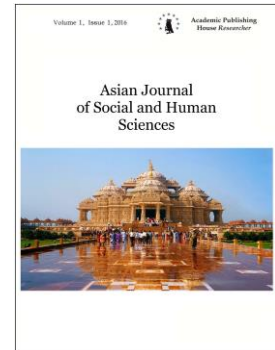


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## Articles

### **Economic Interdependence and Competition in International Relations: A Case Study of China in South Asian Region**

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#### **Abstract**

This paper is aimed to reveal the effects of complex interdependence in the perspective of cooperation and competition in the field of interdependence. This study is going to testify the China's growing dominance and economic influence in South Asia specifically and in the world generally with the reference to complex interdependency norm, it also carries the purpose of examining the fact of cooperation and competition that whether it is producing a positive impact by increased cooperation among the world rather than conflict. China's flagship initiative Belt and Road Initiative BRI is the main focus of the study because it is the most influential factor for the growing economic and strategic power of China. This study raises some important points like why the concept of interdependency is proved to stimulate conflicts rather than cooperation among the countries and why does it imply for in-depth realization and application of globalization and global politics. This paper is going to focus the role of China, US and India in the context of interdependence with the possible consequences of growing discontentment and conflict, the reason of choosing these countries for the analysis is, US as a long standing world and hegemonic power, China which is the biggest competitor of US as well as redesigning the dynamics of the world as well as the region and India as the most influential country of South Asia with highly significant geography, size and its growing economic ties with the world specifically in the region.

**Keywords:** economic interdependence, competition, cooperation, China, BRI.

#### **1. Introduction**

In international Relations, the concept of cooperation and competition apply simultaneously when it comes to economic interdependency. China which is gaining economic strength and posing serious challenges to the existing economic giants of the world, has been taken as a case study for exploring more about economic interdependency and how it is contributing for creating cooperation among different states due to its massive plan of BRI and as a result, drastic competition is going to be faced by those nations that are being offended because of Chinese presence and deviation of the world towards it. It is necessary before moving towards the facts and its implications, to know the theoretical approach for these concepts that how they emerged and what is the theoretical perspective of liberals, realists etc. There came up with different ideas of interdependency and its impacts like realists believe upon absolute security as they think that if a

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state is more concerned to the acquisition of power and security than it would assure their dominance over world politics and international relations. On the contrary, liberals are the believer of cooperation and international order through international organization and trade, they reject power politics and realists' view of security and warfare principles. Liberals approach was more clarified and extended with the theory of complex interdependency which was presented by Robert O. Koehn and Joseph S. Nye. This theory considers real power as economic strength and economic bond among states through trade and welfare; it avoids the need of military alliance rather economic and trade alliances. According to Koehn and Nye, the important driving factor of the world politics is to be economically self-reliant and enhance cooperation among the state by opening more trade and economic opportunities, competition would also be recommended on economic and developmental ground with the help of more international and developmental organizations to strengthen the norm of globalization and international free trade (Koehn, Nye, 1977). It also doesn't give significance to the military cooperation for gaining defense and security against the states. China can easily fit in this criteria as it is trying to build economic and strategic alliances comprised of the majority of the world states through its plan of Belt and Road initiative stretched from east to west. It is not going to build military alliance and defense pact with the states rather infrastructural and developmental plans with the world, this initiative is positively increasing the cooperation among the states with the reduction of conflicts, competition has turned into economic achievements and gains but it doesn't mean that the conflict has vanished as it is inevitable because China's competitors are there and as realists believe that conflict or disagreement is the natural phenomenon therefore, it is quite evident that along with cooperation, competition is also growing and United States of America with its likeminded allies working for the pursuit of its interest against China.

By taking China as a case study, its role in South Asia and rest of the world has become very prominent after the introduction of its massive infrastructural and developmental plan Belt and Road Initiative (BRI) aims to enhance China's connectivity to the world. China is providing immense financial, infrastructural and strategic support to the participants of this program which is a great threat to the hegemonic power of US in various parts of the world. China is putting enormous investment in terms of financial, technological and diplomatic assistance to the world as well as to South Asia, for this region, India is also a great opponent of China's expansion across the region as it is the direct threat to its dominance over other South Asian countries.

Theory of interdependency talks about a unified world on economic cooperation and trade integrity and China is acting exactly the same like this theory because BRI is a program which aims to connect the world through a series of roads, highways, bridges as well as through maritime routes, for this purpose, it has been engaging countries since 2013 when it was first announced by the Chinese president Xi Jinping for the extension of Chinese power across the world and countries welcomed this opportunity for their domestic infrastructure growth. World's powers are curious and doubtful regarding the feasibility of this plan although there are many shortcomings and negative effects of this initiative over the economic liberty and sovereignty of states and the opponents of Chinese BRI plan tried to utilize it for their favor but still, China is quite successfully running its plan not only over land but maritime BRI is also developing and providing the world more cooperation and competition under the norm of economic interdependency.

## **2. Discussion and results**

### **Economic Interdependency and competition in South Asia**

International Relations theories for cooperation and competition can easily describe the present scenario of the world which is rapidly changing its old norms and positions, economic interdependency is the most appropriate criteria to elaborate the China's position and the impact of BRI over the world politics and world order as it is altering the old course of power politics and adopting the economic dependency, security and cooperation. Neo liberals that advocate the presence of economic and trade cooperation which gives rise to dependency of the states along with the growing competition and this is like a driving force for the global political, strategic and economic competition, Mazarr said: "a struggle or contest between people with opposing needs, ideas, beliefs, values, or goals (Mazarr, 2018). When it comes to economic interdependency, this dependency usually enhances more economic cooperation and leads to economic gains and more

close economic ties among the countries. Competition can be driven more positively for extensive and uninterrupted economic gains over a longer period of time but liberals have a different kind of perspective as they think that this close economic competition and dependency could easily create conflicts. When it comes to economic dependency, European Union is the best example for cooperation and also competition in term of economic assistance. Liberals also assume that economic competition can easily escalate the conflict but the important thing is, international organizations have the potential to mediate and establish peace in case of any conflict but on the contrary, realists believe that excessive economic dependency can easily drive the situation towards disagreement and conflict as this dependency can turn partners into rivals. Both the conceptions can be applicable in different situations like US and China economic dependency is producing aggression and discontentment but in case of Pakistan and China, CPEC is promoting more cooperation and dependency.

#### China BRI Plan in South Asia

World's most expensive, greatest strategic and infrastructural development has been launched by China in 2013 involves 61 % of world's population, it is the revival of old Silk Road that was comprised of three continents but now it is spread across the world. This connectivity is not just confined to land but also through maritime ways. Chinese president Xi Jinping while visiting Kazakhstan and Indonesia, announced the revival of old Silk Road and massive connectivity plan across the world through land and sea ways. He said that it is the start of a new era of cooperation and collaboration among the various countries by investing 3 trillion \$ over infrastructural development for BRI project. According to the Chinese president, it is an exclusive opportunity for unstoppable chain of infrastructural development for the global connectivity. This initiative has various objectives and aims but the most important is "to build an integrated large market which will utilize both local and international market", other than economic gains and benefits, it would also related to investment, construction, railway, highways, automobile, real estate and different industries as this initiative is the source of connectivity and development of resources across the world as well as reduce the gap across the areas of Asia Pacific, Africa, central and eastern Europe.

BRI is comprised of six corridors across the world that are names as:

- (1) The New Eurasian Land Bridge;
- (2) The China-Central Asia-West Asia Corridor;
- (3) The China-Pakistan Corridor;
- (4) The Bangladesh-China- Myanmar Corridor;
- (5) The China-Mongolia-Russia Corridor;
- (6) The China-Indochina Peninsula Corridor.

This new silk road has a long embellished and enriched history, this road was built to enhance the trade connection of China with the neighboring countries and develop silk trade although it was not confined to silk but the other commodities were also exported to the other countries, not just china but the other countries along with the route participated in this trade venture. This connectivity also promoted people to people contact initiated by China's Hans dynasty. This road were remained operated until 1453 A.D. when the Ottomans boycotted the trade with China. Silk was the major commodity which was aimed to deliver throughout different regions like Persia, India, Greece and Rome. Along with the trading purpose, it was also utilized as cultural and religion exchange source, different civilizations came across with new ideas, concepts and practices because of the communication that was not possible before the development of this route. Contemporarily, BRI is going to connect Gwadar to Kashgar through China Pakistan economic corridor CPEC (Ali, 2014).

There are different important components of BRI, the most important one is infrastructure and BRI carries the purpose to advance the infrastructure of all the participants of this project. For the harmonized and unified impact of this project, its objective is to revolutionized and advanced the infrastructure of almost 60 countries throughout the world through different corridors on lands as well as seas. It will be started from western China to western Russia, it is planned to cross Kazakhstan and further cross Russia, Belarus, Poland and Germany. Another corridor which is called as China Mongolia Russia Corridor, it starts from Northern China towards Russia and Far East. Another corridor is China-Central Asia-West Asia corridor starts from western China to Turkey. Next is Bangladesh-China-Myanmar Corridor then Indo China Peninsula Corridor and finally China Pakistan Economic Corridor that will bring 62 billion dollars

for infrastructural advancement in Pakistan, this CPEC has started its function from November 2016 with the inauguration of Gwadar port that facilitates transportation to Africa and west Asia (Li, 2017).

Trade and economic growth is another important objective of BRI, China has devoted 67 billion dollars for 212 projects in participating countries of BRI through Asian Infrastructural Investment Bank and Industrial and Commercial Bank of China. For better and fast connectivity and communication, China is assisting developing and technologically backward countries to support the development of high tech and technologically updated route across the world. Different industries and resource acquisition has been executed by China in different participating countries. It has also strategic and geo-political objectives not only for China itself but for the whole world because this long and massive infrastructural revolution which is going to be happened throughout the world will connect various countries and harmonize their interests and benefits. China would become an influential power and can easily remove the other powers' influence over the world, this will ultimately cause clash of interest and driving of alliances as it is not only concerned with the economic needs of the states but also have highly strategic implications.

In Asian continent, most of the BRI participants are developing countries that's why they are expecting more gains and economic benefits as a part of this massive developmental initiative. This plan is going to be executed in bilateral and multilateral levels and will work in the four categories of road and rail connectivity, energy connectivity, trade and industrial development and people to people projects. One of the corridor is connecting China to Central Asia which carries enormous importance in term of energy resources and strategic implications especially for China as this region is enriched with mineral resources and this route has great strategic benefits for China being an initiator and investor of BRI in this region. Chinese investment is estimated from 500,000 million to 30 billion in Central Asian region, China is also determinant to reduce Russian influence and contribution in this economy because China has become biggest importer of Central Asian energy resources. China is also trying to collaborate in term of soft power in education and cultural sector (Laruelle, 2018). Afghanistan is not a part of BRI but with the huge development around its neighborhood, it can be the biggest beneficiary of the outcomes of this project like CPEC in Pakistan, the enhancement in transportation and communication linkages, Afghanistan can get a chance to improve its relations and trade with Central Asian countries and the region ahead. ASEAN countries are also a part of this project and being an active economic and trading block of the world, China has a fabulous opportunity to develop more close ties with ASEAN countries so, they can be mutually benefitted with development and profits. Not only economic but this region has strategic significance because of South China Sea, Indo Pacific region and Pacific-Atlantic route. It is also a busiest and highly profitable market for the world. Middle East is also an important part of the project because one part of it goes from China to gulf and Mediterranean Sea. China is heavily dependent over Middle Eastern oil and consequently, Middle Eastern countries are a big market for Chinese products. Besides its economical benefits, strategic implications of this region is also unquestionable since a long time because all world powers and international community is indulged in its geo political and strategic dimension.

Being a part of Asia, China is investing enormously in the region and putting heavy investment on South Asian countries. Pakistan as the closest ally and friend of china is getting benefits in the form of CPEC which is going to connect Chinese region of Xinjiang with the Gwadar port through the network of highways, railways and pipeline for transporting oil and gas. CPEC in this region has become a source of hostility between China and India because India has the reservation regarding its sovereignty and state security as well as Kashmir issue as India's perceived this plan as the disturbance in the cause of Kashmir and border violation. After India and Pakistan, Bangladesh, Nepal, Maldives, Sri Lanka are part of this project but India and Bhutan opposed the entry of this project in their countries.

This BRI is creating more avenues for economic competition in the region as it is increasing the pace of development and infrastructural advancement, it is also creating need for more industries and resources, BRI participating countries are receiving heavy investment for their trade and industrial growth which is highly beneficial for their enhancement as well as it is increasing the level of dependency over other. Economic dependency leads to more close economic and diplomatic relations which give rise to more stable and peaceful environment, for example, Pakistan is getting Chinese investment and aid for the development of peaceful and feasible CPEC

which is making Pakistan more dependent and ready to cooperate with China and other related countries but on the other hand, India-China-Pakistan conflicts are also growing over Kashmir, border violation and sovereignty. India is persuading Bhutan, not to be a part of BRI in order to preserve from Chinese strategic influence. There are various other old and new conflicts emerged after BRI like Taliban regime as a threat to the security of CPEC. India Pakistan tension is also going to be more intense due to CPEC development and Chinese involvement in the domestic affairs of Pakistan.

#### BRI: Concerns and Challenges for South Asian Participants of the Project

BRI has not only brought opportunities and economic benefits to the states but also posing serious challenges for the participants of the project like it has created strategic imbalances in the region like excessive dependence over China by Pakistan is the factor of India's reservation against BRI and the related participants. It is also disturbing the long lasting US hegemonic position in South Asia. Another challenge is increasing debts over developing countries like Sri Lanka which is facing serious implications for not repaying the debt and losing its control over its own port Hambantota harbor. In Afghanistan, there is still a prominent threat of Taliban and their involvement in Pakistan's tribal area is a constant matter of concern for the security of CPEC and other BRI projects around Afghanistan. Chinese increased financial assistance as well as promotion of soft power through education and cultural cooperation in participating countries, through this mean, China is positively contributing in making its influence over the countries. China is also involved in utilization of world's resources and minerals for the building and strengthening of its developmental strategy around the world like in Pakistan, Sindh coal reserves are operating and extracting by Chinese companies. Bangladesh is also facing Indian opposition over Chinese investment for its Bangladesh corridor and again it is disturbing the existing diplomatic and economic relations between India and Bangladesh, important aspect in this regard is, Bangladesh is dominantly dependent over India and it would complicate the existing regional and diplomatic setting of the area. There are various other challenges related to this project and the most dominant one is corruption, as BRI is operating in developing countries where the possibilities for corruption are at its peak although China is managing and trying to fix this problem through urgent strategies and steps like new laws and financial policies to get rid of this problem in future.

BRI has geo-political implications not only for China but the whole world is facing some drastic and influential impacts of it as US is losing its position as a world power, according to US, BRI is threatening the sovereignty of states involved in this project that's why US is trying to create an opposition by making alliances of BRI against states like India, Japan, Australia and Indo pacific countries through founding free and open indo pacific strategy (Farwa, 2018). Although US and China have close economic relations and US economy is widely dependent over Chinese products but US is not willing to accept Chinese strategic and geo political dominance across the world therefore, there is a huge change in US foreign policy and it is trying to establish an alliance globally against China and its BRI plan to reduce growing involvement and influence of Chinese economic and strategic influence. US considers BRI as a Chinese expansionist policy because there are various areas and territorial conflicts in which China is completely involved and has taken an edge over the opponent like South China Sea, Taiwan issue as China is trying to get access over regional and international trade routes and all these matters are associated with strategic significance.

China has become a serious competitor for US dominance over the world as China is working to improve and establish sound diplomatic relations with Russia, they are cooperating in every possible grounds as BRI is also spread to the Eurasian, Baltic and arctic region. China and its BRI program has emerged as a serious problem for US as China is exploring new arenas for its influence as China is working over its position in space which is pointed out by US authorities (Strout, 2019). On one hand, US is worried about this growing Chinese threat to its position as a world power and on the other hand, it is predicting the future of BRI as a debt trap for developing countries and also a sovereignty theft for the participating countries because for BRI projects, Chinese authorities and officials presence is necessary in these countries which is highly affecting the sovereignty and integrity of these nations and states. US is working to have some sort of solution of the problem and it is aggressively countering the Chinese dominance through putting more taxes and duties over Chinese product importing to US, it is also restricting Chinese

investment in America and trying to reduce its economic strength but US has to think wisely and practically because only countering and offending China cannot bring the desirable results but it has to be more logical and positive by becoming the part of this setting, only through that way, it can sustain its position in the world.

#### US China Competition for influence

China is not leaving any place for US to act logically in this situation, as the increased presence in Indo Pacific region by China has its implications for more active, strengthen and responsive relations of China with the related countries as well as to counter the presence of US forces and power in this region. China has taken over an edge Over US in resolving various territorial issue in Asia and Africa. US doesn't want this much influence of China in the region that's why, it came up with free and open Indo Pacific region but China is not ready to empty these places and wants to play its sincere role in resolving these problems. Likewise, the problem of Malacca, Tibet, Taiwan and Strait of Hormuz, China has its own stance and it is not ready to leave place as a mediator and peace keeper of the region. Us has a long history of conflicts in Middle East but in present scenario, China has entered the situation and played a role of ally to those states where US is considered as an aggressive power, it is hurting the interest of western powers and related states. Iran, Palestine, Sham and Iraq where US is considered as the offender, China is trying to make its position as a mediator and peace keeper which can easily shake the balance of the regional settings and security. Iran as a US enemy, promoting its deep trading and strategic partnership with China, Iraq affected by the long horrible war against terrorism has no sympathy and interest in establishing relations with US and finally Afghanistan another example of American interests acquisition are going to maintain more close ties with China for their better and stable future as a partner in BRI. China can easily defeat US on these ground as it has strategic advantage over US because China is working and investing over developing countries that are not in a position to pay back or give any sort of advantage but China would easily gain the favor of the people because it is trying to invest the money over working and labor community. Although US has dominant over China in term of military power because its army is more active and vibrantly deploying to various countries for the pursuance of its interest. International monetary fund is also assisted and dominated by US and its donor states but in spite of all these facts, China is moving very fast to achieve its title of world's power as it is not much involved in world's conflict and warfare but it always tries to pacify the situation through economic and diplomatic means. China has also started working over maritime BRI, for US it is very difficult to follow the trend as it is not physically present in the world that is why its response for any Chinese initiative is not on time and appropriate or that specific situation. China maritime plan is planning to develop ports of important strategic countries like Chabahar Iran, Hambantota Sri Lanka, Kyaukpu Myanmar and Gwadar Pakistan etc. The world is highly concerned over China's presence on strategic and military routes, it indicates that in future China would have an edge over existing military and strategic powers. This fact interprets the nature of change occurring in world order which can completely alter the US course of action and influence over the world.

### 3. Conclusion

Before the introduction of BRI, world was trying to get a solution of free trade repercussions possibly affecting the developing countries by world economic giants but BRI came up with the equal opportunities for economic growth, development and technological advancement. Besides the world's important regions and countries, rest of the world is as excited as the other part of the world like African nations that have always been neglected and exploited by the big powers but in BRI, they found it as an equal chance for their progress and prosperity. China has initiated various projects for infrastructural development and economic stability of this region, highways, railways, bridges and industries have been started to develop the area. Now African countries can connect to the rest of the world through this connectivity plan as China has built its military base in Djibouti and turned this region as a strategic hub, this step has been taken as an offensive attempt of China behind the name of BRI program.

This BRI plan carries enormous significance and it has its long lasting impact as a welfare initiative because it is providing economic stability to a state with the quick communication facilities that would give employment and convenience to the people of a particular state, its other benefits would be shared by the world in term of environmental preservation, green BRI, a road to

peace as more cooperation would ultimately turn towards the establishment of peace. BRI is a global connectivity tool which has the aim to harmonize the world on the same collaborative dimension, its six corridors are going to work like six networks for cooperation and peace. Not only physical grounds but it has also planned to connect the world digitally, China has named this program as digital Silk Road according to this plan, China is going to provide physical digital infrastructure by introducing 5G cellular network along the route of BRI. China is also working over the promotion of its soft power by introducing scholarships and advance courses of language and technological learning in BRI participating countries. China has planned to create digital free trade zone to facilitate e-commerce for the consolidation of its role as economic super power (Wong, 2019).

China is working to eliminate the negative notions related to the concept like corruption, fraud, debt conditions and environmental concerns raised by international community, it is striving to work upon its flaws and loopholes that are bothering the world as well as creating a negative impact of this plan. In spite of having many gaps and ambiguities, China has already declared as a primary actor for promoting peace and connectivity through the norm of cooperation.

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