go through the Strait of Malacca where even natural events could clog the Strait causing delays and massive impact on economic security. So, the first step to

an alternative was the Gwadar port which started more than 20 years ago and then over time the Belt and Road Initiative or the Maritime Silk Road for the 21st century which Xi Jinping launched sometime around 2013-2014 to develop a sea route in the northern Indian Ocean. All of these could help China bypass the Malacca Strait. If you think about Myanmar, Bangladesh, Sri Lanka and Pakistan, there are security implications. In 2005 an American analyst proposed this idea of String of Pearls. So certainly, China has been very keen on the region, in fact increasingly so, without any declaration or indication of any shift in foreign policy. One can see China's white paper on Africa or maybe on Middle East or Central Asia, there is, however, no Chinese white paper on South Asia or the Himalayan region or Indian Ocean but the actions have already taken place over the past two decades, and perhaps more intensively in the second decade of this century. So, there's clear inclusion and more of this part of the world into China's grand strategy or China's foreign policy.

Two, integration into international commerce and all the rest elevates the growing importance of Indian Ocean and the rise of South Asia, in particular the rise of India, and the geostrategic importance of the Indian Ocean, the broader Indo-Pacific and within the BRI, the China Pakistan Economic Corridor which is one of the so-called flagship projects.

Looking back maybe 10 years of this CPEC, there are quite a few controversies

and so people are starting to have a second look at what exactly this has brought about. Are there any fruits that are concrete but that is not to say that China will drop this because this remains important because for China sometimes economic consideration cedes to geopolitical considerations. They would continue to try to not let it fail and continue to support even though maybe they now put more emphasis on Pakistan to do its part more carefully.

Three, is China's growing involvement from an economic perspective in addition to the infrastructure development and its growing economic ties with the region. Fifteen years ago, China's bilateral trade with the whole region was about \$80-90 billion and India, of course, took a big part of that. Today, this is close to around \$200 billion – an increase of more than 100%. And with India it is \$136 billion, although India complains about the growing trade deficit. Thus, one can see China's presence very much in the region, in Pakistan, Sri Lanka, Bangladesh, and Maldives, through the BRI and through economic ties and then through basically developing port facility and then infrastructure development to lock in these countries' economy so they can become more dependent on China. China does not necessarily use its leverage at the moment but is building up the dependency over time. So, when the time that China needs you know kind of some payback or whatever and then that's where China will find these investments very useful and beneficial.



“China speaks of indivisible security, of a shared future of mankind, but is armament and the tactics that they apply on the border with India reflective of indivisible security? Is unilateral water management decision-making the type of sharing that the future of mankind is supposed to be?”

– Richard Ghiasy

Mr. Richard Ghiasy, Director of GeoStrat, a boutique geopolitics consultancy in the Netherlands, started on a moralistic note, saying that he was saddened that two of the world’s richest, oldest and wisest civilizations of each around at least 4,000 years are at loggerheads on

their borders. These two nations are the cradles of Hinduism, Buddhism, Taoism, Zen and somehow all this wisdom and understanding, all these profound principles are overlooked amidst these scuffles they’re having on their borders.

What message does this scuffle send? Why is it relevant to more than just India and China but to actors regionally and globally and also from indeed a moral and ordering perspective? When two major powers collectively represent nearly 40% of humanity, they have a particular responsibility to think and act sensibly. International society requires major powers more than anybody else to think and act responsibly. Instead, we see mostly a blame game. There’s ample rationale for some of it, but we can’t deny that the blame game is going on. We also see images of India and China beating each other with stones and clubs. Will the world trust China to lead or co-lead Asia? Will it trust India when it sees these images? Will it trust China and India to reform the Asian order or international order for the better? I doubt it. Both of these actors, and perhaps China even more so since, across most metrics, it is the larger actor, that they need to live by the visions, principles and values that they promote.

China speaks of indivisible security, of a shared future of mankind, but is armament and the tactics that they apply on the border with India reflective of indivisible security? Is unilateral water management decision-making the type

of sharing that the future of mankind is supposed to be? Water and water sharing are both a common right and plight of all of humankind—they should never be politicized or weaponized.

Similarly, when India speaks of the world as one family and then militarizes the border in response to Chinese actions, how much do we speak then of, indeed, the concept of a family? It is clear that both sides are in a frantic race to construct, extend and upgrade by road, through helipads, air facilities, population relocation, and encampments closer to the ill-defined 3,440 kilometers or so border and despite double-digit rounds of talks in the background since Doklam, both actors continue to arm themselves. There is a large-scale deployment of men and machines on both sides of the LAC. Multiple military and diplomatic negotiations have failed to produce notable steps forward.

China arguably is the world's master of construction. It is particularly active in the region but perhaps not so in the BRI context. Apart from Pakistan, there is very little happening in the Western Himalayas and activity in Nepal and Myanmar is quite limited. But, if we step away from the BRI, many image analyses and satellite pictures show that there's a fast-changing strategic geography of Tibet as military and dual-use infrastructure and the strengthening of existing installations take place at a really frantic pace. These improve PLA supply routes and diversify them. From an Indian perspective, the

worrying development is this geographic proximity of installations and equipment which is lessening the striking proximity quite rapidly from around 500 kilometers to less than 200 kilometers in some cases.

Clearly, the two actors are trying to outbuild each other. The Chinese say that this is in response to Indian activity but Indian military observers say what China is doing contradicts expectations of de-escalation and the restoration of pre-April 2020, the status quo which indeed India has been demanding. India has argued that it's China that strongly started the building frenzy on and near the border. Irrespective of what we see, both these actors are caught in a downward security dilemma spiral, suspecting the other's thinking and building as an offensive intent.

For China, these border disputes mean that it now has territorial conflicts and tensions to its South, to its Southeast, and to its East, both maritime and terrestrial. In the last decade-plus, China has been able to antagonize so many neighbors and extended neighbors. Both China and India need to focus on what matters the most – common development, dialogue, understanding, and compromise. They should live by the mantras they promote because it is clear that with this current behavior, Asia should not be impressed by or count on either China or India to be the virtuous leaders that they see themselves as.



***“The EU has been trying to connect issues such as climate, environment, human rights security but the problem is that these issues in China and in Europe mean very different things. There is a fundamental divergence not only in what human rights mean for example or environmental development but for what reason and what objective the countries push these issues forward.*”**

– Zsuzsa Anna Ferenczy

Dr. Zsuzsa Anna Ferenczy, an Affiliated Scholar at the Department of Political Science of the Vrije Universiteit Brussel (Free University of Brussels), discussed Europe’s changing perspective towards

the Indo-Pacific region which has been shaped really by the China factor. Since 2021, the EU has an Indo-Pacific strategy to position itself in the region. This entails two things. One is to work more in close cooperation with like-minded partners. India is one of these but so is Taiwan. The second thing that this entailed is to rethink EU-China relations because China has become a difficult partner as opposed to seeing others such as India, more of a like-minded partner. Three years down the road since the strategy was adopted, the aim is to engage the region through trade and political dialogue and also to undertake crisis management, conflict prevention and resilience building initiatives.

However, when we talk about the EU’s Indo-Pacific strategy we take it for granted that it is the EU as a block. In reality the EU is a complicated, internally fragmented entity. The ‘team Europe approach’ is at the core of this strategy to try to bring member-states closer together and be guided perhaps by those member-states that have their own approach –France, Germany, the Netherlands, Lithuania and the Czech Republic. These are the countries that have their own strategies but one has to see how they can there be a sustained convergence vis-à-vis the region. China plays a central role in this shift to shape Europe’s perception. Perceptions are changing because of China being more assertive, China’s support to Russia and their strengthening strategic

alignment. But, things started worsening because of Covid and before that, it's Beijing's approach domestically and also in the Indo-Pacific that has shaped European perceptions. Given this difficult relationship between Europe and China, climate issues and the environment have come to be seen as more comfortable topics of discussion and useful to keep dialogue channels open. This was the approach in the past decade.

But clearly because Europe has serious trade interests in the region, it has to play a more active role. The EU has been trying to connect issues such as climate, environment, human rights security but the problem is that these issues in China and in Europe mean very different things. There is a fundamental divergence not only in what human rights mean for example or environmental development but for what reason and what objective the countries push these issues forward.

The question is how effective has the EU been in linking these issues because when it comes to the Himalayan region and that's Tibet mostly from Europe's perspective, we have been extremely limited in connecting effectively and pushing for human rights. I worked in the European Parliament between 2008 and 2020 and in those years, Tibet was always high on the agenda and still is today. There have been attempts to try to depoliticize Tibet and not push the human rights agenda because Tibet just as much as Taiwan or Xinjiang are issues that China

doesn't want to discuss, but try to look at Tibet from the environmental perspective and look at how China can learn from European partners. This is something that China has expressed throughout the years that protection of the environment is high on China's agenda. But this has not been effective. It is not that the Europeans have managed to really sit down with the Chinese counterparts and have Tibet or the Himalayan region or development in the region as a common interest so discussions remain limited. China in the meantime, in the past 10-20 years in particular under Xi Jinping, has become more assertive. I do think there is a common understanding between member-states, although the fragmentation is there, that China is really becoming more assertive and the Belt and Road initiative is a way for China to project more power and influence in the region.

The positive side is as a result of the de-risking mentality and the push back, we see member-states in the EU reach out and understand the importance of working more closely with like-minded partners and that is at the core of the Indo-Pacific strategy. But if we look at how the Chinese side is responding, the reality is that there is no sign of a possibility to sit at the same table where we can find common interests. In the current situation where we see China and Russia strengthening their strategic alignment, there is not much room for the European side to have an impact on how

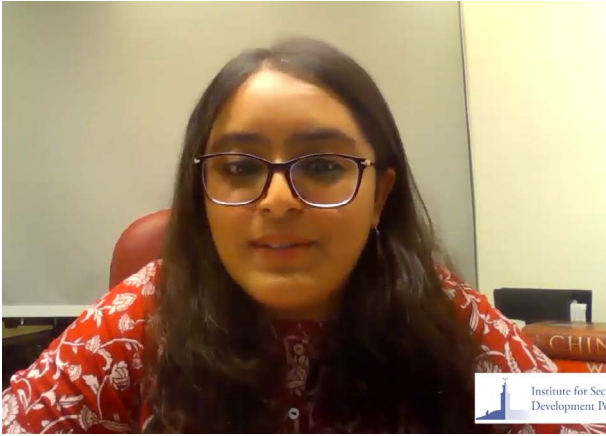
the conversation can go forward.

Also, under the idea that development is important but security is important too, in the Chinese discourse it is the securitization of development of the environment and that perspective really shapes the current discourse coming out of Beijing. What can Europe do in this context is to work closely with allies in the region but also to work on better understanding how Chinese official discourse is evolving and what the discourse means in practice for Europeans to be able to address the threats that come from this context. For Europe, finding the right channels not only with allies but a return to constructive communication with China will be just as important.

Dr. Panda agreed that issues have been discussed in the European Parliament quite often but more from the human rights point of view. The time has come we need to raise certain awareness in the European Union domain to talk about water issues,

about ecological and environmental preservation in the Himalayan regions as well how to preserve and respect the different ethnic communities living in the Himalayan Valley.

Preserving the rules-based order may need a collaborative strategy between EU and the West. When we are talking about preserving the rules-based order, it cannot only be Indian Ocean or Indo-Pacific specific or maritime related; it has to also take into consideration communities and issues from other regions or from other land geographies. Is there a possibility that the European Union possibly with India could discuss some of these issues, because when it comes to the boundaries dispute between India and China, both countries have made it clear they do not want external interference in the boundary dispute and would like to handle it bilaterally. But, there are a host of other issues in the Himalayan region that need greater international debate between like-minded countries or countries who want to respect human civilizations and ecology.



“The security dynamic between India and China has placed further emphasis on hard infrastructure development instead of treaties and other normative structures to manage and govern transboundary waters.”

– Eerishika Pankaj

Ms. Eerishika Pankaj, the Director of Delhi NCR-based Organisation for Research on China and Asia (ORCA), said that regarding water politics and transboundary rivers when it comes to the Himalayas we have to remember that China is approaching from a position of power, it is an upper riparian country and at the end of the day how it diverts the flow of water is something that will impact the lower riparian countries. When

we talk about responsibly engaging with each other that is something we need to remember.

Clearly, China is expanding its revisionist goals in the trans-Himalayan region. Its activities suggest an advanced ecological dominance strategy, using environmental manipulation and resource control as state power instruments, extending beyond mere territorial ambition. Key to this is the extensive infrastructure development exemplified by dual-use projects – for example, the G219 highway or the Qinghai-Tibet railway. The BRI, South Asia, and Himalayas are a sort of trilateral tangent that is extremely important to study when we are approaching trans-Himalayan hegemony debates. Just last month, in May 2024, China urged Nepal to fast-track signing of the implementation plan for BRI projects, which includes a massive railway running through the Himalayas linking Tibet to Kathmandu, Pokhara, and Lumbini. The focus on Lumbini brings in the angle of Buddhist diplomacy and requires a separate debate. This railway is expected to boost Nepal’s tourism with a 2.5 million Chinese tourist influx and this, importantly, extends the Tibet Railway. The latter development was once held off by India in 2015 due to the 2015 Nepal blockade that India imposed.

Moving from infrastructure pointers to the issue of water: Water is a highly securitized issue when it comes to South Asia with states viewing water resources

through the prism of national security. This perspective emerges from states' conceptions of control and scarcity. In terms of South Asian waters, China looms large. Beijing's management of transboundary rivers is partly driven by domestic factors given the north-south divide and uneven distribution and shortage of agriculture water and industrial water. However, it is China's dam-building spree on transboundary rivers originating in the Himalayas such as the Brahmaputra that is a cause of concern. It underscores the ecological dominance dimension of Beijing's strategy. By constructing dams and altering these river flows, China wields significant control over water resources and it impacts the downstream countries of India, Bangladesh, and Myanmar. This hydro-politics has introduced an altogether new front of tensions where water becomes both a weapon and a tool for diplomacy.

It is important to mention that China shows lack of clarity and communication despite several MOUs on hydrological data sharing between India and China. For instance, during the 2017 Doklam standoff for 73 days, China unilaterally stopped sharing data resuming only in May 2018 after President Xi and Prime Minister Modi met on the sidelines of the SCO summit. The strategic maneuvering was clear because the data continued to be shared with Bangladesh during that period, only India was left out of the loop. This shows that water is an instrument of leverage for China that can be used at any

time it is embroiled in a confrontation.

In the near term, China aims to solidify its presence in the Himalayan region through rapid infrastructure development, resource exploitation, the displacement of local populations particularly in Tibet, and the resettlement of Han Chinese in these areas. These actions serve the dual purpose of securing China's borders and diluting the cultural and political identity of Tibet.

Long-term plans are even more expansive. China's vision for the Himalayan region is very closely tied to its broader national objectives of achieving socialist modernization and ecological resources by 2035. China aims to complete its dominance over the region's water resources, integrating them completely into its national grid. It has built numerous dams on the Brahmaputra to accumulate this water for achieving these goals before it even enters India. For instance, we can talk about the construction of the Lallo dam project where China has blocked the flow of the Xiabuqu, a tributary of the Brahmaputra river. This sparked concerns in India and downstream countries. Similarly, the waters of the Siang river in 2017 turned completely muddy and black after construction activity took place in China affecting downstream countries. Hence, actions by this upper riparian country to build water infrastructure have created a trickle-down effect of actions that make under any circumstances, competition the dominant paradigm.

The security dynamic between India and China has placed further emphasis on hard infrastructure development instead of treaties and other normative structures to manage and govern transboundary waters. For instance, India has planned to develop the Upper Siang hydroelectric project now to counter interact the impact of China's upstream dam construction. Strategic counter measures that India can take in collaboration with its partners are not without risk. Interstate conflict over water resources is looming over the future of South Asia. Institutionalizing mechanisms and platforms of cooperation is a priority for the region. First and foremost, the South Asia perspective needs to be focused upon especially when talking about the Himalayas.

The transboundary nature of South Asia's water resources impacts multiple countries, however, regional cooperation and institutionalization through these treaties are notably absent. States often address water disputes internally rarely engaging other states in the region. Multilateral frameworks are hampered by bilateral political disputes, as seen in SAARC and BIMSTEC that are lacking

the capacity to foster cooperation on transboundary water resources. Extra-regional multilateral institutions address South Asia's water disputes in an ad hoc facility which hinders any meaningful progress.

India and the West (both the US and EU) need to strengthen diplomatic alliances and alignments with Nepal, Bhutan, Myanmar, etc., but there's also scope for building in and bringing in initiatives like the Global Gateway into this paradigm. The Global Gateway has already been implemented in the Caribbean and in Africa; in the trans-Himalayas, by building on soft infrastructure especially focusing on hydro-study institutes and similar steps that can collaboratively provide data countries may choose to hold off in the time of confrontation is an avenue the Global Gateway can consider.

Developing and establishing minilateral arrangements within larger regional groupings like SAARC and BIMSTEC is also essential. These groupings need to be renewed with a more regional focus. Let's recall they have been successful with respect to the motor vehicles agreement and postal shipping agreements.



“China’s hydropower projects in the Himalayan region are really concerning, though it is not a new issue but the situation has become unfortunately more complex. I have come across a report that China has another plan to build a huge new dam quite close to Arunachal Pradesh.

– Ryohei Kasai

Dr. Panda then invited **Mr. Ryohei Kasai**, Visiting Associate Professor at Center for South Asian Studies, Gifu Women’s University, Japan, to give his comments. He asked him to elaborate the Japanese point of view on China’s Himalayan hustle strategy, particularly in terms of militarization effort, infrastructure buildups, and how they are actually changing the status on the ground.

Mr Kasai started by pointing out how China’s grand strategy is getting more and more global but its geostrategic base is Eurasia. China is trying to expand its influence not only diplomatically but also economically and military influence in the Eurasian countries, not only by land but also by sea – that is my understanding of the Belt and Road Initiative. Of course, the BRI is not just necessarily limited to the Eurasian continent but also goes beyond Africa and some regions. Plus, under the BRI, China places very high importance on the Himalayan region.

China has been trying to build more influence, by assisting in different ways but we should not see China’s initiative not only in terms of defense and connectivity but include the economic and also as well as in terms of Buddhist diplomacy.

China’s hydropower projects in the Himalayan region are really concerning, though it is not a new issue but the situation has become unfortunately more complex. I have come across a report that China has another plan to build a huge new dam quite close to Arunachal Pradesh. If it materializes, it will have a huge impact on water resources in both Bangladesh and India. We need to follow this development.

There is also concern about the development of the China-Nepal Railway project. They are still conducting the survey and so it has not happened yet but if it comes up, it will have a huge impact on not only the political but also economic

and human resources and may affect the overall picture of the region.

Finally, Japan is virtually the only country assisting development projects in the northeastern region of India, particularly Assam, Nagaland, and Manipur, apart from other states in the region. These projects are not security-oriented, for example, there is a forest management project in Nagaland, human resources project, some other education-related projects, and so on.

Japan's overall focus is on the region and it is trying to assist India's Act East policy because the Northeast has been regarded as kind of remote but now it has transformed into a kind of gateway to the East. The initial idea was to go to Myanmar through Imphal and other northeastern cities. There is also an India-Myanmar-Thailand Highway project and other related projects but since 2021, the situation has changed dramatically due to the military coup in Myanmar.

Japan is also quite active in assisting in building the Matabari port in Bangladesh, which will make it possible not only for Bangladesh to be active in trade and commerce but also to give India's Northeastern states access to the ocean. The question is what is good for Japan; promoting the Act East policy and also developing the Bay of Bengal vision is a part of Japan's Free and Open Indo-Pacific. The Bay of Bengal is an important focus area for Japan. Japan and India can enjoy a win-win situation by developing this

region. It is not directly targeted at China but by bringing Japan and India closer, the issues emanating from China's expanding influence can be better addressed.

Coming to the question about how India and the West can come closer to address these issues, I think we need a three-way approach – bilateral, regional, and global.

Bilateral engagement is already underway considering the numerous high-level meetings between India and China on various issues including water resources. I would expect both countries to keep engaging in serious dialogue aimed at resolving of the issue. This is easier said than done and that is where the other two approaches come in. First, let's look at the global approach. Issues like the hydropower resources can be brought to the tables in say a G20 where China is a member. Last year, India hosted the G20 Summit meeting and I went through the very lengthy G20 New Delhi Declaration. It does mention securing the ecosystems and also water issues but comparing with the response to the Ukrainian conflict or you know other Covid issues or economic crises, not enough attention was paid to these areas of climate change. We need to be much more specific on the water issue. There was a G20 dialogue on water and also last year, the UN also hosted a similar meeting on water resources. We need to have much more dialogue with China and make them understand the problem. While it is their right to develop their

domestic infrastructure but when it comes to transboundary rivers and lakes, it does affect the downstream countries like India and Bangladesh. The regional approach is the next one. Strengthening BIMSTEC might be one option because India is a member and Bangladesh is a member and the issue could then be discussed in a broader context. More such forums or mechanisms can be found and utilized for engaging in dialogue with China.

Mr. Eerishika Pankaj said that Delhi has increasingly shown a stronger stand when it comes to defending its borders, its sovereignty and its national interests, by 'offering reciprocity and countering asymmetry,' Under the Modi government and Xi's era of strongman politics, an attempt by both to exhibit greater power projection has seen India take a bolder stand in opposition to China. India is not competing with China but the Indian government has a stronger understanding and acknowledgment of its own growing role and voice in the Global South, in the Indo-Pacific, in the international order, and in the multipolar order. So, while India is definitely standing up to China in its own ways, especially along the border, it is obviously very guarded when it comes to including any international actor in a geographically sensitive area. Japan is probably India's only trusted partner in that regard that has seen so much entry into Northeast India. India does not allow

any other country to participate actively there.

Coming to the Global Gateway, it has two tangents – one is a focus on soft infrastructure and the other is a focus on harder infrastructure projects. Right now we're looking largely at soft infrastructure and I do believe that there is room for potential segue between Global Gateway and India's Neighbourhood Policy. We have referenced SAARC and BIMSTEC but these are age-old mechanisms that are no longer as powerful as they once were. There's still room to have a renewal of these mechanisms in terms of having observer status for countries that become part of minilateral groupings with BIMSTEC and SAARC countries. And therein the entry of the European Union can be argued for the Global Gateway that would focus on soft infrastructure which can be highly beneficial in establishing hydrology and maybe joint river management institutes to study water science, and sustainable water management that promotes transboundary water cooperation. So, there are avenues for cooperation.

The question raised during the discussion was how open would the EU be to the idea of discussing other collaborative issues, infrastructure, geo-politics and so on with India. Answering the question, **Dr. Zsuzsa Anna Ferenczy** stressed on how connectivity is the key word that both India and the EU have really embraced in

the context of being like-minded partners. Like-minded is also a word that European member-states converge on as that's how they look at India in contrast with China. China is seen more and more as a security threat, perhaps not as aggressive as Russia because Russia has been labeled as the biggest security threat that Europe faces in terms of economic security, hybrid warfare, disinformation, cyber security, etc.

The Global Gateway definitely is a good instrument and strengthens European convergence. I always go back to that idea because Europe as the EU can never go forward unless member-states are on the same page and I think we are making progress there and that helps both EU-India as well as EU-China relations. The feeling and the perception in Europe vis-a-vis the two partners are contrasting in that India is seen more and more as a like-minded partner. This was reflected in the participation this year at the Raisina Dialogue of such an unprecedented high-level European presence.

I have to mention the Team Europe approach because it's very important to have member-states contributions because the EU is what its member-states will bring and put together. All of this is important because it strengthens that convergence within the EU that India is an important partner on its own merit and not because we want to counter Chinese influence. This is a very important point also in the EU-Taiwan context that Taiwan is a partner for Europe on its own merit not because of

China or because we are trying to counter Chinese influence of course that is part of the European agenda as well is in the Indo-Pacific.

The conversation is changing because Europeans are becoming more aware, more willing to push back and we have actually leverage over China in terms of trade. We often say that Europe is not going to move on China because Europe is so dependent but actually this is a relationship of interdependence and we need to be able to use our collective strength more strategically. If we look at how much the EU has done in terms of boosting its defensive toolbox that is a way of increasing leverage over China. We now have all those instruments, the anti-coercion instrument, the international procurement instrument, among others. These are ways to strengthen the capacity for the European Union to push back but also to make this push back sustainable.

Dr. Jingdong Yuan pointed out that this might be a good time to take on China on its own words, like civilizational initiative, shared common destiny and frame all these ecological questions about water and environmental challenges within that – to de-weaponise and really come to terms of whether there can be fruitful and meaningful discussion about how all of us share a common destiny, how do we preserve Himalayan nature and ecosystem. Then we might manage to sort out the

water issue because it does affect a number of countries. How to share the common resources and perhaps borrow some more successful implementation or examples of how other countries with similar situations manage their development.

If all of these interactions with China are not framed in confrontational terms, but is more in the language of reciprocity, it may be possible to hold China to what it has committed to in all its international obligations, whether it's WTO, whether it's any bilateral agreements or even what China is promoting as common future, security development.

In closing the discussion, **Dr. Panda** pointed out that four different aspects had arisen while talking about water issues between India and China. The first pertains to data sharing which can be resolved bilaterally. But the other issues are not really bilateral centric but rather regional specific or a trans-Himalayan specific. Second, there is the issue of water control and release but it is for the benefit of the entire region so therefore other countries should be involved with India in the dialogue. Three, are water diversion projects by the Chinese. Here a dialogue is needed with the Chinese because the manner in which they are diverting the water from the Himalayan regions is actually affecting the entire ecological system. The fourth aspect is hydropower construction projects. These hydropower

construction projects are much more problematic because they benefit only China and not the region. In this regard, China is emerging as a much more dominant power, a kind of hegemonic power, and therefore we need a regional consensus to create pressure on China.

On whether China's transboundary assertiveness in the Himalayan regions should be a part of the Quad dialogue or not, he said if it is a boundary dispute then definitely not. But, trans-Himalayan issues which are of concern of a greater nature could be a part of the Quad process. All the Quad members are actually talking about how to preserve the rules-based order so changing the status quo is not really in the interest of the region. But issues related to ecological preservation and environmental protection could be discussed in the Quad. More importantly, the way China is changing the status quo in the Himalayan belt could be discussed. It is important that we need to talk about building a regional consensus in India's favour as well as a regional consensus in favour of the Himalayan countries.

Asked to provide two specific recommendations on how EU and India should collaborate in the Himalayan region, **Dr. Ferenczy** said development of the region through connectivity remains the walkable path for both because they're both interested in seeing the region developed in a trustworthy and sustainable way. I see much potential there and I think we have precedent for that. **Ms. Pankaj** felt that

collaborating on soft infrastructure and maybe building management institutes that study hydropower and related data, as well as climate resilience and adaptation strategies can be worked on together keeping in mind the green initiatives that the EU is looking to promote through the Global Gateway as well as other avenues wherein international bodies can also be brought in for the same.

Mr. Kasai stressed that water resources should be regarded not only as a bilateral issue but also discussed from the security point of view because water affects food

security and also economic security. There should be more dialogue on this issue between Japan and India and India and other countries too. **Dr. Yuan** also supported greater connectivity between EU and India but the key lay in determining what both EU and India want to get out of this connectivity –to promote the flow of trade, to facilitate other economic activities, for people-to-people exchanges –because China and EU also for a number of years had that connectivity project and ambitions from transportation to trade to digital and all of that has stopped in the last 5-6 years because of the EU’s adjustment to the China strategy.

KEY TAKEAWAYS


- China's presence in the Himalayan region is seen through the BRI and economic ties. It has been undertaking infrastructure and port development to lock in the recipient countries' economy so they become more dependent on China. China does not necessarily use its leverage at the moment but by building up the dependency over time.
- China has been very keen on the Himalayan region, in fact increasingly so, without any declaration or indication of any shift in foreign policy. One can see China's white paper on Africa or maybe on the Middle East or Central Asia, there is, however, no Chinese white paper on South Asia or the Himalayan region or Indian Ocean.
- Many image analyses and satellite pictures show that there's a fast changing strategic geography of Tibet as military and dual use infrastructure and the strengthening of existing installations take place in a really frantic pace. These improve PLA supply routes and diversify them. From an Indian perspective, the worrying development is this geographic proximity of installations and equipment which is lessening the striking proximity quite rapidly from around 500 kilometers to less than 200 kilometers in some cases.
- Europe needs to work closely with allies and partners in the region but also to work on better understanding how Chinese official discourse is evolving and what the discourse means really in practice for the Europeans to be able to address the threats that come from this context. For Europe, finding the right channels not only with allies but really a return to communication with China will be just as important.
- Issues have been discussed in the European Parliament quite often but more from the human rights point of view. The time has come we need to raise certain awareness in the European Union domain to talk about water issues, about ecological and environmental preservation in the Himalayan regions as well as how to preserve and respect the different ethnic communities living in the Himalayan Valley.
- Preserving the rules-based order may need a collaborative strategy between EU and the West. When we are talking about preserving the rules-based order, it cannot only be Indian Ocean or Indo-Pacific specific or maritime related; it has to also take

into consideration communities and issues from other regions or from other land geographies.

- China's dam-building spree on transboundary rivers originating in the Himalayas such as the Brahmaputra underscores the ecological dominance dimension of Beijing's strategy. By constructing dams and altering these river flows, China wields significant control over water resources and it impacts the downstream countries of India, Bangladesh, and Myanmar. This hydro-politics has introduced an altogether new front of tensions where water becomes both a weapon and a tool for diplomacy.
- In the near term, China aims to solidify its presence in the Himalayan region through rapid infrastructure development, resource exploitation, the displacement of local populations particularly in Tibet, and the resettlement of Han Chinese in these areas. These actions serve the dual purpose of securing China's borders and diluting the cultural and political identity of Tibet.
- Long-term plans are obviously even more expansive. China's vision for the Himalayan region is very closely tied to its broader national objectives of achieving socialist modernization and ecological resources by 2035. China aims to complete its dominance over the region's water resources.
- India and the West (both the U.S. and EU) need to strengthen diplomatic alliances and alignments with Nepal, Bhutan, and Myanmar but there's also scope for building in and bringing in initiatives like the Global Gateway into this paradigm. The Global Gateway has already been implemented in the Caribbean and Africa, building on soft infrastructure.
- Developing and establishing minilateral arrangements within larger regional groupings like SAARC and BIMSTEC is also essential. These groupings need to be renewed with a more regional focus. Let's recall they have been successful with respect to the motor vehicles agreement and postal shipping agreements.
- There is also concern about the development of the China-Nepal Railway project. They are still conducting the survey so it has not happened yet but if it comes up, it will have a huge impact on not only the political but human resources and the economy, and may affect the overall picture of the region.
- The Indian government has a stronger understanding and acknowledgment of its own growing role and voice in the Global South, in the Indo-Pacific, in the

international order, and in the multipolar order. So, while India is definitely standing up to China in its own ways, especially along the border, it is obviously very guarded when it comes to including any international actor in a geographically sensitive area. Japan is probably India's only trusted partner in that regard that has seen so much collaboration Northeast India.

- This might be a good time to take on China on its own words, like civilizational initiative, shared common destiny and frame all these ecological questions about water and environmental challenges within that – to de-weaponize and really come to terms of whether there can be fruitful and meaningful discussion about how all of us share a common destiny, how do we preserve Himalayan nature and ecosystem.



Institute for Security and Development Policy
Västra Finnbodavägen 2, 131 30 Nacka, Sweden
www.isdp.eu | info@isdp.eu