

**Report
Round-table Discussion
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China's Evolving South Asia Policy and the Latest China-India Military Ties

China's South Asia policy has three major drivers. First, is a sense of vulnerability of the separatist movement that is currently gripping Xinjiang and Xizang Provinces. China is trying to ensure security and stability in northwest and southwest China which, is threatened by the East Turkistan Islamic Movement. There are some incidents in the cities of Kashgar and Hotan that can be related to these groups and have caused security concerns on India's eastern borders. The second driver is the growing potential of South Asia's market. The third driver is its maritime interest in the Indian Ocean.

China is eyeing the South Asian regional forum; SAARC. The 18th SAARC Summit was overwhelmingly dominated by Chinese aspiration to get full-fledged membership of the forum. China has aggressively been lobbying to become a dialogue partner of the SAARC nations. The first critical step in this direction they have taken is naming a full time envoy to SAARC who will be negotiating with the countries who share similar interest with the People's Republic of China (PRC). If China becomes a full-time member of SAARC, it will have the right to veto and potentially block projects which could be of strategic and economic benefit to India.

In the past, China has restrained Japanese investments in projects in Arunachal Pradesh and sabotaged India's interests in the ASEAN block through diplomatic lobbying in 2012. The demand in favour of China becoming member or a dialogue partner is being articulated by Pakistan, Sri Lanka, and the Maldives. India is not keen for China's entry into SAARC. The Chinese Vice Minister of Foreign Affairs, Liu Zhenmin, said, "... since 2013, China is pushing for a significant proposal called "one belt one road". This proposal primarily refers to the China-Myanmar-Bangladesh-India Economic Corridor. China is also investing \$40 billion through Asian Infrastructure Development Bank and more than \$30 billion in infrastructure development in South Asia.

On the economic front, there is a great disparity between Chinese investments in South Asia as compared to what India has invested. The Chinese trade with the South Asia is \$25 billion, while Indian trade is just about \$17 billion. Initially, China took a neutrality position on the Kashmir issue, but recently it has issued a statement while announcing closure of the Khunjerab Pass and it belongs to Pakistan's Gilgit-Baltistan. This is the significant move from the time during the

Kargil War, when China did not take sides on the issue and maintained neutrality. The Deputy Director of China Reform Forum Ma Jiali, stated that, China has provided Pakistan only defensive weapons and that Pakistan's military imbalance with India disturbs stability in this part of the world. When PM Narendra Modi pitched for revitalising South Asia as a regional forum, India will face stiff competition from China in terms of investments and political engagements. There is much work to be done to reconsolidate SAARC internally and there is no room, as of now for expanding membership of the SAARC.

Umbrella Revolution and its Fallout in PRC Policies

Umbrella revolution started on 28 September 2014 when activists protested outside the Hong Kong government establishments. The protest was launched by the students in reaction to Chinese screening of candidates for the chief-executive position which according to Beijing need to be vetted by an electoral committee of tycoons, oligarchs and pro-Beijing figures. The main demand of the protestors is full democracy with the right to nominate and directly elect the head of the Hong Kong government, known as the chief executive. The secondary demand seeks resignation of current chief executive, Leung Chun-ying, which has been refused by China. Leung is widely disliked because he is seen as prioritizing China's interests over Hong Kong's.

The Hong Kong government declared these protests as illegal. The international response to this revolution was cautious. The US stated that they are not going to interfere on this issue. The UK expressed concern and said that China should handle this protest peacefully though the Chinese response was strong. Chinese journals published articles saying that this revolution will fail. The Hong Kong government criticised the protests and accused them of destroying the peace of society.

After the revolution started, the Chinese leaders borrowed the influence and focused on strengthening national security capabilities and keeping foreign powers outside Hong Kong. After confrontation in Tiananmen, China has taken a decision to handle any such incident with a "no compromise" policy. Looking at the muscular attitude towards the Hong Kong protests, it is clear that they are not going to take a single nomination done by protesters into consideration. The considerable participation of younger generation in the protests is a matter of concern for Chinese authorities. Now, they are shifting their attention and will recruit pro-communist leaders from students to influence the protesters. In the future, Chinese communists may appoint leaders from these very students.

Chinese PLA Modernisation

At present, PLA is modernising itself with incredible speed, especially in the sectors of software and hardware which will definitely impact upon regional security. PLA is building instruments for IT battles and for that they have developed a platform for precise attacks and defence training stations. One special test group of PLA under military reforms has established a logistics department. PLA has widened its horizon as far as operationalisation capabilities and size is concerned. President Xi Jinping has asked the PLA to be ready on first call for fighting and winning wars.