Third Stockholm Forum on Himalaya

The Silk Noose: From Himalayan Frontiers to Maritime Encirclement

Event Report

October 16, 2026

Institute for Security & Development Policy

Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA)

About ISDP

The Institute for Security and Development Policy is a Stockholm-based independent and non-profit research and policy institute. The Institute is dedicated to expanding understanding of international affairs, particularly the interrelationship between the issue areas of conflict, security and development. The Institute's primary areas of geographic focus are Asia and Europe's neighborhood.

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EXECUTIVE SUMMARY

The Third Stockholm Forum on Himalaya, *The Silk Noose: From Himalayan Frontiers to Maritime Encirclement*, held on October 16, 2026, at Sjöfartshuset in Stockholm, gathered scholars and experts from Europe, the U.S., Asia, and the Indo-Pacific to spotlight the interconnected and changing regional order and emerging strategies ranging from the Himalayas to the Indo-Pacific. The Forum focused on China's rising prominence in this wider region, the necessity for stakeholders to adapt to the changing dynamics which this entails, and how the conditions for balancing differ between different actors.

Opening remarks by Dr. Jagannath Panda and Dr. Niklas Swanström highlighted China's increased influence in South Asia and the Indo-Pacific and how this change could have both positive and negative implications. China's role in establishing economic corridors could be interpreted as a form of developmental assistance but could equally be interpreted as being more closely based in China's national interests by increasing political and economic dependence on China.

The potential diversity of these changes and their impact was noted as increasing the importance of studying this matter more closely, something which this conference aimed to address.

Panel discussions focused on different ways of understanding China's growing influence in South Asia and beyond by focusing on China's geoeconomic influence through economic corridors in Pakistan, Bangladesh, and Myanmar, as well as port investments and wider patterns of cultural influence. Experts detailed the relative success of various Chinese initiatives, questions of the potential dual-use role of Chinese investments, how these efforts potentially violate the sovereignty of host states, and a growing dependency on China while also discussion the extent to which this expansion reflected a centralized strategic effort on the part of the People's Republic of China.

This debate also carried over to the subject of whether China's expanding role was the result of genuine security concerns and a necessity for sustaining the Chinese expansion as a result of excess domestic capacity, or whether China was carrying out strategic aims and had more coercive aims in mind. Sessions touched on Pakistan's changing international position and growing dependence on China, China's role in Southeast Asia, the Caucasus, and cross-strait relations with Taiwan, the changing strategic dynamics of the Indian Ocean, and China's growing narrative control in cultural influences. The Forum concluded by highlighting the



diversity of Chinese interests in South Asia and the Indo-Pacific, as well as how China may leverage its strengths in the future.

The Third Stockholm Forum on Himalaya, titled 'The Silk Noose: From Himalayan Frontiers to Maritime Encirclement,' was convened at the historic Stockholm city location of Sjöfartshuset on Skeppsbron 10 to raise awareness and provide insight into China's mounting and changing efforts in South Asia and the Indo-Pacific.

Coinciding with the release of ISDP's latest Stockholm Paper, 'The Bay of Bengal Nexus: China's Corridor Statecraft from BCIM (CMBC) to the Indochina Peninsula', the conference touched on many of the subjects raised in this latest publication, including discussions on the China-Myanmar-Bangladesh Economic Corridor, China's role in the Indian Ocean, and the future of international politics in South Asia.

Gathering distinguished scholars and policy experts, from across Europe, the U.S., Asia and the Indo-Pacific, the Forum emphasized the importance of continuing monitoring and policy focus on the China's expanding role in regional and global affairs and its implications for the international system. More than half the world's maritime trade is conducted through the Indian Ocean, and the geopolitics of this region is thus of global importance.

Panel I – CPEC and Pakistan at the Heart of China's Strategic Corridor Strategy

The first session was moderated by **Ms. Eerishika Pankaj**, Director of the Organization for Research on China and Asia (ORCA), New Delhi, India. The speakers were asked to discuss the degree of Pakistan's dependence on China, China's strategy in the region, and challenges facing the China-Pakistan Economic Corridor (CPEC).

The panelists included **Mr. John Van Oudenaren** (BluePath Labs LLC, USA), **Dr. Srikanth Kondapalli** (Jawaharlal Nehru University, India), **Dr. Lei Xie** (E3G, UK), **Dr. Antonina Luszczykiewicz-Mendis** (Jagiellonian University, Poland), **Mr. Rahul Karan Reddy** (Organisation for Research on China & Asia, India), and **Dr. Sos Khachikyan**, Armenia State University of Economics, Armenia). Each panelist offered different insights into China's role in CPEC and wider economic initiatives in Asia. They particularly emphasized Pakistan's increased dependence on China, but also the limitations of China's and Pakistan's efforts. The discussion touched on the nature of China's strategy, its security implementations, and the impact of infrastructure projects.

China's Strategic Vision in Pakistan

Mr. John Van Oudenaren started the discussion by painting CPEC as a strategically motivated Chinese undertaking. He highlighted the particular role of Chinese security concerns in Pakistan, with the significant portion of Pakistani arms imports made up by Chinese weapons, larger in relative terms than general trade with China, including the transfer of multiple high-end weapon systems. Security cooperation also extends through the Shanghai Cooperation Organisation (SCO).

Mr. Oudenaren described this as being motivated by Beijing's definition of "The Three Evils": ethnic separatism, religious extremism, and terrorism. China is concerned that the presence of these elements in Pakistan and neighboring Afghanistan might spill over in Xinjiang and jeopardize China's internal stability. As such, China is dependent on Pakistan to stabilize these forces in Pakistan and Afghanistan.

Meanwhile, Pakistan also serves as an important bridge to not only the Indian Ocean, but also the Middle East and Turkey for China. With these concerns, in combination with threats posed to Chinese workers engaged in developing the economic corridor in Pakistan, Pakistan is militarily dependency on China while China is dependent on Pakistan for host

nation security. This necessitates China's continued support for the Pakistani Government, effectively making Pakistani regime stability a direct Chinese interest.

Pakistan's Dependency and Sovereignty

Dr. Srikanth Kondapalli continued by focusing on the state of Pakistani dependency on China. Chinese infrastructure investments create economic dependency by design. In this context, Gwadar Port takes on the role of "Pakistan's Singapore, while also being a reaction to US overreach in their basing and approach to security operations in the Middle East. This in turn represents Chinese overreach which fundamentally undermines Pakistani sovereignty. This is the result of a considerable Chinese security presence and direct Chinese direction of Pakistani security forces.

Dr. Kondapalli described Gwadar as a clear case of dual-use infrastructure, with deep-water berths suitable for military use, its description as being part of a "Sensitive Defense Zone", and the presence of Task Force 88 as a specialized unit dedicated to the port's defense. Expanding on Mr. Oudenaren's remarks concerning China's "Three Evils", Dr. Kondapalli described some of the security concerns facing the development of CPEC and Chinese security measures, both in terms of border monitoring, and in regard to the oppression of the Baloch people of Pakistan.

Environmental and Social issues

Dr. Lei Xie's background in environmental and energy studies allowed her to expand on the so-called "new security issues". She also raised environmental and social considerations associated with large-scale infrastructure projects, highlighting that, in the current geopolitical and climate context, countries need to carefully assess the long-term implications of adopting energy infrastructure networks that may also serve broader strategic interests.

Dr. Lei Xie highlighted how China's role in developing local markets has brought tangible commercial benefits to local communities, while also strengthening China's soft power and fostering longer-term economic and technological ties. She illustrated this through infrastructure development projects that rely on Chinese technologies and technical expertise, creating sustained relationships in areas such as energy transmission and maintenance.

CPEC as a Success Story amid the Lack of Alternatives

Dr. Antonina Luszczykiewicz-Mendis noted that CPEC is arguably China's biggest success in its broader Indian Ocean strategy. She also drew a comparison with Sri Lanka, contrasting Gwadar with Hambantota—a port which, unlike Gwadar, cannot currently be discussed in terms of dual-use.

Dr. Luszczykiewicz-Mendis also raised the issue of the lack of alternative development paths for Pakistan. Strategic rivalry with India and US disengagement have not only opened the door to Chinese influence but have, in fact, left China as Pakistan's only realistic alternative.

Finally, the scholar stressed that the varying degrees of China's success—or lack thereof—in projects across countries such as Bangladesh, Bhutan, Nepal, and Sri Lanka demonstrate that South Asia cannot be treated as a single, generalized category. Therefore, discussions of India's "encirclement" lack the nuance and depth needed to account for the diversity of China's influence across these countries.

Asymmetry, CPEC 2.0, and Limitations

Mr. Rahul Karan Reddy described Chinese-Pakistani relations as being defined by a high degree of strategic dependency, being characterized by clientelism and linkages. Mr. Reddy expanded on Mr. Oudenaren's discussion of Sino-Pakistani trade, emphasizing asymmetries of trade and debt, while also noting the dependence of Pakistan's military-industrial complex on Chinese cooperation, for example in terms of submarines and fighter jets.

He continued by discussing CPEC 2.0, a shift to a model referred to as "small but beautiful", where developmental focus moves from connectivity to productivity. However, he contrasts these ambitions by emphasizing Pakistan's lack of financial fundamentals to carry this out. Instead, Mr. Reddy described Pakistan and Myanmar as mutual arms for China to reach into the Indian Ocean, with CPEC playing a role in maritime security in the Indian Ocean closely related to naval operations.

China and the U.S. in the Caucasus and Wider Impact

The panel's final speaker was **Dr. Sos Khachikyan**, who ended the session by expanding on China's further reach in the Caucasus. China's investments in this region is focused on infrastructure development in the form of railways and highways in Azerbaijan and Georgia, effectively bypassing Armenia.

The U.S. plays a role in this context by balancing Chinese investments in the Caucasus through its own investments in Armenia. The Caucasus, like Pakistan, is of significance in this context due to how its geography relates to U.S.-Iran relations.

In the discussion that closed the panel, participants stressed that Sino-Pakistani ties rest on a deeply institutionalized partnership that strains Pakistan's civil-military balance. Pakistan's naval buildup was described as a major concern for India, and the Mecca Pact was taken as proof of where Chinese influence stops.

Panel II – Beyond BCIM: China's New Strategic Geography of the Bay of Bengal

The second session was moderated by **Dr. Jagannath Panda,** ISDP, Sweden. The speakers were asked to discuss China's role in the Bay of Bengal and access through the China-Myanmar-Bangladesh Economic Corridor (CMBC), the legacy of the previous Bangladesh-China-India-Myanmar Economic Corridor (BCIM), and the role of the "Malacca dilemma" in Chinese thinking.

The panelists included **Dr. Jessica C. Liao** (U.S. Army War College, USA), **Dr. Katarzyna Anna Nawrot** (University of Warsaw, Poland), **Mr. Sanjay Pulipaka** (Politeia Research Foundation, India), **Mr. Bang Tran** (Stockholm University, Sweden), Dr. Sriparna Pathak (Jindal Global University, India), **Ms. Yi-Chieh Chen** (Institute for Security and Development Policy, Sweden), and **Dr. Yasuyuki Ishida** (National Maritime Foundation, India).

The panelists offered unique insights into China's role in CMBC and its wider implications across Asia. Discussion focused on China's strategic ambition in Bangladesh, Myanmar, and the Bay of Bengal, the potential and limitations of further Chinese engagement, and alternate Indian, Japanese, Taiwanese, and Vietnamese perspectives.

Chinese Strategy in Bangladesh and Myanmar

The session was opened by **Dr. Jessica C. Liao**, who placed focus on China's strategic ambitions in Myanmar and Bangladesh. She explicitly described the BCIM, and by extension the CMBC, as a release-valve to manage challenges faced by the Chinese economy. This shows a key pillar of Chinese strength, namely its adaptability. China's economic corridors allows it to both offset overproduction in its own economy, while also establishing a hub-and-spoke model which places China at the center of a wider trade network.

Dr. Liao described Chinese engagement with Myanmar as strengthening cross-border security, while the establishment of scam centers across the border inadvertently benefits China by acting as an outlet for Chinese production. Meanwhile, China can leverage internal Bangladeshi politics and economic circumstances to do the same.

With regard to the question of dual-use infrastructure, Dr. Liao was hesitant to describe Chinese development of ports in Bangladesh and Myanmar as being directly relevant for military use, but the investments in deep-water ports and especially the Chinese construction in a



Bangladeshi submarine base to support Chinese-built submarines is notable.

Infrastructure in Myanmar and the Indochina Corridor

Dr. Katarzyna Anna Nawrot compared investments in Myanmar to recent Chinese developments through the Indochina Corridor and highlighted the genuine benefits to local populations and economies which Chinese development has brought about.

While the fragmented nature of its conflict-ridden territory makes infrastructure development difficult, Myanmar holds great potential if construction projects can manifest and provide widespread benefits to the people of Myanmar while also boosting its economy.

China-Indian Border Tensions and Extractive Industries in Myanmar

Mr. Sanjay Pulipaka highlighted the relation between the ongoing Sino-Indian border confrontation and trade. By using threats regarding the territorial dispute and border incursions, China is able to apply pressure in trade negotiations. As such, China has an active interest in not settling this conflict with India.

Moving to China's role in Myanmar, China pursues an extractive economic model where China's resource access and security concerns are prioritized. This is central to China's control of the global rare earth metals market, with 30-40 percent of rare earth metals traded by China being sourced from Myanmar. However, the benefits from this significant extraction industry do

not reach the people of Myanmar. While China shows limited interest in ensuring that their economic interests benefit local populations, they engage with both the Myanmar Government and various Ethnic Armed Organizations, showing China's strategic flexibility.

Vietnam and China

Mr. Bang Tran highlighted the crucial role of maritime perspectives in Sino-Vietnamese relations. As part of its developments, foreign direct investment and free trade agreements have become centers of focus for the Vietnamese Government in diversifying its economic partners. Vietnam acts according to a long-term perspective, but despite diversification, China remains an important partner, and Chinese diplomatic as well as economic engagement remains important.

China, India, and the role of CMBC

Dr. Sriparna Pathak returned to the subject of India's role in Chinese economic cooperation. She expanded on the history of CMBC as originating in the Kunming initiative in the 1990s before the establishment of the Belt and Road Initiative, its transformation into BCIM, India's withdrawal due to questions of sovereignty and competitiveness, and ultimately its reform into CMBC.

Dr. Pathak proceeded to give alternate perspectives on CMBC, noting that the Myanmar pipeline, stretching from Kyaukpyu into Yunnan, China, provides China with a transport route of oil and natural gas imports which does not need to pass through the Malacca strait. However, the limited capacity of this pipeline means that it can only provide regional relief, and in no way solves China's energy dependence on a national scale. Moreover, Chinese engagement in Myanmar is about more than just pipelines, with Chinese efforts also including the development of a special economic zone and deep water zone in Kyaukpyu.

Meanwhile, Chinese engagement in Bangladesh is sometimes overstated, something which can be seen in that China is not the largest creditor for Dhaka. Dhaka struggles with power grid stability and energy imports, and is dependent on China for internal stability.

Impact of Changing Regional Dynamics on Taiwan

Ms. Yi-Chieh Chen discussed the Taiwanese perspective on China's increased access to the Indian Ocean. China's Bay of Bengal and wider Indian Ocean projects hold the potential of providing it with increased energy and logistical resilience while offering increased strategic flexibility in the event of a conflict, weakening Taiwan's relative position.

Taiwanese experience shows the necessity

of not simply attempting to block Chinese engagement, but to develop realistic alternatives with various partners and to avoid establishing dependence on China. This requires diversification of partnerships and investors as well as transparency and interoperability. Taiwan has itself played a role in this, with increased economic engagement with South Asian and ASEAN states since 2016 through its New Southbound Policy.

Ms. Chen emphasized the importance of viewing the post-BCIM geostrategic environment in the Bay of Bengal as not one of China versus India, but as one of multipolar engagement including different regional actors with implications far beyond the immediate geographic environment.

Japan-Indian Relations

Dr. Yasuyuki Ishida gave perspectives on the Japanese-Indian partnership. Based in the Free and Open Indo-Pacific (FOIP) foreign policy strategy put forward by Shinzo Abe, Japan aims to contribute to increased economic engagement across the Indian and Pacific oceans.

In this context, the Indo-Pacific concept can be materialized through Japanese-Indian engagement, connecting two oceans in material terms. The emerging Indian-ASEAN-Japan cooperation plays a particularly important role for this engagement as it allows the entire Indo-Pacific region to be integrated. For Japan, this strategy is based in a number of priorities, including maritime security, connectivity, infrastructure resilience, and regional and institutional resilience. To further the Indo-Pacific project, Japan aims to strengthen redundancy, risk sharing, resilience, and a policy of "connect-diversify-strengthen".

Taken together, the discussion at the end of the panel made clear that encircling India through BRICS is unrealistic, while the Bay of Bengal stays important to Washington despite the Quad's stalled momentum. China dominates ASEAN trade, yet participants expected the US to remain Southeast Asia's main arms supplier.

Panel III – Ports, Power and Presence: China, Sri Lanka and the Indian Ocean

The third session was moderated by **Dr. Sriparna Pathak**, Jindal Global University, India. The speakers were asked to discuss China's presence in Sri Lanka and role in the Indian Ocean, the tension between commercial and dual-use developments, and strategic autonomy for actors in the region.

The panelists included **Dr. Patrick Mendis** (University of Warsaw, Poland), **Dr. Dragana Mitrović** (University of Belgrade, Serbia), **Dr. Jessica C. Liao** (U.S. Army War College, USA), **Mr. Sanjay Pulipaka** (Politeia Research Foundation, India), **Dr. Christian Bueger** (University of Copenhagen, Denmark), and **Dr. Katarzyna Anna Nawrot** (University of Warsaw, Poland).

Speakers provided different insights on China's wider role in the Indian Ocean and the international order. Different perspectives on China's strategic ambitions were raised, the importance of rising sectors, and changing patterns of trade.

Providing a Historical Context

Dr. Patrik Mendis provided historical context for the Indian Ocean region and China's ambition to bring the Indian and Pacific Oceans under Chinese influence. Highlighting the seven Ming Voyages by Admiral Zheng He to the Indian Ocean, China used to describe it as the "Western Ocean" as reflected in Chinese ancient literature.

He traced the historical precedents for this vision and explained how the Belt and Road Initiative (BRI) advances China's long-term strategic objectives. Beijing has employed two Han Dynasties in the BRI's intellectual foundation: the terrestrial "Belt" from the cosmopolitan Tang Dynasty and the maritime supremacy from the Ming Dynasty to the "Road" strategy in the Western Ocean.

He also highlighted how revenues from bilateral trade and interests from Treasury Notes of the United States have helped finance China's expanding global influence and access to ports, airports, and highways through BRI projects.

Dr. Mendis further introduced "Fragmented Interdependence" to describe an emerging international order in which geopolitical rivalry coexists with continuing economic and technological ties. Within this context, he argued that a foreign policy guided by the "Mahaweli Doctrine"—as seemingly adopted by the newly elected Anura Kumara Dissanayake administration in Colombo—offers Sri

Lanka the best way to navigate geopolitical competition in the Indian Ocean by strengthening international connectivity while safeguarding sovereignty and advancing national prosperity.

China's Strategic Advantage

Professor Dragana Mitrović discussed China's port strategy and its desire for safe sea lanes to secure its trade as a leading global trade power. China's broader economic ambition is largely centered on securing its supply of energy, minerals, rare earths, and other resources. Today, China controls around 80 percent of the rare earth mineral trade. The Maritime Silk Road is essential to China's goal of securing its role in maritime trade, which accounts for 95 percent of its trade. In this context, Professor Mitrović exemplified the development of Hambantota Port in Sri Lanka as being driven by Chinese economic interests and domestic developmental ambitions.

Trade and Geoeconomics

Dr. Jessica C. Liao continued the discussion on wider Chinese geoeconomics, noting the shifts in this area over time. Whereas 60 percent of Chinese exports were destined for the U.S. in 2014, today, this only makes up 30 percent of Chinese exports. This diversification is of significance, as it shows a widening of China's global engagement, with increased emphasis on Southeast Asia, South America, and Africa.

Dr. Liao returned to the subject of Hambantota, briefly discussing its potential as a dual use development and whether it had military significance for China. In this context, she raised a larger question about China's current strategy and the necessity of deepening our understanding of China's ambitions.

A Perspective on Sri Lanka

Mr. Sanjay Pulipaka provided a long-term perspective on Sri Lanka's relations with China. He noted that Sri Lanka has a long history of balancing China and other actors in the region. Interestingly, despite decades of civil war, Sri Lanka has better Human Development Indicators (HDI) compared to its South Asian counterparts.

In the post-civil war phase, the Sri Lankan development model based on loan-taking and subsequent debt ultimately resulted in an economic crisis. While many claim that loans from Beijing laid the foundations of the economic crisis, China contested such assertions. However, some studies note that Sri Lanka took loans from the international market to participate in infrastructure projects built in the country by Chinese firms.

Moreover, problematic cases included loans to politically connected personnel in the Maldives, which reportedly received sovereign guarantees. Mr Pulipaka noted that to help countries not fall into the trap of bad loans from China, multilateral financial institutions should explore creative



financing models to help developing countries build necessary infrastructure projects.

Creating Multipolar Alternatives

Dr. Katarzyna Anna Nawrot contrasted the concepts of China as taking over South Asia with those of multipolarity and China's role in a more fragmented world order. She emphasized the importance of creating different alternatives for connectivity across South Asia. This is necessary to promote the exchange of common goods and benefiting local markets. Today, the role of digital aspects is becoming ever more important, a sector where China is increasing its footprint. It is necessary to establish common institutional standards in this sector to ensure connectivity and mutual exchange. Here, she returned to emphasizing the shift from traditional to new perspectives on security.

The final exchange of the panel suggested that "fragmented interdependence" describes the current order better than multipolarity, since China seeks its own sphere of influence. Participants also concluded that national interests now drive international relations and that the U.S. Navy's reach in the Indo-Pacific remains uncertain.

Panel IV – From Himalaya Belt to South Asia: China's Cultural Influence

The fourth session was moderated by **Mr. Rahul Karan Reddy**, Organisation for Research on China & Asia, India. The speakers were asked to discuss China's cultural influence in South Asia and beyond, the boundaries between soft power and cultural coercion, the extent to which diplomatic initiatives are intertwined with a wider Chinese influence architecture, and the resilience of South Asian societies and democracies.

The panelists included **Dr. Antonina Luszczykiewicz-Mendis** (Jagiellonian University, Poland), **Dr. Lei Xie** (E3G, The United Kingdom), **Dr. Srikanth Kondapalli** (Jawaharlal Nehru University, India), **Mr. John Van Oudenaren** (BluePath Labs LLC, USA), and **Ms. Eerishika Pankaj** (Organization for Research on China & Asia, India).

The panelists provided different perspectives on how Chinese cultural influence and soft power has been strengthened and evolved, as well as what benefits this can actually bring China. This included subjects like narrative control, shifting diplomatic focus, cultural exchanges, and China's ability to leverage its increased influence.

Chinese Narrative Control

Dr. Antonina Luszczykiewicz-Mendis opened the panel by discussing China's increasing ability to engage in narrative control. As its global influence continues to grow—whether in terms of trade, diplomacy, or social influence—Beijing has been able to rewrite history, shape narratives, and define terminology. An important example of this phenomenon is the increasing use of the name Xīzàng to describe Tibet. China's narrative regarding Tibet has been gaining particular traction in neighboring countries, including Nepal and Bhutan, as its soft power influence grows alongside economic leverage.

From Direct to Indirect

Dr. Lei Xie continued by focusing on changes in Chinese diplomacy. She described how China is increasingly shifting its approach from direct diplomacy and a primary focus on commercial outcomes towards a longer-term strategy, with greater emphasis on investments that can generate sustained benefits. This includes efforts to strengthen institutional structures and expand engagement through soft diplomacy.

Exchanges, Legitimacy, and Engagement

Dr. Srikanth Kondapalli placed focus on

how China controls cultural perceptions through institutional exchanges. By cooperating with different institutions and performing educational exchanges, Chinese perspectives can be proliferated and encouraged. These exchanges are tightly controlled, with criticism of the party and policies being forbidden and extensively monitored. This allows individuals to act as a funnels of soft power exchange, while protecting Chinese domestic politics from being affected. In doing so, China is directly engaged in building narratives and shaping perceptions.

On a higher level, China creates instrumental legitimacy through economic activity and development. This is achieved through direct high-level political engagement, not in collaboration with grassroots movements. Another aspect of China's cultural influence is how it shapes narratives through its strategic communication, where Chinese cultural heritage in South Asia is often repackaged to serve current strategic ambitions.

From Influence to Power

Mr. John Van Oudenaren widened the discussion to the international arena. He described Xi Jinping as presenting a post-American vision which could be more appealing to the Global South and states outside of the traditional western world. The question in the longer term is whether China can leverage this to become an



alternative to the U.S. While China has influence across the globe, it is still unclear to what degree they are able to translate this into power. To contrast this, Mr. Oudenaren raised Russia as an example of an actor with limited influence but which is very capable of translating its influence into power.

China in the Digital Age and Online Soft Power

Concluding the last panel, **Ms. Eerishika Pankaj** discussed China's role and cultural influence in new fields like the digital sphere and science. She describes how China has increasingly become a positive model with many attractive aspects in the view of youths on social media, including in the western world. Increasingly, China is being seen as a role-model and as an attractive destination for migration, where prospects and the future seem brighter than at home for many. This has, for example, boosted Chinese scientific progress by attracting high-skill individuals to China.

At the same time, this is paired with Chinese cultural influence through diplomatic efforts. How democracies can respond to this increased cultural influence from an authoritarian power is still unclear, and it is also uncertain how the youth of neighboring states with historical tensions with China actually perceive and experience living in China today.

The final exchange of the panel suggested that "fragmented interdependence" describes the current order better than multipolarity, since China seeks its own sphere of influence. Participants also concluded that national interests now drive international relations and that the U.S. Navy's reach in the Indo-Pacific is uncertain.

KEY TAKEAWAYS

• **Corridors as Development and Dependency:**
China's economic corridors in Pakistan, Bangladesh, and Myanmar can be read as developmental assistance, but they also deepen the political and economic dependence of host states on Beijing, in line with China's national interests.

• **Pakistan's Deepening Dependence:**
Pakistan relies on China for arms, infrastructure, and financing, while China relies on Pakistan for host-nation security. This reciprocal dependence makes the stability of the Pakistani regime a direct Chinese interest and strains Pakistan's civil-military balance.

• **Dual-Use Infrastructure and Sovereignty:**
Ports such as Gwadar, along with deep-water projects and a Chinese-built submarine base in Bangladesh, raise questions about military use and the sovereignty of host states. Hambantota, however, was seen as far harder to describe as dual-use.

• **Security Drivers:**
Beijing's "Three Evils" concerns (separatism, extremism, terrorism) link its internal stability in Xinjiang to developments in Pakistan and Afghanistan, and shape its security cooperation, including through the SCO.

• **Corridors as an Economic Release Valve:**
Economic corridors help China absorb overproduction and place it at the center of a hub-and-spoke trade network. In Myanmar, an extractive model, including rare earth supplies, prioritizes Chinese interests over local benefits.

• **Limits of Chinese Influence:**
The Kyaukpyu pipeline offers only regional relief from the Malacca dilemma, China's role in Bangladesh is sometimes overstated, CPEC 2.0 is constrained by Pakistan's weak finances, and China remains sidelined in the Mecca Pact.

Debt and Lending in Context:
Sri Lanka's debt crisis involved many lenders, not only Chinese ones, although Chinese lending to the Maldives was cited as a clearer case of problematic practices.

• **Shifting Geoeconomics:**
The share of Chinese exports going to the U.S. fell from 60 percent in 2014 to 30 percent today, with growing emphasis on Southeast Asia, South America, and Africa. China also

controls around 80 percent of the rare earth trade and has been ASEAN's main trading partner since 2008.

- **A Fragmented Order:**
Rather than multipolarity, speakers described "fragmented interdependence," with China seeking its own sphere of influence, national interests increasingly shaping international relations, and the US Navy's ability to project power in the Indo-Pacific left uncertain.

- **Narrative Control and Soft Power:**
China is increasingly able to shape narratives, as seen in the use of "Xīzàng" for Tibet. It relies on indirect, utilitarian diplomacy, tightly controlled exchanges, and growing appeal among young people and skilled migrants.

- **From Influence to Power:**
Xi Jinping's post-American vision may appeal to the Global South, but it remains unclear how far China can turn influence into power. The Communist Party, the PLA, and the United Front were described as its key instruments.

- **Alternatives and Multipolar Engagement:**
Participants called for realistic alternatives to Chinese engagement through diversified partnerships, transparency, and common standards, including Japan's Free and Open Indo-Pacific strategy, Taiwan's New Southbound Policy, and Vietnam's diversification.

- **Strengths of China:**
In the final remarks, panelists pointed to party commitment, systemic transformation, adaptability and pragmatism, centralized mobilization, manufacturing scale combined with innovation, soft power, and a long-term perspective, while noting that continuity under the Communist Party is not inevitable.

- **China's Rise Demands Sustained Attention:**
China's role in South Asia and the Indo-Pacific is a matter of global concern, as more than half of the world's maritime trade passes through the Indian Ocean. It calls for continued monitoring, research, and policy engagement.



Institute for Security and Development Policy
Västra Finnbodavägen 2, 131 30 Nacka, Sweden
www.isdp.eu | info@isdp.eu