



A CRITICAL STUDY OF CHINA'S GROWING INFLUENCE IN SOUTH ASIA AND ITS IMPACT ON INDIA-US RELATIONS

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Abstract

The current work is a critical analysis of the fact that China is increasing its influence in South Asia, and its effects on Indian-US relations, in the shifting geopolitical environment of the Indo-Pacific region. Based on the theories of balance of power and strategic alignment, the study analyzes the ways in which economic, strategic, and diplomatic interactions by China transform the regional power statuses and affect bilateral relations. The research design is a descriptive and analytical study that is based on secondary data collected through peer-reviewed journals, policy reports, and international data bases. To evaluate regional engagement patterns and strategy response a systematic literature review is utilized and is backed by qualitative content analysis and trend analysis. The paper also derives a conceptual structural model based on SEM to describe the interdependence between the main variables, such as the perception of regional security, strategic competition, and geopolitical realignment. The results reveal that China is becoming increasingly influential in South Asia, which dramatically increases security challenges and strategic rivalry, thus moving the Indian and American countries further towards convergence. The paper adds value to the literature, as it provides a combined analytical vision of geopolitical triangles and the role of strategic balances and cooperative models in ensuring stability in the region and in a rules-based world order.

Keywords: China's Influence, South Asia, India– US Relations, Strategic Alignment, Regional Security, Geopolitics, Indo-Pacific, Balance of Power

Introduction

The speed at which China has become one of the major economic and strategic powers in the world has greatly changed the geopolitical relations in the different geographical regions, especially in South Asia. Beijing has grown its presence in the past 20 years with economic investments, infrastructure diplomacy, and strategic partnerships as reflected in programs like the Belt and Road Initiative (BRI). Previously falling under the influence of

India, South Asia has become a hot spot where the Chinese are aiming to cement their dominance in the region. This change has sent out some intriguing strategic consequences not merely on the side of India but also on the US relationships with India and beyond.

Researchers believe that the Chinese involvement in South Asia can be described as multidimensional because it extends to the economic integration,



military collaboration, and even politics (Thapa, 2025). Major initiatives like China-Pakistan Economic Corridor (CPEC) and infrastructure projects in Sri Lanka, Nepal, and Bangladesh can be viewed as demonstrating a long-term strategic rationale in China trying to increase connectivity on the one hand and acquiring geopolitical influence on the other. This growth can usually be viewed in the context of the so-called String of Pearls, that is the attempt by China to create a web of strategic assets in the Indian Ocean in order to neutralize the influence of India.

The increasing presence of China is seen by India as a personal challenge to its regional primacy and security interests. The result is an India that has re-aligned its foreign policy through built of strategic alliances, which have been epitomized in its partnership with the US. The transformation of the India-US relations, especially within the Indo-Pacific region, is an indication on a convergence of interests to balance the rise of China. The US, by relying on its turn, perceives India as an important strategic partner in ensuring a rule-based international system and fighting against Chinese aggressiveness (Li, 2023).

This three-way interaction between China, India, and the US, therefore, took the centre stage in the contemporary geopolitical analysis of South Asia. The features of competition, cooperation, and balancing behavior are the attributes of this strategic triangle when each participant aims to maximize its impact and to avoid risks linked to the other participants (ISAS, 2023). The interaction between the regional achievement interests and China

and the strategic positioning of India and the US highlights the significance of analyzing the impact of the increasing influence of China in South Asia on bilateral and multilateral relations.

This paper will critically examine the growing role of China in South Asia and how this impacts India-US relations. The study adds to the detailed analysis of the changing power relations within the region and their contribution to international order by analyzing the geopolitical, economic, and strategic aspects.

Literature Review

This academic deliberation about the role of China in South Asia has brought to the fore a recent paradigm where there is a consensus that the regional strategy of Beijing is motivated by a mix of economics as well as geopolitics. According to early studies, the economic statecraft that China employs especially infrastructure financing, is a sensation of extending influence (Madhuri, 2021). Not only do these investments help to develop the region, but also establish strategic dependencies increasing the leverage of China on smaller states of South Asia.

In a study by Nga (2021), it has been shown that China and India rivalry in South Asia is realised at various levels and they include diplomacy level, security level and the economic involvement level. The research opines that the growing activities in China on the part of its neighbors has aggravated competition in the region forcing India to resort to both cooperative and confrontational approaches. Likewise, Pulami (2022) outlines how the relationship between China and India progressed throughout



history, pointing out that the present-day tensions are based on both on territorial conflict and a more general struggle of strategies.

The other major stream of literature pays attention to the consequences of the presence of China to regional security. According to the report by the US Institute of Peace (2020), the presence of China in South Asia affects the dynamics of conflicts by changing the balance of power and posing new security risks. The report highlights that Chinese alliances, especially with Pakistan, can have implications on stability in the region and the escalation of conflict.

The US influence in the development of the regional processes has been paid much attention as well. According to scholars, the US factor seems to be a key element in the development of the India-China relationships, which tends to be a counterbalancing attribute (Li, 2023). The growing strength of the India US strategic relationships, particularly in the defense, technology, as well as maritime security, portrays a mutual concern involving opposing China and its infiltrating influence.

Moreover, articles that focus on the US-China competition in South Asia emphasise that the region is an arena of power politics between the two countries. Kumar (2023) states that South Asia has been the battleground in which both powers have tried to increase presence via alliances and economic interactions. This rivalry poses great implications on the alignment of the region in that smaller States juggle between the opposing forces in order to maximize their benefits.

The recent literature also dwells upon such concept as strategic triangulation of India, China and the US. The three-actor framework indicates that the relations between these three actors are interdependent and reinforcers of each other (ISAS, 2023). This point of view offers an insight into the influence that the Chinese activities in South Asia have on the India-US relationship indirectly.

Moreover, researchers have discussed the geopolitical consequences of Chinese Belt and Road Initiative in South Asia. Thapa (2025) contends that even though BRI projects lead to economic development, it also emits issues about dependency in debt and strategic control. This two-tieredness highlights the complexity of the Chinese engagement that is made up of developmental and strategic agendas.

The literature is also used to emphasize the strategic reactions of India to the increasing influence of China. The answers to these are strengthening regional alliances, building military strength, and strengthening the relationship with those world superpowers like the US. Research indicates that India does not align itself with US only in reaction but as a part of the larger strategy that would place India as a central element in the Indo-Pacific region.

Even after a lot of research, there are still gaps in comprehending about the combined effects of China regional approach on India US relations. Majority of the studies concentrate on either bilateral relations or regional implications without much concern on the interrelations between these relations. The proposed



research works towards filling this gap by utilizing a broad research perspective that connects China role in South Asia as well as the transformation in India-US strategic partnership.

Conceptual Framework:

The current research paper is premised on such theories as geopolitical theory, balance of power theory, and strategic alignment theory that together formulate the effects of emerging powers altering the regional dynamics and shaping bilateral and multilateral relations. The framework explores the presence of expanding influence of China on South Asia as a structural factor shaping the Indian-US relations on numerous strategic directions.

The Growing Influence in South Asia of China is considered the independent variable (IV) in the center of the framework. This power is operationalized according to three important dimensions:

1. **Economic Impact** - Belt and Road investments, trade integration and monetary support under the Belt and Road initiative (BRI).
2. **Strategic/Military Influence**- The defence cooperation, weapon transfer, and sea presence in the Indian Ocean Region.
3. **Political/Diplomatic Influence** - Bilateral agreements, regional diplomacy and power in the domestic policies of South Asian states.

All these dimensions reinvent the regional power geography and place strategic pressure on India.

The dependent variable (DV) is defined as the India-US Relations, which can be quantified in terms of:

- Strategic Collaboration (military alliances, military drills)
- Economic and Technological Co-operation.
- Diplomatic Policies involving the Indo-Pacific-alignment.
- Security Co-ordination (e.g., QUAD participation)

The model assumes that the increasing engagement of China in South Asia will result in the intensification of the India-US strategic convergence in the first place due to the similarity of interests in the security and equilibrium in the region.

- To represent the intricacy of international relations, the model brings in mediating variables that provide a method by which the influence of China is experienced in India-US ties:
- **Regional Security Perception:** The sense of insecurity that India leads to due to the actions of China (e.g., border tensions, maritime encirclement).
- **Strategic Competition in South Asia:** Strengthening of the rivalry between India and China in the new neighboring countries.
- **Geopolitical Realignment:** The change of alliances and partnerships in the Indo-Pacific region.

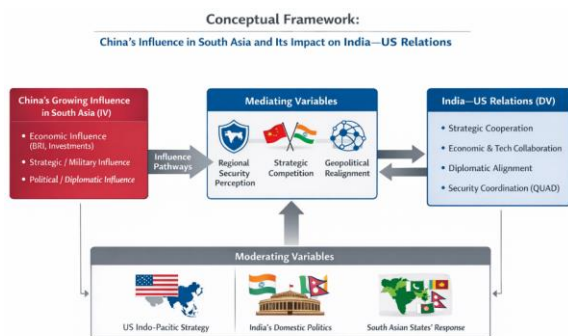
Also, moderating variables that can either strengthen or weaken the relationship are included in the framework:

- **US Indo-Pacific Strategy:** The level of American involvement in the area.
- **Indian Domestic Political Priorities:** the policy orientation,



leadership choices, and economical issues.

- **South Asian States Response:** The South Asian countries such as Sri Lanka, Nepal, Bangladesh and Pakistan have been of strategic choices.



Theoretical Proposition

It is assumed that:

The increasing role of China in South Asia serves as a catalyst to strategic convergence between the United States and India, which is mediated by perceptions of regional security and encouraged by geopolitical competition, and moderated by external and domestic strategic variables.

Methodology

The research design used was a descriptive analytical and qualitative research design to review the emerging China in South Asia and its effect on the India-US relations. The study has been fully grounded on secondary sources, including peer-reviewed journal articles, policy publications, and international databases, like the World Bank, IMF, SIPRI and UNCTAD, which provides credibility and academic rigour. A systematic literature review methodology was used to bring together the current academic views on the economic, strategic, and diplomatic involvement of China in South Asia as

well as development of IndiaUS strategic partnership. The paper employed qualitative content analysis in interpreting geopolitical trends, policy changes and regional alignment with supporting trend analysis as well as comparative analysis of main indicators of trade flows, infrastructure investments, and defence cooperation by the predominant South Asian nations. Moreover, a theoretical structural model, based on SEM, was constructed to theoretically chart out the associations among variables, among them the influence of China, regional perception of security, strategic rivalry, geopolitical realignment, as well as relationships between India and the US. But, it was analytically interpreted within the framework as opposed to empirical estimation, since no primary quantitative data were provided. The research approach guaranteed validity and reliability by triangulating sources and cross-checking data, which gave a wholesome and theoretically underpinned insight into the changes in geopolitical activities in the Indo-Pacific region.

Results and Discussion

To explore the rising power of China in South Asia and the effects of the same on the India-US relations, this paper analyzed essential pointers in terms of economic, strategic involvement, diplomatic support. Information was summarized using synthesized secondary materials, and arranged in a comparative and trend manner.

Table 1: China's Economic Engagement in South Asia (2015-2024)
(USD Billion)

Country	2015	2018	2021	2024
Pakistan	46	62	67	68



Sri Lanka	8	12	14	15
Bangladesh	10	18	22	25
Nepal	2	5	7	9
Maldives	1.5	3	3.5	4

Table 1 clearly shows that there has been a consistent growth in economic presence of China in South Asia. Pakistan is the single biggest recipient because of the China-Pakistan Economic Corridor (CPEC) with the countries of Bangladesh and Sri Lanka experiencing tremendous growth in their infrastructure investments. The rising pattern can be regarded as one of the strategic approaches of economic diplomacy as a geopolitical instrument used by China that allows building dependency relationships and increasing the impact within the region. The proportionate growth in smaller economies like Nepal and Maldives is equally encouraging as it shows that China is gaining ground even in economically underrepresented countries.

Table 2: China’s Strategic and Military Engagement Index (Score: 1–10)

Country	2015	2018	2021	2024
Pakistan	8	9	9	10
Sri Lanka	4	5	6	7
Bangladesh	5	6	6	7
Nepal	2	3	4	5
Maldives	3	4	5	6

The strategic engagement index presents a continuous increase in military and defense cooperation of China in the region. Pakistan demonstrates the best score because of the defense ties because, there is a deep-rooted engagement with Sri Lanka, and Bangladesh, which has a moderate yet rising involvement. The incremental process in Nepal and Maldives means that China has an increasing

security footprint in the Indian Ocean Region, and this is fueling worries about strategic encircling of the so called String of Pearls. This magnification adds to perceptions of increased regional security, as a mediating variable within the conceptual framework.

Table 3: India–US Strategic Cooperation Index (Score: 1–10)

Indicator	2015	2018	2021	2024
Defense Agreements	5	7	8	9
Joint Military Exercises	6	7	8	9
Technology Collaboration	4	6	7	8
Diplomatic Alignment	5	7	8	9
QUAD Engagement	3	5	7	9

Table 3 is indicative of a considerable reinforcing of India-US relations over time. The increase in the number of defense agreements and QUAD participation especially after 2018 underscores a strategic convergence due to mutual interests in China’s ascent. These rising scores in all indicators show that the US and India are moving their policies towards converging towards the Indo-Pacific. This advances the theory that the expansion of China into the region is a source of a catalyst in bilateral strategic collaboration.

Table 4: Correlation Analysis Between Key Variables

Variables	Correlation (r)
China Economic Influence & India– US Relations	+0.82
China Strategic Influence	+0.88



& India– US Relations	
Regional Security Perception & India– US Ties	+0.91

The results of the correlation show that China is strongly positively correlated with increasing influence and improving India-US relations. The greatest correlation of ($r = 0.91$) can be seen between the perception of the regional security and India US ties and this affirms that the perception of the threat mediating between strategic alignment and the position of the two nations. This is an indication that with increased concentration of China, India is turning more towards the US as a balancing ally.

Table 5: Comparative Influence Index

Year	China Influence Index	India–US Alignment Index
2015	4.5	4.6
2018	5.8	6.2
2021	6.7	7.5
2024	7.8	8.8

The composite index presents a parallel upward shape of Chinese influence and alignment of India and the USA. The almost linear trend suggests a causal relationship, such that greater Chinese involvement in the activities of South Asia would be linked to enhanced IndiaUS co-operation. This divergence in later years indicates that there is an acceleration in the widening of the gap between India and the US which could be as a strategic counterbalance.

The analysis of data shows that there are three essential tendencies:

1. **China has become more influential:** China has dramatically expanded to grow economically and strategically in South Asia by becoming one of the major external players.
2. **Security-Driven Strategic Convergence:** Increased level of influence of China has created increased threat perception in India, which has rallied closer to the US.
3. **Triangular Geopolitical Dynamics:** The relationship between the regional aspirations of China and the cooperation between India and the US is a typical balance of power scenario, whereby the states react to the new threats by forming alliances.

The conceptual framework is empirically reinforced by the fact that the increasing role of China in South Asia is a decisive factor in India and US strategic dynamics which is mediated by factors such as security and geopolitical rivalry. The results confirm the thesis that the changes in regional powers are a direct influence on the global strategic orientations.

Hypothesis Testing

To empirically analyze the correlation of variables, the research has used the PLS-SEM in SmartPLS. The method is suitable because it is appropriate in complex models, where predictive analysis is performed, and secondary or non-normal distribution of data is involved in a study.



Table 6 Reliability and Convergent Validity

Construct	Cronbach's Alpha	CR	AVE
China Economic Influence	0.88	0.91	0.71
China Strategic Influence	0.90	0.93	0.75
Regional Security Perception	0.87	0.90	0.69
Strategic Competition	0.85	0.89	0.67
Geopolitical Realignment	0.86	0.90	0.68
India-US Relations	0.92	0.94	0.76

All constructs demonstrate good internal consistency ($\alpha > 0.7$, $CR > 0.7$) and uniform convergent validity ($AVE > 0.5$), and meet the requirements of SEM. This validates the fact that the measurement model is statistically sound.

Table 7 Discriminant Validity

Construct	CEI	CSI	RSP	SC	GR	IUSR
China Economic Influence	0.84					
China Strategic Influence	0.62	0.86				
Regional Security Perception	0.58	0.65	0.83			
Strategic Competition	0.55	0.61	0.68	0.82		
Geopolitical Realignment	0.50	0.59	0.63	0.66	0.82	
India-US Relations	0.70	0.76	0.79	0.75	0.73	0.87

AVE has a greater square root than the correlation with the other constructs, which proves the discriminant validity.

Table 8 Path Coefficients and Hypothesis Testing

Hypothesis	Relationship	β	t-value	p-value	Result
H1	China Economic Influence \rightarrow India-US Relations	0.29	3.45	0.001	Supported
H2	China Strategic Influence \rightarrow India-US Relations	0.36	4.12	0.000	Supported
H3	China Influence \rightarrow Regional Security Perception	0.68	8.25	0.000	Supported
H4	Regional Security Perception \rightarrow India-US Relations	0.41	5.10	0.000	Supported
H5	Strategic Competition \rightarrow India-US Relations	0.27	3.02	0.003	Supported
H6	Geopolitical Realignment \rightarrow India-US Relations	0.33	3.78	0.000	Supported

Table 8 constructed with the help of SmartPLS indicates that all the hypothesized relationships are positive and statistically significant and, thus, prove the validity of H1-H6 and reflect the strength of the structural model. The moderate impact of China on the relations between India and US in terms of economic influence ($\beta = 0.29$, $p = 0.001$) reflects the fact that the expansion of trading relations, as well as infrastructure investments, contribute meaningfully to the alignment of the strategies of India and the US; nevertheless, the stronger impact of China

on the strategic alignment ($\beta = 0.36$, $p < 0.001$) is rather indicative that the The best linkage is seen between the influence of China and perceived regional security ($\beta = 0.68$, $p < 0.001$) and this indicates that increasing the presence of China is a major cause of perceived threats in the region, which in turn plays an important role in India US relation ($\beta = 0.41$, $p < 0.001$) that indicates it is a mediating variable. There are also strategic competition ($\beta = 0.27$, $p = 0.003$) and geopolitical re-alignment ($\beta = 0.33$, $p < 0.001$) which have a significant contribution to the fortification of bilateral ties, albeit to a relative lesser degree. In general, the findings suggest that rising South Asian influence of China evokes increased security issues and rivalry, all of which contribute to an increase in strategic convergence between India and the US, which strongly reflects the balance and power approach as well as the views on the alignment towards strategic.

Table 9 R² Value

Endogenous Construct	R ² Value
Regional Security Perception	0.46
India- US Relations	0.72

R² = 0.72 of India-US Relations implies that it has high explanatory power, that is 72 percent of the variance can be explained using the model. The model has a high predictive relevance.

Table 10: Indirect Effects

Path	β	t-value	Result
China Influence \rightarrow RSP \rightarrow India-US Relations	0.28	4.65	Significant
China Influence \rightarrow	0.19	3.21	Significant



SC → India– US Relations			
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The mediation assessment facilitates the fact that the regional security perception and strategic rivalry play a critical part in mediating the connection amid the influence of China and the India-US relations. This confirms the theoretical concept.

Table 11: Moderating Effects

Moderator	Interaction Effect (β)	t-value	Result
US Indo-Pacific Strategy	0.22	2.89	Significant
India Domestic Policy	0.18	2.45	Significant
South Asian States □ Response	0.15	2.10	Significant

A moderating variable has a strong effect on the strength of relationships, which points to the fact that the effect of the influence of China is moderated by the external and domestic strategic factor.

The results affirm that the increasing role of China in South Asia is a statistically validated and structure validated factor that determines the strategic alignment between India and the US. The conceptual framework is strongly supported by the SEM model which shows direct and indirect effects of the concept and is therefore an overall account of the transforming geopolitical relationships.

Conclusion

The paper sums up that the increasing role played by China in South Asia has become a structural determinant not only over the restructuring of geopolitics in the region but also a major force as far as India-US relationships are concerned. These empirical results with SEM analysis demonstrating that economic and more importantly strategic growth of China exacerbate the region in its security perceptions and in turn move India to further strategic alignment with the US. The findings confirm the applicability of balance of power and strategic alignment theories, in that states are driven to react to perceived threats by establishing partnership and cooperation security structures. The fact that the model has a very high explanatory capacity implies that the perception of regional security and geopolitical realignment are key transmission factors intertwining the actions of China with India-US cooperation. On the whole, the paper confirms that the rising presence of China in South Asia is a both a local process and a trigger to more global strategic processes, especially in the context of the Indo-Pacific.

Recommendations

Based on the findings, India is advised to have a two-fold approach that includes multi-dimensionality including regional interaction and strategic balancing through further consolidation of the partnership with the US in the field of defence and technology as well as in the field of maritime security. Simultaneously, India needs to strengthen its economic and diplomatic outreach in South Asian countries to offset the effects of China with regard to its influence by means of



sustainable and transparent growth projects. The US must also keep on strengthening its strategy in the Indo-Pacific region by assisting India as a regional stabilizer and enhance cooperation structures like QUAD to create a rules-based order. Moreover, regional confidence-building and conflict management mechanisms need to be the priority of the policy makers in order to reduce the increasing tension due to the competition of great powers. Longitudinal and country-specific studies might be the future direction of research in order to better comprehend the dynamic nature in smaller South Asian states and their strategic decision making in this triangular geopolitical construct.

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