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South Asia elections open multiple fronts in Sino-India battle for influence

Recent pivot by the Maldives to China is an example of how the power play works.

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From the Himalayan heights of Bhutan to the island nations of Maldives and Sri Lanka, South Asia will witness a series of elections in 2024, the outcomes of which will shape not just the trajectory of domestic politics but also the contest for influence between the two Asian giants – India and China.

The string of elections began with Bangladesh and Bhutan on Jan 7 and 9 respectively, with more to come in India, the Maldives, Pakistan and Sri Lanka.

Viewed through the lens of Sino-Indian rivalry, the polls in Bhutan, Bangladesh, Maldives and Sri Lanka each offer snapshots of the balancing acts and swings of the pendulum in this intensifying power play.

China has expanded its presence in South Asia through investments and funding of infrastructural projects such as the Hambantota port in Sri Lanka and Bangladesh's Payra power plant. A number of South Asian states have also been incorporated into China's Belt and Road Initiative (BRI). All of these serve to increase China's geostrategic influence in the region.

India, which has viewed the region as its sphere of influence, is concerned by these developments and has responded by evolving its approach to its neighbours. In particular, it has placed greater emphasis on developing infrastructural links and economic integration. This includes enabling cross-border transmission of hydroelectricity between Nepal, India and Bangladesh. In this context, a major issue confronting many South Asian states is whether the India-China competition will give rise to opportunities or constrain their choices.

Above: Bangladesh's general election on Jan 7 saw Prime Minister Sheikh Hasina Wazed and her Awami League emerging winners. While Ms Hasina will remain committed to maintaining good relations with India, dealing with the economic situation in Bangladesh may require greater Chinese investments. This, in turn, will lead to greater Chinese influence and concern in India. PHOTO: REUTERS

Left: Bhutan held its general election on Jan 9, and the newly elected government led by Prime Minister Tshering Tobgay is focused on diversifying the economy and attracting investments. To achieve this, Bhutan will need to look to investments from both India and China. PHOTO: AFP

MALDIVES PIVOT TO CHINA

In the case of the Maldives, which on Jan 14 told India to remove its small contingent of troops from its territory, it is a case study on how a small Asian country can play off one big neighbour against another. The island nation's location along key trade and energy routes in the Indian Ocean has had India and China seeking to cultivate strategic influence in the country. On its part, the Maldives' approach to these powers has vacillated with shifts in government.

The election in September 2023 of Mr Mohamed Muizzu as President marked the start of a rapid deterioration of ties with India. Mr Muizzu had campaigned on a promise to end his predecessor's "India first" policy and to prioritise greater Chinese investment. Various deals, including one to upgrade ties to a Comprehensive Strategic Cooperative Partnership, were forged during Mr Muizzu's state visit to China last week. Chinese leader Xi Jinping welcomed Mr Muizzu as "an old friend".

The reception in the Great Hall of the People stood in stark contrast to the rude remarks made recently by three Maldivian ministers in response to a video of Prime Minister Narendra Modi praising the beach attractions of Lakshadweep, an Indian island. The comments sparked a diplomatic spat and calls in India for a tourist boycott of the Maldives.

Looming ahead is the parliamentary election in March. The pro-India opposition Maldivian Democratic Party still holds a majority in Parliament and sees the victory last week of its candidate in the mayoral election in the capital Male as a positive sign of things to come.

BHUTAN TUSSLE

The India-China rivalry is also playing out in Bhutan, although in less dramatic fashion. The newly elected government led by Prime Minister Tshering Tobgay is focused on diversifying the economy and attracting investments. Improving the economy was the principal issue that his People's Democratic Party campaigned on. To achieve this, Bhutan will need to look to investments from both India and China.

Bhutan has long had a close relationship with India. For decades, until 2007, India oversaw its foreign policy and defence under a friendship treaty signed in 1949. Thus, India sees Bhutan as being firmly in its sphere of influence. To date, the Himalayan kingdom has not established official diplomatic relations with China, and its relations with Beijing have also been complicated by a long-drawn territorial dispute.

Historical cartographical differences have been exacerbated by the recent construction of Chinese settlements in disputed areas. In 2017, the movement of Chinese soldiers into territory claimed by Bhutan and China in the Doklam Plateau led to a military stand-off between India and China. Thus, attracting Chinese investments may be important, but it will cause disquiet in India.

India is already apprehensive over a "cooperation agreement" negotiated between the previous Bhutanese government and China to delineate the border. China will likely push for the establishment of diplomatic relations as a precondition for this. It is, however, not clear if the new government will follow through on these border negotiations. On his part, Mr Tobgay is seen as pro-India and had strongly advocated greater economic and infrastructural integration with India and other South Asian neighbours during his previous tenure as prime minister between 2013-2018.

SRI LANKA SWING?

The broader implications of the presidential election in Sri Lanka are clear from the fact that the leading candidates have articulated differing positions on the country's economy and foreign policy.

Incumbent President Ranil Wickremesinghe has pitched for closer ties with India. When he assumed the presidency in July 2022, India welcomed it as an opportunity to cement greater relations. India extended a credit line and currency support worth some US$4 billion (S$5.4 billion). Furthermore, Mr Wickremesinghe's visit to India in July 2023 resulted in the tabling of a series of initiatives and investments in the transportation, energy and tourism sectors and discussions over the integration of the two economies.

However, opinion polls indicate that the opposition Janatha Vimukthi Peramuna (JVP) may be poised to win the presidency. Given the country's economic crisis, the socialist JVP's criticism of austerity measures, rejection of neo-liberal economic models and promise to root out corruption have struck a chord. While the JVP has not articulated a clear economic agenda, it has indicated that it will adopt a different path from that pursued by Mr Wickremesinghe.

The victory of the JVP's candidate may also throw a spanner in the works at a regional level. The JVP has accused Mr Wickremesinghe of endangering Sri Lanka's position by making it a partisan in the broader geopolitical tussle between India and China. The JVP was particularly harsh in its criticism of the government when it sought to prevent a Chinese ship from docking in August 2022 in response to Indian concerns that the ship was spying. Its leader, Mr Anura Dissanayake, argues that such a pro-India stance could lead to Sri Lanka being pulled into a "war-like situation".

BANGLADESH BALANCING ACT

The current flux and tensions in the relationship between the Big Two (India and China) and the cluster of smaller South Asian states are occurring against a backdrop of economic uncertainty. Sri Lankans will elect a president and Parliament in September amid a debilitating economic crisis that led to political unrest. On its part, Bhutan's economy has only grown at an average rate of 1.5 per cent over the past five years and unemployment rates are hovering close to 30 per cent.

While Bangladesh has seen decades of impressive economic growth, 2023 was marked by high inflation and a dip in foreign reserves. On Jan 7, Prime Minister Sheikh Hasina Wazed and her Awami League emerged winners in an election boycotted by the main opposition party.

It was an open secret that Ms Hasina was India's preferred candidate. During her 15 years of continuous rule, Bangladesh has developed strong relations with India. However, Bangladesh is also a part of China's BRI and has accepted Chinese support to develop key infrastructural projects. Indeed, Ms Hasina has mastered the ability to balance India and China. While she will remain committed to maintaining good relations with India, dealing with the economic situation in Bangladesh may require greater Chinese investments. This, in turn, will lead to greater Chinese influence and concern in India.

The India-Bangladesh relationship could also be complicated by the United States' response to the polls. The US has been critical of what it views as the curtailment of democratic rights and has imposed sanctions on the counterterrorism force, the Rapid Action Battalion, and placed travel restrictions on influential figures. It remains to be seen if the US will impose trade sanctions. It is, however, clear that such sanctions will adversely affect Bangladesh and could push it closer to China. Crucially, shortly before the election, China's state media reported that Mr Xi had assured Ms Hasina that Beijing will support Bangladesh against external interference and was ready to strengthen economic and development cooperation.

Overall, the elections of 2024 are occurring in a regional context that is complicating how states have managed the India-China competition. As India and China intensify their attempts to secure their influence in South Asia, economic and infrastructural relations may increasingly be presented as zero-sum games. Thus, the choices made by the governments elected in 2024 will shape the geopolitics of the region.

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