

India-China Relations

Zhōng-Yìn wàijiāo guānxì 中印外交关系

Existing in close proximity for thousands of years, the ancient civilizations of China and India had surprisingly little political interaction for most of that time. The twentieth century saw tensions between the two increase over disputed borders and geopolitical competition for power, influence, resources, and markets. How the relationship will develop and play out is an important question in the twenty-first century.

As ancient civilizations, China and India coexisted in peace and harmony for millennia. But as post-colonial modern nation-states, with the exception of a very short period of bonhomie in the early 1950s, relations between the two Asian giants have been marked by conflict, containment, mutual suspicion, distrust, and rivalry. Just as the Indian subcontinental plate has a tendency to constantly rub and push against the Eurasian tectonic plate, causing friction and volatility in the entire Himalayan mountain range, India's bilateral relationship with China also remains volatile and ridden with friction and tension.

Past Perfect: Ancient Civilizations

China and India are two of the world's oldest civilizations, each with the quality of resilience that has enabled

it to survive and prosper through the ages and against the odds. During the past three thousand years, every one of the Asian countries—some situated on the continental landmass, others being islands off the Asia mainland—has at some stage been directly influenced by one or both of these two great civilizations.

Both have long, rich strategic traditions: Both Kautilya's *Arthashastra*—a treatise on war, diplomacy, statecraft, and empire—and Sunzi's (Sun Tzu's) *Sunzi bingfa* (*The Art of War*) were written over two thousand years ago in India and China, respectively. The traditional Chinese concept of international relations was based on concentric circles from the imperial capital outward through variously dependent states to the barbarians. It bears remarkable resemblance to the Indian concept of mandala, or circles, as outlined in *Arthashastra*, which postulated that a king's neighbor is his natural enemy, while the king beyond his neighbor is his natural ally. The Chinese dynasties followed a similar policy of encircling and attacking nearby neighbors and maintaining friendly relations with more distant kingdoms (*yuan jiao jin gong*). Much like imperial China, tribute, homage, subservience—but not annexation—were the rightful fruits of victory in ancient India.

Political contacts between ancient China and India were few and far between. In the cultural sphere, it was mostly a one-way street—from India to China. Hindu and Buddhist religious and cultural influence spread to China through Central Asia, and Chinese scholars were sent to Indian universities at Nalanda and Taxilla. Though Chinese and Indian civilizations reacted to one another during the first few centuries of the Christian era,



the process of religious-cultural interaction ceased after about the tenth century CE (coinciding with the Islamic invasions of India). Since then, the two countries lived as if they were oblivious to each other's existence for over a thousand years, until about the advent of the nineteenth century, when both came under the influence of European powers.

Before the age of European colonization, China accounted for about 33 percent of the world's manufactured goods and India for about 25 percent. China under the Song (960–1279) and Qing (1644–1912) dynasties was the world's superpower. Under the Guptas (c. 320–c.550 CE) and Mughals (1526–1857), India's economic, military, and

cultural prowess also was an object of envy. Then in a complete reversal of fortune, the mighty Asian civilizations declined, decayed, and disintegrated and were eventually conquered by European powers.

Present Imperfect: From Civilizations to Nation-States

The gradual westward expansion over the centuries under Mongol and Qing dynasties extended China's influence over Tibet and parts of Central Asia (now Xinjiang province). In contrast, India's boundaries shrank following the

1947 partition that broke up the subcontinent's strategic unity that went back two thousand years to the first Maurya empire (c. 324–c. 200 BCE). Then came the Chinese occupation of Tibet in 1950; as a result the two nations came into close physical contact for the first time and clashed. India's partition in 1947 and the Chinese occupation of Tibet in 1950 have allowed China to extend its reach and influence into a region where it had, in terms of history and civilization, previously exercised no influence at all.

China-India relations have been tense ever since a border dispute led to a full-scale war in 1962 and armed skirmishes in 1967 and 1987. Several rounds of talks held over more than a quarter of a century (since 1981) have failed to resolve the disputed claims. Agreements on maintaining peace and tranquility on the disputed border were signed in 1993 and 1996. An agreement on the guiding principles for settlement was concluded in 2005. However, China's increasing assertiveness, as evidenced in increased incursions in Arunachal Pradesh by the People's Liberation Army (PLA) since 2005, has led to a rapid meltdown in the Sino-Indian border talks, despite public protestations of amity. Apparently, the Chinese believe that a border settlement, without major Indian territorial concessions, could potentially augment India's relative power position, and thus impact negatively on China's rise. While Chinese insist on the return of Tawang (the birthplace of the sixth Dalai Lama) on religious grounds, Indians seek the return of the sacred Mount Kailash-Mansarovar in Tibet, since it is a sacred religious place associated with the Hindu religion. The consequence is that the 2,520-mile frontier between India and China, one of the longest interstate borders in the world, remains the only one of China's land borders not defined, let alone demarcated, on maps or delineated on the ground. The prospects of a negotiated settlement in the near future seem as remote as ever for several reasons. An unsettled border provides China the strategic leverage to keep India uncertain about its intentions and nervous about its capabilities, while exposing India's vulnerabilities and weaknesses and ensuring New Delhi's "good behavior" on issues of vital concern to China. Furthermore, unless and until Beijing succeeds in totally pacifying and sinicizing Tibet (as Inner Mongolia has been), China does not want to give up the "bargaining chip" that an unsettled boundary vis-à-vis India provides it with. An unsettled boundary also suits Chinese

interests for the present because China's claims in the western sector are complicated by the India-Pakistan dispute over Kashmir, Pakistan's interests in the Sino-Indian territorial dispute, and Beijing's interest in keeping India under strategic pressure on two fronts.

Even if the territorial dispute was resolved, China and India would still retain a competitive relationship. Other factors, apart from the territorial dispute, contribute to the fractious and uneasy relationship. These include the nature of China's ties with India's smaller South Asian neighbors (including its arming of them); the legacy of Cold War alignments (Beijing-Islamabad-Washington versus the Moscow–New Delhi axis); continuing unrest in Tibet and Kashmir; Chinese encroachments into what India sees as its sphere of influence; Beijing's plans for a naval presence in the Indian Ocean; resource competition; power asymmetry and a rivalry for the leadership of the developing world and multilateral forums; and, more recently, the nuclear and naval rivalries.

Since the days of Jawaharlal Nehru (1889–1964), independent India has entertained hopes of a joint Sino-Indian leadership of Asia as a counter to Western influence, but the Chinese have shown no enthusiasm for sharing leadership of Asia with anyone, least of all India. After all, the main objective of China's Asia policy is to prevent the rise of a peer competitor to challenge its status as the Asia-Pacific's sole "Middle Kingdom." As an old Chinese saying goes, "one mountain cannot accommodate two tigers." Checkmated in East Asia by three great powers—Russia, Japan, and the United States—Beijing has long seen South and Southeast Asia as its spheres of influence and India as the main obstacle to achieving its strategic objective of regional supremacy in mainland Asia. Chinese policymakers' preference for a balance-of-power approach in interstate relations has led them to provide military and political support to those countries that can serve as counterweights to Beijing's perceived enemies and rivals. Recognizing that strategic-rival India has the size, might, numbers, and, above all, the intention to match China, Beijing has long followed *hexiao, gongda* policy in South Asia: "uniting with the small (Pakistan, Bangladesh, Burma, Nepal, and Sri Lanka) to counter the big (India)."

For its part, India has always perceived the Sino-Pakistani nexus, in particular, as hostile and threatening in nature. As the pivotal power in South Asia, India

perceives itself much as China has traditionally perceived itself in relation to East Asia. That the “strategic space” in which India traditionally operated has become increasingly constricted due to Chinese penetration became further evident from Beijing’s forays into Myanmar (Burma) and the Bay of Bengal in the 1990s.

Historically and culturally India never played second fiddle to China. Therein lies the root cause of volatile and strained relationship: Seeing China as the reference point of India’s economic, security, and diplomatic policies, India’s strategic analysts have long emphasized the need to keep up with China militarily. Initially, India’s nuclear capability was aimed solely at deterring China, not Pakistan. It is the adversarial nature of the Sino-Indian relationship that has driven India’s and, in turn, Pakistan’s nuclear weapons programs. The 1998 Indian nuclear tests were preceded by the Indian defense minister George Fernandes’ statements that called China a “bigger potential threat” than Pakistan and described how his country was being “encircled” by Chinese military activities in Tibet and alliances with Pakistan and Myanmar. From New Delhi’s perspective, much of Beijing’s penetration deep into the South Asian region in the second half of the twentieth century has been primarily at India’s expense. At the heart of Sino-Indian antagonism is the Indian belief that China is seeking to deny India its proper stakes in the game of international politics. That China does not want India to emerge as an equal is evident from its opposition to India’s membership in the P-5 (UN Security Council), N-5 (Nuclear Club), ASEM (Asia-Europe Summit), APEC (Asia-Pacific Economic Cooperation), and EAS (East Asia Summit).

Both China (after a century) and India (after a millennium) of decline are keen to assume the great power roles they believe have been their right in view of their histories and civilizations. Both have similar robust attributes of a strong power: massive manpower resources; a scientific, technological, and industrial base; and formidable armed forces. Both are nuclear and space powers with growing ambitions. When Chinese and Indian elites speak of restoring their country’s rightful place in the world, they give expression to a concept of preeminence in Asia and the wider world. This concept reflects their perception that as the foundation of regional cultural patterns, their rightful place is at the apex of world hierarchy.

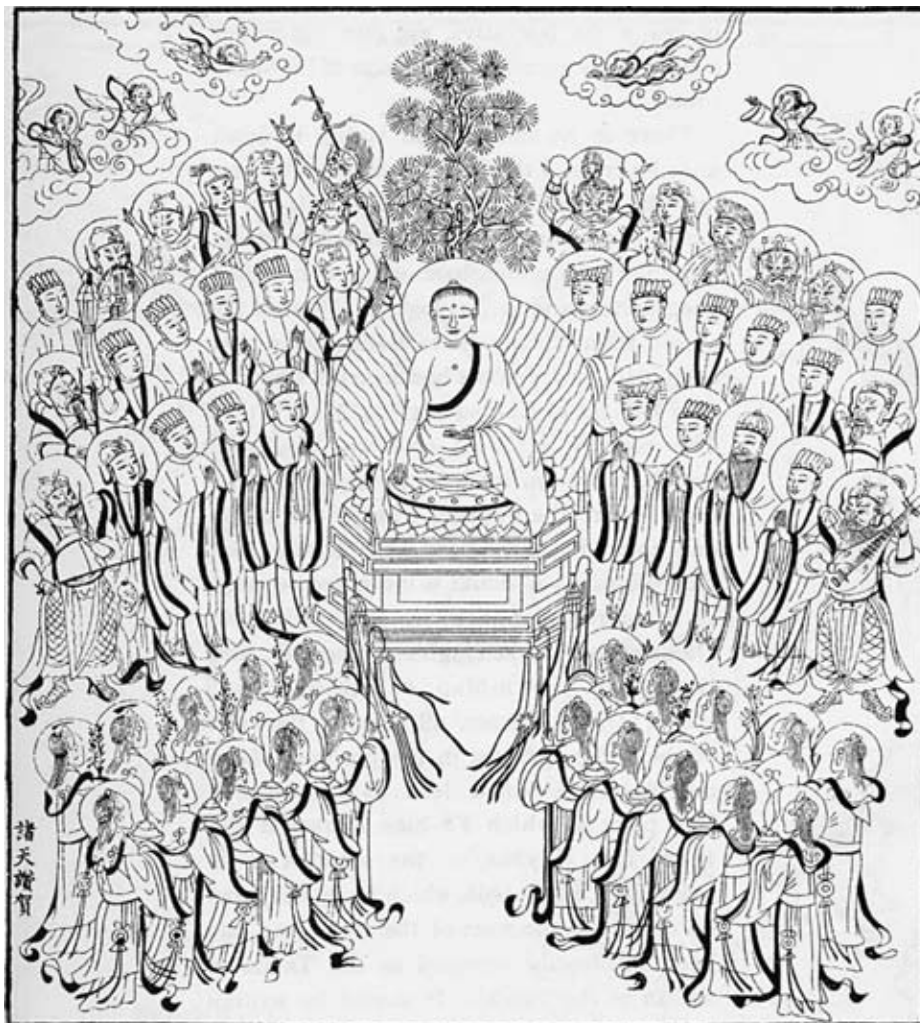
The similarities between the two Asian giants’ outlooks, aspirations, policies, and interests are indeed striking, despite their differing political systems. Both want a new international status that is commensurate with their size, strength, and potential. Both identify the present pattern of international relations with a world order designed to perpetuate the world domination of Western powers. Both see Asia’s rise on the world stage as bringing about the end of Western dominance. Though uncomfortable with the U.S. dominance in world affairs, both are courting Washington to help balance their relationships with each other until they are strong enough to do so on their own. Both oppose the status quo: China in terms of territory, power, and influence; India in terms of status, power, and influence. Both yearn for a truly multipolar world that will provide them the space for growth and freedom of action that befits great powers. Both have practiced “tilted nonalignment” (during the Cold War China tilted toward the U.S. (1971–89) and India toward the USSR (1971–1991) while preaching independent, non-aligned foreign policies. Both vie for influence in Central, South, and Southeast Asia and for leadership positions in global and regional organizations. Each puts forward proposals for multilateral cooperation that deliberately exclude the other.

Both see themselves as great Asian powers whose time has finally come. Both have attempted to establish a sort of Monroe Doctrine in their neighborhoods without much success. Both claim that their attitude toward their neighbors is essentially benevolent, while making it clear that those neighbors must not make policies or take actions, or allow other nations to take measures in their countries, that each deems to be against its own interest and security. If they do so, China and India are willing to apply pressure in one fashion or another to bring about desired changes. Both are unable to reassert their traditional suzerainty (dominion) over their smaller neighbors, as any attempt to do so encounters resistance from regional and extra-regional powers. Both remain suspicious of each other’s long-term agenda and intentions. Each perceives the other as pursuing hegemony and entertaining imperial ambitions. Neither power is comfortable with the rise of the other. Both are locked in a classic security dilemma: One country sees its own actions as self-defensive, but the same actions appear aggressive to

the other. Both suffer from a siege mentality borne out of an acute consciousness of the divisive tendencies that make their countries' present political unity so fragile. After all, much of Chinese and Indian history is made up of long periods of internal disunity and turmoil, when centrifugal forces brought down even the most powerful empires. Each has its weak point—regional conflicts, poverty, and religious divisions for India; the contradiction between a capitalist economy and Communist politics for China. Both are plagued with domestic linguistic, ethno-religious, and politico-economic troubles that could be their undoing if not managed properly.

China and India also share remarkable similarities in economic outlooks and policies. Both are focusing on increasing comprehensive national strength on a solid

economic-technological base. Both are major competitors for foreign investment, capital, trade, resources, and markets. Burgeoning economic ties between the world's two fastest-growing economies have become the most salient aspect of their bilateral relationship. Both have begun to behave like normal neighbors—allowing trade and investment and promoting people-to-people contact. Bilateral trade flows are rising rapidly (from a paltry \$350 million in 1993 to \$30 billion in 2007) and could cross \$60 billion in 2009 and double again by 2015 (*The Times of India*, 2008). Several joint ventures in power generation, consumer goods, steel, chemicals, minerals, mining, transport, IT, and telecommunication are in the pipeline. Each is seeking to reintegrate its neighborhood with its national economy.



The Devas celebrating the attainment of the Buddhahood. An illustration from "A record of Buddhist Kingdoms: Being an account by the Chinese Monk Fa-Hien of his travels in India and Ceylon (A.D. 399–424) in search of the Buddhist Books of Discipline."

But in the economic sphere Chinese and Indian economies are still more competitive than complementary. Both look to the West and Japan for advanced technology, machinery, capital, and investment. Many Indians see China as predatory in trade and look with worry at China's robust growth rates, fearing getting left behind. The Chinese economy is about 2.5 times greater than India's, and China receives three times more foreign investment than India (\$74.7 billion for China versus \$23 billion for India in 2008) (Hiscock, 2008). China's dramatic economic progress evokes envy, admiration, and a desire for emulation among Indians, who lament that whether China practices Communism (under Mao) or capitalism (post-Mao), it always does it better than India. Obviously, India has a lot of catching up to do in the economic sphere. Besides, the bulk of Indian exports to China consists of iron ore and other raw materials, while India imports mostly manufactured goods from China—a classic example of a dependency model. While China's economic boom offers profit and opportunity, Beijing's strategic ambitions and efforts to lock up a significant share of Central Asian, African, Latin American, Burmese, and Russian energy resources and minerals for China's exclusive use generate suspicion, envy, and fear. India's poor transportation infrastructure and frequent power shortages remain the Achilles' heel of India's fast-growing economy, hindering its ability to compete with China. In theory, the partnership of China's awesome manufacturing power with India's enviable information technology and services sector could make "Chindia" the factory and back office of the world. But the reality is that China wants to beat India in the services sector, too. As a March 2004 *Beijing Review* commentary put it, in the IT software sector, "[a] fierce face-off with an old competitor—India—has [just] begun."

Despite ever-increasing trade volumes, there is as yet no strategic congruence between China and India. On almost all counts, the two Asian heavyweights clash or compete, and they are vulnerable to any deterioration in relations. Their burden of history, long memories, deep-rooted prejudice, tensions over unresolved territorial disputes, and global competition for natural resources and markets add to mutual distrust and tensions. Furthermore, Beijing worries that the logic and pull of geopolitics is pushing India, much like Japan, to a strategic alliance with the United States so as to contain China.

Future Tense

China and India's strategic cultures require both to regain the power and status their leaders consider appropriate to their country's size, population, geographical position, and historical heritage. There have been numerous occasions in history when China and India were simultaneously weak; there have been occasional moments of simultaneous cultural blossoming. But for more than half a millennium, Asia has not seen the two giants economically and militarily powerful at the same time. That time is now approaching fast, and it is likely to result in significant new geopolitical realignments. The emergence of China and India as economic giants undoubtedly will throw a huge new weight onto the world's geopolitical balance. As India grows outwardly, the two giants are beginning to rub shoulders (or ruffle feathers) in different parts of Asia, Africa, and Latin America. New economic prosperity and military strength is reawakening nationalist pride in India, which could bring about a clash with Chinese nationalism. The existence of two economically powerful nations will create new tensions as they both strive to stamp their authority on the region.

In the power competition game, while China has surged ahead by acquiring economic and military capabilities underpinned by a clear policy to achieve broader strategic objectives, India has a lot of catching up to do. The existing asymmetry in international status and power serves Beijing's interests very well; any attempt by India to challenge or undermine China's power and influence or to achieve strategic parity is strongly resisted through a combination of military, economic, and diplomatic means.

More importantly, resource scarcity in the twenty-first century has now added a maritime dimension to the traditional Sino-Indian geopolitical rivalry. As India and China's energy dependence on the Middle East and Africa increases, both are actively seeking to forge closer defense and security ties with resource-supplier nations, and to develop appropriate naval capabilities to control the sea lanes through which the bulk of their commerce flows. Nearly 90 percent of Chinese arms sales go to countries located in the Indian Ocean region. Beijing is investing heavily in developing the Gwadar deep-sea port in Pakistan, and naval bases in Sri Lanka, Bangladesh, and Myanmar. For its part, India has countered by

promoting defense cooperation with Oman and Israel in the west of India while upgrading military ties with the Maldives, Madagascar, Seychelles, and the United States in the Indian Ocean, and with Myanmar, Singapore, Indonesia, Thailand, Vietnam, Taiwan, the Philippines, Australia, Japan, and the United States in the east. Maritime competition is set to intensify as Indian and Chinese navies show off their flags in the Pacific and Indian oceans with greater frequency. Their maritime rivalry is likely to spill into the open in a couple of decades' time when one Indian aircraft carrier will be deployed in the Pacific Ocean and one Chinese aircraft carrier in the Indian Ocean, ostensibly to safeguard their respective sea lanes of communication. Perhaps sooner rather than later, China's military alliances and forward deployment of its naval assets in the Pakistani, Bangladeshi, Sri Lankan, and Myanmar ports would prompt India to respond in kind by seeking access to ports in Vietnam (Cam Ranh Bay), Taiwan (Kao-hsiung), and Japan (Okinawa), which would allow for the forward deployment of Indian naval assets to protect India's East Asian shipping and Pacific Ocean trade routes, as well as access to energy resources from the Russian Sakhalin province.

For the foreseeable future, India-China ties will remain fragile and as vulnerable as ever to sudden deterioration as a result of misperceptions, accidents, and eruption of unresolved issues. Simmering tensions over territory, overlapping spheres of influence, resource scarcity, and rival alliance relationships ensure that relations between the two rising Asian giants will be characterized more by competition and rivalry than cooperation for a long time to come. In the short to medium term, neither New Delhi nor Beijing will do anything that destabilizes their bilateral relationship or arouses the suspicions of their smaller Asian neighbors. Their efforts will be aimed at consolidating their power and position while striving to resolve more pressing domestic problems. But instability in Tibet, coupled with China's military links with Pakistan and Myanmar, will pose a continuing complication in Sino-Indian relations. At the same time, both will continue to monitor closely each other's activities to expand influence and gain advantage in the wider Asian region and will attempt to fill any perceived power vacuum or block the other from doing so. India, like China, would prefer to avoid entangling alliances so as to maximize its options and freedom of action.

Nonetheless, a pro-U.S./pro-Japan tilt in India's national security policy—a reaction to the power-projection capabilities of China—will be a defining characteristic of an increasingly globalized India. But both sides would seek to keep the competition as muted as possible for as long as possible.

In the long term, neither Indian nor Chinese defense planners can rule out the possibility of a renewed confrontation over Tibet, Kashmir, Myanmar, or in the Indian Ocean. A Sino-Indian rivalry in southern Asia and the northern Indian Ocean (especially the Malacca Straits) may well be a dominant feature of future Asian geopolitics of the twenty-first century, which could force their neighbors to choose sides. The nature of the rivalry will be determined by how domestic political and economic developments in these two countries affect their power, their outlooks, and their foreign and security policies.

While they are competitors for power and influence in Asia, China and India also share interests in maintaining regional stability (for example, combating the growing Islamic fundamentalist sector), exploiting economic opportunities, maintaining access to energy sources and markets, and enhancing regional cooperation. Cooperation could allow them to balance U.S. influence and increase their negotiating positions with the sole superpower. On economic, environmental, and cultural issues, they may have far more reason to cooperate than to collide. Intensifying tourism, trade, and commerce should eventually raise the stakes for China in its relationship with India. It is possible that economically prosperous and militarily confident China and India will come to terms with each other eventually as their mutual containment policies start yielding diminishing returns, but this is unlikely to happen for a few decades.

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India-China Relations: The Way Forward

Excerpts from an article by Indian Ambassador to China, Nirupama Rao, that appeared in the January 2009 issue of the Beijing Review.

During the visit of the then Indian Prime Minister Shri Rajiv Gandhi to China in December 1988, at which I was a delegate and witness to history in the making, our young leader's celebrated "long handshake" with China's leader, Deng Xiaoping, generated great excitement and anticipation as the two countries emerged out of their brief estrangement and looked boldly to the 21st century... The visit remains a defining point in India-China relations...

Today, there is an overarching consensus across India's political spectrum that an efficiently transacted, stable, durable and well-balanced relationship with China is vital to India. It is heartening to see similar sentiments expressed by the top leaders in China, who have defined ties with India as a strategic policy of their country. Our leaders today are meeting with increasing frequency, as befits the two great nations. Our two governments have decided to characterize our engagement in the changed geopolitical and economic scenario as a Strategic and Cooperative

Partnership for Peace and Prosperity. This means that we should not only take a strategic and long-term view of our bilateral ties in their multiple dimensions, but should constantly bear in mind our converging world-view of global, international and regional issues and events and thus give full play to our role as the two largest developing nations.

Thus our relations hold great promise, and beckon to us to rise to the challenges before us in a rapidly evolving world situation. As long as we keep the long-term and strategic nature of our partnership in mind, we will be able to calmly approach seemingly difficult and intractable issues in the interest of the long-term objectives of peace and friendship, which, as Premier Wen Jiabao has famously observed, have been the mainstream of India-China civilization ties for 99.99 percent of the time. While the scope for competition and cooperation exists side by side, the choice, of whether to make competition or cooperation the dominant theme of India-China discourse, is ours...

Source: Rao, N. (2009, January 22). India-China relations: The way forward. *Beijing Review*. Retrieved February 26, 2009, from <http://www.bjreview.com.cn/world/txt/2009-01/18/content-175047-2.htm>

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