

Ambivalent Relations of India and China: Cooperation and Caution

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Abstract

The bilateral relations of India and China deteriorated for many years after the border clash of 1962. From the 1990s to the present day, relations have improved gradually between two countries. An important turning point was the agreement for border peace and tranquility concluded in 1993, the essence of which included efforts to boost bilateral economic relations while shelving the border issue. Today, China stands as one of the top three major trading partners of India's bilateral trade. The two countries cooperate in the fields of global warming, formation of multi-lateral world system through SCO and BRICS summit, while confrontation persists in terms of their border issue: the Indian Ocean. Moreover, India casts a wary eye over China's policies in relation to South Asian countries. Today, India pursues its China policy with both engagement and hedging. Bilateral relations could be characterized as ambivalent, particularly from the Indian side and more or less from the Chinese side as well.

Keywords

India's foreign policy, India-China relations, South Asian politics, Asian politics, International politics

Introduction

In recent days, India and China have drawn global attention. Their mutual relations as neighboring countries, however, rarely command center stage in terms of international affairs. After maintaining friendly relations in the 1950s, their relations cooled because of a border clash in 1962. From the 1990s to the present day, both countries have moved gradually to improve mutual contacts. Their respective policy thrusts mainly include boosting domestic economic growth

while maintaining economic cooperation in the realms of bilateral, regional, and international trade and investment, in addition to efforts at combating global warming, and forming a multi-lateral world system through the Shanghai Cooperation Organization (SCO) and BRICS (Brazil, Russia, India, China and South Africa) summits. Nevertheless, below that calm surface, they have not relaxed their mutual vigil. Their friendly relationship is based upon shelving of the sourest issues related to their disputed boundary. Furthermore, they are confronting each other in the Indian Ocean. India also casts a wary eye over China's policies affecting South Asian countries.

Therefore, their relations might be termed as ambivalent. India–China relations are closely related to US policies with respect to South Asia and China. For Japan, India–China relations hold significant implications. This paper explores both the positive and negative aspects of Sino-Indian relations as well as the outlook for the relationship, largely from the perspective of India. The author's general finding is that the two countries' current views of one another are the product of the disparity in their economic and military powers.

1. India's Growing Interests towards China

India is extremely interested in China. This interest is particularly apparent among India's policy makers and scholars, as illustrated by findings released in February 2009 by the US think tank Center for Strategic and International Studies (CSIS).¹ CSIS surveyed the "strategic elite" in the US and eight Asian countries (including Japan and India) regarding their expectations for the Asian region in the next 10 years. China was the country most expected both to possess the strongest overall national power and to pose the most likely threat in 10 years (among all respondents in the survey, 65.5% expected China to possess the strongest overall national power and 38% expected China to pose the most likely threat). However, a breakdown of the results shows that the US and Indian respondents had the greatest expectation for China to become the strongest power, while Japanese and Indian respondents had the greatest expectation for China to pose the most likely threat. In other words, Indian experts seem to be even more highly focused on China than do their peers in other countries, seeing it not only as a major power but also as a threat.

Why is India's interest in China so great? India and China are among the

¹ Bates, Gill et. al, *Strategic Views on Asian Regionalism*, Center for Strategic and International Studies, 2009. This survey was conducted between September and December 2008 in Japan, the US, China, South Korea, Australia, India, Indonesia, Singapore, and Thailand. The results represent the views of 313 nongovernmental experts.

world's largest countries in terms of both population and area. They both have long histories and are the only two countries in the world that have managed to maintain their distinctive civilizations even as modern states.² Moreover, the combined GDPs and populations of the two countries accounted for half of the global total in the 1820s. Both India and China started over as new nations following World War II and are now feted as emerging economic powers along with the other BRIC countries.

However, China is seen as second only to the US as a world power, and its GDP and military spending are roughly quadruple those of India. Furthermore—and perhaps of greatest importance—is the fact that for the great South Asian power India, China, the great East Asian power, is a neighbor. It is perhaps then only natural that India should be highly interested in China as both historic powers attempt to establish themselves as global powers.

2. Historical Overview of Sino-Indian Relations

In the early 1950s, when the current Indian and Chinese states had just taken shape, India likened its relationship with China to that of brothers (“Hindi-Chini Bhai, Bhai”). However, a border dispute was soon to spark the Sino-Indian War of 1962, which marked a low point that was followed by an extended period of cool relations. The relationship was marked then and continues to be marked now by mutual feelings of mistrust and suspicion. Prior to the border conflict, India had supported China's re-entry into the international community, being the first non-communist country to recognize People's Republic of China as a state (December 30, 1949) and having invited it to take part in the Bandung Conference (1955). However, the India-China War left India with the psychological scar of both a decisive defeat and a sense that Jawaharlal Nehru, the country's first prime minister and an advocate of friendly relations with China, had been betrayed (Nehru died two years later). This implanted in India a mistrust of China that have proven difficult to dispel.

² Cohen, Stephen P., “Amerika wa Naze Indo ni Chūmoku Suru No Ka. Taitō Suru Taikoku Indo” [Why Does America Focus on India? India, The Rising Power], translated by Takenori Horimoto, *India. Emerging Power*, Brookings Institution Press, 2001. (Akashi Shoten, 2001), 24

	GDP. US\$ trillion	Military spending. US\$ billion
US	16.24	682
China	8.24	166
Japan	5.96	59.3
Germany	3.43	45.8
France	2.61	58.9
UK	2.47	60.8
Brazil	2.25	33.1
Russia	2.01	90.7
Italy	2.01	34.0
India	1.84	46.1
Global total	71.70	175.3

Table 1. Top countries by GDP (2012) and military spending (2013)

Notes. GDP from World Bank, GDP (current US\$)

<http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

Military spending from *SIPRI Yearbook 2013*

As shown in the table below outlining the history of India-China relations, Indian and Chinese heads of state ceased exchanging visits as of 1962, and in 1967, ground fighting broke out between the two countries in eastern India near the Chinese border. The countries resumed ambassadorial-level relations in 1976 and concluded a trade agreement in 1984, setting the bilateral relationship on the road to recovery.

The first direct driver of improvement in the relationship was the 1988 visit to China by Indian Prime Minister Rajiv Gandhi, the first of its kind in 34 years. This was followed in 1991 by a visit to India by Chinese Prime Minister Li Peng, the first of its kind in 31 years. In September 1993, following the end of the Cold War, a visit to China by Indian Prime Minister P.V. Narasimha Rao occasioned the signing of the Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control between the two countries. The border dispute between the two countries had been their greatest bilateral concern and an impediment to improving relations, but this agreement sets that issue aside and created a framework for bettering economic ties. This framework continues to serve as the foundation of the bilateral relationship today, and it was supplemented in November 1996 by the Agreement on Confidence-building Measures in the Military Field.

Nuclear testing by India in 1998 cooled relations for a time, but a May 2000 visit to China by Indian President K.R. Narayanan marked the start of frequent visits by the leaders of the two countries, and in April 2005, India and China formed a strategic partnership.

	Major events in India-China relations	Major related events
Cold War Era	1949:10 People's Republic of China established (India recognized in Dec: 1949)	1947:08 India becomes independent
	1954:04 Trade Agreement over Tibetan Border (5 Principles of Peaceful Coexistence) signed	10 1st Indo-Pakistani War (-48:12)
	10 PM Nehru visits China	1955:04 Bandung Conference
	1956:10 PM Zhou Enlai visits India	1964:10 Nuclear test by China
	1959:03 Tibetan uprising (Dalai Lama flees to India)	1965:09 2nd Indo-Pakistani War
	1960:04 PM Zhou Enlai visits India	1971:07 Kissinger visits China
	1962:10 Sino-Indian Border Conflict (-11)	08 Indo-Soviet Treaty of Friendship and Cooperation
	1976:09 Ambassadorial-level relations resume	12 3rd Indo-Pakistani War
	1984:08 Sino-Indian Trade Agreement	1972:02 Pres Nixon visits China
	1988:12 PM Rajiv Gandhi visits China (first prime ministerial visit in 34 years)	1974:05 Nuclear test by India
Post-Cold War Era	1991:12 PM Li Peng visits India (first such visit in 31 years)	
	1992:05 Pres Venkataraman visits China	
	1993:09 Agreement on the Maintenance of Peace and Tranquility along the LAC	
	1996:11 Pres Jiang Zemin visits India (Agreement on CBM in the Military Field)	
	1998:05 Nuclear test by India leads to cooling of India-China relations	1999:05-07 India-Pakistan Kargil War
	2000:05 Pres Narayanan visits China	2000:03 Pres Clinton visits India
	2001:01 Li Peng, Chairman of the Standing Committee of NPC, visits India	10 India-Russia SP
	2002:01 PM Zhu Rongji visits India	2001:06 SCO
	2003:06 PM Vajpayee visits China	09 September 11 terror attacks
	10 1 st Meeting of the India-China Special Representatives on for Demarcation Work	2004:01 India-US SP
11 China-India Joint navy exercises in waters off Shanghai	2005:04 PM Wen Jiabao visits India (SP)	
2005:04 PM Wen Jiabao visits India (SP)	2005:07 US-India Civil Nuclear Cooperation Declaration	
	11 Japan, China admitted to SAARC as observers	

2006:01	India and China agree to cooperate in foreign oil investment	2006:03	President Bush visits India
07	Sino-Indian border trade resumes	06	India, etc: admitted to SCO with observer status
11	Pres Hu Jintao visits India	12	Japan and India SP
2007:12	India-China joint military exercise (Yunnan)	2010:04	PM Singh visits US, attends IBSA & BRICS summits
2008:01	PM Singh visits China	10	PM Singh visits Japan
2009:10	India-China MoA on climate change cooperation	2013: 03	BRICS summit
2011:04	PM Singh visits China	05	PM Singh visits Japan
2012:03	Pres Hu Jintao visits India	11-12	Japanese Emperor visits India
2013: 04-05	Ladakh standoff between Indian and Chinese militaries	2014:01	Japanese PM Abe visits India
05	PM Li Keqiang visits India		
10	PM Singh visits China		

Table 2: A Historical Outline of Sino-Indian Relations

Abbreviations: Pres = President, PM=Prime Minister, SP=establishment of strategic partnership

Sources: *Indo Kiho* (India Quarterly) issued by Nichiin Chousa Iinkai (Japan-India Research Committee) between June 1969 and July 2008, IndoChina time line(<http://www.rediff.com/news/ctime1.htm>), and clippings of various Indian newspapers.

3. Positive and Negative influencers of Sino-Indian Relations

The likelihood of any breakthroughs in India-China relations during the Cold War was slim due to three restricting factors: bilateral issues (including the border dispute), international politics in South Asia (close relations between Pakistan and China), and the international political structure (the adversarial relationship that formed in the early 1970s between India and the Soviet Union on one side and Pakistan, China, and the US on the other). Since the termination of the Cold War, the bilateral relationship has benefited from positive environmental factors such as synchronization between the economic policies of the two countries, but at the same time, the relationship continues to be impacted by bilateral issues, China's closeness with Pakistan, and US-China relations.

1) Positive influencers of Sino-Indian relations

① Economic ties

Economic engagement has been the greatest driver of improvement in bilateral relations. Economic ties between the two countries cooled during the Cold War but are now on a solid upswing. Trade between the two countries totaled only

US\$338 million in 1992, which seems unthinkable given the current scale of trade. India's trade with China grew by approximately 43 fold between fiscal 1997-98 and fiscal 2012-13, with China rising from being the thirteenth greatest importer of Indian products to the its second greatest importer over the same period. When Hong Kong is included, China is India's top trade partner.

	1997-98	2012-13
Exports	7.18	300.40
Imports	11.12	490.74
Total trade	18.30	791.14

Table 3: India's trade with China (US\$100 million) & China's percentage of India's total trade

Source. Government of India, *Export Import Data Bank*, Dept. of Commerce website dated 02/01/2014 (<http://commerce.nic.in/eidb/Default.asp>)

Bilateral trade looks likely to continue to expand. The heads of state of India and China have raised their total trade targets each time they have exchanged visits. In a joint statement released when Prime Minister Wen Jiabao visited India in 2005, the two countries said that they would target trade (the total of imports and exports) of US\$20 billion by 2008, but they had already reached this goal as of fiscal 2006. Then, in a joint statement released on the occasion of a visit to India by President Hu Jintao in November 2006, the two countries announced that they now hoped to achieve US\$40 billion in total trade by 2010. During his stay in India, President Hu even went so far as to say that if India and China took the necessary measures to enhance trade and business ties, Asia would dominate the 21st century. The total trade target was raised to a figure of US\$60 billion by 2010 when Prime Minister Manmohan Singh visited China in January 2008, and to US\$100 billion by 2014 when Prime Minister Li Keqiang visited India in May 2012.

However, there is no guarantee that bilateral trade will continue to surge. Some in India are pushing for a free trade agreement (FTA) that would give additional momentum to trade between the two countries, but many—especially in India's business community—are leery of any such prospect. This is because India has been a net importer of Chinese products by a significant margin. In fiscal 2012-13, India was a net importer of Chinese products to the tune of US\$37.81 billion, which accounted for approximately 20% of India's total trade deficit. In January 2007, India's Federation of Chambers of Commerce and Industry released a report entitled *Granting Market Economy Status to China*. The report argued that China should not be granted market economy status and that India should not enter any FTAs with China because its industrial sector enjoyed unfair advantages, including significant government subsidies for domestic companies, tax exemptions, and

the unreasonably low value of the yuan.³ The Indian government is likewise not actively seeking an FTA with China as it is concerned about potential damage to the domestic small-and-medium-enterprise (SME) sector from a massive influx of cheap Chinese products. India entered an FTA with Singapore that took effect in 2005 and has since actively negotiated to conclude similar agreements with other countries, so its reluctance to follow a similar route with China is notable.

② Joining forces on energy & global warming

India and China have also joined forces on the energy front. They signed a basic agreement on energy cooperation in January 2006. Both countries are attempting to increase their petroleum imports, but India frequently comes in behind China in the two's race to secure energy resources. This agreement was apparently envisioned as a counterbalance to that dynamic.⁴ In December 2006, the two countries also signed the Memorandum for Enhancing Cooperation in the Field of Oil and Natural Gas. As of 2012, China and India ranked as the world's second and fourth greatest petroleum importers.⁵

India and China are also in alignment on the challenge of pollution. A 2012 report from the International Energy Agency (IEA), listed the US, China, and India as the world's top emitters of CO₂.⁶ In its *World Energy Outlook 2007* (released in November 2007), the IEA said that the US, China, and India were likely to account for half of all the world's CO₂ emissions in the decade starting in 2010. China plans to reduce its CO₂ emissions per unit of GDP by 40-45% versus 2005 levels, while India targets a 20-25% cut, excluding the agricultural sector.⁷

The two countries are leery of the drive toward international emissions regulations because of their desire to accelerate their economies. This is partially because they are unable to cut back on their use of coal as a source of energy—China accounts for 50.2% of the world's total consumption of the fossil fuel.⁸ India opposed the inclusion of regional targets in the Singapore Declaration on Climate Change that was adopted at the November 2007 East Asia Summit.⁹ Both

³ *The Statesman*, October 21, 2007.

⁴ As reported to the author in February 2009 in New Delhi by a source familiar with the agreement.

⁵ BP (British Petroleum), *BP Statistical Review of World Energy*, (June 2013), 19

⁶ International Energy Agency, *CO₂ Emissions from Fuel Combustion. Highlights* (2012), at <<http://www.iea.org/publications/freepublications/publication/CO2emissionfromfuelcombustionHIGHLIGHTSMarch2013.pdf>> (Search date. 26 January, 2014)

⁷ Agency for Natural Resources and Energy, *Chikyū Ondanka o Meguru Dōkō ni Tsuite* [On Trends Concerning Global Warming] (Materials 3, 2nd Meeting of the Basic Policy Subcommittee of the Advisory Committee on Energy and Natural Resources), August 2013, 20

⁸ BP, op. cit., 33

⁹ *Asahi Shimbun*, November 4, 2007.

India and China are of the opinion that CO₂ emission regulations will impede economic growth, which is the top priority of the two countries. In the event that a regulatory framework is created, the two countries have asked that the advanced nations that have a historic responsibility for global warming make the relevant technologies available to them and provide them with financial assistance.

At an India-China joint workshop on climate change held in Delhi on October 21, 2009, Minister of State Jairam Ramesh of India's Ministry of Environment and Forests and Vice Chairman Xie Zhenhua of China's National Development and Reform Commission, signed a memorandum of agreement (MoA) regarding climate change. The MoA confirmed the two countries' intent to enhance their cooperative relationship in the field of climate change and to present a united front in international negotiations. The two countries also joined forces at December 2009's COP15. China plans to reduce its CO₂ emissions per unit of GDP by 40-45% versus 2005 levels, while India targets a 20-25% cut, excluding the agricultural sector.¹⁰

③ India and China's support for multi-polarity

Examples of Sino-Indian cooperation can also be seen in multilateral contexts. The Shanghai Cooperation Organization (SCO) accepted India as an observer in 2005. The SCO's advocates the transition from a unipolar international system to a multipolar one, and India has no objection to this. That said, India has not shown an interest in fully engaging with the SCO. At SCO summits, it has been represented only by such officials as its minister for the environment rather than by the prime minister. It attributes this not only to its reservations about becoming a full member, but also to the fact that it is not an official member. This is likely primarily out of deference to the US, with which it has entered into an agreement on civil nuclear cooperation in addition to forging other ties. This noncommittal stance on the SCO seems to epitomize the essence of Indian foreign policy. A SCO summit held in Russia in 2009 marked the first time an Indian prime minister took part, but Prime Minister Singh's attendance was apparently orchestrated by Russia.¹¹

If the SCO's goal is primarily to develop a multipolar global political system, its counterpart on the economic front is the BRICS Summit. The first BRIC Summit was held in Yekaterinburg, Russia in 2009, with Brazil, Russia, India, and

¹⁰ Agency for Natural Resources and Energy, *Chikyū Ondanka o Meguru Dōkō ni Tsuite* [On Trends Concerning Global Warming] (Materials 3, 2nd Meeting of the Basic Policy Subcommittee of the Advisory Committee on Energy and Natural Resources), August 2013, 20

¹¹ A Russian foreign diplomacy commentator (Vladimir Radyuhin) stated definitively that Prime Minister Singh's attendance was a victory for Russian diplomacy (*The Hindu*, June 15, 2009).

China attending as member nations. South Africa joined as of the third meeting (2011), with the name being changed to the BRICS Summit. The GDP of the five countries totals US\$21.18 trillion (2012 World Bank data), accounting for 20% of the global total, and their populations account for approximately 40% of all the people in the world. At the first summit, the member states called for senior leadership positions such as the heads of the World Bank and International Monetary Fund (IMF) to be filled by candidates from emerging countries. At the fifth summit (2013), they agreed to the establishment of a BRICS Development Bank.

However, the BRICS Summit has not always resulted in complete accord. The members were unable to agree on a joint candidate for the 2011 election for the managing director of the IMF. Each country also seems to have its own interests as regards the details of the BRICS bank, including where it should be headquartered, how much funding it should receive, who should lead it, and what the timelines for its establishment should look like. On the question of timelines, there is a particularly marked divide between the supporters of moving quickly (China and Brazil) and those who want to proceed more cautiously (India and Russia).

4. India's wariness of China

That Sino-Indian relations are proceeding smoothly of late is not in question. However, in its diplomatic approach to China, India seems to remain guarded, as though it had one foot on the accelerator and one foot on the brake. Its strategy is a balance of engagement and hedging, but hedging may be the more prominent element given India's fundamental leanness of China. In the letter that he sent to President Bill Clinton immediately after India's May 1998 nuclear test, Prime Minister Atal Bihari Vajpayee suggested that it was the threat of a neighboring country that made India decide to pursue the test, revealing a glimpse into the mistrust and suspicion that India feels toward China.¹² The root causes of this suspicion are political and strategic issues that include historical developments and the border dispute.

¹² According to the article "How the World Looks from India" in May 20, 2013 edition of *The Hindu*, 83% of Indians say that India's relations with the US are strong, while this number is 41% for China and 10% for Pakistan. Meanwhile, 78% of Indians said that they feel China is a threat. In addition, when asked to rate the warmth of their feelings for various countries, respondents rated the US 62 degrees, Singapore 58 degrees, and Japan 57 degrees. This survey was conducted via face-to-face interviews of 1,233 people throughout India between August and October 2012 by the University of Melbourne and the Lowy Institute for International Policy.

The US has also for the most part adopted a policy of engagement and hedging toward China, but the basic aim of that policy has been to maintain the status quo in the international system. In adopting the same policy, India hopes to break the world away from unipolarity and spark a transition to multipolarity, but since it does not have as much power as China, it seems to intend to pursue its policy of engagement and hedging first within a manageable scope (i.e., Asia) and eventually to expand it to a global scale.

1) Territorial dispute

India and China's territorial dispute traces its history back to the drawing of the McMahon Line. The line was drawn at the Simla Convention, a conference held in 1913-14 in the northern Indian city of Simla between the UK (represented by Sir Henry McMahon), China (the Republic of China), and Tibet. While China took part in the conference, it did not sign the resulting accord, which is one reason why the People's Republic of China does not recognize the legitimacy of the McMahon Line. India has meanwhile continued to assert that the McMahon Line constitutes a portion of its national border. As a result, Arunachal Pradesh, which covers 83,743 square kilometers in the northeast of the Indian subcontinent and is under India's actual administration, has become a disputed territory between India and China. Another large area in dispute is the 37,555 square kilometers Aksai Chin in the northwestern Kashmir region, which is under China's actual administration.

China has maintained that Arunachal Pradesh is "South Tibet," a part of the Tibet Autonomous Region. This has remained the case in recent years, as exemplified by comments made by Sun Yuxi, China's ambassador to India, on November 13, 2006, immediately prior to a visit to India on November 20 by President Hu Jintao. In an interview on Indian television, Sun stated that China claimed the entirety of the region that India refers to as Arunachal Pradesh as its own territory. Pranab Mukherjee, who was India's minister of external affairs at the time, immediately protested, stating that Arunachal Pradesh was an integral part of India.

An editorial in the Indian newspaper *The Statesman* said that Ambassador Sun should be asked to explain why he made such a comment ahead of a visit to India by his head of state.¹³ The article sarcastically suggested that perhaps the ambassador had been recalled to China and was looking for a slightly better posting, and went on to say that the Singh government should learn from the failure of Nehru's appeasement policy toward China and remind China of its past incursion. In May 2007, when an employee of the Indian government in

¹³ *The Statesman*, "China's Agression. Is Manmohan Another Nehru?", November 18, 2006

Arunachal Pradesh applied for a Chinese visa, the Chinese rejected the application saying that there was no need to apply for a visa to enter one's own country.

In the wake of these developments, 2009 saw a spate of objections and remonstrations from China's central government, as outlined in the figure below. This was probably the most contentious year the bilateral relationship had seen since the 1990s. The fact that each incident involved China protesting a move by India is worthy of note.

Date	Issue	Background
Jun 15	Asia	<ul style="list-style-type: none"> • When approving a 2009-12 lending plan for India, China strongly objected to the inclusion of US\$60mn for a flood management project in Arunachal Pradesh. • However, this was approved with the support of the US and Japan.¹⁴ This was possible because the US and Japan possess the largest voting rights in the ADB (12.75%, vs. 5.44% for China and 5.35% for India). • President Hu Jintao and Prime Minister Singh agreed during their June 15 summit (on the sidelines of the BRICs summit in Yekaterinburg, Russia) to do their utmost to ensure that the border dispute did not affect the whole of the bilateral relationship.
Oct 13	Prime Minister Singh	<ul style="list-style-type: none"> • On October 3, 2009, Prime Minister Singh visited Arunachal Pradesh to campaign for the state assembly election, prompting a spokesperson for China's Ministry of Foreign Affairs to say at a press conference on October 13 that China was deeply upset that an Indian leader should visit the disputed territory. • India's Ministry of External Affairs responded, saying that Arunachal Pradesh is an integral part of India's territory and that visits by leaders are well established practice under India's democratic system. It also asked that projects supported by China to improve roads and develop hydroelectric infrastructure in Pakistan-controlled Kashmir be halted.
Nov 3	Visit to Arunachal Pradesh by the 14th Dalai Lama	<ul style="list-style-type: none"> • A Chinese Ministry of Foreign Affairs spokesperson said on November 3 that the visit by the Dalai Lama to Arunachal Pradesh, which was scheduled to start on the 8th, would not succeed at damaging relations between India and China, but he avoided directing any criticism at the Indian government. Then, on the 10th, the Ministry of Foreign Affairs criticized India's handling of the situation, saying that it had ignored China's concerns in granting the Dalai Lama permission to visit the disputed territory. • The Indian government responded by saying that the Dalai Lama planned only to visit monasteries and educational facilities and that his visit had no political overtones. • The Dalai Lama said that he had been invited to the opening of a new museum at a 400-year-old monastery in Tawang, that his visit was without political intent, and that he had been surprised by the Chinese government's claim to Tawang.

Table 4. Objections by the Chinese government over Arunachal Pradesh
Source: Author

Why is China so interested in Arunachal Pradesh? The drawing of the McMahon Line extended the British Indian holdings in this area northward 60 miles (approximately 100km) into Tibet.¹⁵ This expansion resulted in the inclusion of Tawang in British Indian territory. At the time of the India-China War of 1962, the People's Liberation Army (PLA) entered Arunachal Pradesh, but only by about 60 miles and then returned to its original line of control. Aside from territorial claims based on this history, China also probably wants to take control of Tawang, on the west side of Arunachal Pradesh near Bhutan. Tawang is home to a majestic Buddhist monastery and is also the birthplace of the sixth Dalai Lama. When the current Dalai Lama escaped from Lhasa during the Tibetan uprising of 1959, he fled to India via Tawang. China likely remains fixated on Tawang also due to political considerations, including those related to identifying a successor to the current Dalai Lama. China grew particularly vocal about its territorial claims to Arunachal Pradesh as of the mid-1980s.

Meanwhile, Aksai Chin is under China's actual administration, and the neighboring northern portion of the Kashmir region (the 5,800km² Trans-Karakoram Tract) is also an area in dispute between India and China. This is because under an agreement signed by China and Pakistan on March 2, 1963, Pakistan ceded this tract to China, albeit only until the settlement of the Kashmir issue. India lodged a complaint with both the Chinese and Pakistani governments on the day the agreement was signed and continues to claim sovereignty over the tract.

Additionally, the Indian and Chinese armies have continued to engage in frequent skirmishes near the Line of Actual Control in the Ladakh region (under India's actual control), which neighbors Aksai Chin in the northwest portion of the Indian subcontinent. Of particular note was a prolonged standoff between the two armies lasting from April 15 to May 5, 2013. The incident resulted from what India saw as an incursion over the line of control by the Chinese army and what China saw as normal surveillance of its own territory. Eventually the Chinese army retreated and India pulled out the forces it had stationed near the incursion point.

The resolution of the incident likely owed in part to considerations related not only to the bilateral relationship, but also to relations with Japan as well. Firstly,

¹⁴ Joshi, Sanjana, "India-China Scuffle," *The Statesman*, June 29, 2009 and Business Standard, July 12, 2009.

¹⁵ Neville, Maxwell, *India's China War* at <<http://www.centurychina.com/plaboard/uploads/1962war.htm>>

China wanted to ensure that a visit to China by India's minister of external affairs Salman Khurshid came off in order to lay the groundwork for the first overseas tour by Prime Minister Li Keqiang, who was slated to visit India, Pakistan, Switzerland, and Germany starting on May 19. As such, one possible view is that China ordered a last-minute withdrawal of its troops on May 5 just ahead of these events. Moreover, Prime Minister Singh was scheduled to visit Japan in late May, so China may have thought that dragging out the territorial incident could result in a strengthening in ties between India and Japan. The withdrawal was therefore likely aimed avoiding such a development.

But why did China move into the Ladakh region to begin with? The May 11, 2013 edition of *The Times of India* suggests that the reason may have to do with the "core interests" China says it is pursuing and with the "Chinese Dream" that new Chinese President Xi Jinping advocates and is trying to make a reality.¹⁶ The article holds that Taiwan, Tibet, and Xinjiang have long represented core interests for which China was prepared to go to war and that this is why China was deeply concerned about its border disputes with India and engaging in unrelenting efforts to contain the influence of the Dalai Lama.

India and China have made attempts since the late 1980s to start border talks. First, during a visit to China in 1988 by Prime Minister Gandhi, the countries agreed to establish the Joint Working Group on the Border Issue, which was to meet a total of 15 times between 1988 and 2005. A 2003 visit to China by Prime Minister Vajpayee saw the establishment of the Special Representatives Talks, which raised the aforementioned working group to a higher level by enabling the discussion of border issues from a political perspective. Between 2003 and June 2013, these talks were also convened a total of 15 times. One achievement of the border discussions has been the Border Defense Cooperation Agreement (BDCA), which was signed by Prime Minister Singh and Prime Minister Li Keqiang during a visit to China by the former in October 2013. Highlights of the pact include the two countries agreeing not to use or threaten to use force against one another and to avoid exchanges of fire and other armed conflicts, as well as agreeing to hold talks between their respective forces near the disputed areas and between their defense ministers. Some have doubts, however, as to the effectiveness of the agreement.¹⁷

The existence of the Dalai Lama, who resides in India after having fled from Tibet in 1959, would seem to play a considerable part in the border disputes

¹⁶ *The Times of India*, "China's Expanding Core Interest," May 11, 2013.

¹⁷ As reported to the author by an Indian China expert (November 21, 2013 in New Delhi)

between India and China, and the potential for future problems with India's rivers and water resources, which rely on Tibet as a source of water, is also likely an underlying cause.

It is true that India reaffirmed its stance that Tibet is a part of China's territory when Prime Minister Vajpayee visited China in 2003 and that in return for this, China indirectly acknowledged the inclusion in India's territory of Sikkim (made an associate state in 1974, a full state the following year), something it had previously refused to do. However, it is difficult to say that these mutual concessions relate directly to the McMahon Line, and they do not represent progress on the territorial issue.

2) China's South Asia Policy

India's policy is to never let down its guard vis-à-vis China. For example, India's Ministry of Defence's *Annual Report 2012-2013* states, "India remains conscious and watchful of the implications of China's military profile in the immediate and extended neighborhood. India is also taking necessary measures to develop the requisite capabilities to counter any adverse impacts on its security."¹⁸ While not the harshest of wording, this still sounds as though India is issuing a warning that it is prepared to deal with any trouble that may arise.

India sees China's pursuit of friendly ties with India's eastern and western neighbors (Pakistan and Bangladesh) as an attempt to place the country in a vice and subvert its leadership in South Asia. In particular, China's friendliness with India's age-old adversary Pakistan has heightened the sense of mistrust India feels for China. Both China and Pakistan have even referred to their close relationship as an "all-weather" friendship. The two countries also enjoy close economic ties. Thanks in part to an FTA signed in 2006, China has gradually come to account for a greater portion of Pakistan's trade, rising in 2012 to account for 11.1% of Pakistan's exports, putting it second behind only the US, and meanwhile accounting for more of Pakistan's imports than any other country, at 19.7%.¹⁹ Outside of the political realm, Pakistan is also apparently receiving military support from China, including missile technology.

In addition, China is providing assistance with the construction of a port in Gwadar, in the south of Pakistan near the Iranian border. The port is supposedly partially military in nature rather than being solely for commercial purposes.

¹⁸ Ministry of Defence, *Annual Report 2012-13*, 6. The previous year's report had used more direct language, saying, "Chinese footprints in India's immediate neighborhood are increasing progressively due to its proactive diplomacy through political, military and economic cooperation engagements" (Ministry of Defence, *Annual Report 2011-12*, p. 21)

¹⁹ CIA, *The World Factbook. Pakistan* at <<https://www.cia.gov/library/publications/the-world-factbook/geos/pk.html>> (search date. January 28, 2014)

This is part of an interconnected system of ports that starts with China's Hainan Island and transverses such points and the port of Chittagong in Bangladesh, the Port of Hambantota in southern Sri Lanka that is partially opened, the Marao port that is under construction in the Maldives,²⁰ and Gwadar Port before reaching the Middle East. China is trying to develop this network in what has been referred to as its "String of Pearls" strategy,²¹ a concept that has made India feel that China is surrounding it by sea as well. As a countermeasure, India, which already had an aircraft carrier called the *Viraat*, put a new carrier called the *Vikramaditya* into service in January 2014.²² It also started work on building indigenous aircraft carriers in 2009. Meanwhile, China is working on completing two standard aircraft carriers by 2015 and as a follow-up to the *Liaoning*, which went into service in 2012.

The profound suspicion or mistrust that Indian government officials, researchers, and journalists feel toward China is deeply rooted. The most emphatic display of this view on China was made when China's ambassador to India, Sun Yuxi, made the aforementioned comment in November 2006 asserting that Arunachal Pradesh was Chinese territory. At the time, the watchword of India's hawkish elements was "encircling" (as in China's surrounding of India), an impression that was based on a historic mistrust of China, China's friendly ties with Pakistan and Bangladesh, and its building of military and development infrastructure in Tibet.²³ This impression of China persists in India today.²⁴

In an article on a visit to India by President Hu Jintao, Brahma Chellaney, an expert on strategic issues and one of India's prominent China hawks, said that the visit would involve only clichéd proclamations of the friendliness of bilateral ties and that even if some sort of agreement were to be signed, it would likely be strictly for decorative purposes. Chellaney went on to say that China's India policy was designed to contain India by engaging it and that Pakistan was serving as the vanguard force in this effort.²⁵

²⁰ Pant, Harsh V., "Who Will Rule the Waves?" *The Japan Times*, August 7, 2009.

²¹ For further details, see. Mifune, Emi, "*Chūgoku no 'Shinjū no Juzu' Senryaku*" [China's Pearl Rosary Strategy], Jiji Press JANET, July 15, 2009 (<http://janet.jw.jiji.com>).

²² Nagao, Satoru, "*Indo no Atarashii Kūbo ga Motsu Senryakuteki Imi*" [The Strategic Significance of India's New Aircraft Carrier], *Nikkei Business Online*, December 24, 2013.

²³ *The Japan Times*, November 16, 2006.

²⁴ Pant, Harsh V., "China's Challenge Moves India to Expect the Worst," *The Japan Times*, September 29, 2009. Pant writes that China's all-weather friendship with Pakistan, its attempts to increase its influence in Nepal, Bangladesh, and Burma, its persistent refusal to recognize Arunachal Pradesh as Indian territory, its lack of support for India's membership on the UN Security Council, and its unwillingness to support the US-India nuclear pact "all point toward China's attempts at preventing the rise of India as a regional and global player of major import."

²⁵ *The Japan Times*, "Engaging India to Contain It", November 9, 2006.

As if in testament to India's wariness of China, the chief of the Indian Navy, Admiral Sureesh Mehta, announced in December 2006 that he was opposed to the involvement of two Chinese companies in the construction of a military port in the southern Indian state of Kerala. The two companies had placed bids on work associated with the project, but Mehta objected on the grounds that 1) the activities of Indian submarines would be endangered by Chinese companies obtaining information on the waters surrounding India; 2) the friendly relations that China is pursuing with Myanmar, Sri Lanka, Pakistan, and Bangladesh in order to enhance its navy's operational capabilities put India at risk of being "ringed" by countries on good terms with China; and 3) China is enhancing the tactical capabilities of its navy in order to protect its interests in the sea lanes in the relevant waters.²⁶ Admiral Mehta continued to express leering of China thereafter, including stating that India's "trust deficit with China can never be liquidated unless our boundary problems are resolved...In military terms, both conventional and non-conventional, we have neither the capability nor the intention to match China, force by force...therefore our strategy to deal with China would need to be in consonance with these realities. Common sense indicates that cooperation with China would be preferable to competition or conflict." Wariness of China is so pronounced in India that the relatively reputable Indian defense journal *Indian Defence Review* printed an article by its editor Bharat Verma in its July-September 2009 issue even stating that China would launch an attack on India by 2012.

In part because of this wariness, India is less than enthusiastic about China expanding its presence in South Asia. One example involved the question of China's membership in the South Asian Association for Regional Cooperation (SAARC). China expressed strong interest in the SAARC and attempted to gain membership, working via Pakistan. The question of whether China should be admitted was discussed at an SAARC foreign ministers meeting in November 2005, but India expressed serious reservations. In the end, a compromise was reached that resulted in both China and Japan being admitted with observer status, the invitation extended to Japan in recognition of its support for SAARC, including financial support for the establishment of a special SAARC fund launched in 1993. India was apparently a strong backer of Japan's admittance because it believed Japan would serve as a counterbalance to China. At the time, the question of whether India should join East Asian Community discussions was being debated, and Japan supported India's participation. As such, perhaps it is fair to say that the two countries have been mutually supportive of one another.

However, India is extremely agitated by China's growing presence in South Asia and would like to enlarge its own presence in East Asia to counter this. In

²⁶ *The Statesman*, December 3, 2006.

April 2012, India successfully launched its first long-distance ballistic missile, the Agni-V (which has a range of around 5,000km), putting Shanghai and Beijing within striking distance. It has also engaged in joint naval exercises with Japan in the west Pacific, but its presence is still only in the embryonic stage.

Three main schools of thought typically come into play when China policy is debated in India. The first is the hawkish hard-line approach of those in the defense field or those that research defense or international politics. Secondly is the conciliatory approach advocated (albeit perhaps superficially) by those affiliated with India's Ministry of External Affairs. Thirdly is the left-wing stance, which holds that India should not align itself with the American view that China is a threat. For example, on October 2, 2009, Buddhadeb Bhattacharjee, chief minister of the Indian state of West Bengal—Communist Party of India (Marxism) led state government-- , stated that the US was emphasizing the threat posed by China as a means to prevent China and India from growing closer, thereby protecting its own status as a super power. On the whole, the first group would seem to be overwhelmingly the largest. This relates in part to the fact that realism is the ruling international relations theory in India, where liberals constitute only a minority. This trait is particularly notable when the topic being discussed is China, which is itself dominated by realism.

In 2009, China also made some bold assertions in response to these policy moves and statements by India. For example, a June 11, 2009 editorial in *the Global Times*, a newspaper under the auspices of the People's Daily (the newspaper of the Central Committee of the Communist Party of China), said that India's dispatch of 60,000 troops to its border with China showed that it viewed China as a potential threat and a competitor to surpass, but that it is in fact unable to compete with China in terms of international influence, overall national power, or economic scale. The editorial goes on to say that India hopes to encourage China to compromise by currying favor with it (not joining the US and Japan's "ring around China") and by threatening it (the deployment of military force prepared to engage China), but that this represents wishful thinking on India's part and that India would be well served to think about how it can peacefully coexist with China.

Two months later the Indian media put the spotlight on an article written by a Chinese strategist advocating the dismantling of India. The article was posted on August 2009 to the website of the International Institute of Strategic Studies, an influential think tank that advises the Chinese government on international and strategic matters. The article was submitted under the pseudonym Zhan Lue ("strategy") and advocated the Balkanization of India.²⁷ It asserted that in order

²⁷ *The Statesman*, August 12, 2009.

to obstruct the expansion of India's power and the formation of a unified South Asia, China should—with the support of its friends Pakistan, Bangladesh, Nepal, and Bhutan—divide India into 20 or 30 countries. The proposal included the idea that China should help Bangladesh put an end to India's rule over Bengali people and to form a single Bangladeshi state. On August 11, a spokesperson for India's Ministry of External Affairs said that the Indian government would not be attaching any significance to the article given that it solely represented the personal views of its author and not the position of the Chinese government.

A great commotion nonetheless ensued as a variety of Indian media outlets discussed the dismantling idea, but the major newspapers mostly urged a calm response. For example, Ananth Krishnan, an editorialist with *The Hindu*, wrote of the polarized nature of China's India policy, with the policies of some hawkish elements in the Communist Party at odds with more conciliatory positions of some in the government.²⁸ That said, there is a saying often quoted in China that goes, "One mountain cannot accommodate two tigers." China may think that it should be the only tiger in Asia.

China and India may have a history of repeated clashes and conflicts, but using China's handling of the Senkaku Island issue as a basis for comparison suggests that China takes a harsher approach to its dealings with Japan and a more accommodating one with India. In reference to the May 2013 standoff between China and India in the Ladakh region, a Japanese scholar on China lamented the excessive difference in China's attitude toward India versus that toward Japan.²⁹

What accounts for this difference? The difference in economic ties between India and China versus those between Japan and China seems an unlikely reason. China is Japan's top trading partner. India also has a very close trade relationship with China. It may relate instead to the numerous cards India holds that it could play against China. For example, the Dalai Lama lives in exile in India, and India is home to the Tibetan government in exile. If pushed, India could cause trouble over the Tibet issue, which China describes as one of its core interests. There is also the relationship between India and Vietnam. China has vehemently opposed the resource development efforts India is engaging in the waters off Vietnam. India is also providing training to the Vietnamese air force. Moreover, energy resources vital to China's existence have to make their way across the Indian Ocean, over which India maintains a watchful eye. Additionally, given its close ties with Russia, India could elect to present a united front with that country against China, and while risky, it could also leverage its relationships with the US

²⁸ Krishnan, Ananth, "Does Beijing Really Want to 'Break Up' India?" *The Hindu*, August 17, 2009.

²⁹ As reported to the author December 20, 2013.

and Japan. Japan meanwhile seems to have no such cards that it could play against China except the US alliance.

5. The US as a factor in Sino-Indian Relations

1) The Clinton administration (1993-2001)

China's view on India seems to have started to change around the middle of the 1990s. Put simply, India seems to have gone from being a country that was hardly on China's radar to one that was of major interest. This owes in large part to the rise in India's national power. India began its economic liberalization in 1991, gradually increased the size of its economy through the 1990s, and according to 2006 World Bank data, surpassed South Korea to become Asia's third-place economic power for the first time. In December 2009, the Chinese Academy of Social Sciences released a ranking of major countries based on their total power in which India placed ninth (in terms of GDP and military spending, India ranked twelfth and tenth, respectively, in 2008). India had only ranked twenty-fifth in 2004.

The other major contributor to China's increased interest in India was likely the fact that the US began to make overtures to India. This factor may have been even more important than the increase in India's national power. China's relationship with the US is the fundamental defining factor for its entire foreign strategy.³⁰ It was around the time of the second Clinton administration (1997-2001) that the US began to make overtures to India.³¹ The US government had attempted to do so in the early days of the second Clinton administration, but these efforts were disrupted in 1998 by India's nuclear testing. It was not until President Clinton's March 2000 visit to India in the waning days of his time in office that his India policy took shape. This was seen as the launch of a policy of forging closer ties with India given China's rise. Japan also started its approach to India with a visit from Prime Minister Yoshiro Mori in August 2000, and it began working to forge closer ties in 2005, a year that saw anti-Japanese protests in China. As Table 2

³⁰ Takagi, Seiichiro, "*Dai-issihō. Beikoku to Chūkoku no Taigai Senryaku ni Okeru Aitekata no Ichizuke*" [Chapter 1. The Positioning of Other Parties in the Foreign Strategies of the US and China], *Bei-Chū Kankei no Reisen-go no Kōzō to Tenkai* [The Post-Cold War Structure and Development of US-China Relations], Ed. Seiichiro Takagi, *The Japan Institute of International Affairs*, 2007, 16

³¹ For further details on Clinton's foreign policy, see. Hyland, William G., *Clinton's World. Remaking American Foreign Policy*, Praeger, 1999. Japanese translation (*Reisen-go no Amerika Gaikō. Kurinton Gaikō wa Naze Hatan Shita No Ka* [Post-Cold War American Foreign Policy. Why Didn't Clinton's Foreign Policy Fail?]) by Takenori Horimoto and Hiroshi Tsukada, Akashi Shoten, 2005. For further details, see. Horimoto, Takenori, *Indo. Gurōbaru-ka Suru Kyojō* [India. The Giant Globalizing Elephant], Iwanami Shoten, 2007.

(A historic outline of Sino-Indian relations) shows, improvement in Sino-Indian relations has been more marked since 2000. One way to interpret this is to assume China is attempting to prevent India from leaning too far toward the US and joining its “ring around China” while also pursuing a strategy of engagement with India given its status as a rising Asian power.

2) The Bush administration (2001-2009)

The next milestone in the relations between India, China, and the US came in January 2004, when the US and India agreed to form a strategic partnership. Over the next three years, the US and India even agreed to cooperate in the nuclear field.³²

China took proactive steps to better its relationship with India, but this was not motivated by a genuine desire on the part of China to welcome India to the table of major powers. On the topic of India’s bid to become a permanent member of the UN Security Council, China has made only clichéd statements expressing its hope that India will play a major role on the international stage. During an October 26, 2007 meeting with External Affairs Minister Pranab Mukherjee, Foreign Minister Yang Jiechi was also somewhat upbeat on the matter, saying that China supported India playing an enlarged role at the UN. However, in actuality, China worked to prevent the four countries bidding to join the permanent membership of the Security Council (Germany, India, Brazil, and Japan) by joining forces with their neighbors, the so-called “Coffee Club” (Italy, Spain, Pakistan, Argentina, and South Korea).³³ China’s stance on US-Indian nuclear cooperation was similar. The Nuclear Suppliers Group (NSG) agreed at an extraordinary plenary meeting held in September 2008 to grant India a special waiver from NSG rules despite it not having signed the Nuclear Nonproliferation Treaty (NPT), but China was apparently one of the countries to oppose the waiver’s approval until the end.³⁴

Subsequently, at the 3rd BRICS summit, held in April 2011 in the city of Sanya on China’s Hainan Island, China joined Russia in saying that it supported India, Brazil, and South Africa’s bids to become permanent members of the Security Council.³⁵ In other words, of the four countries that had fought together for permanent seats on the council (India, Brazil, Germany, and Japan), China was opting to accept only two. Because the other permanent members (the US, the UK, and France) would not accept this, China’s move was mere posturing.

³² Horimoto, Takenori, “*Reisen-go ni Okeru Amerika no Ajia Seisaku. Bei-In Kaku Kyōryoku o Megutte*” [America’s Post-Cold War Asia Policy. On US-India Nuclear Cooperation], *Nomos*, Vol. 20 (June 2007).

³³ *Indian Express*, October 23, 2008.

³⁴ As reported to the author on November 2, 2009 in New Delhi by a source familiar with the meeting.

³⁵ *Deccan Herald*, April 11, 2011.

Since the 1990s, Japan, the US, and India have essentially approached China with a combination of engagement and hedging, albeit to varying degrees. The Quadrilateral Security Dialogue (QSD) represented the farthest swing toward the hedging side of the equation. The initiative, which originally included the US, Japan, and Australia before the addition of India, began to gain momentum around 2005. September 2007 saw the first trilateral summit between Japan, the US, and Australia held on the sidelines of an APEC summit. The September 7 edition of an Indian newspaper quoted a spokesperson for Japan's Ministry of Foreign Affairs as saying that India should join the talks since it had a common interest in the principles of freedom and democracy.³⁶ In its *Defense of Japan 2007* white paper (July 2007), the Japanese government announced its intention to strengthen Japan's ties with Australia and India, saying that it believed greater security cooperation with Australia and India would act as a counterbalance to the military rise of China and North Korea and help to stabilize the security balance of the region.

In August 2007, the US think tank CSIS, the Japan Institute of International Affairs, and the Confederation of Indian Industry jointly published *the U.S.-Japan-India Report*, which advocated cooperation between the three countries in the fields of security, energy, the environment, and economics (along with Australia) based on their common values and shared commitment to the maintenance of an open and stable international order.³⁷ The report said that cooperation between the countries should not be seen as "targeted at China," but it essentially proposes an arrangement in line with the QSD that had been recently discussed.

In September 2007, the US, India, Japan, Australia, and Singapore conducted joint naval training in the Bay of Bengal ("Malabar 07-2"). The training was conducted September 4-9 in the Bay of Bengal (from the center of the bay to near Myanmar's Coco Islands, which India has said is home to a Chinese naval facility). The massive exercise involved 20,000 participants, 28 vessels, and approximately 150 aircraft. A major point of distinction between this and previous Malabar exercises was that it was multinational in nature rather than just consisting of bilateral training between the US and India.

The participating countries emphasized that the primary objective of the exercise was to promote increased interoperability between their navies, and that it was not meant to lead to the creation of a "democratic axis" in the Asian-Pacific region designed to contain China.³⁸ However, a *Kyodo News* article expressed the view that the objective of the exercise was to strengthen ties between the

³⁶ *The Economic Times*, September 7, 2007.

³⁷ Center for Strategic and International Studies, *U.S.-Japan-India Report*, August 16, 2007.

³⁸ *Indian Express*, September 4, 2007.

participating countries in their efforts to defend the sea lanes used to transport crude oil to the Pacific across the Indian Ocean, that it was designed to serve as a counterbalance to China's efforts to expand its network of military cooperation by providing support to the countries lining the Indian Ocean, and that it was part of Prime Minister Shinzo Abe's plan to increase dialogue between Japan, the US, India, and Australia.³⁹ This take appears to be the more accurate one.⁴⁰

The end of the Bush, Abe, and Howard administrations seems at first glance to have spelled the end of the QSD, but its spirit is carried on in the form of hedging moves at the bilateral level.⁴¹ These include the New Framework Agreement between India and the US (2005), the Memorandum of Understanding on Defense Cooperation (2006) and the Joint Declaration on Security Cooperation (2009) between India and Australia, and the Joint Declaration on Security Cooperation between India and Japan (2008). India is only the third country with which Japan has entered such an arrangement, the other two being the US and Australia. While the QSD has been shelved, Japan's development of security ties with India and Australia in addition to the existing US-Japan alliance gently signals a new security order in the Asian region.

A Japan-based Chinese scholar has stated that China categorizes its partnerships based on how close they are, in the following descending order: strategic partnerships (Russia, France), cooperative partnerships (Canada, Thailand, South Korea, Mexico, Brazil), collaborative partnerships (ASEAN, the UK), and constructive partnerships (the US, Japan, and India).⁴²

3) The Obama administration (2009-2017)

³⁹ An article distributed on September 4, 2007 by *Kyodo News*.

⁴⁰ In September 2009, two former Indian foreign secretaries expressed the view that India should hold talks with China regarding a security framework for the Indian Ocean. At a lecture on September 11, former foreign secretary Shivshankar Menon advocated India entering talks with major players such as China, the US, and Japan regarding a security arrangement for the Indian Ocean, through which passes the bulk of India's energy resources and trade. At a lecture on September 5, former foreign secretary Shyam Saran said, "India should actively participate in shaping an emerging economic and security architecture in the region in close collaboration with all stakeholders, including China. This arrangement should be open, inclusive and loosely structured" (*The Hindu*, September 13, 2009).

⁴¹ The July 7, 2007 edition of the *Nihon Keizai Shinbun* quotes former National Security Council (NSC) senior director for Asia Michael Green as saying, "China's military buildup is a concern...Japan, the US, Australia, and India should probably also engage in seaborne training. The more China pursues its intransparent military buildup, the more its neighbors will need to demonstrate their growing solidarity." [translated from the Japanese quotation]

⁴² Asano, Ryo. "*Taigai Seisaku no Kōzō to Kettei*" [The Structure and Determination of Foreign Policy]. *Chūgoku-Taiwan* [China-Taiwan]. Ed. Amako, Satoshi, Ryo Asano. Minerva Shobo, 2008. pp. 205-207. The author reports that partnerships are divided into six groups based on the level of engagement, starting with strategic partnerships (the US and Russia). The fifth group is friendly and cooperative partnerships for peace and development (Japan), and constructive partnerships (India) are another group.

The Obama administration's China policy basically focuses on engagement and hedging (although it has stopped using this terminology in the US), which has a significant impact on India-China relations. Broadly speaking, the US's India policy indicates that while India is important, China is more important, and its India policy often seems like an offshoot of its China policy.

This was made apparent to India when Secretary of State Hilary Clinton visited Asia in February 2009. The visit included Japan, China, South Korea, and Indonesia, but India was left off the list. Moreover, the Obama administration was pursuing a China policy that seemed intent on making a reality of the "Group of Two" (G2) concept that was then gaining traction in the US.⁴³ The G2 concept envisions a world driven by the US and China, or taken to an extreme, a world in which international politics are managed under the leadership of the two countries.

Moreover, in 2009, a new factor arose that had the potential to obstruct US-India relations. This was the Obama administration's Af-Pak policy, a new take on Afghanistan that viewed Afghanistan and Pakistan as a single theater of operations. This approach took shape when Secretary of State Clinton visited India for the first time (July 17-21). On balance, the visit seemed to result in the US scoring more points as India acquiesced to it.

Firstly, the visit resulted in the development of a roadmap for reopening the dialogue between India and Pakistan. The Obama administration had positioned Afghanistan as its most important foreign policy challenge. It wanted Pakistan to focus on the war against the Taliban, whereas Pakistan saw India as its greatest strategic threat. The US therefore saw peace between India and Pakistan as indispensable to its goals and wanted to see the dialogue between the two countries resume as a first step in that direction. The Composite Dialogue Process between the two countries had stalled due to the November 2008 Mumbai terror attacks. On July 16, the prime ministers of India and Pakistan met on the sidelines of the Non-Aligned Movement (NAM) summit held in Egypt and signed a joint statement saying that the resumption of the dialogue would not be linked to the Pakistani government's action on terrorism. The following day Secretary Clinton praised the way Prime Minister Singh had handled the talks, but no further progress has been seen since.

This took care of the majority of the agenda for Clinton's India visit. The remainder involved a US\$20bn deal. The US and India signed the End-Use Monitoring Agreement, which gives the US access to Indian military facilities. The agreement enables the US to export its most advanced weaponry to India. Assistant Secretary for South and Central Asian Affairs Robert O. Blake even

⁴³ Bergsten, C. Fred, "A Partnership of Equals," *Foreign Affairs*, 87(4), July/August, 2008, 57-69.

stated that the signing of the agreement would likely result in India purchasing 126 next-generation fighter jets, which at US\$10bn, would be triple the US\$3.5bn India had spent on military equipment purchases in 2008. The remaining US\$10bn would come from US firms building two nuclear power plants in India. This was announced after a meeting between Clinton and Prime Minister Singh.

What did all of this mean for India? Firstly, India had always insisted that it would only return to the table with Pakistan if, in short, Pakistan would arrest and try those responsible for the Mumbai terrorist attacks and ensure that it would not become a base for terrorism targeting India. The joint declaration thus represented a shift in policy. This was, in fact, criticized by *The Statesman* in a July 18, 2009 article stating that the India-Pakistan summit had clearly been the result of pressure from the US, to which India had capitulated.

The next-generation fighter jets and the nuclear plants looked distinctly like the India repaying the US for its cooperation in the nuclear field. That Clinton visited only India and not Pakistan was also an expression of the value placed on relations with India. However, India likely felt that it was coming up short in the deal. It did assert itself in some instances. For example, Minister of Environment and Forests Jairam Ramesh rebuffed a request from Clinton for help combating global warming, saying that India would never accept numeric targets for greenhouse gas reduction.

Following Clinton's visit, the next source of anxiety for India was President Obama's visit to China. In the end, India's concerns proved valid, as exemplified by a joint statement released by the US and China on November 17, 2009. In part, the statement said, "The two sides are ready to strengthen communication, dialogue, and cooperation on issues related to South Asia and work together to promote peace, stability, and development in that region."⁴⁴

The day immediately after the statement's release, a spokesperson for India's Ministry of External Affairs stated that India saw no role for third parties in its relations with Pakistan. This could be construed to refer to the US or China's involvement in the Kashmir dispute between India and Pakistan, India's top concern in South Asia. India's firm objection to third parties interfering in its own issues would seem a natural foreign policy response.

In this case, however, there were likely more fundamental motivations at play. Prime Minister Wen Jiabao has rejected the G2 concept (on May 20, 2009 following the EU-China Summit in Prague and again on November 18, 2009

⁴⁴ China has repeatedly called for the peaceful resolution of the Kashmir issue, and while acknowledging that the issue is a bilateral matter between India and Pakistan, has suggested that it would be willing to serve as a mediator if necessary. However, India has either refused or ignored this offer, which was extended again recently by Hu Zhengyue, China's Assistant Minister of Foreign Affairs (*The Hindu*, September 29, 2009).

in his talks with President Obama), and President Obama has never even made mention of the concept. That said, India likely saw the US-China joint statement as evidence that Obama's America was placing greater importance on China and applying the G2 concept to South Asia. It almost certainly misses the attention it received under the Bush administration's foreign policy and is jealous of the emphasis that the Obama administration is placing on relations with China.

Against this backdrop, Prime Minister Singh began a five-day visit to the US on November 22, 2009. In an attempt to put the visit on even footing with President Obama's preceding trip to China, the US administration made much of the fact that this would be its first time hosting a state visit. The US extended a hearty welcome to Prime Minister Singh, who was feted not only at a dinner hosted by the president, but also at a luncheon hosted by Vice President Biden and Secretary Clinton.

Ahead of the visit, India was most interested in seeing how the Obama administration would rank India, and Prime Minister Singh needed to do his utmost to make India's presence felt. President Obama meanwhile saw the visit as an opportunity to deflect the criticism he had received for adopting a conciliatory approach to China and engaging in G2-inspired diplomacy during his visit to China.

The two countries stressed the many achievements of the visit, including a joint statement by the two leaders, the signing of six memoranda of understanding on topics such as global warming, and the decision to launch regular discussions between the countries' finances ministers. In addition, at the joint press conference by the two leaders following their talks, President Obama praised India, calling it "a rising and responsible global power" and saying that "the relationship between the United States and India will be one of the defining partnerships of the 21st century." The joint statement also emphasized that the two countries' global strategic partnership had entered a new phase. While the Indian press did carry some analysis saying that President Obama had managed to relieve the majority of India's concerns, the Obama administration tends to see the US's relationship with India as a piece in the larger picture of its policy of multilateralism. This suggests somewhat of a deviation from the approach of the Bush administration, which had attempted to keep China in check by creating a "honeymoon" phase in its relationship with India.

India is likely to experience ripple effects from a range of American policies going forward. Global warming and the ratification of the Comprehensive Test Ban Treaty (CTBT) are two areas where this seems likely. The top domestic priorities of the Obama administration were stimulating the economy and overhauling the health care system, while overseas it hoped first to focus on

Afghanistan and then to turn to ratification of the CTBT.⁴⁵ If the US were to ratify the treaty, a chain reaction would occur, resulting in China, India, and Pakistan following suit, in that order. India has no intention of ratifying the NPT, calling it an unequal treaty, but it has basically shown a willingness to accept the CTBT albeit it perhaps with some caveats.⁴⁶

Certainly, the US has not abandoned its hedging policy vis-à-vis China. In a March 2009 report to Congress, the Department of State said that China's military expansion is shifting the military balance in Asia (Annual Report to Congress. Military Power of the People's Republic of China 2009).⁴⁷ Meanwhile, a report entitled *India's Strategic Defense Transformation, Expanding Global Relationships* released on November 5, 2009 by the US Army's Strategic Studies Institute (SSI) included the prediction that India would transition from being a regional military power to being a global military power by building relationships with a diversity of countries.⁴⁸

However, in assessing the Obama administration's India policy, it is worth considering Pant's view that, "The fact remains that India is of little help to the U.S. in addressing its immediate foreign policy priorities. Yet, it would be exceedingly short-sighted of the Obama administration to ignore India while searching for a balance of power in Asia. India, however, needs to put its own house in order before crying itself hoarse over the changing winds in Washington."⁴⁹

India is being forced to remain constantly conscious of the triangular relationship in which US-India relations affect India-China relations and India-China relations also affect US-India relations. At the moment, India is being

⁴⁵ Varadarajan, S. and Takenori Horimoto. "Indo Dai-Ni-Ji Shin Seiken no Gaikō Seisaku (Taidan)" [India's Foreign Policy under the Second Singh Administration (A Conversation)]. *Gaikō Fōramu* [Diplomacy Forum] No. 259, Feb 2010.

⁴⁶ On February 23, 2009, the United Nations Security Council summit unanimously adopted a resolution on nuclear nonproliferation and nuclear disarmament, but Hardeep Singh Puri, India's permanent representative to the UN, sent a letter to US ambassador to the UN Susan Rice, who was chairing the Security Council, saying that while India would refrain from nuclear testing and adopt a policy of no first use of nuclear weapons, it would not join the NPT. However, what is notable about the letter is that it makes no mention of the CTBT.

⁴⁷ A spokesperson for the National People's Congress announced on March 4, 2009 that China's proposed national defense budget for 2009 was to be 14.9% higher than the previous year's spending, which would make for the 21st consecutive year of double-digit growth for defense spending. A report submitted to Congress in February 2009 meanwhile stated that India's defense budget for fiscal 2009 was to rise a sharp 34% versus the previous year. This reflects an attempt by India to better equip its military and law enforcement agencies in the wake of the November 2008 Mumbai terror attacks, but this growth in military spending is striking given that it came at a time when India's budget deficit was growing.

⁴⁸ Hedric, Brian K., *India's Strategic Defense Transformation. Expanding Global Relationship*, Strategic Studies Institute, 2009.

⁴⁹ Pant, Harsh V., "India's Newfound Irrelevance to Washington," *The Japan Times*, March 20, 2009.

adversely affected by the growing closeness of the US and China. Since 2009, China has repeatedly asserted its claim of sovereignty over Arunachal Pradesh, and it does not tax the imagination to assume that China's increasingly hard line on India could very well be inspired by the current strength US-China relations.

Viewed on the whole, US-India relations have likely reached a "plateau" suggesting little hope for further improvement. During his tenure as the editor of *The Hindu*, Siddharth Varadarajan wrote, "The US-India partnership was premised on India acting as a hedge against China, but during the first Obama administration, India was cast aside in favor of strengthening US-China relations. However, when the US realized that China would not accept the G2 concept, it tried to rebuild relations with India, which taught India the lesson that trying to build a relationship with one country as a hedge against another country does not always work."⁵⁰

This analysis is likely on the mark. The sudden progress seen in US-India relations between 2000 and 2009 was motivated primarily by economic considerations and the US's strategy for the Asian region.⁵¹ Economic ties between the two countries have certainly seen significant advancement. Bilateral trade likely reached US\$100 billion in 2013 (vs. US\$18.6 billion in trade between India and Japan in 2012-13). However, the US has been extremely frustrated with India for its unwillingness to cooperate to the extent the US wants on its tax code, intellectual property rights, economic reforms, and defense procurement. The nuclear power cooperation that is the symbol of the new closeness in the two countries' ties has also not proceeded as expected. The US-India Civil Nuclear Agreement was signed in 2008, and the first embodiment of that was to have been a US-built nuclear power plant in the state of Gujarat, but the initially planned date of September 2013 came and went without any contract being signed. Also, the Indian government decided in January 2012 to purchase French-made Rafales fighters despite the US government's considerable efforts to convince it to purchase 126 next-generation multirole fighter jets from the US.

Recent US-China relations have looked somewhat like a battle of buzzwords. For the US, the buzzword is the "rebalance to Asia" that it unveiled in the autumn of 2011, and for China it is the "new type of great power relationship" that President Xi Jinping asked President Obama to build when the two held an informal summit in June 2013. China's offer apparently suggests a willingness

⁵⁰ Varadarajan, Siddharth. "Aja ni Okeru Indo no Taigai Seisaku. In-Chū-Bei no Sankoku-Kankei to Nippon" [India's Foreign Policy in Asia. India-China-US Relations & Japan]. *Kokusai Bunka Kaikan Kaihō* [International House of Japan Bulletin] Vol. 24 Issue 1, June 2013.

⁵¹ Horimoto, Takenori. "Kokusai Seiji ni Okeru Minami Ajia. Gaikō to In-Bei Kankei" [South Asia in International Politics. Indian Diplomacy & India-US Relations]. *Ajia Kenkyū* [Asia Research] Vol. 52 Issue 2, April 2006.

to keep a low profile solely vis-à-vis the US in response to the US's plan to shift its strategic center of gravity toward Asia.⁵² This may be music to the ears of the US, but it is likely to strike a disharmonious chord with the other “great powers” that are only being selectively courted. China has to date never publically acknowledged India as a “great power.”

Conclusion: The Way Forward

Where will India-China relations go from here? If on one side of its foreign policy coin India finds China, on the other it finds the US. Given that Indian foreign policy seems to demonstrate an ingrained desire for strategic autonomy and that the country has suffered the fallout of its own overreliance on a major power (namely the Soviet Union),⁵³ it seems unlikely that it will grow any closer with the US much less forge an alliance with China. As is the case with China, India's desire for strategic autonomy likely derives from the “largeness” of the land it occupies, its population, and its traditional thought, all of which have undergone very little change.⁵⁴ In other words, this desire likely stems from India's own nature as a great power.⁵⁵

Stephen P. Cohen, the American authority on India's foreign policy, sees a India-China alliance as unlikely. In his analysis, even if India were to view the US as a virtual enemy and enter an alliance with China, the best it would be able to do is push back against pressure from the West with the help of China, which would at the end leave it at China's mercy.⁵⁶

Few would disagree with the view that India currently sees China as its greatest rival in Asia.⁵⁷ For the time being, India is likely to engage with that rival applying

⁵² Takagi, Seiichiro. “Chūgoku wa ‘Shin-gata Taikoku Kankei’ ni Nani o Motomete Iru No Ka” [What Does China Want from the “New Type of Great Power Relations?”]. *Tōa* [East Asia] No. 559, Jan 2014.

⁵³ Horimoto, Takenori. “Kokusai Seiji ni Okeru Minami Ajia. Gaikō to In-Bei Kankei” [South Asia in International Politics. Indian Diplomacy & India-US Relations]. *Ajia Kenkyū* [Asia Research] Vol. 52 Issue 2, April 2006.

⁵⁴ Satoshi Amako cites the largeness of land, population, and traditional thought as enduring underlying characteristics that bear consideration when observing contemporary China in “*Chūgoku o Miru Me*” [Perspectives on China], p. 3 in the work edited by Amako and Asano.

⁵⁵ For more details, see. Horimoto, Takenori. “Henka Suru Indo Gaikō. Taikoku Gaikō o Susumeru No” [Changing Indian Foreign Policy. Will It Pursue Major Power Diplomacy?]. *Gendai Indo Fōramu* [Contemporary India Forum] April 2009.

⁵⁶ Cohen, op. cit., 399.

⁵⁷ The relationship has also been called a “reasonable rivalry” (Hirose, Takako. “Dai-Gojū-Shō. Taiketsu kara ‘Riseiteki na Raibaru’ e” [Chapter 57. From Confrontation to “Reasonable Rivals”]. *Gendai Indo o Shiru Tame no 60-Shō* [60 Chapters for Learning about Contemporary India]. Ed. Hirose, Kondo, Inoue, Nanno. Akashi Shoten. 2007). The term “reasonable” is inappropriate given how leery and distrustful India and China are of one another.

a two-sided strategy involving both cooperation (e.g., in the economic realm) and caution (strategic realm). India's Congress President Sonia Gandhi was likely both euphemistic and realistic when she said (October 27, 2007 on a visit to China) that the base of India-China relations going forward would be "pragmatism and mutual self-interest." This India-China relationship will undeniably play itself out within a context of reciprocal influence with the international politics of Asia, where Japan, the US, China, and India are the primary players.

In his exploration of India-China relations, *Protracted Contest. Sino-Indian Rivalry in the Twentieth Century* (2001), John W. Garver wrote that it was likely best to conclude that until India was able to break away from its low growth track and produce ingenious and confident policies leveraging its own strengths in South Asia, it would be left playing the role of junior partner to China, the super power that was discovering wise ways to enhance its security.⁵⁸ This take on the future of bilateral relations seems, however, to demonstrate a lack of understanding about India and indicate pro-China leanings.

As a global power, the US of the 20th century engaged in foreign policy aimed at establishing international order, in part via the founding of organizations such as the League of Nations and the United Nations. The multipolarity of the world system sought by India and China should put them a step closer to becoming global powers in their own right. China seems to be gradually beginning to engage diplomacy with this end in mind, an endeavor made possible by the magnitude of the power it is accumulating. India plans eventually to engage in foreign policy designed to establish international order, also with the hopes of becoming a global power in a multipolar world system. At this point, however, it does not possess the power to enable it to stand on its own.

India is involved in multiple strategic global partnerships—primarily with major nations—thanks to the omni-directional diplomacy it engaged in following the Cold War. However, it currently has no ally on which it can rely in the way it could, for example, on the Soviet Union in the 1970s and 1980s. India is in the process of forging international ties based on the principles of both bilateralism and multilateralism, but the way in which it has combined the two approaches has been far from efficient.⁵⁹ India does appear to be a partner country in which Japan

⁵⁸ Garver, John. W., *Protracted Contest. Sino-Indian Rivalry in the Twentieth Century*, Seattle & London, University of Washington Press, 2001, 389. This book is the product of research into Sino-Indian relations leveraging a wide range of source materials, and the author of the present paper knows of no work to have surpassed it. It should likely be required reading for all those responsible for formulating China's India policy as well as all India scholars. That said, the book's thesis is presented in such a way as to suggest a pro-China bias.

⁵⁹ For more on Indian multilateralism, see Chiharu Takenaka's "Takokukanshugi to Indo Gaikō" [Multilateralism & Indian Foreign Policy] and Toru Ito's "Taikokuka suru Indo ni Okeru Takokukanshugi no Dōyō" [The Turbulence of Multilateralism in India as It Becomes

can put its faith. In 2006, India declared the start of a strategic partnership with Japan, with which it shares a common view on China policy. For both countries, the declaration represented a response to the sharp rise in China's power in both the economic and military realms. Also, from Japan's perspective, India seemed an ideal partner given that Japan felt the need to further diversify its economic and security ties following the anti-Japanese demonstrations that swept China in 2005. Japan and India began to hold frequent summits as of 2005, and in August 2011, the long-awaited Comprehensive Economic Partnership Agreement went into effect. Nonetheless, India continues to exert the utmost caution to ensure that its closer relations with Japan do not antagonize China. Thus, India's China policy also represents a combination of engagement and hedging.

Some take a stern view of India's foreign policy, including one Indian expert who writes, "While focusing on strengthening itself economically and militarily, India will also have to work proactively to achieve greater strategic balance in the region over the next few years if it wants to preserve and enhance its own interests. As of now, it is not clear if the Indian policymakers have found a way to do this."⁶⁰ While nothing is certain, the road ahead for Indian foreign affairs—including its relations with China—looks likely to be a bumpy one.

In India the new government, BJP (Bharatiya Janata Party) government, headed by Prime Minister Narendra Modi comes on stage as a result of the 16th General Election held between April and May 2014. Since BJP has made a history by winning more than half of the seats of the lower house of the parliament for the first time in the past a quarter of the century, its government is expected to be stable and decisive unlike the successive coalition governments.

How would the new government pursue its policy towards China? The answer could be found out from the Modi's statements on China during the election campaign. He pronounced on February 22, 2014 "Times have altered. The world does not welcome the mindset of expansion in today's time. China will also have to leave behind its mindset of expansion" while on May 6 "If India and China want to work together towards improving our relationship and resolving our differences, it would be helpful to both the nations." Thus he has shown an ambivalent stance towards China.

Since the BJP General Election manifesto holds up Shreshtha Bharat (Great

a Major Power] in *Higashi Ajia no Kokusai Kankei. Takokukanshugi no Chihei* [International Relations in East Asia. The Horizon of Multilateralism], edited by Satoshi Oyane (Yushindo, 2010). For more on Chinese multilateralism, see Ryo Asano's "Chūgoku no Takokukanshugi. Genjitsuteki na Riberarizumu?" [Chinese Multilateralism. Realistic Liberalism?] in the same book. Each of the papers presents an interesting perspective on India and China in the context of multilateralism.

⁶⁰ Pant, Harsh V., "China's Challenge Moves India to Expect the Worst," *The Japan Times*, September 29, 2009.

India) in its cover and Modi is supposed to be a realist and hardliner, some in India expects him to pursue his unpromising China policy unlike an accommodationist policy adopted by the Singh Government.

But the manifesto is quite explicit in Guiding Principles of Foreign Policy, “Equations will be mended through pragmatism and a doctrine of mutually beneficial and interlocking relationship, based on enlightened national interest.” Modi has been successfully engineered to get victory in the election by appealing the electorate to boost India’s economic development. Taking all these factors into considerations, perhaps, Prime Minister Modi would implement a pragmatic approach towards China.

About the Author

Takenori HORIMOTO is currently a Project Professor of Graduate School at Kyoto University. His specialties included Contemporary International Politics of Asia and South Asia. He is the author and editor of 12 books and over 100 articles, and has given more than 170 lectures and presentations including as commentator on NHK and other TV programs. His latest publication is (co-ed with Lalima Varma) *India-Japan Relations in Emerging Asia* (Manohar, 2013).