

China Report

Economic Interdependence Since COVID-19: China and South Asia


Khanindra Ch. Das 

First Published September 17, 2021 | Research Article
<https://doi.org/10.1177/00094455211039106>



Article Information

Volume: 58 issue: 2, page(s): 131-151
Article first published online: September 17, 2021; Issue published: May 1, 2022

 Khanindra Ch. Das
Corresponding Author:

Birla Institute of Management Technology (BIMTECH). kchdas@gmail.com

Abstract

In the backdrop of COVID-19-induced geo-political backlash against China, the article makes an assessment of the nature of economic interdependence of South Asian nations with China. Though COVID-19-induced lockdown led to a decline in trade with China, it recovered quickly in subsequent months. In the case of India, even after imposing restrictive measures, trade with China was found to bounce back indicating to a greater dependence on China. Further, asymmetry in economic engagement with China could be observed for several of the South Asian nations. Chinese investment in the region remained muted during the pandemic. However, strategic involvement in South Asia by China, and other powers, increased considerably which has been manifested by her provisioning of economic incentives and COVID-19-related aid. In the light of increasing strategic influence, South Asian countries desirous of benefitting from foreign trade and investment in their respective economies will need to encourage free and fair competition rather than towing geo-political lines so that sustainable economic gains can be made, which will require strengthening of various market supporting institutions in the respective economies. India's economic strategy will also assume significance in boosting confidence and increasing the level of integration within South Asia.

Keywords

COVID-19, economic interdependence, trade, aid, investment, BRI, South Asia

Introduction

Amid the COVID-19 pandemic, the geo-political importance of South Asia has increased substantially. Not only have the great powers shown interest in dealing with South Asian

Privacy