

# Dragon Trap

## Spread of the Chinese Dragon

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### Abstract

*The Indian sub-continent is playing a major role in the 'Pivot to Asia' and the world's next battleground i.e. the Indian Ocean. The dragon is spreading to the Indian Ocean Region (IOR) countries and our neighbours. The Chinese offer the Belt and Road Initiative to needy countries that have a singular commonality, are cash-starved and are economically not viable. The spread is Pakistan, Myanmar, Sri Lanka, Maldives, Bangladesh, Nepal, IOR regions and all six island nations in the Indian Ocean. The so-called string of pearls has grown into a 'Dragon Trap' or a 'Debt Trap'. The dragon traps with financing the infrastructure projects and infusing cash into the economy with certain dubious terms which are to be executed at a later stage, when the country defaults on debt repayments and then takes control of these projects, often with certain strategic aims behind it. Debt trap diplomacy is the buzzword. The Chinese footprint around India is a cause for concern. The Chinese have ensured their presence in strategically important countries. The Dragon is on the move and playing Wei Qi (Go). The Dragon's presence is contested by the growing Indian influence. Our foreign policy must reach out to global players and groupings like the Quadrilateral Security Dialogue, The Association of Southeast Asian*

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*Nations, and AUKUS (A trilateral security partnership for the Indo-Pacific region between Australia, the United Kingdom, and the United States) to play a proactive role. The dragon trap is a reality, and we must counter it diplomatically with positive engagements.*

## Introduction

The Indian subcontinent is the most active geopolitical battleground in the world. Rightly so, as the next major battleground is going to be the Indian Ocean. The border dispute and economic parleys make it more demanding. China for one is looking to control the region. India is one great hindrance to the dreams of Chinese supremacy. The smaller nations in and around the region base their foreign policy on the overtures of these two power horses. The last decade has seen the rise of Indian stature politically and economically worldwide. China has been engaging with our neighbours extensively since China's rollout of the Belt and Road Initiative (BRI) in 2013. Practically all our neighbours have subscribed to the Initiative. India has opposed the Initiative throughout. China has not only engaged India's neighbours but also the Indian Ocean Rim countries, island territories and the eastern seaboard of Africa. However, the Initiative promised a growth model and infrastructure development to the member countries but has failed to live up to the promises. The 'String of Pearls Theory' has probably grown into a 'Dragon Trap' around India. Geographically, the dragon spreads from Xinjiang via Karakoram through the China–Pakistan Economic Corridor (CPEC) to Gwadar, African eastern seaboard, island nations in the ocean. Myanmar, Nepal, Bangladesh and, Sri Lanka. China is the only nation with an embassy in each of the six islands in the Indian Ocean i.e. Sri Lanka, Maldives, Mauritius, Seychelles, Madagascar, and Comoros. None of the traditional players the United States (US), the United Kingdom (UK), India, or France has embassies in all six.<sup>1</sup>

All Indian neighbours have been engaged by the Chinese economic aid and have fallen into the debt trap. The result is the presence of China in those countries. Debt repayment may not be on the minds of the Chinese, but the takeover of the infrastructure project makes it noteworthy. Our neighbours and the potential

borrowers are cash-starved, economically weak nations, look critical, and are not stable politically as well. Behind the scenes is China's reluctance to forgive debt and its extreme secrecy about how much money it has loaned and on what terms, which has kept other major lenders from stepping in to help. On top of that, is the recent discovery that borrowers have been required to put cash in hidden escrow accounts that push China to the front of the line of creditors to be paid.<sup>2</sup> India has been engaging these countries constructively and yet the Chinese footprints are visible.

### **The Dragon Trap**

A popular Chinese game called *Wei Qi*<sup>3</sup> or Go is an abstract strategy board game for two players, in which the aim is to surround more territory than the opponent. An ancient board game more popular than chess, which is all about strategy and gaining territory.

The dragon traps the countries by financing the infrastructure projects and infusing cash into the economy with certain dubious terms which are to be executed at a later stage when the country defaults on debt repayments and then takes control of these projects often with certain strategic aims behind it. Pakistan, Sri Lanka, Maldives, African countries, and other partners in BRI, are glaring examples of debt trap diplomacy.

The Chinese footprint around India is a cause for concern. The string has grown into a trap. The dragon has now grown many folds. The presence in these countries is what is alarming. The Chinese have effectively used the BRI to ensure their presence in strategically important countries. The Dragon is on the move and playing *Wei Qi*.

### **Indian Ocean**

The Indian Ocean is the new strategic power pivot in the global world order. Analysing Mackinder's Heartland Theory, which professes the heartland as the 'World Island' identifies Eurasia as the pivot. The Indian Ocean and the seas along the Middle East are integral parts of the world island. The importance of the latter may be observed in the words of Saul Cohen (1963) who claims, "There are, strictly speaking, only two geostrategic regions today: The Trade-Dependent Maritime World, and The Eurasian Continental World. Projecting our views into the future, we anticipate the eventual emergence of a third geostrategic region—the Indian Ocean".

China has shown a greater interest in the ocean with its growing naval presence. China's energy needs are met through the transit routes in the ocean. To secure its needs it has engaged with all the littorals of the ocean. It has footprints in the Indian Ocean Region primarily to safeguard its interests. China is playing a new role of being a saviour to the cash-starved nations and keeping a strategic eye on the world's critical trade and energy routes. The debt trap diplomacy has played a crucial role, allowing China to operate its military bases far from its home shores. Chinese interest in recent political development in the Maldives and the berthing of a research survey ship in Male, gives ample reason for the strategists across the world to be wary of the fact that China is firmly present in the Indian Ocean.

Today, the Indian Ocean accounts for major shipping lanes and the flow of essential trade which includes oil through the three choke points. The Indian Ocean has become a major battleground due to its strategic location and economic importance.

### **Pakistan**

Pakistan is the closest ally and leverage for China to contain India. It is relying on the historical animosity between these two countries. China has been supporting Pakistan's cause in the international fora including using its veto against India to protect known terrorists. The Chinese launched their ambitious project, the BRI, with Pakistan laying the CPEC to the Gwadar-Makran coast. This is the shortest route to the gulf and sea lanes. However, the economic revival which Pakistan was looking at did not materialise as expected. Internal resentment against the Chinese grew, as there was no employment generated, all the labour being Chinese. The debt burden was too much for Pakistan as it failed in debt repayment, thereby, giving up almost total control of the port towns. Political instability has played its role to the advantage of China. Bailout packages also did not lessen the burden. China was firmly in and knocking on India's doors much to her discomfort.

### **Myanmar**

Myanmar has had a difficult period. In recent times, the democratic system and the Military Junta are at each other's throats, thereby fanning unrest in the country. The economy has not been doing well and it is an ideal recipe for the Chinese to step in, and they

did. Engaging Myanmar fulfils two aims, one is to keep an eye on the unstable Northeast and ensure the Chinese presence in Myanmar to control the coastline, thereby, also dominating the Bay of Bengal. Kyaukpyu Port is among the other projects in the country which are contentious and are falling into the debt trap. Yet another failed BRI promise, but Myanmar has no choice as there are no investors other than Beijing willing to invest in the country. The debt trap looms large. The present unrest plays into the hands of the Chinese as they may be aiding the Junta to counter the rebels, and yet tacitly aiding rebels too. Similar aid has been given to Indian insurgent groups notably the non-talk faction of the United Liberation Front of Assam led by Paresh Barua, National Socialist Council of Nagaland factions, and valley-based insurgent groups in Manipur. The unstable situation, poor economic environment, is an ideal place for Chinese to be in, and they are there, again much to the discomfort of India. Open and porous borders with Manipur, Mizoram and Nagaland make it ideal for the cross-border movement of non-state actors and refugees pushed out of Myanmar.

### **Sri Lanka**

Chinese once again trapped the Sri Lankans in a debt trap of over USD 7.0 bn which they want them to pay first. In a strategic move, they have taken full control of the strategic port of Hambantota in the southern tip of the country. Beijing is also developing the Port of Colombo again in the same manner as Hambantota. This port provides a berthing place for the Chinese ships and they are right on the shipping lanes in the Indian Ocean. New Delhi missed this big time. Not only shipping, but this port provides an ideal listening post for the Chinese radars on the activities of the Indian Navy, covering both the seaboard and island territories.

### **Bangladesh**

The two countries had blow hot blow cold relations when China vetoed the recognition of Bangladesh in 1971. However, in recent times the relations have grown warmer and have seen the major involvement of the Chinese in development projects. The BRI has sponsored various projects and the Chinese have, to their credit, completed the important Padma Bridge. In recent years, China's footprint in Bangladesh has grown significantly. In 2016, Dhaka

joined the Chinese BRI. The Awami League government reportedly prioritised 17 projects, including the construction of power plants, railway lines, roads, a river tunnel, the modernisation of ports, and the development of information and communication technologies. Bangladesh's defence ties with China have grown too.<sup>4</sup> The Chinese also find their presence in the country most beneficial as they can keep a watch on India's Northeast and help in keeping it unstable and get to the north of the Bay of Bengal. The Chinese presence in Bangladesh is uncomfortably close to the strategic Doklam Plateau and the Chicken's Neck, the Siliguri Corridor.

### **Nepal**

Nepal is geopolitically and geographically lying in a difficult location between two giants, India and China. Nepal must balance its foreign policy between these two. Traditionally, Nepal has cultural relations with India. China has been making roads near the Indo-Nepal bordering, Lapcha–Limi area, as reportedly the People's Liberation Army (PLA) has constructed buildings in the Humla district in Karnali province which is important for the pilgrimage to Mount Kailash, and along with making roads they have been diverting the course of some of the mountain rivers flowing into Nepal. Nepal has also probably fallen into the debt trap. The airport at Pokhara has gone under Chinese control over the failure of debt repayment. China is engaging India through Nepal. Beijing requires Nepalese cooperation strategically as they can then monitor Tibet and the Indian border from Pooh in Himachal Pradesh to Arunachal Pradesh.

### **The Fire of the Dragon**

"While our western and non-western threats to security are still as prominent as before, a new threat has developed from the north and northeast. Thus, for the first time, after centuries, India's defence has to concentrate itself on two fronts simultaneously. Our defence measures have so far been based on the calculations of superiority over Pakistan. In our calculations we shall now have to reckon with communist China in the north and the northeast, a communist China which has definite ambitions and aims and which does not, in any way, seem friendly disposed towards us".

-Sardar Vallabh Bhai Patel, letter to then PM, 7 Nov 1950

**Water as Weapon.** The large-scale construction of dams and river connectivity projects by China pose a serious challenge to water security, not only to the Northeast but South Asia as well. Threat due to the use of water as a strategic weapon by China is imminent. The scarcity of water in Northern China has forced it to divert water from the water surplus southern regions. This would starve India and other lower riparian countries. Beijing is using water as a weapon for future use. China remains gung-ho on its USD 62.0 bn South-North Water Transfer Project. It aims to divert 44.8 bn cubic meters of water per year from Southern China to the Yellow River basin in arid Northern China.<sup>5</sup>

**Strategic Manoeuvre.** The Western Theatre Command<sup>6</sup> is the most significant development in the Chinese PLA reorganisation. It is the formation of a single Western Battle Zone, headquartered in Chengdu, and responsible for the full land border with India. With the creation of a single Theatre Command, one commander with all the resources of the PLA and People's Liberation Army Air Force as well as the conventional missiles of the Rocket Force, China has now synergised application of forces against India's northern and northeastern borders.

### **Checkmate the Dragon**

India must observe the spread carefully and articulate its response accordingly. India's standing in the world order and standing on the flash points will counter the dragon. Indo-US relations are on the upswing amidst the business rivalry between the US and China. An Indian take on the Russian war has made it very clear that India is serious about its own security and energy requirements and can make its own choices according to national interests. The successful conduct of G-20 has made China, wary of the things to come. Bringing the Indian contentious geographical issues to the world forum was by no means an easy task which New Delhi did admirably. The inclusion of the African Union into the folds of G-20 with consensus was a masterstroke. India is being hailed as a power to reckon with, much to the discomfort of the Chinese. The rise of the leader of the Global South is a major hindrance for the dragon spread. The revival of the Quadrilateral Security Dialogue (QUAD) has checkmated the Chinese dreams. The Pacific Island nations have already asked the US to resume funding or else China will move in with adequate funds. It is yet another

strategic move by Beijing to provide funds to cash-starved nations to assume control. Leaders of three Pacific island nations have warned the US that any delay in providing funding would lead to Beijing increasing its stronghold in the region. China is seeking to draw away as many of Taiwan's diplomatic allies as possible in the region.<sup>7</sup>

The diplomatic engagements with the Indian Ocean littoral countries must be higher on the agenda. Simultaneously, India must develop naval capacities and island territories. Economically, India is on the rise, and has a proactive industrial base ready to compete with the world standards and leaders. Neighbours' First Policy must be made effective as Beijing has firmed its presence in the neighbourhood.

Militarily, India has the fourth largest standing defence forces, modernised and capable. This was admirably demonstrated during Doklam and Galwan imbroglios. India has restructured its forces to face the new threat from China and has, in recent times, shown resilience and national character and has spelt out the national interests. COVID-19 and debt trap diplomacy have dented the Chinese standing. BRI has not given the results the recipient countries were expecting, but the Chinese never intended well either. The presence and control of the areas far away from home was the strategy of the game, *Wei Qi* and they have achieved it.

## Conclusion

The dragon is making its presence felt in the region and is contested by the growing Indian influence. India's foreign policy and external engagements coupled with political strength will have to play the part to nullify the dragon's bite. India's foreign policy must reach out to global players and groupings like QUAD, Association of South East Asian Nations, and the trilateral security partnership for the Indo-Pacific region between Australia, the UK, and the US to play a proactive role. The Dragon Trap is a reality, and we must counter it diplomatically with positive engagements.

## Endnotes

<sup>1</sup> Darshana M. Baruah, Surrounding the Ocean: PRC Influence in the Indian Ocean, <https://carnegieendowment.org/2023/04/18/surrounding-ocean-prc-influence-in-indian-ocean-pub-89608>.



<sup>2</sup> Bernard Condon, China's loans pushing world's poorest countries to the brink of collapse, Associated Press, May 19, 2023.

<sup>3</sup> *Wei Qi* (Mandarin for 'board game of surrounding') had its origins in China sometime before 500 BC. Wei Qi, probably better known as 'Go!' is a game which occupies a place in Chinese history and culture. The basic aim of the game is to capture as large a territory as possible on the board.

<sup>4</sup> Mubashar Hasan, What is Driving China-Bangladesh Bonhomie? , Diplomat, October 18, 2023.

<sup>5</sup> <https://www.indiatoday.in/world/neighbours/story/china-diverting-tibet-water-northwards-94834-2012-03-01>

<sup>6</sup> The Western Theater Command is one of the five theatre commands of the People's Liberation Army of China since 2016. Its jurisdiction includes Sichuan, Tibet, Gansu, Ningxia, Qinghai, Xinjiang and Chongqing.

<sup>7</sup> Ramananda Sengupta, <https://stratnewsglobal.com/articles/clear-funds-else-china-waiting-pacific-island-nations-warn-us/>, February 16, 2024