

# Institute for Defence Studies & Analysis

No.1, Development Enclave, Rao Tula Ram Marg  
Delhi Cantonment, New Delhi-110010



## Journal of Defence Studies

Publication details, including instructions for authors and subscription information:  
<http://www.idsa.in/journalofdefencestudies>

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To cite this article: J.K. Baral (2012): Conflict and Cooperation in India-China Relations, Journal of Defence Studies, Vol-6, Issue-2. pp-78-93

URL: [http://www.idsa.in/jds/6\\_2\\_2012\\_ConflictandCooperationinIndiaChinaRelations\\_JKBaral](http://www.idsa.in/jds/6_2_2012_ConflictandCooperationinIndiaChinaRelations_JKBaral)

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# Conflict and Cooperation in India–China Relations

*J.K. Baral\**

*India–China relations, though occasionally showing signs of peace and cooperation, have often been afflicted by tension and mistrust. With the potential to make big contributions to regional peace and development, these two Asian powers have, by design or accident, themselves been the sources of regional tension and insecurity to some extent. Besides their internal dynamics, the interplay of interests and moves of their neighbours, and several external powers would have significant bearing on the equation and relations between them.*

## Introduction

While India will be developing a counter-strategy to neutralise China's "encirclement" strategy, China will be concerned about the growing ties between India and the United States (US) and its friends like Japan, which are perceived as an "arc of democracy". These two Asian giants, while denying rivalry between them to gain economic and strategic advantages in several regions, claim that there is sufficient space for both of them to grow or develop together.

Though both are "rising" or "emerging" powers, the power equation between them is heavily tilted in favour of China. China, which is tipped to be the second superpower in near future, is expected to become the world's largest economy within two to three decades. Though India and China have expressed their desires to "cooperate" and collaborate for establishing an "Asian Century", competition between them to assume regional leadership seems to be a fact of life. It is a great challenge for India to countervail an "arrogant" and "aggressive" China which would be seeking to leverage the power asymmetry to browbeat the former into accepting its dominance and superiority.

Towards the end of the 1940s, independent India and the People's Republic of China (PRC) expressed friendship for each other, but several factors, including border disputes, dragged them to a war in October 1962. While many in India

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charge that China betrayed by invading India, some have argued that the war resulted from India's provocative steps on the border. Pakistan befriended China in early 1963 by ceding a piece of land of Pakistan-occupied Kashmir (PoK) which legally belongs to India. Since then, these two neighbours of India have become "all-weather allies". Pakistan managed to forge, at the same time, close ties with China, an important communist power, and the US, the most important capitalist power. These alignments survived the end of the Cold War. On the other hand, New Delhi–Moscow relations weakened in the post-Cold War years. During the Cold War, India and Soviet Union were close friends, but with its end, Russia, the successor state of the Soviet Union, does not treat India as a close or special friend. In contrast, on account of several factors, including their common concern over "expansionist" China, the US and India—whose relations were estranged during the Cold War—have forged, during last several years, enduring economic and strategic ties.

Since the late 1950s and early 1960s, China has been in illegal occupation of 43,180 square kilometres (sq km) of Indian territory in the Ladakh sector through aggression and illegal transfer of territory by Pakistan to China. In 1963, Pakistan ceded 5,180 sq km to China under a boundary agreement. On the contrary, China alleges that India is in occupation of 90,000 sq km of its territory in the eastern sector; it claims the whole of Arunachal Pradesh as its own. There is also a border dispute in the middle sector. The border dispute has been a very sensitive issue for both countries as it is linked to their security as well as prestige. There seems to be a fundamental clash between what they believe to be their respective manifest destinies.

During the Cold War, the strategic scenario of South Asia was pentagonal.<sup>1</sup> The local powers were India and Pakistan, while the three external powers were the US, Soviet Union and China. The "push–pull" factor influenced their interactions and relations.<sup>2</sup> With the end of the Cold War, Russia has largely retreated. This has made the subcontinent a playground of other four players. The interplay of their national interests could have significant bearing on the nature and form of India–China relations. Some of the major issues reflecting the divergence/convergence between the interests and policies of these two countries are discussed next.

### **Tibet and Arunachal Pradesh**

In 1954, the Nehru Government acquiesced in China's occupation of Tibet, but failed to get China's recognition of the McMahon Line as the border between the

two countries in the east. The Panchasheel Agreement signed in that year was violated by China within a few years.

There are now more than 1 lakh Tibetan refugees residing in India. They are not allowed to indulge in anti-China activities, though Beijing complains that some Indian groups are encouraging them to continue their movement for Tibet's independence.

Arunachal Pradesh is an Indian state. Both general and local elections are regularly held in that state. China claims the whole of the state as its own, though no political party or group in the state has expressed support for China's demand. To Chinese, Arunachal Pradesh is "Southern Tibet".<sup>3</sup>

One delegation of Indian Administrative Service (IAS) officers dropped its scheduled visit to China after Beijing demanded that one of the officers belonging to Arunachal Pradesh be excluded from the delegation. Prime Minister Manmohan Singh went on an election tour of the state during the last assembly election held in October 2009, Beijing's protest notwithstanding. Similarly, despite China's warning, Dalai Lama was allowed to visit the famous Buddhist monastery at Tawang in November 2009 (Tawang, belonging to Arunachal Pradesh, is to the south of the McMahon Line).

There is a feeling that China would settle for Tawang, allowing India to have the rest of Arunachal Pradesh. Tawang is related to China's sovereignty over Tibet. Tawang came to British India in 1914 as part of the Simla Pact which, besides Britain, Tibet also signed. China attended the meeting, but did not sign the Pact. If India retains Tawang, then Tibet's sovereignty in 1914 has to be recognised. That would mean that China has illegally occupied Tibet.<sup>4</sup>

The agreement on "Maintenance of Peace and Tranquillity along the Line of Actual Control in the India-China Border Areas" concluded on September 7, 1993, and the agreement on "Confidence-building Measures in the Military Relations", concluded on November 29, 1996, were positive and peace inspiring. It was logical to hope that these two steps would pave the way for significant demobilisation of troops and substantial decrease in, if not cessation of, the "war-making" efforts of the two countries along the Line of Actual Control (LAC). But this has not happened. On the contrary, they continue to build their military capabilities along the LAC, particularly in the eastern sector covering Tibet and Arunachal Pradesh. Border incursions and border tensions have not stopped.

## **A String of Pearls**

Both China and India are concerned about the smooth and safe passage of their vital imports through the Indian Ocean. More than 85 per cent of oil and oil products bound for China cross the Indian Ocean, and pass through the Strait of Malacca, in which India has a strong presence. At the other end, substantial amount of oil and coal imported by India passes through the Strait of Hormuz which is not far off from Pakistan's Makran coast where China is helping Pakistan develop the Gwadar port. While China is taking several strategic steps to overcome its "Malacca dilemma", India is equally keen to manage its "Hormuz dilemma".<sup>5</sup>

With its financial and technical support, China is helping several littoral countries of the Indian Ocean region build or further develop port facilities, such as Gwadar port in Balochistan of Pakistan; Hambantota port in northern Sri Lanka; Chittagong port of Bangladesh; and port and communication facilities in Myanmar. These facilities, with potential for military use, may be used by China to harm India economically as well as militarily. This strategy of "a string of pearls" has been repeatedly denied by Beijing. It has been argued by a former Indian diplomat that the suspicion and fear of Indians about this alleged strategy are unfounded. For example, the US, whose interests would be seriously imperilled if Gwadar port comes under China's control, would prevent this by all means. Similarly, Sri Lanka, which is highly independent and nationalistic, would not allow its territory to be used by any country against others.<sup>6</sup> However, having invested so much, the possibility of the strategic use of these facilities by China cannot be ruled out. New Delhi, concerned over this, is taking some steps to deter India's encirclement by China. It is taking steps to strengthen its naval facilities and military presence in the Andaman and Nicobar Islands to further buttress its "Malaccan strategy". It is worth emphasising that the focus of the 15-year defence plan of India is China, not Pakistan.

## **The Nuclear Game**

India, Pakistan and Israel, the new nuclear weapon states, have not signed the Nuclear Non-Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT) which are considered by many, including the five old nuclear powers, as instruments of non-proliferation. But India dubs these two treaties as unequal and discriminatory because they do not forbid the "Big Five" from enhancing the quality of their n-weapons. Pakistan's nuclear programme is India-centric, while India's programme is meant to deter the twin threats from China and Pakistan. Though

China is no longer very concerned over the Russian threat, it seems to be worried about the growing strategic ties between the US and India. Thus, the nuclear game, consisting of several overlapping circles, is difficult to manage.

China, like India, was also critical of non-proliferation regimes. But, in an attempt to project itself as a responsible player, it joined the NPT in 1992, and the CTBT in 1996, only after it felt confident that its nuclear arsenal was an effective deterrent against its adversaries.<sup>7</sup>

Before Pakistan conducted a successful nuclear test in China with its help in 1990,<sup>8</sup> they had floated a proposal to declare South Asia nuclear free, but India rejected it as China, though a factor of nuclear insecurity in the subcontinent, was not covered by it. While China has helped the n-weapon/missile programmes of Pakistan and North Korea, Pakistan has extended clandestine support to the nuclear programmes of North Korea, Iran and Libya. Thus, both China and Pakistan are guilty of nuclear proliferation, and need to be treated accordingly. But in the world order dominated by the Big Two (the US and China), each one of them enjoys immunity from punishment by any international regime. And Pakistan enjoys China's protection.

India's nuclear tests of 1998 have generated controversy over their motives and efficacy. The fact that Pakistan was able to conduct a series of nuclear tests within a few weeks of India's tests showed that it had already achieved n-weapon capability by then, with China's help. Beijing sharply reacted to New Delhi's attempt to justify the tests as deterrence against "threat" from China. China criticised India's tests but, understandably, not Pakistan's.

For some time, China opposed the proposed supply of nuclear reactors by the US to India mainly to express its solidarity with its close friend Pakistan, but it finally yielded to the US pressure. However, before long, it succeeded in pushing its plan to supply two more nuclear reactors to Pakistan.

China, as yet, has not recognised India as a nuclear weapon power. But this is not of much consequence as India has already demonstrated its n-weapon capability and attained some success in developing bomb-carrying missiles. It is not realistic on the part of China to demand that India (and Pakistan) cap and roll back its n-weapon programme. It is as unrealistic as the US' demand (during Clinton Presidency) that India cap, roll back and eliminate its n-weapon programme. Beijing alleges that India's nuclear weapon programme is aimed at making it the

“hegemon” of South Asia, but the ball can be thrown back to its own court. China’s policy and behaviour suggest that it is a “status quoist nuclear power” and it favours the “nuclear apartheid regime” of the five old nuclear powers (N-5).<sup>9</sup> India has voluntarily accepted moratorium on nuclear tests, but it should continue its efforts for further developing its delivery system. Only credible nuclear deterrence of India may force China to enter into negotiation with the former on nuclear-related confidence-building and risk-reducing measures.

## **Terrorism**

For a long time, Pakistan’s allies/friends did not see any wrong in Pak-sponsored terrorism in India. Many Americans and the US Government said that the terrorists bleeding Jammu and Kashmir were “freedom-fighters” who were denied human rights by India. But al-Qaeda attacks on American embassies in Nairobi and Dar-es-Salaam on August 7, 2008 forced Washington to seriously view the menace of transnational terrorism. It was disturbed by its intelligence reports about the link between Pakistan and several terrorist organisations, including al-Qaeda. September 11, 2001, and the links between Pakistan’s Army and Inter-Services Intelligence (ISI) and the Taliban and Haqqani group which undermine the US’ war on terror in Afghanistan, provoked Washington to dub Pakistan as the “epicentre” of transnational terrorism.

Many countries directly or indirectly condemned Pakistan for its involvement in terrorist attack on Mumbai on November 26, 2008, but Beijing remained silent. The trial of P. Hussain Rana in a Chicago Court has revealed the close links between the ISI—Pakistan’s intelligence wing—and the terrorist groups based in Pakistan. But the state-controlled Chinese media, far from raising fingers at Islamabad, has blamed India by arguing that the Mumbai attack was a big blow to India’s big power ambition, that it was an attempt by India to cover up its own contradictions and the terrorists might have come from within India.<sup>10</sup>

Until the terrorist violence which rocked its Xianjing province in July 2009, China hardly uttered a word against terrorism. But the ethnic violence which cost 197 lives<sup>11</sup> forced China to condemn terrorism, though it is yet to recognise Pakistan’s active involvement in Islamic terrorism. There are reports that Uighur militants have links with al-Qaeda, which has links with sections of Pakistan’s Army and ISI. But Beijing pretends that it is not aware of these links, though it has signed a convention (along with India and Russia) expressing its commitment to fight international terrorism. Further, China has been guilty of blocking, several times,

United Nations (UN) actions against several Pakistani terrorists and terrorist groups.<sup>12</sup> The killing of Osama bin Laden at Abbottabad on May 2, 2011 exposed al-Qaeda's links with the Pakistani Army and ISI. But China was quick to come to the rescue of its close ally by drawing attention to its "strong support and cooperation to the war on terrorism". While criticising the US for violating Pakistan's sovereignty, it extended cooperation to Pakistan in its "counter-terrorism" efforts.<sup>13</sup>

### **Soft Power**

In "hard power" comprising economic and military capabilities, China enjoys a distinct edge over India. In terms of the size of gross domestic product (GDP), per capita income, share in the world trade and other economic indicators, China is much superior to India. The same equation, more or less, prevails with respect to military power. In 2009, China's defence spending reached \$71 billion, while India spent only \$29 billion on defence that year. India spends about 2 per cent of its GDP on defence, while China spends about 4.3 per cent of its GDP.<sup>14</sup> China and India have 2.3 million and 1.3 million active troops, respectively; they possess 2,000 and 500 war fighters, respectively. The corresponding figures with respect to main battle tanks are 7,500 and 3,000. China possesses 62 submarines, 10 of which are nuclear powered, while India possesses only 16 conventional submarines. Thus, in hard power, there is a wide gap between China and India. But, in "soft power", whose main elements are culture, science and technology, ideology, freedom and human rights, there is no big gap between them<sup>15</sup> and they are making efforts to leverage their soft power to beat each other while scoring more points.

India and China are two old civilisations which are known for their excellence in culture and philosophy. Having realised that culture is an effective tool of diplomacy, they are now keen to attractively present their cultures abroad. But China, having the advantage of money power, is heavily outspending India. It has set up 282 Confucius Institutes and 272 Confucius classrooms worldwide to teach Chinese language and spread Chinese culture. Though persecuting Buddhists (Tibetans) at home and bitterly criticising Buddhists living abroad, it is now showcasing this religion to achieve several objectives: to neutralise Dalai Lama and his followers; to project itself as a country of peace and non-violence; and to improve relations with Thailand, Cambodia, Myanmar and Sri Lanka, all having large Buddhist populations. On the contrary, India's cultural diplomacy is lacking in resources, vigour and imagination.

India has emerged as a formidable information technology (IT) power. It possesses excellence in software, but lags behind China in hardware. China is making a determined and vigorous effort to catch up with India in software and also in learning English, the language of globalisation. It is important for India to maintain its lead in software, to make quick progress in hardware and to strengthen its command over English.

In one respect India is way ahead, and that is democracy. In the developing world, India is one of the few democracies to have successfully functioned for more than six decades. In contrast, China, with all its wealth, is a dictatorship. National Emergency imposed in India in the mid-1970s was, at best, an aberration. Except domestic critics of Congress, other countries seem to have forgotten it. But the “Tiananmen Square” massacre of June 4, 1989 is still fresh in the mind of the international community. Wealth is important, but much more important is human values for which the state stands. As Prime Minister Singh has observed, “there are other values which are more important than the growth of Gross Domestic Product”. He added,

I think, the respect for human rights, the respect for the rule of law, respect for multi-cultural, multi-ethnic, multi-religious rights, I think those have values. So, even if the Indian performance with regard to the GDP might not be as good as the Chinese, certainly I would not like to choose the Chinese path.<sup>16</sup>

### **Trade and Economic Diplomacy**

Not long back, the trade volume between the two countries was low, but there was impressive trade surplus in favour of India. Today, the bilateral trade is much higher, but there is a huge trade surplus in favour of China. In 2004, India enjoyed a trade surplus of \$1.75 billion, but in 2008, its balance of trade with China reached a deficit of \$11 billion. This deficit increased to \$20 billion in 2010. The trade between the two countries rose from just \$3 billion in 2000 to \$52 billion in 2008; in 2010, it crossed \$60 billion. While China has replaced the US as India’s largest trading partner, India happens to be the tenth largest trade partner of China. China exports mostly manufactured and high-tech goods to India, while Indian exports to that country comprise mostly semi-finished and raw materials—mainly iron ore used for making steel.<sup>17</sup> The Chinese goods have the advantage of being low priced. Many countries, including the US and India, complain that Chinese goods are deliberately “undervalued”. China has created several obstacles to the easy access of Indian IT and pharmaceutical companies to its market. It is hoped that Beijing would soon address these grievances of India so that better balance might prevail

in the bilateral trade. Trade has the capacity to pierce through political barriers, but there is limit to the decoupling of political and economic relations. While improvement in economic relations will pave the way for better political relations, the need for more trade may be an incentive to improve political relations.

India is the natural leader of South Asia, but it has often strained relations with most of the countries in the region, and China is exploiting this fact to further its economic and strategic interests in the region.

After long neglect, its “Look East” policy, given shape in mid-1990s, has placed India in a good position in Southeast Asia, but China, due to geography, money power and large diaspora, is better placed to promote its interests. The Association of Southeast Asian Nations (ASEAN), having a combined market of 1.8 billion people and a total GDP of \$2.8 billion, is a big attraction, and both China and India, along with the US, Japan and South Korea, are keen to enter this market. Local countries, unnerved by China’s “assertiveness” and “aggressive” posture, are looking to the US and India as countervailing forces.<sup>18</sup>

Both China and India have declared that they are not rivals for third world markets, but a look at their activities in Africa gives a contrary feeling.<sup>19</sup> In building economic linkages in this continent, China has stolen a march over India. Much ahead of the latter, it has tried to woo local countries through a clever mix of aid, investment and construction of roads and other infrastructures, and diplomatic offensive. This has helped it gain access to their oil and several valuable raw materials. In terms of trade, China is far ahead. The China–Africa trade in 2010 was \$126.9 billion, while the India–Africa trade was barely \$40 billion.<sup>20</sup>

Though a latecomer, India is trying to leverage its old ties with local people through the Indian diaspora, its third world leadership in international forums and its democracy. Apparently to counter a successful summit of African countries organised by the Chinese Government at Beijing in 2006, the Indian Government has staged two summits of African countries: one in 2008 and the other in 2011. Having interest in Africa’s oil and trade, India is making efforts to win over African countries by offering aid, knowledge and skills. It has embarked on a programme of strengthening the human resource base of these countries. Its strategy for Africa is to “add value” or capacity building—to enhance African capabilities, both material and human. In the second summit of India–Africa Forum held at Addis Ababa in May 2011, Prime Minister Singh announced a \$5 billion line of credit for three years for development projects and \$3 million for the Ethiopia–Djibouti railway

line. In the first summit of the forum held in 2008, India had offered \$5.4 billion for regional integration through infrastructural development. In aid diplomacy too, China is ahead: it has extended concessional loans amounting to \$10 billion to a number of African countries. Through “Yuan diplomacy”, it is trying to endear itself to African and other developing countries (for example, of Latin America). Both India and China are keen to have easy and assured access to the energy resources of West Asia and Central Asia.

### **Areas of Cooperation**

On several issues, mostly of common interest, India and China have worked together with a fair degree of success. While the talks on the border dispute have shown little sign of early success, and while both countries are engaged in strengthening their border preparedness, they have also taken several steps to enhance mutual confidence building. Hotlines between field commanders have been established, and the two countries have agreed to conduct joint military exercises. There are also border meetings between army personnel. Military exchanges which New Delhi had suspended in protest against China’s decision to refuse visa to Lt General B.S. Jaswal, the Chief of Northern Command which covers the state of Jammu and Kashmir, has been resumed.

The UN summits on environment, particularly since the Rio Summit of 1992, have been the battleground between developed and developing countries. They blame each other for environmental degradation and global warming.<sup>21</sup> China and India, being the main targets of criticism by the US and its friends, have so far successfully coordinated their strategies in the environmental summits. The US and other Western countries want India and China to come under the second phase of Kyoto Protocol, which is likely to be extended in 2012. The Kyoto Protocol, in its present form, requires only developed countries like the US, Britain and Japan to reduce their greenhouse gas emissions. At Copenhagen, developed countries tried to force China alone to accept binding commitment to reduce greenhouse gas emission, but India foiled their campaign by joining hands with China.<sup>22</sup> It may be pointed out that China is the largest emitter of greenhouse gas, while India’s emission is much less. China accounts for 21 per cent of global emissions; India’s share is estimated at around 5 per cent. At Cancun, these two countries also remained united against the pressure mounted on them to accept legally binding commitment to reduce greenhouse gas emissions. However, they have accepted voluntary commitment in this regard.

The international economic/financial system has felt the arrival of these two emerging Asian economies. The power has shifted from G-8 to G-20, which includes both India and China. In its Pittsburgh Summit, the G-20 agreed to shift a higher percentage of International Monetary Fund's (IMF) quota share to developing countries. The recession-hit West seems to be paying due respect to India and China which have emerged unscathed. In the Doha Round of World Trade Organisation (WTO) negotiation, India and China coordinated their stands on several issues. It will be in their common interest to also work together in other fields like energy security and maritime security.

### **Border Talks**

Between 1981 and 1987, there were eight rounds of border talks, followed by an additional 14 Joint Working Group meetings between 1998 and 2003. Disappointed with the absence of any significant breakthrough, the level of delegation was upgraded in 2003 to find out a political solution to the dispute. Fourteen rounds of talks have already been held since then between the special representatives of both sides, but there is as yet no tangible progress in the talks on the border dispute. The *status quo* suits China, the "occupier", and harms India's interests whose lands have been usurped by the two allies, Pakistan and China.

War is not an option for India, because war would not take it anywhere. But it has to be watchful and vigilant because China is skilled at springing "surprise" and "shock" at the opponent. Whenever China feels that the opponent is isolated or weakened otherwise, it subjects the latter to pressure and even aggression. Several times it has taken pride in "teaching lessons" to its opponents.

Mao's "smile" while greeting the Indian diplomat Brijesh Mishra at Beijing, and Rajiv Gandhi's China visit were hailed as "ice-breaking". But ice on the border is yet to break. The ice of mutual mistrust and suspicion is as solid today as it was in 1962.

One of the factors which gives an advantage to China over India in the border talks is the divergence between their political systems. India is a vibrant democracy, and groups, associations and individuals are free to express their views and opinions. China has a sizeable number of admirers/supporters among political organisations and leaders, academics, journalists and others in India. They form an influential pressure group engaged in influencing the public opinion in India and the policy of its government in support of China. They generally portray China in favourable

light and explicitly or implicitly make the point that on the border question, China is rational while India is intransigent. India does not enjoy such an advantage in China which, being a dictatorship, would not allow any activity or opinion which is against the government's policy or stand. A few academics in China may be advocating friendship between the two neighbours, but they would not have the courage even to distantly suggest that on any "core" issue Beijing may be wrong and New Delhi right.

From time to time, China has shifted its stand on the border dispute as part of its strategy to confuse the world as well as the government and people of India. In April 1960—much before the border war of 1962—Chinese Premier Zhou En-lai offered a package to Jawaharlal Nehru, India's then Prime Minister. The deal was: China will keep Aksai Chin in return of its recognition of the McMahon Line as the border in the east. More or less, the same offer was renewed when Deng Xiaoping was in control of China. New Delhi did not give a serious thought to these offers mainly due to the fact that the people of India were then not prepared to reward China's aggression by ceding Aksai Chin to China. With the passage of time, a tired and worried India would perhaps accept a settlement based on this swap formula, but a powerful and expansionist China no longer shows much interest in it.

Prime Minister Vajpayee's visit to China in June 2003 achieved two things. It was decided to reopen the Nathula pass, raising expectation about big increase in bilateral trade. This decision implied Beijing's recognition of Sikkim as part of India. This concession from Beijing came in exchange of concession made by New Delhi on Tibet and Taiwan. This becomes clear if we compare the two joint communiqués issued at the end of Rajiv Gandhi's China visit in December 1988 and Vajpayee's visit in June 2003. In the 1988 communiqué, the Indian side reiterated that Tibet was an autonomous region of China. But the joint communiqué of 2003 specifically recorded India's "One China" policy, and said, "The Indian side recognises that the Tibet Autonomous Region is part of the territory of the People's Republic of China."<sup>23</sup> This was the first time that New Delhi categorically said that Tibet was part of China, apparently in return of Beijing's positive move on Sikkim. But, before long, Beijing changed its mind and renewed its claim over a strategic part of Sikkim.

Faced with criticism at home that its "soft" image was letting its foreign policy down, the Manmohan Singh Government has shown assertiveness in its dealing with China. At the end of the New Delhi visit by China's Premier Wen Jiabao in December 2010, the Indian side refused to repeat its support for "One China" policy, and China's suzerainty over Tibet. This, of course, would not make any material

difference to the reality on the ground, but it was a move in the right direction. It was meant to convince Beijing that intrusion, provocation and arrogance are not conducive to conflict resolution.

## **Conclusion**

The relations between India and China present a mixed story of stalemate and progress. There is understanding and cooperation between them on several issues of common interest. But a few problems defy solution. China is still the main obstacle to India being a permanent member of the UN Security Council. Both are big countries with huge potentials. They are fast “rising” and are perhaps destined to play major roles in the unfolding world order. There will be enough space for both, but suspicion invites rivalry.

Since long, the border dispute has been a serious irritant in India–China relations. Though the recurrence of another border war is unlikely, border incursions, allegedly from both sides, have continued. Both countries have tended to downplay these incursions by denying them or by arguing that there are misperceptions about incursions as the LAC has as yet not been delineated. New Delhi has expressed concern over the presence of large number of Chinese combat engineers in POK who are engaged in constructing several projects. But as they are part of People’s Liberation Army (PLA), their presence in POK has implications for India’s security.

The relations between these two countries are fraught with a number of problems, and the most serious among them is the border dispute. At the senior level, 15 rounds of talks have already been held, the latest in January 2012. But there is doubt about the coming round effecting a breakthrough. There is big disagreement between the two sides about their common border. Even the delineation of the LAC is yet to be done. An agreement may be possible if they show a spirit of compromise and accommodation, not in words but in actions. They should be guided by pragmatism rather than by maximalism. The border solution may be the LAC itself or some minor adjustments to the LAC. But an early settlement is not in the offing. It is, therefore, desirable for both countries to make efforts to reach an understanding on less contentious issues like border trade, border transgression and diversion of Brahmaputra waters, and to better coordinate their strategies in international organisations like the World Bank, IMF and WTO. As before, they should continue to take a common stand in environmental meetings organised by the UN. It is in their common interest to resist and defeat the move

of developed countries to dilute the Kyoto Protocol by bringing India and China under its emission-cut obligation.

The border settlement is proving difficult partly because it is the manifestation of inner conflict between the two countries. They seem to be viewing each other as rivals and as an obstacle to their rise in power. Substantive improvement in their relations is not possible unless and until they get rid of mutual suspicion and fear.

There will be a vacuum in Afghanistan after the withdrawal of the US and its allies from it in 2014. A race has started among interested countries to fill up this vacuum. While Pakistan is using its local allies/clients—Taliban and Haqqani network—to re-establish its dominance in Afghanistan which it considers as its “strategic asset”, India hopes to improve its presence in that country with the support of the Karzai regime and its old friends in northern Afghanistan. China, having an eye on its minerals, has already entered Afghanistan. It would be happy if Pakistan succeeds in containing India’s influence in Afghanistan. It is difficult as of now to predict how Pakistan will react if China emerges as a strategic player in Afghanistan.

The recent stand-off—though a minor one—between China and India in South China Sea is another portent of the clash of their strategic/economic interests. Vietnam and several other littoral countries do not accept China’s claim of sovereignty over several islands in the sea which are known to have rich oil reserves. China is seemingly concerned over growing friendship between India and Vietnam. (Incidentally, they were both victims of “lesson-teaching” by China.) In late July 2011, the Chinese Navy confronted an Indian naval vessel in South China Sea, though both countries have downplayed the incident.

Both countries have embarked upon military modernisation on a large scale; they are in the process of further strengthening their military capabilities along the common border. It is legitimate for each country to take necessary measures for its security. But India is vulnerable to a sense of insecurity due to the twin-threat factor. China enjoys clear military edge over India. However, India requires to prepare for meeting the contingency of simultaneous attacks by China and Pakistan.

China has been provoking India on Arunachal Pradesh and Kashmir for a long time. New Delhi’s response so far has been low-key. It is time that it targeted China’s vulnerabilities. New Delhi has been urged to review its “One China” policy and

play the Tibet card.<sup>24</sup> New Delhi may also consider the idea of not inviting Chinese military commanders from Tibet, Xinjiang or other areas which have been hit by insurgency/popular movements.<sup>25</sup>

A serious weakness of India's diplomacy is its weakness in the subcontinent. Most of its neighbours have been adept at playing the "China card" against India's alleged "hegemony", and China has been quick to exploit this to its advantage. Its strategy has been to bottle up India in the subcontinent, but India can defeat this strategy of China by mending fences with the neighbours and by convincing them that it has no hegemonic ambition.<sup>26</sup>



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Notes:

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