



**"India and China:
Can the Giants of Asia Cooperate?"**

Kanti Bajpai

**The Second YB Chavan Memorial Lecture
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ABOUT IDSA

The Institute for Defence Studies and Analyses (IDSA) was established as a registered society in New Delhi on November 11, 1965. The initiative for setting up the Institute came from the Late Hon'ble Shri Yashwantrao Chavan, then Defence Minister of India, who was one of the Institute's founding members. Over the last forty-plus years, IDSA has played a crucial role in shaping India's foreign and security policies, including non-conventional threats to India. IDSA has been consistently ranked over the last few years as one of the top think tanks in Asia, by an Independent Organisation.

YB CHAVAN MEMORIAL LECTURE

The Late Hon'ble Yashwantrao was the guiding light for the Institute in its formative years. The Institute owes much to his vision as the Founder President at a critical time when the need of a "Think Tank" was felt. In his memory the Yashwantrao Chavan Pratishthan, Mumbai has given a corpus to the Institute to hold an annual lecture. This is the Second annual lecture.

SECOND YB CHAVAN MEMORIAL LECTURE

The second YB Chavan Memorial Lecture was held on November 30, 2011 at IDSA. The talk was delivered by Professor Kanti Bajpai on "India and China: Can the Giants of Asia Cooperate?" and chaired by His Excellency, Shri NN Vohra, Governor of Jammu and Kashmir. The talk was attended by members of the strategic community and generated an interesting debate during the discussions.

SHRI YB CHAVAN



Shri YB Chavan was born in the village Devarashtre in the erstwhile Satara District of Maharashtra on 12th March, 1913. He was a quintessential product of freedom struggle. He spent many years in jail as a freedom fighter and played a major role in the 1942 movement of 'Quit India'. In the post independence period he rose to become a national leader of high stature. He was initially appointed Parliamentary Secretary in 1946 and soon rose to become the Chief Minister of the bi-lingual State of Bombay. In 1960 he became the first Chief Minister of the newly created state of Maharashtra. In 1962 he was called by the then Prime Minister Shri Jawaharlal Nehru to become the Defence Minister. Subsequently, he held the offices of Union Home Minister from 1966 to 1970, Union Finance Minister from 1970 and Foreign Minister from 1974 to 1977. He was also the Chairman of the 8th Finance Commission.

SHRI NN VOHRA



Educated at the Punjab University, he was a Visiting fellow at Queen Elizabeth House, Oxford University (UK) during 1969-70. After topping the list in M.A. (English) he served as Lecturer in Punjab University (1957-59). As a member of the Indian Administrative Service, borne on the Punjab cadre, he held various responsible positions under the State and Central Governments (1959-1994).

Following the Sino-Indian conflict he was inducted into the Special Services Bureau (under the Central Intelligence Bureau), underwent training with the elite SAS of UK, and served in the Western Himalayan Sector. Post Operation Blue Star he was appointed Home Secretary when Punjab was facing grave disturbances; organized peaceful elections to the State Assembly in Sept 1985. With the Government of India he worked as Joint Secretary, Ministry of Health and Family Welfare (1977-82); Additional Secretary Defence, Secretary Defence Production and Defence Secretary (1985-93). Consequent to the serial bomb blasts in Mumbai he was appointed Union Home Secretary (1993-94).

Recalled from retirement to serve as Principal Secretary to the Prime Minister (1997-98). Post retirement: served as Director of the India International Centre, New Delhi (1995-97; 1998-2003). Was Member of the first National Security Advisory Board

(1998-2001); Chairman, National Task Force on Internal Security (2000); Chairman, Review of Institute of Defence Studies and

Analysis (1999-2001); Chairman, Committee on Review of Military Histories (2001-02); Member, CSCAP National Committee (2001-5); Founder Co-Chairman, India-European Union Round Table (2001-8); Chairman, Public Services Committee, National Board of Quality Promotion, Quality Council of India (2006-08); President, Indian Mountaineering Foundation (1999-2006) and Chairman, Sarvodaya International Trust, Delhi Chapter (2000-08). Served as Govt. of India's Special Representative for carrying out the J&K Dialogue (2003-08). As an international civil servant he served as Consultant to W.H.O., Geneva (1982-84).

Life Member: United Service Institute, New Delhi; Institute of Defence Studies and Analysis, New Delhi; Indian Institute of Public Administration, New Delhi. Honorary Life Member of International House of Japan, Tokyo. Life Trustee: India International Centre, New Delhi and The Tribune Trust, Chandigarh.

Has been writing and lecturing on governance and security issues and has edited over a dozen books. Awarded PADMA VIBHUSHAN in 2007. Took over as Governor of Jammu and Kashmir in June 2008.

KANTI BAJPAI



Professor Kanti Bajpai is currently Visiting Professor at the Lee Kuan Yew School of Public Policy, National University of Singapore.

Before coming to the LKY School, he was Professor of International Politics, Jawaharlal Nehru University (1994-2003) and Professor in the Politics and International Relations of South Asia, Oxford University (2009-2010). From 2003 to 2009, he was Headmaster, The Doon School, India. He taught at the Maharajah Sayajirao University of Baroda (1989-1991), and has held visiting appointments at Wesleyan University, Columbia University, and the University of Illinois, Urbana-Champaign. He has also held visiting appointments at the Rajiv Gandhi Foundation, Joan B. Kroc Institute for Peace, Notre Dame University, the Brookings Institution, and the Australian Defence Force Academy. Most recently, he was Distinguished Fellow, Institute for Defence Studies and Analyses, New Delhi.

His areas of interest include international security, Indian foreign policy and national security, and South Asia. He is currently working on a book on Indian grand strategic thought as also on India-China relations.

ABSTRACT OF THE TALK

There is a growing view that India and China are more or less doomed to mutual conflict as they rise to power. For one thing, the two giants of Asia have a legacy of past quarrels and differences - over the border, fears of interference in each other's internal affairs, and China's relations with Pakistan. For another, as a function of their growing economic power, they will enlarge their militaries, seek a larger international role, and increase their demand for food, water, and energy. These could bring them into further contention. However, a closer analysis suggests that the two countries have made progress towards a border settlement, have limited their intervention in each other's internal affairs, and are converging on their view of Pakistan. While their military power has grown over the past few years, their acquisitions are not entirely directed at each other. Both seek greater international status, but China is clearly better placed in this regard, and there is no great sense of competition here. In addition, Beijing has made an attempt to recognize India's growing status. The search for food, water, and energy security is certainly a vital part of their national strategies, but they are quite a long way from confrontation on these issues. They may even be in a position to cooperate, particularly on energy. Finally, war between India and China is unlikely since it is easier to defend along the border than it is to attack. Of course, India must maintain the requisite level of defence preparedness. India and China have constructed four pillars of cooperation - summits, border negotiations, confidence building, and trade. These may not suffice for the bilateral, regional, and global challenges ahead. It may be time for them to consider a larger, more institutionalized structure of consultation and coordination, an Asian G-2.

INDIA AND CHINA: CAN THE GIANTS OF ASIA COOPERATE ?

KANTI BAJPAI

His Excellency the Governor of Jammu and Kashmir, Shri N.N. Vohra, Acting Director General of the Institute, Shri Arvind Gupta, and representatives of the Y.B. Chavan Trust, Shri R.K. Pradhan and Shri Ajit Nimbalkar, Ladies and Gentlemen:

May I begin by thanking the Institute for Defence Studies and Analyses and the Y.B. Chavan Trust for inviting me to give the Second Y. B. Chavan Memorial Lecture. It is a great privilege to do so. Shri Y.B. Chavan was an eminent freedom fighter who rose to become a distinguished leader of independent India. In his long career as a politician, Shri Chavan held various responsibilities. He was the first Chief Minister of the new Maharashtra state, member of the Union Cabinet responsible for four vital portfolios, and Deputy Prime Minister in the Charan Singh government. For over forty years, from his days as President of the Satara District Congress, to his Chairmanship of the Finance Commission in the 1980s, Shri Chavan served India with dignity and grace.

My subject tonight is India-China relations. It is a subject that would have been close to Shri Chavan's heart and mind. As Defence Minister after the war with China in 1962, he set about reorganizing the country's military preparedness. We know that great changes were made during the three years of his Ministership and that the emergence of a larger, better-equipped, and better-led military dates from his time. As Defence Minister, and subsequently as Minister for Home

Affairs and External Affairs, he would have dealt with issues pertaining to China in terms of the military, internal security, and diplomatic implications for India. As Finance Minister, he would have made budgetary provision for defence, a large part of which was devoted to protecting the border against China.

The title of my talk is “India and China: Can the Giants of Asia Cooperate?” It could also have been titled “The Past, the Present, and the Future of India-China Relations”. India and China face two sets of issues, broadly. The first are the historical ones – the past. These include the border quarrel, the fear of internal interference by the other side, and the problem of Pakistan. The second are new areas of competition including an arms race, the desire for international status, and the demand for food, water, and energy – the future. My argument is that the legacies of the past are with us and cannot be ignored, but that India and China have learned to manage those legacies. The present is being stabilized by four pillars of cooperative interaction which the two governments have carefully put in place. The future is bringing challenges and requires us to think about a broader, more institutionalized form of cooperative interaction, an “Asian G-2”.

The Past

Historical Legacy – The Border Quarrel

Let me begin with the historical legacy.

This is not the place to settle the issue of exactly why India and China after the initial years of friendliness began to quarrel, but some engagement with the reasons for their

estrangement is necessary in order to understand where we were in the 1950s and early 1960s, how we got where we are now, and where we might go in the years to come.

One interpretation of India-China estrangement is that the competition for status and influence in Asia if not the world in the 1950s led the two countries into contention, and that this rather than the border issue itself led to war.

A second interpretation is that domestic political issues pushed the two leaderships to be more assertive and that a spiral of assertiveness followed, until Jawaharlal Nehru initiated the "Forward Policy" which proved to be the final trigger. On the Indian side, the press, parliament, and public opinion hardened Nehru's stand at key junctures and caused him to reject what in retrospect seemed like a fairly good deal from China - Aksai Chin to China and NEFA to India. On the Chinese side, the disaster of famine, the Great Leap Forward, and the departure of the Dalai Lama could well have pushed Mao to "teach India a lesson".

Beyond these broader considerations, there is a third interpretation, namely, that war occurred because Nehru and Mao took the issue of territory seriously - that territory was itself the cause of war, that the war was not the outcome of geopolitical rivalry or domestic politics. Why was territory so important? It is easy to forget now that at the time India and China had just arrived on the world stage as free countries. Their entry was marked, in addition, by the trauma of partition. Then, too, both had been victims of Western expansionism: India had been colonized, and China had been humiliated by the Western powers and Japan. They brought with them a deep sense of victimhood, therefore, and both saw themselves as the aggrieved party in the border quarrel.

A fourth interpretation is that by 1962 the three factors described above – the competition for status and influence, domestic political turbulence, and the sense of territorial attachment – combined to precipitate war. If big, consequential social events occur as the climax of several trends or the conjuncture of smaller events, then the 1962 war and the estrangement of the two giants of Asia could well have arisen from a fatal combination of these factors.

That was 1962. Where are we today?

Some would argue that the confluence of these three factors is with us again: geopolitical rivalry that is centred on notions of status and influence; domestic politics that is often quite volatile; and an attachment to territory and a sense of victimhood that is often quite fierce. They therefore conclude that 1962 may be repeated. Drawing historical parallels is appealing and is a fairly natural activity of the human soul. However, we should be careful in analogizing from the past. For one thing, we have no definitive, conclusive understanding of what caused the war of 1962. For another thing, it is a different world altogether today, and it is quite likely that very different factors influence the present course of India-China relations. So, for example, the conceptions of status and influence that inspire the two countries and the nature of domestic politics in contemporary India and China are not necessarily the same as in the 1950s and 1960s. There are other differences. In 1962, India-China trade was almost non-existent. China was not a great trading nation but rather was an isolated and inward looking one. India too was cut off from the dominant world economic system at the time. Then again, there has been political learning since the war of 1962, and policies have been put in place to stabilize relations.

Finally, the two countries are members of several regional and global institutions, which they were not in 1962: they therefore encounter each other more frequently, and they have accepted norms and practices as members of those institutions that influence their strategic choices.

To say that the world India and China inhabit is probably quite different from the world of 1962 is not to say that it is necessarily a better or more stable place. The border conflict is not over, and we cannot afford to be complacent. There are three things about the border today that we need to take account of – that the negotiations over it have bogged down, yet some progress has been made; that there are military instabilities along it, but these may not be of an alarming nature; and that while both sides are increasing their military capabilities, war in the high Himalayas, to use General D.K. Palit’s evocative phrase, is a difficult proposition.

First of all, it is clear that after fifteen rounds of border talks, the two countries have not significantly reduced their differences. Crucially, they have not yet agreed on the Line of Actual Control (LAC) and have failed to exchange maps in the crucial western and eastern sectors. On the other hand, there has been some advance. Specifically, the 2005 document, titled “Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question”, sets out the broad criteria or understandings on the norms that will frame a solution to the border conflict. The agreement made six crucial points:

- the two sides would seek a “political settlement”
- they would give “due consideration to each other’s strategic and reasonable interests”
- in reaching a settlement, they would take into account “historical evidence, national sentiments, practical

difficulties and reasonable concerns and sensitivities of both sides, and the actual state of the border”

- the final boundary should be “along well-defined and easily identifiable natural geographical features”
- they would “safeguard due interests of their settled populations in the border areas”
- there would be a “delineation and demarcation” by civil and military officials and surveyors.

This is the most explicit statement regarding the nature of a settlement, and though it does not represent a breakthrough, it begins to prepare public opinion for a final agreement. With these six caveats, it is clear that the two governments have given themselves plenty of room for manoeuvre in relation to their publics – virtually any criticism of a future settlement can be fended off by recourse to one or more of the six.

The second point about the present state of the border is not so positive, namely, that there are signs of military instability along the LAC after two decades of relative quiet. There is some evidence that Chinese incursions across the LAC have dramatically increased in the past two or three years. While the evidence is a little blurred, something seems to be happening along the LAC. The key question is: are these incursions deliberate or accidental?

One view is that they are deliberate and part of Chinese pressure tactics. It is not clear why China should suddenly have chosen to coerce India, but we could probably conjure up various Chinese motives. Another view is that the intrusions are largely unintended. Chinese units stray across the LAC because the line has never been clearly defined. As General

V.K. Singh, Chief of the Army is quoted to have said:

“I think at times things get unnecessarily blown up. There are no intrusions. There are transgressions. Transgressions are in areas where a certain alignment is disputed between the two countries. You feel that the alignment should be at a particular place and you go up to that place. They feel that the alignment should be at a particular place, so he comes up to that place....There is nothing very alarming about it.”

A similar but not identical view is that the “transgressions” are not just by China, that Indian troops also transgress, and that straying across the LAC is part of a tacit system used by the two militaries to signal their respective claims. The intrusions are probes designed to test the other side’s reconnaissance capabilities, alacrity of response, and willpower. They are peacock-strutting exercises, not the build up to a fire-fight or to war. This does not mean that escalation can be ruled out because there is always a chance that a local commander will misjudge the situation and overreact. It does mean, though, that there is no grand plan on either side to attack the other and that violence can be avoided and controlled with careful border management.

Thirdly, both sides have boosted their forces along the LAC in the eastern sector. China, with its huge new infrastructure in Tibet, can apparently move over 30 divisions to the LAC. It has also transferred its CSS-5 missiles to Tibet. In response, India is modernizing its road infrastructure, planning to place an additional 90,000 troops over the next 3-4 years as well as two squadrons of Sukhoi 30s into the eastern sector, and has reportedly moved its Agni 2 and Prithvi 3 missiles to the border areas. China’s build-up is worrying, but we should remember

that the Chinese need forces to hold down Tibet and that India has responded even if tardily. Also, as I will suggest in more detail later, a military assault by China will encounter serious difficulties because it is easier to defend than to attack in this region.

The border presents a mixed picture therefore: there has been some progress on the nature of a final settlement, but there are worrying signs as well. Even if these do not add up to a serious deterioration of relations along the LAC, the spike in fairly routine incursions/transgressions and the enhancement of military capabilities bears careful watching. It is telling that when Prime Minister Manmohan Singh and President Hu Jintao met in Sanya earlier this year, they agreed to the setting up of a new border monitoring mechanism, and this is already under discussion.

Historical Legacy – Interfering in Domestic Politics and the Problem of Pakistan

Two other historical legacies continue to press in on India and China: the fear that the other side might interfere in one's internal affairs; and China's friendship with Pakistan.

At various points, India has feared that China would interfere in its internal politics. One fear was that Beijing would support Indian communists against parliamentary democracy. A second fear was that it would help separatists in the northeastern states of India. On the Chinese side, there has been the persistent worry that, with the Dalai Lama's presence in Dharamsala, New Delhi holds a dagger aimed at China's southern underbelly.

Indian fears were in some measure confirmed. China probably helped the original Naxalite movement of the 1960s, even if

this assistance was quite limited. It is worth noting in passing that the Chinese government “has not recognized the CPI-Maoist as a community party”, and its news agency, Xinhua, continues to refer to the Maoist insurgents as “left wing rebels” – not the most dignified appellation. On the other hand, Beijing did provide more substantial aid and refuge to some northeastern separatists, at least until the mid-1970s. As for Chinese fears of the Dalai Lama in India, the Indian government has acted with great prudence in dealing with him and the Tibetans. In sum, what is striking about India and China is that whereas the two countries could have interfered a good deal in each other’s affairs, they have chosen not to do so!

Is this posture of restraint likely to persist? I think the answer is yes, on the whole. India has been extremely careful in its handling of the Dalai. New Delhi will not depart from its cautious policy, even though there are those who want to complicate China’s security. As a democracy and open society, India is more susceptible to interference. It is, therefore, not in its interest to provoke its neighbours by aiding and abetting their internal enemies. China is not a democratic and open society; but Beijing has held off interfering in other countries’ affairs since the mid-1970s, for at least four reasons – to curb the Maoist radicals within China; to reassure the rest of the world about China’s intentions; to concentrate on economic development; and to discourage others from its domestic vulnerabilities. There is no reason to suppose that China in its “peaceful rise” wants to change its policy of restraint.

The other great historical burden that India and China carry is the problem of Pakistan. The Pakistan problem grew partly out of the border quarrel. As China’s relations with India worsened in the 1950s, its appreciation of Pakistan grew apace.

Historically, though, there were additional reasons for China's closeness to Pakistan, which we in India often fail to appreciate. Pakistan stands strategically located at the mouth of the energy-rich Gulf. It is also an important partner for China in the Islamic world. In 1971, it acted as the intermediary for the US-China rapprochement. At the same time, China did not want to lose Pakistan to the US. During the latter half of the Cold War, Islamabad was a key ally against the Soviet presence in Afghanistan. Also, there is evidence that Pakistan shared its centrifuge technology with China and may have allowed Chinese technicians access to its American military equipment. Pakistan is, in addition, a potential threat to China. Islamic extremists operating from Pakistan, and Uighurs that were trained there during the Afghan war in the 1980s, are a threat to the stability of Xinjiang. This, too, necessitates a close relationship with Pakistan.

Whatever the reason for China's closeness to Pakistan, it is true that Beijing's quasi-alliance with Pakistan has been a thorn in India's side, and there is little doubt that Pakistan has received conventional weapons, missile technology, and nuclear knowhow from China. It has also benefited economically from Chinese aid.

Having said this, we in India exaggerate Chinese contributions to Pakistan's security. Until recently, China's conventional arms transfers were modest compared to America's. As for missile technology and nuclear knowhow, surely Pakistan would have eventually obtained these through its own efforts. Or it would have acquired them from somewhere other than China. Chinese economic aid to Pakistan has been rather modest, certainly in comparison to the bilateral and multilateral aid that our neighbour has received from other sources. The US has given

Pakistan \$33 billion in bilateral economic aid since 1947, and \$73 billion in economic and military aid from 1960-2002. Since 2002, Pakistan has received about \$20 billion from the US, mostly again in military aid. Chinese aid figures are very difficult to obtain, but it is clear enough that China cannot match these amounts. Most importantly, though, it is worth remembering that China has never actually come to Pakistan's rescue militarily, with 1971 being the crucial instance.

On China-Pakistan, it is also worth remembering that over the years Beijing has adopted a more equidistant stand on Kashmir. It has more or less stuck to the view that Kashmir is disputed, that the dispute should be solved peacefully, and that it is a bilateral matter between India and Pakistan. While it would be wonderful if Beijing did not refer to Kashmir as disputed territory, we cannot expect that much grace from China! On the other hand, during the Kargil war in 1999, Beijing took a rather sharp view of the violation of the Line of Control by Pakistan. Over time, Beijing has also largely endorsed the idea that the sub-continental dispute should be settled bilaterally, and it no longer insists on adherence to the original UN resolutions on Kashmir.

There are Indian concerns about China's Kashmir policies. Let me mention two. Over the past two years, we have heard a lot about the issuance of stapled visas for Indian Kashmiris who visit China. This of course is an annoying development for India. However, there are signs that China is taking steps to undo its rather inept decision: Premier Wen Jiabao promised the Indian Prime Minister at the East Asian Summit (EAS) in Bali in November 2011 that official resolution of the dispute is under way. The latest scare story about Chinese policy towards Kashmir is the supposed presence of its military personnel in Pakistan-occupied Kashmir (POK). Here again, while the Indian

media has dramatized the issue, General V.K. Singh has offered a far more measured assessment, noting that there are 3000-4000 Chinese personnel in POK of which only some are security personnel. These security personnel have apparently been assigned to guard the workers and technicians from China who are building infrastructure there – which is a far less sinister assessment than appeared in the media.

Whereas China-Pakistan ties will continue to complicate the India-China relationship, the truth is that China is uneasy about its quasi-ally. China has not condemned Pakistan publicly for harbouring terrorists, but privately it is worried about the country's role in promoting terrorism and Islamic extremism. Chinese technicians, engineers, and workers in Pakistan have been the targets of threats and attacks over the past decade. Recently, the mining company China Kingho pulled out of a \$19 billion deal citing security problems in Pakistan. With the departure of the US from Afghanistan, China's anxieties could well increase. Beijing fears that Pakistan could become more radicalized and fragmented, with Saudi and Salafi influences growing and separatist movements gathering speed. In thirty years, Pakistan will be a country of 250-330 million people, armed with nuclear weapons, and perhaps even more radical and divided than it is today. That is an alarming prospect for China. A moderate, civilian-led Pakistan, which is at peace with India, is preferable.

There are signs China recognizes that Beijing and New Delhi are converging in their worry over Pakistan. At the East Asian Summit in Bali in November 2011, Prime Minister Manmohan Singh and Premier Wen Jiabao reportedly briefed each other on their recent, separate meetings with Pakistani Prime Minister

Gilani. When military-to-military contacts between India and China were resumed in 2011, the Indian delegation went not just to Beijing but also to Xinjiang province, where Uighur separatists with links to Pakistani extremists are fighting for separation. This is the first foreign military delegation to be publicly invited to Xinjiang after the Sino-Soviet split of the 1950s. In another sign that Beijing maintains a certain strategic distance from Islamabad was China's rather cool response to Prime Minister Gilani's public statement that the Chinese would build a naval base at Gwadar for Pakistan.

If China's views of Pakistan have begun to change, so have India's views. There is a good deal that could be said here, but the key point is this: New Delhi recognizes that the survival of Pakistan as a moderate Islamic state is crucial for Indian security and that, terrorism notwithstanding, it must be engaged in a long-term comprehensive dialogue.

In effect, then, India and China share a concern about the radicalization and survival of Pakistan. If China worries that India wants to dismantle Pakistan, it should lay aside that worry. The collapse of Pakistan would be a calamity for India.

The Present: Four Pillars of Interaction

Since 1988, when Rajiv Gandhi made his famous trip to China, the two countries have worked consistently to put in place a diplomatic, political, military, and economic system that will maintain stability and lay the foundation for a border settlement as well as normalization. That system has four components or pillars: the border negotiations, high-level summits, confidence-building measures, and bilateral trade.

With respect to the border negotiations, in essence the two

sides have come to the view that a settlement must await the future. Neither leadership has the political capital to shepherd a final agreement through its political system. Nonetheless, it is vital that the two governments remain engaged in discussions. The border issue is an emotional one, and to ignore the problem would be to give greater space to the hardliners on both sides. The appointment of the Special Representatives to take the border talks forward is vital since it is a signal that the top leadership is paying close attention to the process.

The second stabilizing pillar is high-level summits. There have been more summits between the presidents, prime ministers/ premiers, and foreign ministers of the two countries since 1988 than in the previous forty years. The media dismisses these meetings as photo opportunities, but that is precisely why they are important. In a relationship that is prone to misunderstanding, the highest leadership needs to be seen in each other's company. Meeting one's counterparts at the highest levels serves two functions: it gives each side a better sense of the personal qualities and thinking of the leader they are dealing with; and it is a signal to the general public that the other country is not as sinister as the hardliners insist.

The third pillar of stability is confidence building measures or CBMs. These are well enough known, so there is no need to describe them here. Like all CBMs, they are intended to increase the flow of information between the two militaries, so that if there are misinterpretations of military intentions, capabilities, and incidents, these can be rapidly corrected. CBMs in themselves cannot bring peace; they cannot stop war if one side or other is determined to go to war. They can help prevent accidental war.

The India-China CBM menu is a rich one and probably does

not need too many more items, but there are two areas where the two sides will have to give some thought – nuclear weapons and naval CBMs. China has refused to talk to India about nuclear weapons, but as India nuclearizes, Beijing will have to begin that conversation in the interest of military stability. In addition, as the Indian and Chinese navies rub up against each other, from the South China Sea to the Indian Ocean, they will need to think about something like the “Incidents at Sea” agreement between the US and Soviet Union during the Cold War.

We may need naval CBMs sooner than we think. The Indian press reported that in July 2011, an Indian naval ship, the INS Airawat, which was heading towards a Vietnamese port, was ostensibly contacted by the Chinese navy. The Indian ship was warned that it was entering Chinese waters. In the context of China’s growing contention with Vietnam over their respective sea boundaries, this was quite a serious warning. However, although the Indian media played up the incident as another instance of Chinese belligerence, it still remains unclear who contacted the Airawat. James Holmes, Associate Professor of Strategy at the U.S. Naval War College, a close watcher of Asian naval developments and certainly no Sinophile, concluded that the encounter probably never happened. The Indian ship was apparently contacted on an international distress frequency monitored by all ships on the high seas. Moreover, this frequency operates on line-of-sight communication only. Yet the Indian ship reportedly saw no Chinese naval ships or aircraft in the area. In other words, the hailing of the Airawat could have been carried out by anyone who had line of sight and who wanted to have a bit of fun! The Indian ship reacted calmly as did the Indian government, but this episode suggests that naval CBMs – e.g.

a naval hotline – might have helped clear up the matter quickly and stop the rumour-mongering.

The fourth pillar of India-China relations is trade. Trade now stands at over \$60 billion. It could well rise to \$120 billion by 2013. India is currently running a deficit of more than \$20 billion, and it has made a series of complaints about Chinese trade practices. By itself, trade is not a condition of stability. For one thing, if there are huge asymmetries in trade, conflict could sharpen. For another, if India or China, or both, feel that they can switch their bilateral trade to other partners quickly enough, then the stabilizing role of trade may not operate between them. As things stand, however, both sides see trade as mutually beneficial and as having stabilizing political effects. Given that trade will grow substantially, we should expect it to contribute to pragmatism on both sides.

The Future: Where Are India-China Relations Headed?

What is the future of India-China relations? Are we heading for conflict, or can the giants of Asia cooperate?

I have argued that in respect of the historical legacies India and China are fairly well-placed. First, while they have not found a solution to the border, they have articulated some key principles, they continue to talk, and they have agreed to postpone a final settlement to a fairly distant future. This is sensible given the weakness of the present leaderships and the hardness of public opinion.

Second, over the past several decades, they have restrained themselves from interfering in each other's domestic politics.

Thirdly, the issue of Chinese help to Pakistan has not gone

away for India, but it is worth noticing that China is not Pakistan's biggest aid giver nor has it come to Pakistan's military rescue during India-Pakistan hostilities. On Kashmir, Beijing has remained rather equidistant.

Fourth, India and China have built a fairly tried and tested diplomatic system for dealing with each other and for maintaining diplomatic and military stability.

Globalization, Rising Power, and Competition

This is the good news. Unfortunately, there may be storm-clouds ahead. And the fault lies with globalization.

Thanks to globalization, India and China are both rising powers, that is, powers experiencing high rates of economic growth that look to be sustained for fifty years or more. Three consequences would seem to follow. First, since economic power will translate into military power, the two countries could find themselves in an arms race. Second, with growing economic and military power will come increasing international ambition and a desire for greater international status. Thirdly, economic growth implies growing demand for at least three scarce resources – food, water, and energy. At some point, India and China could be in competition over them.

Economic growth has allowed both India and China to bolster their militaries. The two countries have imported more arms than any other countries in the world. China also has a fairly vibrant domestic arms industry. India's advantage here is that the US and Europe have banned arms sales to China. However, China is buying quite vigorously from Russia. India may have spent as much as US\$50 billion on arms imports since 1999, but China's overall defence expenditures amount to three times India's.

With economic growth and military modernization, India and China are all set to stake a bigger claim in the international system. China already is a global player, and its views count on virtually every issue. India, powered by its economic growth, is gaining recognition as a bigger player in global affairs. Its membership in the G-20, the East Asian Summit, and growing support for India's UN Permanent Membership of the Security Council are the clearest indications of its greater salience. India may also become a member of APEC and the Shanghai Cooperation Organization (SCO). Both countries are using their aid programmes but also their cultural influence to elevate their status.

If we look at food, China is expected to account for one-half the increase in the global demand for cereals. While India was more or less self-sufficient in cereals, by 2020 it will import up to 30 million metric tons. China will consume 40 per cent of the increasing demand for meat. Roots and tubers are important in the Asian diet: China and India will lead the demand here too. China's agricultural trade deficit is expected to increase to US\$ 33.5 billion, while India's will increase to US\$9.1 billion by 2020.

Water contention, already an area of concern, could grow. The supply of water is falling in both countries, and demand is growing sharply. China's supply has fallen by about 15 per cent and India's by over 25 per cent. China has massive water inequality: northern China has 35 per cent of the population and only 7 per cent of the country's water resources. Rivers are a key freshwater resource. All of South Asia's major northern rivers originate in Tibet. China has plans to generate hydroelectricity but may also want to divert river waters, particularly to its north. While China has begun to share some

water data with India, its long range plans, especially on water diversion, are worrying.

The energy picture also suggests that India and China could come into conflict. Global energy needs will rise by 50 per cent by 2030, half of it from India and China. China is already the world's largest energy consumer. Per capita energy use in India will grow by 56-67 per cent and in China by 60-67 per cent. Oil accounts for about 25 per cent of India's total energy use. This will rise to 35 per cent in 2030. Over 60 per cent of India's oil comes from the Gulf, Iran, and other Middle Eastern sources. India reliance on coal is 42 per cent of its total energy use. Its shortfall of coal is likely to be 100 million metric tons by 2012. Oil accounts for roughly 20 per cent of China's total energy use. This is expected to rise to 24 per cent in 2030. Its reliance on coal is nearly 70 per cent of its total energy use. Demand for coal in China is growing rapidly and will be 6 billion tons in 2025. Natural gas use will also increase substantially in both cases.

The key point here is that India and China will increasingly import their oil, coal, and natural gas requirements. Both countries are already foraging for energy in Africa, the Gulf, Central Asia, and Latin America. They have even begun to look at the vast tar sands in Alberta, Canada, which may have the second largest reserves of oil after Saudi Arabia.

Conflict Unending?

Does all this add up to unending conflict between India and China?

As their military power increases, their international ambitions and status rise, and their demand for food, water, and energy

grows, they may well come into competition and outright conflict. But we should not be too quick to come to that conclusion.

First of all, it is fair to say that India and China's arms acquisitions are not necessarily all aimed at the other country. China has more land and sea neighbours than any other major power in the world except Russia –and these include neighbours of some consequence including Russia, Taiwan, Japan, South Korea, Vietnam, Indonesia, India, and Pakistan. Three of its neighbours are nuclear powers; in addition, Japan and South Korea could easily go nuclear. Most importantly, there is the United States' military presence in Asia. India has a simpler strategic environment, but it must worry about China and Pakistan, both of which pose a conventional military and nuclear threat. In short, while India and China have invested heavily in arms over the past decade, they do not seem to be locked into an arms race with each other; they do have other concerns as well.

As for India and China's larger international ambitions, at the moment there is no great competition between them. We in India must accept that China's influence is far greater given its economic might, its strategic decisiveness, and its UN veto. In addition, China has made gestures towards India's growing status and has attempted to dampen the sense of competition. For instance, on India's eventual elevation to permanent membership, Beijing has softened. It has not supported India outright, but in 2005, it said: "India is an important developing country" which has "an increasingly important influence in the international arena". China "attaches great importance to the status of India in international affairs" and "understands and supports India's aspirations to play an active role in the UN and international

affairs". In addition, it noted that China would consult and cooperate with India on UN reforms. In 2006, and then again in 2010, after President Barack Obama's visit to India, it made a roughly similar statement. China has welcomed India's presence in the East Asian Summit, and there are signs that it will support India's full membership in the Shanghai Cooperation Organization (SCO).

What about the demand for food, water, and energy? Here again, competition may not be as severe as one might expect. Or, it may be amenable to management, even cooperation.

So, while both sides are looking to import food and could come into competition, they could postpone the day of rivalry by increasing domestic output. China has 124 million hectares and India has 162 million hectares of arable land. While China is more efficient in farming its land, India has more farmland. Both can improve their agricultural systems considerably.

On water, China, as the upper riparian, has a special responsibility towards its downstream neighbours including India. However, as Brahma Chellaney in his recent book, *Water: Asia's New Battleground* suggests, China and its neighbours could do much more domestically on freshwater supplies. We in India can continue to berate China, but a huge proportion of the problem is at home. As for China's purported plans to divert water from India and Bangladesh, there are at least two constraints, neither of which is trivial – the engineering challenges of water diversion; and the growing opposition within China. The latter should not be laughed off. For one thing, massive diversion works will have potentially huge environmental and displacement effects. For another, there will be worry within China that some parts of the country are "losing" water to other parts. In sum, China's

plans for water diversion will face significant internal hurdles. These may be more consequential than the external pressures on China. It is worth noting here that Jiao Yong, Vice Minister of China's Ministry of Water Resources, said as recently as November 30, 2011, that given the technical, environmental, and diplomatic difficulties, the Chinese government had no plans to divert the Brahmaputra. That said, it is perfectly in order for India to continue to press China for hydrological data and greater transparency on its riverine plans, and certainly China should do more to reassure its neighbours.

Energy too could be an arena of contention, but even here we should be cautious. For one thing, China's energy policies are extremely decentralized, and many Chinese entities are operating in the energy market as private players. The global energy field is still a market-led field, and Indian companies are competing not just with Chinese state enterprises but also with private and state-owned enterprises from other parts of the world. It is not a straight fight between India and China: the India-China competition for energy is part of a global scramble for energy with many players, and India-China may not be the primary axis of competition.

In addition, energy supplies may increase as a result of new discoveries and technologies. The exploitation of the tar sands of Alberta is one example. With new technologies, oil extraction there is becoming economically more viable. Extracting gas from shale is another example. The US has used the "fracking" process to unearth huge supplies of natural gas.

Also, the mix of energy sources of the two countries is different. India is and will be more reliant on oil, and China is and will be more dependent on coal. This may also dampen their competition.

Lastly, India and China may be in a position to cooperate on energy. China has perhaps the leading clean coal technologies in the world, which India needs; and China has invested massively in alternative energies, which again India needs – and could get at cheaper rates than from anywhere else.

Is War Likely?

Finally, let us ask the central strategic question: is war likely between India and China?

How and why would the two countries end up in war? Some fear that China would attack to settle the border issue in its favour or to prevent India's rise. Some point darkly to the prospect of war over scarce resources, particularly water and energy. Whatever the motive for war, the suggestion seems to be that China would launch a frontal attack as in 1962 – either to grab territory or to punish and coerce India in the competition for scarce resources.

Is this a realistic possibility? Leaving aside the economic costs of war for China, I would argue that a Chinese frontal attack as in 1962 is unlikely for at least four military reasons.

The first reason is nuclear weapons. China has over 200 nuclear weapons, and India has about 100. That induces extreme caution on both sides, even though India's delivery capabilities at present are largely dependent on long-range aircraft. Conventional war under the shadow of nuclear weapons may still be a temptation; but as India has discovered in relation to Pakistan, even the side with superior conventional capabilities must be extremely careful given that conventional war could escalate to nuclear confrontation. The recent success of the Agni IV missile test, reports of an ICBM in the making, and the development of

an SLBM suggest that the Indian deterrent will only be strengthened.

Secondly, both sides have airpower that will make a conventional war of any duration and decisiveness very difficult. China's long supply lines, essentially from Chengdu, are vulnerable to air interdiction – the trip is over 4000 kilometres by train and over 2000 kilometres by road. Any attempt by China to disable the Indian Air Force (IAF) in the northeast and West Bengal in a first strike will be a challenge, as the IAF is thickly deployed there and will be ready for a disabling surprise attack. To the extent that the IAF remains a viable force, the movement of Chinese ground forces and supplies will be problematic.

Thirdly, while China has the advantage of the heights on the Tibetan plateau, its ability to send large forces into India in this sector is limited by geographical constraints – the routes down into India are narrow and winding, and the PLA will find itself vulnerable to air attack if it breaches Indian ground defences. In addition, of course, its supply lines will become increasingly long, while India will have the advantage of ever-shortening interior supply lines.

Fourth, Chinese forces will have to take account of possible Tibetan instabilities behind them. It is hard to know if Tibetan underground militias exist and, if so, whether or not they would harass the PLA during wartime, but this is an additional complication for China.

Having said that a Chinese attack on India is unlikely because its success is problematic, there are two additional possibilities we must consider.

The first is that the Chinese attack will develop quite

differently after an initial attack along the LAC. Chinese forces could supplement their frontal attack by “leapfrogging” over the Himalayas with highly-mobile special forces, cut off supplies to the Indian front, and trap Indian units at the LAC. This would depend on China possessing the requisite airlift capability, very large and sophisticated special forces, and the ability to suppress Indian ground defences but especially air defences. While China clearly is organizing itself for quick strike attacks with sophisticated mobile forces (for various regional contingencies), it is hardly beyond India to counter this given that the Indian military is aware of new Chinese military doctrines and capabilities. In essence, India must have equivalent forces that it would use for swift counter-attacks. Also, suppressing Indian defensive fire that would emanate from either ground installations or air platforms will be no easy task for the Chinese airborne forces. Furthermore, even if Chinese special forces established themselves on the ground behind the Indian side of the LAC, they would quickly run short of supplies and would be susceptible to ground and air counterattack, leading to their decimation. In other words, leapfrogging would be a very high-risk strategy for China.

The second possibility is that China would attack at sea – for example, in the South China Sea or the Indian Ocean. Given the growing reach of both navies, conflict along these lines cannot be altogether ruled out. However, here again, deterrence should prevail. Clearly, it would be extremely foolish for the Indian Navy to pick a fight with the Chinese in the South China Sea. India’s naval forces in the area will be small, at least for many years to come, with extremely long communication and supply lines, and they would have little chance against a Chinese force. In the Indian Ocean, the situation would be reversed: the Chinese navy would be a long way from home

and very vulnerable. In short, if the Indian Navy is prudent and avoids confrontation in the South China Sea and if it continues to modernize its fleet, a naval war also seems remote.

In sum, war between the two countries is not very likely unless one or the other engages in highly provocative, ill-judged behaviour – and even then, with nuclear weapons and air power, it would be very risky to go to war. I assume here that India will not seek to provoke war. My broad conclusion is that China also will avoid hostilities given the military challenges it will face. I have avoided saying anything about the larger developmental and geopolitical and diplomatic constraints on China, but these would play an additional role in Chinese decision making.

Conclusion: Cooperation Between the Giants of Asia?

In conclusion, let me address the question that serves as the title of this lecture: Can the giants of Asia cooperate?

My contention is that as far as the legacies of the past are concerned, the two countries have tacitly or explicitly cooperated. India and China continue to very publicly negotiate over the border, even as they have tacitly agreed to leave resolution of the problem to the future. For the most part, both have resisted the temptation to get involved in each other's domestic conflicts. Their divergence over Pakistan has narrowed and may narrow further – both worry about the future direction of Pakistani politics.

I have argued that, as far as the present is concerned, there are four pillars of cooperation – border negotiations, summits, CBMs, and trade. These have helped stabilize relations over the past two decades. They will be the substructure for stability

and cooperation in the future. There is room for more cooperation in these areas, particularly in respect of confidence building and trade.

Finally, I have suggested that there are challenges ahead – growing military power on both sides, rising international ambitions, and increasing demand for food, water, and energy – that could bring them into conflict. Yet, none of these areas of competition quite adds up to unavoidable conflict. In addition, war seems unlikely. Can India and China positively cooperate on food, water, and energy, particularly the latter two? These are technical areas, and it will take technical experts to say anything sensible about the nature of cooperation, but clearly cooperation on water and energy will have to be embedded in a larger strategic understanding between India and China.

How will a larger strategic understanding and cooperation over a range of regional and international issues evolve? In all likelihood the four pillars I described earlier will not suffice. My colleague, Professor Huang Jing, has suggested that the time has come for a much larger, more institutionalized device – an “Asian G-2” – with India and China in regular dialogue across a number of issues. As things stand, they have three dialogues in addition to the summits and border negotiations: the Annual Security Dialogue; the Defence Consultations; and the Strategic Economic Dialogue. These could be steps towards a G-2 mechanism and serve as feeders into an annual G-2 summit, but they do not amount to a G-2.

A G-2 dialogue would consider not just bilateral but also international matters including the world economy, climate change, disasters, proliferation, transnational crime (e.g. high-seas piracy), terrorism, Asian security, and other challenges of the global commons. Essentially, the dialogue would serve

to map a course of cooperation in light of an agreed charter of key principles. Its purpose would be to set India-China relations in a bigger context. How India and China behave towards each other in the years ahead will depend on their internal politics, the state of their economies, relations with other major powers across the world, regional involvements, and policies on global issues. Put somewhat differently, bilateral cooperation will depend on much larger strategic calculations. The two governments will have to ask themselves: should we cooperate with each other given all the other challenges that we face? They will have to carefully weigh the costs and benefits of bilateral cooperation/conflict against the many other threats as well as opportunities in front of them. This process of sober, measured weighing up will be greatly helped by a regular institutional forum in which they consult and coordinate. An Asian G-2 will not be an alliance directed against any other powers or regional ventures. Nor will it derogate from other Asian institutions, such as ASEAN, the ASEAN Regional Forum (ARF), APEC, and EAS. It will certainly not be a condominium in Asian designed to run the affairs of the world's largest continent.

The basis for cooperation between Asia's giants exists. There is already a fair amount of cooperation. Cooperation in the future is not a given, and the cooperative system in place today may not be sufficient for emerging challenges. India and China could do well to look at a wide-ranging, institutionalized form of long-term cooperation. On this may depend the welfare of three billion people and the stability of Asia and international order.

REMARKS BY SHRI NN VOHRA

Shri RD Pradhan and Shri Ajit Nimbalkar, eminent representatives of the YB Chavan Prathishthan; Dr Arvind Gupta, officiating Director General IDSA; Prof Kanti Bajpai; Cmdr Parmar; distinguished invitees, ladies and gentlemen. At the outset, I would like to compliment the YB Chavan Prathishthan and IDSA for organising valuable Lectures in the memory of the late Sh. Y. B. Chavan. I congratulate Prof. Bajpai for his excellent talk.

As many present in this auditorium would recall, Shri YB Chavan was inducted into the Union Cabinet in the aftermath of the 1962 Sino-India conflict and given the most responsible, and perhaps the most difficult assignment at that time. He was mandated to streamline the entire security apparatus and augment India's defence preparedness so that the country would not have to face, ever again, such a humiliating situation. An area of Shri Chavan's priority focus was the functioning of the Intelligence agencies, and it was on his behest that an intelligence organization, albeit a very small set-up, called Special Services Bureau, was established soon after his taking over charge as the Defence Minister. This Bureau, to which I was inducted almost over night and deployed in the western Tibetan Sector, was set up within the echelons of the North Block, functioning under the direct surveillance of Sh. B. N. Mullick, the then Director of the Intelligence Bureau.

I had the fortune of working in two Ministries which Shri Chavan had steered. I worked for over 8 years in the Ministry of Defence and, later, in the Ministry of Home Affairs, where I had further opportunities of seeing lasting evidence of Chavan Sahib's mature consideration of vital issues relating to the country's governance, particularly Centre-State relations and

effective management of Internal Security. It would not be out of place to recognize that one of the historical outcomes of Shri Chavan's deep concern for issues relating to national security was the inception of IDSA. In this context it may also be recalled the valuable contribution made by the late Mr. K Subrahmanyam, one of the founding fathers of IDSA, who spent almost his entire career and later life in trying to build a corpus of thinking on security issues.

Today, we must pay tribute to this farsighted political leader, the late Sh. Y. B. Chavan, for his most outstanding contribution to the overhauling of the defence apparatus. India-China relations, the theme of today's talk, was an issue of great concern for him.

I compliment Prof Kanti Bajpai for his scholarly talk on "*India and China: Can the Giants of Asia Cooperate?*", for his objective analysis, his fresh perspective on the present Sino-India relations and the likely future prospects. Needless to say, both China and India are large, populous and important countries and the nature of their future relationship, which has been less than smooth in the years past, would be of high significance.

I recall my days in the Defence Ministry, over two decades ago, when we held regular meetings to discuss the India-China frontier related issues. Former DG, IDSA, N.S. Sisodia, then Jt Secy Defence, and A.K. Ghosh, then Jt Fin Adviser (Defence), both of whom worked with me and are present here today, were involved in many of these meetings. Discussions were also held under the rubric of the China Study Group and in the Core Group of Secretaries which comprised the Defence, Home, and External Affairs Secretaries and the Chiefs of internal and external Intelligence Agencies and invited experts like the DG, ITBP and others.

In those days, one of our concerns, which cut across many security management discussions, related to the identification of sources of supply of the weapons used by the subversive/militants elements in North-East, Punjab, and J&K. The reports of the Intelligence agencies brought out that most of the weapons and munitions, used by varied subversive networks, were of Chinese origin. Reports were also received about the progressive Chinese build up all around India's frontiers. It was reported that the Chinese were establishing a military presence in Burma, as then known, and building a Naval Base along North Coco Islands to exercise surveillance on naval movements and maritime traffic across the Bay of Bengal; China was also reported to be providing varied support to Nepal, including building of ring roads; doing various things in Bangladesh; providing military, technical and other support to Pakistan to establish and run ordinance factories and so on. These were some of the worrying reports at that time.

India's foreign policy has consistently been to have friendly relations with all her neighbours and to work towards a peaceful and harmonious security environment in our region. Notwithstanding India's peaceful policies it would not do to say that, as a neighbour, China has been duly sensitive to India's concerns. I recall the first visit of an Indian Defence Minister to China, 30 years after the Sino-India conflict. It was aimed at building trust and a better understanding of each other's concerns and move towards developing peaceful relations. This visit provided an opportunity to also complain about what India thought was not fair and right on the part of China. The delegation accompanying the then Defence Minister had, inter alia, prepared a statement which indicated the type and number of weapons, munitions etc bearing Chinese markings which had been confiscated from varied insurgent/militant

groups operating in India. In the meeting with the Chinese Prime Minister, our Raksha Mantri conveyed India's concern about the supply of Chinese weaponry to insurgent/militant groups in India. In response, the Chinese Premier smilingly observed that China exports military equipments or provides free supplies to many countries with whom it has friendly relations and, consequently, a couple of thousand weapons found in Manipur, Nagaland, Punjab or elsewhere in India should be viewed in the correct perspective! He observed that this also indicated the far reaching popularity enjoyed by Chinese products!! When I murmured something to the Raksha Mantri, the Chinese Premier said that, for greater satisfaction, I could have a separate meeting with Chairperson of the Military Commission, a veteran Long March General who, during a detailed discussion later in the day, outrightly dismissed India's concerns about China's border build-up. While discussing the 1962 conflict, he suddenly warmed up and said "didn't we tell your friends in Moscow to advise you to stop fiddling around our frontiers. We sent you warnings months and months before the conflict but you people were not inclined to listen to Beijing!"

In the context of our prolonged negotiations with the Chinese, with no outcome so far, we need to be altogether clear and firm about our objectives and national interests. It would appear that the agreed Guiding Principles for the Resolution of the Boundary Dispute have the potential of leading to a mutually acceptable agreement. These Principles contain reference to "national sensitivities," "practical difficulties," "reasonable concerns," etc; these concepts can be leveraged to enable both sides to address the long standing problem and evolve a mutually acceptable understanding.

I would, however, disagree with Prof Bajpai on the fine distinction sought to drawn between "transgression" and

“intrusion”. All “transgressions” have the high risk of evolving into “intrusions”. In any case, it is not possible to satisfy the affected population on our side with such an intellectual explanation.

Notwithstanding Beijing’s reluctance to voice its views on Pakistan’s role in fostering terrorism, which has wreaked havoc in our region, it can be said that presently there is both growing awareness and concern about the potential of the China-Pak axis affecting regional peace and stability. The growing radicalization of Pakistan is cause for serious concern to India. India has remained of the consistent view that a stable and peaceful Pakistan and friendly relations with Pakistan and China and all our other neighbours, would be in the best interest of regional peace and stability which, in turn, would contribute very significantly to promoting the welfare of the people of India and Pakistan and those living in all the countries in our neighbourhood.

Needless to say, India will have to view the obtaining geopolitical scenario with critical objectivity and weave her way, through the various difficult paths, to safeguarding her national security interests, while remaining committed to maintaining peaceful and friendly relations with all her neighbours.

I agree with Prof. Bajpai that, in resolving the issues between our two countries, a difficulty relates to the deficit of “political capital” on both sides. Both the countries face varied problems, some of which are similar. Finding solutions to problems relating to water and energy scarcities have the potential of engendering both cooperation and conflict, as both the countries would be competing for securing scarce resources virtually in the same arena. In regard to the severely competitive scenario relating to food, water and energy, it could be said that while

these are potential arenas of likely future conflicts, these could also be the areas of future cooperation and mutual benefit. We have roughly 40 million hectares more arable land than China and China enjoys proven salience in the application of highly productive agricultural technologies. The small size of our holdings and the technological wherewithal of the Chinese can pave the way for profitable bilateral cooperation and perhaps even joint ventures being taken up. Even in regard to the issue of water, which is presently perhaps of much bigger concern for India than China, cooperation between the two countries could be enormously beneficial, as all the major rivers in the region originate from the Tibetan plateau.

We can perhaps also, side by side, enlarge and intensify CBMs to progressively move closer towards the final settlement of the boundary issue. Our leaders would need to evolve an approach which is harmonious with our declared foreign and defence policy objectives and also acceptable to all those who have so far been holding contrary positions. I would conclude by saying that India and China could make a historical contribution to the establishment of peace and prosperity by settling all contentious issues and establishing collaborative ventures in varied mutually beneficial arenas.