

Flying High Beneath the Wings of Red Dragon'; Cat's Paw States and Rising Chinese Hegemony in South Asia

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Abstract

In the geopolitical context, hegemonic consistency is not going to be realistic or practical when there are no proxy states (cat's paw) under the thumb of power and rule of leading supremacy. In other words, the stability of a certain global hegemony is not realistic when a leading state cannot keep the control over proxy states, which are more or less in persuading power in their own terms and strategies in a dynamically competitive geopolitical agenda. Which, we identify here as the fact that magnetising, and at the same time weakening states and their politics to be 'unconditionally opportunistic' in persuading power and neo-liberal economic prosperity. Recent experience from China-Sri Lanka bilateral relationships indicates how the 'Chinese aid – the dragon kiss' uses its material and normative forms of power to cripple the intensity for better cooperation along with the neighboring states in South Asian region. This moment in the history is the history of financial capital, which is indistinct to foresee and self-destructive in numerous ways.

Keywords: *Hegemony; South Asian integration; Cat-paw states; Sri Lanka; Cluster Analysis*

1. Introduction

1.1. Background of the Study

In ancient Greece, the word '*Hegemony*' was usually used to describe the relationship of Athens to the other Greek city-states that united together against the Persian Empire (Wikipedia). It is an indirect form of administration and

imperial dominance through which the leading state rule geopolitically¹ minor states by the implied means of power. Power refers not only to military power, but also to any treatment done by inflicting force on states. Hegemonic power consists of material and normative elements. Military power, population, material feasibilities and domestic production are some examples for material elements. Communication, mass media, religion, ethnicity and ideology, as a whole, are some examples for normative elements. Until one state possesses dominance over both material and normative elements, it remains a colossal hegemony within the capitalist regime.

Here the '*Proxy*' refers to the alternative agents who can be instrumented momentarily, time to time, with a greater stand point of *strategic-opportunisms*² of capitalist world powers. Proxy states or the '*Cat-paw states*' could be used to discourage or to manipulate the emerging agendas of '*Rebellion states*³', which question the tradition of hegemonic stability. There will be outcomes, which are far beyond our contemporary perceptions and visualizations, as a result of ongoing conflicts between hegemonic powers and their proxies in geopolitical atmosphere.

Which, this paper identify here as the fact that magnetising, and at the same time weakening states and their politics to be '*unconditionally opportunistic*⁴' in persuading power and neo-liberal economic prosperity. *Recent*

¹ Relating to politics in line with international relations as influenced by geographical factors. For an example, the Nazi doctrine that a combination of political, geographic, racial and economic factors substantiated Germany's right to expand its borders and control various strategic land masses and natural resources.

² The ability to remain focused on long-term objectives while staying flexible enough to merge with short term or day-to-day dynamics.

³ Organized resistance or opposition made by to a government or other authority. For an example, from the Greek history, widespread rebellion against Macedonian hegemony was raised after the king Philip's death.

⁴ Make use of immediate opportunities, especially regardless of planning or principle and no matter what else happen.

experiences from the Chinese relationships with South Asian states indicate how the Chinese supremacy uses its power to manipulate the key states such as Sri Lanka to optimize their hegemonic desires while weakening the regional strategies. Moreover, these Cat-paw states are being used as tools to cripple the intensity for better cooperation among the neighboring states in South Asia through off-putting circumstances.

1.2. Research Problem

The awakening of China in Asia and African continents illustrates a strange portrait of another hegemonic domain with communist head and a capitalist body. However it is still questioning whether China doing unnecessary intervention to undermine the regional integration schemes such as South Asia. Widening the degree of China-Sri Lanka bilateral relationships, especially the Chinese aid, trade affairs and fundamental investment projects will burst out a serious question, whether Chinese supremacy uses Sri Lanka as a proxy (*Cat-paw*) state to persuade their geopolitical dominance over the South Asian region.

1.3. Research Objectives

Objectives of this study are delivered through two equivalently important portions. Initial portion intend to identify the Chinese position and powers within the geopolitical arena of South Asian nations. Then the following portion is to examine the nature of relationship between China and Sri Lanka within the post-war context and its repercussions to the regional integration of South Asia.

1.4. Significance of the Study

China has become the 'Peer competitor'⁵ of the United States and building its internal features and material capabilities with an enormous speed. The Chinese intervention and its strategies within international geopolitical arena may

⁵ A striving or vying with another or others for prizes, position or power.

imperative, because this may a global issue regarding the potential changes in world order. Then it may important to identify Chinese hegemonic strategies and the way they persuade their power within the subordinate regions such as South Asia. Because of the establishment of China-friendly political atmosphere, internally and externally, could comfort the ruling regime in confrontations of USA and its allies. Therefore this study examines the Chinese role and its implications on ongoing South Asian integration which can produce short term dynamic as well as long term consistence results which can determine the future of South Asia.

2. Literature Review

2.1. China; the Communist Head with a Capitalistic Body

Since the end of the Cold war, the United States has been dominating the world as the richest and most powerful nation in the world. According to Friedberg (2011), "America is still number one, but China is fast gaining ground..." provides a hint to identify the nature of electrify competitiveness among hegemonic dominions in the world. In other words, China has become the world number one economy⁶ in 2014 (in terms of purchasing power) according to the classification by International Monetary Fund (IMF). They are only a step behind due to the subordination of military power compared with the United States. Therefore the Chinese rise in South-East Asia as well as within some generic spots of Asia is remaining questionable.

According to Liu (2010) there are three imperative counter ideas about the role of China and its regional strategies. They are realistic, neo-liberalize and conservative aspects where describing the characteristics of the 'Red dragons'

⁶ IMF measures both GDP in market exchange terms and in terms of purchasing power. By the end of 2014, China will make up 16.48% of the world's purchasing power adjusted GDP and the United States will make up just 16.28%.
(Visit:<http://www.economist.com/news/finance-and-economics/21623758-chinas-back>)

road map'. Moreover it was mentioned that "Realism seems to offer a compelling explanation for the 'China threat'. Realistic focus on the shift of power relations in the international system between states..."Therefore they intend to justify the tragedy and pessimistic results materialize through the 'Game of dwellers'⁷ where 'Power summons power' in line with greed factor of nations.

Then it was mentioned about the neo-liberal thinkers as "On the one hand, China has become more dependent on the rest of the world to sustain its current growth. On the other hand, China's fast economic development stimulated growth and changes in the East Asia as well as in the world". This is some kind of two way relationship among China and the material as well as normative surface around it. Finally it was mentioned about constructivists idea where "For constructivists, whether China poses a threat to East Asia is not determined by China's substantial growth in economic and military might. Rather, it is about imagination. In other words, it depends on the perceptions of how other states interpret China's behavior". Debates and ideologies which have been referred here provide incentives to think about Chinese rise in different perspectives.

However it's imperative to remind that China is not a capitalist nation from its origin. It was a country which has been mounted as a 'Communist state'. Moreover, now it has become a nation with communist head and capitalist body. Modern China is filled with capitalist fluid and looking towards to be a global hegemonic domain. This will initially stimulate the middle controversy propagandas where not belongs to the capitalist or communist norms or ethics, just similar to a hybrid creature such as 'Centaur'⁸ in Greek myths.

⁷ Competition between the states to accumulate more power; which are holding a prominent position in the capitalist system.

⁸ Mythological creature with the head, arms and torso of a human and the body and legs of a horse

2.2. Global Hegemonic Stability and the South Asian Context

South Asian countries had been influenced by world hegemonic powers in different stages and periods in history. British colonialism till 1950s was a crucial period. According to Snodgrass (2006) *"The British first assumed official control over a small piece of Indian territory in 1757, after a long period of being..... By 1857, Britain exercised control through a variety of mechanisms over most of the Indian sub-continent and continued to do so until 1947"*. Consequently, the British hegemony controlled India as well as other subordinate countries like Sri Lanka under the English East India Company. Within that period Britain utilized many of the resources in Asian countries for their own benefit. They left only capitalist outcomes such as infrastructural improvement, skilled labor and westernized consumption pattern.

Their strategic rules generate a number of serious issues within the South Asian region over post-colonial period. For an example, the British divided the whole Indian population into two large groups of 'Hindus' and 'Muslims'. Then this British classification system eventually divided this sub-continent into 'Hindu India' and 'Muslim Pakistan'. Snodgrass mentions that *"Another method of colonialists was to use Indian royalty as a sort of go between in the form of what are called 'Princely States'. One of these was Kashmir, and that status is part of the reason.....conflict between India and Pakistan"*. These kinds of consequences reveal how the past hegemony satisfied their own ends without concerning the future of underdeveloped nations such as South Asian countries.

The second phase of world hegemony was commenced by the United States. They used different strategies when compared to the British age. According to Inoguchi and Bacon (2005) *"American global power is one of the most significant and enduring features of contemporary international relations. The world has entered an era of American unipolarity. During the cold war the United States used its hegemonic power to underwrite an international order....."* Moreover they mention how the United States dominates power by applying post war liberalize policies based on open markets, security alliances, multilateral co-operations and democratic community to other regions and countries.

According to Muni (2009) *“At the international level, India joined global efforts to promote democracy, first, by joining the community of democracies....”*. This is how hegemonic tools caught regional powers to spread capitalism and internationalism⁹ through certain political policies. Moreover, Muni (2009) says *“There have also been democratic failures in South Asia. The democratic credibility of the Karzai regime in Afghanistan and Sri Lanka's Rajapaksharegime has been seriously eroded”*. This is not an attempt to discuss weaknesses or the appropriateness of democracy in developing countries or the regimes in Afghanistan or Sri Lanka. This supports us to understand the way how hegemonic strategies use fellowship of powerful countries to expand their capitalist tools within the whole region.

3. Methodology

This study basically depends on secondary data and use 'Hierarchical Clusteranalysis' to identify the forms of material as well as normative powers of China as an uprising hegemony in the South Asia. Then this study uses descriptive methods and recent evidences to identify the post war political economic discourses in Sri Lanka as an imperative example to verify the role of cat-paw states beneath the supremacy of Chinese power.

Hierarchical cluster analysis is a major statistical method for finding relatively homogenous clusters of cases based on measured characteristics. The basic principle behind the cluster analysis is *“Countries that are similar to one another should be in the same group and the countries that are dissimilar should be in different groups”*. Here we construct a 'Dendrogram' and it is a branching diagram that represents the relationship among a similar group of entities. It starts with each case as a separate cluster. Then it combines clusters in order and reduces the number of clusters at each step until only one cluster is left. The vertical axis represents the objects and clusters. The horizontal axis represents the clusters in the Dendrogram increasing the levels of dissimilarity.

⁹ Internationalism is a political movement which advocates a greater economic and political cooperation among nations for the theoretical benefit for all.

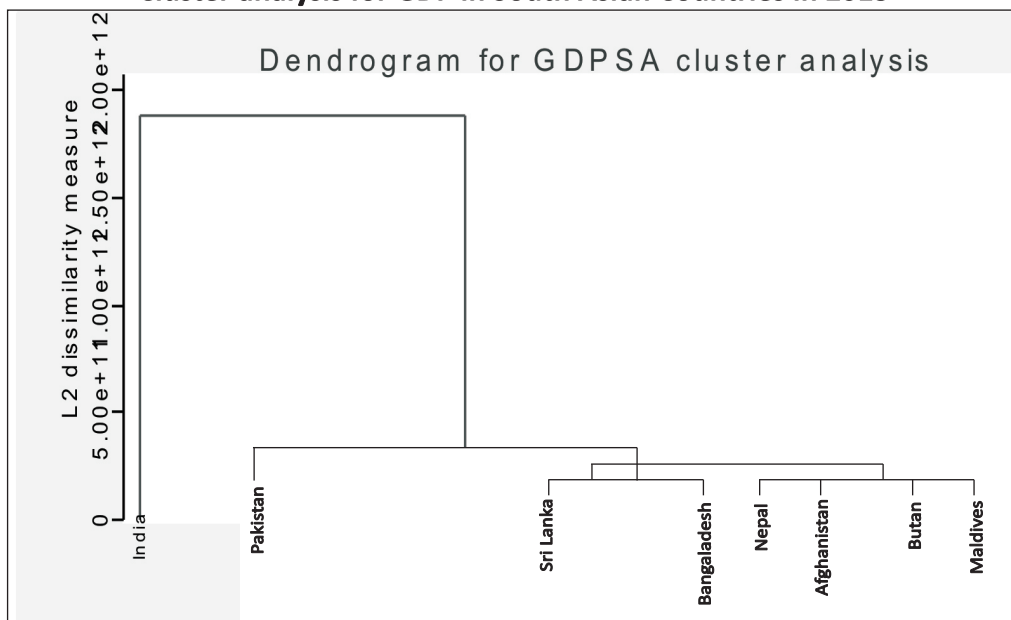
Here we are considering the facts such as GDP of countries, Total population of countries and Military expenditure in 2012/13. The sample group comprises all South Asian countries as well as United States and China. Required secondary data will be obtained by the World Bank, Stockholm International Peace Research Institute (SIPRI) and the Central Bank of Sri Lanka. Then the descriptive analysis uses relevant graphical illustrations from the literature and other data sources.

4. Results and Discussion

4.1. Hierarchical Cluster Analysis for South Asia

From the beginning of this analysis, everything is set to recognize the impact of various forms of material and normative forms of powers of China as well as South Asian countries and use separate Dendrograms for each material force. Furthermore, the results are feed with the assistance of the normative sources of power.

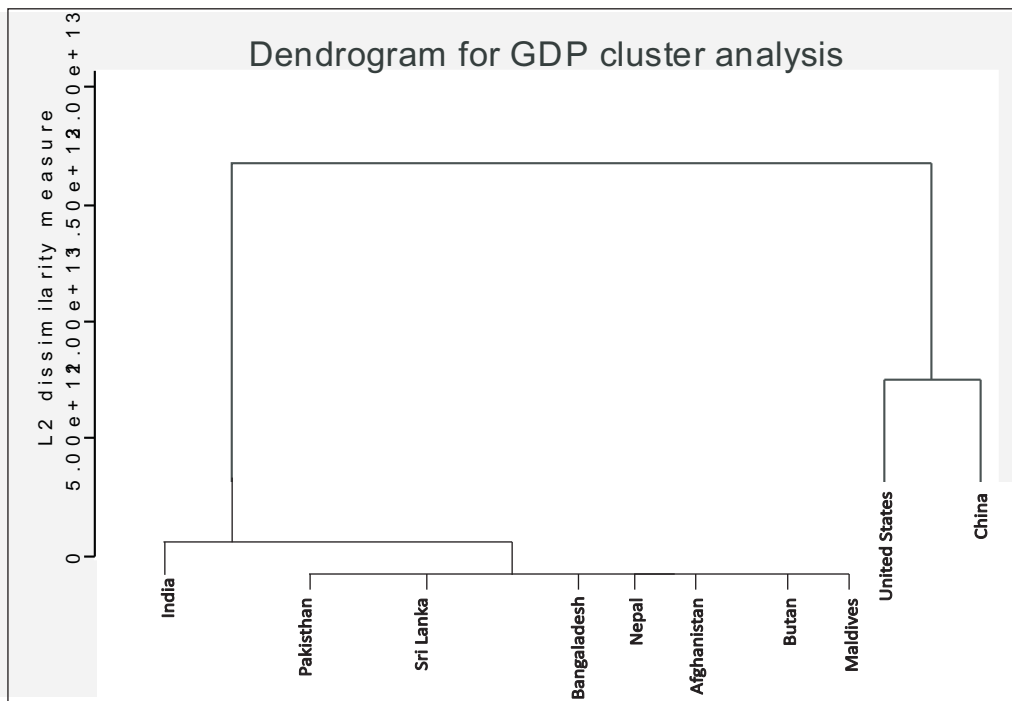
Figure 1
Cluster analysis for GDP in South Asian Countries in 2013



Source: Authors' Preparation Using the World Bank Data

As we know the fact that, economic growth of a country in terms of GDP will stimulate the sector vice production, facilitation and the degree of feasibility to connect with the world. According to the Figure1, Indian GDP is substantially different from the distribution of remaining South Asian countries. Since India is completely separate from all other countries. It is '*Simplicifolious*¹⁰' in terms of South Asian production features. Bhutan and Maldives are in the same cluster with the lowest contribution to South Asia. Sri Lanka clustered with Bangladesh according to the size of GDP. Pakistan holds the second highest composition of GDP in South Asia. However, it was not fair enough to compare it with the 80% GDP value holds by India. Therefore, these kinds of disparities create way for India to be a hegemonic state in South Asian Region.

Figure 2
Cluster analysis for GDP in South Asian Countries
with USA and China - 2013

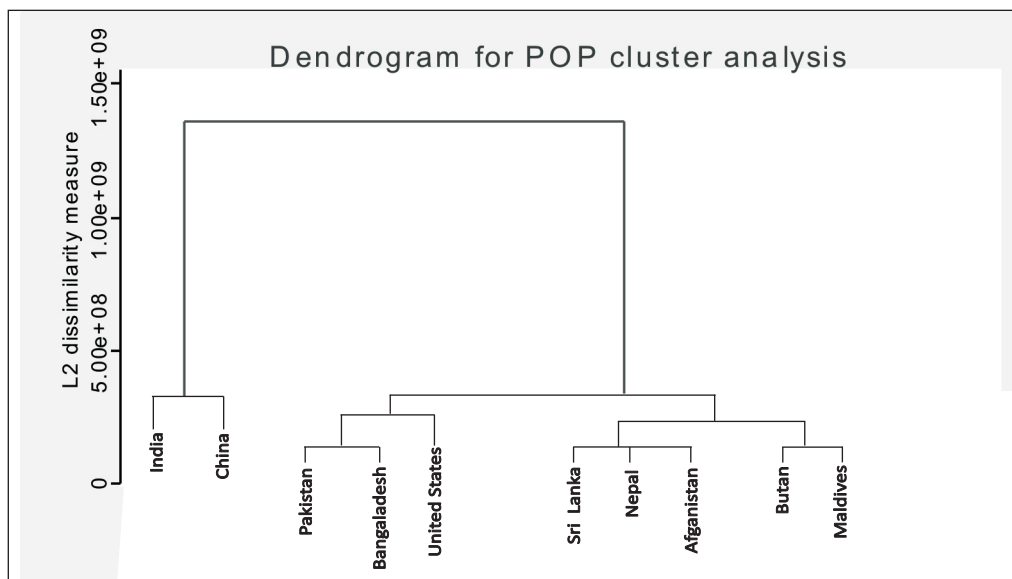


Source: Authors' Preparation Using the World Bank Data

¹⁰ Clade with just one leaf in a Dendrogram.

Next augmented cluster analysis for GDP including the United States and China is demonstrated in Figure 2. It shows how the South Asian region differs from the United States and China. The United States and China have clustered in a similar group (*Bifolious*¹¹) according to sizes of their GDP. It is evident that China is fit to be the next world dominion and the most influential hegemonic dominion in near future. Therefore capitalist power may transfer from a particular hegemony to another. However, stability of certain hegemony may produce similar results on subordinate states like the recent impact from China.

Figure 3
Cluster analysis for Population in South Asian Countries with USA and China - 2013



Source: Authors' Preparation Using the World Bank Data

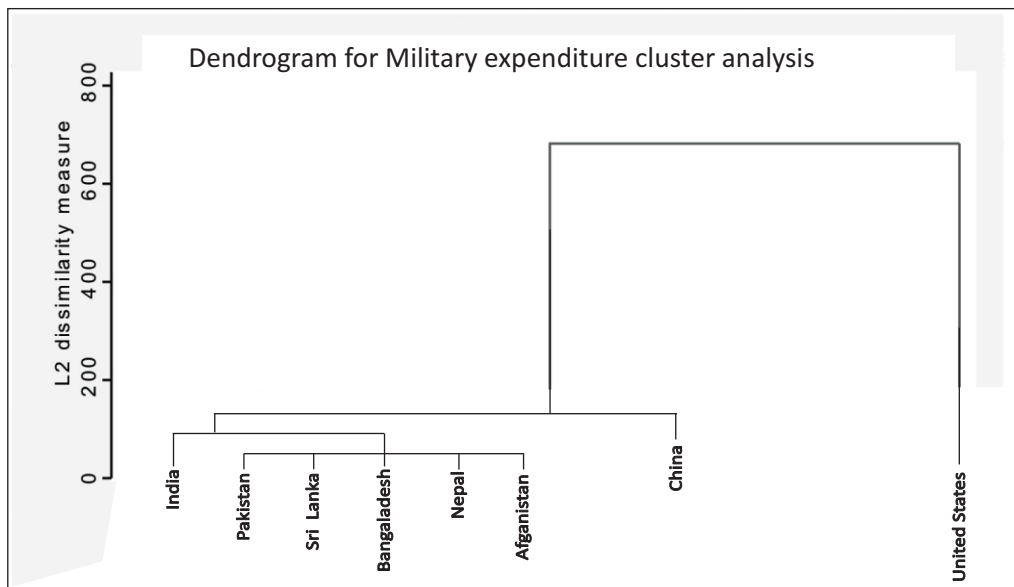
When comparing the South Asian countries with China and the United States from Figure 3, China and India have been clustered under the same clade. They are '*Bifolious*' and India exceeds the United States from the size of population. Therefore both China and India got more advantage from the

¹¹ Clade with two leafs in a Dendrogram

population to materialize their power in numerous ways. Maldives and Bhutan are clustered again according to the lowest amount of the population in South Asia. Sri Lanka is in a median position within the region according to the size of the population. Moreover, it shows how the size of the population separates South Asian countries to different clusters. Here India shows its dissimilarity again with a significance difference from other countries in the region.

Degree of population of a country is another imperative factor within capitalist schedules. Higher the population in a country will lower the average wage rate and higher the competition among people to be employed. Therefore this may generate cheap labor and attract major production schemes and MNCs in the world such as 'Nokia, Nike and Cannon' to utilities their industries in China. On the other hand, China intends to send their cheap labor in nations. For an example, we can experience significant improvement in use of Chinese labor in Sri Lanka in line with China-funded projects.

Figure 4
Cluster analysis for Military Expenditure (EXP): in S.A.
Countries with USA and China - 2012



Source: Authors' preparation Using Data from SPIRI

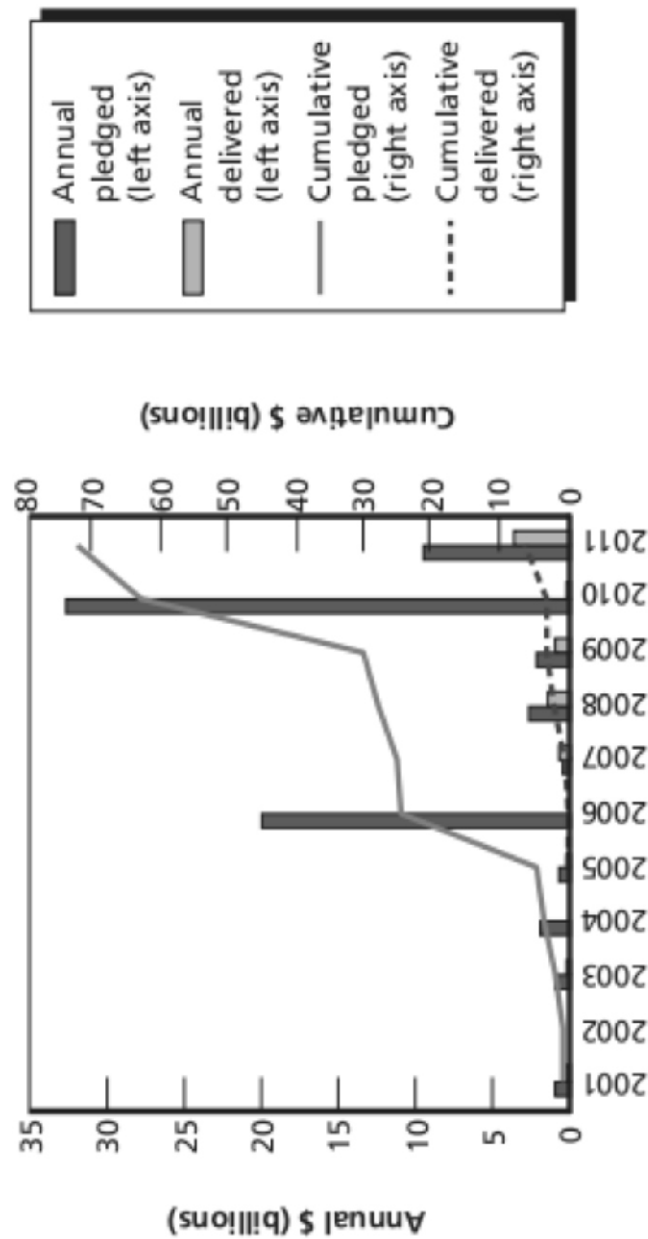
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According to Figure 4, the United States demonstrates its superiority with regards to its military power when compared to other countries. Military power is one of the major components that determine the material power of hegemony. The United States has spent around 682 billion US dollars in 2012. It is more than four times to the second highest military expenditure in the world, which is 166 billion US dollars by China. Military power is a very important tool for countries according to recent practices in the world. Here we can observe that all Hegemonic states such as United States, China and India are in higher position of military strength compared to other countries. Moreover, Chinese strategic behavior will settle on accordance with the gap between military strength of both the United States and China. It can be a peaceful method where China is going to be use through widening other material factors rather than concerning only the military strengths. Otherwise it can be the Third World War.

4.2. Descriptive Analysis

The second part of analysis uses some vital statistical facts from China-South Asia relations and Sri Lankan post war context. According to Wolf et al. (2013) China was Sri Lanka's largest lender, had 65 percent of its total pledge assistance fulfilled. However other countries in South Asia received proportionally lower shares with compared to Sri Lanka. For an example, Pakistan only received 6 percent of total aid pledge. Therefore these kinds of evidences reveal the fact that, Chinese aid had become the major solution for Sri Lankan post war strategies. Therefore this provides an easy access for China to manipulate Sri Lankan strategies as a proxy and Sri Lanka as a cat-paw state to establish the origin; base within South Asian region to expand their power and assistance confront to the United States and its indirect proxies such as India and Pakistan.

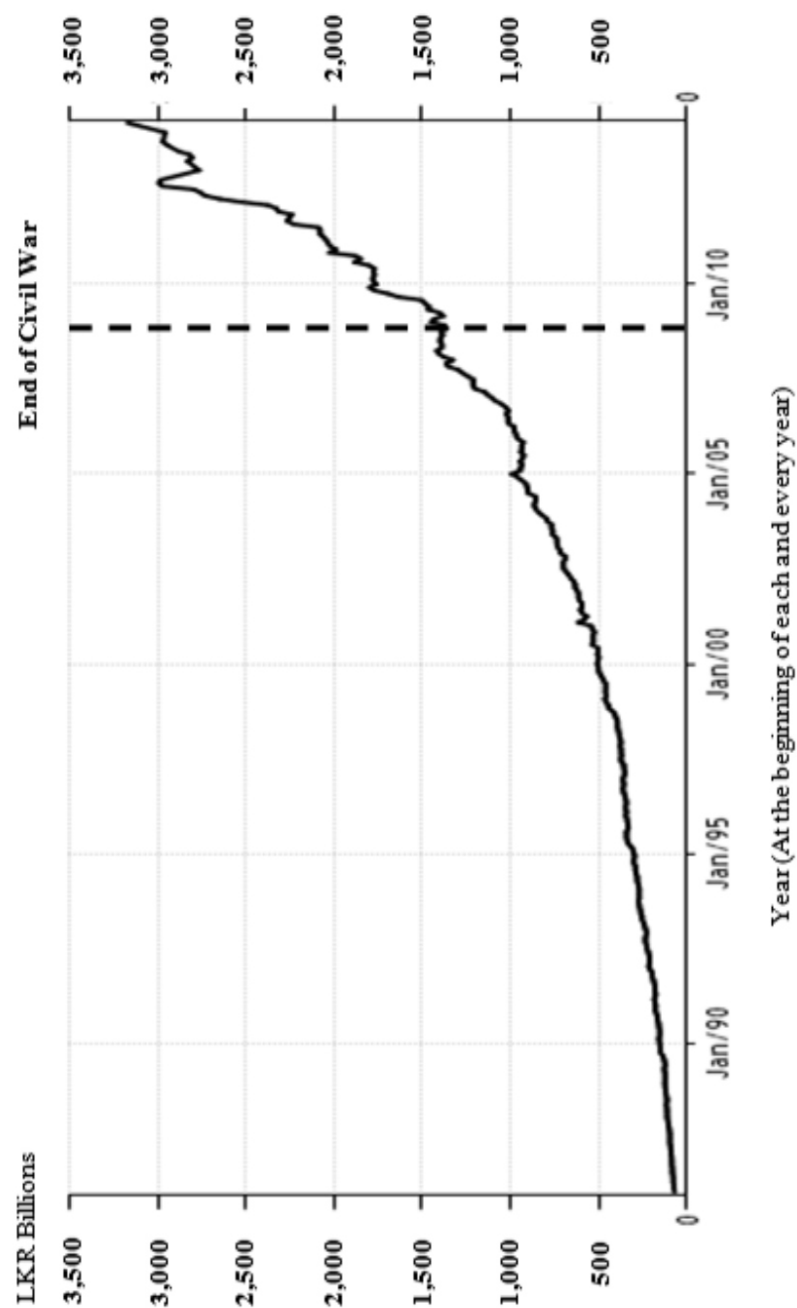
Figure 5
Annual and Cumulative estimates of pledged
and Delivered FAGIA¹² to SA



Source: Wolf et al.(2013)

¹² Foreign aid and government-sponsored investment activities.

Figure 6
Sri Lanka External Debt in LKR Billions from 1986-2014



Source: www.TradingEconomics.com | Central Bank of Sri Lanka

As Figure 6 shows, the growing foreign debt is a serious economic concern for Sri Lanka. Foreign debt increased significantly in last few years. According to the external debt reports by the Central Bank of Sri Lanka, by the end of 2009 foreign debt had been more than doubled what it was in 2000. In 2010 it reached 2,786 LKR billion. The highest amount of debt reported in 2014 as 3,171 LKR billion. In context of total debt, Chinese contribution demonstrates an increasing trend. Therefore Sri Lankan post war context tend to have more and more external debt and we can see lot of infrastructural development projects are being stimulated from these money.

In addition to that, Sri Lankan government intend to use more and more foreign borrowings, specially debts to resolve the balance of payment difficulties caused by the widening trade deficit. China and India are working on lot of major construction projects in Sri Lanka. By this way we can experience some projects where China carries out as confrontation projects to India. For example, when India construct railway in North, China intend to construct roads in North by their own project. This is actually a silent game among regional supremacy and uprising global hegemony in terms of needs based on power. However, this kind of short term expectations with massive infrastructural development projects and provided services are not productive economic activities. Sri Lanka is still weak in industrial activities, which are highly productive. At the same time, Sri Lanka exports earnings and imports savings in an unsuitable way. As a result of that, per capita tax burden will increase in more and more for future generations.

Then this creates opportunities for uprising hegemonies such as China to pressure Sri Lankan Government to make actions under their policies and guidance. It seems an aid especially this kind of activities may clear path for countries like China to gain more benefits through their multinational cooperation and also to enlarge the domain under their hegemonic power. Ultimately economies like Sri Lanka will suffer from lot of awful circumstances as a powerless nation under the '*Debt trap*' provide by China.

5. Conclusion

This study put forward that global hegemonic stability, which has been now dramatized in our reality, does not necessarily mean or indispensably secure the stability of allies of the hegemonic state or the states in power, but it keeps both of its, hegemonic power's, very own. In a much wider sense, this pattern of engaging in a *uni-polar world order*¹³ is not for anything else but for pirating the logic of conquering, the rule of capitalism, the world in terms of polity, economy, geography, military and mentality (psychologically).

This study tried to examine the current geopolitical situation through a prism of 'ground to sky'. In other words, through an approach of 'Bottom up', which means the study attempts to understand the geopolitical 'playground' and the 'way of gaming' in the contemporary world order through number of political economic realities the South Asian region faces with the new openings of Sri Lankan post war era.

The study concludes that the dominant global ideology which demonstrates global hegemonic stability comprehensively stabilizes the power architecture and well-off the subordinate states, is nothing but an ideological *fiasco*¹⁴. The study formulate a counter argument that uprising global hegemony, the China, accumulate and extend its power through a great opportunisms of power in keeping subordinate states under the rule of various material and normative powers of their own terms. Results from Hierarchical Cluster Analyze verify that the Chinese opportunism to become a super power within the South Asian region is real, which confronts India.

When we critically examine the post war political economy of Sri Lanka, it is not difficult to identify the domestic economy is currently remaining at a situation of 'looking for opportunities'. The 'looking for opportunities' operates

¹³ Uni-polar systems possess only one great power and face no competition. If a competitor emerges, the world system is no longer uni-polar.

¹⁴ Fiasco means a complete failure, specially a ludicrous or humiliating one.

as a dichotomy¹⁵ where the country has to decide what the opportunities are? And who offers them? This is the same conjunction where, as the study argues, the country's political economic process became a proxy or tracked into a 'Cat-paw' status.

In other words, the needs and openings of country's political economic process, itself crafted an opportunistic logic by sacrificing long term goals of the country due to the influence and pressure of awakening-hegemony, China. According to Sri Lankan post war experiences, China uses its tools such as massive debt facilities, dumping, economic and social aid. At the same time, ideologically, constructing a China-friendly political atmosphere, internally and externally, could comfort the ruling regime in confrontations of USA and its allies. The study foresees that the contemporary status and the path-forward of the country, as a hegemonic proxy, could be ended up in a *catastrophe*¹⁶, where beyond our perception and visualization at this moment. Ultimately, this may plant a common threat within South Asia while undermine and weakening the regional integration and make it very easy for China to persuade their power over Asia, and over the whole world in the future.

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¹⁵ The separation that exists between two groups or things that are completely opposite to and different from each other.

¹⁶ A momentous tragic event ranging from extreme misfortune to utter overthrow a ruin. Simply, it is an event causing great and usually sudden damage or suffering.

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