Beyond the Protracted Contest: Redefining the Sino-Indian Relationship

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I hereby acknowledge that the entirety of this thesis is my own work. The final word count is 81,652 words.

Louise Merrington
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Notes

Chinese names are expressed throughout this work according to Chinese convention, with surname first. The exception to this is where the person in question has anglicised his/her name by putting the surname second and is best known by the anglicised version (e.g. Minxin Pei). This work uses the *Hanyu pinyin* romanisation system throughout, except in the case of historical figures who are best known by Wade-Giles romanised names (e.g. Chiang Kai-shek) or when quoting directly from a source which uses Wade-Giles romanisation. Indian names are expressed with surname last. All figures are referred to by their surnames except in cases where, due to common surnames, to do so would create confusion; in such cases full names are used throughout.

Where interviewees have requested anonymity, such interviews are referred to by number only, e.g. ‘Author interview 1’. All other interviews are referred to with the name of the interviewee and date of interview. A full list of interviewees can be found in Appendix A.

All currency values are in US dollars unless otherwise marked. At the time of writing the conversion rates between US dollars (US$), Indian rupees (Rs) and Chinese yuan (RMB) to Australian dollars (A$) were as follows:

\[
\begin{align*}
A$1 & = \text{US$1.07} \\
Rs & = \text{A$48.1} \\
\text{RMB} & = \text{A$6.9}
\end{align*}
\]
Abstract

Situated within the framework of power transition theory – which traditionally examines the relationship between a dominant power and the rising powers beneath it, but which often fails to take into account how the relationships between these rising powers also affect the international system – this thesis presents a new conception of the Sino-Indian relationship, moving away from traditional ideas of rivalry as the sole driver of the relationship.

From the time a long-running colonial border dispute flared into the 1962 Sino-Indian War, rivalry – political, economic and military – has been the main prism through which the China-India relationship has been viewed. This type of analysis was most clearly articulated by John W. Garver in his 2001 book Protracted Contest: Sino-Indian Rivalry in the Twentieth Century. In the ten years since Garver’s book was published, however, both China and India have built on the successes of their reform and opening policies to become more prominent players in international politics and economics, and this has in turn affected their bilateral relationship. Although the Sino-Indian relationship remains significantly asymmetrical, with China currently exhibiting far more power and influence than India, how the two countries relate to each other is beginning to have an interesting effect on the international system. Rivalry undoubtedly remains one of the driving forces in the relationship, particularly in regard to military and strategic issues such as naval activities in the Indian Ocean or nuclear weapons proliferation, but selective cooperation between the two countries, such as at the 2008 World Trade Organisation Doha Trade Round of trade talks or the 2009 United Nations Framework Convention on Climate Change summit in Copenhagen, is beginning to shape how global governance organisations conduct themselves. This will become even more apparent if and when India succeeds in its bid for permanent membership of the UN Security Council. It is therefore time to re-evaluate the framework in which the Sino-Indian relationship is viewed, taking into account these new complexities and moving away from the traditional characterisation of pure rivalry.

Based in large part on seven months of fieldwork interviews with diplomats, analysts, academics and journalists from both countries, as well as some archival material and an extensive survey of literature, this research provides a broad overview of the contemporary Sino-Indian relationship in several spheres. These include local military rivalry (and occasional conflict) over the disputed border and within the greater context of China-India-Pakistan-US relations in South Asia; some economic and political rivalry for influence and energy resources in Central Asia and among the ASEAN nations, particularly Burma; and increasing cooperation in certain global governance organisations such as the WTO and the UN Climate Change Summit. In doing so, it aims to move away from the traditional construction of rivalry as the dominant driving force in the relationship, and paint a more complex picture of Sino-Indian interactions and the way the relationship has evolved since the 1962 border war.
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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ANA</td>
<td>Afghan National Army</td>
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<td>APEC</td>
<td>Asia-Pacific Economic Cooperation forum</td>
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<tr>
<td>APT</td>
<td>ASEAN Plus Three</td>
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<tr>
<td>ARF</td>
<td>ASEAN Regional Forum</td>
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<tr>
<td>ASEAN</td>
<td>Association of South-East Asian Nations</td>
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<tr>
<td>AWG</td>
<td>Ad-hoc Working Groups (United Nations Framework Convention on Climate Change)</td>
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<tr>
<td>BASIC</td>
<td>Brazil-South Africa-India-China climate change grouping, also known as the G4</td>
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<tr>
<td>BIMSTEC</td>
<td>Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation</td>
</tr>
<tr>
<td>BTC</td>
<td>Baku-Tbilisi-Ceyhan oil pipeline</td>
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<tr>
<td>BJP</td>
<td>Bharatiya Janata Party</td>
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<tr>
<td>BRIC</td>
<td>Brazil-Russia-India-China economic grouping</td>
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<tr>
<td>CAEA</td>
<td>China Atomic Energy Agency</td>
</tr>
<tr>
<td>CARs</td>
<td>Central Asian Republics (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan)</td>
</tr>
<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
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<tr>
<td>CISMOA</td>
<td>Communication Interoperability and Security Memorandum of Agreement (India-US)</td>
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<tr>
<td>CITIC</td>
<td>China International Trust and Investment Corporation</td>
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<tr>
<td>CNOOC</td>
<td>China National Offshore Oil Corporation Ltd.</td>
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<tr>
<td>CNPC</td>
<td>China National Petroleum Corporation</td>
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<tr>
<td>EAF</td>
<td>East Asia Forum</td>
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<tr>
<td>EIT</td>
<td>Economies in Transition (United Nations Framework Convention on Climate Change)</td>
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<tr>
<td>GAIL</td>
<td>Gas Authority of India Ltd.</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>HPCL</td>
<td>Hindustan Petroleum Corporation Ltd.</td>
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<tr>
<td>IAEA</td>
<td>International Atomic Energy Agency</td>
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<tr>
<td>IAF</td>
<td>Indian Air Force</td>
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<tr>
<td>IEA</td>
<td>International Energy Agency</td>
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<tr>
<td>IOCL</td>
<td>Indian Oil Corporation Ltd.</td>
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<td>IONS</td>
<td>Indian Ocean Naval Symposium</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>IPI</td>
<td>Iran-Pakistan-India gas pipeline</td>
</tr>
<tr>
<td>LAC</td>
<td>Line of Actual Control (China-India border)</td>
</tr>
<tr>
<td>LOC</td>
<td>Line of Control (India-Pakistan border)</td>
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<tr>
<td>LSA</td>
<td>Logistics Support Agreement (India-US)</td>
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<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organisation</td>
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<tr>
<td>NEFA</td>
<td>North-East Frontier Agency</td>
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<tr>
<td>NOC</td>
<td>National Oil Company</td>
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<tr>
<td>NPT</td>
<td>Nuclear Non-Proliferation Treaty</td>
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<td>NSG</td>
<td>Nuclear Suppliers’ Group</td>
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<tr>
<td>NTPC</td>
<td>National Thermal Power Corporation (India)</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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OIL – Oil India Ltd.
OMEL – ONGC Mittal Energy Ltd (India)
ONGC – Oil and Natural Gas Commission of India
OVL – ONGC Videsh Ltd (India; overseas arm of ONGC)
PLA – People’s Liberation Army
PLAN – People’s Liberation Army Navy
R2P – Responsibility to Protect
SAARC – South Asian Association for Regional Cooperation
SCO – Shanghai Cooperation Organisation
SIGINT – Signals intelligence
Sinopec – China Petrochemical Corporation
TAPI – Turkmenistan-Afghanistan-Pakistan-India gas pipeline
UNDP – United Nations Development Programme
UNFCCC – United Nations Framework Commission on Climate Change
UNSC – United Nations Security Council
WFP – United Nations World Food Programme
WTO – World Trade Organisation
Introduction

Background to the Study

If the twenty-first century truly is, as many believe, the “Asian Century”, it is China and India, alongside the US, which will be the driving forces of international politics. These two behemoths share the same geopolitical space, including a disputed border, and both countries are developing rapidly, both economically and militarily. Traditional power transition theory, however, tends to be framed in terms of how a rising power or powers (also known as “challengers”) relates to a dominant power (see Organski, 1968; Lemke 2002). It does not deal adequately with how two rising powers might relate to each other, even though such a situation is not unprecedented. Thus this research presents a twofold aim: firstly, to contribute to the power transition theory literature by examining how two rising powers relate to each other, and secondly to re-evaluate the framework through which previous studies have viewed the Sino-Indian relationship, taking into account new complexities in relations and moving away from the traditional characterisation of the relationship as driven solely by rivalry.

In the present case power transition theory tends to be applied to the US-China relationship, while India (and the Sino-Indian relationship) is seen as less important in a theoretical context. This tendency in the theoretical literature is also exacerbated by the generally narrow framework through which the Sino-Indian relationship is examined, which tends to look at relations solely in terms of bilateral rivalry (see Garver, 2001; van Praag, 2003; Ramesh, 2005; Malik, 2011). Although this was an adequate way of characterising the relationship throughout most of the Cold War, the growing complexity of Sino-Indian interactions means that such a framework is no longer sufficient.

Because the Sino-Indian relationship has historically been tense, even breaking into war in 1962, there is a tendency to continue to frame it in terms of rivalry. This is the framework used in one of the best-known contemporary works on Sino-Indian relations, John W. Garver’s Protracted Contest (2001), which sees rivalry or conflict as the defining factor in the Sino-Indian relationship. Particularly at a bilateral level in South Asia the disputed border has long exerted and continues to exert a strong influence on the relationship, thus
framing entrenched discourses of conflict on both sides. As Garver himself notes, however, this approach fails to take into account the two countries' increasingly convergent interests in various spheres:

Relations between any two states cannot be reduced entirely to conflict. One can always find elements of policy cooperation as well. Even among states waging total war against each other, one can find areas of positive cooperation...Certainly, in the relationship between India and China the two nations have sometimes cooperated, at times significantly (Garver, 2001: 6).

Garver maintains that in spite of these elements of cooperation, conflict has been the "dominant characteristic" of the Sino-Indian relationship over the last five decades (ibid) and thus provides the best means of examination. Indeed, it is true that increased cooperation between the two countries internationally has not been matched in South Asia. In the ten years since Garver's book was published, however, the Sino-Indian relationship has become much more interdependent, particularly in relation to trade, and has also been further complicated by increased US involvement in the region in the context of the War on Terror and the resultant elevation of Pakistan and Afghanistan in global strategic importance. This complexity is also reflected in wider perceptions of the Sino-Indian relationship, particularly in the media. Although there are still strong elements of rivalry and competition in the relationship, in the last decade in particular Sino-Indian relations have grown far more complex, embracing elements of cooperation on certain issues, as well as economic competition over energy resources and increased encroachment on each other's strategic space. It is therefore time to re-evaluate the framework in which the Sino-Indian relationship is viewed, taking into account these new complexities and moving away from the traditional characterisation of pure rivalry.

With this in mind, this study aims to provide a new framework through which to view the contemporary Sino-Indian relationship, which takes into account the simultaneous existence of conflict, rivalry and cooperation in different spheres of the relationship and puts the earlier characterisation of it as built purely on rivalry to the test. It examines Sino-Indian interactions in several spheres – local (South Asia and the China-India disputed border); regional (Central Asia and South-East Asia/the Indian Ocean) and global (selected global
governance institutions covering politics, trade, nuclear non-proliferation and climate change), with the aim of ascertaining the degree of conflict, rivalry and/or cooperation in each area. In doing so it also aims to contribute to the power transition theory literature by studying how rising powers or challengers relate to each other.

There are several terms which are used consistently throughout the study, and as such require definition. First is conflict, which is used to refer to armed engagement of any kind, such as the 1962 Sino-Indian War or the various small skirmishes which have occurred since, most recently in 2009. The term rivalry is used in this study to refer to political (including both diplomatic and cultural/soft power), economic or military competition for strategically significant space or influence in a particular area, without armed engagement. Examples of rivalry include China and India’s competition for political influence in Burma, some minor economic rivalry over energy resources in Central Asia, and the military build-up on both sides driven by concerns about naval power in the Indian Ocean. Finally, cooperation refers to a decision to work together on certain issues where the two countries’ interests overlap. This may be elicited, for example, by the need to protect states’ interests from third party interference, or by strategic decisions to collaborate on specific regional or global issues, but the most important feature of cooperation, which distinguishes it from harmony, is that it requires compromise on the part of one or all parties involved. Robert Keohane defines cooperation between states thus:

Cooperation requires that the actions of separate individuals or organisations – which are not in pre-existent harmony – be brought into conformity with one another through a process of negotiation, which is often referred to as “policy coordination”…Cooperation occurs when actors adjust their behaviour to the actual or anticipated preferences of others, through a process of policy coordination. To summarise more formally, intergovernmental cooperation takes place when the policies actually followed by one government are regarded by its partners as facilitating realisation of their own objectives, as the result of a process of policy coordination (Keohane, 1984: 51-2, original emphasis).

This type of interaction is different from what Keohane calls harmony, which he defines as “a situation in which actors’ policies (pursued in their own self-interest without regard for others) automatically facilitate the attainment of others’ goals” (Keohane, 1984: 51,
original emphasis). Harmony, unlike cooperation, does not require compromise, because the parties’ interests already coincide, so that simply by pursuing their own interests they will automatically help the other party attain theirs. This can be seen to characterise, for example, aspects of the US-UK or US-Australia relationships, though no relationship is in perfect harmony all the time and thus compromises must inevitably be made. Cooperation (with its inherent compromises), like rivalry/competition, can be and often is one-sided, with one party either making more compromises than the other in order to achieve cooperation, or conversely – as in the case of China and India – attempting to compete when the other party has little interest in doing so.

Theoretical Limitations

In setting up its examination of relations between two rising powers, this thesis takes power transition theory as its point of departure. Traditionally power transition theory examines relations between a dominant power and a rising power, or challenger, and the conditions under which a rising power can be expected to challenge a dominant power.

Power transition theory was the brainchild of political science professor A.F.K. Organski and first articulated in his book *World Politics* (1958). It examines the cyclical nature of and conditions for war between states, which Organski argues is determined firstly by the degree of development (specifically industrialisation, which is one of the major points of critique of power transition theory, particularly in today’s technological age, but which is outside the scope of this thesis) and secondly by the relationship between the power and satisfaction of nations in the international system. As Douglas Lemke succinctly describes it, power transition theory “posits a hierarchical international system and emphasises the importance of relative power relationships and the incentives and disincentives states face in their considerations of acting to change the formal and informal rules that govern their interactions” (Lemke, 2002: 1).

Organski first divides the international system into a pyramid structure, identifying five categories of nations: the dominant power (a single nation at the top of the pyramid – “the nation which controls the dominant international order”); then in descending order, in

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1 For a summary of four major critiques of power transition theory, see Lemke, 2002: 28-35.
decreasing power but increasing numbers, great powers, middle powers, small powers and dependencies (Organski, 1968: 364-5).

From this ranking system, Organski expands on the idea of power and satisfaction by identifying four broad categories of nations according to their power and satisfaction in the international system (and hence their tendency to rock the boat):

1. The powerful and satisfied
2. The powerful and dissatisfied
3. The weak and satisfied

Those nations which fall into the first category of powerful and satisfied are the dominant power at the apex of the international system and the great powers who sit just below it (Organski, 1968: 365). The dominant nation is “the nation that controls the existing dominant international order. Indeed, this is the nation that established the international order in the first place (or inherited it from its founders), and this is the nation that receives the greatest share of the benefits that flow from the existence of the international order” (Organski, 1968: 364). Great powers are less powerful than the dominant power and also benefit less from the international order than the dominant power (though they still benefit substantially). “Because these nations are so important, the dominant nation requires the help of at least some of them to keep the international order running smoothly. Thus we find that some of the great powers are allied with the dominant nation, sharing in the leadership of the dominant international order and the benefits that flow from it” (Organski, 1968: 365).

Because this powerful and satisfied group of dominant and great powers stands to gain the most from the ongoing existence of the status quo, they have little interest in challenging the system.

Like the powerful and satisfied, weak and satisfied nations also have little to gain by disrupting the current international order. These countries are “lesser nations, middle powers and small powers” who have “accepted the existing international order (or have had it imposed upon them and now accept it without question) and found a place in it that assures them certain benefits” (Organski, 1968: 367). Organski cites middle-ranking powers such as Canada, Australia and Argentina, small but wealthy nations such as Belgium, Norway and
Switzerland, and “those virtually powerless nations and dependencies that are tied to the existing international order and that accept it without question” such as South Korea, Jamaica and Liberia, as examples of weak and satisfied states (Organski, 1968: 367-8). The major point of note is that these countries are by-and-large satisfied with the status quo, and, more importantly, even if they aren’t they lack the power to seriously challenge it. Organski notes that although these nations benefit less from the system than the great and dominant powers, they have an assured place in it with certain benefits that come from this, and there are also no guarantees that they would be better off under a new order – and in fact such a change might affect them for the worse (Organski, 1968: 368). Consequently they will oppose challenges to the international system (ibid).

This now leaves the two groups of dissatisfied nations: the powerful, and the weak. Weak and dissatisfied nations have the least to gain from the current layout of the international order but individually are powerless to do anything about it. This leads some of them into neutrality or non-alignment, while others may choose to ally themselves with a powerful dissatisfied nation or challenger to the international system. Consequently it is the first group, the powerful and dissatisfied – essentially great powers who are unhappy with the status quo and powerful enough to challenge it – which pose the biggest threat to the international order. According to Organski’s characterisation:

[These nations] are usually those that have grown to full power after the existing international order was fully established and the benefits already allocated. These parvenus had no share in the creation of the international order, and the dominant nation and its supporters are not usually willing to grant the newcomers more than a small part of the advantages they receive. Certainly they are unwilling to share the source of all their privileges: the rule of international society. To do so would be to abandon to a newcomer the preferred position they hold...The challengers, for their part, are seeking to establish a new place for themselves in international society, a place to which they feel their increasing power entitles them. Often these nations have grown rapidly in power and expect to continue to grow. They have reason to believe that they can rival or surpass in power the dominant nation, and they are unwilling to accept a subordinate position in international affairs when dominance would give them much greater benefits and privileges (Organski, 1968: 366-7).
It is at this point that we encounter some limitations in the theory which my research aims to address. Organski’s power transition theory essentially aims to predict conflict based on interactions between a dominant power and a rising power (or “powerful and dissatisfied” great power/challenger). This fails to take into account, however, the impact of relations between the rising powers themselves, and thus to a certain extent assumes that relations between the dominant power and a single challenger can be divorced from other happenings in the international system. It thus fails to envisage a situation where there is more than one rising power, and how relations between two or more rising powers can affect transitions in the international system. In contemporary international relations, power transition theory is sometimes applied to the US-China relationship, attempting to predict if and when China will challenge the US for international dominance. Bringing India into the equation, however, offers a series of complications which highlight the limitations of power transition theory. The Sino-Indian relationship and the India-US relationship both feed into the China-US relationship, given that China fears encirclement from US interests in India, and there is also the further complicating factor of Pakistan, as well as Afghanistan and the War on Terror taking place in China’s and India’s backyard.

Power transition theory is useful for explaining relations between the US and China to a certain extent, but fails to deal, for example, with circumstances such as the deliberate alignment of China, India and other developing nations against Western nations in some international forums, or to acknowledge that relations between rising powers affect how they conduct themselves in the international system. Because of this it is also fails to take into account the complex relationships between the dominant power and the rising powers, such as that between the US, China and India in South Asia detailed above.

In his book Regions of War and Peace (2002) Douglas Lemke has attempted to address this deficiency by modifying and applying power transition theory – which, he points out, like most international relations theories, has a strong great power bias (Lemke, 2002: 3-8) – to developing nations or “minor powers” in order to determine whether minor powers are driven into war by the same imperatives as great powers. The result is a modified theory Lemke calls “the multiple hierarchy model” which asserts that as well as the major international hierarchy defined by Organski, there are also smaller regional hierarchies operating with their own internal power structures which mirror that of the international system as a whole (Lemke, 2002: 49). Lemke therefore argues:
The expectations about peace and war within local hierarchies are very similar to those about peace and war in the overall international power hierarchy. When the local dominant power is preponderant, there is a high probability peace will obtain within the local hierarchy. However, when a power transition upsets the power hierarchy and a locally dissatisfied state rises to parity with the local dominant state, the expectation is of the probability of war increasing substantially within the local hierarchy (Lemke, 200: 49).

My case study on Sino-Indian relations can contribute to debates in both traditional power transition theory and Lemke’s modified version. As noted above, Organski’s model is strongly oriented towards the dominant power, and offers little insight into relations between rising powers or challengers. Lemke’s multiple hierarchy model examines rising powers more closely, but it also comes up against the common problem of attempting to clearly define regions or “local hierarchies”\(^2\). In his analysis of regional hierarchies, he unsurprisingly identifies India as the dominant power in South Asia (made up of Bangladesh, Bhutan, India and Pakistan, which differs from the more widely-accepted definition of South Asia as Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka) and China as the dominant power in East Asia (comprising China, Japan, Mongolia, North and South Korea and Taiwan) (Lemke, 2002: 91). Interestingly, his list of local hierarchies, which covers much of the developing world in South America, Asia and Africa, does not include the Central Asian Republics at all.

The identification of China and India as locally dominant powers is important to this research because it raises the question about what happens when these local hierarchies begin to overlap outside their own regions. Lemke’s work, although more focused on rising powers than Organski’s, still looks at these regional powers primarily in relation to their relationship with the globally dominant power as well as with powers within their local hierarchy, and pays far less attention to relations between the rising powers themselves. In addition, by dividing the world into local nexuses of power, it tends to overlook the fact that a locally dominant power in one region (such as China or India) invariably has interests which span across the globe. As this thesis shows, China is increasingly becoming involved in the Indian Ocean and South Asia, while India is developing its influence in South-East Asia, and both

\(^2\) For Lemke’s detailed theoretical discussion of this problem see pp 67-111.
are also pursuing particular goals in Central Asia. Consequently there is a situation where two rising powers from different regional hierarchies are increasingly being forced to interact, not only in their local spheres of influence (such as the disputed border, where these spheres overlap) but also globally.

My research is not aiming to rewrite power transition theory or multiple hierarchy theory, nor is it attempting to determine if and when China and India will reach “parity”, or the probability of war between them. Rather it is illustrating how two rising powers from disparate but increasingly interconnected regions are interacting with each other – not always through rivalry, as is often asserted – and how this is affecting the international system. This thesis examines the Sino-Indian relationship on a broad scale, looking at it through both thematic (the degree of conflict, rivalry, competition and cooperation present) and geographical (local/South Asia, Central Asia, South-East Asia and global governance) lenses.

The main aim of this thesis, as noted above, is to re-characterise the framework through which Sino-Indian relations are viewed, by asking firstly how and where they are currently interacting (politically, economically, militarily etc), and secondly what form this interaction takes (conflict, rivalry, cooperation, harmony etc). In doing so, however, this work also fills a gap in the power transition theory literature by looking at relations between two rising powers, rather than simply the relationship between a dominant and one or more rising powers, and across regions, rather than examining the two countries as dominant powers within their local hierarchies. Although this thesis explores China and India’s relationships with the current dominant power, the United States, due to length limitations it is unable to also systematically explore the two countries’ relationships with other significant minor powers in the region such as Australia, Japan and the Republic of Korea. It instead chooses to focus specifically on the relationship between China and India and their interactions in various spheres, noting how this also affects their relations with the US. Consequently this thesis offers a foundation for further research, both as a case study for theoretical examinations of relations between two locally dominant powers (rather than between a globally dominant and a rising power, in the case of Organski, or between a regionally dominant and a rising power in the case of Lemke); for a broader examination of relations between China, India and the other minor Asian powers in the context of power transition theory; and also on the impact of geopolitics on relations between rising powers.
Research Design

Geographically, this study examines Chinese and Indian relations in Asia, taking the term quite literally, from Azerbaijan (due to its Caspian Sea oil and gas fields) through the Central Asian Republics (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) and Afghanistan and Pakistan, and across to South-East Asia, looking at the ASEAN nations (Brunei, Burma/Myanmar, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam) with a particular focus on Burma. Countries which are incidental to this study but which nevertheless also require some consideration are Iran, Russia and Japan.

I deliberately chose to conduct such a broad geographical examination of the Sino-Indian relationship because this type of macro-level analysis is rare, with most research tending to focus on China in East Asia and India in South Asia. The subsequent result of this study is a picture of the interconnected nature of Chinese and Indian interests and interactions in greater Asia, from the Indian Ocean to the South China Sea. An example of this interconnectedness is China’s development of oil and gas pipelines in Central Asia. This investment in infrastructure is a result of Chinese concerns over its energy security specifically related to shipping in the Malacca Straits and South China Sea. Similarly, matters of territorial integrity such as Uyghur separatism in the western Chinese province of Xinjiang, and India’s dispute with Pakistan over Kashmir, not to mention the India-China border issue, profoundly affect the way the two countries relate not only to their immediate regions but also in the context of greater global governance and including with other world powers such as the US and Russia.

Examining Sino-Indian relations over a wider geographical scope than normal (which is often limited to the border dispute/South Asia) also provides examples of differences in strategy and interaction according to geographical and political context. In this way it enables me to answer the driving questions of this research: How are China and India interacting in various spheres (specifically locally in South Asia; regionally in Central Asia, South-East Asia and the Indian Ocean; and internationally in global governance institutions)? and What degree of conflict, rivalry, competition and/or cooperation can be observed in these interactions?

The bulk of this research is based on the results of approximately forty interviews conducted over a seven-month period of fieldwork in Singapore, India and China between
December 2009 and July 2010, which were used to bolster extensive primary and secondary literature-based research. Interviewees encompassed a wide range of people from the Indian and Chinese foreign services (both retired and serving), other government officials, think-tank analysts, academics and journalists with expertise in Sino-Indian relations, Indian and Chinese relations with Central and South-East Asia and related fields. Interviews were conducted to the point where they became self-validating (i.e. the same information was being received over and over in subsequent interviews); consequently approximately twenty interviews were conducted in each country, with each interview lasting roughly one hour. For a full list of interviewees please see Appendix A.

I chose to use the interview methodology because my purpose was to obtain primary-source material from those involved in Chinese and Indian foreign policy, either with direct or indirect influence on policy-making, such as government officials and think-tank analysts/lobbyists, or close observers and opinion-makers such as journalists and academics. This cross-section of people was chosen because of the different perspectives which often exist between practitioners of international relations (such as diplomats and policy-makers) and commentators or analysts (such as academics and journalists), both of which I felt need to be taken into account in order to develop a more rounded picture of the subject. Because the opinion of the media in China and India is often at odds with that of the two countries’ governments when it comes to the Sino-Indian relationship, I also felt it was important to speak to journalists with a working knowledge of China and India to get this perspective on mutual perceptions of the relationship and allow me to chart the evolving political and media discourses on this controversial topic. The academics and journalists I spoke to were also able to provide cultural insights which illuminated certain aspects of the policy-making process.

Interviews also allowed a certain degree of flexibility. Although I entered each interview with a structured series of questions, I was also able to follow up on interesting comments made by the interviewees and allow the interview to diverge from the structure if I felt it was beneficial to the research. This method was also most suitable for my research in that I was not aiming for a statistical snapshot of opinions such as might be obtained by a survey or content analysis; rather I was looking to canvass a broad range of opinions on the Sino-Indian relationship from people with a direct interest in it, both on a professional and personal level. With the exception of two interviews conducted in Chinese with the aid of an
interpreter, interviews were conducted primarily in English. This linguistic consistency helped to minimise translation errors and ensure the accuracy of information obtained.

One of the strengths of this methodology was that it enabled me to access the views of people from a wide range of backgrounds and fields of expertise. In this way it allowed me to bridge some of the divisions I had observed in the literature between those with an interest in China, those with an interest in India, and those with an interest in Central or South-East Asia, by firstly seeking out people with an inter-disciplinary focus, and secondly by drawing my own linkages between the information acquired from people in different fields. It also enabled me to obtain the opinions of people at the practical end of foreign policy design and implementation, including the Indian National Security Adviser and various current and retired diplomats from both countries.

A limitation of this methodology was asymmetry of access to high-level figures in China and India. In India I was able to speak to serving high-level government officials, as well as a large number of retired diplomats, all of whom were eager to be interviewed and were very frank in their opinions. In China I knew that I would face the dual problem of access and ambiguity – it would be extremely difficult and time-consuming to get access to serving mid- or high-level officials in the Foreign and State Security Ministries and even if I was successful in obtaining an interview, it would be unlikely to yield the kind of information I was seeking. For these reasons, and due to time restrictions, I decided to concentrate my efforts on arranging interviews with Chinese think-tank analysts and academics, not least because Chinese think-tanks such as the China Institute of Contemporary International Relations (CICIR) and the Chinese Academy of Social Sciences (CASS) are affiliated with various ministries and have some policy-making input, as well as the freedom to be more open with their views than those currently serving in the government. I was also able to speak to a number of retired Chinese ambassadors, all of whom were very generous with their time and surprisingly frank in the information they provided.

These interviews have been used throughout the thesis to complement and enhance the existing secondary literature and to support my conclusions. Due to the broad nature of the topic, rather than providing a single literature review chapter the literature has been reviewed throughout the thesis in conjunction with the relevant case study.
Overview of the Study

Chapter 1 gives an historical introduction to the Sino-Indian relationship, particularly the border dispute and the 1962 Sino-Indian War. This chapter examines relations from the signing of the first Anglo-Chinese Convention in 1890 to the beginnings of post-economic reform rapprochement with Indian Prime Minister Rajiv Gandhi’s visit to Beijing in 1988. An understanding of this historical context is important because it continues to shape relations today, particularly regarding the border dispute and the resulting “trust deficit”, which remains a major obstacle to better Sino-Indian relations.

Chapter 2 examines the post-Cold War Sino-Indian relationship in greater detail, particularly in the context of China-Pakistan and India-US relations. It points to not only to the border issue, but also to Chinese and Indian relations with Pakistan (specifically China’s long-lasting and strong relationship with Pakistan, which India regards as its number one enemy) as being significant sources of India-China tensions, and looks at the causes of the significant political and military rivalry (which occasionally breaks into minor conflict) still present in the relationship at a local level. It also examines the issue of perceptions of the Sino-Indian relationship in the context of people-to-people connections and media reports, and looks at the impact these have on the relationship in South Asia, particularly in relation to the border dispute.

Chapters 3 and 4 expand the geographical scope of the study to look at Sino-Indian interactions in their regional spheres of influence, specifically Central Asia and South-East Asia/the Indian Ocean region respectively. Chapter 3 explores Chinese and Indian policies in the Central Asian Republics (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) and Afghanistan, particularly regarding energy security and Islamist terrorism. It discovers that although China and India have similar aims in the region, at present there is minimal interaction and only incidental competition and cooperation between them. Currently their Central Asian strategies are essentially running on separate, non-intersecting tracks, and this chapter explores the reasons for this lack of interaction. Chapter 4 conducts a similar examination of China and India in South-East Asia and the Indian Ocean, focusing first on the two countries’ engagement with ASEAN before examining the site of strongest regional competition and strategic rivalry, Burma, and how this feeds into rivalry in the Indian Ocean. It finds that there is some strategic rivalry in areas with close geographical
proximity to China and India, namely Burma and the Bay of Bengal/Andaman Sea/Indian Ocean areas, and that this is tied into relations with ASEAN and the maritime South-East Asian nations, where at this stage rivalry tends to be focused on political and economic influence.

Chapter 5 takes a broader view, looking at China and India in the United Nations, the World Trade Organisation, the International Atomic Energy Agency and Nuclear Suppliers’ Group, and the UN Climate Change Conference in Copenhagen. This chapter shows that China and India are increasingly cooperating on areas such as trade and climate change where they see their interests converging against those of Western nations, but that in areas of military and strategic significance (for example, the international nuclear non-proliferation regime) there are still elements of rivalry. It also examines some of the perceptions in China and India regarding their places in the international system which affect their foreign policy decisions and relations in global governance.

In its totality this study illustrates the growing complexities in the Sino-Indian relationship from a local to a global level. It shows that although there are still strong elements of strategic rivalry, particularly in relation to the border issue and the Indian Ocean, to take this as the major prism through which to view the relationship as a whole and minimising or disregarding other types of interaction is to provide a skewed observation of the relationship. The result is a broad picture of Sino-Indian relations today, which shows not only the increased complexity of the relationship, but also that while rivalry still exists and continues to shape certain aspects of the relationship, it is no longer the defining factor as it was in the decades following the Sino-Indian War. In addition, this research also contributes to the literature on power transition theory by illuminating the relationship between two simultaneous rising powers (including examining aspects of their relationships to the dominant power and how these are interconnected). The concluding chapter will also explore the implications of this work for future research, which could continue to use power transition theory to examine relations between rising powers and the implications for change in the world order, in both an historical and contemporary sense.
Map 2: Disputed territories along the China-India-Pakistan borders

The boundaries on this map are not officially endorsed by the Governments of India, Pakistan or P.R. China.
Chapter 1: A History of the Sino-Indian Relationship from Colonialism to Economic Reform, 1890-1988

In order to understand the modern Sino-Indian relationship it is necessary to examine it in an historical context, focusing in particular on relations between British India, pre-Communist China and feudal Tibet at the beginning of the 20th century. This is important because the major causes of ongoing rivalry between China and India – namely, the disputed border and the issue of Tibet, including the fourteenth Dalai Lama’s ongoing residency in India – have their roots in the political dealings that went on in the late 1800s and early 1900s between these three entities. One example of the major role played by history in this part of the world is the 2008 Tibetan unrest, which impacted not just on China in the lead-up to the Olympics, but also on India (home to the Dalai Lama), the Tibetan Government in Exile and over one hundred thousand Tibetan refugees. In a potent show of symbolism, this conflict began on March 10, the day that similar unrest occurred in 1959 in protest against the Chinese occupation of Tibet.

An understanding of the historical context is also important because it gives some insight into how the identities of present-day China and India have been formed. Both countries subscribe to the narrative of an ancient, continuous civilisation, the legacy of which still informs their contemporary domestic and international identities, including their attitude to territory (particularly in the case of China). In addition, both sides have been touched by the impact of Western imperialism, but in very different ways. The Republic of India emerged in 1947 as direct heir to its British colonial past, including inheriting a language, legal system, system of government and borders, and yet at the same time was fractured into two new nations which have been in conflict ever since. China, on the other hand, reacted against the impact of Western imperialism and modernity with a retreat into autocracy, autarky and, for a period, isolationism. The territorial problems of Kashmir and Tibet can both be linked to the issues of state identity which developed during the formation of modern India and China during the middle of the twentieth century. During the Cold War both countries saw themselves as leaders of the developing world – India through the Non-Aligned Movement and China through ideological solidarity and support of revolutionaries in Africa, Latin America and South-East Asia – and today still react strongly against any
sense of Western neo-colonialism, as can be seen in some of their responses to international global governance institutions (discussed in detail in Chapter 5).

There is much literature which covers the Sino-Indian relationship in the late nineteenth and early twentieth centuries in great detail, though strangely most of it dates from the 1960s to 1980s, while there appears to be little published on the subject after the mid-1990s save John Garver’s *Protracted Contest* (2001). Most notable are several works by Parshotam Mehra which detail the creation of the McMahon Line and the border disputes that occurred thereafter, as well as John Rowland’s *A History of Sino-Indian Relations* (1967), and Alastair Lamb’s *The McMahon Line* (1966) and *Tibet, China and India, 1914-1950* (1989). Neville Maxwell’s *India’s China War* (1971) is one of the most thorough works on the border issue and 1962 war, and though Maxwell is unashamedly partisan and sees India as the sole cause of the conflict, factually his account of the various treaties and border issues in the lead-up to the war is strong. Mehra’s *Dictionary of Modern Indian History 1707-1947* (1985) also provides a useful starting point, though there are some surprising omissions. Two useful texts for an Indian perspective of the 1962 conflict are Major General D.K. Palit’s *War in High Himalaya: The Indian Army in Crisis, 1962* (1991) and Gautam Das’s *China-Tibet-India: The 1962 War and the Strategic Military Future* (2009). For the Cold War and post-Cold War periods, Susan Shirk’s work on Sino-Indian mutual perceptions (Shirk, 2004) is particularly useful, as is B.M. Jain’s analysis of late-twentieth century Sino-Indian relations (Jain, 2004). This chapter is intended to provide an historical overview only, and for a more in-depth analysis of particular events the reader is invited to refer to the above works and others listed in the bibliography.

*Colonial Games: Relations between British India and Imperial/Republican China, 1890-1949*

Although it is possible to trace Sino-Indian relations back to the Opium Wars and beyond, the Anglo-Chinese Convention of 1890, which marked out the borders of Sikkim in India’s north, is probably the most useful starting point for an analysis of the modern Sino-Indian relationship. The need to define the international border was realised in 1873 after repeated Tibetan tribal skirmishes along the Assam\(^3\) frontier in

\(^3\) An important tea-growing region and therefore economically vital to Great Britain.
British territory (Lamb, 1966: 301), and with the growing development of the region itself, which required greater control over commercial interests (Maxwell, 1971: 39). The British responded by first drawing an “Inner Line” short of the Himalayan foothills to control trade, so that commercial expansion would not breed unrest with the tribes who inhabited the foothills; it prevented unlicensed travel and was also an administrative boundary (ibid). After negotiating with the Tibetan tribes, an “Outer Line” was drawn along the foothills of the Himalayas (now the southern border of Arunachal Pradesh), which was solidified as the international border (Maxwell, 1971: 39). Lamb notes that this “seems to have been the only stretch of what the British considered to be the Indo-Tibetan border ever to have been laid down with Tibetan participation” (Lamb, 1966: 301). The Anglo-Chinese Convention followed shortly afterwards.

Notably, the Anglo-Chinese Convention was signed between “Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, and His Majesty the Emperor of China” (*Convention Between Great Britain and China Relating to Sikkim and Tibet*, 1890) as China claimed suzerainty over Tibet. As well as demarcating the border, the Convention also aimed to promote trade relations between British India and Tibet. As Mehra notes, however, “The Tibetans, with some justification, opposed and later ignored these agreements which had lacked their overt, much less tacit, consent” (Mehra, 1985: 764).

This resistance, along with a growing concern about Russian influence in and possible colonisation of Tibet (which would remove the buffer state and weaken Britain’s strategic position in India), led the then-Viceroy Lord Curzon to push for the establishment of a direct link with Lhasa (Mehra, 1985: 764). When repeated diplomatic overtures to the thirteenth Dalai Lama failed, a military mission was authorised and Colonel (later Sir) Francis Edward Younghusband was appointed to lead it (ibid). Youngusband was to attend a tripartite conference with Tibetan and Chinese representatives at Khamba Jong⁴ in Tibet, but if the other two representatives did not appear he was authorised to continue on to Gyantse (Mehra, 1985: 764). Although Chinese representatives were present, the Tibetans arrived late and questioned the need for an armed escort, also declaring that they would not negotiate until the British had withdrawn to their side of the Sikkim border. Curzon, believing

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⁴ Also spelled Khamba Dzong in some references.
the Tibetans to be receiving covert Russian aid, subsequently supported
Younghusband's request to push forward to Gyantse and permission was granted in
November 1903, though Younghusband was "instructed not to annex, much less
occupy, any territory" (Mehra, 1985: 765).

The expedition reached Gyantse on 11 April 1903, after encountering some
Tibetan resistance on 31 March, which turned into a massacre in which six hundred
Tibetans were killed (ibid). Gyantse was captured on 5-7 July and, as the Tibetans still
refused to negotiate, Younghusband pushed on to Lhasa, arriving on 3 August (Mehra,
1985: 765). The Dalai Lama fled and negotiations were conducted with the Ganden Ti
Rimpoche in his stead, which resulted in the Lhasa Convention of 1904\(^5\) (ibid).
Among other things, this required Tibet to recognise the Anglo-Chinese Convention
of 1890 and open up new trading areas. The Convention was modified, however,
when Younghusband returned from Tibet as the British Government refused to ratify
it, saying that it "had put them in a false position in so far as an understanding had
been given to Russia of British disinterestedness in occupying any portion of Tibetan
territory" (Mehra, 1985: 400). This was due to two clauses which departed from the
instructions Younghusband had been given from London: the first gave the British a
75-year occupancy of the Chumbi Valley until the Tibetans had paid an indemnity in
full; while the second allowed the British to send a representative to Lhasa to consult
on trade matters which could not be resolved in Gyantse (Rowland, 1967: 36).
London in fact had no desire to occupy Tibet or to station a representative in Lhasa,
and had said as much to the Government of India (ibid). The treaty was modified and
eventually ratified on 11 November 1904 (Mehra, 1985: 400).

The Younghusband expedition had a significant amount of political fallout; so
much so that a new Anglo-Chinese Convention was negotiated in 1906. Had the
agreement to occupy the Chumbi Valley gone ahead, Tibet would have been what
Rowland calls "a virtual vassal of England" (Rowland, 1967: 36). In addition, "the
stationing of a British representative in Lhasa would imply political aims and would
thus be unnecessarily provocative to St Petersburg, with whom London was then
trying to reach an *entente cordiale*" (ibid, original emphasis). Compounding these
problems was the fact that Younghusband had bypassed the Chinese and negotiated
directly with the Tibetans, effectively implying that both Britain and Tibet no longer

\(^5\) Also known as the Anglo-Tibetan Convention.
recognised Chinese suzerainty, or, worse, that Britain had assumed suzerainty in China's place (Rowland, 1967: 36). Britain had a strategic interest in keeping the Chinese in Tibet as it provided a legal buffer zone between Russia and India; the British were afraid that, in a vacuum created by the Chinese absence, the Russians would move into Tibet (ibid).

The second Anglo-Chinese Convention was signed on 27 April 1906, effectively superseding the Lhasa Convention (Rowland, 1967: 37). This new agreement contained some important modifications regarding sovereignty: the Chinese had wanted the British to recognise full Chinese sovereignty over Tibet, but the British had felt that this compromised Tibet's position as a buffer zone. A compromise was reached whereby Britain agreed to preserve Chinese suzerainty and give up any concessions which had been granted in the Lhasa Convention (ibid). In 1907 the Anglo-Russian Convention was signed which stabilised relations between the two countries and reinstated Tibet as a neutral buffer zone; both Russia and Britain agreed not to post representatives to Lhasa, and to negotiate with Tibet only through the medium of China (Rowland, 1967: 37). Like Britain, Russia also formally recognised China's suzerainty over Tibet and agreed to refrain from seeking concessions (Mehra, 1985: 401).

Between 1910 and 1912 the Chinese sent their military into Tibet to establish direct Chinese administration, starting with the prefecture of Zayul in the Assam Himalayas in May 1910 (Lamb, 1966: 333). The Chinese plan was to reduce the power of the (thirteenth) Dalai Lama and the monasteries, to eventually make Tibet a full province instead of a loosely-controlled protectorate, and also to "push back British influence along the Indo-Tibetan frontier" (Maxwell, 1971: 41). Although the British were worried that the Chinese would soon be encroaching on Assam, there was an initial reluctance in London for pushing the boundary forward in order to create a buffer; this changed, however, with the murder of a British official, Noel Williamson, by Tibetan tribesmen in 1911 after he crossed the Outer Line in order to

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6 Article 2: The Government of Great Britain engages not to annex Tibetan territory or to interfere in the administration of Tibet. The Government of China also undertakes not to permit any other foreign State to interfere with the territory or internal administration of Tibet.

Article 3: The Concessions which are mentioned in Article IX (d) of the Convention concluded on September 7, 1904 by Great Britain and Tibet are denied to any State or to the subject of any State other than China... (Convention Between Great Britain and China Respecting Tibet, 1906)

7 The thirteenth Dalai Lama fled to India after Chinese forces occupied Lhasa in 1910 (Lamb, 1966: 271).
survey the area for the possible relocation of the border (Maxwell, 1971: 43). London authorised a punitive expedition against the tribes, and at the same time the expedition was charged with exploring and surveying the country in order to provide the “knowledge requisite for a suitable boundary between India and China” (Maxwell, 1971: 44). This new forward policy entailed moving the Outer Line north to encompass all the tribal areas, though not affecting the Tawang Tract, an important trading area near the Bhutan border which was accepted as belonging irrevocably to Tibet (ibid). The Inner Line, which marked the boundary of Britain’s administrative area, would not be moved (Maxwell, 1971: 44). Throughout 1911 and 1912 surveying parties were sent into the tribal area with the aim of determining the best strategic location for the new border (Maxwell, 1971: 44-5).

The Chinese revolution of 1911, however, which toppled the Qing dynasty, caused the Chinese campaign in Tibet to collapse (Maxwell, 1971: 46). Shortly afterwards, in 1913, the Tibetans expelled the weakened Chinese forces and declared themselves independent, though the modern Chinese version is: “In 1913 the British government inveigled the Tibetan authorities into declaring independence...” (Information Office of the State Council of the PRC, 2008). This was a controversial move and in response Britain convened the Simla Conference, to be held in Simla\(^8\), India and attended by the Chinese, Tibetans and British, with the aim of settling the issue of Tibet’s status and mending relations between China and Tibet (Maxwell, 1971: 47). The Tibetans presented the conference with a written declaration of their independence, which protested against Chinese actions in Tibet, renounced the Anglo-Chinese Convention of 1906, and proclaimed the Dalai Lama as the ruler of Tibet (Lamb, 1966: 478-9).

The Simla Conference resulted in a treaty which is arguably at the root of all the modern Sino-Indian border problems: the Simla Convention of 1914\(^9\). This resulted in the delineation of the Indo-Tibetan border, which became known as the McMahon Line, after Arthur Henry McMahon, the British plenipotentiary and chairman of the Simla Conference (Mehra, 1985: 419). The McMahon Line’s controversy and ongoing political implications means that there is a substantial amount of literature on the subject, most notably by British historian Alastair Lamb,

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\(^8\) Also known as Shimla.

\(^9\) Not to be confused with the Simla Agreement, which was signed in 1972 between India and Pakistan and cemented the Line of Control in Kashmir.
yet the topic is also strangely absent from some works, such as Mehra’s *Dictionary of Modern Indian History 1707-1947* (though there is a small section on McMahon himself). Lamb’s two-volume work (1966) provides a detailed overview of Indian-Chinese-Tibetan relations from 1904 to 1914, and in spite of being written in the 1960s, is still one of the most comprehensive works available on this topic.

The British aim at Simla was to get the Chinese to agree to the division of Tibet into Inner and Outer Tibet; the Chinese would maintain suzerainty over the whole region but would have no administrative power in Outer Tibet, thus maintaining the buffer zone around the Indian border (Maxwell, 1971: 47). However, although the Chinese representative, Ivan Chen (Chen I-fan), was persuaded to initial, rather than sign the document, this was immediately repudiated by his superiors in Beijing; McMahon went on to sign a joint declaration bilaterally with the Tibetan representative, because instructions from London to the contrary did not reach him in time (Maxwell, 1971: 48-9). The joint declaration acknowledged that the redrafted convention would be binding on both the British and Tibetan governments (Maxwell, 1971: 49).

Lamb notes that the Chinese saw the Simla Convention as yet another “unequal treaty” akin to those which had been forced on them after the Opium Wars, hence their refusal to sign (Lamb, 1966: 529). He quotes a Chinese Communist version of the Simla Conference from 1959, which discusses how “the British imperialists lost no time in inciting their protégés, the reactionaries of the upper social strata in Tibet, to stage a revolt…Hand in glove with the Tibetan reactionaries, they engineered the Simla Conference in 1913-14…At the Conference, the British terms were deliberately designed to annex Tibet and extend its colonial rule there through the colonial government in India” (*Concerning the Question of Tibet* in Lamb, 1966: 529).

The passage of time has done nothing to blunt these sentiments; if anything, the current Chinese government appraisal of the situation is even more acerbic than the 1959 version:

In the early stage of the founding of the Republic, the political situation of China was turbulent…Taking advantage of this chaotic situation of China, the British imperialists plotted to grab Tibet and separate it from China. In 1914 Britain hatched single-handedly the Simla Conference, concocted “the Simla Convention”, openly
divided our Tibetan areas into “Inner Tibet” and “Outer Tibet” and tampered with China’s sovereignty over Tibet into “suzerainty”. This “convention”, which gravely violated the sovereignty of China, should naturally be opposed by the Chinese Government. On July 3, 1914 Ivan Chen, the chief delegate of the Chinese government, was instructed to refuse to affix his signature on the formal text of the “Simla Convention” and stated that “The Chinese Government would not recognize any agreement or similar documents between Britain and Tibet today or some other day.” The British scheme hence failed. After the Simla Conference, the British imperialists were not reconciled to their failure, and continued to play with conspiracies and provoked incidents so as to attain their designs (Embassy of the People’s Republic of China in Sweden, n.d.).

The fact that the Chinese government refused to sign the Simla Convention is what gave rise to the present border tensions. The Chinese argued at the time, and indeed still argue today, that Tibet had no authority to sign the convention, being under the suzerainty (or, according to the present Chinese government, the sovereignty) of China (Maxwell, 1971: 49). Furthermore, the Chinese now argue that since India has been independent since 1947, any agreement made by British India no longer stands. Thus the Chinese-recognised border is the old Outer Line, which is the southern border of the now-Indian state of Arunachal Pradesh, while the McMahon Line is the northern state border and the international border recognised by India.

The agreement between Tibet and Britain at Simla, which resulted in the McMahon Line, was initially kept secret because it contravened both the Anglo-Chinese Convention of 1906 (which stated that Britain would not annexe Tibetan territory) and Anglo-Russian Convention of 1907 (which stated that Britain was “not to enter into negotiations with Tibet except through the intermediary of the Chinese Government”) (Maxwell, 1971: 49-50). The outbreak of the First World War just a few weeks after the closing of the conference in 1914, however, meant that the border issue became a much lower priority for London and New Delhi over the next few years (Maxwell, 1971: 50). In 1919 Britain tried to bring China back to the negotiating table with the threat of recognising Tibet’s autonomy (though still under Chinese suzerainty) if they did not attend (Maxwell, 1971: 50). Although the Chinese did not refuse outright, they did not agree to attend, and consequently Britain began offering military aid, in the form of arms, ammunition and training, to Tibet (ibid). In spite of previous threats, however, Britain did not challenge Chinese suzerainty, nor
make public any of the details of the Simla Conference such as the draft convention and the secret agreement signed between Britain and Tibet making the convention binding (Maxwell, 1971: 51). The McMahon Line itself faded into ignominy; no attempt was made to enforce it and the Indian state government in Assam was not told of the change and so continued to believe that its territory ended at the Himalayan foothills, rather than continuing to the peaks as per the McMahon Line (ibid).

It wasn’t until 1935 that the McMahon Line was remembered and revived by Olaf Caroe, a deputy secretary in New Delhi, who unearthed it while examining the border status as part of a dispute with the Tibetans over the unauthorised entry of a British botanist, F. Kingdon Ward, into Tibet (Maxwell, 1971: 54-5). Caroe began to urge that the full text of the 1914 Simla Convention be published immediately in C.U. Aitchison’s A Collection of Treaties (generally known as “Aitchison’s Treaties”), which was the authoritative record on such matters (ibid), in order to counter what he saw as a resurgent Chinese influence in Lhasa (Lamb, 1989: 242). The original 1929 edition of Aitchison’s Treaties mentioned the Simla Convention but noted only that a tripartite conference had taken place, that a convention was drawn up and initialled, and that the Chinese had refused to sign (Maxwell, 1971: 54-5). Now the British government in London agreed to publish the full text of the Simla documents in a new edition of Aitchison’s Treaties, but in order to do so “unobtrusively” and “with the minimum publicity,” the new edition, although published in 1937, was backdated to 1929 and all original 1929 editions (except for one which now resides in the Harvard University library) were destroyed (Maxwell, 1971: 55). Maxwell notes that this was really a safeguarding measure:

This falsification of evidence by the British Government looked to its arguing one day that it had regarded the Simla Convention as valid ever since 1914, and had therefore published the documents in the normal way in the first edition of Aitchison’s Treaties after the conference. (Just this claim was in fact made in 1960, by independent India) (Maxwell, 1971: 55).

At the same time, in 1937, the McMahon Line began to appear on Survey of India maps as the official north-eastern border of the country, with the only

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10 India’s central agency in charge of mapping and surveying.
concession to its disputed status being the marking "undemarcated" (Maxwell, 1971: 55).

The following decade tends to be glossed over in much of the literature, most probably because both China and India were preoccupied with other issues, and although some skirmishes occurred, these were minor\textsuperscript{11}. In the 1930s China was not only involved in a civil war, but was also invaded by Japan in 1931, an occupation which lasted until the defeat of the Japanese at the hands of the Allies in 1945 and which was followed by a second bloody civil war (Yang, 1987: 407). Likewise, the outbreak of the Second World War in 1939 meant that London no longer had time for worrying about a relatively minor Indian border issue. In 1947 India finally gained her independence from Britain after a long struggle, and shortly afterwards, in 1949, the Chinese Communist Party routed the Nationalists (Guomindang or Kuomintang) and the People’s Republic of China was proclaimed. Britain departed India with the boundary issue still unsettled; the McMahon Line was still unrecognised by the Chinese and effectively ignored by the Tibetans, and although agreements had been reached with Nepal and Bhutan, the western sector of the boundary was effectively left for the new states of India and Pakistan to sort out\textsuperscript{12} (Maxwell, 1971: 63).


With Indian independence came a change of perspective. As Maxwell notes, during the colonial period borders were negotiated in accordance with the political and strategic impact this would have on Britain’s other interests, or the government in London: “The national interests of Indians were not a factor in British calculations, except in so far as it occurred to Englishmen that it would not do for the people they ruled to come into unsettling contact with either Russians or Chinese across the borders” (Maxwell, 1971: 67). Now, however, the borders and the territory they enclosed began to be specifically tied to national identity in a way they never had

\textsuperscript{11} For details of the minor incursions and expeditions that marked this period see Maxwell (1971), Lamb (1966 vol 2) or Lamb (1989).

\textsuperscript{12} Yuan-yun Yang (1987) provides an in-depth account of Sino-Indian-Tibetan relations between 1947-49, when India was newly independent and China was transitioning from a Nationalist to Communist government, and the power plays that occurred during this time, including a Tibetan claim on Indian border territory, contrary to the McMahon Line, in 1947 (Yang, 1987: 410).
before; they now enclosed “the sacred soil of the motherland” (ibid). Independent India continued its border policies and relations with Tibet along much the same lines as Britain, including retaining its mission in Lhasa (Maxwell, 1971: 67). India also supplied arms to the Tibetans when they expelled Chinese forces in mid-1949 as the Nationalist government was gasping its dying breaths; the Tibetans were fighting to get formal international and legal recognition of the de facto independence they had been experiencing since 1911 (Maxwell, 1971: 68).

The Chinese Communists, however, did not take kindly to India’s continued support of Tibetan independence, and even before they came to power they had denounced India and its Prime Minister, Jawaharlal Nehru, for holding “imperialist designs for the annexation of Tibet” (Maxwell, 1971: 69). In addition, the departure of the British Raj had triggered a shift in the regional balance of power. Britain had extensive military and economic power based outside the subcontinent which they could (and did) bring to bear on recalcitrant players, but India lacked this leverage. As Maxwell writes:

The withdrawal of British power from the sub-continent in 1947 prepared the way for a reversal of the balance that had existed across the Himalayas; the emergence in China of a strong central authority, with the establishment of the People’s Republic in 1949, confirmed the shift (Maxwell, 1971: 70).

China quickly began to flex its new power, and on 7 October 1950 more than 30,000 troops from the People’s Liberation Army entered Tibet, with one force coming from the east, while a second contingent crossed Indian-claimed territory in the Aksai Chin\textsuperscript{13} to enter from the west (Rowland, 1967: 52). The town of Chamdo fell on October 19 and the Commissioner General\textsuperscript{14} of Kham Province, Ngapo Ngawang Jigme, fled but was intercepted and forced to surrender (Rowland, 1967: 52; Lamb, 1989: 522). From the moment military action was flagged in January 1950 (Sandhu, 1988: 86), New Delhi was quick to condemn what it called the Chinese “invasion”, but China responded cuttingly with a line that has changed little over the ensuing decades:

\textsuperscript{13} The Aksai Chin is a disputed region on the border of the Indian state of Jammu and Kashmir and the Chinese provinces of Xinjiang and Tibet. Although still claimed by India, it is administered by China.

\textsuperscript{14} Also referred to in some sources as Governor.
Tibet is an integral part of China, and the problem of Tibet is entirely a domestic problem of China. The Chinese People’s Liberation Army must enter Tibet, liberate the Tibetan people, and defend the frontiers of China (in Maxwell, 1971: 70).

In spite of its objections, however, India knew that it did not have the ability to intervene militarily in Tibet, though some sources indicate that the US was quietly prepared to provide air transport aid should India need it. Neville Maxwell believes that this offer was most likely made because the US was fighting the Chinese in the Korean War at the time and wished to weaken them by opening up a second front (Maxwell, 1971: f.n.71-2).

At the end of 1950 the Tibetan issue was formally raised in the United Nations by El Salvador, but discussion was stymied by India, Britain and the US; the debate was adjourned while “India and China sorted things out,” and thus the situation remained unresolved for many years (Lamb, 1989: 523). India had decided that friendly relations with China were more important than the “lost cause” of Tibetan independence, and their protests gradually softened; in response the Chinese declined to make a public issue of India’s initial objections (Maxwell, 1971: 72).

In any case, the failure of the Chinese to sign the Simla Convention meant that “on paper, nothing had changed since the days of the Anglo-Chinese Convention of 1906...those nations sympathetic to the Tibetan cause found themselves unable to offer even a convincing legal defence for the [fourteenth] Dalai Lama, who fled to India [in 1959] as his predecessor, in similar circumstances, had done in 1910” (Lamb, 1966: 567-8).

1954 marked the formal recognition by India of China’s sovereignty over Tibet, when the two countries signed the Sino-India Agreement\(^\text{15}\) (Lamb, 1966: 232). India also relinquished all its extra-territorial rights in Tibet, abandoning the long-held position of maintaining Tibet as an autonomous buffer zone (Rowland, 1967: 85). The Agreement also laid down the Panchsheel\(^\text{16}\), or Five Principles of Peaceful Coexistence (Acharya, 2000: 173). The Five Principles were as follows:

1. Mutual respect for each other’s territorial integrity and sovereignty;

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\(^\text{15}\) Officially the *Agreement between the Republic of India and the People’s Republic of China on Trade and Intercourse between Tibet Region of China and India, signed at Peking on 29 April 1954* (full text in Lamb, 1966: 638).

\(^\text{16}\) Also spelled Panchshila, Panch Shila, Panch Sheela or Panch Sheel.
2. Mutual non-aggression;
3. Mutual non-interference in each other’s affairs;
4. Equality and mutual benefit;

On the surface, this agreement appeared to be a step towards a softening of bilateral relations. Lamb argues, however, that the fundamental problem with the 1954 Agreement was that both sides approached it with differing expectations and misunderstandings of the circumstances. Lamb accuses Nehru of believing that “pious phrases about the five principles of peaceful coexistence and the general atmosphere of Asian anti-imperialist solidarity would make the Chinese, without protest, accept an India-dictated boundary alignment,” in spite of the British sidelining the Chinese for years previously in their border negotiations with Tibet (Lamb, 1966: 232-3). Susan Shirk notes that “Nehru gave more than he got from Beijing, reflecting China’s greater ability and willingness to impose its will on Tibet and India’s desire not to antagonise China” (Shirk, 2004: 77). For their part, the Chinese held suspicions, later fuelled by the Dalai Lama’s flight to India, “as to the sincerity of Indian professions of a desire for peaceful coexistence and created in India a climate of opinion hostile to the Chinese” (Lamb, 1966: 233). In India the agreement was viewed with a high degree of criticism by some politicians, including the opposition deputy Acharya Kripalani, who accused China of having aggressive intentions, and India of selling out the Tibetans (Rowland, 1967: 86).

Nonetheless, the public reaction to the agreement was generally favourable (Rowland, 1967: 86), and in June 1954 the Chinese Premier Zhou Enlai visited India, which was reciprocated in October by the Indian Prime Minister Jawaharlal Nehru (Acharya, 2000: 174). It was during this latter visit that the phrase “Hindi-Chini bhai-bhai” (Indians and Chinese are brothers) was coined (Acharya, 2000: 174). Both the Panchsheel and “Hindi-Chini bhai-bhai” policies were roundly criticised by opposition parties in India, who felt that Nehru was signing off on what essentially amounted to the destruction of Tibet, but the “superficial friendship” continued nonetheless (Sandhu, 1988: 97-8).

Although up until this point most of the border tensions had existed over the eastern stretch, the western region of Aksai Chin now became the focus. In 1956 the Chinese began the construction of a highway (later known as China National
Highway 219) which stretched from Xinjiang province to Tibet through the Aksai Chin17 (Shirk, 2004: 77). Lamb notes that, in spite of disputing the occupation of the territory, India did not actually administer the Aksai Chin in any way, and consequently after the building of the road the region effectively passed into Chinese hands (Lamb, 1966: 587). Nevertheless, the Aksai Chin continued to be a volatile area – not helped by the fact that the rest of Jammu and Kashmir was the subject of an ongoing and often violent dispute between India and Pakistan – and subsequently provided one of the flashpoints for the 1962 Sino-Indian conflict.

Matters were further complicated with the Lhasa Revolt of 1959 (Prinsheim, 1963: 474). An underground Tibetan resistance movement had been operating since the Chinese takeover and by 1958 the insurgency “had reached dangerous proportions” (Rowland, 1967: 102). In addition, the Chinese had invited the Dalai Lama to a “theatrical performance” on March 10; this was believed to be a ruse to kidnap the Dalai Lama as “four high lamas had [previously] been invited to parties by Chinese military commanders and had never been seen again,” and rumours to this effect spread throughout the capital (Rowland, 1967: 106). Thus, on 10 March 1959, thousands of Tibetans surged towards the Dalai Lama’s summer palace of Norbulingka and, in spite of the Dalai Lama’s urging, the crowds would not disperse; further anti-Chinese protests were held throughout the subsequent days and Tibetan independence was (futilely) declared (Rowland, 1967: 106-7). A week after the protests began the Dalai Lama fled to India after the Chinese shelled his residence at Norbulingka Palace (Rowland, 167: 111). Over the following weeks the Chinese forces systematically crushed the Tibetan resistance, with Zhou Enlai announcing the dissolution of the Tibetan parliament on 28 March, to be replaced with direct Chinese rule (Chen, 2006: 54). On 31 March the Dalai Lama crossed the McMahon Line border into India (Rowland, 1967:113); he was subsequently followed by thousands of Tibetan refugees (Chen, 2006: 54). In the northern autumn Chinese and Indian troops clashed along the McMahon Line border in a precursor to the Sino-Indian War (ibid).

Colonel Gautam Das (ret’d.) contends that India had a chance to resolve the border issue at this point, in 1959-60, when the Chinese first raised it (Author interview with Gautam Das, December 2009). An attempt at resolution was made

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17 This highway was strategically important because it would allow the rapid movement of troops between the restive provinces of Xinjiang and Tibet.
during a visit by Premier Zhou Enlai to Delhi from 19-25 April 1960, when Zhou proposed “reciprocal acceptance of realities in both sectors” (Zhou in Garver, 2001: 101); in other words, an east-west swap. Under this plan China would gain control over the Aksai Chin (the western sector) in return for recognising India’s rights to Arunachal Pradesh (the eastern sector).

This deal, however, proved unacceptable to India. In the words of diplomatic documents from the time, “the talks…did not resolve the differences that had arisen and the two Prime Ministers decided that officials of the two Governments should examine the factual material in the possession of the two Governments in support of their stands” (Ministry of External Affairs, 1961a:1). The committee, consisting of five Indian and four Chinese officials, met three times throughout 1960, in Beijing, Delhi and Rangoon, with both sides producing reports of the discussions for their respective governments (ibid).

The contents of these reports – which are available in the Nehru Memorial Library in Delhi – illustrate how intractable the border problem was and indeed still is, with the two sides unable to agree even on the basic tenor of the talks, such as whether the border had ever been officially delimited (no, according to China; yes, according to India). Consequently no resolution was reached at the 1960 talks which, with hindsight, was really the last opportunity to affect an agreement before relations broke down completely.

Neville Maxwell contends that the failure to reach a resolution was in the main due to India’s refusal to negotiate. In a seminar entitled “Renewed Tension on the India-China Border: Who’s To Blame?” held in August 2009 at the Australian National University in Canberra, Maxwell debated the sources and possible solutions to the Sino-Indian border dispute with Dibyesh Anand, an associate professor in international relations at Westminster University. Maxwell, who remains unfalteringly supportive of China, claims that after the creation of the PRC in 1949, China went out of its way to resolve its borders with all of its fourteen neighbouring states, twelve of which were amicably agreed upon (the exceptions being India and the USSR, the latter of which was resolved with the Russian Federation in 2005), while India staunchly refused to negotiate, a stance which it still holds today (Maxwell and Anand, 2009). The current Indian view, however, is that “While India has exercised great restraint and flexibility to arrive at a mutually acceptable solution, Beijing has not shown much interest in resolving the dispute” (Khosla, 2009), though this comment,
incidentally, does not tally with sources from the early 1960s. In diplomatic correspondence from Beijing to New Delhi in February 1961 regarding the tri-junction border between China, India and Burma, the Chinese reiterated their willingness to negotiate:

*Memorandum given by the Ministry of Foreign Affairs, Peking to the Embassy of India in China, 21 February 1961*

...In view of the fact that the Sino-Indian boundary has never been formally delimited and there is now a dispute between China and India and that, moreover, what is in dispute is not the question of the location of individual points on the boundary but involves the question of large tracts of territory, the Chinese Government has always hoped to hold friendly consultations with the Indian Government on the basis of the Five Principles of Peaceful Co-Existence and in a spirit of mutual understanding and mutual accommodation, so as to seek a reasonable settlement of the boundary question. This has been the consistent stand of the Chinese Government in the past and present, nor will it change in the future. The Chinese Government belies that, by this approach, the entire boundary question between China and India can be settled and, along with it, the question of the tri-junction of China, India and Burma will be finally decided (Ministry of External Affairs, 1961: 21-22).

In March of the same year, the Indian Government responded with the following correspondence:

*Note given by the Ministry of External Affairs, New Delhi, to the Embassy of China in India, 30 March 1961*

...It may further be re-affirmed that while the Government of India remain pledged to the promotion of friendly relations with the Government of the People’s Republic of China, they cannot accept that the common, traditional boundary is a matter for negotiations, for, as has been stated, the traditional boundary stands defined without the necessity of further or formal delimitation (Ministry of External Affairs, 1961: 23).

This was not taken kindly by the Chinese, and the breakdown of relations became increasingly evident throughout 1961. Although in their next correspondence,
in May, the Chinese reiterated their offer to negotiate, they also made some rather pointed comments about the Indian Government’s intransience:

*Note given by the Ministry of Foreign Affairs, Peking, to the Embassy of India in China, 4 May 1961*

...However, it must be pointed out that, so long as the Indian Government does not give up its attitude of refusing to negotiate and trying to impose its views on others, the Chinese Government will absolutely not retreat an inch from its stand on the questions of the Sino-Indian boundary and of the tri-junction of China, Burma and India. The Indian Government will never succeed in its unreasonable tangling (Ministry of External Affairs, 1961: 26).

Although it is going too far to lay blame for the conflict solely at the feet of India, as Maxwell does, there was a certain stubbornness on the Indian side which doubtless contributed to the worsening of relations. The Chinese were serious about resolving their border issues, but wished to do so on their own terms, while documents from the time show that India had an adamant belief in its own righteousness and refused point-blank to stoop to negotiation. This clinging to the moral high ground was to have tragic consequences.

*Himalayan Hell: The 1962 Sino-Indian War*

The Sino-Indian War began on 8 September 1962 when the Chinese crossed into the North-East Frontier Agency (NEFA, now Arunachal Pradesh) and attacked the Indian border post at Dhola, alleging that the Indians had already violated the McMahon Line (Mehra, 1989: 91). This was the first time the conflict flared along the McMahon Line, though there had been some fighting in Ladakh around the Aksai Chin region, inflamed by Sino-Pakistani border talks, which the Indians alleged were aimed at undermining their position in Kashmir (ibid). These skirmishes continued throughout September and into October.

On 12 October Prime Minister Nehru made a statement in which he allegedly said that he had “ordered the army to throw the Chinese out”; this statement is often blamed for adding to the tension and provoking the Chinese to unleash their full-scale invasion the following week (Mehra, 1989: 92). Mehra, however, concludes that
Nehru was taken out of context, and that the importance of this incident has been greatly exaggerated (ibid).

In any case, on 20 October the Chinese launched a full-scale offensive all along the frontier, from Ladakh to NEFA, arguing that it was a pre-emptive strike against Indian aggression (Mehra, 1989: 92). This was significant because it moved the conflict beyond the disputed areas and into Indian territory: “The Chinese attack ceased to be an attempt to assert a claim to disputed territory, and became an invasion of India” (Retzlaff, 1963: 98). The Indian force was gravely under-prepared and crumbled before the Chinese onslaught (ibid). India had expected help from the Soviet Union, but as the war coincided almost exactly with the Cuban Missile Crisis, the USSR sided with China, feeling that they needed a Communist ally should the Cuban crisis not go their way (Rowland, 1967: 167-8). India also sought help from other countries in the Non-Aligned Movement\(^{18}\), of which it was a leader, but, as Rowland writes, “New Delhi found to its dismay that non-alignment could apply to the Sino-Indian hot war as well as to the East-West cold war” (Rowland, 1967: 168). Western countries such as the US, Britain and Canada pledged military support, which Nehru gratefully accepted, though he claimed that the Indian non-aligned position was still valid (i.e. India would accept arms from both East and West) (Rowland, 1967: 168-9).

The fighting lasted for just over a month, with the Chinese declaring a unilateral ceasefire on 21 November (Mehra, 1989: 92). Statistics released by the Indian government on 29 October had between 2000 and 2500 Indian soldiers killed during the first week of fighting, with 1102 held prisoner, 291 wounded and 5174 missing and presumed dead (Rowland, 1967: 169). On 8 November the Chinese proposed a ceasefire agreement whereby both parties would withdraw twenty kilometres behind the positions held on 7 November, 1959. This meant that the Chinese would withdraw back behind the McMahon Line, but they would maintain control of Indian-claimed territory in Ladakh, including the strategically important Aksai Chin road linking Xinjiang and Tibet (Rowland, 1967: 170-1). This was

\(^{18}\) As one of the founders and leading countries (the others being Yugoslavia, Egypt, Ghana and Indonesia) in the Non-Aligned Movement, which grew out of the 1955 Bandung Conference and was officially established in 1961, India saw itself as a de facto leader of the developing world in its struggle against colonialism, bloc politics and the interference of the two great powers. Throughout the Cold War, however, China also saw itself as an ideological leader of the Third World, particularly revolutionaries in Africa, Latin America and South-East Asia (Mitchell, 2007: 109). This rivalry over leadership of the developing world underlay and perhaps contributed to the tensions in the Sino-Indian relationship throughout the Cold War.
initially rejected by the Indians, but after another fortnight of fierce fighting the Chinese surprised everyone by announcing a unilateral ceasefire and the withdrawal of troops from 1 December to the positions held on 7 November, 1959 (Rowland, 1967: 172). The Chinese also added that, provided the Indian government take corresponding measures, the two parties could meet to discuss troop withdrawal and an end to hostilities (ibid). Militarily weakened, and with the rest of the world supporting all measures to solve the conflict, India was in no position to argue.

In December 1962 six non-aligned nations (Ceylon, Burma, Cambodia, Indonesia, the United Arab Republic and Ghana) met in Colombo to try to broker a formal peace deal, but their lack of condemnation of the Chinese invasion incensed India (Retzlaff, 1963: 100). India nevertheless accepted the Colombo proposals, but China rejected them, insisting on a “unilateral implementation” of its 21 November 1962 statement; consequently the talks broke down and nothing was resolved, even in subsequent bilateral meetings (Mehra, 1989: 93-4).

Sino-Indian relations did not begin to normalise until the mid-1970s; a turning point was the resumption of formal ambassadorial relations in 1976 (Jain, 2004: 255). Gautam Das describes the period between 1962-76 as a period of “cold peace” rather than cold war, and notes that “Sino-Indian relations after 1962 are, in substance if not chronology, Sino-Indian relations after 1976” (Das, 2009: 209)\(^\text{19}\).

The interim decade, however, was marked by significant changes in both countries. Indian Prime Minister Nehru died in 1964 and was replaced by his daughter, Indira Gandhi, who brought what Jain calls “a hard realism” to Indian defence and foreign policy (ibid). In 1965 India and Pakistan fought the Second Kashmir War\(^\text{20}\) in which China supported Pakistan because of fears of a US-Soviet-Indian conspiracy to dominate South Asia and encircle China (Shirk, 2004: 78). India and Pakistan clashed again in 1971 over the independence of Bangladesh (then East Pakistan). Earlier that same year India had signed a Treaty of Peace, Friendship, and Cooperation with the Soviet Union, which led to both the US and China voicing their support for Pakistan in the Bangladesh War of Independence\(^\text{21}\) (Heitzman and Worden, 1995). This was the height of the Sino-Soviet split, and also the year that the PRC replaced the

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\(^{20}\) The First Kashmir War was in 1947-48.

\(^{21}\) Also known as the Bangladesh Liberation War or the 1971 Indo-Pakistani War.
Republic of China in the United Nations and as a permanent member of the UN
Security Council (Perry and Selden, 2000: 2).

China, meanwhile, was in the grip of the Great Proletarian Cultural Revolution,
which lasted from 1966 to the death of Mao Zedong in 1976 and caused massive
internal turmoil. At the same time, India’s first-ever nuclear test – held in 1974 and
known as “Pokhran” after the site where the test was conducted22 – resulted in the
Chinese signing a nuclear arms deal with Pakistan in 1976, though it was not acted
upon until 1981 (Shirk, 2004: 79).

The relationship experienced a thaw after Deng Xiaoping assumed power in
China in the wake of Mao’s death, particularly from 1979 when he began to
implement economic reforms (Shirk, 2004: 80). Shirk notes, however, that China
made overtures to India not out of any particular interest in India itself, but as part of
its greater strategy of developing stable relations along its borders:

Deng recognised that to concentrate on economic modernisation, China needed
a peaceful, stable environment, which in turn would require a reorientation of China’s
foreign policies. For the first time in China’s modern history, the country developed a
coherent, integrated Asia regional policy, consisting of pragmatic relations with the two
superpowers and improved ties with all the countries on its periphery (Shirk, 2004: 80).

The process of rapprochement continued, with the then Indian foreign minister
A.B. Vajpayee visiting Beijing in 1979, but the trip was cut short when China invaded
Vietnam (which India regarded as a friend), causing a serious obstacle to the
continued normalisation of relations (Jain, 2004: 256). In 1980, Deng Xiaoping
 unofficially reiterated Zhou Enlai’s offer of 1960 to exchange control of the Aksai
Chin for Arunachal Pradesh, in what Garver sees as an extension of China’s strategy
of resolving its international conflicts (Garver, 2001: 102). Once again, however,
India was not interested in exploring the swap deal (ibid). Consequently, in 1981,
after the Soviet invasion of Afghanistan, China acted on its 1976 agreement and
began selling nuclear weapons to Pakistan, which naturally caused a lot of
consternation in India (Shirk, 2004: 80).

The mid- to late 1980s, however, saw a renewal of bilateral contact; between
1981 and 1987 eight rounds of talks about the disputed border were held, though no

22 India’s second nuclear tests, in 1998, were held at the same site and became known as “Pokhran-II”.

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resolutions were reached (Acharya, 2000: 182). In August 1984 a trade agreement was signed between the two countries, granting each other most-favoured nation (MFN) status (Jain, 2004: 256). In 1985, however, China finally withdrew its unofficial exchange deal by reasserting its claim to the eastern sector of the border, in a move that shocked India (Garver, 2001: 104). Subsequently, a year later India granted full statehood to the contentious area of Arunachal Pradesh; the Chinese objected to India's claim that Arunachal Pradesh was an integral part of its territory, and a border clash erupted following a Chinese incursion into the area, which derailed reconciliation efforts (Jain, 2004: 257). This was third major military incident that occurred between 1962 and the present, not counting the rising tensions and associated military build-up on both sides that occurred in 2009, discussed further in Chapter 2. The first two clashes were in September and October 1967 respectively in Sikkim (Das, 2009: 126; 214), which China eventually recognised as a state of India in 2003 in return for India's acknowledgment of Tibet as part of China (BBC, 2003).

In 1988, however, there was a turning point in the Sino-Indian relationship, in particular because of Indian Prime Minister Rajiv Gandhi’s visit to Beijing, which made him the first Indian Prime Minister to visit China since Nehru in 1954 (Jain, 2004: 257). Gandhi’s visit marked the end of the impasse on the border issue which had lasted for most of the 1980s; the two sides agreed to maintain peace and stability along the Line of Actual Control (LAC) in Arunachal Pradesh (roughly equivalent to the McMahon Line), and they also agreed to set up a Joint Working Group (JWG) to help defuse the border issue (ibid). In addition, India agreed to curtail the anti-China actions of Tibetans in India (Shirk, 2004: 81), a stance which was also evident twenty years later during the anti-China protests in Delhi which surrounded the 2008 Olympic torch relay. According to Das, “the decade that followed the Rajiv Gandhi visit up to the 1998 Indian nuclear explosions (Pokhran-II) has been the most cordial phase of Sino-Indian relations after 1962” (Das, 2009: 218). It was also during this time that both countries also began to implement economic reforms – China in 1978 and India in 1991 – which impacted greatly on the normalisation of the relationship, and which will be discussed further in Chapter 2.

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23 For a detailed analysis of these three border clashes please see Das, 2009: 215-17.
Conclusion

There are still serious points of tension in the Sino-Indian relationship, particularly regarding China’s relationship with Pakistan and India’s burgeoning relationship with the US, both of which will be discussed in detail in Chapter 2. The end of the Cold War, however, coinciding as it did with the beginning of phenomenal economic development in both countries, was arguably the point at which the Sino-Indian relationship began to move away from being structured purely around geopolitical rivalry and armed conflict. It is natural and understandable, given the history of China-India relations throughout the twentieth century, that conflict and rivalry still tend to be seen as the defining forces in the relationship. Understanding the historical context of the Sino-Indian relationship, and particularly the 1962 war, is vital to an examination of the contemporary relationship in that it illustrates the rivalry on which the relationship is built. The 1962 conflict also continues to inform views of China in certain sections of the Indian defence and strategic establishments. Now, however – and particularly in the last decade since the September 11 attacks rattled the world order and made South Asia (specifically Pakistan and Afghanistan) a major focus of international attention – the relationship has become far more complex and has in many contexts moved away from the traditional adversarial stance, as the rest of this thesis will show.
Chapter 2 – Sino-Indian Relations after the Cold War:
Interdependence in South Asia and the India-China-Pakistan-US strategic quadrilateral

Although the Sino-Indian relationship has never returned to the depths seen in the aftermath of the 1962 war, relations continue to be fragile, with various periods of thaw and tension throughout the 1990s and 2000s. Although the status quo has remained relatively peaceful since the end of the Sino-Indian War – with various minor skirmishes over the years but no full-scale conflict – there is still an enduring rivalry between the two at this regional level which impacts upon the relationship as a whole. There are signs, however, that the overall impact of this rivalry on the relationship is less serious than in the past. Whereas throughout the 1970s and 80s India declared that the Sino-Indian relationship would be unable to make any progress while the border issue remained unresolved, in the 1990s this policy was dropped and the relationship has since blossomed in various spheres, particularly trade. The rivalry over the border issue still exists and continues to present difficulties in the relationship, but it no longer defines it in the way it used to. Indeed, the complex regional politics between China, Pakistan, the US and India in South Asia, particularly with the added complicating factor of Afghanistan, is of at least as much concern as the border issue. These concrete political problems are further complicated by wider perceptions of the Sino-Indian relationship within the two countries; some positive – such as those developed through Track-II dialogues – and some negative, such as the vast majority of media reports. Interestingly, although both the Chinese and Indian media present overwhelmingly negative views of the relationship, this is not mirrored to the same extent in relations between the two governments.

This chapter will examine the major ongoing issues in the regional Sino-Indian relationship which present a serious challenge for the two countries’ politicians and diplomats, particularly the border dispute and the Kashmir issue, in which China is involved by virtue of its relationship with Pakistan, and the growing India-China-Pakistan-US strategic quadrilateral operating in South Asia. It will broadly explore the origins of the major issues in the relationship and the possibility for reconciliation at a
regional level, because South Asian regional tensions lie at the heart of problems in the Sino-Indian relationship.

This examination will begin by tracking the evolution of the relationship from the late 1980s to the present day, as Indian Prime Minister Rajiv Gandhi’s historic visit to Beijing in 1988 is generally seen to be the major turning point in Sino-Indian rapprochement after twenty-five years of frosty relations. It will look at the two major points of tension in the relationship – the disputed border and Pakistan – and will place these within a greater South Asian regional context. Finally, the latter part of this chapter will look at the issue of perception in the context of Chinese and Indian people-to-people contacts and media reports. This is important because it is shaping the context in which the regional Sino-Indian relationship is operating, particularly at times of heightened tension, as seen during the border skirmishes of 2009.

“Perception” is by its very nature a difficult term to define. It may, to a certain extent, be quantified by the results of an opinion poll or the content analysis of a particular type of media, but both of these methods are questionable in their effectiveness. The perceptions I refer to in this chapter are the result of knowledge gained during fieldwork interviews and the reading and viewing of Chinese and Indian media. This chapter does not seek to provide a definitive study of opinions of China in India and vice versa based on surveys or similar methods, but rather presents competing opinions espoused by policy-makers and analysts in both countries; these opinions constitute a significant component of mutual perceptions, and coalesce to inform decision-making affecting the relationship. There is no single Chinese view of India or Indian view of China; rather individuals’ views are shaped by their own experiences and are often reproduced to determine a political view. Nationally, broad-spectrum Chinese and Indian views of each other are affected not only by the other country’s actions, but also by how they view themselves and their place in the world. This issue of perception is particularly a problem for rising powers, not only in how their words and actions are received by the international community, but also in how their image of themselves changes. As A.F.K. Organski notes:

A final danger is that too rapid a rise in power may go to the challenger’s head. A major spurt in power within a single lifetime may lead officials to compare their nation not with other nations, but with its own recent past. They can see the difference between what their nation was and what it is today; carried away with justifiable pride,
they may be led to think that they have already reached what their nation will be tomorrow. Impatient at the reluctance of other nations to realise how powerful they have become, they may fool themselves into thinking they are more powerful than they are, and in the flush of overconfidence, deliberately start a major war that cooler analysis would clearly reveal they have no chance of winning (Organski, 1968: 373-4, original emphasis).

In order to provide an overview of the complex issues which shape these perceptions, this chapter will examine the relatively new development of people-to-people connections through Track-II diplomatic dialogues, as well as looking at how the relationship is portrayed in the Chinese and Indian media. It will show that in people-to-people dialogues impressions of the relationship are generally much more positive, which is contrasted by the overwhelmingly negative views depicted in the media. The issue of perception will also be revisited in Chapter 5 in the context of how China and India view their places in the international system, and the impact this has on their wider interactions.

Consequently, this chapter will examine the changing dynamic of the Chinese and Indian strategic backyard and the issue of the border conflict, both in terms of concrete political issues and how these problems are perceived more widely. In doing so it will illustrate the regional context on which the wider relationship is built, and will also show that although strategic rivalry is by no means dead at a regional level, it no longer defines China-India relations but is rather one aspect of an increasingly multifaceted relationship between two rising powers.

*China and India in a post-Cold War World: Major points of tension in the regional Sino-Indian relationship, 1990-2011*

Following the resumption of diplomatic relations in 1976 and China’s subsequent reform and opening in the 1980s, Indian Prime Minister Rajiv Gandhi’s visit to Beijing in 1988 laid the foundations for what it was hoped would be a new period of constructive rapprochement in the Sino-Indian relationship, and, initially at least, this seemed to be the case. Zhao Gancheng, a South Asia specialist at the Shanghai Institute for International Studies, notes three major periods of rapprochement in Sino-Indian relations: The 1960-61 border negotiations, which came to an end with the 1962 war; the period following the normalisation of
diplomatic relations in 1976 and of which the Rajiv Gandhi visit was the high point, before relations again became fraught after the 1998 Indian nuclear tests; and the period following the 2003 visit of Indian Prime Minister A.B. Vajpayee to Beijing, which, in spite of some hiccups in recent years, he believes has not yet come to an end (Author interview with Zhao Gancheng, June 2010).

China’s relations with the rest of the world faced a massive setback in June 1989 when troops opened fire on student protestors in Tiananmen Square; nevertheless, the Chinese Vice-Premier, Wu Xueqian, visited New Delhi in October of that year as a reciprocation of Rajiv Gandhi’s visit to Beijing the year before (Jain, 2004: 257). This visit set the stage for a series of confidence-building measures on the border issue, such as mutual troop reductions, and visits by Chinese Premier Li Peng to New Delhi in 1991 and Indian Prime Minister P.V. Narasimha Rao to Beijing in 1993 helped consolidate these (Jain, 2004: 257-8; Heitzman and Worden, 1995). During the 1991 visit Li and Rao agreed that “the boundary question should not be allowed to obstruct cooperation in other areas of mutual interest,” which was formalised by the signing of a Trade Protocol for the promotion of cross-border bilateral trade (Jain, 2004: 257). The practical impact of this was the resumption of cross-border trade in July 1992, which coincided with the visit of Indian defence minister Sharad Pawar – the first ever visit to China by an Indian minister of defence (Heitzman and Worden, 1995). The next year, during Rao’s 1993 visit to China, the two countries signed the Agreement on the Maintenance of Peace and Tranquillity along the Line of Actual Control in the India-China Border Areas on 7 September (Jain, 2004: 258; Text of India-China Agreement, 2005).

These warm relations continued during the mid-1990s, and were further consolidated by Chinese President Jiang Zemin’s visit to India in 1996, where four mutual cooperation agreements were signed, the most significant of which was the Agreement on Confidence-Building Measures in the Military Field, which dealt with confidence-building measures along the Line of Actual Control (LAC) and agreed to a mutual downsizing of military forces in the area (Jain, 2004: 258; Shirk, 2004: 81). The Chinese legislature ratified the agreement in May 1997, and it appeared that a breakthrough in the tensions had finally occurred (Jain, 2004: 258).

This series of small steps forward, however, was followed by a giant leap backwards in 1998. From 27-30 April the People’s Liberation Army (PLA) Senior General Fu Quanyou visited New Delhi, the first visit to India by a PLA Chief of the
General Staff. Ten days before his arrival, however, the Indian Defence Minister, George Fernandes, publicly stated that he believed China was continuing to carry out border incursions into Indian territory (Shirk, 2004: 82). Fernandes’ provocative statements continued into May, after Fu’s departure, when he accused China of being India’s number one security threat, greater even than Pakistan, and this was followed on 11 and 13 May by India’s second ever nuclear tests, known as Pokhran II (ibid). The fact that the tests occurred before Fu had even arrived back in Beijing caused a huge loss of face for the Chinese, because they felt that after a decade of overtures to the Indians they had been callously rebuffed and humiliated, as Susan Shirk notes:

The timing undoubtedly humiliated General Fu and intensified the outrage of the Chinese government, the military in particular. According to one Chinese informant, the Indian tests were timed to pay back the Chinese for the embarrassment they had caused then-Foreign Minister Vajpayee when they had attacked Vietnam during his 1979 visit to China, forcing him to cut his trip short (Shirk, 2004: 82).

Nevertheless, the overall Chinese reaction to the tests was initially quite controlled, and might have remained so, had India not justified the tests by claiming they were in response to the “China threat” (Jain, 2004: 258). This was articulated in a letter from Indian Prime Minister Vajpayee to US President Bill Clinton, which was printed in the New York Times on 13 May24 (ibid; New York Times, 1998). The fact that the issue was given such a public airing caused another immense loss of face for the Chinese and they consequently reacted angrily, cancelling the next meeting of the Joint Working Group on the border issue (Jain, 2004: 258). Jain notes that India’s actions were “unwarranted and provocative...resulting in unnecessary tension with China” (ibid). As Zhou Gang, the newly-appointed Chinese ambassador to India at the time, put it:

24 The part of the letter which caused such offence in China read: “We have an overt nuclear weapon state on our borders, a state which committed armed aggression against India in 1962. Although our relations with that country have improved in the last decade or so, an atmosphere of distrust persists mainly due to the unresolved border problem. To add to the distrust that country has materially helped another neighbour of ours to become a covert nuclear weapons state. At the hands of this bitter neighbour we have suffered three aggressions in the last 50 years. And for the last ten years we have been the victim of unremitting terrorism and militancy sponsored by it in several parts of our country, specially Punjab and Jammu & Kashmir” (New York Times, 1998).
I arrived in India on 22 April 1998 and twenty days later they [India] conducted the nuclear test. The press joked that bombs welcomed the new Chinese ambassador. China had to respond because India used the China threat as a pretext… After the nuclear test the Chinese foreign ministry published a statement denouncing it, but after the China threat letter to Clinton China had no choice but to denounce it strongly and ask India to explain. [China] said that it could normalise relations only with “no threat” as a precondition. Even the Indian President [K.R. Narayan] didn’t agree about the China threat but the Indian politicians needed an excuse to justify the test and have less pressure from the international community (Author interview with Zhou Gang, June 2010).

This issue of the “China threat” still permeates relations today, with more than one Chinese interviewee claiming that the Indian military deliberately promotes China as a threat in order to encourage increased defence spending from the government, and that 1998 was one of the clearest examples of this (Author interview with Wang Dehua, June 2010; Author interview 2).

Further complicating the issue, Pakistan held its own nuclear tests on 28 and 30 May, 1998 (Shirk, 2004: 84). Although it was China who had provided Pakistan with nuclear technology in the first place, Chinese support for Pakistan had waned throughout the 1990s25, and China now pledged that it would not transfer missile technology to Pakistan because it was worried about the latter’s potential to become a failed state, and also about the technology ending up in the hands of Muslim extremists in Xinjiang (Shirk, 2004: 91-2). Shirk questions the veracity of this pledge, however, noting that “despite these commitments…China’s actual assistance to Pakistan’s missile program reportedly continues” (Shirk, 2004: 92).

After the Pakistani tests, China expressed concern about the potential for a South Asian arms race, and began to work closely with the US and UN to resolve the crisis and reinforce the global nuclear non-proliferation regime. At the time China was serving as president of the UN Security Council, and was proactive in setting up a meeting of the Permanent Five members which resulted in a joint communiqué, issued on 4 June 1998, “which laid out five benchmarks that India and Pakistan must meet to prevent a nuclear arms race and preserve the international non-proliferation regime, and which was endorsed by UN Security Council Resolution 1172…” (Shirk, 2004: 25 In 1990 China stepped back from its previous support of Pakistan, declaring that the Kashmir issue was for India and Pakistan to resolve bilaterally (Shirk, 2004: 81).
Although China’s motives at first appear altruistic, however, there is little doubt that it was acting very much in its own interests, not only because an arms race in South Asia would threaten regional stability (which is viewed as integral to China’s economic modernisation process), but also because it wanted to use the crisis to improve relations with the United States and the other Permanent Five members. China’s actions also involved sending a clear message to India about its place in the world:

In fact, the subtext of all China’s cooperation with other Permanent Five countries in reacting to the Indian tests was “We’re a global power, and you’re not” (Shirk, 2004: 85).

After the low point of the 1998 tests, relations began once again to normalise, in spite of a brief hiccup over Tibet when 14-year-old Ugyen Thinley Dorje, the 17th Karmapa Lama of the Kagyupa sect of Tibetan Buddhism, fled China for Dharamsala in January 2000 (Mattoo, 2000: 14), causing a strong reaction from the Chinese and the warning that by granting the Karmapa asylum India would be violating the Five Principles of Peaceful Coexistence (Das, 2009: 213).

Nevertheless, in February 2000 India and China concluded an agreement for China’s accession to the World Trade Organisation (Shirk, 2004: 86); in March India participated in the first ever Sino-Indian security dialogue in Beijing, and the Joint Working Group sessions resumed in April of the same year (Jain, 2004: 258). The following three years were marked by a host of reciprocal visits by Chinese and Indian dignitaries26. Although in 2003 the two sides signed the Declaration on Principles for Relations and Comprehensive Cooperation between India and China (Text of India-China Agreement, 2005), an incursion by Chinese troops into Indian territory occurred in Arunachal Pradesh shortly after Indian Prime Minister Vajpayee’s visit to Beijing. Vajpayee put this down to “differences in perceptions” regarding the Line of Actual Control, but some politicians and analysts took it much more seriously (Jain, 2004: 259). This incident shows that in spite of another gradual thawing of relations, the border question still remains a contentious issue in the Sino-Indian relationship. As Das notes:

26 For details see Jain, 2004: 258-9.
...The slight pressures along the border are kept up by the Chinese, most probably deliberately orchestrated, to keep India from feeling too sure of itself in any negotiations that it may be engaged in on the Asian or world stage. It may also be to keep a slight amount of pressure on India to keep thinking about how to resolve the border issue on a permanent basis, but to be negotiated and concluded when it suits the Chinese leadership (Das, 2009: 214).

These pressures are not necessarily full military confrontations; for example, both sides have been known to dump their rubbish on the opposite side of the Line of Actual Control (the McMahon Line) just to remind each other of their presence.

2005 heralded a major breakthrough in the question of the border dispute, with the two sides signing the Agreement on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question. This reaffirmed the three previous agreements signed in 1993, 1996 and 2003 and set down several important guidelines for the resolution of the boundary dispute, including:

**Article I**

The differences on the boundary question should not be allowed to affect the overall development of bilateral relations. The two sides will resolve the boundary question through peaceful and friendly consultations. Neither side shall use or threaten to use force against the other by any means. The final solution of the boundary question will significantly promote good neighbourly and friendly relations between India and China (Text of India-China Agreement, 2005).

This article is significant in that it charts one of the major changes in Indian policy that occurred during the 1990s. India’s consistent position had been that the relationship with China could not move forward until the boundary dispute was resolved; after the beginning of economic reform in 1991, however, and the start of India’s “rise”, it became clear that, as long as the status quo on the border remained peaceful, bilateral relations in other areas, particularly trade, could be developed.

In the wake of the signing of the Agreement there was a sense in both countries that the border issue was close to resolution; in the end, however, it seemed that the differences were still too great. Article X of the Agreement allowed for the two countries’ Special Representatives (Chinese State Councillor Dai Bingguo and former Indian National Security Adviser M.K. Narayanan) to “continue their
consultations in an earnest manner with the objective of arriving at an agreed framework for a boundary settlement, which will provide the basis for the delineation and demarcation of the India-China boundary to be subsequently undertaken by civil and military officials and surveyors of the two sides” (Text of India-China Agreement, 2005), but this has not yet happened. In some ways it is comparable with the negotiations which took place in 1960-61, where representatives of the two sides met to attempt to resolve the border dispute, but which were stymied by basic conflicts such as whether the border had ever been officially delimited, let alone its location. Although the 2005 talks presented much better prospects for resolution than their 1960-61 predecessors – which ended in war – a final deal was still unable to be resolved even with an unprecedented amount of goodwill on both sides.

As it turned out, 2005 was the high point of negotiations, with tensions over the border rising again in subsequent years. A particular point of tension was in 2006, when the then-Chinese ambassador to India, Sun Yixi, said only days before President Hu Jintao’s first and only visit to India that China now claimed the entirety of Arunachal Pradesh (as opposed to just Tawang):

In our position the whole of what you call the state of Arunachal Pradesh is Chinese territory and Tawang [district] is only one place in it and we are claiming all of that – that’s our position (Sun in Gangadharan, 2006).

Arguably the lowest point in recent times, however, came in 2009, with a series of minor conflicts along the border, including allegations in June by the Chief of the Indian Army, General Deepak Kapoor, of a Chinese helicopter violating Indian airspace near Ladakh (Krishnan, 2009a). There were also persistent rumours of Chinese troop incursions along the border, though both of these allegations were denied by the Chinese (ibid). The Indian government played down the issue, claiming that many so-called incursions around the McMahon Line stemmed from “different perceptions on both sides of the border of the extent of the Line of Actual Control” (ibid), but coupled with the translation of a controversial article from a Chinese website which alleged that China wanted to “Balkanise” or split India, such allegations only fuelled the rapidly-mounting hysteria in the Indian media and prompted retaliatory ultra-nationalistic postings on the Chinese internet.
The incident surrounding the translation of the Chinese article also highlighted the lack of understanding of China in the Indian media. The article in question, which was translated by the right-wing Chennai Centre for China Studies and promoted as the opinion of the Chinese government, recommended that China should attempt to encourage the splitting of the Indian Federation into smaller, ethnically-based nation-states, particularly by supporting the insurgency in Assam, which borders Tibet (Rajan, 2009). Naturally this caused concern in India, where the country’s voracious tabloids and twenty-four-hour television stations began baying for Chinese blood. In the immediate aftermath, however, it became clear that there was some confusion, though whether this was deliberate is impossible to say. D.S. Rajan, the head of the Chennai Centre for China Studies, alleged that the article came from the China International Institute for Strategic Studies, which he said was a Chinese government think-tank; it later emerged, however, that it was simply a post on a website with a similar name in Chinese but no government affiliation (Dasgupta, 2009).

Although the Chennai Centre for China Studies may have chosen such a controversial article to suit its own purposes, from the way it was seized upon by the media it became clear that there is little or no real media or public understanding of the diversity of views and complex foreign policy debates that take place in China. One of the few Indian journalists who tried to inject some balance into the furor, Ananth Krishnan, was subsequently turned upon by his colleagues in the media and on the internet. Krishnan is the current Beijing correspondent for The Hindu, a left-leaning newspaper which is often derisively nicknamed “The Chindu” or “The People’s Daily” in India for what is seen as its pro-China stance. However, such myopic views are somewhat mitigated at the highest levels of the Indian government by the presence of China experts such as National Security Adviser Shivshankar Menon and Foreign Secretary Nirupama Rao, and the two governments managed to defuse the situation relatively peacefully. In fact, as former counter-terrorism head of India’s Research and Analysis Wing (RAW) intelligence agency, B. Raman, wrote at the height of the 2009 border tensions, inter-governmental relations are not actually the root of the problem:

A dangerous hysteria has taken hold of India-China relations since the anti-Beijing uprising in Lhasa in March last year. This hysteria is not due to any actions or rhetoric by the two Governments, which have been conducting themselves in a
balanced and restrained manner... This hysteria has been the creation of some sections of the non-governmental strategic communities in the two countries (Raman, 2009a).

Seen in the light of history, the most recent serious incidents to affect the Sino-Indian relationship – the 2008 Tibet protests and the subsequent disruption of the Olympic torch relay throughout the world (including in Delhi), and the border skirmishes and associated negative media coverage throughout 2009 – are unlikely to cause permanent damage to the relationship. They do, however, highlight the fact that the border issue is still unresolved, and this is the real elephant in the room; most analysts agree that the Sino-Indian relationship will not be able to move forward in any meaningful way until this question is answered. As well as being rooted in political reality, however, a large element of the Sino-Indian conflict also stems from often misplaced perceptions; for example, when China expressed concern over the possibility of a South Asian arms race in the wake of the Indian nuclear tests in 1998, India interpreted this as being a pro-Pakistani stance (Jain, 2004: 258). In addition, both sides often articulate their stance on particular issues through the media, such as the vehement editorials that appeared in the People’s Daily during the 1971 Bangladeshi war of independence condemning India (Acharya, 2000: 178-79), or the various commentary that appeared from both sides in the wake of the 2008 Tibet protests. There is a feeling in some sections of the Indian strategic community that India should play the Tibet card more strongly against China by strengthening and supporting the Tibetan independence movement which is based in India, in order to better consolidate the status quo – which favours India – in the eastern sector of the border (Raman, 2009a). The danger with this, however, is that it would then encourage the Chinese to try to change the status quo in Arunachal Pradesh, or even do the same thing in relation to Kashmir by supporting Pakistan. It is arguably this escalation of rhetoric on both sides that poses the biggest threat to the stability of the Sino-Indian relationship, as Raman notes:

The danger of such hysteria is that it could acquire an uncontrollable momentum and take the two countries towards a precipice from where they may not be able to withdraw. Any confrontation as a result of this hysteria would damage the interests of both the countries. This hysteria has to be defused in time by the top leaderships of the two countries interacting with each other more frequently and more
directly than now and taking initiatives to remove wrong perceptions about each other. It is unwise for Indian analysts to talk of the Tibetan card. The international community has recognised Tibet as a part of China. While it will be sympathetic to any Tibetan attempts to free themselves of Chinese control, it will not support any Indian initiative or move in this regard. By frequently talking of the Tibetan card, we will only be adding to the suspicions and concerns in the Chinese mind. It is equally unwise for Chinese analysts to talk of the Arunachal Pradesh (southern Tibet as they call it) or the North-East card. The international community looks upon these areas as a part of India and will not support any Chinese move to change the status quo. Much of this hysteria will die down automatically if the two countries reach a border settlement. (Raman, 2009a).

In 2009 discussions were again held over the Sino-Indian border question, with the 13th Round of India-China Special Representatives talks held in Delhi from 7-8 August. The talks yielded no formal resolution on the border issue other than an agreement to set up a hotline between Indian Prime Minister Manmohan Singh and Chinese Premier Wen Jiabao, but other issues such as economics and trade, which are seen as integral to the broader bilateral relationship, were also discussed (Dikshit, 2009). In addition, India agreed to hold the Year of Friendship With China In India in 2010 (with a complementary festival to be held in China), which marked sixty years of diplomatic relations between the two countries (ibid) – though this anniversary conveniently ignored the decade and a half of suspended relations in the wake of the 1962 war. The hotline was originally proposed by the Chinese during a meeting between the Chinese and Indian leaders on the sidelines of the Shanghai Cooperation Organisation summit in June 2009, and was seen as a means of strengthening bilateral relations as outlined in the “Shared Vision for the 21st Century” joint document signed between Manmohan Singh and Chinese President Hu Jintao during the former’s visit to China in January 2008 (Dikshit, 2009).

In spite of the hotline establishment, however, it is questionable how much was really achieved at the talks. A post-meeting press release from the Chinese delegation talked of “a friendly and candid atmosphere”, an “in-depth exchange of views” with the result that:

Both [China and India] agreed to press ahead with the framework negotiations in accordance with the agreed political parameters and guiding principle so as to seek
for a fair and reasonable solution acceptable to both. Prior to that, both should work together to maintain peace and tranquillity in the border areas (The Hindu, 2009).

Stripped of diplomatic-speak, this is essentially an agreement to maintain the status quo while keeping the lines of communication open, and is a significant step back from the proactive stance of the 2005 agreement. While this is an important step, there is the ongoing perception, on the Indian side at least, that what the Chinese express in international and diplomatic contexts often does not tally with material intended for domestic consumption, and so it is difficult to ascertain China’s real agenda.

The only workable solution to the border issue is for India to recognise Chinese control over the western sector, the Aksai Chin, while in return China recognises India’s claim to the eastern sector, Arunachal Pradesh. The former poses less of a problem than the latter because the Aksai Chin is unpopulated and has been under Chinese control since the 1950s. Indeed, this solution, which would legalise the status quo, was actually proposed by the Chinese in 1959 but was rejected by the Indians (Fravel, 2008: 83-4).

The real sticking point is Tawang in Arunachal Pradesh, home to one of the most important monasteries in Tibetan Buddhism and claimed by China as an irrevocable part of Chinese Tibet. Raman contends that the Chinese claim to Tawang is for the most part a “face-saving formula” while India’s stance is that populated areas are not negotiable: “[Tawang’s] inhabitants are Indian citizens. No Indian political leader will be able to sell to the people and the parliament any concession which would involve any population transfer” (Raman, 2009a). Retired Indian ambassador Vinod C. Khanna agrees, but also points out that the Tawang issue is a relatively recent phenomenon:

Tawang only became an issue in the late 1990s. No Indian government can give away Tawang and survive. The easiest access to Assam is from there and the people there all regard themselves as Indians and speak Hindi (Author interview with Vinod C. Khanna, March 2010).

Raman notes, however, that part of the Chinese concern over Tawang could stem from fears that the area may be used by India, the US or other interested parties
as a point for instigating the destabilisation of Tibet, and that, after the Dalai Lama’s death, a possible solution would be for India to acknowledge these concerns and provide the Chinese with an assurance that this would not occur, in return for a Chinese acknowledgement of Arunachal Pradesh – including Tawang – as Indian territory (Raman, 2009). This idea, however, is unlikely to play well with the Indian public as it would seem too much like a concession of territory, and may also prove unacceptable to the Chinese due to the loss of face involved. Thus negotiations have reached an impasse, and it seems that the best that can be hoped for, in the immediate future at least, is that the status quo remains peaceful.

There is still some potential for cooperation between China and India, however, particularly at a regional and international level. Indeed, economic linkages between the two countries are growing exponentially: Bilateral trade totalled US$24.9 billion\(^{27}\) in 2006, up from just $260 million in 1990 (Ghosh, 2008: 294), while in 2010 it reached US$61.76 billion, and China is now India’s largest goods trading partner, while India is China’s tenth largest trading partner (China Briefing, 2011). The balance of trade, however, has gone from being in favour of India in 2005 to now being heavily in favour of China. Figure 1 shows the growth in Sino-Indian bilateral trade from 2004 to 2010:

**Figure 1: China-India Bilateral Trade in US$ billion, 2004-2010**

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<th>China-India Bilateral Trade (in billion US$)</th>
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<td><strong>Indian Exports to China</strong></td>
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<td>Fastest (%)</td>
<td>7.67</td>
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<td><strong>Chinese Exports to India</strong></td>
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<td>Fastest (%)</td>
<td>5.92</td>
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<td><strong>Total India-China Trade</strong></td>
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<td>Fastest (%)</td>
<td>77%</td>
<td>51%</td>
<td>63%</td>
<td>65%</td>
<td>31%</td>
<td>-6%</td>
<td>38%</td>
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<td><strong>Trade Balance for India</strong></td>
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<td>Fastest (%)</td>
<td>79%</td>
<td>38%</td>
<td>34%</td>
<td>54%</td>
<td>34%</td>
<td>-17%</td>
<td>43%</td>
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In addition, the majority of India’s exports to China are low-end products, with ores, slag, ash, cotton and yarn, fabric, copper and copper articles, precious stones, metals, artificial flowers, feathers and hides and skins accounting for US$11.3

\(^{27}\) Trade statistics tend to vary depending on the source, though they are generally all in the same ballpark.
billion or 76 percent of total Indian exports to China in 2006-07, while value-added products such as electrical products, electronic products and machinery made up 47 percent of Indian imports from China in the same period (Confederation of Indian Industries, 2008).

Although this growth in economic exchange is in many ways a positive development, it is also a source of tension due to the significant trade imbalance, which is a cause of concern to India. In addition, although both countries use international trade, aid and infrastructure construction as planks in their foreign policy, China’s strategy at present is arguably the more successful of the two. This may be due to the fact that most major Chinese companies, particularly resource and heavy industrial companies, are still majority state-owned (though some are also listed on the stock exchange) and so are open to more direct influence from the government than can occur in India’s private sector. India also has many more bureaucratic hoops to jump through and seems to find it more difficult to encourage offshore investment, given that most of its major companies are accountable to shareholders rather than the government (excepting, of course, the National Oil Companies, discussed further in Chapter 3).

In spite of these difficulties, however, India’s flourishing private sector is also one of its greatest strengths. Indian companies have recently made a number of high-profile corporate takeovers in Europe and North America, including Tata Steel’s acquisition of Anglo-Dutch steelmaker Corus in early 2007, while Indian aluminium firm Hinalco took over US-Canadian aluminium company Novelis around the same time (Ganguly and Pardesi, 2007: 9). Other areas undergoing similar global expansion include the automotive and pharmaceutical industries, with Tata Motors and pharmaceutical companies Mahindra & Mahindra, Ranbaxy and Dr Reddy’s Laboratories leading the way (ibid). Thus, although India’s overall economic growth is still trailing significantly behind China’s, its political and economic system, which has led to the development of a strong private sector, is making its integration into the global capitalist system much more smooth than China’s.

Greater economic exchange, particularly if trade becomes more balanced, will likely have many positive effects. Until the border issue is resolved, however, the potential for conflict remains and risks imperilling other areas of the relationship. The border dispute is interesting in that it drifts in and out of the foreground of Sino-Indian relations. During periods of détente in the relationship the issue often appears
secondary to discussions of trade and other areas of mutual interest, but in periods of tension it once again comes to the fore as the major sticking point in the relationship. It is possible that the issue is also used by the governments of both countries as a nationalist rallying-point during times of crisis. For example, in the lead-up to the 2008 Olympics China was under significant pressure regarding the status of Tibet and faced considerable international protests, including in Delhi; shortly afterwards the border dispute once again hit another low point. Similarly, the 1962 War and subsequent border dispute remains a rallying-point for the more nationalist sections of the Indian defence establishment and is undoubtedly used as a touchstone, particularly in the media, at times. Whether this correlation necessarily equals causation requires further investigation. It does seem, however, that the border dispute is something that can be sidelined in periods of better relations, but which will always be raised as the ultimate unresolved problem in the relationship when other issues cause tension or when governments require a distraction. For this reason I argue that unless the border issue is resolved once and for all it will continue to rear up during difficult periods in the relationship, in spite of greater economic, political and people-to-people exchanges.

There are signs that this is being recognised by the leaders of both countries, with Manmohan Singh and Hu Jintao meeting in April 2011 and agreeing to set up a border resolution mechanism, renew defence ties, develop a dialogue to address economic grievances and increase overall high-level contacts (Dikshit, 2011). The meeting provided one of the most positive signs for the relationship since 2005, but whether this will ultimately lead to a resolution of the border dispute and full rapprochement on other regional issues remains to be seen, given that the border issue, though important in itself, is further complicated by the Kashmir dispute, China’s relationship with Pakistan and the growing Indian closeness with the US.

*China, India, the US and Pakistan in South Asia: The wider context of regional tension in the Sino-Indian relationship*

Although the border issue is often highlighted as the major sticking point in Sino-Indian relations, in reality it has remained relatively peaceful since the end of the 1962 war and the potential for overt military conflict in the region remains minimal.
Of greater concern and impact is the strategic quadrilateral at play in South Asia between China, India, the US and Pakistan, which has both regional and wider implications. At the heart of this are the India-Pakistan conflict over Kashmir, and the ongoing involvement of the US in Afghanistan and Pakistan. The relationships between these four actors are extremely complex: China’s support for Pakistan in its conflict with India is a serious and ongoing source of tension in the Sino-Indian relationship, while the US’s relationship with Pakistan is looking increasingly fraught even as its relationship with India improves in the wake of the 2008 civilian nuclear deal. This growing closeness between India and the US has been the cause of some concern in China about possible US policies of containment or encirclement, which in turn affects its own relationship with both the US and India. Understanding this complex web of relationships is the key to understanding the issues which are at the heart of China-India relations and which markedly affect how they interact with each other in the region.

Firstly, the increasingly complex relationship between India and the US is beginning to affect the dynamic in Asia. Although during the Cold War India was technically non-aligned, its growing closeness with the Soviet Union (spurred on by US rapprochement with China) in the 1970s led to tension with the US, and it was only in the 1980s that the relationship began to be repaired. The 2008 Indo-US nuclear deal was a major step in this rapprochement, followed by President Obama’s visit to India in November 2010. *India’s National Security Review 2009* (Kumar, 2010), however, does not contain a separate chapter on Indo-US relations, but rather includes the relationship in “India’s Defence Cooperation with Other Countries” (Kak, 2010: 223-238). Although this is not necessarily indicative of India’s attitude towards the US, it further emphasises the fact that although India recognises the importance of the US, particularly in relation to China, the Indo-US relationship is still not at the top of India’s list of regional and national security concerns. It has been made very clear on a number of occasions that India is not interested in entering into any sort of major strategic partnership or alliance with the US at this point:

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28 The “other countries” referred to include Russia, Israel, France, the UK, Italy, Brazil, South Africa, China, Japan, South Asia (Afghanistan, Bangladesh and the Maldives), West Asia/Middle East (Qatar, UAE and Oman) and South-East Asia (Australia, New Zealand, Singapore, Vietnam and Malaysia).
Both sides need to be realistic that strategic alignment or coalition operations in the foreseeable future are unlikely. This is because of a disjunction in approach: India seeks partnership and abhors alignment; the US understands alignment and has no time for partnership. But given determination and patience on both sides, the huge potential of the India-US partnership could be effectively harnessed (Kak, 2010: 227).

This puts the US in a difficult position. During her Secretary of State confirmation hearing in the US Senate in 2009, Hillary Clinton reiterated her commitment to President Obama’s agenda to “establish a true strategic partnership with India, increase our military cooperation, trade, and support democracies around the world” (Kronstadt et al, 2010: 2). This was a calculated retreat from the hastily-proposed – and just as quickly abandoned – 2007 Australia-India-Japan-US quadrilateral dialogue, which sought to include India in a grouping of Asia-Pacific democracies and implied that the US relationship with India could or should be akin to that with Australia or Japan i.e. a solid, comprehensive alliance. This attitude completely overlooked India’s history of non-alignment and the continued prevalence of anti-colonialist sentiments which claim full retention of sovereignty as paramount, and for these reasons India is unlikely to enter into a comprehensive alliance with the US – or anyone else, for that matter – at this stage. It also ignored fundamental differences in the development of capitalist democracy in the US and India. As Siddharth Varadarajan notes, in America, Britain, Japan and Europe the capitalist system took hold long before the majority of the population had the right to vote, whereas India is facing the unique problem of attempting to build a functional capitalist economy on the back of universal adult suffrage and multi-party democracy:

India’s ruling class...was handicapped by the need to harmonise in real time the anti-democratic consequences of a market-based economy with the procedural and substantial requirements of a democratic polity. Of course, economic elites have had the greatest influence in policymaking but their power has always been contested. As a result, universal adult suffrage — and the wider deliberative process that comes along with it — has had more of an impact on the development of capitalism in India than in the rest of the “free world”. Unsurprisingly, the country’s global outlook has also been tempered by this aspect of its polity (Varadarajan, 2010).
The abandonment of the quadrilateral plan indicated that these aspects of Indian politics, development and identity are beginning to be better understood by the US and others in the region, and also reflected a practical need to address China’s concerns over the grouping. Yet the US is now beginning to face the opposite problem – concerns in India that it is becoming too close to China. As Alan K. Kronstadt et al wrote in a 2010 Congressional Research Service brief to the US Congress:

...During 2009 and into 2010, many in India became increasingly concerned that Washington was not focusing on the bilateral relationship with the same vigour as did the Bush Administration, which was viewed in India as having pursued both broader and stronger ties in an unprecedented manner. Many concerns have arisen in New Delhi, among them that the Obama Administration was overly focused on U.S. relations with China in ways that would reduce India’s influence and visibility; that it was intent on deepening relations with India’s main rival, Pakistan, in ways that could be harmful to Indian security and perhaps lead to a more interventionist approach to the Kashmir problem; that a new U.S. emphasis on non-proliferation and arms control would lead to pressure on India join such multilateral initiatives as the Comprehensive Test Ban Treaty and the Fissile Material Cutoff Treaty; and that the Administration might pursue so-called protectionist economic policies that could adversely affect bilateral commerce in goods and services (Kronstadt et al, 2010: 2).

These points of tension in the relationship are coming even after the 2008 India-US civilian nuclear agreement ended a thirty-year US nuclear trade moratorium and gave India access to US civilian nuclear technology – even though India sits outside the Nuclear Non-Proliferation Treaty (NPT) regime – in return for India agreeing to International Atomic Energy Agency (IAEA) inspections, continuing its moratorium on nuclear weapons testing and guaranteeing not to proliferate (Pan and Bajoria, 2008). This deal was hailed as a breakthrough in relations but has since hit several roadblocks. The most significant of these is over the clause in the agreement which allows US companies to sell nuclear reactors and civilian nuclear fuel to India (ibid). This became a problem with the introduction in India of a nuclear liability law which would hold the company which produced the technology fully liable in the event of an accident caused by defective equipment (Varadarajan, 2010). This is considerably more stringent than the international norm and has led to reluctance by US nuclear energy companies such as General Electric (GE) and Westinghouse to
invest in India, which has caused fears in the US government that after all the hard work of lifting bans against India in the Nuclear Suppliers Group, US companies may not be able to benefit as much from India’s nuclear industry as first thought (ibid).

According to *India’s National Security Review 2009*, the “India-US partnership” is made up of “five pillars”: “defence cooperation, science and technology, energy and climate change, education, and trade ties” (Kak, 2010: 226) which were set forth during Hillary Clinton’s visit to New Delhi in 2009 (Kronstadt et al, 2010: 3). The two main defence aspects currently under negotiation are the Communication Interoperability and Security Memorandum of Agreement (CISMOA), which would increase interoperability between US and Indian defence forces and also enhance the security of Indian “C4ISR” systems – command, control, communications, computers, intelligence, surveillance and reconnaissance, and the Logistics Support Agreement (LSA), in which the Indian and US militaries would provide reciprocal logistical support such as berthing facilities for warships and aircraft (Kak, 2010: 227). The US is keen to see both these agreements signed, not least because of the large number of American jobs riding on potential arms sales to India (Varadarajan, 2010), but India has so far proved hesitant:

India...is reluctant to sign these agreements because it is wary of the wider strategic implications. The U.S. has been an expeditionary and even belligerent power in Asia and though the Indian government supports the American war in Afghanistan, the 2003 invasion of Iraq had disastrous consequences throughout the region. With many in Washington speaking of a looming confrontation with Iran over the nuclear issue — a confrontation that would make the Iraq war look like a tea party — why should India do anything to facilitate American military deployment in the region? (Varadarajan, 2010).

There are indications that tension over the signing of CISMOA is already beginning to have an impact on the relationship, particularly on military technology deals. India recently spent US$1 billion on the purchase of C-130J Super Hercules aircraft from the US, but according to an article in Chinese newspaper *The People’s Daily*, India is concerned that the aircraft it has received have not been fitted with various advanced communications technologies which are standard on the US version of the aircraft (People’s Daily, 2010). Although it is an established fact that the US
will not provide various secure systems on the C-130J and C-17 Globemaster unless India signs CISMOA, the level of discontent this is causing is unclear; an Indian defence industry website noted the issue but claimed that “[The Indian Air Force (IAF)]...seems content that it will have a platform [the C-130J] the way it needs and then it can modify it. Although the desired level of security will be missing, the IAF is getting the configuration it wants” (India Defence Online, 2010). The Chinese, on the other hand – possibly with the idea of emphasising any discord between India and the US, no matter how slight, in order to serve their own interests – report speculation that even if India had signed CISMOA the US never had any intention of selling it advanced communications technologies:

In fact, when America and India were in negotiations to buy the [C-130J] aeroplanes, an Indian military specialist pointed to the purchase of [the communications] equipment, but the Pentagon put forward that this would happen only if India signed CISMOA; otherwise the Pentagon would refuse to supply the equipment. Yet Lockheed Martin sources have revealed that right from the start the Pentagon never intended to sell India secret communications equipment. The company official also hinted that before the contract of sale of the C-130J aircraft to the Indian Air Force was signed, the design had already been frozen, so even if the two parties sign the Memorandum it is possible that India still won’t receive this equipment (People’s Daily 2010; author translation).

Yet although the level of tension between the US and India is debatable, these sorts of military and trade issues may be an indication that there is still a fair amount of negotiation to be done before the much-lauded Indo-US defence cooperation reaches its full potential.

There is also the question of whether America still sees India as a vital player in a greater strategy of “containment” against China. Although this was seen by some to be US policy under George W. Bush, Obama has pursued a policy of engagement towards China rather than attempting overt military containment, though the post-

29 “Containment” is a controversial term, as it has echoes of US policy towards the Soviet Union, which the US attempted to “contain” by cutting off all economic, political, diplomatic, military and cultural ties. There is considerable debate as to whether US policy under George W. Bush of developing closer relations with China’s regional neighbours could actually be considered “containment” given the considerable economic and other ties which exist between the US and China, or more as a strategy of “hedging” as a counterpart to “engagement”.

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GFC vulnerability of the US may see the growth of a more hardline strategy. As well as the problems for the China-US relationship inherent in a containment strategy, India is unlikely to agree to be part of such a strategy at this stage of the Indo-US relationship. Although India is keen to improve relations with the US because of the inherent economic benefits, in political terms the relationship for India is part of a wider hedging strategy and it is extremely reluctant to tie itself to any single power in the form of an alliance or strategic partnership.

There are many views in India about the US relationship and how it should proceed, ranging from enthusiasm to distrust; this was particularly the case when relations were normalised through the civilian nuclear deal. The US relationship, however, is still viewed with less scepticism and more importance than the China relationship, with less threat and more opportunity. As a senior Indian official put it, the India-US relationship is a “highest common denominator relationship” where “you want to put lots of effort in to make it the best it can be,” whereas the India-China relationship is a “lowest common denominator relationship,” where “you just work to stop it falling below a certain point” (Author interview 4).

Although a comprehensive US-India alliance (such as that which the US has with Australia or Japan) is out of the question at this point, the growing closeness between India and the US is raising concerns in China about possible US attempts at encirclement. The US-China relationship is extremely complex, and the question of how the US should relate to China is still hotly debated within American political circles. Talk of a containment or encirclement policy was prominent during the Bush administration, though the former Deputy Assistant Secretary of State under Bush, Thomas Christensen, argues that the administration’s approach was never seriously about containment but rather about “…[using] the combination of a strong U.S. regional presence and a series of creative diplomatic initiatives to encourage Beijing to seek increased influence through diplomatic and economic interactions rather than coercion, and to use that increased influence in a manner that improves the prospects for security and economic prosperity in Asia and around the world” (Christensen, 2009: 89). He describes the continued US presence in Asia not as containment but rather as a type of hedging strategy:

In fact, the maintenance of U.S. military superiority in the region, properly considered, is an integral part of that broader engagement strategy and makes
diplomatic engagement itself more effective. The military strength of the United States and its allies and security partners in Asia complements positive U.S. diplomacy by channelling China’s competitive energies in more beneficial and peaceful directions (Christensen, 2009: 91)

A major problem, however, is how China perceives this “channelling of competitive energies” by the US. China has made it abundantly clear in the past that it dislikes being pushed around by the international community, particularly on issues such as human rights. And while most countries practice hedging strategies, particularly middle powers, when it is conducted by the world’s sole superpower the line between hedging and containment is one which can be easily misinterpreted. Elizabeth C. Economy and Adam Segal neatly sum up the major causes of animosity in the China-US relationship:

The current lack of U.S.-Chinese cooperation does not stem from a failure on Washington’s part to recognize how much China matters, nor is it the result of leaders ignoring the bilateral relationship. It derives from mismatched interests, values, and capabilities (Economy and Segal, 2009: 15).

The pursuit of these mismatched interests in South and Central Asia undoubtedly contributes to some of the tensions in the region. China still sees its South Asian interests as linked firmly with Pakistan, which is problematic not only for the Sino-Indian relationship due to the ongoing India-Pakistan conflict, but also for the China-US relationship due to significant US investment in Pakistan to combat Islamist terrorism. Thus although the US relationships with India and Pakistan are more likely a pursuit of US national interests rather than an overt attempt to contain China, the volatility of the region and its location in China’s traditional strategic backyard means that any attempt by the US to get closer to India or other South and South-East Asian countries is often viewed with suspicion by the Chinese.

Both the Indian and Chinese bilateral relationships with the US feed into the India-China-Pakistan-US strategic quadrilateral that is operating in South Asia and consequently affect China and India’s relationship with each other. For example, Indian China expert Sreemati Chakrabati argues that good relations between India and the US, and also India and China, may have a positive impact on the Pakistan issue as
the US and China are really the only countries which can exert influence over Pakistan (Author interview with Sreemati Chakrabati, March 2010). This of course depends, however, on US and Chinese aims in Pakistan and the wider region; for example, the US has turned a blind eye to Pakistani assistance to terrorist groups such as Lashkar-e-Taiba (responsible for the 2008 Mumbai attacks) due to its agenda in Afghanistan, while China has long held its close relationship with Pakistan as integral to its interactions in South Asia.

Hu Shisheng, the director of South Asian studies at the China Institute of Contemporary International Relations, provides this alternative view of the complicated quadrilateral power-play operating in South Asia:

Even if the US retreats from Afghanistan it won’t retreat from the region, so it will need another place to stay, for example Pakistan. It’s operating on the balance of power principle. The US is using India to balance China but it’s also using Pakistan to balance India. Pakistan is the best friend of China so through a close relationship with Pakistan the US wants to dilute Chinese influence, and there is also the problem of Iran, so [the US] can’t afford strategic shrinking [in the region] (Author interview with Hu Shisheng, May 2010).

The extent to which Hu’s characterisation of the strategic situation in South and Central Asia is correct is a matter of debate, and in such a volatile region unexpected variables often occur. The most recent of these was the US assassination of Osama bin Laden on 2 May 2011, which, although it provided a decisive boost for the US, may yet have its own problematic consequences. The most important of these will be the impact of the event on the US-Pakistan relationship, particularly given that bin Laden was found to be hiding in a compound in a garrison town only fifty kilometres from Islamabad and that US forces attacked the compound without informing their Pakistani counterparts. Both these reports point at best to incompetence, or at worst to high-level corruption within the Pakistani military and intelligence services which may have been used to protect bin Laden. They also indicate a significant level of distrust between the US and Pakistan – recently worsened by the US’s decision to withhold $800 million worth of military aid to Pakistan due to its lack of security cooperation (Northam, 2011) – which could have implications for the entire region, including the possibility of Pakistan moving even
closer to China. With all the complications of the War on Terror, it seems safe to say at this point that the major aims of the US in Pakistan have little to do with containing China as Hu asserts.

Pakistan is the issue which appears time and again at the heart of strategic politics in South Asia and it is arguably Pakistan even more than Afghanistan which holds the key to stability in the region. There are specifically bilateral issues which need to be resolved between the US and India, such as the terms of nuclear technology transfer and military cooperation. While Pakistan and Afghanistan remain unstable, at risk of collapse and provide haven for terrorist groups (particularly as these pose a real and immediate threat to India), however, it will be difficult for the Indo-US relationship to take any great leaps forward. This is also complicated by the issue of China, which not only makes the Indo-US relationship more difficult by leading the US to consider strategies of containment – to which India will never be party, in spite of some American beliefs to the contrary – but also directly plays a major role in the Pakistan issue through the Sino-Pakistani partnership.

Susan Shirk describes Pakistan as “the closest thing China has to a real alliance and…China’s most durable bilateral relationship” (Shirk, 2004: 78). The Sino-Pakistani relationship was born during the Cold War, in part because China wished to bolster an alternative power to India in South Asia, but mostly due to India’s involvement with the two superpowers (Shirk, 2004: 78). This initially consisted of India receiving US arms in the 1960s, which led to China supporting Pakistan in the 1965 Second Kashmir War between India and Pakistan (ibid). As Shirk notes, however:

Chinese support of Pakistan was minimal until the signing of an Indian-Soviet Mutual Assistance Treaty on 9 August 1971. (The formation of a quasi alliance between the USSR and India was itself a response to the dramatic improvement in Sino-American relations when Kissinger travelled to Beijing by way of Pakistan to arrange the visit of President Richard Nixon to China) (Shirk, 2004: 78).

This assistance to Pakistan stemmed from a deep suspicion on the Chinese part that both the US and USSR were attempting to use India as a means of encircling China. There was historical precedent for this kind of thinking; in the mid-nineteenth and early twentieth centuries, the Anglo-Russian “Great Game” in Central Asia had
spilled over into China, with both parties vying for control of Tibet, which, according to the Chinese narrative at least, was at that time under Chinese suzerainty (see Rashid, 1994 and Heitzman and Worden, 1995). When coupled with memories of the brutal Japanese invasion of the 1930s and 40s, it is easy to understand why China has subsequently strongly resisted any moves it sees as attempting “encirclement”. After the end of the Cold War and the subsequent reduction in the immediate threat posed to China by both Russia and the US, however, China eased back its support of Pakistan, particularly on the issue of Kashmir\(^{30}\). This was partly due to the removal of an immediate threat, but also because after economic reform in the 1980s China became concerned that any pressure it applied to India over the self-determination\(^{31}\) of Kashmir could also be turned back on China in the context of Tibet (Kumar Singh, 1999a). Consequently China modified its position to argue that the Kashmir dispute should be resolved peacefully through bilateral negotiations between India and Pakistan, and proclaimed in the mid-1990s that it would no longer take Pakistan’s side in any war with India over Kashmir. China also pledged in 1998 to no longer provide missile technology to Pakistan, though there is some question about whether the latter assurance has actually been carried out (Shirk, 2004: 91-2). Former Indian ambassador and Central Asia specialist M.K. Bhadrakumar feels that China is in fact complying with restrictions on missile transfer to Pakistan – though it is no secret that China supplies Pakistan with uranium for civilian use, including a deal finalised in early 2010 whereby China will supply Pakistan with two civilian nuclear reactors (Author interview with M.K. Bhadrakumar, December 2009). China also openly supplies Pakistan with conventional military technology, though Bhadrakumar argues that the Chinese are limited in what they can supply because they are still modernising

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\(^{30}\) The territorial dispute between India and Pakistan over Kashmir, which dates back to the end of British colonialism in 1947, is the major sticking point in the India-Pakistan relationship and arguably the foremost cause of tension in South Asia. During Partition, which created India and Pakistan, the maharaja of Muslim-majority Kashmir surprisingly decided to accede to India, which led to an armed conflict between the two new states which has never been resolved. To date there have been three major conflicts between India and Pakistan over Kashmir – the First Kashmir War in 1947-8, the Second Kashmir War in 1965 and the Kargil Conflict in 1999. There appears to be little hope of a resolution to this dispute and it feeds into wider tensions in South Asia, including Islamist terrorist attacks on India. It also potentially poses a roadblock to India’s development as a global power in that the majority of India’s armed forces are still concentrated on the India-Pakistan border. It is debatable how much attention India will be able to pay to wider global concerns whilst still being involved in a serious conflict in its own backyard.

\(^{31}\) Although China has never accepted self-determination as a catch-all right (due to its own issues with ethnic separatism) and has only acknowledged it in post-facto cases such as Bangladesh and South Sudan, its altered stance on Kashmir was based on UN resolutions from 1948 which asserted the right of Kashmiris to self-determination.
their own technology; embargoes imposed by the US and Europe in 1989 after the Tiananmen Square massacre mean that Chinese technology is out of date, though this is changing rapidly (ibid). That said, China is currently manufacturing four 4000-5000 tonne frigates for Pakistan – three in Shanghai and one in Karachi – as well as a China-Pakistan joint venture building JF-17 Thunder\textsuperscript{32} aircraft (Author interview with Wang Dehua, June 2010). Although such military cooperation is unsettling to many in India, it is rumoured that Bangladesh is also interested in acquiring a Chinese frigate, though there has been no official action on this, and Pakistan also has a joint venture with France to build Mirages (ibid). There is nothing to suggest that Pakistan’s conventional military relationship with China is built on anything more than the commercial imperatives that drive international arms sales the world over. The nuclear relationship is less transparent and more complicated, though China maintains it now only provides Pakistan with civilian nuclear technology.

In 1998, however, China failed to publicly condemn Pakistan’s Chagai nuclear tests in the same way it had with India’s earlier that year (Kumar Singh, 1999). This was partly because China had sold Pakistan the technology which had allowed the latter to construct nuclear weapons, and also because in terms of self-interest the Sino-Pakistani relationship was still more important to China in the context of balancing India and preventing any Indian destabilisation of Tibet than any temporary regional and international outcry caused by the nuclear tests (ibid).

Nevertheless, during the Kargil War between India and Pakistan in Kashmir in 1999 China refused to actively support Pakistan, in contrast to the support it offered during the Second Kashmir War in 1965 and the Indo-Pakistani War (Bangladeshi War of Independence) in 1971\textsuperscript{33}. Part of this, as noted above, was due to a change in Chinese doctrine and concerns over Tibet, but also a firm belief that the border tensions could not be resolved militarily and thus negotiations were imperative (Kumar Singh, 1999). This was made clear when the Pakistani Foreign Minister, Sartaz Aziz, visited Beijing in June 1999 to attempt to engage Chinese support, and was told that Pakistan must “settle its disputes with India peacefully through dialogue

\textsuperscript{32} The PAC JF-17 Thunder is the Pakistani version of the Chinese CAC FC-1 Xiaolong fighter jet, which was developed as part of a China-Pakistan joint venture.

\textsuperscript{33} Chinese military assistance to Pakistan during the 1971 conflict was actively encouraged by the US due to fears of Soviet domination of South Asia and the development of rapprochement between China and the US.
and negotiations” (ibid). China, however, did not put itself forward as a mediator in any such negotiations (ibid).

The other issue is that Pakistan is increasingly becoming the problem child of South Asia. In some ways China’s relationship with Pakistan shares some similarities with its relationship with North Korea, though the former is more solid: although it remains in China’s interests to continue a productive relationship with these countries because of regional issues, globally the relationships also have a tendency to become a liability at times. As Rajesh Basrur notes, “Pakistan is a troublesome country for its friends, let alone its enemies” (Author interview with Rajesh Basrur, December 2009). Recent challenges for China have included the 2007 killing of three Chinese workers in Peshawar (Xinhua News Agency, 2007), the ambush and execution of three Chinese engineers in Balochistan in 2006, and the similar killing of three Chinese workers from the Gwadar port development in 2004 (BBC, 2006). For this reason, although China will not step away from its relationship with Pakistan, it is increasingly reluctant to get trapped in the quagmire of South Asian politics and Kashmir in particular, especially as its focus is increasingly on global issues, territorial disputes in the South China Sea, and its own domestic problems.

This scaling-back of Chinese aid to Pakistan has helped contribute to Sino-Indian rapprochement since the 1990s; there is even speculation that China could “act as a bridge between New Delhi and Islamabad, as well as a facilitator in the emergence of cooperative security in the South Asian region” (Jain, 2004: 262). This, however, is wishful thinking at this point – tension between India and Pakistan is likely to remain until the seemingly intractable Kashmir issue is resolved, and the Sino-Indian relationship still has the unresolved border question hanging over it – but it is nevertheless an interesting interpretation of geopolitics in the South Asian region. It is unlikely that India would take well to China assuming a mediator role, as happened in the wake of the 1998 Indian and Pakistani nuclear tests, as accepting such a position effectively puts India in the role of “child” and China in the role of “parent”. Regardless of India’s real power (or lack thereof) in the international arena, it nevertheless sees itself as the equal of China and a force to be reckoned with outside of South Asia. Given the dominance of this perception, any mediation attempts by China would be viewed as patronising and would no doubt arouse the ever-present Indian colonial sensitivities.
What became increasingly clear in research interviews was just how closely the Sino-Indian relationship is linked to India-Pakistan tensions, and how, even if the Sino-Indian border dispute were to be resolved, the full normalisation of relations would be unlikely to occur while Kashmir remained an issue. In India, however, there seems to be a tendency to see the India-Pakistan and India-China relationships as separate issues, connected only by China’s support for India’s enemy, rather than as a strategic triangle, while the interdependence of the relationships is clearly recognised in China:

Sino-Pakistan relations are the major cause of mutual distrust between China and India. Even if the Sino-Pakistani military relationship is more transparent, I don’t think India will trust us because there hasn’t been much progress in the India-Pakistan relationship since the renewal of the peace process in 2004. Unless they can reach an agreement India will always be suspicious of China’s relationship with Pakistan (Author interview with Li Li, May 2010).

There is also recognition in China of India’s attempts to build stronger relations with China’s neighbours in an attempt to diversify its foreign policy options. At present, however, this is not met with the same concern in China as China’s actions are in India, as retired Chinese ambassador Cheng Ruisheng notes:

India has a kind of China factor in its foreign policy, a preventative diplomacy in its relations with the countries on China’s borders such as Japan and Mongolia. But as long as the China-India relationship is good, China isn’t so worried about this (Author interview with Cheng Ruisheng, June 2010).

In contrast, there is still an inability or reluctance among some sections of the Indian strategic community to acknowledge China’s legitimate national interests in its dealings with South Asia. Consequently there is a common view that China’s relations with India’s South Asian neighbours, including Pakistan, must be driven by a policy of encircling or otherwise acting against India. Those who do acknowledge that China has a legitimate national interest in South Asia, however, tend to see its engagement with the region as a potentially positive force. As M.K. Bhadrakumar notes:
Pakistan is a sovereign country, and India needs to decide whether Pakistan’s relationship with China is directed against India – it probably isn’t. The relationship is good for China because of linkages to the Gulf, and also because of the relationship with the US and Islamic extremists. It’s a very important relationship for China, and we need to really look at whether China is doing anything to deliberately undermine India.

We should engage China on mutual interests then gradually expand this to include other regional countries such as Pakistan, so that we can use China to moderate Pakistan. But this will require a different approach to China (Author interview with M.K. Bhadrakumar, December 2009).

For its part, China is recognising that its relationships with both Pakistan and India are becoming increasingly important – Pakistan at a regional level, particularly in terms of internal stability, and India at a global level – and is, in rhetoric at least, trying to develop good relations with both (Author interview with Hu Shisheng, May 2010). Part of this is making Sino-Pakistani military cooperation more transparent in an attempt to reassure India, but there is also a sense that India needs to come to terms with the fact that the China-Pakistan relationship is strong and will continue to play a significant role in regional politics, regardless of the poor public opinion of it in India (ibid). In some ways this is similar to the stance taken by China in the 1960-61 border negotiations – a willingness to negotiate up to a point, but not to the extent that it would compromise its own self-interest in the face of Indian intransigence. The Kashmir dispute is arguably at the heart of South Asia’s problems, and until it is resolved India’s relations with its regional neighbours and with China will suffer. It will also hinder India’s development in that a large portion of its focus is on Kashmir and security issues in the immediate region rather than on infrastructure, poverty alleviation and other domestic problems, or on India’s trade and diplomatic linkages with the rest of the world. Gautam Das estimates that in terms of foreign policy priorities, the Ministry of External Affairs spends 75 percent of its time on Pakistan and 25 percent on the rest of the world, of which 15-20 percent is focused on China (Author interview with Gautam Das, December 2009). This is in contrast to the strategy developed by Deng Xiaoping in China, in which sorting out land-border conflicts became imperative so as to ensure regional stability and enable a single-minded focus on domestic development. At present, of China’s fourteen land borders, the only disputes still in existence are those with India and Bhutan (Fravel, 2008: 46).
As in most state-to-state relationships, in the Sino-Indian relationship there are two major factors at play: concrete actions, such as military engagements along the McMahon Line, or China’s sale of nuclear technology to Pakistan, and a second and arguably more volatile element – perception. These perceptions of each other’s motives and actions are also intimately tied into how each country sees itself and its place in the world. Two elements of this which are related to the Sino-Indian relationship in South Asia are the development of Track-II or people-to-people connections, and the impact of the media on perceptions of the relationship.

*Making Friends: Chinese and Indian people-to-people contacts and Track-II diplomacy*

In his book *Protracted Contest*, John Garver notes that although the Sino-Indian relationship is conflictual in many senses, on a people-to-people level this is not the case. “Having stated these sceptical propositions [about prospects for rapprochement in the India-China relationship], I must immediately qualify them and clarify that they apply only to relations between the Chinese and Indian states – not to bonds between individual Chinese and Indians. Between individuals there may be, and often is, genuine and warm friendship” (Garver, 2001: 10). Although organised people-to-people connections between China and India are still in their infancy, there are increasing efforts to establish various forms of Track-II diplomacy. These are being run by organisations such as the China-India Friendship Association (CIFA), which falls under the auspices of the Chinese People’s Association for Friendship with Foreign Countries (CPAFFC) and works with counterparts in India to run dialogues such as the China-India Forum – the most recent of which was held in Beijing in May 2010 – the 2009 China-India Students’ Forum, and the China-India Joint Medical Mission (run in conjunction with the Indian Council for Cultural Relations). The latter started in 2008 and involved twenty doctors – ten Chinese and ten Indian – who travelled first in China and later in India providing free medical consultations to some of the poorest communities (Author interview with Wang Tong, June 2010). Similarly, in August 2010 five Indian ear, nose and throat specialists travelled to China through the CIFA to give consultations and distribute hearing aids (ibid).
One of the main benefits of these Track-II efforts is increasing people-to-
people exchanges between the two countries, particularly given that with over two
billion people between them, the number of people visiting between China and India
is currently only around only half a million per year (Author interview with Zhang
Guihong, June 2010). Anecdotally, the first impressions of those Chinese who visit
India are often unfavourable – adjectives such as “dirty”, “undeveloped” and
“backward” abound – while many Indians feel that China is politically repressive, and
there is the rumour that the Chinese government is trying to avoid too much attention
being paid to India because, as a democracy with a billion-strong population, it is the
only country which can really offer an alternative model of development to China.
There are also interesting cultural differences, which show up in dialogues like the
China-India Forum where the Indian tendency towards heated debate clashes with the
Chinese tradition of “saving face” and more muted discussion. As the Director of the
South Asia Division of the CPAFFC and the Deputy Secretary General of China-India
Friendship Association, Wang Tong, notes, however:

In spite of cultural differences we can learn from each other. The Chinese can
learn to debate more openly and the Indians can learn when to be quiet. It’s important
that we have enough trust to have frank discussions about important issues (Author
interview with Wang Tong, June 2010).

Track-II diplomacy and the generally positive impressions which flow from it
is still a drop in the ocean when compared to the often fractious state-to-state relations
portrayed in both the Indian and Chinese media. It does, however, serve an important
function and helps to moderate some of the negative perceptions in the public sphere
by providing experiences and connections to businesspeople, academics, journalists
and others who are in a position to shape public opinion. That this people-to-people
cooperation continues even when inter-state relations are strained is a positive step,
and part of the aim of this is also to bring together young people in the hope that by
forming connections between future political and business leaders of the two countries
the relationship can be improved. Whether this strategy can counter persistently
negative media images, however, and more importantly whether it can make any real
impact on the hard politics of the relationship remains to be seen.
Feeding the Beast: The impact of the media on the Sino-Indian relationship

In spite of efforts – many of them successful – to mitigate the differences between China and India through both Track-I and Track-II diplomatic efforts, there still appears to be little real understanding between the two countries. The major issue which arose consistently in interviews was the so-called “trust deficit”; a lack of mutual interest or understanding which leaves the relationship fragile and finely-balanced. Although a lot of this distrust is founded in actions which are deemed to be aggressive from either side – such as the Indian nuclear tests or China’s apparent naval push towards the Indian Ocean – it is also compounded by misplaced perceptions on both sides which are fuelled by the media. A senior Chinese diplomat with extensive experience of India spoke about the difficulty of countering the popular (negative) image of China in the Indian media:

This is a big challenge for the two countries, to change the popular mindsets or views of each other. We need to work more with the Indian people, but it’s difficult because the Indian media is not friendly, and at times is even hostile towards China. Some of them make their living by actively writing against China. We don’t have access to the Indian media – they don’t publish our things if we want to write positive things, and even things by Indian scholars which are positive about China don’t get published. The media is controlled by certain forces, which makes it difficult to give the Indian public correct information about China. Those Indians who’ve been to China understand it well and see the differences, and also understand the importance of a good relationship. Businesspeople have a better impression of China and understand that India can learn from China. In the long run, with more people going to China and with more efforts by the Chinese side, we can give the Indian public the correct perception about China and build trust. There is a “trust deficit” among the Indian people. Both sides have it but it’s worse on the Indian side. The Indian media doesn’t report on China unless it’s bad or there’s a big event like the Olympics. The Chinese media is also starting to follow this practice when reporting on India. (Author interview 2).

This tilt towards sensationalism is a by-product of the increasing commercialisation of the Indian media and the 24-hour news cycle which has come with it (Author interview with Gautam Das, December 2009; Author interview with
Shivshankar Menon, December 2009). Similarly, on the Chinese side tensions with India are often inflamed by ultra-nationalist posts on the Chinese internet, and in state-owned newspapers such as the English-language *Global Times*, which is known for its ultra-nationalist stance.

The governments of both sides, however, have taken a far more measured approach than their respective media industries, particularly on the border issue. Academic and former economic adviser to Indian Prime Minister Vajpayee, S. Narayan, notes that, particularly in India, there is a significant disconnect between media opinions and government perceptions (Author interview with S. Narayan, Dec 2009). This is partly because governments naturally have access to resources and intelligence not available to the media, but the sensationalist and commercial aspects also come into play. Narayan also notes that it is extremely difficult for the government to counter sensationalist images in the popular arena, except in some niche publications aimed at the highly-educated such as the *Financial Express*, and as these tend to have low circulations their impact on public opinion is very limited (ibid). V.P. Dutt from the Institute of Defence Studies and Analyses in Delhi notes that the Indian government sometimes gets accused of underplaying problems in order to pacify China, but that on the other side, the media is also prone to exaggeration of these same problems (Author interview with V.P. Dutt, December 2009).

These perception problems are not helped by the fact that Chinese and Indian studies in India and China respectively are still relatively small disciplines. There is a growing contingent of South Asia specialists in China, not only in the major universities such as Peking University in Beijing and Fudan University in Shanghai, but also in government-affiliated think-tanks such as the China Institute of Contemporary International Relations (Ministry of State Security), the Chinese Academy of Social Sciences (State Council), the Shanghai Institute for International Studies and the Shanghai Academy of Social Sciences, but they are still grossly outnumbered by their colleagues working on US or European studies. This is most likely a reflection of where India sits on the Chinese list of priorities, which is still a considerable way below the US, though as Sino-Indian trade increases more emphasis may begin to be put on South Asian studies.

Similarly, there are currently very few China studies scholars based in India, and of those only a small proportion focus on politics or international relations, which is interesting given how large China looms in the Indian foreign policy consciousness.
Coupled with close ties to members of the foreign affairs community, such as (generally former) ambassadors, this has resulted in a highly-concentrated pool of knowledge and opinion, which means that conferences on China studies in India (with the exception of those few which attract international attendees) tend to have the same people discussing the same issues in the same way, which is not conducive to the development of fresh ideas. This is not helped by the fact that China studies as an international discipline tends to have a very US-centric view and consequently focuses a lot on East Asian issues, rather than the South and Central Asian problems such as Pakistan and Afghanistan which are important to India.

In both countries it is also difficult for academic opinions to be heard in the popular media. In India populist anti-China sentiment is so strong in the majority of the media that Indian academics with pro-China opinions can find it hard to get published, while in China state control of the media means that certain voices go unheard. The influence of the international (i.e. Western) media also impacts on the perceptions which are propagated in both countries, particularly regarding the existence and nature of Sino-Indian competition. There is a growing tendency in some quarters of the Indian foreign policy and strategic establishments, and particularly in the Indian media, to believe the Western hype about India being on par with China. S. Narayan sums up the whole situation eloquently when he says:

Sino-Indian competition is purely in the Western mind and media. China is only interested in the US, and Indian industry only wants to keep its trade channels open. But in a perverse way India likes being referred to in the same breath as China as it gives them status and makes them feel like a player in world affairs (Author interview with S. Narayan, December 2009).

The lesson to be drawn from this is that Western scholars and media analysts need to rethink the way Asia is viewed and discussed. While drawing artificial borders of study is unhelpful and ignores the way events and policies in one part of the region affect those in another, a reasonable sense of perspective must also be brought to the analysis and India’s role should not be overblown at this stage. The hype that has arisen about India in the last few years is possibly due to the fact that both the US and ASEAN have embraced India as a strategic partner in order to balance China, and consequently it is in their interests to talk up India’s influence,
even if this is not matched by reality. Similarly, the political and foreign policy debates taking place in China should not be overlooked. Although scholars such as David Shambaugh have written extensively on this topic, the general portrayal of Chinese politics in India and other parts of the world is as monolithic, with one voice and little debate. Part of this is due to an interest, particularly in India, in only portraying China in a certain way, while the Chinese government is still feeling its way in terms of how much openness it is prepared to allow intellectuals, policy-makers and netizens. Until more nuances are directed into shaping the perceptions of China and India on both sides, however, misunderstandings will continue to occur.

Fitting in With the Neighbours: Chinese and Indian assessments of their roles in South Asia

Chinese views of India are as a rule far more muted than Indian views of China. Although India is undoubtedly growing in the Chinese official consciousness, on a public level there is still relatively little opinion expressed about India one way or the other. Certainly India does not inflame passions in China in the same way China does in India; that role is reserved for Japan.

In 2009 the Lowy Institute for International Policy, an Australian think-tank, released its first-ever China Poll, which aimed to gauge public opinion on foreign policy. When asked whether they felt particular countries posed a security threat to China in the next ten years, respondents ranked the US, Japan, India, Russia and North Korea (in that order) as posing the biggest threat, with fifty percent saying the US poses a threat, forty-five percent for Japan and thirty-four percent for India (Hanson and Shearer, 2009: 4). The accompanying analysis noted that the threat perception for all countries increased in accordance with the amount of formal education the respondent had; interestingly, “respondents with a university or college education were more likely to say India and Japan posed a threat than those whose highest level of education was junior secondary school: 43% compared with 25% for India and 49% compared with 36% for Japan” (Hanson and Shearer, 2009: 4-6).

Although this poll is not representative – particularly as it captures only the opinion of the urban population – it clearly shows that India has some way to go before it becomes a major concern in Chinese popular consciousness. An interesting parallel in attitudes, however, can be seen in the way India views China and China
views the US. In both cases the less developed country in the partnership aspires to the greater standard of living, political and economic power of the more developed, but at the same time feels a sense of threat which moves the relationship from one of simple aspiration to something much more complicated. In the case of China and India there is also the added issue of the 1962 war and the border dispute.

Interestingly, the 1962 conflict has had far less ongoing impact in China in terms of public opinion and perceptions of India than it has had in India. This is undoubtedly because China was the victor and did not suffer the same shattering of national pride that befell India. In addition, the Sino-Indian War has never been framed as an anti-imperialist war of resistance in the way that other conflicts in China, such as the war against Japan, have been, and so has not acquired the same symbolism or caused the same degree of animosity. Indeed, the border issue on the whole seems to be a relatively minor concern in China except at times of heightened tension such as in 2009; Chinese concerns about India are much more focused on the present, particularly India’s growing relationship with the US and unease about potential containment of China. Recently, however, China’s attention has been focused much more heavily on its eastern maritime borders, and particularly the East China Sea disputes with Japan, which in 2010 saw China imposing restrictions on the export of rare-earth minerals vital to Japan’s electronics industry, as well as disputes with other South-East Asian nations in the South China Sea. It is clear that India and the disputed border, while important to China’s foreign relations in the region, is not one of the top priorities in the way that China is in India.

By contrast, in India the hangover from the 1962 war continues to impact strongly on perceptions of China, particularly among the older generations. Dibyesh Anand argues that this is in fact now more about a nationalist narrative than the actual boundary issue itself (Maxwell and Anand, 2009). These nationalist narratives – for we are also seeing the renewal of nationalism as a political tool in China, though not specifically related to India or the 1962 conflict – have in recent years been seized upon by both the Indian and Chinese media alike, as was evident throughout 2009 and the hysteria generated by the media and analysts on both sides (Author interview with V.P. Dutt, December 2009; Raman, 2009a). In the Indian case at least, this stoking of nationalism has contributed to a sense of entitlement which, although it has always been present – as evidenced in documents from the 1960s, discussed in Chapter 1 – is
becoming more pervasive now that Indians are beginning to increasingly absorb the Western rhetoric of India and China as the new “emerging powers”.

In terms of economics, politics and international relations India has undergone marked changes since the Sino-Indian War of 1962. In terms of political attitude and self-perception, however, the changes have not been as radical as may have been expected. In examining the various diplomatic papers of the 1960-61 China-India border negotiations, what is clear was India’s inflated ideas of its own bargaining power, and this attitude has not changed a great deal in the intervening years. In 1960 it was exemplified by an absolute conviction in India’s own moral superiority in regards to the border issue and a subsequent unwillingness to negotiate, a stance which is still visible today. For example, in the wake of the 2009 Asian Development Bank loan incident – where China opposed an ADB loan to India because some of the money was earmarked for use in Arunachal Pradesh – Indian Foreign Minister S.M. Krishna made it abundantly clear that Arunachal Pradesh was “an integral part of India and that this is not negotiable,” (Krishna in Indo-Asian News Service, 2009a), in spite of the following challenge from Bharatiya Janata Party (BJP) politician and eminent criminal lawyer Ram Jethmalani:

How vigorously will you contest China’s claim? We have been hearing this for 60 years but nothing has happened. Are you aware that Article 51 [of the Indian Constitution] provides a lesson? Clause 4 says India must strive to resolve all disputes through arbitration. Have you ever offered arbitration [to China]? (Jethmalani in Indo-Asian News Service, 2009a).

India (regardless of the party in power) has never offered arbitration to China and is unlikely to, simply because in the eyes of politicians like Krishna, not to mention the general public, India is in the right and will not move from its position, which does not present a strong foundation on which to build negotiations.

This intransigence is increasingly linked to how India sees its place in the world and in relation to China. V.P. Dutt from the Institute of Defence Studies and Analyses in Delhi notes that although many in India, both on a public and official level, feel that India has become a major power, especially since Manmohan Singh took over as Prime Minister, this does not necessarily mean that it can play the role of a major power in a global context, though it is indisputably a major power at a
regional level (Author interview with V.P. Dutt, December 2009). The fact that China and India are increasingly equated in the Western media, and, increasingly, in political discourse, means that the more hawkish end of the Indian defence establishment feels more comfortable stating that India now has the capacity to “stand up” to China (which, in their view, is only waiting for the right moment to subject India to further military conquest). This idea that India has the military power to confront China is propagated in the media by analysts such as Brahma Chellaney, who are sceptical of ongoing negotiations and consistently advocate a more militant resolution to the border dispute:

At the centre of the Chinese strategy is an overt refusal to accept the territorial status quo. In not hiding its intent to further redraw the frontiers, Beijing only highlights the futility of political negotiations. After all, the status quo can be changed not through political talks but by further military conquest. Yet, paradoxically, the political process remains important for Beijing to provide the façade of engagement while trying to change the realities on the ground. Keeping India engaged in endless, fruitless border talks while stepping up direct and surrogate pressure also chimes with China’s projection of its “peaceful rise” (Chellaney, 2009).

Although this hawkish view is one of the most prominent in Indian public discourse, views within the government itself tend to be more moderate. Prominent officials such as National Security Adviser and former Foreign Secretary Shivshankar Menon tend to espouse a pro-Chinese engagement view, and though this is naturally and necessarily tempered with elements of realism, those who voice pro-China opinions in India are often derided as “panda huggers” by their more hawkish counterparts.

Taking the middle ground between the hawkish “dragon slayers” and the pro-engagement “panda huggers” are those who believe in limited engagement without, as they see it, capitulating to China. As Ranjit Gupta, a retired Indian ambassador, puts it:

India’s leadership has allowed China to take control of the relationship in an uncontested fashion, which has meant India is taken for granted. The Indian government shouldn’t stand to attention just because China says so. Chinese protests about government visits to Arunachal Pradesh should be ignored or, if statements have to be issued, should just say that it’s part of India and China has no business interfering.
We should no longer sign joint statements about Tibet, One China etc. until Indian concerns about Kashmir are also met. It shouldn’t be a one-way street. The China-Pakistan relationship has never been discussed with China, even though it has undermined India’s security. This should be number one on the Indian agenda. At least half of the bilateral discussion should be taken up on that. We are very defensive, and we don’t need to be. We don’t need to be confrontational, e.g. Publicly rejecting Chinese policy, but we need to stand up for our rights in bilateral talks (Author interview with Ranjit Gupta, December 2009).

This idea that India needs to take a greater stand for its rights and interests is interesting when juxtaposed with increasing Indian concerns about China’s foreign policy development and power projection. As noted in an article in the *Times of India*:

There is a growing perception in India that the Chinese military establishment is playing a different foreign policy script than the foreign office in Beijing. This perception has been strengthened over the past couple of years, which makes India’s diplomacy on China a lot more difficult (Times of India, 2010).

Although this presents a diplomatic challenge to India, the fact that these nuances in Chinese foreign policy debate and development are being picked up on is a positive step, in that it shows that the Indian government does not subscribe to the “monolithic Chinese government/Communist opinion” view often espoused by sections of the Indian media. It is also important to note that the defence hawk view is not the majority view of Indian policy-makers; it is simply the loudest.

There is a growing sense, however, that the Sino-Indian relationship, with all its associated tensions, has now moved significantly beyond the border issue, and this will present challenges to the Indian diplomatic machine, which is already crippled by a severe lack of capacity. Pakistan and Kashmir are two other major issues in the relationship, which is further complicated by US relations with China and India. In November 2009 the US and China held talks which resulted in a joint statement. Although the statement covered many areas, from the economy to regional security and the environment, India took particular exception to the following paragraph on Chinese and US efforts to promote peace in South Asia:
The two sides [the US and China] welcomed all efforts conducive to peace, stability and development in South Asia. They support the efforts of Afghanistan and Pakistan to fight terrorism, maintain domestic stability and achieve sustainable economic and social development, and support the improvement and growth of relations between India and Pakistan. 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 (The White House Office of the Press Secretary, 2009).

India’s major issue with this statement was that “the US appeared to have made China a monitor over India-Pakistan relations, where India believes China is an active player” (Times of India, 2010a), and also that it came only a week before Prime Minister Manmohan Singh’s first visit to the US (ibid). In some ways this harks back to the aftermath of the 1998 Indian and Pakistani nuclear tests, where China clearly relished being seen as an equal of the US and highlighting the power differential between itself and India. The 2009 statement, however, was slightly different in that it was not provoked by an international incident, but rather – in Indian eyes at least – was setting up China as an overseer of the major territorial dispute in South Asia with a view to promoting peace. Given Chinese support for Pakistan – which contributed significantly to the nuclearisation of South Asia – coupled with the lack of recognition by China of India’s sovereignty over the state of Jammu and Kashmir, and the recent presence of Chinese troops in Pakistani (Azad or “Free”) Kashmir (Ramesh, 2010), it is easy to see why India resents US support of China as a regional power in South Asia. In short, India feels that China has a vested interest in Kashmir and South Asian politics through its control of the Aksai Chin and its support for Pakistan, and as such placing it in an overseer role is inviting it to abuse its power for its own gain. These tensions are likely to continue until the US recognises that China is intimately involved in South Asia and Kashmir, with India controlling 45 percent of Kashmir, Pakistan controlling a third and China controlling the remaining 22 percent (Mukherjee, 2010) and as such cannot be expected to police it as an outside authority.

34 This lack of recognition of sovereignty is demonstrated in the refusal of the Chinese government to issue standard visas to Indian citizens from Jammu and Kashmir or Arunachal Pradesh. Instead, residents of these states receive Chinese visas stapled into their passports, rather than pasted in as is the norm for Indians from other states, which causes problems with immigration authorities both in India and China. The visa controversy caused diplomatic rows between India and China throughout 2009 and 2010, most recently over the denial of a Chinese visa to an Indian Army general from Jammu and Kashmir. See Masood, 2009; Hussain, 2009 and Mukherjee, 2010.
(see Map 2, p20 for details of disputed border territories). From an Indian perspective, China appears hypocritical to be continually demanding recognition of Tibet and Taiwan as part of China from other countries in the world (which, incidentally, India has given) while itself refusing to recognise Indian Kashmir, and it is this perception which leads those such as Ranjit Gupta to call on the Indian government to stand up to China.

Further complicating the issue is China’s relationship with the other South Asian countries – notably Nepal, Sri Lanka and Bangladesh. China’s growing economic and military linkages with these countries\(^{35}\) have caused some consternation in India, with concerns that it may be part of a greater Chinese strategy to contain or encircle India.

This assessment, however, fails to take into account a number of nuances. Firstly, although it is undoubtedly in China’s national interest to develop greater linkages with the countries of South Asia – particularly Nepal, which shares a border with China, and Sri Lanka, which could help safeguard Chinese shipping from the Persian Gulf – it is unclear at this stage whether China has coordinated a grand foreign policy strategy about anything, least of all India. There is the sense that China is still very much feeling its way in Asia, and one of the major internal debates is whether it should seriously aspire to taking over the US’s great power responsibilities in the region, such as safeguarding the Straits of Malacca and other sea lines of communication (SLOCs). The idea that China has hegemonic designs on any part of Asia at this point is to disregard the significant internal debates about China’s place in the world and the role it should aspire to, particularly in the context of rights and responsibilities in the international system (see Shambaugh, 2011).

The other factor which is overlooked by this analysis is the dissonance within South Asia as a region. To India, South Asia is very much in the “local” sphere; India’s sheer size and comparative strength make it the undisputed regional power, and with this comes a sense that should the South Asian countries require assistance, it is India to whom they should turn. This perception, however, is at odds with the reality of South Asian politics, as can be seen in the difficulties afflicting the South Asian Association for Regional Cooperation (SAARC), and which gives some insight

\(^{35}\) For details of Chinese military cooperation with Nepal, Sri Lanka and Bangladesh respectively see Xinhua News Agency 2010; Xinhua News Agency 2010a and Xinhua News Agency 2008a.
into the regional disputes which have allowed China to gain such a foothold in South Asia.

SAARC, which was founded in 1985 and is made up of the eight South Asian countries (Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, India and Sri Lanka), has attempted to fill the role of a cohesive regional organisation similar to ASEAN, but has been prevented from doing so in large part by the bitter rivalry between India and Pakistan. There is also a widely held view that SAARC is a vehicle for the “greater Indian” agenda at the expense of its smaller members. Bratersky and Lunyov summarise the Indian view of SAARC thus:

According to the Indian side, [SAARC] would provide a unique platform for the revision of the status of the region in world politics by strengthening its independence from external factors (i.e. superpowers and world economic bodies), and for politically and organisationally reaffirming the zone of direct Indian interests and legitimising India’s leadership in the region. Of course, not all of the member countries agree with that interpretation of the nature of the organisation; therefore, it is still rather ineffective (Bratersky and Lunyov, 1990: 929).

This Indian view of itself as being the “elder brother” of the whole subcontinent is continually problematic (Bratersky and Lunyov, 1990: 929). Unlike China, which learned its softly-softly approach to ASEAN through various misguided ventures into South-East Asia (such as the ill-fated war with Vietnam in 1979 as a response to Vietnam’s intervention in Cambodia), India still exhibits a strong sense of entitlement in South Asia, which, paradoxically, is actually preventing it from gaining more real influence in the region, as its military modernisation has sparked fears that “India is out to become a regionally dominant mini-superpower” (Majeed, 1990, 1084). In 1990, Bratersky and Lunyov noted this phenomenon, and even twenty years later their analysis still remains applicable to the current situation:

The clash of India’s foreign policy goals with those of other South Asian states at times leads to complications; periodically, its relations with Pakistan, Bangladesh, Nepal, and Sri Lanka become aggravated. Such things happen due both to the real situation on the subcontinent and to the “elder brother” complex, as well as the quite natural psychological approach of Indians to South Asia as a single entity. India’s
neighbours are especially apprehensive of its military might (Bratersky and Lunyov, 1990:929).

Consequently India cannot necessarily rely on support from South Asia, which is a significant strategic disadvantage. The lynchpin in this is the India-Pakistan conflict, which forces the other countries in the region to take sides and contributes to general tension, not just in South Asia but beyond.

The problems with SAARC highlight two issues in Indian regional policy. Firstly, a major priority for India should be peacefully resolving disputes with its neighbours in order to promote optimal conditions for economic development, much as China did in the 1980s and 90s. India also needs to rethink its attitude to South Asia and its place in it. Although the smaller countries of the region may at times benefit from coming under the Indian security umbrella, this needs to be a choice which is made by the governments of those countries, rather than being imposed upon them. In 1991, when India was just beginning its reforms, Devin T. Hagerty noted that “Indian security policy in South Asia is based on denying external powers a regional foothold, with military force if necessary” (Hagerty, 1991: 352). Although this policy has been moderated in the twenty years since Hagerty wrote, and looks to be changing further in the wake of recent deals with the US and the growing Chinese influence in the region, India’s “elder brother” complex still impinges on the smaller countries’ sovereignty in terms of allowing them to assess their own security issues (both internal and external) and ask for foreign intervention if and when they feel it to be necessary. Hagerty cites the Indian attempt to resolve the Sri Lankan civil war through military intervention between 1983 and 1990 as a spectacular failure which cost many Indian lives and had an inconclusive result (Hagerty, 1991: 352-8). In a tragic postscript, not long after the publication of Hagerty’s article in 1991, the concept of “blowback” was painfully illustrated with the assassination of former Indian Prime Minister Rajiv Gandhi by a Tamil suicide bomber during an election campaign stop.

These tensions between India and its South Asian neighbours have provided China with the perfect opportunity to develop influence in the region, which in turn impacts upon the Sino-Indian relationship by cultivating a sense in India of being threatened in its own backyard. As David Malone writes:
India today is facing a challenge the United States never faced (irrespective of the Monroe Doctrine). Apart from a brief period in the early 1960s when the Soviet Union challenged Washington’s hemispheric hegemony through Cuba, US dominance of the Americas, to the extent that it has cared to pursue and protect it, has not been threatened seriously since the early twentieth century (and probably before). India, on the other hand, sits alongside a powerful neighbour that is growing much faster than it economically and in terms of military capacity, and disposing of the resources necessary to make itself very attractive to other countries in the region (Malone, 2011: 126).

Consequently Nepal, Sri Lanka and Bangladesh see good relations with China as a means of hedging against India, particularly as the latter grows in economic and military strength. As Malone writes, “The challenge for Indian diplomacy lies in convincing its neighbours that India is an opportunity, not a threat” (Malone, 2011: 127). This need to pacify regional neighbours is common to both India and China, as the strategy adopted by the smaller South Asian nations is essentially the same as that undertaken by the ASEAN nations in relation to China; a hedging strategy is naturally the policy of choice for smaller nations surrounded by emerging regional (and potentially global) powers with whom they have no fixed alliances.

China’s attitude is that the South Asian countries are sovereign nations who have every right to conduct their own foreign policies and develop relationships with whichever countries they choose. A consistent theme which emerged in Chinese fieldwork interviews was that the real roots of the problem were a lack of Indian self-confidence, particularly when dealing with China, and also a failure on India’s part to establish good relationships with its neighbours, a view espoused, for example, by Hu Shisheng from the China Institute of Contemporary International Relations:

India is suspicious of China’s relationship with Sri Lanka, Nepal, Bangladesh and Myanmar. [But] China told India that if India has built good relationships with its neighbours why should it be worried about China? China is also trying to persuade India that small neighbours have reasons to invite major powers in. India needs to develop more self-confidence (Author interview with Hu Shisheng, May 2010).
Zhao Gancheng, the Director of South Asian Studies at the Shanghai Institute for International Studies, made a similar assessment, but also added the following point:

India doesn’t have much self-confidence when dealing with China, because India is weaker. Because there is less self-confidence it has suspicions that China is trying to use India’s neighbours to deal with India. But China has enough capacity to deal with India on its own if it wants to; it doesn’t need the South Asian countries. But China’s relations with South Asia are mostly through aid and trade, which is not contrary to India’s interests (Author interview with Zhao Gancheng, June 2010).

Another instance of the regional becoming global in South Asia was China’s obstruction of a 2009 Asian Development Bank loan to India for use partly in Arunachal Pradesh, as mentioned above. The US$2.9 billion loan was blocked by China on the grounds that it contained $60 million earmarked for water management projects in Arunachal Pradesh, which China claims as its territory, while India in turn accused China of violating ADB rules by assessing the loan application on anything other than economic grounds (Indo-Asian News Service, 2009a). The altercation came only a month before the two countries’ Special Representatives were due to meet for a round of talks on the border issue – which subsequently went ahead but achieved very little – and so had the effect of once again ratcheting up the tension in what was already a difficult year for the relationship. Although the loan was subsequently approved (Agencies, 2009) and the incident didn’t appear to cause any lasting damage to the relationship, it is just one example of the political tussles which are a frequent occurrence between China and India. Others include strident Chinese objections to Prime Minister Manmohan Singh’s election visit to Arunachal Pradesh in October 2009, and a similar outcry when the Dalai Lama was granted permission by Indian authorities to visit Tawang in November of the same year. Although the fallout from these individual incidents is generally minimal (bar the predictable shouting from the Indian and Chinese media), one cannot help but wonder about the cumulative effect on the relationship. Each small confrontation arguably causes both sides to dig their heels in further and makes the chances of meaningful discussion and possible reconciliation of the border issue even more remote.
Conclusion

The Sino-Indian border conflict and the rivalry which stemmed from it has traditionally been the main prism through which the relationship has been viewed. Increasingly, however, although this rivalry continues to exist and has an impact on trust between the two countries, it is no longer the defining feature of the relationship. Of greater importance to the normalisation of Sino-Indian relations and the stability of South Asia is the issue of Pakistan. As long as the Kashmir dispute remains unresolved and Pakistan continues to be perceived as harbouring terrorists with designs on India, this will remain one of the foremost global flashpoints. As a sovereign nation China has every right to sell military technology to Pakistan (provided this is within international laws and treaty obligations, and for example does not include military nuclear technology as has happened in the past) and to other countries in South Asia, in spite of India’s objections. It is also important to recognise that these countries do not have to have mutually exclusive relations with either India or China, and that smaller powers such as Sri Lanka, Bangladesh and Nepal often practice hedging strategies against larger regional powers. Pakistan, however, is a unique case and poses a very real threat, not only to India but also further afield, particularly through the destabilisation of Afghanistan. As powers with considerable influence over Pakistan, the US and China arguably have a role to play in ensuring that Pakistan becomes politically stable, cracks down on terrorist elements and begins rapprochement with India, though exactly how this could be achieved poses more of a problem. There may be potential for some sort of negotiating platform akin to the North Korea Six-Party Talks, but as with these this would require China to take the lead, and at this point it looks unlikely that this would occur given China’s decades-old partnership with Pakistan and troubled relationship with India.

In spite of these political difficulties, on a micro-level in Track-II diplomatic efforts and activities which promote people-to-people connections, views of China and India tend to be more positive. This is in many ways unsurprising, given the tendency for people to develop more positive opinions of a country once they have a personal connection, and in international relations this phenomenon is often seen in the broader context of soft power and the promotion of a particular culture. Increased people-to-people connections are important in the Sino-Indian relationship in that they can help to defuse tension and promote understanding and tolerance, particularly
between people who may go on to be the future leaders of their countries. At this stage, however, these dialogue mechanisms are very much in their infancy, in spite of the work of organisations such as the India-China Friendship Association (India), the China-India Friendship Association (China), and the Chinese People's Association for Friendship with Foreign Countries. Their other shortcoming is that they are limited in the amount of real political change they are able to induce, and so although they provide a valuable point of interaction, they must also operate alongside traditional Track-I initiatives as a supplement to the broader relationship. In addition, these Track-II dialogues, although successful in many senses, must also compete with the mass media, which in both countries tends to promote negative perceptions of the relationship.

The Sino-Indian relationship is also interesting in that there is a clear disconnection between governmental and people-to-people connections on the one hand, and the reporting of the relationship in the media on the other. Although the relationship is still acrimonious at times and has had its points of tension in recent years, relations between the two countries' governments are actually far better than the majority of the Indian and Chinese mass media would allow\textsuperscript{36}. An example of this disconnection is the tension which arose over the disputed border in 2009, where every small transgression was vigorously reported by the media from both sides and where, judging from these reports, the two countries were only a hair's-breadth away from full armed conflict. In reality, however, both the Indian and the Chinese governments took a relatively moderate and measured stance, remained in communication and were able to resolve the issues peacefully, not least because it would highly damaging to both sides for another border war to break out. Part of the reason for this disparate media coverage, particularly in India, is a tendency towards sensationalism which sees the views of radical defence hawks like Brahma Chellaney given a disproportionate amount of air time. Consequently the small number of academics and analysts who are qualified to speak on the relationship often find it very difficult to get heard, particularly if they are espousing moderate views. In China there is also the added problem of censorship.

\textsuperscript{36} There are two possible explanations for this: firstly, that the governments are out of touch with the people (in the Indian context particularly), or secondly that the media have a vested interest in sensationalism and so makes issues in the relationship out to be more serious than they actually are.
This mixture of views can be seen to inform China and India’s attitudes and policies towards each other in various ways, and provides some explanation for the ongoing points of tension in the relationship, as well as areas where their interests overlap more. As can be seen above, there is not one homogenous view in India of China, or in China of India, and trying to measure these perceptions quantitatively would be very difficult. It is important to acknowledge, however, that this variety of views and the events which inform them are vital to an examination of Sino-Indian relations, as they provide part of the reasoning behind certain decisions in the bilateral relationship. While the overwhelming public view in both countries tends to be negative, within the two governments there seems to be a tendency towards practical moderation – a will to promote engagement to the extent that it serves both China and India’s interests, but at the same time to remain guarded in relation to strategic policy. As will be shown in the following chapters, maintaining this balance between mutual interests and mutual distrust is not simply a perception but is actually informing Chinese and Indian dealings with each other in Central Asia, South-East Asia and global governance institutions.

As with the majority of Chinese and Indian media coverage, there is a tendency in some of the literature on the border issue to see South Asian regional rivalry as the defining point of the wider Sino-Indian relationship, and in many ways it has been for the past five decades (see Acharya, 2000; Chellaney, 2009; Chengappa, 2004; Mansingh, 2000; Maxwell, 1971; Maxwell and Anand, 2009; and Van Praagh 2003). Increasingly, however, there are signs that this is changing and that regional rivalry no longer has to prohibit greater interaction or even cooperation in other areas of the relationship. The border issue remains important, and there will probably be limits to which the Sino-Indian relationship can progress without resolving it, but it no longer dominates the whole relationship as it did in the 1970s and 80s. In fact, although the disputed border is still the major unresolved issue in the relationship, it is the Kashmir question and Chinese and Indian relationships with the US and Pakistan which look set to have the biggest impact on a local-regional level. Indeed, as the rest of this thesis will show, in the wider Asian region and globally the two countries are increasingly prepared to work together in areas where their interests converge, in spite of some continued points of rivalry over strategically important areas such as the Indian Ocean.
John Garver's characterisation of Sino-Indian rivalry is not dead by any means, but it is gradually becoming less relevant as a prism through which to view the relationship as a whole. The major question is whether increased cooperation internationally will lead to greater rapprochement on the border issue, or whether the rivalry at a regional level will limit the extent to which the relationship can function in greater Asia and globally. In the words of a senior Indian official:

In straight India-China issues, such as economic cooperation and trade, the two of them can work it out. In global issues with convergent interests such as [the WTO Doha talks], Copenhagen etc they can work together. But on regional issues and power politics they have problems. The challenge is whether they're willing to moderate their regional ambitions and reach an understanding (Author interview 4).

This, it seems, will be the major challenge facing the Indian and Chinese leaderships in the twenty-first century.
Chapter 3 – China and India in Central Asia: Converging interests but differing agendas

I chose Central Asia as a major case study of Indian and Chinese relations in the region primarily due to its strategic importance. There are several factors which influenced this choice, including geography and geopolitics. In terms of geography, China shares land borders with three of the Central Asian Republics (CARs) – Kazakhstan, Kyrgyzstan and Tajikistan – plus Afghanistan and Pakistan. This gives it direct access to the prolific hydrocarbon resources of the region, particularly in Kazakhstan, but also leads to security issues due to instability in Xinjiang and the close ethnic, cultural and linguistic ties between the Uyghurs and the populations of the CARs\(^\text{37}\). On the Indian side the interest is primarily in Afghanistan and the need to deny Pakistan “strategic depth”, but increasingly India is also looking northwards to the CARs in its search for energy resources. Although the potential for competition and cooperation between China and India in the region is still relatively low, given that China has extensive engagements and influence in Central Asia while India is still a relatively minor player – both of which are discussed further below – the way the two countries are interacting with the region is in many ways a reflection of their overall foreign policy strategies.

In contemporary (post-Soviet) terms, Central Asia consists of the five former Soviet republics: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. It notably does not include Afghanistan, which the Soviet Union never consolidated control of, and which is now viewed as part of South Asia after its accession to the South Asian Association for Regional Cooperation (SAARC) in 2007. Increasingly Afghanistan is being paired with South Asia’s other major trouble-spot, Pakistan, in what analysts term the “Af-Pak” problem. The problems in Afghanistan and Pakistan, however, cannot be divorced from Central Asia; in fact one of the biggest worries cited by Central Asian scholars is the potential spill-over of radical Islam from Afghanistan and the subsequent “Talibanisation” of the Central Asian Republics (CARs). Consequently it is necessary to examine the wider region as a whole, without regard for conventional borders – from India and Pakistan, through Central Asia to the borders with China and Russia, which bring their own influences to the region.

\(^{37}\) There is also a sizeable Kazakh population in Xinjiang.
Energy security and the quest for energy resources is the major prism through which Chinese and Indian interactions in Central Asia are viewed, because energy security is beginning to have a significant impact on the foreign policies of both China and India, particularly in relation to Central Asia. As Marie Lall notes:

Although the issue of energy security is primarily a domestic concern, the search for further sources of energy has dramatically changed the construction of foreign policy. This is particularly but not exclusively the case for India. Recent political and economic developments have, in turn, altered relations between South Asian countries and their neighbours – China, Myanmar, Iran, Afghanistan and the Central Asian Republics (Lall, 2009: 1).

Thus the CARs present an interesting case study in regionalism in that they are close enough geographically to China and India for some of the animosity inherent in the border issue and the Afghanistan/Pakistan conflict to spill over, yet the two countries are also beginning to realise that it is in both their interests to cooperate to a certain extent. Both have two major interests in the region: energy security and political stability. There is quite a bit of potential for the two countries to cooperate on energy, but the major question is whether this will be outweighed by competing political interests, particularly in relation to Afghanistan.

One of the most interesting aspects of Chinese and Indian relations in Central Asia is that although there are areas where their interests overlap significantly – particularly the energy sector and counter-terrorism – and have the potential to result in either cooperation or competition/rivalry, at this stage neither is occurring to a substantial extent. As this chapter will explore, there have been isolated instances of both cooperation and rivalry (particularly economic), but significant differences in capacity and geography mean that China has been pursuing its interests in the region much more aggressively than India, and as such the countries are essentially pursuing differing agendas in spite of their overlapping interests. In order to illustrate this unusual aspect of the relationship, this chapter will firstly explore the geopolitics of this extremely complex region, particularly in relation to energy, before looking at Chinese and Indian policies towards Central Asia and the potential for cooperation and competition/rivalry arising from these.
The Geopolitics of Central Asia

Central Asia is one of the most geopolitically complex regions in the world. This complexity stems from a variety of factors: its location at the junction of Asia, Europe and the Middle East; its intricate ethnic and tribal relationships which transcend international boundaries; its history as part of the Soviet Union and resultant efforts to reshape independent states in the wake of that entity’s collapse; its unstable and dictatorial politics, as evidenced by the 2005 “Tulip Revolution” in Kyrgyzstan and subsequent counter-revolution in 2010; its development as a hotbed for radical Islamists, particularly in Uzbekistan’s Ferghana Valley; and last but certainly not least, its abundance of oil, gas and other resources such as uranium, which have caught the attention of the world and led to a new type of power struggle referred to by some as the “New Great Game”.

Zhao Huasheng, a Central Asia specialist from Fudan University and the Shanghai Institute for International Studies in China, sums up the region thus:

Central Asia is important, but it isn’t the most important region in the world politically. The importance of Central Asia lies in its geopolitical location and its energy reserves. There are other regions with more importance for the US, Russia, China, and the EU. East Asia is more important for Chinese security and economics. But Central Asia is the main region which can change the status among great powers. Because of the weakness of the region it’s open to all the great powers. You can’t find another region in the world where all the great powers are present. This region can change the balance of the great powers. It’s very variable, it doesn’t belong to any one group or great power, but rather belongs to all of them (Author interview with Zhao Huasheng, June 2010).

Although this research focuses primarily on China and India in Central Asia, it is important to set this up in the greater context of the region. Traditionally the Central Asian Republics have been firmly in Russia’s sphere of influence; in addition to the various local languages, Russian is still the lingua franca of the region, though there is an increasing push, particularly in Kazakhstan, for greater use of local languages. In addition, traditionally all Central Asian oil and gas has been exported north through the extensive Russian pipeline network, which has not only given Russia extensive supplies of hydrocarbons, but has also profited the country through transit fees to
Europe. However, this is now changing, with the construction of new pipelines, including the Baku-Tbilisi-Ceyhan (BTC) pipeline which runs from Azerbaijan to Turkey, and, more significantly, extensive Chinese investment in the construction of an oil pipeline from the Caspian Sea in Kazakhstan to Alashankou in Xinjiang, and a gas pipeline from Turkmenistan. For the Central Asian Republics this diversification of interests is positive in that it allows them greater choice in accordance with their national interests and the profitability of various routes, but it also invariably complicates the geopolitics of the region.

The study of pipeline politics in Central Asia almost constitutes an entire discipline of its own, in terms of the amount of literature available. Much of this literature is in relation to oil and gas pipelines, their location and capacity, while politics is discussed when it affects resource exploration and distribution – which, in Central Asia, is quite frequently. A large proportion of this is available on the internet, either through the official websites of resource companies (China National Petroleum Company, 2009; ONGC Videsh, 2009; BP Global, 2006) or the plethora of online forums and industry news pages (Worldpress, n.d.; Petersen, 2006; Upstream Online, 2008). There is also an abundance of hydrocarbon industry journals, such as *Oilweek*, *Oil & Gas Science and Technology* and *Oil & Gas Investor*, to name but a few. In addition, there are more broad academic works which examine energy and geopolitics in Central Asia. One of the best-known analysts of this region is Pakistani journalist Ahmed Rashid (2001; 2002; 2009) who wrote the definitive pre-September 11 book on the Taliban and has since gone on to examine the rise of militant Islam and the complex politics of Central Asia, while others such as Emilian Kavalski (2010), Rob Johnson (2007) and Lutz Klevenian (2003) explore the relationship between the energy industry, the Western powers seeking to exploit it and the governments of the CARs. In addition, scholars such as Yitzhak Shchor (2008), Susan Shirk (2004), Marie Lall (2009), Jennifer DeLay (1999), Cynthia and Michael Croissant (1999), M.K. Bhadrakumar (2004) and Stein Tonnesson and Ashild Kolas (2006) have examined China and India’s strategies in Central Asia and, more broadly, the role the quest for energy security plays in the development of their foreign policies. The Central Asia-Caucasus Institute and Silk Road Studies Program (http://www.silkroadstudies.org) is a well-regarded joint US-Swedish research centre.

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38 For details of the major transnational pipelines which traverse Central Asia please refer to Map 3, p89.
which has also produced extensive work on all aspects of Central Asia. This
prevalence of literature across so many interconnected areas is understandable; in an
extremely competitive industry working in a highly volatile region, up-to-date
information and an understanding of the political climate is vital.

The dominant issue in the Central Asian hydrocarbon literature, particularly
that with a strong industry bent, tends to be pipeline routes and the squabbling taking
place between various countries over them. Pipeline politics is one of the most
volatile issues in the region, and arguably as of much if not more interest to Western
governments as radical Islamism. There are several major existing and proposed
pipelines through the region which are often discussed in the literature. The first is the
BP-operated Baku-Tbilisi-Ceyhan (BTC) pipeline, which runs from Azerbaijan,
through Georgia to the Turkish port of Ceyhan, and which was completed in 2005 (BP
Global, 2006). Construction of the BTC was highly favoured by the US, in spite of its
cost, because it provides an overland route which avoids both Russia and Iran, and it
is likely that a gas pipeline will eventually be laid along the same route (Johnson,
2007: 207). This would then connect with the proposed Nabucco gas pipeline from
Turkey to Austria, which is due to begin construction in 2013 and be fully operational
by 2017 (Harrison, 2011), and is designed to secure Europe’s gas supply while
circumventing Russia.

The second major Central Asian oil pipeline is that constructed by the Chinese
government from Kazakhstan to Xinjiang. This pipeline is in three sections: the first,
western section, links Atyrau on the northern edge of the Caspian Sea to Kenkiyak,
449km to the north-east, and was completed in 2003 (Gould, 2006). The second phase
is the 962km-long eastern section, which links the central Kazakh city of Atasu to
Alashankou in Xinjiang (ibid). This section was completed in December 2005 and
began pumping oil in July 2006. It is an extension of an existing pipeline from the
Chinese-operated oilfields at Kumkol to Atasu (ibid). The third and final phase of the
project is a 762km-long pipeline to link Kenkiyak with Kumkol (ibid). Construction
began in December 2007, and the project was completed ahead of time, becoming
operational on 11 July 2009 (China National Petroleum Corporation, 2009). China has
also built a gas pipeline from Turkmenistan’s Bagtyarlyk fields on the right bank of
the Amudarya River, with construction starting in August 2007 (News Central Asia,
2007). The pipeline, which travels through Uzbekistan and Kazakhstan to Xinjiang,
became fully operational in December 2009 (Pannier, 2009).
In addition, there are several proposed pipelines in the region, but for various political reasons none have yet begun construction. The first is the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, which is favoured by the US because, unlike other proposed and existing pipelines, it does not pass through either Russia or Iran, but which is still in the negotiation stage due to security risks in Afghanistan. It does, however, appear to have made substantial progress in recent years, with backing obtained from the Asian Development Bank, and initial agreements already signed between the four countries (Zee News, 2008). The project was slated to begin in 2010, but this has not occurred. It is estimated to cost US$7.6 billion and will stretch 1680km from the Daulatabad field in Turkmenistan, through Herat and Kandahar in Afghanistan to Multan in Pakistan and across to the Pakistan-India border (Xinhua, 2008; IANS, 2008). There seems to be a conspicuous lack of discussion, however, about what exactly will be done about Afghan stability and security, and how this may impact on the project.

The other major transnational gas pipeline project currently under negotiation is the Iran-Pakistan-India (IPI) pipeline, which naturally does not have the support of the US. Nevertheless, the last few years have seen significant progress made on this project, with India and Pakistan agreeing on tariffs, transit fees and the formation of the structure committee in April 2008 (ANI, 2008). The pipeline, which would pass through Gwadar, situated on the Arabian Sea on Pakistan’s south-west coast, and Nawabshah, in the south-eastern Pakistani province of Sindh, was rumoured to be completed by 2012 (ibid) but this looks extremely optimistic, because although work has begun on the Iranian side of the pipeline there has been little progress in Pakistan.

The discussion of energy resources in Central Asia can be roughly divided into two categories. The first are those resources which lie within the territory of particular countries, such as oil fields in Kazakhstan, or gas fields in Turkmenistan. The second and far more complex issue is that of the Caspian Sea, which, at 370,000 square kilometres, is the world’s largest inland body of water, and is itself extremely rich in hydrocarbon resources (Croissant and Croissant, 1999: 21). This abundance of energy and the fact that it is landlocked and bordered by five countries (Russia, Kazakhstan, Turkmenistan, Iran and Azerbaijan) means that it has also been subject to an ongoing legal dispute about how far the littoral states’ territories extend – and, by extension, which resources particular countries are entitled to.
This dispute has its roots in semantics and international law – namely, whether the Caspian Sea is in fact a sea, or an inland lake. Azerbaijan supports the former position – that it is a sea and as such should “be divided into national sectors over which each state has exclusive sovereignty” – and is loosely supported in this stance by Kazakhstan and Turkmenistan (Croissant and Croissant, 1999: 21). Russia and Iran, on the other hand, claim that the Caspian is an inland lake and so is “subject to joint control by all the littoral states” (ibid). Naturally these definitions play an important role in deciding which states have control over the Caspian’s undersea oil fields, and by extension, affect the potential for financial independence for the post-Soviet states of Kazakhstan, Turkmenistan and Azerbaijan. Croissant and Croissant frame it thus:

The insistence by Russia and Iran that the Caspian’s ecosystem can only be protected if the littoral states exert mutual control of the sea is merely a means to a common geopolitical end: to impede Western investment in the region and relegate Azerbaijan, Turkmenistan and Kazakhstan to a status short of full independence. For the smaller littoral powers, however, sovereignty over the offshore riches of the Caspian is absolutely essential to cementing their independence after centuries of foreign domination (Croissant and Croissant, 1999: 21).

The controversy is that the hydrocarbon resources of the Caspian are not spread evenly, with the most productive area being the South Caspian off the coast of Azerbaijan, which is home to the giant Azeri, Chirag and Guneshli oilfields (Croissant and Croissant, 1999: 21-22). Azerbaijan claims these fields as within its exclusive zone, which is determined by drawing a line from each state’s borders to a middle point (ibid). By claiming that the Caspian is an inland lake, however, Russia contends that no littoral country can claim an exclusive zone and that all decisions have to be made in consultation with all five littoral states (Croissant and Croissant, 1999: 22). Although there has been some progress on resolving these disputes, a definitive solution is yet to be found.

The Caspian Sea dispute is extremely complicated and involves a variety of interpretations of international treaty law. What this illustrates, however, is the geopolitical complexity confronting outside countries such as China, India, and the US who are trying to do business in Central Asia – including building pipelines from

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39 For a detailed discussion of the Caspian Sea legal dispute see Croissant and Croissant, 1999: 21-42.
or across the Caspian. Further complicating the mix is the presence of multinational oil companies. Western companies such as BP, Royal Dutch Shell and Chevron have loose ties to particular countries (Britain, the Netherlands and the US respectively) but to all intents and purposes are independent entities. Indian and Chinese companies such as ONGC Videsh or the China National Petroleum Corporation (CNPC) are state-owned but exhibit varying degrees of autonomy.

Both Chinese and Indian overseas investment in the energy sector is primarily undertaken by national oil companies (NOCs). In China these are the China National Petroleum Corporation (CNPC), China National Offshore Oil Corporation Ltd. (CNOOC), the China Petrochemical Corporation (Sinopec), Sinochem, the China International Trust and Investment Corporation (CITIC) and ZhenHua Petroleum, of which only the latter two are non-oil state companies (Brown et al, 2008: 228). India has a dual-level structure, with the Indian Oil Corporation Ltd. (IOCL), the Oil and Natural Gas Commission (ONGC) and the former Gas Authority of India Ltd, now GAIL (India) Ltd, making up part of the so-called “nine jewels” or navaratna flagship NOCs, while smaller companies such as Oil India Ltd. (OIL), the Hindustan Petroleum Corporation Ltd. (HPCL), Bharat Petroleum Corporation Ltd. (BPCL) and National Thermal Power Corporation (NTPC) fall into the category of “smaller jewels” or mini ratna (Brown et al, 2008: 238).

Interestingly, and perhaps counter-intuitively, Chinese NOCs have greater autonomy from the government than Indian NOCs; Brown, Mukherji and Wu note that these companies “are effectively, at times, more powerful than the government agencies overseeing them” and that “CNPC and Sinopec were previously ministries,” which means that their chairmen “enjoy the de facto ranking of ministers” (Brown et al, 2008: 232). Thus these companies are able to draw on government influence to aid their overseas investment opportunities while maintaining a high degree of autonomy. There are also extremely close ties between the senior management of Chinese NOCs and influential members of the Chinese government, with many government officials having previously worked for the oil companies and vice versa (Downs, 2006: 22). In contrast to these unofficial ties which give Chinese NOCs greater autonomy, the Indian NOCs are strictly controlled by the government, with government-appointed personnel or senior civil servants making up the boards of all Indian NOCs (each board must include at least two government officials) (Brown et al, 2008: 237, 239). According to S. Narayan, who was Economic Adviser to former Indian Prime
Minister A.B. Vajpayee and an expert on energy politics, the Indian government imposes a strict price ceiling on Indian NOCs, forcing them to accept rates below market level and making them essentially arms of government (Author interview with S. Narayan, December 2009). The Indian companies’ lack of autonomy also comes from the way their finances are regulated. In China, the NOCs’ finances for their enterprises are given by the Chinese banks, which the government regulates very strongly, giving them effective one-point control, whereas in India the government allows the banks to function as commercial enterprises and then regulates the companies individually (ibid), leading to a clunky, overly bureaucratic system. With more government hoops to jump through, Indian overseas investments have in several cases been stalled by bureaucratic roadblocks such as delays in obtaining approvals (Brown et al, 2008: 243).

Further complicating factors in Central Asian geopolitics include the ongoing conflict in Afghanistan (and by extension Pakistan) and the presence of US, NATO and International Security Assistance Force (ISAF) troops in the region, as well as the politics of reconstruction, to which India and China are both major contributors. There is also the various internal politics of the CARs, which remain dictatorships and range from relatively stable (Kazakhstan) to highly volatile (Kyrgyzstan). Thus we see China and India attempting to develop influence in a region where there is no dominant power but many old allegiances; extensive oil and gas resources; territorial disputes, including over these resources; the presence of multinational oil companies, foreign troops and a variety of international state actors including the US, Iran, Turkey and Russia; internal politics and tribal disagreements within the CARs; and the growing influence of radical Islam, including imported fighters from the Gulf states. It is in this byzantine context that China and India are attempting to develop cohesive Central Asia policies (at which China is proving more successful than India) whilst also attempting to manage relations with other outside powers – namely the US and Russia – and each other.

*Pipelines, Politics and Terrorism: Chinese interests in Central Asia*

China is aggressively pursuing Central Asian oil and gas, and has already built pipelines in Kazakhstan and Turkmenistan; indeed the Kazakhstan-Xinjiang pipeline idea was initiated as early as 1993 (Roberts, 2004: 221). Of all the Central Asian
Republics, Kazakhstan arguably faces both the biggest advantages — in that oil, gas and other resources, including uranium, are abundant — and the biggest hurdles, in that its sheer size and location make it very difficult for the country to capitalise on its natural wealth. As Jennifer DeLay puts it, "...In terms of access to international cargo transport routes, [Kazakhstan] is in the middle of nowhere" (DeLay, 1999: 57). For this reason Kazakhstan has been particularly keen to build pipelines, and China offers not only an unquenchable market for Kazakh oil and gas, but also a strong alternative to Russia, which poses political problems for Kazakhstan in that Russia’s controlling oil interests are often reluctant to sell on Kazakh oil and “[allow] a former Russian colony to become a big oil exporter and a competitor on the world oil market” (DeLay, 1999: 59). The Kazakhstan-China route is also relatively secure, particularly in comparison to other proposed routes such as those through Afghanistan. Thus, in spite of the enormous cost and construction difficulties involved in the Kazakhstan-China pipeline, the project is seen as highly advantageous to both countries, and as of July 2010 is fully operational.

China still produces most of its energy (seventy percent) by burning coal, which accounts for much of the country’s legendary pollution, and it is trying to diversify its energy use by developing the use of natural gas (Kleveman, 2003: 113). China is also trying to break its “Malacca dilemma” — eighty percent of China’s energy imports pass through the Malacca Straits, which, book-ended as they are by US naval presence (a US Navy base in Changi, Singapore, and Marine and Navy fleet capabilities based on the British Indian Ocean territory of Diego Garcia), makes China strategically vulnerable (Pan, 2011).

Thus, in addition to the Kazakhstan-China oil pipeline, China has also been pursuing both Kazakh and Turkmen natural gas, beginning a gas pipeline from Kazakhstan in 2008 which is part of the greater Trans-Caspian Gas Pipeline linking China with Turkmenistan, Uzbekistan and Kazakhstan, and which is scheduled for completion in 2013 (Auyezhov, 2008). In addition, a gas pipeline from the Tarim Basin gas fields in Xinjiang to Shanghai was completed in 2004 (China Daily, 2004), with half the US$5.2 billion cost paid by an international consortium, led by the Shell Corporation (Kleveman, 2003: 113), and it is this pipeline with which the Turkmenistan-China gas pipeline will connect. The Turkmenistan-China pipeline also provides Turkmenistan with a good alternative to Russia, as Turkmenistan has had disputes with Russia over gas shipments in the past, including a Russian freeze in
1997 on all shipments of Turkmen gas, which had a severe impact on Turkmenistan’s economy (DeLay, 1999: 69).

This international competition for energy resources and the politics that goes along with it has been christened by some as the “New Great Game”, in reference to the nineteenth-century Anglo-Russian territorial competition in Central Asia known as the Great Game. China, Russia and the US are generally considered to be the major players in this latest iteration, with smaller powers such as India, Turkey and Iran operating at a lower level, while Japan has also recently begun to initiate dialogues with the CARs. Veteran Central Asia specialist Nirmala Joshi believes that China is interested not just in obtaining resources from the CARs, but developing a presence in the Caspian Sea region which could then be used to greater geopolitical advantage:

China is very clever – Central Asia itself isn’t important, the Caspian is important. If it has a presence in the Caspian it is very advantageous geopolitically because it’s a gateway to Iran, Iraq and the Middle East. It can be used to counter the US. Whoever is giving aid to these countries, it’s not for their development or growth. Nothing is being done to create employment in places like Kazakhstan; 65 percent of FDI is going to extracting energy (Author interview with Nirmala Joshi, March 2010).

China is also interested in consolidating its political power in the region in order to deal with what it perceives as the Uyghur separatist issue in Xinjiang40 – particularly as many Uyghur separatists have fled China to the Central Asian Republics, mostly Kazakhstan and Kyrgyzstan – and to counter American hegemony. Its leadership of the Shanghai Cooperation Organisation (SCO) can be seen as a means of achieving this, as the original Shanghai Five organisation was developed

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40 The western Chinese province of Xinjiang, which borders the CARs and is home to the majority of China’s oil and gas resources, has long had separatist issues with its major non-Han population, the Uyghurs, who are a Muslim Turkic people closely related to various Central Asian ethnic groups. They have been campaigning for a state known as East Turkestan since the beginning of the twentieth century, though tensions particularly began to flare up again in the 1980s and 1990s. At times they have resorted to terrorist acts, such as placing bombs on buses, but the overall death toll has remained relatively low. In 2009 there was a major crackdown by the Chinese government following riots in the provincial capital, Urumqi. Concerned that Uyghur separatists are receiving training and assistance from supporters in Afghanistan and the Central Asian Republics, the Xinjiang issue is one of the major reasons China is so invested in the region. For more information see Starr, S. Frederick (ed.) 2004. Xinjiang: China’s Muslim Borderland. New York: M.E. Sharpe Inc. and Shichor, Yitzhak. 2008. ‘China’s Central Asian Strategy and the Xinjiang Connection: Predicaments and Medicaments in a Contemporary Perspective.’ China and Eurasia Forum Quarterly 6 (6):55-73.
from security treaties signed between China and the Central Asian states with the aim of clearly demarcating borders and controlling separatism (Roberts, 2004: 233).

According to Indian China-watcher Srikanth Kondapalli, Chinese involvement in Central Asia over the Xinjiang issue has a long history. The region was heavily destabilised after the Soviet invasion of Afghanistan in 1979, and China – who, after the Sino-Soviet split in the 1960s, saw the latter as a threat – countered the USSR by supporting the mujahedin in Afghanistan, who are now, in the “blowback” characteristic of Central Asian politics, supporting the Uyghurs in their fight for secession (Author interview with Srikanth Kondapalli, March 2010). Kondapalli claims that Chinese General Xiong Guangkai trained five thousand mujahedin between 1979-89, and also supplied Red Arrow missiles which are now being used against the Chinese (ibid). The US also had an intelligence-sharing operation with China during the latter part of the Cold War, including two USSR-facing signals intelligence (SIGINT) facilities at Qitai and Korla in Xinjiang (Richelson, 1989: 280). Mujahedin training programs in Pakistan were also conducted jointly by the CIA and the People’s Liberation Army’s (PLA) International Liaison Department (publicly known as the China Association for International Friendly Contacts), as were counter-Soviet operations in Angola, Cambodia and Afghanistan (Richelson, 1989: 281).

After the Soviet Union drew its final breaths in December 1991 China was particularly quick to establish diplomatic relations with the new CARs: relations were formalised with Uzbekistan on 2 January 1992, with Kazakhstan on 3 January, Tajikistan on 4 January, Kyrgyzstan on 5 January and Turkmenistan on 6 January. It was in many ways a triumph of proactive diplomacy, with China seeing the opportunity and capitalising swiftly on it, in contrast to India which took a long time to decide how, why and when it wanted to engage with the region. The immediate aftermath of the USSR’s collapse provided extensive opportunities for surrounding

41 Negotiations for this began in 1978 and a basic agreement began at the beginning of 1980 (Richelson, 1989: 280). According to Kondapalli, the relationship crumbled after the Tiananmen Square massacre of June 1989 (Author interview with Srikanth Kondapalli, March 2010).
42 According to security analysis website GlobalSecurity.org, “The [International Liaison Department] prepares political and economic information for the reference of the Political Bureau. The department conducts ideological and political work on foreign armies, explaining China’s policies, and disintegrates enemy armies by dampening their morale. It is also tasked with instigating rebellions within the Taiwan army and other foreign armies. The Liaison Office has dispatched agents to infiltrate Chinese-funded companies and private institutions in Hong Kong. Their mission is counter-espionage, keeping watch on their own agents, and preventing foreign agents buying off Chinese personnel” (GlobalSecurity.org, 2010).
countries to engage in infrastructure projects because the CARs suddenly found themselves newly independent and with all their major Soviet infrastructure projects, funding and personnel withdrawn to Russia. China was very proactive in laying the groundwork for good relations with the CARs, which now, twenty years later, is starting to pay dividends in the form of pipeline projects and political groupings such as the Shanghai Cooperation Organisation, which has both developed as a consequence of China’s involvement in the region and evolved as a vehicle through which it can consolidate its influence.

The SCO is currently the only multilateral organisation which includes the Central Asian Republics and is focused on the region. Originally known as the Shanghai Five, it is now comprises six member states (China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan – Turkmenistan declined to be involved as it pursues a policy of neutrality) and four observer states (Mongolia, Iran, India and Pakistan) (Clarke, 2010: 117). China and Russia are the main drivers of the organisation, and it is generally accepted that the SCO is a major part of Chinese foreign policy in the region, both in terms of building a new type of multilateralism and as a means of enhancing bilateral relations with Russia and the CARs. Hu Shisheng from the China Institute of Contemporary International Relations, a think-tank affiliated with the Ministry of State Security, describes the SCO as “a unique platform for regional integration and cooperation and...a case study for China in how to manage regional integration” (Author interview with Hu Shisheng, May 2010).

In the West, and particularly the US, there have been competing views over how exactly to characterise or respond to the SCO. It has been called an “Asian NATO” at various points, mostly by the media, but this is now generally dismissed as inaccurate, because although the SCO does undertake joint military and counter-terrorism exercises, including the annual “Peace Mission” exercises (held in Kazakhstan in 2010, with the 2011 location yet to be announced), it is not a mutual assistance treaty à la NATO (Fillingham, 2009). Indeed, the complex ethnic, tribal and territorial issues in Central Asia mean that the SCO would not easily be able to intervene in a regional conflict – for example, Afghanistan after the US withdraws.

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At this point, the SCO is primarily an economic organisation, though this has not been without significant hiccups. As one Chinese interviewee noted, the huge disparity in development between the SCO’s richest members (China, Russia) and its poorest (Tajikistan, Kyrgyzstan) has meant that most trade between members at the moment is bilateral rather than multilateral (Author interview 5, 2010). For its part, China has provided US$10 billion in soft/preferential loans to SCO member states (ibid).

The question of membership expansion is another major issue confronting the SCO at present. The four observer states – Mongolia, Iran, India and Pakistan – have been pushing for full membership, and although at one stage this looked unlikely when a freeze on all new memberships was announced, at the 2010 and 2011 meetings of the SCO the way began to be paved for new members to be admitted (Cheng, 2011; Wu and Li, 2010). In the case of India and Pakistan the question is highly political; China would happily extend full membership to its staunch ally Pakistan, but in return Russia would insist on membership for India, most likely as part of a hedging strategy aimed at preventing Chinese control of the SCO – and by extension its influence in Central Asia – becoming too marked.

The issue of SCO membership is part of a larger debate on the impact Chinese influence may have on the region. There are some elements of concern, particularly from Russia, which sees China as encroaching on its traditional strategic backyard – though not to the extent that Russia is unprepared to work with China in the SCO (Bhadrakumar, 2004; Joshi, 2007) – and from the US, which worries about extensive Chinese influence in the region and its relationship with Iran (Brummer, 2007). There is also the potential, however, for China to have a positive effect on the politics of the CARs, particularly in relation to the seeping of radical Islam from Afghanistan and Pakistan into Central Asia and China. As Indian Central Asia specialist Indranil Banerjee notes, China’s extensive investments in an Afghan copper mine mean that it now has “skin in the game” – an interest in keeping Islamic extremism away from its investments and ensuring stability (Author interview with Indranil Banerjee, March 2010). Coupled with the fact that China has suffered a spate of kidnappings and killings of its citizens in Pakistan in recent years, it is possible that it may begin to place pressure – behind the scenes, at least – on Pakistan to crack down on extremism and help to stabilise the region.
In spite of the enormous advantages brought to Central Asia by Chinese involvement in the region, there are also some concerns about how extensive this involvement might become. These concerns are most notable in Kazakhstan, which, as well as bearing the bulk of Chinese investment, shares a sizeable border with China. The dispute over this border was resolved in 1998-99 and led to Kazakhstan retaining fifty-seven percent of the disputed territory and China forty-three percent, though the agreement did provoke criticism in Kazakhstan (Bakshi, 2001: 1151-52). In spite of the resolution of the border, however, there are still concerns in Kazakhstan about the growing influx of Chinese workers. These concerns were illustrated at the beginning of 2010 by protests in Kazakhstan after Kazakh President Nursultan Nazarbayev gave a television interview where he mentioned Kazakhstan was negotiating with China to lease farmland in exchange for farm products (Author interview 5, 2010). The crux of these protests was that, firstly, Chinese labour takes local jobs, and secondly that China is flooding the Kazakh market with products and taking resources away from Kazakhstan and the other CARs, thus making them dependent on China (ibid). Little credence was given to the protests in China, with the view expressed by some interviewees that they were the work of political opposition forces rather than truly disaffected Kazakhs (Author interview 5, 2010; author interview with Hu Shisheng, May 2010). These interviewees claim that China adheres firmly to Kazakh labour laws and that there are very few illegal Chinese workers in the country, and that in addition to developing the resource sector China is also helping to develop other sectors like agriculture and manufacturing (Author interview 5, 2010). But, nevertheless, discontent remains, and China turns a blind eye to it at its peril, given the political instability which continues to plague the Central Asian Republics.

In addition to these bilateral issues with the CARs, there are also concerns about growing Chinese influence from the other major powers operating in the region, namely the US and Russia. As well as the conflict in Afghanistan, the US has several strategic assets in the region, such as the controversial air base at Manas, near Bishkek, in Kyrgyzstan. Now known as the Transit Centre at Manas rather than Manas Air Base, it was opened in 2001 as a transit point for troops going to and from Afghanistan, and, after the Kyrgyz Parliament voted to close it down in 2009 due to disagreement with the US government about rent, the contract was renegotiated for US$60 million, three times the previous amount. Russia and China have been pressuring for closure of the base for several years, concerned about the impact of a
major US presence in their spheres of influence. China in particular is worried about
stability in the region, particularly in relation to Kyrgyzstan; there is concern that the
US will promote “colour revolutions” of the type that occurred throughout Eastern
Europe in the early 2000s, including Kyrgyzstan’s Tulip Revolution in 2005. The
2010 riots which overthrew the Tulip Revolution government in Kyrgyzstan were also
viewed with concern in China; as one interviewee noted, “If this instability spills over
into the other CARs it will be used by terrorists, splittists and extremists to promote
unrest” (Author interview 5, 2010).

A confidential diplomatic cable from the US embassy in Bishkek, released as
part of the WikiLeaks cache, gives a unique insight into the issue of Manas. It notes
how in February 2009, when negotiations were taking place between the US and
Kyrgyz governments, the Chinese allegedly offered the Kyrgyz government a US$3
billion financial package to close Manas Air Base (Gfoeller, 2009). The same cable
noted that the Chinese ambassador also acknowledged that US$2 billion of Russian
assistance to Kyrgyzstan was “probably” linked to closing Manas (ibid).

This example illustrates the complex China-Russia-US strategic triangle which
is operating in the region. Liu Fenghua, from the Institute of Russian, Eastern
European and Central Asian Studies at the Chinese Academy of Social Sciences in
Beijing notes how each side is hedging against the others:

In October 2001 the US entered Afghanistan, and US influence [in the region]
has grown very quickly since then, so Russian power has been challenged. In 2007
Kyrgyzstan had a colour revolution and so Russia sees the US as the main competitor
in the region. On the one hand Russia is worried about Chinese influence, but it also
uses China to balance the US (Author interview with Liu Fenghua, May 2010).

This means that new and smaller players such as India must not only negotiate
their own commercial interests in the region, but also find a way through this finely-
balanced web of politics, complicated of course by their own bilateral relations with
China, Russia and the US.

For those countries prepared to delve into the complex geopolitics of Central
Asia, the region provides both a wealth of opportunities and a host of potential
problems, as China is discovering. On the one hand, China is able to obtain access to
hydrocarbon resources which enable it to diversify its energy sources and help to
reduce its dependency on Malacca. The CARs, in their turn, benefit from extensive Chinese investment in the region, not just in the oil and gas industry but also in infrastructure such as roads, railways, hospitals and sporting facilities. In a pattern which is repeating itself all over the world, however, this construction often uses imported Chinese workers rather than contributing directly to the local economy, a fact which is contributing to unrest, particularly in Kazakhstan. As well as local concern about growing Chinese influence, China must also combat larger geopolitical concerns from the US, Russia and other major players in Central Asia, as well as juggling multilateral politics through the SCO. Achieving a balance between commercial imperatives and maintaining good bilateral and multilateral relationships, as well as managing regional unrest, particularly in the context of Afghanistan, will be the major challenge for China in Central Asia.

Energy and Afghanistan: Indian interests in Central Asia

Unlike China, which began developing interests in Central Asian resources from the mid-1990s, India has only recently begun its first forays into the Central Asian hydrocarbon sector. On 24 January 2009 a deal was signed between Indian state-owned oil and gas company ONGC Mittal Energy Ltd (OMEL, a joint venture of OVL and Mittal Investments Sarl) and KazMunaiGaz (the National Oil Company of Kazakhstan) which will lead to the start of oil exploration in the Satbayev block of the Kazakhstan oil and gas sector of the North Caspian Sea (ONGC Videsh, 2009). In addition, in April 2008 India and Turkmenistan signed a Memorandum of Understanding for cooperation in the oil and gas sector, but interestingly India is also looking to cooperate in other areas, including education, and the establishment of an IT centre at Ashgabat State University, which would complement the research centre already in operation at the Ashgabat Polytechnic Institute (News Central Asia, 2008). This is just one example of how India is attempting to deploy so-called “soft power” in a bid to facilitate positive relations with the Central Asian states, which will in turn smooth its way into the energy sector.

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44 ONGC Videsh Ltd, the overseas arm of state-run Indian oil company Oil and Natural Gas Corporation (ONGC). ONGC engages in the exploration and development of domestic oil and gas fields, while OVL handles international exploration and development. See www.ongcindia.com (ONGC) and www.ongcidesh.com (OVL).
45 Limited Liability Company, from the French Société à Résponsabilité Limitée. Mittal Investments Sarl is the parent company of Mittal Steel.
Politically, India is interested in Central Asia not just for its hydrocarbon resources, but also because it sees a need to counter Pakistani influence in the region.

Indian engagement with the CARs faces two major obstacles. The first is geographical: after Partition in 1947 and the creation of Pakistan, India lost its overland access to Afghanistan and the CARs, which means the distribution of Central Asian resources is much more difficult for India than for China. The second problem, however, is political: historically Indian policy towards Central Asia has been and continues to be primarily reactive rather than proactive. This was evident in India’s dealings with the newly-created Central Asian Republics in the immediate aftermath of the Soviet Union’s collapse, which is now widely regarded as a missed opportunity for capitalising on the large amount of goodwill India has in the region and setting up sound investments in Central Asia. Now, nearly two decades on, as China, the US and Russia battle for energy resources and political influence in the region, India is once again finding itself left behind. As former Indian ambassador to Uzbekistan and Central Asia-watcher M.K. Bhadrakumar notes:

The hard reality is that apart from the common bonds of history and despite having a head start over most other regional powers – India was one of only four countries permitted by the Soviet authorities to maintain a consulate in Central Asia – India’s presence remains thin on the ground in economic terms. Even in political terms, if a touchstone were to be applied, it is noteworthy that the Central Asian countries have chosen to back Japan’s claim to be represented in an expanded UN Security Council. This is despite the Central Asian leaderships being uniformly comfortable that India has never moralised to them on the dynamics of democratisation, human rights or globalisation affecting their national life. The point is India has not put much money on the table in Central Asia (Bhadراكumar, 2004).

Opinions on the importance of Central Asia to Indian foreign policy, however, vary widely, with those who have worked in the region, such as M.K. Bhadrakumar, often considering it vital, while other analysts believe there are more pressing priorities. Some Indian strategists, such as former ambassador Ranjit Gupta – and, to a lesser extent, former Foreign Secretary-turned-National Security Adviser Shivshankar Menon, and academic S.D. Muni – believe that any focus on Central Asia apart from Afghanistan is overblown, because, simply, “You can’t trump geography” (Author
interview with Ranjit Gupta, December 2009; author interview with M.K. Bhadrakumar, December 2009; author interview with S.D. Muni, November 2009; author interview with Shivshankar Menon, December 2009). Gupta believes that the countries which border Central Asia, such as China, will naturally have an enormous advantage, which means that India can’t compete on a level playing field, and that also in terms of hydrocarbon resources the Persian Gulf has always been India’s major source of energy and that this is likely to continue. Gupta’s main concern is that “Indian involvement in the [Central Asian] region may exacerbate the relationships with China, Pakistan and Iran, which is really too high a price to pay,” even for aid in combating Islamist terrorism (ibid).

Although other foreign policy analysts have not been as explicit as Gupta as to why India should avoid involvement in Central Asia, the geography argument is one which often arises. M.K. Bhadrakumar, however, who was Indian ambassador to Uzbekistan during the 1990s and has also served in the Soviet Union, Pakistan, Afghanistan, Kuwait, Turkey and Sri Lanka among others, feels that India’s view of Central Asia is always through the prism of Pakistan, and as such the ongoing conflict in Afghanistan is seen primarily as a turf war with Pakistan. Consequently, in the immediate wake of the break up of the USSR India’s policy in the region was very ad hoc, and this is now affecting its relationships not only with the Central Asian Republics themselves, but also with Russia. The reluctance of many Indian strategists to look beyond Afghanistan, however, has meant that this facet has been left largely underexplored (Author interview with M.K. Bhadrakumar, December 2009).

According to Bhadrakumar, India had a very close relationship with the USSR, but failed to notice the early trend of Russia’s disenchantment with the West after the break-up of the Soviet Union, and consequently Russia is now gravitating towards China, whereas India might have consolidated the relationship in the wake of the Soviet Union’s collapse. Bhadrakumar believes that China is very sensitive to the relationship between Russia and the West, and consequently notices how rifts in this relationship can be exploited, such as through the development of the Shanghai Cooperation Organisation (SCO), which began as early as 1995. This development of the region’s only multilateral forum was constructed to complement a strong program of bilateralism on behalf of the Chinese. During the 1990s China sent carefully-selected Soviet specialists and Russian speakers to Central Asia, who worked closely in tandem with the Russians, so as to avoid ruffling Russian feathers (Author
interview with M.K. Bhadrakumar, December 2009). Consequently, according to Bhadrakumar, China built strong state-to-state relations, worked against terrorism and separatism and then began to build strong commercial linkages (ibid).

India’s failure to become involved in the region at this crucial time, however, was simply the latest in a litany of missed diplomatic and economic opportunities. According to Bhadrakumar, India was always projected as a benign power by the USSR (unlike China) and so had huge natural advantages in Central Asia, but subjected the region to benign neglect. He believes that if there had been the political will in New Delhi, problems like access routes and pipelines which are now plaguing India could have been solved, but unlike China, India had no engagement plan, in spite of active overtures from the Central Asian countries themselves (Author interview with M.K. Bhadrakumar, December 2009). Yet although it is true that India’s failure to capitalise on its opportunities in the early 1990s has put it at a disadvantage in Central Asia today, the fact remains that direct access to the region must be through Pakistan and Afghanistan. The other option which tends to surface periodically is the possibility of an Indian-built pipeline from the CARs to Iran, where oil could then be shipped to India, and it is possibly this to which Bhadrakumar is referring when he talks about solving access problems. Indeed, with this sort of access development in mind India has already invested in the port development of Chabahar in Iran, discussed further below.

Bhadrakumar argues that India knew the area was resource-rich and that there was an opportunity in the 1990s to exploit it. In the wake of the break-up of the USSR and the subsequent exodus of industry from the Central Asian Republics, the new nations were desperate to attract industry and investment to the region. In addition, during the 1990s Russia urged India to get involved and stabilise the region, but although India gave some small credit relief, around US$5-10 million, this was nothing compared to US$10 billion of investment from China. Bhadrakumar also argues that China knew there was an innate suspicion and hostility towards it from Central Asia, so it used Russia to help overcome this by starting the SCO, and adopted a harmonisation policy with Russia so that the SCO supplemented bilateral relations. Now, twenty years later, China has extensive investment in most of the Central Asian Republics, but particularly Kazakhstan, including access to energy resources which India cannot hope to match (Author interview with M.K. Bhadrakumar, December 2009).
The danger here is that because India missed its initial opportunity in Central Asia there is now a certain feeling of futility in regard to the region; a sense that, because India will not be able to compete with China, Russia and the US in terms of investment, and because it does not share a border with any of the Central Asian Republics, the region should not be given very high priority. Apart from Afghanistan, to which India has been one of the largest aid donors with a contribution so far of over US$1 billion and growing, there also seems to be little political importance attached to Central Asia. Considering that Central Asia is the bridge between Iran and the Persian Gulf countries (which are extremely important to India) and Russia (which, although it has declined significantly, is still a major player in world affairs), this seems an odd decision, even before China is brought into the equation. Throughout history, India’s destiny has been linked with the fluctuations of power in Central Asia, so for India to turn its back on the region now seems unwise.

Even among those strategists who believe India should engage more with Central Asia, however, it is hard to develop a clear idea of how this should be done. As mentioned above, access is by far the overriding problem which currently inhibits clear policy choices. There are two main potential access routes for India: directly overland through Pakistan and Afghanistan; or by sea to Iran and then overland to the CARs. Both of these, however, are problematic.

The Pakistan-Afghanistan route has obvious security issues, and indeed the so-called “Af-Pak” problem is an entire area of policy in India which is relatively disconnected from Central Asian engagement. India’s policy in Afghanistan is essentially aimed at denying Pakistan “strategic depth” and also preventing the establishment of Muslim fundamentalist regimes in the wider region that could give haven to terrorists with their sights set on India. As Central Asia analyst Indranil Banerjie puts it: “The rise of the Taliban [in Afghanistan] foretold the frightening future of a Talibanised anti-India bloc in Central Asia” (Author interview with Indranil Banerjie, March 2010).

Consequently India has been one of the foremost contributors to the reconstruction of Afghanistan and is keen to play a greater role, as is China; Afghanistan is an area where the two countries’ interests, particularly in counter-terrorism, converge. In this ambition, however, India may yet be thwarted by the difficult dynamics of South Asian politics. Wang Dehua, the director of the Institute of South and Central Asian Studies at the Shanghai Academy of Social Sciences,
notes the difficult balance between the US, Pakistan and India in relation to Afghanistan:

India wants to play a greater role in Afghanistan, but the US is wary because of Pakistan. The US gives US$7.8 billion in aid to Pakistan, much more than China does. Because of US issues and interests in South and Central Asia, the India-US relationship may not be that good in the future in spite of the nuclear deal (Author interview with Wang Dehua, June 2010).

This view is vindicated in a secret 2009 diplomatic cable, released by WikiLeaks, from the US embassy in Islamabad, which assesses the issues with increased Indian involvement in Afghanistan and its impact on Pakistan, and indicates that the Indo-US relationship may not be as straightforward or solid as publicly promoted:

The Pakistani establishment fears a pro-India government in Afghanistan would allow India to operate a proxy war against Pakistan from its territory. Justified or not, increased Indian investment in, trade with, and development support to the Afghan government, which the USG [US Government] has encouraged, causes Pakistan to embrace Taliban groups all the more closely as anti-India allies. We need to reassess Indian involvement in Afghanistan and our own policies towards India, including the growing military relationship through sizable conventional arms sales, as all of this feeds Pakistani establishment paranoia and pushes them closer to both Afghan and Kashmir-focused terrorist groups while reinforcing doubts about US intentions (Patterson, 2009).

Pakistani objections to Indian involvement in Afghanistan, however, do not play well in India, not least because Afghanistan is seen as part of South Asia rather than Central Asia (a distinction which was made official in 2007 when Afghanistan joined SAARC). Although grouping Afghanistan with South rather than Central Asia may seem arbitrary, it is important because of the divisions between South Asia and Central Asia policy in India, where there is far more emphasis on the former; South Asia is seen unequivocally as India’s strategic backyard, while there is considerable vacillation on the issue of Central Asia. In addition, the linkage of Afghanistan with South Asia is used in India to highlight the long history of cultural connections.
between India and Afghanistan and to justify strengthening the relationship. Phunchok Stobdan from the Institute of Defence Studies and Analyses in Delhi encapsulates this, along with a scathing assessment of Pakistan’s objections:

Afghanistan is part of [India’s] South Asia rather than Central Asia policy. The Indian relationship with Afghanistan is more than five thousand years old, so just because of the creation of Pakistan sixty years ago doesn’t mean the relationship is minimised [sic]. There are huge civilisational and national links. There is the belief that we can be part of the same culture, and we base foreign policy on it and counter those who work to minimise the India-Afghanistan relationship...Throughout history India has been friendly to Afghanistan. This talk of a strategic game to counter Pakistan is all rubbish and based on Pakistani insecurities (Author interview with Phunchok Stobdan, March 2010).

The real test for the region will come if and when the US makes a complete withdrawal from Afghanistan. Many interviewees, both Indian and Chinese, however, believed that such a withdrawal from the region would be unlikely, and that even if the US were to scale back its military presence considerably, it would continue to maintain some strategic foothold in Afghanistan/Central Asia because of fears about the powers which may step in to fill the vacuum (including Iran, Saudi Arabia, Russia or China). This issue will be discussed further in Chapter 5 in the context of potential Indian and Chinese responses to a US withdrawal from Afghanistan.

Aside from a solid and committed foreign policy towards Afghanistan, however, Indian attitudes towards Central Asia proper are ambiguous. As noted above, the standout problem is access. With the Pakistan-Afghanistan route unavailable for the present, the other option for India is Iran. This is problematic in that the two countries continue to have a rather turbulent relationship, especially since India voted in support of a resolution in the International Atomic Energy Agency in 2009 urging Iran to halt construction of a nuclear enrichment plant and confirm it has no more clandestine facilities, though it stopped short of supporting sanctions (Bagchi, 2009; Author interview with Nirmala Joshi, March 2010). India must also balance its relationship with Iran against that with the US, given the animosity which exists between Iran and the US; normalisation of Iranian-US relations would go a long way to strengthening the India-Iran relationship (Author interview with Nirmala Joshi, March 2010).
have, however, been moves to develop a trade route between India, Iran and Afghanistan (and by extension the CARs), starting with the Indian port development of Chabahar in Iran. The proposed trade route, which was first discussed at a trilateral meeting in 2003, would link Chabahar (Iran), Melak (Iran), Zaranj (Afghanistan) and Dilaran (Afghanistan) (Sen Sarma, 2010: 97). This would involve upgrading the road between Chabahar and Melak, and linking Melak and Zaranj with a bridge, thereby shortening the Iran-Afghanistan route by around a thousand kilometres (ibid). Iran would finance the Chabahar-Melak road works and the Melak-Zaranj bridge, while India would build the 218km Zaranj-Dilaran road (ibid). In January 2009 this latter project was completed and handed over to Afghanistan by India, though not without considerable cost, including the deaths of six Indian and 129 Afghan workers in Taliban attacks (Sen Sarma, 2010: 98). Although the trade corridor will be advantageous for India, Iran and Afghanistan alike, the death toll from the Zaranj-Dilaran highway project further highlights the dangers of doing business in Afghanistan. Nevertheless, the Iran-Afghanistan option (and also direct routes north from Iran to Central Asia, Russia and Europe, such as the gargantuan North-South Transport Corridor) remains India’s best hope of establishing reliable access to the CARs and by extension to the Caspian Sea region, the Caucasus, Russia and Europe. Assuming the Central Asian access problem can be solved, however (which, admittedly, is a major assumption at this stage), there is still considerable discussion over the form Indian engagement with the region should take.

Given India’s increasing domestic demand for energy resources, it is only natural that hydrocarbon acquisition should be at the forefront of Indian Central Asia policy. In her book on Indian economic involvement in Central Asia, however, Angira Sen Sarma notes that this is a rather blinkered view which needs to give way to a diversification of economic interests in the region:

First and foremost, India needs to dispossess itself of the oil and gas obsession – which most external players, barring Japan, suffer from, in its dealings with the Central Asian Republics – if it is to make a fresh, determined and sustained effort to stimulate a meaningful economic partnership with the region. Admittedly, the sheer abundance of hydrocarbon reserves combined with India’s urgent need for energy will continue to make this sector the primary concern for both sides. But this concern needs to be balanced by diversification of economic interest, widening the scope of
cooperation to other areas, exploring each other’s various potentials. Some areas of cooperation have already been identified, such as pharmaceuticals, textiles, IT, tourism, infrastructure building and food processing (Sen Sarma, 2010: 113).

This observation of the need for diversification is supported by other analysts, though differences arise over how this should occur. Swaran Singh argues that India needs to examine Chinese engagement with the CARs as a model rather than trying to follow traditional means of engagement:

India should have used more soft power to access the CARs, but hasn’t – it’s just done what the US, Russia etc are doing with strategic partnerships, bases etc. China is redefining power; [it has] no strategic alliances, it’s all about investment, complex interdependence. Even if China is seeking to change the power game, it’s doing it in ways that are so subtle as to be almost imperceptible (Author interview with Swaran Singh, June 2010).

Although Singh doesn’t identify the kind of “soft power” he feels would be most effective at enhancing India’s influence in the region, Nirmala Joshi believes the answer lies in education. India already has some educational partnerships with various CARs, but she believes these should be expanded and that India should play to its natural advantages and the goodwill it has in the region:

There’s a lot of potential for India [in Central Asia], especially in education. It has the advantages of English, IT and democracy. It should expand the [Indian Institutes of Technology] etc but it’s very slow to act and needs to start passing policies faster (Author interview with Nirmala Joshi, March 2010).

Meena Singh Roy, from the Institute of Defence Studies and Analyses, lists India’s priorities in Central Asia as Tajikistan, Kazakhstan and Uzbekistan (in that order). Whilst this engagement is partly to do with energy resources, there is also a growing military aspect to relations, particularly with Tajikistan, which is home to India’s first (and currently only) overseas air base at Ayni46 – though this is not without its controversies.

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46 For a thorough examination of India’s relations with Tajikistan and the development of Ayni Air Base, in particular in the lead-up to its speculated opening in 2006, see Ramachandran, Sudha. 2006.
During the overthrow of the Taliban in Afghanistan in the early 2000s, India worked with Tajikistan to support the Northern Alliance, including renovating the Ayni air base (Author interview with Meena Singh Roy, March 2010; author interview with Indranil Banerjee, March 2010). There are, however, still major questions about the status of Ayni, which aren’t helped by the murky geopolitics of the region. Although originally intended to house a squadron of Indian MiG-29 fighter jets, five years after the expected operational start-date of 2006 the base remains idle; speculation is that Tajikistan is facing pressure from Russia to restrict other foreign military presence (Kucera, 2010). The other issue, however, is one which is sadly familiar:

When the base renovations started in 2004, India did not have a clear plan as to how it would eventually utilise the facility, said one source close to the Indian armed forces, whose employer does not allow him to speak on the record. “The point, sadly, remains the same: While the Tajik government has kept doors open, at least in a limited sense, the government here [in India] hasn’t quite gotten its act together about precisely what or how to leverage the opportunity,” he said (Kucera, 2010).

Consequently, India currently has no permanent military presence in Tajikistan, and its involvement is restricted to “training, language assistance and aircraft maintenance training,” though Singh Roy hastens to emphasise the value of this, claiming – as did several other interviewees – that “Indian foreign policy has never been about power projection through overseas military bases” (Author interview with Meena Singh Roy, March 2010). Given that the Indian government continues to pursue Tajikistan in relation to Ayni, however, it seems that this policy may be changing.

India’s involvement in Central Asia is hampered not only by access but by indecision. Although it faces more physical obstacles than China in terms of lacking a direct land border, which makes transporting oil and gas difficult, there is also disagreement within the Indian strategic community as to what degree of importance to allot Central Asia. Some, such as Ranjit Gupta, feel that India does not desperately need Central Asian oil and gas and so the difficulties with solving the access problem

far outweigh any potential benefits, while others, such as M.K. Bhadrakumar, believe that the region is vital to India’s interests, not only because of energy but because of the geostrategic importance of the CARs in relation to Afghanistan, China, Russia and the US. At this point India’s major strategic focus is Afghanistan and denying Pakistan “strategic depth”, but this issue is not generally viewed in a greater Central Asian context, in spite of India’s application to join the SCO. Thus there are stark differences between China’s methodical regional policy and India’s ad-hoc engagement. Although the access problem is a major barrier, it is not insurmountable, provided India first decides what it wishes to achieve in the region and then figures out how to get it.

*Sino-Indian Rivalry and Cooperation in Central Asia: Incidental or grand strategy?*

Although the nature of pipeline politics encourages a tendency towards competition, China and India have quickly discovered that in certain areas cooperation is the more mutually-beneficial tactic. This was precipitated by a string of deals in which competition increased the eventual asking price considerably, most notably the PetroKazakhstan takeover deal in 2005.

In June 2005, investors in PetroKazakhstan, a Canadian-owned, Kazakhstan-based oil company, watched the company’s share price skyrocket on rumours of a takeover. PetroKazakhstan’s control of the Kumkol oil fields made it attractive, and according to the rumours the main player was the overseas arm of India’s state-owned Oil and Natural Gas Corporation, ONGC Videsh Ltd (known as OVL). If the OVL bid had been successful, the deal would have been a watershed in terms of India’s entry into the Central Asian hydrocarbon market. On 26 October 2005, however, the China National Petroleum Corporation (CNPC) pipped OVL at the post, finalising its takeover of PetroKazakhstan for US$4.2 billion, making it the largest overseas acquisition ever undertaken by a Chinese company. The sale was an echo of the race for energy resources taking place in Africa – and particularly Angola and Nigeria – which has seen India trumped by China in similar deals.

It is becoming clear that this sort of economic rivalry, whether between China and India or other players in the region, is of little benefit to anyone (except of course the likes of PetroKazakhstan); it only serves to increase prices beyond their real value.
In circumstances such as these cooperation is the best option for both parties, but this is still relatively rare.

One interesting, albeit unlikely plan for Sino-Indian cooperation has been mooted by retired Indian diplomat and author Rajiv Sikri, who has proposed a parallel oil and gas pipeline from Central Asia, through Xinjiang in China to India via the disputed (but Chinese-administered) Aksai Chin territory in Kashmir. The logic behind such a proposal is to create mutual dependence between the two countries, with India receiving Central Asian and Russian gas while sending oil from the Persian Gulf to China (Sen Sarma, 2010: 100). As Sikri argues:

Both China and India would gain from cooperating in creating a north-south energy corridor from Eurasia to the Indian Ocean. They would get assured energy supplies for their own domestic needs, and become central to the energy flows out of Eurasia. Although they may be competitors for finite global energy resources, India and China share a larger long-term interest that the energy resources of Eurasia remain available to meet the demand of Asian consumers too, not just those of the West. To ensure this, the two countries need to use their clout as large and growing consumers of energy. If they cooperate, and act quickly, boldly and imaginatively, they can offer a viable, more secure pipeline route for export of Eurasian gas than the alternatives being considered [the TAPI and IPI pipelines] (Sikri in Sen Sarma, 2010: 100).

Sikri’s proposal for Sino-Indian mutual energy dependence has merit both in terms of securing the two countries’ energy needs and promoting bilateral cooperation. He acknowledges, however, that there are considerable obstacles, not least the ongoing dispute over control of the Aksai Chin area (Sikri in Sen Sarma, 2010: 101). As well as political considerations, including the vulnerability of such a pipeline through Xinjiang and Kashmir due to instability and insurgency in those regions, the actual construction of pipelines along this route would be an enormous technical challenge. These pipelines would have to cross both the Karakoram and Himalaya mountain ranges, at altitudes of over five thousand metres, with all the resultant issues in both initial construction and ongoing transportation of oil and gas that working at such heights entails. It is for these reasons that an Aksai Chin pipeline is barely on the radar of most analysts, both in China and India.
Nevertheless, the underlying idea of greater Sino-Indian cooperation is strong, as there have been and will continue to be situations where both countries’ interests are better served by cooperation than rivalry. The real question is whether the political animosity over the border issue and Pakistan can be put aside in the interest of mutually beneficial cooperation\textsuperscript{47}. Increased cooperation also depends naturally on an overlapping of interests, which is the main reason it has yet to occur on a major scale in Central Asia. At this stage, China’s interests are best served by developing strong bilateral relations with the CARs, and except in the case of deals like PetroKazakhstan where competition becomes detrimental, China at present has little interest in cooperating with India. Thus, while cooperating with China in certain sectors might in theory give India many advantages, until it also serves Chinese interests to enter into joint enterprises, cooperation will be limited. It cannot be ruled out entirely, however, and significant cooperation between China and India would change the dynamics of the region substantially.

One of the major difficulties with the discussion of Sino-Indian rivalry (or lack of it) in Central Asia is differentiating between standard commercial competition and political rivalry. The former is most apparent in the energy sector, where Indian NOCs have consistently been outbid by their Chinese counterparts on various hydrocarbon deals in the CARs. Because the major Indian and Chinese players in this field are state-owned companies, there is a tendency to link the outcomes of these oil and gas deals with greater geopolitical implications. Yet while the politics of a country or region naturally impacts on the way business is done there, interviewees almost unanimously agreed that at present the Chinese hydrocarbon companies’ success in Central Asia at the expense of India are fundamentally the result of commercial considerations rather than overt displays of political game-playing.

There is, of course, geopolitical rivalry in Central Asia regarding oil and gas and the development of broader political influence, but it is not occurring between China and India as such, at least at present. Due to various circumstances, including

\textsuperscript{47} In some small aspects this has begun to occur, including the first-ever joint naval exercises in 2003 held off the Shanghai coast (Author interview with Zhao Gancheng, June 2010) and joint anti-terrorism exercises held in Karnataka in India in 2008 (Islamic Republic News Agency, 2008). Hotlines in the border areas and between the Indian Prime Minister and Chinese President have also been established (Author interview with Zhao Gancheng, June 2010). Yet although these are important confidence-building measures, they are still a long way from full cooperation. An idea mooted by one interviewee was for China and India to join forces in the IT industry, given India’s strength in software production and China’s in hardware (Author interview 2, 2009), but there has yet to be any major progress in this area.
geography and domestic government stability and regulation, the playing field on which China and India are operating is strongly skewed in favour of the former. China’s influence in Central Asia strongly outweighs India’s at present, meaning that the main competition taking place in the region is between China and the other great powers: the US and Russia. India’s current counterparts in terms of influence are Iran, Turkey and Pakistan, all of which are essentially minor players in the region for now.

The volatility of Central Asia and its geopolitical significance as a playing field for great powers, however, is what makes it an interesting case study. If the rumours of anti-China feeling in places like Kazakhstan continue to grow due to the perception that Chinese involvement is not benefiting the Kazakh economy and that Chinese workers are taking Kazakh jobs, and if India manages to successfully mitigate its access problem and finds a way to capitalise on the goodwill it holds in the region, then the situation is liable to change. As noted above, both countries have significant interests in the region, and not just in the context of oil and gas. At the moment China and India are essentially operating on separate tracks, but if and when the power balance changes and the two countries’ interests begin to intersect more, the prospect of rivalry may become more of an issue.

Phunchok Stobdan believes that currently China and India are neither competing nor cooperating in any meaningful way because both countries have advantages and disadvantages which are essentially complementary at this stage. For example, China’s direct borders with the region allow it to easily supply Central Asia’s needs and build infrastructure (as well as tapping into the region’s resources) in a way that India is unable to do, but on the down side China also faces a significant threat perception in Central Asia which does not afflict India (Author interview with Phunchok Stobdan, March 2010). Stobdan also believes that China is constrained by the nature of its economy, which may prove to be a disadvantage in the long-term:

In the long run there’ll be lots of antipathy towards China because the Central Asian industries are being destroyed, but China can’t change its [export-oriented foreign policy] because of domestic reasons and the need for economic growth. China has minimised the potential for Central Asian groupings because China won’t allow it, but this is becoming a problem (Author interview with Phunchok Stobdan, March 2010).
There was little sense from Indian interviewees that India's interests in Central Asia at this stage would be best served by increased cooperation with China; rather the general consensus was that India needed to be better at identifying and exploiting its own opportunities. A major theme woven through both the Indian and Chinese interviews was that the two countries are not necessarily either competing or cooperating, but rather that rivalry and cooperation can occur simultaneously. China and India are a long way from any grand strategic vision of rivalry or cooperation, particularly in Central Asia, and at this point they will simply cooperate or compete in accordance with their national interests.

**Conclusion: Alternative strategies in a new regional playground**

The problems posed in Central Asia highlight specific features of Chinese and Indian foreign policy. China has been pursuing a policy of active engagement with the region since the early 1990s, which is now beginning to bear fruit in the form of lucrative energy and infrastructure contracts. India, on the other hand, failed to capitalise on the opportunities thrust at it by the CARs in the wake of the Soviet Union's downfall, and is only now beginning to claw its way back. Even so, the region is still not given particular importance in India except in the context of Afghanistan, and there is considerable debate as to whether India should be expending resources in Central Asia. In terms of hydrocarbon resources, the lack of a land border makes it extremely difficult for India to access Central Asia's oil and gas, as opposed to its major source from the Persian Gulf which is easily shipped across the Arabian Sea. As India's population continues to grow, however, and demand for energy continues to outstrip supply, there may soon be a more pressing need for the country to diversify its energy resources. One method is through the purchase of uranium for domestic nuclear power generation, though India's failure to sign the Nuclear Non-Proliferation Treaty (NPT) is proving a significant snag in its pursuit of this course of action. Australia, which holds thirty-one percent of the world's uranium (World Nuclear Association, 2010) – far more than any other country – is still vigorously debating whether to sell to India while it remains outside the NPT umbrella, in spite of a change in late 2011 to the Labor government's official position which looks set to open the way for exports. If this should fall through, however, India would be left with two options: either sign the NPT (unlikely at this stage) or source uranium from
elsewhere. Interestingly, the country with the next-greatest known recoverable stores of uranium – fifteen percent of the world’s resources – is Kazakhstan, which with nearly twenty-eight percent of world production makes it the world’s largest uranium producer (World Nuclear Association, 2010a). And so Central Asia returns to the spotlight once again. India has taken its first tentative steps towards accessing Kazakh uranium, with a deal signed at the beginning of 2009 between India’s Nuclear Power Corporation (NPCIL) and Kazatomprom, the National Atomic Company of Kazakhstan, “to supply 2100 tonnes of uranium to India and undertake a feasibility study on building Indian [pressurised heavy water reactors] in Kazakhstan” (World Nuclear Association, 2010a). Although this deal is relatively small, NPCIL said it represented “a mutual commitment to begin thorough discussions on long-term strategic relationship” (ibid). It is, however, in contrast to China’s deals with Kazatomprom, which include “cooperation in uranium mining [including a joint investment in two Kazakh uranium mines], fabrication of nuclear fuel for power reactors, long-term trade of natural uranium, generation of nuclear electricity and construction of nuclear power facilities” (ibid).

The uranium example illustrates the different ways China and India do business in Central Asia. At this point India seems content to simply dip its toes in the water of Central Asian energy commerce through strategic partnerships and MoUs, while China jumps right in with a strategy that is undoubtedly higher-risk, but also produces higher returns. There are several reasons for this, and they go some way to explaining why Sino-Indian competition is not significant in Central Asia at this point.

The first issue is financial. China is significantly further down the development track than India and so is able to divert more funds for overseas investment, as well as having stronger economic influence. In addition, its state-owned energy companies have considerably more autonomy than their Indian counterparts and so are not subject to the same degree of red tape and over-regulation which has seen Indian overseas investment deals collapse in the past.

The second reason in relation to Central Asia is that of access. Capitalising on Central Asian resources is infinitely easier for China than for India due to its direct borders with Kazakhstan, Kyrgyzstan and Tajikistan. This enables the construction of pipelines and other infrastructure, as well as the easy export of Chinese labour, in a way that is not possible for India. It is up to India, however, to decide whether to view the access issue as an insurmountable problem or as a challenge and opportunity. At
present there is a tendency towards the former, although attempts to cultivate a better relationship with Iran and so gain access to Central Asia may indicate a change in attitude towards this problem. If India can overcome its access problem it will be in a far better position to develop its presence in Central Asia, though, unlike China, it will always be beholden to third and possibly even fourth countries to transit resources, which puts it at a disadvantage.

The third issue is that India has yet to work out how to capitalise fully on its strengths in the region. Although, as noted above, its investment potential is currently limited by financial and access issues, India has the advantage of being seen as a benign power in the region, a friend to Central Asia with ties which continued even through Soviet times, and with no expansionist designs on the CARs. This is in contrast to China, which is beginning to encounter political and social problems due to its massive injection of Chinese labour into the region. India must now decide how best to capitalise on this goodwill whilst trying to solve the more concrete access problem, in order to smooth the way for investment opportunities in the future. There has been some attempt at this with infrastructure projects, some military cooperation in Tajikistan and educational scholarships, but not a concerted plan as such. China too has been attempting to wield its “soft power” through education, particularly of young Kazakhs – many of whom are the children of high-level officials – and the establishment of Confucius Institutes in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan (Author interview with Pan Guang, June 2010).

It can be seen that at this stage China and India are essentially pursuing separate agendas in Central Asia, with small elements of cooperation or rivalry, but little of significance in either aspect. In some ways their operations in the region can be seen to be a microcosm of the two countries’ places in wider global affairs: China is very strong economically and is thus in demand for investment and also as a source of cheap goods, but at the same time is afflicted with a poor national image which leads to concerns about excessive Chinese influence. India, on the other hand, is lagging behind economically but possesses a sense of trust and goodwill which means it is not seen as a threat in the same way. If India continues to become more influential economically, and China fails to find an effective way to counter the threat perception, then the playing field will be considerably more even and the potential for both cooperation and competition will increase. So while at this stage the idea of
Sino-Indian rivalry in Central Asia is a flawed dichotomy propagated by mostly Western analysts, it cannot be discounted as a possibility for the future.

Both rivalry and cooperation are, in moderation, positive things. Competition is healthy in a market-based international economy, except when it becomes overly politicised and potentially leads to conflict. Given China and India’s ongoing border dispute and animosity this is naturally a concern, particularly in Central Asia where both the Chinese and Indian major players are state-owned energy companies. In the overall scheme of things, however, this remains a relatively minor worry, especially as it has already been shown that the two countries are prepared to cooperate in areas where excessive competition would be detrimental to both.

Cooperation is likewise positive except in cases where it leads to collusion or cartel-like behaviour. Given the international community’s relative tolerance to cartels, however, particularly in the energy sector (OPEC being the prime example), if China and India were to find a commonality of interests that could be exploited in this way the US and other major powers would be hard-pressed to stop it. At this stage, however, Chinese and Indian interests are sufficiently divergent that such behaviour seems extremely unlikely. Indeed, it is still unclear as to whether they will be able to put aside decades of animosity to work together in any but the most superficial sense.

What is clear from an examination of Chinese and Indian behaviour in Central Asia is that the two countries’ policies are still very much in the early stages of formation, and there are a large number of unknown factors. With a major Chinese leadership change slated for 2012 and Indian general elections to be held in 2014, it is difficult to predict how the two countries’ policies will evolve over even the next five years. The most likely outcome, however, is not a concerted policy of either rivalry or cooperation, but rather the opportunistic pursuit of both in accordance with their national interests. China will likely continue to be an active power in the region, while India is still coming to terms with its role, aims and how it wishes to assert itself. With the two countries’ policies in Central Asia in many ways reflecting their attitudes to wider international relations, how China and India approach the region in the coming years may well have far-reaching implications.
Chapter 4 – China and India in South-East Asia and the Indian Ocean: Managing competing interests in overlapping spheres of influence

The rapid growth of China and India’s political and economic influence has ushered in an interesting period for South-East Asian regionalism, with the ASEAN nations facing the prospect of having to balance relations with four major powers (China, India, Japan and the US) in the not-too-distant future.

ASEAN was founded in 1967 by Indonesia, Malaysia, Singapore, Thailand and the Philippines in the wake of the post-colonial reformation of South-East Asia (Acharya, 2001: 4) and was the first regional organisation to attempt to bring all the South-East Asian nations under one intergovernmental umbrella (Severino, 2008: 2). Amitav Acharya characterises South-East Asia at this time as inherently unstable:

The weak socio-political cohesion of the region’s new nation-states, the legitimacy problems of several of the region’s postcolonial governments, interstate territorial disputes, intra-regional ideological polarisation and intervention by external powers were marked features of the geopolitical landscape of Southeast Asia. These conflicts posed a threat not only to the survival of some of the region’s new states, but also to the prospects for regional order as a whole (Acharya, 2001: 4-5).

Given these inherent difficulties, there was some question as to whether the establishment of ASEAN would have any positive effect on regional peace and stability; by the 1990s, however, “[ASEAN’s] members could claim their grouping to be one of the most successful experiments in regional cooperation in the developing world” (Acharya, 2001: 5). Acharya credits the successful resolution of the Cambodian civil war, culminating in the 1991 Paris Peace Agreement (in which ASEAN had a major leadership role) as a major turning point for international recognition of the “ASEAN Way”, which, he notes, “emphasised informality and organisational minimalism” (ibid). This boost in credibility led indirectly to the creation of the ASEAN Regional Forum (ARF), a regional multilateral security dialogue (discussed further below); as Acharya notes, “ASEAN itself aspired to a role
in regulating the behaviour of major powers and in creating a stable post-Cold War regional order in the Asia Pacific” (ibid).

ASEAN’s strengths of promoting dialogue and minimal institutional legalism, however, have also shown themselves to be some of the organisation’s biggest weaknesses. Critics of ASEAN claim that its internal conflict resolution mechanisms are weak or non-existent; that it faces “continuing differences and disagreements among its members over how to deal with non-members and external powers”; that it has been particularly slow in promoting economic cooperation (including “its inability to provide a united front in dealing with the challenges of globalisation”), and that the dialogue process effectively means it is little more than a “talk-shop” (Acharya, 2001: 5-6).

ASEAN’s ongoing issues, particularly over how to deal with external powers and the challenges of globalisation, remain pertinent today. Acharya noted back in 2001 that in the aftermath of the Cold War and the subsequent reduction of US and Soviet forces in South-East Asia, the ASEAN states were “concerned about a ‘power vacuum’ in the region, which might lead to new kinds of conflicts and rivalry involving external powers” (Acharya, 2001: 167). In particular concerns centred on the three major regional powers – China, Japan and India – which were in theory able to project their power into South-East Asia (Acharya, 2001: 168). In the intervening decade since Acharya’s book was published, these concerns have grown rather than diminished, as ASEAN tries to work out how to engage powers such as China and India to its advantage but also maintain its autonomy. This is hampered by the fact that the organisation’s member states all have different security interests and consequently attitudes towards dealing with outside powers, particularly China. In 2003 Acharya noted:

...ASEAN countries do not want to forfeit the possibility of benefiting from China’s economic growth. Unless and until China turns overtly expansionist, Southeast Asia will accommodated China and oppose a posture of containment as advocated by sections in the US. At the same time, the major Southeast Asian states will resist any temptation to strategically align with China, wary of its uncertain evolution as a rising power and the political costs (which are in some cases domestic as well as international) of such alignment. Instead, they see their interests better served by a policy of engagement (Acharya, 2003: 271-2).
Whilst this policy of engagement still stands, since 2009 China has begun to assert itself more in South-East Asia, particularly over territorial claims in the South China Sea. Whether this constitutes China becoming “overtly expansionist”, and whether it will see a fundamental change in ASEAN’s policy towards it, however, remains to be seen.

 Working on the assumption that greater interdependence is the best form of insurance against conflict, ASEAN has been keen to engage China economically – and to a certain extent politically – whilst also bringing India into the fold as part of a greater hedging strategy. India’s increased activity in East Asia, including a burgeoning relationship with Japan, has brought it into what China has traditionally seen as its strategic backyard, while China itself is moving ever closer to the Indian Ocean, a fact which is causing alarm in India. The major site of economic and strategic rivalry between the two is Burma, which sits firmly between the South-East Asian and Indian Ocean regions, borders both China and India, is rich in natural resources and politically is somewhat unpredictable. Indian fears about growing Chinese influence in Burma, including unconfirmed rumours of a Chinese signals intelligence (SIGINT) facility on Burma’s Great Coco Island in the Andaman Sea, are one of the main drivers behind India’s recent push for naval modernisation. With China also developing its navy and likely to be much more active in the Indian Ocean region before long, a major question is whether the two countries are able to put aside their differences and competitive aspects enough to maintain a dialogue in South-East Asia (in both multilateral and bilateral contexts) and avoid potential misunderstandings. The broader question is how Sino-Indian economic and military/strategic rivalry in the South-East Asian context fits into the wider conception of the relationship and what it says about the potential for conflict to arise between the two.

 With this in mind, this chapter will first examine Chinese and Indian relations with ASEAN, before going on to look at the two countries’ engagements with Burma and later examining their naval strategies in the Indian Ocean. As will be seen, China and India’s interactions in South-East Asia and the Indian Ocean vary from being part of an ASEAN hedging strategy, to some limited harmony of interests on anti-piracy measures, to competitive naval modernisation (at least on India’s part) driven by

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48 For details of the South-East Asian/Indian Ocean region explored in this chapter please see Map 1, p4.
concerns over influence in the Indian Ocean. In spite of elements of cooperation, economic and military rivalry is still the main mode of interaction between China and India in South-East Asia, which has implications for the security of the Indian Ocean region, as well as for the broader Sino-Indian relationship.

*India, China and ASEAN: A delicate balancing act*

ASEAN is, by virtue of its various permutations, a complex organisation. In terms of Chinese and Indian involvement in the region there are three major groupings which are of importance. The first is ASEAN +3, or APT, which consists of the ten ASEAN countries\(^{49}\) plus China, Japan and South Korea, and which tends to be a “mechanism to implement the agenda for East Asian community building” (Chin, 2009: 29). As Kin Wah Chin notes, however, it still lacks any real teeth:

The APT is embellished with forty-eight mechanisms and sixteen areas of cooperation (including tourism, agriculture, the environment, energy and information and telecommunications technology, besides cooperation in the economic, monetary, finance, political and security areas), but has no formal binding agreements (ibid).

The second major grouping is the East Asia Summit (EAS), made up of the APT countries plus Australia, New Zealand and India, and which is expanding to include Russia and the US from 2011 – also known as ASEAN +6 and soon to be ASEAN +8 (ASEAN Secretariat, 2010). The official ASEAN description characterises the EAS thus:

The East Asia Summit (EAS) is a forum for dialogue on broad strategic, political and economic issues of common interest and concern with the aim of promoting peace, stability and economic prosperity in East Asia. It is an open, inclusive, transparent and outward-looking forum, which strives to strengthen global norms and universally recognised values with ASEAN as the driving force working in partnership with the other participants of the East Asia Summit (ASEAN Secretariat, 2010a).

\(^{49}\) Brunei, Burma (Myanmar), Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.
There is also an important informal element to the EAS, with emphasis on what the Chairman of the Second EAS (held in 2007) called “the value of open and spontaneous Leader-led discussions” (ASEAN Secretariat in Chin, 2009: 29). Indeed, it has often been said that the intrinsic value of the various ASEAN meetings is not necessarily in the formal discussion – which, being consensus-based, is notoriously cumbersome – but rather in the opportunities provided for various national leaders to meet on the sidelines. Chin notes a final significant point regarding the EAS, which gives some insight into the character of the ASEAN states and the role they desire the organisation to play in East Asia:

The EAS is billed as a meeting of seven parties (that is, ASEAN meeting together with its six dialogue partners) and not as a meeting of sixteen countries, which would imply that individual ASEAN states, rather than ASEAN as a group, meet with the six external partners (Chin, 2009: 30).

The third grouping of importance to China and India is the ASEAN Regional Forum (ARF). This is a misnomer in some respects in that its “regional” linkages are quite diluted, as it comprises the ten ASEAN countries plus seventeen non-ASEAN countries from around the world: Australia, Bangladesh, Canada, China, the European Union, India, Japan, North Korea, South Korea, Mongolia, New Zealand, Pakistan, Papua New Guinea, Russia, Sri Lanka, Timor-Leste and the US. In spite of comprising less than half of the ARF member states, ASEAN is positioned centrally in the forum in that the ARF chairman is also the chairman of the ASEAN Standing Committee (Chin, 2009: 29). The ARF is essentially a security forum, with two major stated aims:

1. To foster constructive dialogue and consultation on political and security issues of common interest and concern; and

2. To make significant contributions to efforts towards confidence-building and preventive diplomacy in the Asia-Pacific region (ASEAN Regional Forum, 2005).

The ARF’s sheer size, however, makes it a difficult arrangement to coordinate, while there are also underlying political issues: “There is a nagging concern within some circles that the ARF might be ‘hijacked’ by other bigger players such as China.
More importantly, ASEAN lacks a common approach or policy towards this security forum which might diminish its driver’s role” (Chin, 2009: 29). Nevertheless, William Tow identifies the ARF, along with the EAS and the APEC forum, as one of the major cooperative security organisations in East Asia, and stresses these organisations’ importance in keeping major powers (i.e. China and the US) engaged in the region, while providing a mechanism for smaller states to safeguard their own interests:

Nearly two decades after the Cold War, cooperative security\(^{50}\) arrangements are important in keeping the US engaged and encouraging China to become a responsible stakeholder in the regional security order. Multilateral security arrangements in the Asia–Pacific have proven to be instruments for cooperation by great powers and have provided “hedging” opportunities for middle and small powers to offset changing threats (Tow, 2008: 3).

China has been formally involved with ASEAN since 1991, when it was accepted as a “consultation partner” and began sending its foreign ministers to the annual ASEAN meetings, with its status upgraded to “dialogue partner” in 1996 (Ren, 2009: 304). In the wake of the 1997 Asian Financial Crisis the organisation set up ASEAN +3, which brought the ASEAN states together in dialogue with China, Japan and South Korea (Ren, 2009: 305). Three years earlier, in 1994, ASEAN had established the ARF (Ren, 2009: 304), a multilateral Asian security dialogue “conceived as a response from the South-East Asian states to the emerging security situation in the region after the collapse of the Soviet Union” (Batabyal, 2006: 190). The ARF has constituted the major part of India’s involvement with ASEAN, though it was made a Sectoral Dialogue Partner in 1992 and a Full Dialogue Partner in 1995 (Batabyal, 2006: 191). It is widely understood that India’s inclusion in the ARF was prompted by the desire of many ASEAN countries to attract major powers to the forum in order to balance China:

\(^{50}\) Tow defines “cooperative security” thus: “...‘Cooperative security’ is a process by which states come together to identify and pursue common values to realise a mutually acceptable regional order. It is most common when states view their security as best guaranteed by collaboration rather than competition. ‘Competitive geometries’ refers to alliances, institutions or regimes created or adjusted to neutralise the power and influence of perceived rival states or groups of states” (Tow, 2008: 9).
...It is evident that the dominant feature of [the] post-Cold War situation in East Asia is that the balance or distribution of power seems to have been revised to China’s decided advantage, emphasising the vulnerability of lesser regional states...As a result, many ASEAN states are worried about the prospect of a future security threat from China...There is widespread apprehension in the region, especially after the Mischief Reef incident in 1995, that China would consider using force in order to settle the territorial disputes with its ASEAN neighbours. Some of the South-East Asian states, most notably Singapore, believed that the most effective way of safeguarding regional security was to encourage [the] major powers to actively engage in the region so that they counter balance each other and ensure that no power becomes too dominant (Batabyal, 2006: 190).

ASEAN is an interesting case because, as Anindya Batabyal notes, although the organisation engages with regional and global powers in order to further its interests and the individual interests of its member states, it is extremely reluctant to wed itself to any one particular power, instead seeking “maximise their manoeuvrability and ‘hedge’ against what they view as regional domination by any one state” (Batabyal, 2006: 191). Thus we have seen ASEAN engage with the US, but also maintain dialogue with China and now, as the balance of power in Asia shifts, ASEAN is also courting India. The ARF in particular is an area where China is beginning to exert its influence in ways which will soon present a serious challenge to the US, if they are not already beginning to do so:

Analysts have speculated that China has been increasing its diplomatic influence within the ARF at the US’s and Australia’s expense. From initially sponsoring growing economic and investment linkages and offering limited military assistance, China is pursuing a visibly effective brand of regional diplomacy. It covers a wide spectrum of economic and security concerns that compares favourably to what many Southeast Asians regard as the narrow American preoccupation with Islamist terrorism in the region. This perception is strengthening, notwithstanding impressive American efforts in coordinating disaster relief operations following the Indian Ocean tsunami, cultivation of wider educational linkages, and encouragement of US–ASEAN trading and investment ties. China’s approach could be characterised as a soft-power and region-centric strategy in comparison with the US emphasis on its largely globalist posture (Tow, 2008: 13-14).
Unsurprisingly, this altering of regional dynamics illustrates how states are ultimately unlikely to sacrifice their individual interests for the greater good of a multilateral institution if such a choice becomes necessary. Thus, although at this time China needs ASEAN “to deal with the “China threat” perception in South-East Asia” (Ren, 2009: 305) and to benefit from trade with the region (as evidenced by the recent China-ASEAN Free Trade Agreement, discussed further below), when the time comes where China is powerful enough to stand alone ASEAN may find its bargaining power significantly decreased. It is for this reason that the organisation is hedging its bets by befriending not just China but also other regional powerhouses such as India, Japan and South Korea. For India this is advantageous because it gives it an opening into the lucrative South-East Asian market, as well as the strategic sphere of influence which has traditionally belonged to China. Greater engagement with ASEAN is consequently a core part of India’s Look East policy, particularly given that multilateral engagement could also facilitate greater bilateral engagement with states in the region.

The Cold War saw both China and India pursuing only limited engagement with the rest of the world; India was at the forefront of the Non-Aligned Movement and politically and economically was striving for autarky, while China was isolated from most of the non-Communist world from the founding of the PRC in 1949 to the end of the Cultural Revolution in the early 1970s. Since the two countries instituted reform and opening policies, however – in 1978 for China and 1991 for India – they now appear to be operating on a strategy of global multilateral engagement, as well as pursuing more traditional bilateral relationships. China in particular has come a long way in this regard; in 1977 it was a member of twenty-one international governmental organisations, but within twenty years (1994) it belonged to fifty (Lampton, 1998: 14), and today that number has risen to seventy-one (Central Intelligence Agency, 2011). India, likewise, is also a member of seventy-one international governmental organisations (Central Intelligence Agency, 2011a). These diplomatic connections, as well as arms deals, aid and trade are the cornerstones of both India and China’s attempts to shape a more influential role for themselves both in Asia and globally, and both countries have realised that this can be facilitated by joining and engaging with the international system, rather than working against it.
There are differing opinions about the development of Indian and Chinese connections in South-East Asia. Ranjit Gupta, a former Indian ambassador to Thailand among others, feels that India’s growing engagement with the ASEAN states has been more as a result of overtures from the South-East Asian nations than through any proactive Indian initiative, and his assessment of the Look East policy is scathing:

ASEAN wants to involve India because the US is too far away. China has nurtured and enticed the South Asian countries away from India, but we haven’t done the same in South-East Asia. The Look East policy was a response to South-East Asian overtures, rather than an initiative; it was essentially just saying we were willing to be embraced. ASEAN people get very frustrated with Indian bureaucracy and how long it takes to get anything done. It’s the so-called “Hindu way of functioning” – at some point in time it will happen, but who knows when. It’s reactive not proactive (Author interview with Ranjit Gupta, December 2009).

Another retired Indian ambassador and expert on the Indian Foreign Service, Kishan S. Rana, also highlights India’s reticence to engage with ASEAN, particularly in the 1980s and 1990s, which he believes came as a result of the difficulties India faced with SAARC and the fear that its neighbours would “gang up against it” (Author interview with Kishan S. Rana, December 2009). Consequently he believes that “India has elevated to a high principle the doctrine of bilateralism” (ibid). Although India is now engaging more with the region through the EAS and ARF, Rana believes there is still room for improvement, particularly in the economic sphere:

Another example of how India is sitting back is the Chiang Mai Initiative; India is part of it but not playing any active role. During the 1997-98 Asian Crisis China came out with US$10 billion in support of affected ASEAN countries. India had the currency reserves to give US$1 billion but it was not even on the policy horizon in New Delhi. This is remembered by the ASEAN countries – who helped them out when they needed it, and who didn’t (Author interview with Kishan S. Rana, December 2009).

Rana’s example of India feeling burned by the SAARC process is an interesting one, given that there are some striking parallels between the way China is viewed in South-East Asia and the way India is viewed in South Asia. In both cases, the smaller countries in the respective regions see a threat from growing Chinese and
Indian power, particularly militarily. Because of this, in recent years a major issue for ASEAN has been how to successfully balance Chinese power – because even though there is arguably a military threat from China, the ASEAN nations cannot afford to jeopardise trade with this economic behemoth. ASEAN’s solution has been to seek wider engagement with countries such as the US and India in order to avoid aligning itself too strongly with China, particularly as the state of flux which accompanies any change in the global power structure is really only just beginning, and there is no guarantee of what shape the world will settle into once it is over, or where China will be in the new arrangement. ASEAN is, in a sense, hedging its bets at this stage, and so far has been doing so relatively successfully, allowing China enough influence in the region to feel engaged, but not so much that the smaller South-East Asian states feel overly threatened.

According to Zhang Guihong, the Vice-President of the Shanghai Institute for International Studies and the Director of South Asian Studies at Fudan University, the “China threat” perception has developed as a consequence of an overly strong focus on economics over diplomacy or “soft power”:

The weak point in China’s foreign policy is that it regards economics as the only way to develop a relationship with other countries, which has led to the China threat and accusations of profit motives. So now they’re investing back into the countries, using local workers, building infrastructure, also cultural influence. For the past three decades China has focused on the developed countries but now it’s focusing on the developing countries and its neighbours (Author interview with Zhang Guihong, June 2010).

In spite of the threat perception, however, China is bringing a way of operating and projecting power to East Asia which is very different from that of the US. Although this is in part because China’s military is not yet capable of significant projection in the way the US is, it is also linked to a different ideological framework and way of relating to the world. As Zhang Guihong puts it:

US diplomacy is focused on the “enemy” – it uses sanctions, even the military to try to fix problems. China’s approach is more gradual, involving negotiations, dialogue. It understands the need to be patient. You can’t use a one-size-fits-all
approach on such different countries (Author interview with Zhang Guihong, June 2010).

The weak point in this analysis, however, is China’s dealings with the US – an appropriate caveat might be that China is happy to take a gradual, conciliatory approach with countries weaker than itself, particularly while it needs their support in institutions such as the UN, but its interactions with the US have at times been confrontational. It is also in China’s interests to project an image of a benign power keen on negotiation rather than intervention, particularly given the concerns in South-East Asia about China’s military build-up.

At this point in time China understands that there is no political capital – and indeed a great deal to lose – from outright military intervention in the South-East Asian nations should the need arise, even in a conflict as important to it as Taiwan. The one exception to this which greatly inflames Chinese passions and which may see its non-intervention strategy undone by nationalism is the South China Sea disputes. Indeed, China’s greater assertiveness in this area from 2009 onwards has begun to inflame tensions in South-East Asia and has eroded what “soft power” goodwill it had in the region. The most recent point of tension was in September 2011 when China accused India of intruding on its territorial waters during an exploratory oil drill with Vietnam, inside Vietnam’s exclusive economic zone (EEZ). This came in the wake of an earlier incident in July, where an Indian Navy ship visiting Vietnam received an unidentified Chinese radio message warning that it was about to enter Chinese waters (Page and Wright, 2011). The Chinese have denied the message came from an official vessel, but these two incidents are seen as symptomatic of China’s increased muscle-flexing over territorial issues in South-East Asia (Pant, 2011). Consequently the balance of power in the region is beginning to be realigned, with a loose anti-China coalition starting to develop among the South-East Asian states, India and the US (ibid).

Although China has its own code of non-intervention, ASEAN has also encouraged the pursuit of this principle through the Treaty of Amity and Cooperation, which China signed in 2003 (the first non-ASEAN country to do so) and which ties it to the Association’s doctrine of non-intervention. Although it is generally agreed that it will be some time before China, like the US, has the global political influence to act unilaterally with relative impunity, it is this scenario which the South-East Asian
states are hoping to guard against. This concern has grown in recent years as China has begun to assert itself more in South-East Asia, particularly in the wake of the 2008-09 Global Financial Crisis. Its forceful assertion of its maritime claims in the South China Sea, in particular, has been seen by some in South-East Asia as overly confrontational.

Trade, particularly in the form of Free Trade Agreements (FTAs), is also a cornerstone of both China and India’s relations with ASEAN. According to Ren Xiao, China’s response during the 1997 Asian Financial Crisis was integral to the recovery of the South-East Asian economies, and this sympathetic response helped to win over many of the ASEAN states:

When the crisis reached its peak and seemed to be threatening all of the countries in the region, Beijing decided not to devalue its own currency, the RMB, and therefore helped to stabilize the regional economic situation and to overcome the region-wide crisis. In addition, China provided its crisis-hit neighbours, such as Thailand and Indonesia, with a reasonable amount of aid, either bilaterally or through the IMF (Ren, 2009: 305).

This analysis, however, ignores the element of Chinese self-interest which was also at play in the decision not to devalue the RMB; this decision was most likely taken less out of an altruistic desire to help the crisis-hit South-East Asian nations than from recognition that action which stabilised the South-East Asian economy would also benefit China.

More recently, China has negotiated an FTA with ASEAN, which came into effect in 2010, in a move which Ren believes is partly designed to counter the “China threat” perception in the region (Ren, 2009: 305-6). Trade between China and ASEAN has been growing at an annual rate of sixteen percent throughout the 1990s, reaching a total of US$26.9 billion in 2000 (Ren, 2009: 309) which, incidentally, was also the year China initiated FTA negotiations with ASEAN and only a year before China formally acceded to the World Trade Organisation (WTO). In 2008 (the most up-to-date trade statistics produced by ASEAN), total trade between China and the ASEAN member states reached US$192.6 billion, with ASEAN exports to China totalling $85.5 billion and imports from China totalling $107.1 billion (ASEAN Trade Statistics Database, 2009).
That China began negotiating the FTA the same year it acceded to the WTO is not a coincidence; China made the conscious decision to focus on South-East Asia as part of its “neighbourhood diplomacy” policy, and the strengthening of the ASEAN relationship was “a natural extension of its upcoming WTO entry” (Ren, 2009: 314). Ren also notes the considered strategic element to these negotiations:

...Asymmetrical ASEAN access to the Chinese market would give the ASEAN countries a growing interest in cooperating with China as their exports increased, and at little cost to the latter. China’s uniquely large market yields it advantages from opening its market to imports, similar to US interests and policy, but in contrast to smaller economies, e.g. the ASEAN countries and Japan. For the Chinese leadership, by giving ASEAN significant asymmetrical benefits, in the Chinese saying, duo yu shao qu (to give more and take less), China would eventually win the hearts and minds of the Southeast Asian countries and would therefore gain more. Here strategic and political considerations undoubtedly played a role (Ren, 2009: 315).

India has also negotiated an FTA with ASEAN – the ASEAN-India Trade in Goods Agreement, the first element of the Free Trade Area, came into effect on 1 January 2010 and the second part, the ASEAN-India Trade in Services Agreement, is currently under negotiation (ASEAN, 2011). ASEAN-India trade has grown from US$12.9 billion in 2003 to $39.1 billion in 2009, while foreign direct investment (FDI) from India made up 2.5 percent of the ASEAN region’s total FDI in 2009, or $970 million (ibid). India is now ASEAN’s seventh-largest trading partner and sixth-largest investor (ibid). Unlike China, however, with India the balance of trade is in favour of ASEAN, with ASEAN’s exports to India in 2008 totalling $30.8 billion, while its imports from India were $17.9 billion (ibid). The fact that this is a recurring theme in Indian trade relations is perhaps a reflection on the state of the Indian economy, which still tends to export low-value or raw materials and import value-added products.

The ASEAN agreement is also highly advantageous for India, not only economically but also strategically, as it provides another pathway to more intimate relations with the South-East Asian nations. For ASEAN, the agreement can be viewed in the context of its hedging strategy and to avoid reliance on China, while greater connection with the ASEAN states may also enable India to counter Chinese influence in the region.
At the moment China and India are exhibiting opposite strengths and weaknesses: China has a very proactive foreign policy and is keen to develop trade and diplomatic linkages with South-East Asia, but struggles with a perception among the ASEAN states that its economic rise and increasing military development poses a threat. India, on the other hand, sports a good reputation in South-East Asia and ASEAN is keen for it to engage with the region, but it is still working out how best to capitalise on this – though the India-ASEAN FTA is a significant step forward. For the moment, these contrasting strengths and weaknesses, along with the presence of the US in Asia, provide ASEAN with the perfect hedging opportunity. How successful this balancing act is able to be in the future, however, remains to be seen.

Although ASEAN and its various groupings provide the main vehicle of engagement for both China and India in South-East Asia, both countries are also involved in various smaller regional multilateral organisations. India is a founding member of BIMSTEC (formerly Bangladesh-India-Myanmar-Sri Lanka-Thailand Economic Cooperation, but now known as the Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation since the inclusion of Bhutan and Nepal in 2004) (Batabyal, 2006: 187-8), in a move which Rahul Bedi argues was calculated “in order to neutralise China’s burgeoning influence with Yangon” (Bedi, 2003). BIMSTEC’s main aims are, as the name suggests, economic, but they nevertheless cover a wide range of areas, including “[enhancing] cooperation in trade and investment, communication and transport, tourism, energy projects and fisheries” (Bedi, 2003). Whether this has been successful at countering China’s influence in mainland South-East Asia and Burma in particular, however, is a matter of contention.

Both countries also have interests in the Mekong River region of South-East Asia. India was instrumental in developing the Mekong-Ganga Cooperation Forum in 2000, which is a joint initiative between India, Burma, Vietnam, Laos, Cambodia and Thailand aimed at “[undertaking] economic development of the Mekong region by developing the infrastructure facilities” (Batabyal, 2006: 188). Batabyal (2006: 188-9) notes that this arrangement strongly benefits India by providing trade and development linkages between the Mekong countries and India’s underdeveloped north-eastern region. Only a few months before the signing of the Vientiane Declaration, which marked the establishment of the Mekong-Ganga Cooperation

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51 In 2005 the Burmese capital was moved from Yangon (Rangoon) to Naypyidaw; pre-2005 sources tend to use “Yangon” as a synonym for the Burmese government.
Forum, China signed a “Mekong sub-regional agreement of cooperation” with Laos, Myanmar and Thailand, known as the Agreement on Commercial Navigation on Lancang Mekong River (Batabyal, 2006: 189). This notably did not include Vietnam, Cambodia or India (ibid). China sees the Mekong region as part of its natural sphere of influence and believes “that the development of Mekong Basin [is] one of the key areas of cooperation in promoting her overall relations with ASEAN” (Batabyal, 2006: 189). Batabyal also observes that both China and India’s interests in this part of South-East Asia stem from the fact that “Mekong countries provide strategic accessibility into the heartland of [the] Asia-Pacific” (ibid).

ASEAN is still the main point of interaction between China and India and the South-East Asian countries, and the association is presently attempting a fine regional balance between the economic advantages of China and the strategic threat, and is bringing India closer in order to further this. China is proactive in trying to counter the threat perception in the region but is having only limited success, mostly due to ongoing concerns about the aims of its military build-up. India has the advantage of being seen as benign, but it still lacks a strong, coherent policy on South-East Asia (in spite of the Look East Policy) and is still wary of multilateralism because of its experiences with SAARC, preferring instead bilateral relationships. Although the two are not competing actively for influence with ASEAN, the hedging strategy at play in the region can work both ways; maintaining good relationships with the South-East Asian countries is beneficial to both China and India as they strive to become more influential in Asia. This is particularly the case for India, which is beginning to push east into China’s traditional strategic backyard in order to counter growing Chinese influence in the Indian Ocean, including developing security dialogues with Japan on maritime issues (Ghosh, 2008: 287). The area of South-East Asia where Chinese and Indian interactions move towards more pronounced rivalry, however, is Burma.

**Chinese and Indian Engagement in Burma: One-sided rivalry**

Although the McMahon Line and Aksai Chin regions are the only point of direct conflict between India and China, increasingly we are seeing militarisation-by-proxy taking place throughout Asia, and particularly in the Indian Ocean region. Although the modernisation of both the Indian and Chinese armed forces, coupled with economic growth, is leading to some changes in the Asian strategic environment,
in many ways these changes have been incremental, and the same issues which were problematic twenty years ago remain so. Akhtar Majeed lists India’s potential security concerns at the start of the 1990s as: Potential instability in South-East Asia due to the conflict between China and Vietnam; potential instability in Burma because of Chinese support for insurgents; Pakistan and its Middle Eastern (West Asian) connections; the presence of superpowers in the Indian Ocean; ongoing insurgencies in Afghanistan and Sri Lanka, and potential unrest in Tibet (Majeed, 1990:1085). Of these concerns, only the China-Vietnam land-border conflict and most recently the insurgency in Sri Lanka have been successfully resolved. Since the end of the Cold War, superpower presence in the Indian Ocean is no longer so much of a concern; indeed in 2005 India signed an unprecedented major defence pact with the US (Raghavan, 2005; Batabyal, 2006: 193). These small victories aside, however, Burma, as noted above, is still a major issue in the Asian strategic environment and the wider Sino-Indian relationship, while the security situation in Pakistan and Afghanistan has arguably deteriorated even further since the 1990s, and the independence movement in Tibet (and the disputed Sino-Indian border) remains unresolved. These are security concerns not just for India, but also for China, which also has the added issues of the Uyghur independence movement in Xinjiang and the ongoing standoff with Taiwan to deal with. In terms of developing military influence and strategy within South-East Asia, however, the Indian Ocean remains the major point of conflict between China and India, and at the centre of this is Burma.

Burma/Myanmar has long been part of the Chinese sphere of influence; as Sudha Ramachandran writes:

Myanmar was the first country outside the communist bloc to recognise the People’s Republic of China in 1949, the first to conclude a Treaty of Friendship and Mutual Non-Aggression with the nation, the first to achieve a boundary settlement in 1961, and one of the first to patch up relations with China after the Cultural Revolution which was officially declared over in 1977. Since 1988, when Myanmar’s army seized power in a bloody coup, China has been the military junta’s staunchest ally (Ramachandran, 2005a).

Now, however, Burma is being increasingly courted by India due to its geographical position and natural gas reserves. Although commonly perceived as the
pariah of South-East Asia, Burma is rapidly shaping up as a major player in the strategic struggle taking place between China and India in the region. For its part, India sees potential for developing land-based linkages with the rest of mainland South-East Asia via Burma, which borders the underdeveloped Indian north-east, as well as helping to fight insurgencies in the same region by groups with strong ethnic affinities to Burmese tribes on the opposite side of the border (Batabyal, 2006: 183). India’s relationship with Burma has been rocky for some time, particularly after the Burmese crackdown on pro-democracy protests in 1988-89. In 1992, however, the conscious – and controversial – decision was made to pursue a policy of “constructive engagement” with Burma’s military junta, in a move believed to have stemmed from concerns about growing Chinese influence in the country (Batabyal, 2006: 184). China has been cultivating steadily stronger ties with Burma since 1978, mainly because of interests in the latter’s ports, which give access to the Bay of Bengal and Indian Ocean areas, in a move which is of considerable concern to India (Batabyal, 2006: 183-4).

For India, its strategic objectives regarding Burma are twofold. The first is to combat insurgents in the Indian north-east who take refuge on the Burmese side of the border, while the second is to prevent an undue amount of Chinese strategic or military influence developing, which could jeopardise India’s naval primacy in the Indian Ocean/Bay of Bengal area. Regarding the first aim, India and Burma have been cooperating on counter-insurgency programs for over a decade (Ramachandran, 2005; Yhoma, 2009), including signing a Memorandum of Understanding on “intelligence exchange to combat transnational crime, including terrorism” in April 2008 (Yhoma, 2009). Regardless of its success at controlling the insurgency, however, this cooperation has not translated into greater influence for India with Burma’s ruling military junta; in fact, Ramachandran notes, “collaboration between the navies of Myanmar and China – India’s rival – on issues impinging on India’s national security interests is moving far more rapidly [than Indo-Burmese relations]” (Ramachandran, 2005). First there was a rumoured SIGINT facility in the Coco Islands, discussed in more detail below, and in 2005 there were also rumours that, firstly, the Burmese navy was surveying the bed of the Andaman Sea on behalf of the Chinese in order to ascertain the potential for the passage of large ships, and, secondly, that “the Chinese navy – the People’s Liberation Army Navy (PLAN) – will expand its operations to bases in Myanmar” (Ramachandran, 2005). These remain unconfirmed, given the
extraordinary secrecy of the Burmese and Chinese governments, but, as Sanjeev Pillay notes, “Myanmar’s seaboard is extraordinarily significant for India for itextends south to the Andaman Sea, above the strategically vital Straits of Malacca. India’s naval dominance in the Bay of Bengal can be threatened should Myanmar provide naval bases to China along its coastline” (Pillay, 2009). As well as the military aspect, there is also the potential threat to Indian sea-borne trade, on which the country is becoming increasingly reliant, particularly for its energy needs. These two concerns led India to drastically revise its maritime doctrine in 2004, taking its focus away from simply its own coastline and into the wider Indian Ocean region (Batabyal, 2006: 192).

India is also keen to counter Pakistani influence in Burma, and to this end has embarked on several major development projects. These include a 180km-long highway from the border town of Moreh in the Indian state of Manipur to Kalemyo in Burma (opened in 2002), built by India’s Border Roads Organisation (BRO) at an estimated cost of Rs. 900 million (US$201.9 million), and which will eventually stretch all the way to Burma’s second-largest city, Mandalay; and “a remote-sensing and data-processing centre in Myanmar to help Yangon execute resource surveys to develop the country’s infrastructure” (Bedi, 2003). Other initiatives include opening a second border post at the Champai-Ki border (in addition to the one already in operation at the Moreh-Tamu border); bilateral cooperation to counter insurgency in the northern regions, and development by India of the Burmese port of Akyab (Sittwe) in order to provide sea access to goods from India’s north-eastern states (Bedi, 2003).

China has also provided considerable assistance to Burma in recent times, but unlike India, China’s support is quite strongly military-oriented. According to Bedi:

China is helping Myanmar modernise its naval bases at Hainggyi, the Coco’s [sic] islands, Akyab, Za Det Kyi, Mergui and Khaukphyu by building radar and refitting and refuelling facilities. The Chinese are also believed to be establishing a signals intelligence (SIGINT) facility on the Coco’s [sic] islands 52, 30 nautical miles from the Andaman Islands, to monitor Indian missile tests off the Orissa coast (Bedi, 2003).

52 The islands referred to by Bedi are the Coco Islands, which are located in the eastern Bay of Bengal/Andaman Sea, just north of the Andaman and Nicobar Islands (Indian territory) and administered by Burma. They are not to be confused with the Cocos Islands, which is an Australian territory located off the West Australian coast south of Indonesia and approximately halfway between Australia and Sri Lanka. For the location of the Coco Islands please see Map 1, p4.
The SIGINT facility in the Coco Islands — whose existence, it must be noted, remains unproven — is of particular concern to India, as its presence would signal the encroachment of China into India’s traditional sphere of influence, and would be worryingly close to the Indian territories of the Andaman and Nicobar Islands, and also to the Straits of Malacca. Indian concerns are that the Chinese, who have allegedly leased the two islands in the Coco group since 1994, may be using the outpost not just to monitor missile tests off Orissa, as Bedi claims, but also to keep watch over Indian naval activity in the Andaman and Nicobar Islands and also Indian shipping (both civilian and military) from the Bay of Bengal through the Straits of Malacca (Pike, 1997). It is worth noting, however, that reliable data about the Chinese facility is extremely difficult to obtain, given the secretive nature of both the Burmese and Chinese governments, and many Burma scholars, such as Andrew Selth from Australia’s Griffith University, strongly question whether such a base even exists (Selth, 2007a). Selth, who went searching for hard evidence of a facility — including using publicly available satellite imagery — and found none, claims that rumours of a SIGINT and radar facility on Great Coco Island are a myth which began with a newspaper article by the Japanese Kyodo News Agency and grew rapidly until it “threatened to harm the relationship between Rangoon and New Delhi that began to gather pace in the late 1990s” (Selth, 2007a), when India conducted the following about-face:

...In August 2005, India’s chief of naval staff told reporters that he believed the Burmese when they said there was no Chinese presence in the Coco Islands. Two months later he stated categorically that India had “firm information that there is no listening post, radar or surveillance station belonging to the Chinese on Coco Islands.” It is conceivable that a small intelligence collection station once existed on Great Coco Island, but was then dismantled. The most likely explanation for India’s remarkable about-face, however, is that there never was a Chinese SIGINT station there and most of the claims made since 1992 were completely baseless (Selth, 2007a).

This case highlights the difficulty of obtaining reliable information about Chinese and Indian strategic interests in the region, and also the considerable role which perception plays in international politics. Selth notes that “senior members of
the Indian security establishment were clearly convinced that the Chinese had established a major intelligence presence in the Andaman Sea” (Selth, 2007a); a perception which – if Selth’s version of events is accepted – could potentially have led to serious conflict between China, India and Burma.

Regardless of whether China does have a major military base in the Coco Islands, it is generally accepted that the Chinese are providing various types of military aid to Burma, including “training Myanmar’s naval intelligence officials and helping Yangon survey the country’s coastline that is contiguous with India” (Bedi, 2003). Like India, China also wishes to establish overland trade links through Burma to the Bay of Bengal, and to this end it has already begun construction of a highway through the south-western Chinese province of Yunnan to Burma:

...China has already constructed a highway from Kunming, capital of the Yunnan [sic] province, to Shewli on the Myanmar border. According to a proposal that is being reviewed by Myanmar’s military junta, Beijing wants to extend that road link to Sinkham [sic] for access to the Irrawady [sic] river, which flows through Yangon and into the Andaman Sea. Once completed, barges would transport Chinese goods down the Irrawady [sic] to Yangon and transfer them onto waiting Chinese ships. Yangon is currently resisting the move, but foreign diplomats said it was a matter of time before Beijing prevailed (Bedi, 2003).

Access to hydrocarbon resources is also a major issue in both India and China’s relationships with Burma. India wishes to access natural gas from the Burmese offshore Shwe field through a pipeline to West Bengal, possibly via Bangladesh (Tonesson and Kolas, 2006: 66), while China is tapping the same field through a pipeline currently under construction to Yunnan, with an oil pipeline already running along the same route (Xinhua News Agency, 2009). In 2005 PetroChina signed a Memorandum of Understanding with Burma to this effect, which complements the existing oil pipeline deal from the Burmese port city of Sittwe to Kunming (ibid). China has had considerably more success than India at accessing Burma’s energy resources, perhaps because of fewer logistical obstacles, or a

54 This plan has been stymied for now by the Bangladeshi government which raised concerns about the (lack of) benefits to Bangladesh; so far no agreement has been reached between the Indian and Bangladeshi governments and consequently a stalemate has ensued.
commonality of political philosophies between the Burmese and Chinese governments, or simple determination and hard-headedness on behalf of the Chinese. Whatever the reason, China’s success in Burma often leaves India feeling piqued. The issue of energy resources – particularly the offshore natural gas fields – when coupled with the two countries’ increasingly competitive naval presences in the Andaman Sea, Bay of Bengal and Indian Ocean, means that the battle for influence in Burma is not likely to dissipate any time soon (Tonnesson and Kolas, 2006: 67-8). The winner in this is, of course, Burma, which is seeing the modernisation of its infrastructure by the Indians and Chinese, in spite of the sanctions imposed on the military junta from other parts of the international community.

Interestingly, in Burma – as in Central Asia and other areas where India and China are beginning to encounter each other commercially – Chinese views of India (at least those expressed publicly) are not as distrustful as Indian views of China. As retired Chinese ambassador Cheng Ruisheng observes:

India has a fear of growing Chinese influence in Myanmar, but China welcomes India’s presence there. It doesn’t see it as competition, because China can’t monopolise Myanmar’s foreign trade market, so there is room for both in the market. Other countries such as Thailand have also been operating there for a long time (Author interview with Cheng Ruisheng, June 2010).

It is difficult to tell whether opinions such as Cheng’s are simply dismissive of India’s potential influence or progressive in acknowledging that the market is big enough for both countries. One possible explanation for this Chinese confidence is likely to do with the fact that China knows its relationship with Burma is arguably stronger than Burma’s relations with any other country in the region and, for the moment at least, its success in energy and other sectors is likely to continue. This assumption, however, is by no means a solid one. Andrew Selth identifies three major schools of thought regarding China’s relationship with Burma: “domination”, “partnership” and “rejectionist” (Selth, 2007: 283). The domination school, which, Selth notes, is particularly strong in India, holds that “small, isolated and economically troubled Burma must inevitably succumb to the pressures of its much larger neighbour, and effectively become a pawn in China’s bid to achieve world power status” (ibid) and that “Burma is thus seen as an ally in China’s attempts to
surround and threaten India” (Selth, 2007: 284). The partnership school “broadly accepts the main arguments of the domination school, but is much more cautious in its predictions of how and when China will draw Burma into its sphere of influence” and “rejects the idea that China will simply impose its wishes on a reluctant Burma, and sees this process gradually developing along the lines of a more even-handed strategic alliance,” due to strong Burmese nationalism and other factors (ibid). Finally, the rejectionist school “seems to consist mainly of scholars with a specialised knowledge of Burma, and Sinologists sceptical of China’s purportedly expansionist designs” (Selth, 2007: 285). This group argues that firstly Burma only turned to China out of dire need in the late 1980s when it was ostracised by the rest of the world; secondly, that reports of extensive Chinese influence in Burma are exaggerated and “despite their unprecedented closeness at present, Beijing has not always been able to get its own way with Rangoon, nor does it seem likely to win everything it wants” (Selth, 2007: 285), while thirdly, although it is currently in Burma’s interests to develop a close relationship with China, the country nevertheless reserves the right to back away from the relationship or hedge with other countries should those interests change (ibid).

As well as the rumoured SIGINT base, the other issue which causes concern for Indian domination school analysts is China’s sending of political advisers to Burma in the wake of Cyclone Nargis in 2008; in India this is naturally seen as another step towards Burma becoming a Chinese proxy state. Zhang Guihong from the Shanghai Institute for International Studies, however, summarises the issue thus:

In 2009 China sent political advisers to Myanmar to advise how to manage the aftermath of Cyclone Nargis. There are also indications that Myanmar wants to develop a nuclear program. China has a good relationship with Myanmar so it sent advisers to help Myanmar deal with the international community (Author interview with Zhang Guihong, June 2010).

It is unclear what exactly Zhang means by “deal with the international community” – whether administering international aid, public relations or something else entirely – and it is this sort of ambiguity which has Indian (and other) analysts concerned. India is also worried about growing Chinese trade with Burma. As Bedi notes:
Indian concerns also centre around increased Chinese involvement in the vital export to India of pulses and beans from Myanmar, worth around $300 million annually. Until recently, this trade was controlled by ethnic Indians operating out of Singapore. But under pressure from Myanmar, Chinese traders have moved in, raising Indian fears of subtle, undeclared embargoes that could be tactically manipulated (Bedi, 2003).

India is now Burma’s fourth largest trading partner and second largest export market, but even so the volume of bilateral trade is relatively low compared to Burma’s links with neighbouring countries (Yhome, 2009). K. Yhome speculates that this may be due to “Indian private companies’ lack of interest to invest in Myanmar”, though it is hoped that this may be beginning to change after a meeting in February 2009 between Burmese Chairman of the State Peace and Development Council, General Than Shwe, Indian Vice President Hamid Ansari and various Indian industry representatives\(^5\) (Yhome, 2009). Trade and infrastructure construction is a large part of India’s foreign policy strategy, along with defence aid, most likely formulated in the hope that such an approach can help to buy political influence.

At this stage China appears to be pursuing this strategy more successfully, but the relationship may not always remain so smooth. It has been confirmed that Burma is pursuing a nuclear program with North Korean help, though it is still many years away from developing full weapons capabilities (Stewart, 2010). A nuclear-armed Burma, however – particularly if it became so as a result of North Korean proliferation – would be highly problematic for the Chinese, as well as all other countries in the region, including India, though China’s position on this is as yet unclear. In the meantime China and India continue to pursue their various aims in Burma, while the latter continues to profit from their aid and trade.

The most interesting point to note about Chinese and Indian rivalry in Burma is that it is essentially one-sided. India sees itself as competing with China both for Burmese oil and gas and for political influence to consolidate its position in the Bay of Bengal/Indian Ocean and also to counteract the insurgency in the Indian north-east.

\(^5\) These included the Steel Authority of India, Tata Motors, the Gas Authority of India Ltd, Bharat Heavy Electrical Ltd (BHEL), engineering conglomerate HMT Ltd, state-owned resources company ONGC Videsh Ltd., the National Hydroelectric Power Corp. Ltd (NHPC), steel, energy, communications and logistics company Essar, and Telecommunications Consultants India Ltd (TCIL) (Yhome, 2009).
There is no sense, however, that China reciprocates this competitive stance, possibly because it is confident in the strength of its relationship with Burma and so is unconcerned about India’s presence and any potential influence it might develop. China’s actions in Burma are a clear sign of its strategic consideration of the importance of Burma and no doubt tie into its other regional strategic interests. What is lacking, however, is any sense that these strategic interests are at present driven by conscious competition with India, whereas India seems to base at least part of its strategy in the Indian Ocean and Burma on the possibility of confrontation with China. This attitude of one-sided competition is also reflected in the wider Sino-Indian relationship, where it is clear that China sees the US as its only major strategic threat or competitor and so is relatively unconcerned about India, while India expends a considerable amount of energy worrying about Chinese influence and strategy in various areas.

*China and India in the Indian Ocean: Military expansion and mutual distrust as barriers to conflict prevention*

Whilst aid, trade and multilateralism are core tenets of both Indian and Chinese foreign policy, both countries are also developing a stronger hard-power dimension to their presence in South-East Asia, not least in order to safeguard merchant shipping. Although the rapid changes in the material strength of the two powers is a significant factor in the relationship in general, it manifests itself in a clearer way in this region due to the two countries’ geographical proximity, which is seeing increasing strategic rivalry developing in the Indian Ocean region in particular. For India this is evident in a realignment and expansion of its naval strategy in the Indian Ocean, while China is working towards the development of a blue-water navy, and its development of port facilities in various Asian nations is the subject of considerable speculation, particularly in India. As David Scott notes:

> China’s perceived spatial threat to India is through four avenues: its own land frontier, its land links with India’s neighbours, its own maritime presence in the Indian Ocean, and its maritime links with India’s neighbours – power projection from China itself and through its “strategic proxies” (Scott, 2008: 5).
One of China’s ongoing links with Pakistan involves developing the Pakistani ports of Gwadar and Pasni, which is causing consternation in India about the possible disruption to Indian shipping from the Persian Gulf (Bedi, 2003). Like China, India is also developing a more extensive blue-water navy. In the words of Madhuchanda Ghosh (2008: 283): “India is developing its strategic profile by expanding its naval influence beyond the Indian Ocean and by forging strategic links with the major powers in the region and throughout the world.” This is problematic in that both countries are now vying for the same strategic space. India, which sees the Bay of Bengal, the Andaman Sea and, to a certain extent, the Indian Ocean as within its sphere of naval influence, is now facing competition in this region from China. It has been alleged that China is setting up friendly port facilities in countries such as Burma, Bangladesh, Sri Lanka and Pakistan to allow its presently short-range naval fleet space to resupply, while establishing a presence in areas beyond China’s traditional maritime sphere of influence (Burke, 2010; Brewster, 2009; Barker, 2011). This establishment of strategic ports throughout Asia is known as the “String of Pearls” strategy and in theory gives the Chinese navy a much greater range than it would otherwise have had.

The so-called “String of Pearls” thesis is a term which was developed by a consultant to the Pentagon in 2003 to explain China’s development of various port facilities throughout South and South-East Asia, particularly Myanmar, Sri Lanka and Pakistan (Brewster, 2009). This view contends that the Chinese are aiming to establish a network of naval bases in third countries, which would allow the People’s Liberation Army Navy (PLAN), which currently lacks a long-range capacity, access to the Indian Ocean – and, presumably, thence to challenge US primacy – by providing points for replenishing fuel and provisions. This thesis has, for the most part, been discredited among China scholars outside India. The major reason for this is that no hard evidence presently exists of naval facilities in Myanmar or anywhere else, though there are some concerns over the Pakistani port of Gwadar. The original development of this port was built with Chinese funds, but since 2008 it has been administered by a Singaporean firm, PSA International. In May 2011, however, the Pakistani Defence Minister, Chaudry Ahmad Mukhtar, announced that not only was he inviting the Chinese to take over management of the port, but that he also wanted China to build a naval base there (Holmes, 2011).
It is important at this point to note the distinction between port facilities and naval bases, which is often lost in the String of Pearls debate. As James R. Holmes from the US Naval War College notes, “Calling at a foreign port for fuel and stores is one thing. Building a facility capable of hosting a permanent naval squadron is quite another. Almost any port can meet basic needs” (Holmes, 2011). Prior to the Pakistani announcement, which China initially denied, there has been no evidence that any of the Chinese-funded port developments in the region are actually fully-fledged naval bases. Holmes notes that full naval bases require not only facilities for fuel and stores replenishment, but also specialised maintenance facilities: “Any naval station worth the name...boasts not only piers and navigable channels – as Gwadar and other Chinese-funded Indian Ocean ports already do – but also maintenance facilities, ammunition and fuel storage, and ideally even dry docks for taking warships out of the water and overhauling their hulls” (ibid). He also notes that although Gwadar meets some of renowned naval strategist Alfred Thayer Mahan’s criteria for prospective bases, namely “position, strength and resources” in that it is strategically located, in terms of strength or defensibility the port is not ideal: “The port sits on a narrow peninsula jutting into the Arabian Sea. It looks like an easy target for cruise-missile or air strikes. Indian airmen reportedly profess confidence in their ability to pummel this nearby target from aloft” (ibid).

This latest development in the String of Pearls saga has caused concern in India, particularly as China also has other port developments in Sri Lanka (Hambantota) and Bangladesh (Chittagong). Holmes notes that “indeed, Beijing almost certainly negotiated some form of guaranteed PLAN access to these harbours when it struck the deals to develop [these ports]. Chinese leaders would be foolish not to” (Holmes, 2011), but once again stresses that this does not necessarily mean they will be developed into full naval bases. In addition, Sri Lanka first offered the Hambantota port development project to India, which failed to see any commercial gains in the project and subsequently turned it down (Author interview with M.K. Bhadrakumar, December 2009).

In the opposite direction, India is establishing or reinforcing strategic alliances with Japan and other countries, which will allow the establishment of an Indian naval presence in the East and South China Seas, China’s strategic backyard, as well as setting up its own arrangements with Indian Ocean littoral states such as Mauritius. The Indian Navy also undertakes exercises with the Singapore Navy every
second year, with the 2011 exercises to be held in the South China Sea. Given Singapore’s strategically important position in regard to the Straits of Malacca, this increased naval cooperation is highly advantageous to India.

The rapid development of the People’s Liberation Army Navy (PLAN) is of increasing concern to analysts both in India and the West, mainly because China’s motives for such development are often perceived to be nefarious. Consequently the debate is often framed around the question of whether China intends to challenge the current maritime status quo in Asia – namely the US presence throughout maritime South-East Asia which, among other things, is tasked with keeping the Straits of Malacca open and safe from piracy. This is a strategy which C. Raja Mohan identifies as “[securing] the maritime commons” and requires an open, non-territorial approach to the seas (Mohan, 2010: 10). Although India is gradually coming around to this way of thinking, China’s maritime strategy is still heavily territorial, as Mohan observes:

Beijing is not only asserting its expansive territorial claims in [the] South China Sea but has declared that these waters which connect the Indian Ocean to the Pacific form a “core national interest” of China. The PLA Navy is also focused on developing anti-access and area-denial strategies that could constrain the operations of the United States and other maritime powers like India. One would presume at some point in the future, Chinese naval strategists would come to appreciate, much like India, the importance of keeping the maritime commons open. For both China and India will need the freedom to use the seas to sustain their rapidly globalising economies (Mohan, 2010:10).

There is no doubt that the centre of China’s naval strategy still rests with Taiwan, and that in spite of Indian concerns about Chinese power projection into the Indian Ocean, the greater South China Sea area is still the PLAN’s major focus. In maritime East Asia China is revisionist in that it desires to build a blue-water navy which will have the potential not only to inconvenience US power projection in the region, but ultimately to control Taiwan and the South China Sea, both because of its territorial disputes and oil and gas resources, and in relation to Taiwan. The real debate is over what form this navy will take. China has stated that its aim is to build an aircraft carrier, though some analysts, such as Robert Ross, argue that developing a navy which could challenge US primacy is an unrealistic ambition because of the high
costs involved (Ross, 2009: 76-7). China, he believes, would be better off limiting itself to an access-denial force of submarines which would prevent the US from attacking Chinese interests in their littoral waters, particularly the South China Sea (ibid). Indeed, as Townshend notes, this has been the strategy adopted by the PLAN over the last two decades:

Chinese naval modernisation is more about access denial than power projection; designed, above all, to stop foreign navies operating in and around the Taiwan Strait and so-called “first island chain” stretching from Japan to the Philippines. Accordingly, most PLAN acquisitions over the past 15 years have been asymmetric capabilities – submarines, sea mines, and anti-ship missiles – intended to neutralise US warships in the event of a confrontation over Taiwan (Townshend, 2010: 1).

Whether this will continue to be the case in the coming years, however, is a matter of contention. What is sometimes overlooked by Ross and other strategists is the third option between a force capable of openly challenging US primacy in Asia and a purely access-denial force operating off the Chinese coast. This option is an expansion of Chinese maritime power projection, with or without an aircraft carrier, with the aim of defending Chinese interests abroad, such as safeguarding shipping through the Straits of Malacca and other sea lines of communication (SLOCs) and coordinating prompt humanitarian responses in the wake of natural disasters such as the 2004 Indian Ocean tsunami (Glosny and Saunders, 2010: 164). The issue with the development of a force of this kind, which, although it would not be strong enough to overturn the status quo by defeating the US Navy, is that it raises concerns among the maritime Asian states about possible Chinese offensive tactics. These concerns have not been helped by the PLAN conducting naval exercises in the western Pacific in late 2011, and this fear can be seen in the foothold that the String of Pearls thesis has garnered in Asia, particularly in India, and which remains pervasive in the more hawkish Asian foreign policy circles.

China’s lack of transparency, and the significant debates which are taking place internally (see Shambaugh, 2011), mean that its motives and aims are not always clear. In addition, its size and geography mean that it has diverse national interests, ranging from increased naval projection from the eastern seaboard, to stability in Central Asia in order to secure natural resources and guard against Islamic
extremism. Safeguarding these interests may at some point require a challenge to the established status quo, though this does not necessarily mean out-and-out conflict. In East Asia this confrontation will be with the US, while India is unlikely to let the PLAN develop a substantial presence in the Indian Ocean easily.

In spite of this rivalry, however, China and India still have some shared interests in the Indian Ocean. Although China’s naval modernisation has sparked a similar drive in India, there is recognition within the Indian government that a certain amount of cooperation is needed by the two countries in order to achieve common aims in the Indian Ocean and Malacca. As Indian National Security Adviser Shivshankar Menon notes:

Interdependence is the key – the more China is engaged the more it has to lose when things go wrong. It will take a lot of effort to work this out as we have no experience of this and the PLA is not the most open organisation to work with. But the impetus for engagement is certainly there within the Indian government (Author interview with Shivshankar Menon, December 2009).

India’s naval strategy underwent a major overhaul in 2004, which resulted in the official broadening of its “legitimate area of interest” from simply focusing on defending the coastline to encompassing the major part of Indian Ocean, from the Persian Gulf to the Straits of Malacca (Batabyal, 2006: 192). Five years later, in a speech on 10 August, 2009, the outgoing Chief of Naval Services, Admiral Sureesh Mehta, discussed the need for India to change its defence priorities in order to deal with the potential threat from China (Raman, 2009). Admiral Mehta is credited with facilitating the development of the country’s Indian Ocean projection, the so-called “Look West” strategy to counter a perceived over-projection into South-East Asia as a result of the Look East policy (Raman, 2009). In spite of his role in the Navy, however, he believes that too much emphasis has been put up on building up the senior service’s role, at the expense of the Army and Air Force, which would be crucial should India suffer an attack from China (which of course would be executed overland rather than by sea) (Raman, 2009). This is a slightly incongruous statement given that the vast majority of India’s defence spending still goes towards the army, discussed further below. On the one hand this strategy is drawing on India’s past experience of overland threats, namely from Pakistan and China, but it also overlooks
the way the world has changed in the past several decades, with globalisation and interdependence now the norm. As C. Raja Mohan notes, nearly ninety percent of global trade continues to be sea-borne (Mohan, 2010: 4), a fact which China and India can no longer afford to ignore:

The more integrated China and India become with the world economy, [the] greater are their stakes at sea. If oceans are the lifelines for the economic well-being of nearly two and a half billion people, Beijing and Delhi are bound to invest heavily – in diplomatic and military terms – in the management of the order in the Pacific and Indian Oceans (Mohan, 2010: 4)

By giving undue weight to the border issue – which, though volatile at times, has remained relatively stable for the past fifty years – the Admiral’s strategy ignores the reality that the Indian Navy will soon have to face, if it is not doing so already; namely that other major powers such as China will gradually begin to make their presence felt in the Indian Ocean, and also that the Indian Navy will have an increasingly important role to play in safeguarding shipping, particularly energy resources from the Persian Gulf. This will require not only greater resources but also unprecedented levels of cooperation between India and other states in order to keep the SLOCs open and safe. It will also require a realignment of strategic thinking in both India and China from a position of what Mohan (2010: 5) calls “strategic autonomy” to one of global responsibility. This hearkens back to US Deputy Secretary of State Robert Zoellick’s 2005 call to China to become a “responsible stakeholder” in the international system (Zoellick, 2005), a call which can now also be applied to India:

Autonomy is for weak powers who are trying to insulate themselves from the regimen defined for them by the great powers. For many decades, India has seen itself as a weak developing state that must protect its territory, interests and freedom of choice from being trampled upon by the great powers. If India itself were to emerge as a great power, it is not impossible to see that Delhi’s task will be to contribute to the management of the international order and not seeking autonomy from it. The mental leap from being a ‘rule-taker’ to a ‘rule-maker’ will not come easily to Delhi’s decision makers. But the international pressure on India to take a larger role in the region and the world will be relentless. As in the case of China, so in the case of India, the
compulsion will be to act as a “stakeholder” rather than a “free rider”. This will be especially true of the maritime domain, where the weight of the growing naval power is now consequential for the ordering of the security complexes in the Indian and Pacific Oceans (Mohan, 2010: 6).

Admiral Mehta’s speech highlighted one other important point regarding Indian and Chinese strategic competition: namely, India must decide whether it wants to build up its military so as to be able to compete with China on a force-for-force basis, or rather whether it wants to develop deterrence and defence capabilities able to hold off a Chinese attack along the Sino-Indian border (Raman, 2009). Under Prime Minister Manmohan Singh, India’s military doctrine has changed from the former to the latter, a course of which the Admiral approves (ibid).

This question of whether India should compete with and “balance” China is still one of the major issues occupying Indian defence strategists. A.Z. Hilali (2001: 745), for example, argues that “New Delhi’s military build-up – especially its naval expansion and development of guided missile and nuclear capabilities – owes much to the dynamics of a growing Sino-Indian rivalry,” but also notes that “Indian armed forces lag behind the Chinese military by some decades” (ibid). Thus, although nowadays India and China are often spoken of in the same breath, in reality the comparison is still highly unequal, both in terms of economic growth and military might, and the resultant political power that these elements bring.

Hilali (2001: 745) estimates the size of the Chinese standing army at “three million soldiers, sailors and airmen” and the Indian force at half this, while 2006 figures from a report by US think-tank the Centre for Strategic and International Studies put China’s total active force at 2.25 million (with an additional 800,000 reserves and 3.96 million paramilitary troops) and India’s at 1.32 million (with 1.15 million reserves and 1.29 million paramilitaries) (Cordesman and Kleiber, 2006: 24). More recent figures from military analysis website Global Firepower are similar, claiming China’s total active force to be nearly 2.3 million, with 800,000 reserves, while India’s active force totals 1.3 million, with 1.7 million reserves (GlobalFirepower.com, 2011 and 2011a).
In 2009 India’s defence spending totalled 2.5% of GDP (Central Intelligence Agency, 2009a), while China’s was nearly double this, at 4.3% of GDP (Central Intelligence Agency, 2009). In 2011 China’s stated defence budget rose to $91.5 billion, or 6% of GDP (Globalsecurity.org, 2011), while India’s defence spending, in spite of recent increases, has remained at between 2.3% and 3% GDP over the decade from 2001-2011 (Lombardo, 2011:1). Nevertheless, between 2006 and 2010 India surpassed China as the world’s largest importer of weapons systems (ibid).

True spending figures for both countries, but particularly China, however, are difficult to obtain. Although the PRC releases an official military budget in March each year, this is generally deemed to be a gross underestimate of the true level of defence spending, as, according to the US Department of Defense’s 2010 report to Congress, it “does not include major categories of expenditure” (Office of the Secretary of Defense, 2010: 43). The report also notes that although China has begun reporting its defence expenditures to the UN, “China’s report was submitted in the UN Simplified Reporting Form, which provides minimal information on major budget categories, in contrast to the more detailed Standardised Reporting Form used by countries practicing greater defence transparency” (ibid). Figure 2 shows the official Chinese military budget for the past decade, while the discrepancy between reported and actual figures is noted in Figure 3, which shows China’s official military budget against a US Department of Defense estimate of true PRC military spending:

Figure 2: PRC Official Military Budget, 2000-2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Official budget (US$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>14.6</td>
</tr>
<tr>
<td>2001</td>
<td>17</td>
</tr>
<tr>
<td>2002</td>
<td>20</td>
</tr>
<tr>
<td>2003</td>
<td>22</td>
</tr>
<tr>
<td>2004</td>
<td>24.6</td>
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<td>2005</td>
<td>29.9</td>
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<tr>
<td>2006</td>
<td>35</td>
</tr>
<tr>
<td>2007</td>
<td>45</td>
</tr>
<tr>
<td>2008</td>
<td>57.2</td>
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<tr>
<td>2009</td>
<td>70.2</td>
</tr>
<tr>
<td>2010</td>
<td>77.9</td>
</tr>
<tr>
<td>2011</td>
<td>91.5</td>
</tr>
</tbody>
</table>

56 As a point of comparison, the 2008 estimate of India’s GDP (purchasing power parity) was US$3.2 trillion, making it the fifth largest in the world (after the European Union, the United States, China and Japan), while China’s was estimated at US$7.8 trillion (Central Intelligence Agency, 2009 and 2009a).
Figure 3: PRC Official Military Budget and Estimated Defence Expenditures, 1996-2009


A 2011 report by Australian national security think-tank the Kokoda Foundation notes that the following ten areas are those being accorded highest development priority by the PLA:

1. Strategic nuclear forces
2. Wide-area surveillance and targeting
3. New medium-range ballistic and cruise missiles
4. A larger modern submarine force
5. A stronger surface combatant force
6. A new generation of advanced fighter-bombers
7. Modernised air defences
8. Growing capabilities for space warfare
9. Strong cyber [warfare] capabilities
It is much more difficult to find such a specific analysis of India’s capabilities, because it is not yet seen as a serious strategic threat by Western countries with interests in Asia, such as the US and Australia, and so analytical resources tend to be mainly directed towards China. Nevertheless, a broader examination of India’s defence spending over the past decade shows that its main focus remains the army. The Indian Army has consistently received over half of all defence spending over the last ten years, though this is beginning to decrease, with slightly more funding being redirected to the Navy and Air Force, as highlighted below in Figure 4, which shows the division of Indian defence spending by service. A possible explanation for this is the ongoing concerns about the security of India’s land borders with China and Pakistan, but the reappraisal of India’s naval strategy in 2004 has seen the beginnings of a change of focus:

Figure 4: Indian Ministry of Defence Spending by Service


In 2006 a report by the Centre for Strategic and International Studies noted that China had a 100,000-strong strategic missile force, with approximately forty-six intercontinental ballistic missiles (ICBMs), thirty-five intermediate-range ballistic missiles (IRBMs) and 725 short-range ballistic missiles (SRBMs) (Cordesman and Kleiber, 2006: 24). The 2011 Kokoda Foundation report now puts China’s arsenal at sixty-six ICBMs and twenty-four submarine-launched ballistic missiles (SLBMs) and growing, the latter of which are a relatively new addition to the Chinese arsenal (Babbage, 2011:14). Comparative figures are not available for India, though the

57 Troops who control both conventional and nuclear strategic missiles.
country has had a ballistic missile development program (the Integrated Guided Missile Development Program or IGMDP) since the 1980s, which culminated in the successful testing of the nuclear-capable Agni-III IRBM in 2007, a missile with the potential to reach deep into China. On the other side of the border, China has stationed missiles on the Tibetan plateau, which is naturally of concern to India (Kumar, 2001; Dekhang, 1998; Author interview with S. Narayan, December 2009).

The real issue concerning Indian strategists at present, however, is naval build-up. Partly because the String of Pearls thesis still holds a lot of weight in much of the Indian defence establishment – in spite of being what eminent Indian scholar and retired ambassador C.V. Ranganathan calls “a very dramatic characterisation” (Author interview with C.V. Ranganathan, December 2009) – the idea of a China threat in the Indian Ocean has been used to bolster enhancement of the Indian Navy. As Ashley Townshend writes:

Concerned that Chinese forays into the Indian Ocean portend a larger and more threatening geopolitical shift, India’s renewed naval spending represents, in part, an attempt to counterbalance China’s growing presence and influence west of Malacca. Although some Indian analysts worry that New Delhi’s blue-water aspirations lack the clear policy framework and strategic vision that they assume exist in Beijing, the Indian Navy has spearheaded the modernisation process with relative vigour and success… While India’s navy will remain roughly a quarter the size of the PLAN, these new capabilities will bolster its capacity to monitor Chinese activities and deter encroachment upon New Delhi’s maritime interests (Townshend, 2010: 2).

Although, as noted above, there is some push for cooperation and engagement with China from within the Indian government, there is a sense that the situation is still very finely-balanced between the pro-engagement “doves” and the military-modernisation “hawks”. An unintended consequence of increased Chinese and Indian naval projection in the Indian Ocean is the increased potential for accidents or incidents at sea which could adversely affect Sino-Indian relations and, in the worst-case scenario, lead to conflict (Townshend, 2010: 3). For this reason the two countries’ military build-up also needs to be tempered by cooperative mechanisms and lines of communication to minimise potential misunderstandings. The first of these is the Indian Ocean Naval Symposium (IONS) which has been led by India
since 2008 and is a biennial meeting of “twenty-six\textsuperscript{58} regional navy chiefs to discuss maritime security, capacity building, and interoperability among Indian Ocean littoral states” (Townshend, 2010: 3). The major drawback of IONS, however, is that it only includes the Indian Ocean littoral states, which most notably excludes the US and China, as well as other non-littoral states operating in the region. Although this gives India primacy in the organisation, as Townshend notes, “In seeking to maximise India’s influence by excluding China and the United States, New Delhi has weakened the relevance of its own creation” (ibid).

In terms of military build-up, rivalry between India and China remains one-sided. China’s focus is predominately on the US and on inhibiting US maritime access to Asia, as well as its own issues regarding Taiwan and the South China Sea disputes, while India’s major concern is securing its borders with Pakistan and China, though increasingly there is unease within the Indian defence establishment about Chinese designs on the Indian Ocean. Although India cannot match Chinese defence spending as a percentage of GDP, its new naval strategy – which expands its “legitimate area of interest” from the waters around its coast to the greater Indian Ocean – means that the two countries’ navies may come into contact if and when China develops a presence in the Indian Ocean. Preventing such contact from escalating into conflict is vital and will require at least a robust dialogue between the two countries. There also needs to be greater practical cooperation between the two navies, beyond the basic confidence-building measures currently in place, which, according to Townshend, “have done little to deepen inter-navy trust and understanding” (Townshend, 2010: 3). The question is whether the shared aims of fighting piracy in the Gulf of Aden and the Malacca Strait, and by extension safeguarding merchant shipping, are enough to override high levels of mutual distrust stemming from decades of military hostility, and prompt, if not real cooperation, at least a shared interest in conflict prevention.

Conclusion

It is becoming increasingly clear that the difficulties in defining a “region” are now more problematic than perhaps any time in history. Increasingly globalisation and interdependence mean that countries’ interests are now projected far beyond their

\textsuperscript{58} Australia, Brazil, Djibouti, Egypt, Eritrea, India, Indonesia, Kenya, Kuwait, Madagascar, Malaysia, Maldives, Mauritius, Mozambique, Myanmar, Oman, Qatar, Saudi Arabia, Seychelles, Singapore, South Africa, Sri Lanka, Sudan, Tanzania, Thailand and the UAE.
own geographic regions, and that similarly countries from outside particular regions are now seeking to be heard in regional organisations. This issue is particularly relevant to China and India as it affects not only their interactions with ASEAN, but also their involvement in the Indian Ocean. China and India’s interactions in the Asia-Pacific and Indian Ocean areas varies from balancing (in the context of ASEAN), some limited cooperation in anti-piracy exercises in the Gulf of Aden and southern Indian Ocean, through to defence modernisation driven by competitive impulses.

ASEAN remains the main mechanism for Chinese and Indian interaction with South-East Asia, though both countries are also cultivating bilateral ties in the region, and in certain contexts they appear to prefer bilateral interactions, such as China’s discussions over disputed territories in the South China Sea. For ASEAN, bringing India into the fold is advantageous as it will ideally act as a counterweight to China and possibly also to the US in South-East Asia. The main mechanisms with which China and India are engaged are ASEAN +3 (China only), the East Asia Summit and the ASEAN Regional Forum, each of which has its own strengths and weaknesses. ASEAN’s consensus-based decision-making process is well-documented as one of the organisation’s major weaknesses, but the various ASEAN groupings do provide important opportunities for countries such as China and India to engage in bilateral discussions on the sidelines, which will become increasingly important as the two countries become more influential, particularly in the Indian Ocean region.

Townshend cites the ASEAN +8 Defence Ministers’ Meeting (ADMM+8) as a medium which brings China, India and the US together “in a politically neutral forum” (Townshend, 2010: 3) and that “at the most basic level, the existing ADMM+8 structure...could permit the Indian Ocean’s major players to hold bilateral and trilateral talks on the sidelines of wider multilateral discussions” (ibid).

ASEAN is currently attempting to effect a very fine regional balance. On the one hand, closer engagement with China, including the ASEAN-China Free Trade Agreement, presents enormous economic advantages for the ASEAN countries, but this is tempered by a wariness of the potential strategic threat posed by China, in spite of its signing of the ASEAN Charter which mandates non-interference. For its part, China is working hard to counter this threat perception, though given its history with some of the ASEAN nations, such as Vietnam, this may be an uphill battle.

India, on the other hand, stands to benefit from the fact that in South-East Asia, as in much of the world, it is seen as a benign, non-expansionist power, and for this
reason – as well as India’s growing economic and political clout – ASEAN has been keen to engage the South Asian power. India, however, has been held back by its lack of a clear policy towards South-East Asia (in spite of the aims of the Look East policy) and a reticence towards multilateral engagement after its experience with SAARC. Although India still shows a marked preference for bilateralism, however, there are signs that this is changing. Both India and China are vastly more involved in international multilateral organisations than they were even twenty years ago, both in regional and global institutions. At this stage their engagement with ASEAN is complementary and helps the organisation to achieve a balance, but there is always the potential that this could become unstable as the two countries grow more powerful. Although both have stated that they have no desire for hegemony or expansion in any sense, whether this will continue to ring true over the coming decades remains to be seen, and it is in ASEAN’s interests to retain as many bargaining chips as possible.

There are currently two major issues between China and India in South-East Asia, and they are intrinsically related: first, Burma, and second the two countries’ growing military presence in the Indian Ocean. Burma is an interesting case in that China and India are pursuing similar objectives – China’s aims include “access to the Indian Ocean, stability along the border it shares with Myanmar, energy security, economic cooperation between the two countries, and its relations with developing nations” (Li, 2010: 113), while India is looking “to strengthen relations with its South-East Asian neighbours, to moderate China’s influence in Myanmar, to contain unrest in its own north-eastern states, and to obtain access to needed natural energy resources” (Li, 2010: 116). Yet rather than leading to cooperation, these overlapping interests have instead sparked competition for energy resources and political influence – particularly from India – a rivalry in which, at this stage at least, China is taking the lead.

A possible explanation for this is that Burma is seen by both China and India as too strategically important to warrant bilateral cooperation. For China, Burma gives the option of a land route from south-west China to the Indian Ocean, including oil and gas pipelines which would greatly aid the economic development of southwestern China, as well as offering an alternative means of energy security from the Malacca Straits. As Voon Phin Keong writes:
An outlet on the Indian Ocean would add a new dimension to China’s spatial relations with the world. It would enable China to overcome its “single-ocean strategy” and to realise what would constitute a highly significant plan for a “two-ocean strategy” (Voon in Li, 2010: 114).

Burma is also vital to India’s geostrategic objectives. As Burma scholar Li Chenyang notes, “Myanmar is India’s land bridge to the ASEAN community as well as an important barrier protecting India’s eastern shores. Therefore, Myanmar plays a crucial role in strengthening India’s geopolitical position in South-East Asia” (Li, 2010: 116).

The contrast between the South-East Asian and Central Asian case studies is quite marked, and reveals significantly different modes of interaction between China and India even though both regions are in their strategic backyards. In Central Asia China and India are both seeking energy resources, as well as pursuing security issues such as stability in Afghanistan. Their interactions, however, are minimal, which is most likely due to the fact that India’s lack of a land border greatly inhibits access and also puts the Central Asian Republics out of India’s immediate sphere of influence. In Burma, however, both China and India have substantial borders and both have had issues with border security. Burma’s position to the north-east of India also places it uncomfortably close to Arunachal Pradesh and the various tensions inherent there. In addition, concerns about a developing Chinese presence in the Indian Ocean, possibly with Burma’s help, means that the “China threat” perception tends to dominate such discussions in India and makes cooperation all but out of the question.

Both commercial competition (for example, over energy resources) and geopolitical rivalry, however, remains relatively one-sided. India is clearly concerned about the need to limit Chinese influence in Burma, but the same concern is not generally articulated in China, even though in some areas – particularly security cooperation and joint military exercises – India has developed considerable influence (Li, 2010: 126). China does not appear to see India as any sort of threat at this stage – at least publicly – though this does not mean they are prepared to work together.

Interestingly, the issue of Burma’s own national interests and autonomy in decision-making are often overlooked by commentators who are not specific Burma-watchers. Whilst many in India are convinced that Burma is essentially a Chinese
proxy-state which can be easily bullied or cajoled into giving China Indian Ocean port access and territory on which to build intelligence facilities, this is a dangerous assumption. Although China exercises considerable influence with the Burmese government, it is by no means a fait accompli that Burma will give China everything it wants, as Andrew Selth points out (Selth, 2007: 283-6), and that although there are many rumours surrounding the Chinese presence in Burma, the truth is more difficult to ascertain. At the moment Burma’s national interests happen to be served by encouraging India and China to compete in the provision of infrastructure and technology, and to buy natural resources. This, however, does not mean that Burma is wed solely to any particular power, and in fact it will likely change its allegiances as serves its interests in the future. The fact that it is still subject to sanctions by much of the Western world, however, leaves its options at this point in time rather limited.

India’s wariness about Chinese influence in Burma stems from a more deep-seated concern about the development of an increasing Chinese presence in the Indian Ocean. Rivalry stemming from this fear is in part responsible for the recent realignment of Indian naval policy which has seen its focus shift from simply safeguarding its territorial waters to declaring most of the Indian Ocean as part of its sphere of influence. China, at the moment, is still heavily focused on the South China Sea and the various territorial disputes contained therein, but it has declared that its area of interest also extends to the channels from the Pacific through to the Indian Ocean. At this stage China’s naval force is based primarily on an access denial strategy aimed at hindering the US presence in the region, but a Chinese blue-water navy which can operate throughout maritime South-East Asia and eventually further afield is increasingly becoming a reality.

Although regionalism, as epitomised by ASEAN and similar organisations, remains a cornerstone of international relations (and arguably is taking on a greater role as cracks begin to show in global institutions such as the UN, which will be discussed further in Chapter 5), the increasing interconnectivity of today’s world means that it is no longer possible to keep countries’ interests in specific regional boxes – if indeed it ever was. The lines between South, South-East and East Asia are becoming increasingly blurred, with India having substantial interests in Burma and increasing trade with ASEAN as well as solidifying relations with Japan, while China is looking increasingly towards the Indian Ocean.
South-East Asia presents a useful case study in Sino-Indian relations precisely because of the way the two countries’ strategic interests and spheres of influence are increasingly beginning to overlap. The site of fiercest rivalry is that closest to the traditional flashpoint of the Sino-Indian border: Burma. Further into South-East Asia, where the two countries’ interests become more aligned to trade and political issues rather than military strategy, this rivalry is not as intense, though it undoubtedly still exists. Naval cooperation between the two countries is at present only occurring on the relatively uncontroversial issue of anti-piracy operations, a long way from their South-East Asian interests, in the Gulf of Aden and off the coast of Somalia. Whether they would be able to cooperate on similar operations in the Straits of Malacca is a far more vexed question, as this is an area strategically vital to both countries. This strategic importance may indeed induce cooperation, but conversely it may instead bring the “trust deficit” once again to the fore and cause them to revert to an adversarial stance.

Given that Sino-Indian rivalry seems to be a product of strategic interests plus proximity (i.e. they are most competitive in areas of strategic significance close to their borders or within what they see as their immediate sphere of influence), a serious concern is that if the two countries’ strategic and military interests begin to extend further into maritime South-East Asia, as they are already beginning to, this may present a condition for the greater development of Sino-Indian rivalry. Coupled with increasingly advanced military capabilities, this also increases the potential for inadvertent escalations of conflict.

The convergence of China and India on each other’s traditional areas of influence makes cooperation – or at least regular dialogue – even more imperative, particularly as their naval capabilities increase, and with this the potential for conflict-causing incidents at sea, as illustrated in the July 2011 encounter between a Chinese warship and an Indian amphibious assault vessel, the INS Airavat, off the coast of Vietnam. Similarly, only two months later, in September 2011, China warned India (and specifically the Indian state-owned overseas oil company ONGC Videsh) to cancel an oil exploration deal with Vietnam in the South China Sea, claiming the deal violates Chinese sovereignty (Page and Wright, 2011). Yet although the two countries have engaged in some cooperation, mostly in anti-piracy measures in Asia and further afield in the Gulf of Aden and off the coast of Somalia, rivalry is still the main mode of interaction, particularly from the Indian side, due to the geostrategic factors which,
paradoxically, make dialogue so important. As well as bilateral dialogue, which still centres on the border issue, it is crucial that China and India continue to engage in issues-based regional dialogue in order to minimise misunderstandings. ASEAN and other regional groupings could have a role to play in promoting this, as it is very much in ASEAN’s interest not only to use China and India as counterweights to each other and the US, but also to ensure that the relationship between them in Asia and the Indian Ocean remains, if not friendly, at least cordial and constructive.
Chapter 5 – Convergence and Competition: China, India and Global Governance

As China and India become more politically and economically influential, their importance in global governance organisations will continue to grow, and these gradual changes in the international power balance will have significant impacts both on China and India themselves and on the countries which have to deal with them. The most recent example of this was the United Nations Climate Change Conference in Copenhagen where a united China and India very nearly caused talks to break down and where, along with other emerging powers such as Brazil and South Africa, they demonstrated a new level of authority in international negotiations, building on that which had already been established at the Doha Development Round of trade talks in 2008. With growing power, however, comes growing international responsibility, and it is the question of how to handle the latter which is causing problems for both countries, but particularly China.

This chapter will examine China and India’s involvement in four areas of global governance: international political and security governance through the United Nations, including the issue of UN Security Council reform; worldwide economic governance in the World Trade Organisation, particularly the Doha Round of trade talks; global issues of energy security and climate change as epitomised by the International Energy Agency and the UN Climate Change Conference in Copenhagen; and finally the international nuclear non-proliferation regime through an examination of the International Atomic Energy Agency, the Nuclear Non-Proliferation Treaty and the Nuclear Suppliers’ Group. The main focus of this analysis will be Chinese and Indian interactions in the above areas – looking at both the amount and type of interaction, i.e. whether it is cooperative, competitive or somewhere in between. Although China and India are increasingly cooperating in certain areas – mostly to do with financial or developmental issues such as trade and climate change – this goodwill has not yet extended into the realpolitik sphere, meaning that there is still considerable tension between the two on issues such as UN Security Council reform and nuclear non-proliferation. In addition, as the two countries’ booming economies gradually begin to overtake those of the developed world, there have been rumblings
from some of the smaller G77 countries who argue that although China and India both claim to speak for the developing world, their interests are beginning to diverge to the extent that they are no longer adequate representatives of developing nations. Thus these two growing powers face interesting challenges in the international arena, not only with each other and the developed nations but increasingly with those whom they claim to be leading.

Before examining Chinese and Indian interactions in concrete forums such as the UN, WTO or international climate change and non-proliferation initiatives, however, it is necessary to first develop some understanding of the context in which these relations are operating. This includes China and India’s broad foreign policy goals, attitudes towards the international system and their places in it, and the structure of their foreign services.

**Going Global: Chinese and Indian foreign policy aims and capacity**

Unlike India, which does not produce defence or foreign policy white papers, China has outlined its foreign affairs aims and policies both in a formal official sense and also as short, publicly-accessible papers on the Ministry of Foreign Affairs’ website, although the latter have not been updated since 2003. Unsurprisingly, the 2010 Foreign Policy White Paper identifies two of China’s most important concerns at present as the Sino-US relationship and the Diaoyu/Senkaku Islands dispute between China and Japan.

Yet although transparency has improved in China in recent years, with more explicit statements of intent in publications like its defence white papers (Davies, 2009: 1), access to officials within the government for scholars or journalists is still extremely difficult, and material on government websites such as the Ministry of Foreign Affairs is often scanty and outdated; for example, the most recent documents on the MFA website date from 2003. In addition, much material is classified under the Law of the People’s Republic of China on Guarding State Secrets (“State Secrets Law”), which contains catch-all clauses such as:

> Article 8. In accordance with the provisions of Article 2 of this Law, state secrets shall include the following... (7) Other matters that are classified as
state secrets by the state secret-guarding department (Congressional-Executive Commission on China, 2003).

Compounding this is a lack of outside understanding as to how political debates operate in China. Ananth Krishnan, Beijing correspondent for The Hindu newspaper, believes that the Indian public has an impression of debate in China as being homogenous and one-sided, and that all Chinese media are the mouthpieces of the CCP and only ever report the Party line (Author interview with Ananth Krishnan, April 2010), and it is fair to say that this impression is probably not unique to India. For its part, the Chinese government, though claiming to be misunderstood internationally, continues to limit media access to officials and so does little to counter this perception or improve its international image, in spite of also spending billions of dollars worldwide on Confucius Institutes, overseas television channels and other “soft power” mechanisms.

Thus Chinese politics continues to be perceived as monolithic and homogenous, in spite of the fact that there is actually significant diversity of opinion and debate within government, think-tanks and online about China’s role in the world and what sort of power it should be. David Shambaugh notes that although the debate is taking place within a controlled intellectual environment due to political constraints, there are nevertheless several broad schools of opinion in China, from the isolationist “nativists” at one end to the pro-international engagement “globalists” at the other (Shambaugh, 2010). The most influential school of thought, however, remains the realists, whose main point of discussion is how, not whether, China should use its developing power (ibid). Most tellingly, Chinese realists have a narrow view of the national interest, believing that China’s actions should solely serve the development of its economy and Comprehensive National Power (CNP)\(^\text{59}\) and that for the moment at least China should not become too heavily involved in international issues such as climate change, though they are not isolationist (ibid); a view which can be seen to be influencing China’s actions abroad to a certain extent.

In the case of India, although its domestic politics differs greatly from China’s and it has a higher level of overall transparency, it can still be difficult for outside observers to ascertain India’s aims or aspirations regarding international affairs. This is partly because India does not produce any sort of document, such as a white paper, outlining its defence and foreign policy goals, namely because these goals have never been firmly or formally articulated. In the foreign policy context, the argument against production of a white paper is that the Ministry of External Affairs outlines foreign policy goals in its Annual Reports, while the Constitution also sets out broad foreign policy goals (Author interview with Meena Singh Roy, March 2010). The only foreign policy provision in the Constitution, however – apart from those which deal with international trade – under Part IV (Directive Principles of State Policy), is the same Article 51 levelled at S.M. Krishna by Ram Jethmalani (see Chapter 2, p79), which in full reads:

51. The State shall endeavour to—
(a) promote international peace and security;
(b) maintain just and honourable relations between nations;
(c) foster respect for international law and treaty obligations in the dealings of organised peoples with one another; and
(d) encourage settlement of international disputes by arbitration (Government of India, 1950).

Although this broad-brush Article provides a solid foundation, it has not been followed up by any firm articulation of specific goals. Consequently it is difficult to ascertain exactly what India hopes to achieve, both in South Asia and globally. At present India (or at least certain sections of the foreign policy and defence establishments) has firmer ideas of what it wants to be – a “dominant” power – rather than what it wants to do or how it wants to do it. Even so, there is no clear agreement on the type of dominance or influence desired. Meena Singh Roy from the Institute of Defence Studies and Analyses claims that “India’s basic foreign policy principles remain unchanged: Non-alignment, no power projection, cooperation with the Third World and a focus on neighbours, the extended neighbourhood and the major powers” (Author interview with Meena Singh Roy, March 2010), but while this may be so, not only has it not been documented in any cohesive way, there also seems to be
disagreement as to the practical realities of how these goals should be achieved, though Singh Roy argues that “…documents [which outline foreign policy goals] should be for internal rather than external circulation, and India currently has internal mechanisms for evaluating foreign policy” (ibid). She also makes the valid point that white papers intended for scrutiny by the international community often differ from a state’s real intentions.

Exactly what India’s intentions are, however, is debatable. Most interviewees maintained that India does not and has never desired hegemony in South Asia or on a broader scale, though this assessment would most likely be contradicted by other South Asian countries such as Nepal, Pakistan and Sri Lanka with whom India has had turbulent relations over the years, not least because of India’s “elder brother” view of itself in South Asian relations (Bratersky and Lunyov, 1990: 929). Rajesh Basrur argues that this stems from a notion of “extended neighbourhood” which dates back to Curzon. Although post-Independence this was widened to a global strategic focus under Jawaharlal Nehru, he believes that after the defeat in 1962 India retreated into South Asia and focused much more heavily on defence rather than power projection (though, as Basrur notes, some of the other South Asian countries might argue that actions taken during this time were actually offensive as well as defensive). He also observes that the overall focus also shifted away from ideology in favour of the development of material power (Author interview with Rajesh Basrur, December 2009). Indeed, this shift is still continuing, albeit slowly, with India currently in transition between a Nehruvian non-aligned “champion of the poor”-style foreign policy and the policies of an industrialised country with a huge and growing economy (Author interview with S. Narayan, December 2009).

This transition between developing nation and influential global economy which is taking place in both countries is highlighted by the fact that both India and China have substantial foreign aid programs, and yet both also remain recipients of international aid. India still has “a high degree of dependence on Japanese [and other foreign] aid” (Ghosh, 2008: 293), and has now surpassed China as the largest recipient of Japanese Official Development Assistance (ODA), receiving US$1.04 billion from Japan in 2006 (ibid). Japan still offers assistance to China, though there were some sanctions imposed after China tested nuclear weapons in 1996; as Ghosh notes, “Japan’s yen loans to China consist of three categories: ODA loans, grant aid,
and technical assistance. The sanctions [after China’s 1996 nuclear tests] affected only the grant aid category of the yen loans” (Ghosh, 2008: fn.48 p298).

Due to its economic boom, however, China is gradually breaking its dependence on foreign aid and is now becoming more of a donor than a recipient. At the end of 2004 the United Nations World Food Programme (WFP) began to phase out its food support to China, making its last donation in 2005 and concentrating instead on Africa (Watts, 2004). Just how much China gives in foreign aid, however, is difficult to determine due to a lack of official statistics. As Thomas Lum et al wrote in a Congressional Research Report in 2009:

China’s foreign aid is difficult to quantify. The PRC government does not release or explain Chinese foreign aid statistics and much of PRC foreign aid does not appear to be accounted for in the scholarly literature on foreign aid. Some Chinese foreign assistance partially resembles official development assistance (ODA) as defined by the Organisation for Economic Cooperation and Development (OECD), but in other aspects shares characteristics of foreign investment. In terms of development grants, the primary form of assistance provided by major OECD countries, China is a relatively small source of global aid. However, when China’s concessional loans and state-sponsored or subsidised overseas investments are included, the PRC becomes a major source of foreign aid (Lum et al, 2009).

China’s aid to South-East Asia increased markedly throughout the 2000s, going from US$36 million in 2002 to $6.7 billion in 2007 (Lum et al, 2009: 8). China is also a consistent aid donor to Africa and the Pacific Islands, though its “no strings attached” policy has proved controversial. Where Western nations commonly tie political conditions to aid donations (for example, the scheduling of elections in Fiji), China makes no such demands, but tends to exchange aid for access to oil in African countries such as Sudan, Angola and Nigeria (Hanson, 2008), or for the non-recognition of Taiwan in the case of the Pacific Island and some African states, with a number of African countries not receiving Chinese aid as long as they maintained

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diplomatic ties with Taiwan (Brautigam, 2011: 208-10). This has led to accusations by Western nations of undermining sanctions against countries such as Sudan and Fiji, ignoring corruption and human rights issues, and exploiting some of the world’s poorest countries through unequal trade (Geoghegan, 2007). China, however, claims that it is simply carrying out its policy of non-interference:

China upholds the principles and purposes of the UN Charter, and China does not interfere into other countries’ internal affairs, and China does not impose its own ideology, political system or mode of development to any other country (Hu Jintao in Geoghegan, 2007).

Although this strategy enables China to buy friends in the developing world, on the other side of the coin, multilateral aid programmes such as the WFP are urging China to donate more (Watts, 2004). China’s policy, however, remains that it is still a developing country with significant problems of its own, and as such, according to Foreign Ministry spokesman Liu Jianchao, “China will make a donation according to its own capacity” (Liu in Watts, 2004). China has positioned itself since the 1960s as both a member and leader of the developing world against Western, and specifically US imperialism. As Peter Van Ness wrote in 1970, one of China’s aims at that time was to create “an international anti-imperialist united front comprised, in turn, of the countries and peoples of all the underdeveloped world plus the socialist camp and all others willing to join” (Van Ness, 1970: 56). Although the ideology may have changed, the strategy is still essentially the same, and it is clear that, although much has been made of the Chinese “resource grab” in Africa, China still primarily distributes foreign aid in a way that will maximise its own diplomatic interests: “While it is true that natural resources are a primary driver of Chinese investment in Africa, Chinese development aid is allocated to every country in Africa with whom Beijing has diplomatic ties. China’s aid follows the needs of diplomacy, not natural resources” (Brautigam, 2011: 216, original emphasis).

Although India’s foreign aid program pales in comparison to China’s, it is substantially larger than when it was first realised in the 1950s and 60s, when it was mainly focused on South Asia, and indeed India continues to finance an estimated 60 percent of Bhutan’s budget (Chanana, 2009: 11). As with China, it is difficult to obtain precise figures for India’s foreign aid donations, particularly as they are
administered in several different ways. The country’s 2008 budget for foreign aid activities, however, was Rs. 26.7 billion (US$547 million), which was to be spent on aid-related activities such as “grants, contributions to international organisations and international financial institutions, direct loans, and subsidies for preferential bilateral loans” (Chanana, 2009: 11). When coupled with approved lines of credit ($704 million in 2007-08), India’s total aid commitment was US$2.69 billion as of March 2008 (ibid).

Since 2001 India has been a substantial donor to Afghanistan, including “foodgrains, engineering goods, buses, medicines and artificial limbs” (Bedi, 2003), with assistance totalling over US$1 billion so far (Kumar, 2009; Chanana, 2009: 12). India has also committed “double lines of credit to $5.2 billion” in Africa (Chanana, 2009: 11), and together these make up the two largest recipients of Indian aid. In addition, India is also a major contributor to multilateral programs such as the IMF and the WFP, though these do not strictly count as foreign aid (Chanana, 2009: 12). Like China, India “attaches far fewer conditionalities to its grants and also gives beneficiaries a greater voice in the process” (ibid), which has helped to win influence in developing countries.

The growth in both the Indian and Chinese aid programs indicates a new understanding of the role aid plays in foreign policy. As mentioned above, the Chinese have become extremely skilful at employing foreign aid and investment in ways that not only ensure access to energy resources and other important trade linkages, but also help to buy political support in places like the UN General Assembly. India is operating with similar motives in mind; as Chanana notes, “Through aid, India hopes to build new alliances and further its trade, energy and political interests. It also hopes to present the country as powerful and self-reliant” (Chanana, 2009: 11). It is for this reason that both China and India maintain foreign aid programs, in spite of suffering extreme domestic poverty (particularly in India’s case), and Chanana rebuts critics of India’s foreign aid program by arguing that “increasing trade, ensuring access to energy resources, and building military alliances are all necessary to ensure India’s unhindered rise” (ibid).

The fact that India is still in this transition phase between developing and developed nationhood – and a considerable way behind China in terms of both economic and strategic development – may also go some way to explaining what Indian National Security Adviser and former Foreign Secretary Shivshankar Menon
identifies as a fragmentation of strategic focus among Indian foreign policy analysts. He puts this down to the relative inexperience of the newly-developed class of professional strategists, which he believes will be rectified with time. He notes that the same unsophisticated analysis was present in 1950s American debates on strategic issues and nuclear weapons, because it was the first time US strategists had had to face these kinds of issues, and that this proved to be self-correcting. In his opinion, it has only been in the last ten years in India that strategists have started thinking in terms of "outcomes", not only in regard to foreign policy, but also in domestic issues, and that actually such debate is healthy because it illustrates a willingness to challenge authority which until recently had been absent from the highly hierarchical policy structure (Author interview with Shivshankar Menon, December 2009).

An example of this myopia in Indian strategic analysis is the section on China of India’s National Security Annual Review 2009. This publication, which is supported (although not necessarily endorsed) by the National Security Council Secretariat of India and the Confederation of Indian Industry (Kumar, 2009: xvii), aims to bring together articles on particular national security challenges, authored by Indian strategic experts, with the aim of outlining the major issues which have affected India over the last twelve months. The 2009 edition was launched in early 2010 by National Security Adviser Shivshankar Menon, and the work is generally seen as authoritative.

The chapter on China, however, is not written by a China expert (who for the most part tend to be relatively moderate in outlook), but rather by Major General G.G. Dwivedi, whose relevant qualification is having held the position of Defence Attaché to China. Consequently, his chapter entitled “China’s Strategic Interests in South and South-East Asia” (Dwivedi, 2009: 209-222) is focused almost solely on the military rather than politics. The first page asserts that “Post-1949, it was Mao’s ideology of ‘socialism with Chinese characteristics’ which played a decisive role in shaping China’s domestic and external policies” (Dwivedi, 2009: 209). In fact, of course, the architect of “socialism with Chinese characteristics” was Deng Xiaoping in 1978, and it formed the centrepiece of his “reform and opening” policy. The rest of the chapter predictably argues that China is striving for hegemony in the Asia-Pacific and is trying to contain India. Both assertions are highly debatable, and the essay, rather than drawing significantly on considered, peer-reviewed academic sources, relies heavily on The Economist and Indian defence hawk Brahma Chellaney, among others.
There are, to be sure, excellent China analysts in the Indian academic and strategic communities. What this example shows, however, is that there is still a very narrow definition of “national security” which links inevitably to defence issues and marginalises other aspects. Consequently, in a publication aiming to be authoritative, area specialists have been sidelined. The result is a narrow (some would say, uninformed) analysis which advances interpretations held almost exclusively by the military.

An editorial note in the December 2009 issue of South Asian current affairs magazine *Himal Southasian* summarises India’s attitude to China so neatly that it is worth reproducing in full:

Every time there is any hint of Chinese involvement in the region, New Delhi gets prickly. It was no different this time around, when a joint US-China statement was released following President Barack Obama’s recent trip to East Asia. In the note’s more than 4000 words, however, only one tiny paragraph (some 77 words) referred to South Asia, with China stating that it would only get involved in initiatives relevant to bringing peace and stability to the region.

This, of course, is what subsequently got New Delhi up in arms, jumping to assume that its northern neighbour is looking to get increasingly involved in India-Pakistan issues... Yet perhaps what we actually need to be concerned by [is] the miniscule reference in the joint statement itself – as to how little importance the US and China seem to ascribe to South Asia (Editorial, 2009: 12).

This typical reaction from New Delhi encapsulates the paradox which is at the heart of current Indian developmental and foreign policy efforts. On the one hand, there is a tendency for India to view itself as central to the world order, so that, as the Chinese official noted, any efforts by its neighbours to enhance their development or modernise their defence forces must *ipso facto* be directed at India (i.e. in this view, these countries have no other overriding interests except a wish either to expand into, if not India itself, at least greater South Asia). On the other hand, there is also a tendency among a large proportion of the Indian foreign policy establishment to view India as a rising or even as a fully-formed global or “great” power which, although not yet on par with China and the US, is not far behind and so deserves to be taken seriously. Consequently we often see India acting in contradictory ways – a result of the underdeveloped strategic analyses highlighted by Shivshankar Menon – for
example, getting upset when countries such as China and, to a lesser extent, the US, mention it in their joint statements or defence white papers (because of course this heralds an imminent invasion), yet also getting upset when they fail to mention India at all, because this means “the world’s largest democracy” is not being given its due as a “rising power”.

In addition to issues of foreign policy outlook and mutual perceptions, China and India are also operating from very different bases in terms of their foreign services. Shivshankar Menon believes that the biggest bureaucratic hurdle faced by the Indian Ministry of External Affairs is lack of capacity (Author interview with Shivshankar Menon, December 2009), a concern which has been echoed by other interviewees. In this, the facts speak for themselves. Indian academic Swaran Singh estimates the total number of Indian diplomats (at home and abroad) to be around 685 (Author interview with Swaran Singh, June 2010), though according to the Ministry of External Affairs the Indian Foreign Service numbers around 600\textsuperscript{61}, “manning around 162 Indian missions and posts abroad and the various posts in the Ministry at home” (Ministry of External Affairs, 2010). This is compared to the 11,500 employed by the US State Department (4600 of which are serving overseas at any one time at 260 missions in 180 countries) (US Department of State, 2010; US Department of State, 2010a), while China has around 4500, of which 2500 are in 146 missions abroad (Rana, 2007: 24) and Australia – with approximately 2 percent of India’s population – employs over 2000 diplomats, with around 520 serving overseas at any one time in 89 missions (Department of Foreign Affairs and Trade, 2010; Department of Foreign Affairs and Trade, 2010a). In addition, the MEA only recruits between eight to fifteen people per year (Ministry of External Affairs, 2010), which does not go very far to addressing the severe lack of capacity. Although no figures are available on retirements from the MEA, it is doubtful if annual recruitment is even above the replacement rate. The other problem, of course, is not just quantity, but quality. Although there are some very fine officers within the Indian Foreign Service (IFS), the lack of numbers does not leave much margin for error when recruiting. Retention is also a problem, as India’s burgeoning private sector – with salaries far higher than the civil service – is increasingly attracting the country’s best and brightest, who previously would have been funnelled into the civil service. This is in

\textsuperscript{61} It is possible that this statistic is out-of-date; other anecdotal evidence agrees with Swaran Singh in putting the number of Indian diplomats at closer to 700 than 600.
contrast to China’s foreign service, which not only has a much greater capacity in terms of quantity, but whose diplomats are, anecdotally, viewed internationally as extremely capable.

These differences both in the development and articulation of foreign policy goals and the capacity to implement them are important because they affect the two countries’ actions in global governance institutions – for example, this contrast can be seen in the statements released by China and India when they signed the Copenhagen Accord in 2009, discussed further below – and shape their attitudes to issues such as UN Security Council reform.

The UN Security Council and UN reform: Conflict between rights, responsibilities, sovereignty and collective security

As the overarching global governance institution, the United Nations, and the Security Council (UNSC) in particular, is likely to be one of the main arenas where the challenges associated with growing Chinese and Indian power will play out. Particular challenges will be balancing the dichotomy of great power rights versus great power responsibilities – currently the subject of much debate in China, and to a certain extent in India also – and resolving the points of disagreement between developed and developing nations, which of late have seen China and India uniting against the West.

The first issue, the rights and responsibilities of great powers, is intimately tied to proposed reform of the UNSC in order to maintain the organisation’s legitimacy, including the possibility of adding new permanent members and the politics surrounding such a decision. This fundamentally returns to the conflict between sovereignty and collective security, which is the reason why so many global governance institutions are only marginally effective. Because nations are so reluctant to give up any of their power to the international organisations they join, the result more often than not is an organisation with vague aims and little real power to act beyond making unenforceable recommendations (Organski, 1968: 435-6). Even the UNSC, which is the major exception to this rule in that it has the power to make binding decisions, is constrained by the national sovereignty of its members; even after a Security Council resolution has managed to be passed, it is national governments who must decide to send troops or other resources to enforce the
resolution. Thus we see the first, most basic conflict between great power rights and responsibility – being a permanent member of the UNSC, the world’s only major decision-making body with enforceable powers, unarguably brings with it certain powers, rights and privileges. It also implicitly comes, however, with additional responsibilities. The issue of adding more permanent members to the UNSC is fraught because it would essentially broaden the global power base, while the countries in contention, including India, also have to be prepared to take on the greater responsibilities inherent in permanent UNSC membership.

These conflicts between rights and responsibilities and between sovereignty and collective security are leading to some interesting conundrums in Chinese foreign policy. China currently bases its foreign policy rhetoric on the Five Principles of Peaceful Coexistence\(^{62}\) (Ministry of Foreign Affairs, 2003a). The first principle, “Mutual respect of sovereignty and territorial integrity, mutual non-aggression and mutual non-interference in internal affairs” (ibid), has long been a mainstay of Chinese foreign policy, in addition to also being a cornerstone of Indian foreign policy. The Chinese obsession with sovereignty has its roots in the “hundred years of humiliation” which China suffered at the hands of various foreign powers during the eighteenth and nineteenth centuries, and which still rankles today in the same way the hangover from the 1962 Sino-Indian War continues to shape policy in India. The problem, however, is working out how to maintain very strong ideas of sovereignty and territorial integrity during an unprecedented period of global economic and technological integration, particularly as China also advocates a multipolar world with a strong role for international organisations such as the UN, and “equal sovereignty” for all countries (ibid). The question which is not specifically addressed in China’s publicly-available articulation of its foreign policy is how to reshape the international system into one in which all countries are free to exercise their “equal sovereignty” on a level playing field – and whether this is in fact possible. Presumably a first step would be reforming the United Nations, and in particular the Security Council, to ensure that it was more representative of the current international situation, and that more space was given to developing countries in particular. China, however, has dug in its heels over proposed UNSC reforms, which advocate the expansion of the

\(^{62}\) For more on the Five Principles of Peaceful Coexistence (Panchsheel), which are also a major part of Indian foreign policy, and which were first codified in the preamble to the 1954 Sino-Indian Agreement, see Chapter 1, p32.
Security Council and the inclusion of Germany, Brazil, India and Japan as permanent members. It is thus hard to reconcile China’s liberal institutional claims of equality for all with its realist actions of protecting its own interests (i.e. retaining its seat as the only permanent Asian state on the highly-exclusive UNSC, and the subsequent power which goes with it).

UN reform, especially of the Security Council, is of course controversial, and Chinese interviewees offered two slightly different views of China’s position. The first opinion, espoused by Zhang Guihong from the Shanghai Institute for International Studies (SIIS), is that the UNSC needs to be reformed, but that the process must be gradual, and although the Permanent Five members of the Security Council are unlikely to support the extension of the veto power to new permanent members, they are also against abolishing it entirely. His solution is that new “permanent” members serve ten-year terms with no veto power, and he also envisages a greater role for regional multilateral organisations:

Major powers have more responsibility, which is an argument for retaining the veto. The Security Council is an enforcement body so it needs to be efficient. The General Assembly is a consultative body. Without the veto [the Security Council] would lose its efficiency and the major powers would lose their ability to do things in the international system. The Security Council should deal more with global issues, not regional ones, and leave regional issues to regional organisations. The UN can’t be asked to do everything; it has a limited capability (Author interview with Zhang Guihong, June 2010).

Another SIIS analyst, Zhao Gancheng, is more positive about UN reform, but emphasises China’s role as a developing country and the inequity of the system towards such countries. Although he argues that China wishes to address this inequality and give developing countries a greater role in the international system, he acknowledges that there is no agreement on how to achieve this. He does, however, feel that economic self-reliance and innovation among developing countries – rather than reliance on the developed world for aid – is key, and that in this China is leading by example. He also believes that China’s status as one of the P5 is positive for developing countries in that it can act as an advocate among the developed nations. He raises the point, also emphasised by other interviewees, that although China
supports UNSC reform and particularly the addition of India and Brazil as permanent members, the real problem is Japan:

China supports UNSC and General Assembly reform. The law of the jungle still prevails in the UN – people want to serve their own interests. China wants things to be decided by consensus but it is very difficult to do so. Reform would most likely lead to chaos. China’s problem with Japan’s accession to the Security Council is bilateral. China supports India’s bid but can’t accept India or Brazil without Japan (Author interview with Zhao Gancheng, June 2010).

Zhao’s final point touches on the major issue with UNSC reform, which is that India, Germany, Brazil and Japan are applying as a bloc (known as the G4) to become permanent members, and that supporting one therefore means supporting all. This is problematic because although China claims to support Brazil, Germany and even India in their bids, historical bad blood means that it cannot bring itself to support Japan and therefore has been blocking the whole process. This nuance is often overlooked in claims that China is against reform of the Security Council or the addition of new permanent members; particularly in India where China’s blocking of new members is seen as a personal slight. Contrary to the opinion voiced by some in India, China’s real problem with UNSC reform, publicly at least, is not with India at all, but with Japan. This is indicative of where China sees its real threat lying; it feels that Japan (under the US security umbrella) is still the only country in Asia which can pose any real challenge to potential Chinese regional primacy. Coupled with a tense and problematic history, and an ongoing dispute in the East China Sea, it looks unlikely that the relationship will be normalised in the short- to medium-term, and until it is China will continue to block any bid by Japan for permanent membership of the Security Council. Because India, Brazil and Germany are also part of the bloc pushing for reform and permanent membership, they will also continue to be denied. Given that none of the permanent members are overly enthusiastic about reform in any case (as it would dilute their power), this stalemate is unlikely to be resolved quickly.

Publicly, India has been critical of the glacial pace of UN reform, with
Minister for External Affairs S.M. Krishna telling the General Assembly in 2009 that
the UN needed to act faster to implement reforms first touted in 2005, including
broadening Security Council membership (UN News Service, 2009). Privately,
however, a high-level Indian official was dismissive of the UN’s role: “The UN will
sort itself out. People are over-obsessed with the UNSC; what we will see are ad-hoc
mechanisms taking over global governance. The most important meeting today is the
G20” (Author interview 4, 2010).

Both China and India have considerable interests in the G20, but at this stage
pursuing these interests is not resulting in the same level of interaction (either in terms
of rivalry or cooperation) as in other organisations such as the WTO. Given the G20’s
increasing importance as an economic grouping, however, there is the distinct
possibility that China and India might at some stage begin to work together
collaboratively in this area as they have been in others.

Although China and to a lesser extent India have benefited greatly from the
last two decades of economic growth, this has also brought specific problems. These
include rising inequality, particularly between urban and rural residents; land use and
acquisition problems for the development of industry and the resultant unrest that
comes with compulsory land acquisition; and problems, particularly in China, with
transitioning the economy from a manufacturing to a knowledge base. The two
countries also have demographic problems, though in opposite ways. China’s thirty
years of strict birth control policies have stabilised population growth, but have also
had the unintended consequence of developing an inverted population pyramid, where
one working-age, tax-paying child supports two retirement-age parents and four
grandparents, placing a huge burden on the tax system, health care and related social
services. India has the opposite problem: a booming population which will not peak
for some years and which will soon see India overtaking China as the world’s most
populous country. In addition, 29.7 percent of Indians are currently under fifteen years
of age, while the median age is 26.2, compared to 17.6 percent under fifteen and a
median age of 35.5 in China (Central Intelligence Agency, 2011 and 2011a).
Although some see this young population as a source of strength for India, it also has
the potential to be problematic if first the education system and later the job market
prove unable to cope. Widespread youth unemployment could be catastrophic for
India and could provide a catalyst for unrest, as illustrated in Egypt and other parts of the Arab world in the first half of 2011.

Even assuming that Chinese and Indian domestic politics remain stable and that their economic growth continues apace, this will not necessarily translate into a greater willingness from either country to become involved in the messier aspects of global governance, particularly those requiring decisive military intervention. The NATO intervention in Libya in early 2011 reinvigorated debate over the doctrine of the Responsibility to Protect (R2P), with which China and India will have to engage at some point as their influence continues to grow. Their responses in the Libya case, however, were telling.

Developed in the wake of the Rwandan, Cambodian and Bosnian genocides in the 1990s, the R2P doctrine was coined in the 2001 report of the International Commission on Intervention and State Sovereignty (ICISS) which was set up to respond to then-UN Secretary General Kofi Annan’s question of when the international community should intervene to prevent genocide and other mass atrocities (International Coalition for the Responsibility to Protect, 2010). In 2005 R2P was recognised as a norm in the Outcome Paper of the UN General Assembly’s World Summit (a follow-up to the 2000 Millennium Summit which produced the Millennium Development Goals), and the relevant articles were reaffirmed by UNSC Resolution 1674 in 2006. Its implementation, however, has been rocky, with notable failures including the genocide in Darfur, Sudan, and the use of humanitarian

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3. Paragraphs 138 and 139 of the World Summit Outcome document, which deal with R2P, read as follows:

138. Each individual State has the responsibility to protect its populations from genocide, war crimes, ethnic cleansing and crimes against humanity. This responsibility entails the prevention of such crimes, including their incitement, through appropriate and necessary means. We accept that responsibility and will act in accordance with it. The international community should, as appropriate, encourage and help States to exercise this responsibility and support the United Nations in establishing an early warning capability.

139. The international community, through the United Nations, also has the responsibility to use appropriate diplomatic, humanitarian and other peaceful means, in accordance with Chapters VI and VIII of the Charter, to help protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity. In this context, we are prepared to take collective action, in a timely and decisive manner, through the Security Council, in accordance with the Charter, including Chapter VII, on a case-by-case basis and in cooperation with relevant regional organizations as appropriate, should peaceful means be inadequate and national authorities manifestly fail to protect their populations from genocide, war crimes, ethnic cleansing and crimes against humanity. We stress the need for the General Assembly to continue consideration of the responsibility to protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity and its implications, bearing in mind the principles of the Charter and international law. We also intend to commit ourselves, as necessary and appropriate, to helping States build capacity to protect their populations from genocide, war crimes, ethnic cleansing and crimes against humanity and to assisting those which are under stress before crises and conflicts break out (United Nations General Assembly, 2005: 31).
intervention as a partial justification for the 2003 invasion of Iraq, which significantly undermined the cause of R2P (ibid) and in fact raises the question of whether it is really a “norm” at all. The doctrine’s latest challenge has come in the form of the 2011 uprising in Libya and the eventual decision by the UN Security Council to approve the enforcement of a no-fly zone against Libyan dictator Muammar Gaddafi’s forces, with the mandate of protecting Libyan civilians. The vote was approved 10-0 with five abstentions – China, India, Brazil, Germany and Russia (United Nations Security Council, 2011). The inclusion of China and India in this list is interesting but not surprising; both countries have strongly-held positions on non-intervention and R2P goes against all their ideas of sovereignty as an absolute right. Although this was not so much an example of cooperation as a case of convergent interests, the absence of rivalry is notable and shows again that the two countries can work together constructively in international institutions in spite of their local animosities. In addition, in this case international pressure for action was so strong that it would not have been in either China or India’s interests to veto (in the case of China) or vote against (in the case of India) the resolution.

At present discussions of changes in the international order focus almost exclusively on China, with India usually being mentioned as an aside, or as a possible counterbalance to China. Given how much further down the development path China is, this is not overly surprising. India’s focus remains strongly domestic, though it is beginning to play a larger role in international organisations such as the G20, the BRIC forum, the Copenhagen climate change summit and the WTO. Yet in terms of influence it is still some way behind China. In the future, however, India looks destined to become a serious force in the international system by virtue not only of its population but also its location. In traditional conceptions of geopolitics – that is, how a nation’s physical location influences its political choices – India is in a highly strategic position, situated on the world’s foremost shipping route between the Middle East and South-East Asia. As its power grows and it seeks to expand its influence, particularly militarily, this will eventually present a challenge to the maritime status quo and possibly also to the international order (which, more than likely, will already have been significantly reshaped by the rise of China).

Location is also important for both China and India when examining issues of great power responsibility. As noted above, both countries continue to maintain a strong principle of non-intervention, but this – exemplified by abstention from UN
votes such as the 2011 Libya intervention, or in China’s case sometimes by active veto – will become unsustainable as they rise to prominence in the international order. The first major challenge is likely to come from Afghanistan if and when the NATO-led International Security Assistance Force (ISAF) pulls out. Stability in Afghanistan is strongly in the national interest of both India and China: India does not want an additional Islamist stronghold from which terrorist attacks can originate, and a stable Afghanistan would in theory allow work to begin on the TAPI pipeline; while China has similar concerns about the training of Uyghur extremists, as well as having significant economic investments in the country, including US$3 billion in a copper mine and associated infrastructure at Aynak, speculated to be the world’s largest undeveloped copper field (Synovitz, 2007). As retired Indian ambassador M.K. Bhadrakumar notes, “In terms of security, there is an almost total convergence of interests between China and India [in Afghanistan]... China and India both don’t want hostile forces in Afghanistan. Radical Islam is a problem for both China and India. The stability of Xinjiang is linked to Central Asia, Afghanistan and Pakistan, just like India” (Author interview with M.K. Bhadrakumar, December 2009).

Both countries are adamant, however, that they will not send any troops to Afghanistan except as peacekeepers under a UN mandate; and even if the UN were to take over the Afghanistan mission China in particular would still remain reluctant to get involved. In some ways the risks of regional intervention are higher for China than for India, given that international opinion of China remains wary, but at the same time the more powerful China becomes, the more it is expected to take on international responsibilities. When coupled with the doctrine of non-intervention China finds itself in a difficult strategic position, as Hu Shisheng from the China Institute of Contemporary International Relations notes:

China won’t have a military presence in Afghanistan as to do so goes against our current guiding principles [of non-interference in other countries’ affairs] and until this changes there will be no military presence, though it may occur some time in the future. Military intervention is negative interference, and China prefers positive involvement like economic assistance and training... Any military interference in Afghanistan will cause a huge chain reaction. With the rise of China we are facing more dilemmas like this. If China doesn’t do anything in these situations other countries say it is ignoring its international obligations and not taking responsibility,
but if we do then it’s perceived as a threat (Author interview with Hu Shisheng, May 2010).

It is worth noting that Hu draws no distinction between “military intervention” in terms of active combat troops, and peacekeeping forces. It is the former which is controversial in both China and India, but both countries already have large numbers of peacekeepers deployed in various international trouble-spots and have stated that they would not be averse to providing peacekeepers to Afghanistan under a UN mandate. Active combat troops, however, of the type currently deployed in Afghanistan by NATO and ISAF, are another proposition altogether and one to which neither China nor India is likely to agree.

Afghanistan is both a regional and international issue for China and India, and a US withdrawal will see them having to balance global responsibilities with regional interests. Although, as noted above, they have a number of converging interests in Afghanistan on which some cooperation may be possible, the issue of Pakistan remains a vexed question. It is at these points of global-regional convergence that major difficulties between India and China are likely to arise, because in other global governance institutions such as BRIC and the G20, and even the WTO Doha Round of trade talks and the Copenhagen climate change summit there has been a good deal of cooperation between the two. This is due to the fact that the two countries’ global interests are at present highly compatible, so that although they don’t agree on everything, they are able to work together in a number of areas, often aligning themselves against the Western powers under the discourse of standing up for the developing world. Whether such cooperation will be able to continue as both countries grow more powerful and their interests more complex remains to be seen, but at this point the biggest issue China and India pose to global governance is uniting against the Western powers and the resulting impact of their combined might on issues such as climate change. Regionally, however, it is another matter, as local conflict feeds into regional animosity. Thus the major challenge will be whether this can be moderated in the interests of both countries. As one Indian diplomat put it:

In straight India-China issues, such as economic cooperation and trade, the two of them can work it out. In global issues with convergent interests such as Doha, Copenhagen etc they can work together. But on regional issues and power politics they
have problems. The challenge is whether they’re willing to moderate their regional ambitions and reach an understanding (Author interview 4, 2010).

*Cooperation in the Doha Development Round: China and India in the WTO*

China’s accession to the World Trade Organisation on December 11, 2001 was generally met with enthusiasm internationally. The product of more than a decade of negotiations, the US had high hopes that WTO membership would both encourage China to open up politically, including to Western ideas about human rights and democracy – and thus serve US national security objectives – and benefit the US economy through increased exports to China (US-China Economic and Security Review Commission, 2010: 42). In some ways these hopes were fulfilled in that US-China trade grew rapidly after 2001, but this did not bring with it a more equal balance of trade, and in fact China’s share of the US global trade deficit ballooned from 21 percent in 2000 to 70 percent in 2009 (US-China Economic and Security Review Commission, 2010: 43-4). This has become particularly concerning for American politicians in the wake of the battering taken by the US economy during the Global Financial Crisis, from which it has yet to recover.

Of greater concern are allegations by the American Chamber of Commerce in China (AmCham-China) that Chinese regulations are moving away from market-oriented mechanisms back towards administrative management of the economy, as well as becoming increasingly protectionist and discriminating against American companies (US-China Economic and Security Review Commission, 2010: 44). In addition, the US has expressed broader concerns about China’s compliance with its WTO obligations, particularly its protectionist government intervention and price-fixing to favour domestic companies and industries (US-China Economic and Security Review Commission, 2010: 45).

India has been a member of the WTO since 1995 and does not seem to have attracted the same serious allegations of broad non-compliance or state interference as those which have beset China. The complaints made against India in the WTO tend to be quite specific and relate to agricultural and textile imports, pharmaceutical patents and similar (World Trade Organisation, 2010) while those against China tend to be broader and involve issues such as regulation of financial information services, grants,
loans and other incentives, intellectual property protection and electronic funds transfer (World Trade Organisation, 2010a). Part of the reason for the allegations of non-compliance against China – made by a variety of countries, such as the US, EU, Canada and Mexico – is due to a difference in political systems; the Chinese state is much more interventionist than its Indian counterpart and consequently the transition to a market economy was always going to bring clashes with the international capitalist bodies like the WTO, whereas India, in spite of its socialist background, has in many ways adapted much more naturally. The other issue is that the Chinese market is currently of far more consequence to the United States, Europe and other growing economies such as Brazil, than the Indian market, and so warrants more attention, so discrepancies and dissatisfactions are picked up and acted upon much more quickly. The very fact that the US has since 2000 convened the US-China Economic and Security Review Commission to produce an annual report to Congress – with nothing remotely similar produced for India – shows where its attention is firmly fixed, for the present at least. As India becomes more economically powerful, however, this focus may need to be realigned somewhat, particularly as China and India are beginning to see the virtues of cooperating in global financial institutions in order to further the interests of developing countries.

The main point of interaction between China and India in the WTO has been at the Doha Development Round of trade talks, the most recent of which was held in 2008 in Geneva. China and India, along with Brazil, represented the developing world as part of the core group of seven negotiating parties; the others were the European Union, the United States, Japan and Australia (Beattie, 2008). The negotiations eventually stalled over the issue of farm subsidies and agricultural import rules, with both China and India refusing to further liberalise their agricultural sectors and accept more imports. Joan McEntee, a former US government trade official, speculated that this protectionist stance from China (which, although followed closely by India, was the driving force behind the breakdown of negotiations) stemmed from concerns about domestic political unrest among its farmers should it undercut their livelihoods through greater trade liberalisation: “When American farmers get upset, they get their senator to put in a bill – or vote for another presidential candidate; in China, the government continues to worry about the potential social unrest if farmers revolt against economic positions taken by the government” (McEntee, 2008). Given that agriculture still accounts for around 16 percent of India’s GDP and employment in the
agricultural sector comprises 52.1 percent of total employment in India (Ministry of Finance, 2010: 179), it is likely the Indian government has similar concerns. In spite of these similarities, however, the Indian and Chinese political and economic systems remain very different, which means that, for both countries, choosing to stand together on the issue of agricultural subsidies and imports most likely also entailed a conscious choice to focus on this issue at the expense of other interests. It is this element of compromise which leads to Sino-Indian interactions at Doha being classified as cooperation rather than harmony.

US trade representatives at the time accused India and China of jeopardising the talks with their refusal to open their markets more widely to imports, with US trade official David Shark declaring, “Their actions have thrown the entire Doha round into the gravest jeopardy of its nearly seven-year life” (BBC, 2008). The rhetoric in India, however, was strongly in favour of resisting US pressure, with the Communist Party of India (Marxist) issuing a statement calling on the Indian government not to bow to US pressure or compromise: “The US is exerting pressure on India to fall in line and facilitate the adoption of an iniquitous agreement. Capitulation to US pressure would amount to another betrayal of national interest” (Indian Express, 2008). American economist C. Fred Bergsten also noted the implications of Sino-Indian cooperation, not only for future trade talks but also broader international negotiations:

China’s (and India’s) refusal to accept a significant share of systemic responsibility for the global economy also bodes ill for other upcoming international negotiations – particularly on climate change. China recently replaced the United States as the world’s leading polluter, and Beijing’s refusal to play an active and positive role in climate negotiations would be devastating for the entire planet.

Furthermore, the China-India alliance that emerged in Geneva could fundamentally alter the politics of global economic negotiations. India, despite its billion people and rapid growth rate, is far less important than China to the world economy; its economy is less than half as large, trade accounts for less than half as much of its national output, its total trade is smaller than the annual growth in China’s trade, and it has attracted less foreign investment since its independence in 1947 than China currently receives in a single year. Nevertheless, support from India – a longstanding defender of “special and differential treatment” for developing countries – could add to China’s already substantial negotiating clout at the WTO by bringing
together more than one-third of the world’s population and creating a formidable force that could block initiatives supported by most other nations on issues ranging from currency rules to global warming (Bergsten, 2008).

The failure of the Doha negotiations brought to the fore the increasing divisions between developed and developing nations, and cemented China and India’s places as leaders of the latter. As Bergsten predicted, this Sino-Indian cooperation under the banner of developing nations has now also been extended to areas outside the economic sphere, such as international climate change negotiations. There is no sense, however, that such cooperation is anything more than opportunistic in that it occurs in relation to specific issues or events where the two countries have similar national interests, and is not part of any grand strategy for these two significant developing powers to unite against the West.

Interestingly, in international economic institutions Sino-Indian cooperation seems more likely to occur in areas where the two countries see their own interests allying against those of the West, and the various tensions which exist between them can be minimised in order to serve these interests. The 2008 Doha Round is a good example of this and shows that both countries are prepared to compromise on certain issues and interests in order to achieve larger outcomes; a process of conscious coordination which indicates cooperation rather than harmony. In more localised institutions, however, such as the Asian Development Bank, the tensions in the relationship are more prominent, such as in 2009 when China blocked a $2.9 billion ADB loan to India because a small percentage of it was earmarked for projects in the disputed state of Arunachal Pradesh. Thus it seems that China and India still see their interests as converging most in a wider global context, which encourages cooperation, whilst continuing to diverge at a local level.

Both China and India have made no secret of their wish to reshape the global financial institutions to make them more equitable for developing countries, and for now at least they seem prepared to stand united on this. Consequently negotiations in institutions such as the World Bank and the International Monetary Fund, for example, are likely to become increasingly complex as China and India gain economic strength and begin to assert it more, particularly if they present a united front. This may be increasingly at odds with the two countries’ behaviour in regional financial institutions such as the ADB or the Chiang Mai Initiative, the latter of which India has
been reluctant to become too involved with, and how these two facets of global governance will be reconciled presents an interesting conundrum. It is possible that as the two countries become more powerful and continue to develop in different directions the periodic tensions currently being seen in local and regional governance institutions may begin to bleed over into global governance forums. This will be a particular issue if China continues to develop at a much faster rate than India, as the two countries will no longer have such convergent interests, especially in trade talks. There is, however, some indication that both the Chinese and Indian governments are aware of this danger and are working to mitigate it. Manmohan Singh and Hu Jintao agreed at a meeting in April 2011 to work towards “removing all major irritants impacting bilateral relationship including the border issue and trade imbalance,” including “[setting] up a mechanism on coordination and consultation on border affairs, [resuming] senior-level defence exchanges, [initiating] a high-level economic dialogue for focused redress of investment and market access grievances and [stepping] up high-level contacts” (Dikshit, 2011). Given the impending Chinese leadership change in 2012, however, how effectively this ambitious program of reconciliation can be followed through remains to be seen.

*The International Energy Agency and the UN Climate Change Conference: The West versus the Rest?*

The rapid development of China and India has brought them to the forefront of discussions on energy security and climate change, not least because both China and India are becoming increasingly energy-hungry, as well as being major emitters of greenhouse gases. These two issues are increasingly playing out in global governance organisations: the former in the two countries’ dealings with the International Energy Agency (IEA), and the latter more prominently in the United Nations Framework Convention on Climate Change (UNFCCC) and particularly the 2009 UN Climate Change Conference in Copenhagen (also known as the Copenhagen Summit).

Because the IEA is an organisation under the Organisation for Economic Cooperation and Development (OECD), only OECD members are permitted to join. Of late OECD membership itself has been expanded to include countries such as Chile, Slovenia and Israel, who all joined in 2010, though these countries are not yet part of the IEA. Recognising its limitations, however, the IEA has been trying to
foster greater cooperation with non-OECD countries, including China and India, with some success. Although the organisation’s main purpose is still to ensure energy security through the maintenance of oil stockpiles, it is also beginning to look at renewable energy and wider energy-related issues. The main problem for the IEA is now that a growing proportion of world stockpiles are held by countries outside the OECD, making it increasingly difficult to calculate reserves and whether the market is over- or under-supplied (Hoyos, 2010).

Consequently, the need for change was stated bluntly by the IEA’s executive director, Nobuo Tanaka, at the International Energy Forum in Cancun in 2010, when he called for China to join the IEA, noting: “Our relevance is under question because half of the energy consumption already is in non-Organisation of Economic Cooperation and Development countries. And for oil it is soon coming that the majority of consumption is happening in non-OECD countries… In many ways they [the Chinese] are already working closely with us. But eventually we wish they would join us” (Hoyos, 2010).

In spite of the IEA’s enthusiasm, however, it does not appear that China is as keen to be involved. Because it is part of the OECD, the IEA by its very nature comprises developed countries, with whom China has often disagreed on energy- and climate change-related issues. China’s emphasis on sovereignty and autonomy also makes it reluctant to join any bloc dominated by developing countries, particularly the US, where it feels these might be put at risk. Given the rapid expansion of Chinese overseas energy interests, however, IEA membership could give China a new platform to push its agenda and smooth the way for some of its more risky investments (Hoyos, 2010).

India already has a higher level of interaction with the IEA than China, signing the Declaration of Cooperation between India and the IEA in 1998 and following it up in 2009 with the endorsement of a Joint Statement (International Energy Agency, 2011). Along with Russia, China, Brazil and others, India is on the IEA’s list of non-OECD countries slated for greater engagement and possible membership. Nevertheless, China remains the organisation’s major focus due to its large oil stockpiles, while the main areas of collaboration between the IEA and India include “energy security, energy efficiency, renewable energy, clean coal, energy statistics and energy technology collaboration…personnel training and exchange,” (International Energy Agency, 2011).
At present both China and India remain on the fringes of the IEA and there is little interaction between them at this stage, though this may change if they both become more involved in the organisation. If they both become members at some point in the future, however, it is unclear what sort of interaction might occur between them. One possibility is that they will find areas of common ground, given that they both face similar energy security challenges, including providing for enormous populations. The other possibility, however, is that the two countries will retreat into competition or even rivalry for exactly the same reason – that they are facing similar energy security challenges and need to beat each other to the punch. This issue can be tied in to how they are currently relating to each other in hydrocarbon-rich Central Asia – at present there is minimal interaction apart from some standard commercial competition and occasional cooperation, but as the energy security needs of both countries become more urgent, there is the potential for rivalry to develop in this area. At present it is still too early to predict just how energy security will affect the Sino-Indian relationship both regionally and in organisations such as the IEA, but it will undoubtedly be a major issue in the coming decades.

China and India are also beginning to make themselves known in other areas of international energy policy, particularly regarding climate change, and it is this area in particular where a convergence of interests is leading to some cooperation. This became clear at the Copenhagen Summit, where China and India fought hard for a deal which would serve their interests, but which also had the unintended consequence of putting them in a difficult position, not only vis-à-vis the developed nations, but also with their developing country base.

Although when measured on a per capita basis China and India’s emissions rank well below those of developed nations, their swift economic growth also means that their aggregate greenhouse gas emissions are high and growing rapidly. Because of the complex nature of climate science and the complicated nature of the United Nations Framework Convention on Climate Change (UNFCCC), which puts together an inventory of various countries’ greenhouse gas emissions, among other things, reliable comparable data is difficult to obtain without taking into account a large number of variables. A brief examination of the UNFCCC’s Greenhouse Gas Inventory Data, however, explains why China and India are becoming so important to the climate change debate.
The UNFCCC divides its parties into “Annex I”, “Annex II” and “Non-Annex I”. Annex I parties are industrialised or transitioning economies (known as Economies In Transition or EIT), including all the OECD countries as well as the Russian Federation, the Baltic states and some Central and Eastern European states (UNFCCC, 2011). Annex II countries are the OECD states from Annex I, but not the EIT states. These countries are required “to provide financial resources to enable developing countries to undertake emissions reduction activities under the Convention and to help them adapt to adverse effects of climate change. In addition, they have to ‘take all practicable steps’ to promote the development and transfer of environmentally friendly technologies to EIT Parties and developing countries” (ibid). Non-Annex I countries, which includes China and India, are developing nations who are most at risk from the physical and economic effects of climate change (ibid).

Annex I countries are subject to a more rigorous reporting process than Non-Annex I countries, and hence the data for these countries is more up-to-date than for China and India. China and India’s most recent date of inventory was 1994. According to UNFCCC statistics, in 1994 China’s annual greenhouse gas emissions (including Land Use Change and Forestry) were equivalent to 3,650,138 gigagrams (Gg) (3650 tonnes) of carbon dioxide (UNFCC, 2011a). India’s annual greenhouse gas emissions for the same year were equivalent to 1,228,540 Gg (1228.5 tonnes) of CO₂ (UNFCC, 2011b). As a point of comparison, and bearing in mind that the UNFCCC notes that inventory requirements are different for Annex I and Non-Annex I countries, the US’s total annual greenhouse gas emissions in 2009 (i.e. fifteen years after China and India’s last inventory) was 5,618,164.99 Gg (5618.2 tonnes) of CO₂ equivalent (UNFCC, 2011c). Given that China and India’s rapid development since 1994 has been accompanied by a subsequent increase both in energy consumption and greenhouse gas emissions, it is easy to see why the two countries have become so pivotal to international climate change negotiations.

The 2009 United Nations Climate Change Conference in Copenhagen was arguably one of the most important failures of an international body in recent years. The issue of addressing climate change, which more than almost anything requires a global approach, has been consistently stymied by nations intent on first and foremost preserving their national sovereignty (epitomised in the reluctance of many to take the next step after the ratification of the Kyoto Protocol and institute international, legally binding emissions targets) and to work in the interests of their own development (the
not-unjustified reluctance of developing countries to take climate change-minimisation measures on the grounds that doing so will impede economic development). Consequently the Copenhagen Accord was not legally binding and was widely perceived as a failure.

The Copenhagen Summit facilitated a level of cooperation\(^{65}\) between China and India similar to that seen in the Doha Development Round, and paradoxically occurred at a time when tensions between the two countries along the disputed border were particularly high. In Copenhagen both countries were adamant that they would not agree to talks continuing outside the UN and Kyoto Protocol framework – for example, in the G20 as proposed by the US – and at one stage, along with Brazil and South Africa, walked out of the summit’s ministerial-level negotiations for an accord, causing formal talks to be put on hold for a time (Carrington et al., 2010; Dasgupta, 2009a; Press Trust of India, 2009a). The four countries, which form the BASIC group – Brazil, South Africa, India and China – prepared a draft of proposals for the conference to counter that put forward by the developed nations, who they felt were trying to take over the conference agenda (Dasgupta, 2009a). Although these moves were made under the banner of developing nations as a whole, the cooperation between India and China signalled a change in the way international multilateral negotiations are likely to play out in the future. As Indian journalist Saibal Dasgupta, who is currently the *Times of India*’s correspondent in Beijing, wrote at the time: “This joint front forged on Saturday is a major political initiative – the first major India-China accord on international affairs – that is likely to impact not just the dimension of the talks on climate change but international diplomacy as a whole” (Dasgupta, 2009a).

This cooperation and assertiveness, however, brings its own set of problems. As rapidly-industrialising nations with serious pollution problems, China and India’s place at the Copenhagen conference was particularly important, and once again their personal conflicts between power and responsibility were highlighted. This issue is becoming particularly crucial for China as it is currently more developed and consequently more powerful than India, and so is having to address the question of

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\(^{65}\) The interaction here has been identified as “cooperation” rather than “harmony” because although the two countries came together on a particular principle, this involved some moderation of their original positions, particularly on the part of India, which took a more hardline stance towards the talks than China, as discussed further below.
great power responsibility sooner, yet it was also accused at Copenhagen of letting down its fellow developing countries.

In the wake of the Copenhagen talks, China faced criticism from both sides – predictably from the developed nations with accusations that it had blocked a stronger deal by refusing to commit to new emissions targets – while, less predictably, the developing nations of the G77 accused China of abandoning them in the final five-nations talks between the US and the BASIC countries which eventually sealed the Copenhagen Accord deal (Dyer, 2009; Broder, 2009). Chinese foreign ministry spokesman Qin Gang was quick to quash rumours of discord, saying that they “were untrue and irresponsible comments made out of ulterior motives” and that “China’s position and propositions were widely supported and appreciated by other developing countries,” but this was countered by the president of the Maldives, Mohamed Nasheed, who questioned the future of the G77: “It is very difficult to maintain a political grouping that was formed with a whole lot of ideology that has become obsolete. There are many big developing countries that do not need an agreement. They would rather go with business as usual” (Dyer, 2009). This friction in the aftermath of the Copenhagen talks was one of the first indicators that China may not be able to hide behind the label of “developing country” for much longer, and that as a major economy, major polluter and growing political force it will not only be expected to take on greater international responsibilities, but will also have less of an interest in working as part of a developing nations’ coalition in that it is now significant enough to hold its own in international negotiations. India is also likely to face similar challenges in the medium-term as its economic and political influence begins to grow.

In the wake of the 2009 negotiations, all of the 114 Parties which accepted the Copenhagen Accord were asked to communicate this to the UNFCCC, along with any caveats their acceptance included. The communications from China and India are instructive in their illustration of how the two countries conduct themselves in global governance institutions. In addition, these communications show that although China and India worked together to develop a more favourable proposal, and particularly to stop any further negotiations occurring outside the UN framework, there are significant areas where they disagree and where compromise had to occur in order to facilitate their cooperation. Indeed, it is this compromise and deliberate coordination of interests which causes these interactions to be identified as cooperation rather than
harmony. As can be seen from the following letters, India’s stance on the UNFCCC negotiations was much more hardline than China’s, and therefore had to be somewhat compromised in order to join together with the other BASIC countries and reshape the Accord.

India’s communication to the UNFCCC Secretary, Yvo de Boer, from Rajani Ranjan Rashmi, the Joint Secretary of the Ministry of Environment and Forests, makes it clear that India does not see the Copenhagen Accord as legally binding in any way and minimises its importance to directing new negotiations:

It may be recalled that India actively participated in the discussions on the Copenhagen Accord. India stands by the contents of the Accord. Our clear understanding is that the Accord is a political document. It is not legally binding. The Accord is meant to facilitate the ongoing negotiations in the two tracks in accordance with the principles and provisions of the UNFCCC, the Kyoto Protocol and the Bali Action Plan.

The Accord was not adopted by the Conference of Parties but just taken note of. However, the Accord could have value if the areas of convergence reflected in the Accord are used to help the Parties reach agreed outcomes under the UN multilateral negotiations in the two tracks, i.e., the Ad-hoc Working Group on Long Term Cooperative Action and the Ad-hoc Working-Group on Kyoto Protocol. The Accord is only an input into the two-track negotiations. The Accord is not a new track of negotiations or a template for outcomes (UNFCCC, 2011g).

In contrast, China sent a lengthy letter from Premier Wen Jiabao to the UN Secretary General Ban Ki-Moon, copied to the Danish Prime Minister and host of the summit, Lars Lokke Rasmussen, which agreed with India that the Ad-hoc Working Groups (AWGs) should remain the only channel for negotiation, but then went on not only to reiterate China’s commitment to climate change negotiations but also to detail its voluntary emissions reduction targets:

...The Convention and the Protocol are the main channels for international negotiations on climate change. The two AWGs are the legal bodies for such negotiations, and the draft texts proposed by the Chairs of the two AWGs, which reflect the principles of openness, transparency and broad participation, the legitimate basis [sic]. It is neither viable nor acceptable to start a new negotiation process outside the
framework of the Convention and the Protocol. The “consensus-based” decision-making mechanism should be upheld, while appropriate ways may be explored to increase efficiency providing that openness, transparency and broad participation are ensured in the negotiation process...

...I wish to reiterate that China will take active steps to meet the targets we have set out for our voluntary domestic actions, including reducing carbon dioxide emissions by per unit of GDP by 40-45% by 2020 from the 2005 level... We are ready to provide information regarding these voluntary domestic actions to the Secretariat for compilation in an INF document...

...I hope you will actively urge the developed countries to demonstrate the political will and earnestly meet their obligations under the Convention and the Protocol. China will continue to play a positive and constructive role, work with the international community for the conclusion of Bali Roadmap negotiations at the Mexico Conference, help the Conference produce comprehensive, effective and binding outcomes that will facilitate the implementation of the Convention and the Protocol, and thus contribute our due share to the endeavour against climate change (UNFCCC, 2011f).

The difference in tone between these two letters is quite striking, and highlights the disparity in diplomatic influence and attitude which currently exists between China and India. There is the sense that the point at which the two countries’ interests overlap is still relatively small, and that although this may grow with time and they will likely continue to cooperate in similar circumstances in the future, such cooperation is by no means guaranteed. The next major test in this context will likely come at the next UN Climate Change Conference, scheduled for 28 November-9 December 2011 (UNFCCC, 2011d). This summit will be particularly important as it is tasked with securing an international climate change agreement to replace the Kyoto Protocol66, whose first commitment period is due to expire in 2012 (UNFCCC, 2011e). It will be interesting to see whether China and India once again decide to join together

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66 The UNFCCC describes the Kyoto Protocol thus: “The major feature of the Kyoto Protocol is that it sets binding targets for 37 industrialized countries and the European community for reducing greenhouse gas (GHG) emissions. These amount to an average of five percent against 1990 levels over the five-year period 2008-2012. The major distinction between the Protocol and the Convention is that while the Convention encouraged industrialised countries to stabilize GHG emissions, the Protocol commits them to do so... By the end of the first commitment period of the Kyoto Protocol in 2012, a new international framework needs to have been negotiated and ratified that can deliver the stringent emission reductions the Intergovernmental Panel on Climate Change (IPCC) has clearly indicated are needed” (UNFCCC, 2011e).
as developing nations or whether they will see it as more advantageous to pursue their own agendas.

*Going Nuclear: The International Atomic Energy Agency, friction in the Nuclear Suppliers’ Group and the future of Nuclear Non-Proliferation Treaty*

There are two aspects to international nuclear governance which affect both China and India. The first is the regulation of civilian nuclear power generation programs through the International Atomic Energy Agency (IAEA), while the second relates to military nuclear non-proliferation and disarmament through the Nuclear Non-Proliferation Treaty (NPT).

The IAEA is an independent organisation under the auspices of the United Nations and reports directly to the UN General Assembly and, in cases relating to international peace and security or non-compliance by states, the Security Council. Its aim is “to promote safe, secure and peaceful nuclear technologies” and to safeguard against the misuse of nuclear technology for military purposes (International Atomic Energy Agency, 2011). Its membership comprises most countries who are members of the UN, including China and India.

China joined the IAEA in 1984 and has been a regular contributor to its programs, including a US$1 million contribution in 2004 to mark its twenty years of membership (International Atomic Energy Agency, 2004). The then-Director General Mohamed ElBaredi lauded China’s contribution to the organisation, saying:

> The IAEA has forged an excellent partnership with China over the past two decades – one of the most far-reaching partnerships we have with any Member State, extending across the spectrum of IAEA work from safety and security, to safeguards and verification, to technical cooperation in food, energy, water and health (International Atomic Energy Agency, 2004).

China’s cooperation with the IAEA has also included putting safeguards on its nuclear exports to Algeria, Chile, Ghana, Nigeria, Pakistan and Syria, and placing two of its own nuclear facilities under IAEA safeguards (Nuclear Threat Initiative, 2007). In recent years China has begun to work more closely with the IAEA, particularly in the lead-up to the 2008 Beijing Olympics, where IAEA-China cooperation
“augmented the Chinese security plans to include radiological security” (Evrensel, 2010; see also International Atomic Energy Agency, 2008). More recently, the IAEA and the China Atomic Energy Authority (CAEA) signed the Practical Arrangements on Nuclear Security, which aims to strengthen cooperation between the two and also promote nuclear security in East Asia (International Atomic Energy Agency, 2008).

This close cooperation on civilian nuclear issues, however, is somewhat at odds with China’s attitude to the other major piece of international nuclear governance, the Treaty on the Non-Proliferation of Nuclear Weapons, commonly known as the Nuclear Non-Proliferation Treaty or NPT. The aims of the NPT are:

...To prevent the spread of nuclear weapons; to provide assurances that the peaceful nuclear activities of states which decide not to develop nuclear weapons will not be diverted to making such weapons; to promote the peaceful uses of nuclear energy, and make available the potential benefits of any peaceful application of nuclear explosion technology to non-nuclear states; and to express the determination of the parties that the NPT should lead to further progress in comprehensive nuclear arms control and disarmament (Nuclear Threat Initiative, 2007a).

When the treaty was first enacted in 1968 China refused to sign, denouncing it as “a conspiracy concocted by the USSR and the US to maintain their nuclear monopoly” and claiming that the two superpowers were using it as a way of maintaining their military superiority by preventing other countries from developing the same technology (Nuclear Threat Initiative, 2007a). It further argued that although it stood for complete disarmament and non-proliferation, the US and USSR had no right to stop other countries developing nuclear weapons technology until they themselves had committed to complete disarmament (ibid).

This hardline stance began to change in the 1980s, with China joining the IAEA (although it still continued to denounce the NPT) and accepting IAEA safeguards in 1988 (Nuclear Threat Initiative, 2007a). Yet conversely it was also at this time – from 1981 onwards – that China began providing nuclear assistance to Pakistan in the wake of the Soviet invasion of Afghanistan (Shirk, 2004: 79); technology that eventually found its way not only into Pakistani nuclear weapons but also to fringe regimes such as North Korea and Libya through rogue Pakistani nuclear scientist A.Q. Khan. Although China acceded to the NPT as a nuclear weapons state
in 1992 (Nuclear Threat Initiative, 2007a), its record of proliferation has provided a continuing point of tension with India over the selling of uranium and other nuclear technology and materials\textsuperscript{67}.

India has been a member of the IAEA since 1957 but is not a signatory to the NPT, which is at the root of much of the recent controversy over both its military and civilian nuclear programs, particularly in the wake of the 2008 Indo-US Civilian Nuclear Agreement. Between 1971 and 1994 India signed five IAEA safeguards agreements (International Atomic Energy Agency, 2011a) but this did not prevent it from conducting nuclear weapons development and testing in 1974 and 1998. Indeed, the Nuclear Suppliers’ Group (NSG), which seeks to prevent proliferation by controlling the export of nuclear technology, materials and fuel, was formed in 1974 in response to India’s Pokhran nuclear tests. George Perkovich’s book India’s Nuclear Bomb (2002) provides an in-depth examination of India’s nuclear development from 1947, looking particularly at the two phases of development which culminated in the 1974 and 1998 nuclear tests. It also examines how the NPT paradoxically shaped India’s desire to develop nuclear weapons (Perkovich, 2002: 125-8).

The recent nuclear deal with the US threw up problems in that although it provided for the transfer of civilian nuclear technology, because India is outside the NPT the forty-six members of the NSG were not legally able to export nuclear technology or materials to India without an exemption. Thus the deal required the US to gain approval for India from both the IAEA and the NSG. Although an NSG waiver was eventually granted, it was in spite of considerable resistance from China and several other countries. Although China was not one of the six countries which raised formal objections to the deal in the NSG, it unofficially voiced concerns about the deal and what it saw as the weakness of the proposed safeguards, with the People’s Daily declaring: “Whether it is motivated by geopolitical considerations or commercial interests, the US-India nuclear agreement has constituted a major blow to the international non-proliferation regime” (Dasgupta, 2008). The US proposal to the NSG meeting in September 2008, however, noted India’s voluntary adherence to the following non-proliferation safeguards:

a. Deciding to separate its civilian nuclear facilities in a phased manner and file a declaration regarding its civilian nuclear facilities with the International Atomic Energy Agency;

b. Conducting negotiations with the IAEA and obtaining approval of its Board of Governors regarding a Safeguards Agreement for application of safeguards to civilian nuclear facilities that is in accordance with IAEA standards, principles and practices (including Board of Governors document GOV/1621);

c. Committing to sign and adhere to an Additional Protocol with respect to India's civil nuclear facilities;

d. Refraining from transferring enrichment and reprocessing technology to states that do not already possess these;

e. Having adopted a national export control system capable of effectively controlling transfers of multilaterally controlled nuclear and nuclear related material, equipment, and technology;

f. Harmonizing its export control lists with those of the Nuclear Suppliers Group and committing to adherence to NSG guidelines; and

g. Continuing its unilateral moratorium on nuclear tests and declaring its readiness to work with others towards conclusion of a multilateral Fissile Material Cut-off Treaty (Carnegie Endowment for International Peace, 2008).

Although China did not go so far as to vote against the exemption for India, it did abstain from the final vote (Misra, 2008), which made its disapproval clear. Seemingly unwilling to create a diplomatic incident, however, shortly after the vote Chinese Assistant Foreign Minister Hu Zhengyue told Indian newspaper the *Hindustan Times* that China understood and supported India’s civilian nuclear aims: “Both China and India are major developing countries in rapid economic development. The two countries need secure, reliable and clean energy...therefore, China understands India’s needs for civil nuclear energy and related international cooperation” (Hu in Misra, 2008). This diplomatic nicety, however, clearly skirted the issue of India’s nuclear weapons program, which was undoubtedly the real cause of Chinese concern in the NSG.

Chinese and Indian wrangling in the NSG looks set to continue, with India applying for membership at the most recent meeting in June 2011. China has made it clear that it will not support India’s bid, and has further complicated matters by
announcing its sale of two civilian nuclear reactors to Pakistan, outside the auspices of the NSG (Ferraro, 2011). This action is widely seen to be China thumbing its nose at what it sees as inequality and hypocrisy in the NSG – namely the US pushing through the waiver for India and thereby, as Ferraro puts it, “favouring one security relationship over others” (ibid). This puts the group itself in a difficult position, because as Ferraro notes, “The NSG could vote to expel China for violating its rules, but such a move would leave Beijing to conduct its expanded nuclear commerce without any international oversight” (ibid). He instead suggests a third way between passive acceptance of China’s actions and ejecting it from the group:

...The NSG should take the unusual step of issuing a statement approving of the Sino-Pakistan deal, echoing the assurances Islamabad and Beijing have given publicly that the facilities themselves will be under IAEA safeguards. Essentially, the NSG should issue what amounts to a waiver even if Beijing doesn’t ask for one....By making such a statement, the NSG would appear even-handed, directly addressing Chinese concerns over an Indo-American double standard in nuclear commerce. In short, such an exemption would show that the international non-proliferation regime isn’t a stooge of the United States, but a fair covenant dedicated to protecting the safety – and sovereign rights – of its members equally....Most important, the statement would keep China inside the NSG while preserving the credibility of the agreement. Once Beijing sees that NSG exceptions will be granted objectively, it will be more likely to submit future deals to it formally for review (Ferraro, 2011).

This indirect but growing Sino-Indian rivalry can be seen to have its roots in the same issues as the rivalry in South Asia – namely the problematic relationships between India, Pakistan and China (and to a certain extent the US). It is also an example of how, although China and India are able to cooperate in certain international institutions and have convergent interests on “softer” issues such as trade and climate change, when it comes to strategic interests rivalry is still the main form of interaction. As China and India become more influential and international power structures begin to shift, it is unlikely that this issue will be the end of the debate over the future of the NPT and its related entities.
Conclusion: United or divided in global governance?

Although it is becoming fashionable to talk of Sino-Indian competition or rivalry, in an international and global governance context such competition remains limited, a fact reiterated by numerous interviewees from both countries. In fact, at this point China and India are in many cases more likely to be found working collaboratively or cooperatively in international forums than they are to be competing. This, however, does not seem to be a concerted strategy but rather a pursuit of specific interests, and at the moment these interests – at least in terms of global governance – happen to be overlapping in a wide variety of areas. These include the World Trade Organisation, as noted at the 2008 Doha Round of trade talks, and the 2009 UN Climate Change Conference in Copenhagen. Although China currently yields more international influence than India, partly by virtue of its place as one of the Permanent Five members of the Security Council, the potential power of India is clearly recognised by the other major players in the international order, which will likely lead to more opportunities opening up for it in global governance structures in the near future. An example of this was the 2008 Indo-US nuclear deal and the lengths which the US went to in order to gain a trading exemption for India in the Nuclear Suppliers’ Group. The opposition from China in the NSG showed, however, that although the two countries are able to cooperate in certain areas – mostly related to social and economic issues such as trade, development and climate change – when it comes to traditional “hard power” areas such as nuclear weapons the relationship tends to revert to a more adversarial stance.

On the one hand, the fact that China and India are able to work well together in many global governance institutions and forums is very positive, as conflict would be problematic for all concerned. On the other, however, the roots of this cooperation can often be found in their common ground as developing nations and a desire to stand up for developing countries against the West; this is particularly true on issues such as climate change and trade. Because of their sheer size and potential power, which is growing ever stronger, having China and India too closely united could spell trouble for the US-led international order, or at least make pushing a particular Western agenda more difficult; though whether this will lead to the fulfilment of China and India’s aim of greater equality for developing countries in global governance or just destabilise the international system is difficult to predict. At this
stage, however, China and India’s cooperation is still confined to a specific set of interests and inevitably requires compromise by one or both parties. It is important to note that this process of negotiation, or what Robert Keohane calls “policy coordination” (Keohane, 1984: 51) distinguishes cooperation from harmony. In both the Doha and Copenhagen negotiations China and India chose to emphasise issues of particular importance (agricultural subsidies and non-binding emissions targets respectively) and cooperate to achieve the desired outcome on these issues. By choosing to highlight areas of common ground rather than focussing on their individual interests both countries chose to compromise, which is why their interactions in these contexts are viewed as cooperation rather than harmony.

It will be some time before India is powerful enough globally to be considered as a potential challenger to the international order – and in any case, as a democracy practicing the rule of law it is likely to present less of a challenge to the current US-led order than China. When the time comes, however, India’s rise will further complicate international politics, particularly if China is the dominant power at that point. If this is the case, Chinese and Indian bilateral issues such as the border dispute will become globally important in a way they have not yet been. The fact that Sino-Indian cooperation in global governance is based to a certain extent on developing-world unity against the West makes it weak in that if the common enemy is removed there is little to hold it together, and their differences at local and regional levels may begin to bleed over into the international arena. The other issue is one of asymmetrical development – if China continues to develop faster than India it is likely their interests, even in global governance institutions, will begin to diverge significantly.

Although we can be fairly certain that first China and later India will become powerful enough to prompt challenges and changes to the international system, in twenty or thirty years we may also be looking at the rise or resurgence of other nations such as Brazil, Indonesia, Russia, Germany, South Africa or Japan – potentially even some sub-Saharan African nations if they can successfully overcome poverty, civil war and the legacy of colonialism in the ways that China and India have. As Indian National Security Adviser Shivshankar Menon cautions:

One thing that has never worked is a straight-line extrapolation of present trends. Nobody predicted the fall of the USSR or the rise of China, and many thought the US would leave Asia entirely after the fall of Saigon in the Vietnam War. Similarly
no one predicted the Global Financial Crisis, which still has some way to run. Whatever the layout in 2020 is, it’s not going to be a straight line function of what is occurring today.

We also can’t predict game-changers, such as the effect of technology on conflict. The energy issue can be solved, and the water issue (even though people say future wars will be about water) can be solved if we can find the energy for desalination. Nothing will stay as given. Be alert; look for game-changers and discontinuities in major trends. In addition, never underestimate human folly (Author interview with Shivshankar Menon, December 2009).

Thus whether Sino-Indian interaction in international institutions becomes more cooperative, more competitive, or simply continues to operate on an ad-hoc basis as at present, what is certain is that it will continue to have a profound impact on global governance into the future.
Discussion and Conclusions

The aim of this study was two-fold: firstly, to provide a new framework for understanding the contemporary Sino-Indian relationship, which moves away from the traditional characterisation of rivalry as the driving force in the relationship to a more considered examination of conflict, rivalry and cooperation; and secondly to locate this framework within the existing literature on power transition theory in order to shed light on how two rising powers or challengers in today’s international system relate to each other. These aims are intrinsically linked. Firstly, a better understanding of the contemporary Sino-Indian relationship is crucial to understanding how relations between rising powers in general – and China and India in particular – impact on power transitions within the international order. Secondly, a greater understanding of the relationship can help to break down the myth of Sino-Indian convergence popularly known as “Chindia” which has become prominent in both public and academic discourse in the last few years but which often serves to confound rather than enlighten.

In order to achieve these aims I examined four cases, looking at how China and India are interacting in various spheres (specifically locally in South Asia and in the context of the disputed border; regionally in Central Asia, in South-East Asia and the Indian Ocean; and internationally in global governance institutions). Through these case studies I aimed to ascertain what degree of conflict, rivalry and/or cooperation can be observed in these interactions and why such interactions are occurring. The first section of these conclusions will examine these empirical findings, while the second section will extrapolate them into a broader context, looking at what these observations say about the nature of the Sino-Indian relationship today and how we can expect simultaneous rising powers to relate to each other, and the implications they have for further research into rising-power relations.

Beyond Strategic Rivalry: Chinese and Indian interactions from the local to the global

An important point which became clear as this research progressed was that when looking at Chinese and Indian interactions it is necessary to examine both the amount of interaction and the quality of these relations (cooperative, competitive etc).
This became apparent in the case study of Central Asia, where China and India are pursuing similar objectives but with minimal interaction except some minor incidental competition or cooperation. This then throws up the question of why they are interacting more heavily in some spheres than in others, which is beyond the scope of this research but which provides a foundation for future projects, discussed further below.

The China-India disputed border is the most common focus of international discussions of the Sino-Indian relationship, as well as in bilateral talks between the two countries. Given that the fallout from the 1962 war strongly shaped the relationship throughout the 1970s and 80s, this is hardly surprising. There is now a need, however, as this thesis has demonstrated, to move beyond this construction of conflict or strategic rivalry as shaped by the border issue. There is no doubt that such rivalry continues to exist, and that throughout the 1990s and 2000s the relationship has experienced periods of both friction and détente, though a full resolution still appears unlikely. The present relationship, however, is far more complex and is shaped by other factors as well as this strategic rivalry. This is partly due to the fact that South Asia as a region has undergone some significant changes since 2001, mostly related to the war in Afghanistan and the flow-on effects to Pakistan. This has made the US an even more active player in the region and set up a US-China-India-Pakistan strategic quadrilateral which has a significant impact on Sino-Indian relations. This type of strategic rivalry, which is linked to and yet distinct from the border issue, has been a feature of Sino-Indian relations since the Cold War, and looks likely to continue as long as both countries see South Asia as strategically significant and have serious concerns about their own safety in the region. The greater global context, however, has also changed – with greater economic interdependence, particularly in the context of global trade, swift advances in military and communications technology and the growing emphasis on extraterritorial issues such as climate change – which means that this rivalry no longer needs to define the relationship or prohibit growth in other areas. This change in attitude was made explicit in the early 1990s when India decoupled its policy on the border issue from other areas of the relationship such as trade, for the first time allowing the Sino-Indian relationship to move forward in a meaningful way without a resolution to the border dispute.
There will undoubtedly continue to be a "trust deficit" between China and India in South Asia due to its geographic proximity and strategic significance to both countries, which will only likely be resolved if the India-Pakistan conflict can be settled, and the China-India border issue as a secondary consideration. In the meantime, however, the relationship is developing in other areas, and although there is still some strategic rivalry in areas such as Burma and the Indian Ocean, there are also elements of economic competition and cooperation which tend to be overlooked when viewing the relationship as simply one of military rivalry. The local rivalry inspired by the border issue will continue to affect the relationship, but it no longer needs to define it in the way it once did.

Indeed, this research has highlighted some interesting facets of the relationship which are built not on rivalry but on far more complex interactions, including new opportunities for cooperation. Although China and India have yet to experience situations of real harmony – where their interests converge to the extent that they are able to pursue a common goal together without either compromising their own aims – there have been notable elements of cooperation, where there has been an overlapping of interests and a willingness to compromise in order to reach a mutually beneficial solution. The two most notable instances of this in recent years were the WTO's 2008 Doha Development Round of trade talks and the 2009 United Nations Framework Convention on Climate Change Summit in Copenhagen (see Chapter 5). In both these cases China and India united on certain principles – retaining protectionist measures in the agricultural sector in the case of Doha, and pushing for a weaker agreement which did not contain binding emissions reduction targets in the case of Copenhagen – and expressed a new assertiveness which has arguably changed the conduct of international diplomacy. Although Sino-Indian cooperation is at this point still relatively minor and confined to a very narrow set of interests, the fact that the two countries were able to cooperate at Copenhagen even as the border issue reached its lowest point for several years in 2009, including several minor military skirmishes, indicates that there are now contexts where the relationship is able to be divorced from the border dispute and that this rivalry is no longer the defining factor.

Another example of the growing complexity of the relationship is Central Asia, where, in spite of being in both countries' strategic backyard, points of interaction between China and India in the region are relatively few. Although there has been both incidental cooperation and competition – mostly commercial and
related to the energy sector – neither of these have occurred on any significant scale, even though China is already a major player in the region and India has the potential to become one. Both are seeking Central Asian energy resources and also share concerns about the proliferation of Islamist terrorism, but a significant disparity in financial, access and influence factors (see Chapter 3) means that there is no real economic or strategic rivalry between the two countries in the region at present.

China and India’s dealings with Central Asia in many ways reflect their wider approach to foreign policy: China is strongly proactive, while India is trying to make up for lost opportunities and has only in the last five to ten years begun to develop a sense of strategic purpose. Yet both countries have their strengths and weaknesses; although China has easy access from Xinjiang to Kazakhstan, Kyrgyzstan and Tajikistan and has been making substantial investments in oil and gas pipelines and other infrastructure, there is still considerable distrust of China in the Central Asian Republics (CARs), particularly Kazakhstan. This is due partly to an influx of Chinese workers which some Kazakhs feel are taking jobs meant for locals, and also concerns about excessive Chinese immigration and possible expansionist tendencies. India, on the other hand, has the opposite problem: it has always maintained good relations with the CARs, even through the Cold War, and is generally seen as a benign power in the region. Its major weakness is a lack of direct access, meaning that oil and gas resources and other trade either have to travel overland through Afghanistan and Pakistan or down to Iran and then by sea to India. Both routes are problematic, and it is this conundrum which has led some Indian analysts to speculate as to whether the potential benefits of involvement in Central Asia outweigh the access problems. This partly explains the ambivalence in India towards Central Asia and the lack of a coherent policy on the region. Afghanistan, however, is seen by India as part of South Asia and as vital to denying Pakistan “strategic depth”. To this end India has provided over US$1 billion in reconstruction funding, making it one of the largest international donors. China is also investing quite heavily in Afghanistan due to its own strategic concerns, and once the NATO/ISAF force withdraws it will be interesting to see how China and India relate to each other in this context.

China and India are currently pursuing separate agendas in Central Asia, with small elements of cooperation or competition, but nothing of significance in either aspect. This places the region in an unusual position in the relationship, between the cooperation evident in some international multilateral forums and the rivalry which
still dominates relations in the Indian Ocean region and along the disputed border. There have been some cases where India has initiated hydrocarbon deals (such as the takeover of PetroKazakhstan, see Chapter 3) only to be beaten to the punch by China, but similarly there have also been cases of limited cooperation, where the two countries’ National Oil Companies have realised that excessive competition is damaging to all concerned and that it is in both their interests to cooperate. It is generally agreed, however, that at this stage such competition and cooperation is purely commercial rather than strategic. The two countries’ policies in the region are still very much in the early stages of formation, and it is difficult to predict how they will play out even in the immediate future. The most likely scenario at this point is not a concerted policy of either competition/rivalry or cooperation from either side, but rather the opportunistic pursuit of both in accordance with their national interests. There is a sense, however, that as global oil supplies decrease and Chinese and Indian consumption increases, this commercial rivalry could have the potential to turn into a much more serious strategic rivalry and even become linked to other points of tension in the relationship such as the border issue and Kashmir (Wax, 2010).

The contrast between Sino-Indian relations in the Central Asian and the South-East Asian/Indian Ocean regions is quite marked, possibly because the latter is seen as more strategically significant to both countries. China and India’s interactions in the Asia-Pacific and Indian Ocean areas varies from balancing (in the context of ASEAN), some limited cooperation in anti-piracy exercises in the Gulf of Aden and southern Indian Ocean, through to defence modernisation driven by strategic rivalry. An interesting observation, but one which needs to be tested by further research, is that strategic rivalry appears to be more likely in areas geographically closer to China and India such as Burma and the Indian Ocean. Thus while there is some cooperation on anti-piracy measures in the wider Indian Ocean, in the Gulf of Aden and off the coast of Somalia, it is unclear whether the two countries would be prepared to undertake similar cooperation closer to home, for example in the Straits of Malacca, which are strategically important to both countries.

There are currently two major issues between China and India in South-East Asia, which are interlinked: firstly Burma, and secondly the growing strategic rivalry over the two countries’ naval presence in the Indian Ocean (see Chapter 4). Burma is the site of Sino-Indian competition for hydrocarbons and political influence, driven partly by concerns over energy security and territorial integrity (India suffers from
insurgents in its north-east who take refuge in Burma, while China has had a long-running problem with drugs from Burma seeping over its border), and partly by Burma’s strategic location on the Bay of Bengal/Indian Ocean. India’s worries about Chinese influence in Burma stem from a more deep-seated concern about the development of an increasing Chinese presence in the Indian Ocean, epitomised by the String of Pearls theory which claims China is developing friendly ports and/or naval bases throughout South-East Asia in order to allow the PLA Navy (PLAN) to reach the Indian Ocean. India has always seen the Andaman Sea and Bay of Bengal as its strategic backyard, and it has a major tri-services naval command based at Port Blair in the Andaman and Nicobar Islands, as well as regularly conducting missile tests off the coast of Orissa. It therefore has serious concerns about China cooperating closely with Burma and possibly gaining a strategic foothold on Burmese territory in the Andaman Sea such as the Coco Islands. The fact that rumours of a Chinese intelligence presence on the Coco Islands remain mere speculation has done little to allay Indian fears, and the resulting strategic rivalry, along with political and economic competition for influence with the ASEAN nations, remains the driving force in the relationship in South-East Asia.

Although the relationship in South-East Asia still revolves around strategic rivalry, an examination of China and India in the context of global governance institutions, as noted above, illustrates the growing complexities in relations. At present, China and India are in many cases more likely to be found working collaboratively or cooperatively in international forums than they are to be competing, mostly because of a convergence of national interests in areas such as trade and climate change. In addition, much of this cooperation tends to be framed in the context of “developing nations” against “developed nations”, with China and India drawing together in global governance institutions as the unofficial and self-appointed leaders of the developing world. There is, however, some friction beginning to arise with the smaller G77 nations, who feel that China and India do not represent their interests as they are too economically powerful. These concerns are particularly relevant in terms of climate change, as Chin and India are major polluters (and so had an interest in watering down the Copenhagen deal) but will not suffer as much or as soon as smaller island nations such as the Maldives or Tuvalu.

Although China and India have been cooperating in certain areas of global governance, in areas which are directly related to military and strategic issues, such as
the International Atomic Energy Agency and Nuclear Suppliers’ Group, and the United Nations Security Council (in the context of possible UN reform and a permanent seat for India), they tend to revert to a more traditionally adversarial stance. This follows a similar pattern to that observed in the other case studies, namely that cooperation is more likely in socio-economic areas such as trade or climate change where the two countries see their interests converging – particularly if it is set up in a dichotomy with the West – but when a strategic or military dimension comes into play political competition and strategic rivalry are more likely to be the major features of the relationship in that context. Overall it can be seen, however, that although rivalry is still present in certain contexts of the Sino-Indian relationship – particularly along the disputed border and in the Indian Ocean region – there are some areas where, firstly, interaction between the two countries is significantly less than expected (Central Asia), or where China and India are prepared to compromise and cooperate to achieve specific aims (trade and climate change multilateral organisations). Thus it is clear that, firstly, rivalry is no longer the sole driving force in the relationship, and that secondly this growing complexity in Sino-Indian relations will have a profound impact on the international order in the coming decades as the two countries juggle traditional rivalry with points of convergent interest.

*China and India as a rising power relationship and implications for future research*

What is clear about the current state of the Sino-Indian relationship is that it remains highly asymmetrical in almost all spheres. For example, although bilateral trade continues to increase exponentially, the balance of trade remains strongly in favour of China. Similarly, China’s military spending greatly outweighs India’s, as does its influence in regional and international political and economic groupings. It is important to recognise this asymmetry when examining interactions between China and India, because it has a significant impact on the relationship.

Robert Keohane notes that cooperation requires compromise by one or all parties involved (as distinct from harmony, which requires no compromise; see Keohane, 1984: 51), and as such can be and often is an asymmetrical action where only one party compromises. There is often the assumption, however, that rivalry must be an action undertaken by both parties, which overlooks the idea of one-sided competition where one party bases its actions on competitive impulses whereas the
other does not. This is the case in the Sino-Indian relationship, where economic, political and military rivalry tends to be just as asymmetrical as other areas of the relationship. Competition for influence in areas such as Burma is driven strongly by India, and strategic debate in India is increasingly concerned with countering the “China threat”, either along the disputed border or in the Indian Ocean. In China, however, the primary concern is the US, and at this stage China appears to have little interest in competing with India. This may change in the future as India grows in power and thereby forces China to take notice of it as a significant regional and international player – a change which is already beginning to take place – but for the moment the asymmetry of the relationship remains.

This places the relationship within an interesting context. Power transition theory provides a reasonable framework for explaining China-US relations in terms of a dominant power and a challenger, but it is not able to adequately deal with the China-India situation of two powers which are both rising and increasingly able to affect the international order, but where one is for the moment considerably more powerful than the other. Similarly, multiple hierarchy theory – Douglas Lemke’s modification and application of power transition theory to minor powers – is able to examine China and India in the context of regional hierarchies and possible challenges to their power from within their own region, but fails to examine relations between regionally dominant powers. This study has thus modified the existing power transition model by adding a new perspective on power transition dynamics in international relations. First, it has shown that the supposition that rising powers must be either enemies or allies is not necessarily true – it is possible for both rivalry or even conflict and cooperation to exist simultaneously within a relationship. Indeed, in the case of China and India the two countries have been able to cooperate in a global governance context (the 2009 UN Climate Change Summit) whilst simultaneously engaging in serious military rivalry along their disputed border. Secondly, this project illustrates that the relationship between these two rising powers actually affects the relationship between the dominant power (the US) and the most likely challenger (China), as can be seen in the situation in South Asia, where China is becoming increasingly concerned about the US’s relationship with India. Even as the China-US relationship is becoming increasingly economically interdependent, concerns about an impending power transition have led to animosity and have seen the US drawing closer to India as a hedging strategy against China, yet at the same time have also seen
India and China cooperating in certain contexts against “developed nations” (headed by the US) in order to further their own interests. Thus this research has shown that it is imperative that rising power relations are better understood, because they invariably also impact on more traditional “dominant power-challenger” relations. It has not aimed to produce a new model of power transition theory, but rather has expanded the original model by broadening the focus from the relationship between a dominant power and a single challenger, to how rising powers interact and the way this also affects relations with the dominant power.

This study has also provided an empirical overview of relations between two regionally dominant powers which are increasingly encroaching on each other’s spheres of influence, and could thus provide a foundation for the extrapolation of this idea in the context of multiple hierarchy theory. Examining the relationship between rising powers is also important because if rising powers engage in either cooperation or rivalry/conflict it has serious implications for the international system. There is thus considerable scope for future research examining how relations between rising powers impact on the international system at times of transition, which could, for example, take the form of a comparative historical study using this research on China and India as a starting point.

Another possibility for a future project based on this research is examining the role of geography in rising power relationships. The location and geopolitics of China and India means that their strategic interests and spheres of influence overlap to a large extent, which makes both cooperation and rivalry risky. Determining the influence of geography and geopolitics on rising power relationships is outside the scope of this current study, but could be the basis for a future research project, using the research on Chinese and Indian interactions conducted in this study as a starting point, and could also be a means of testing an observation that has arisen from this research. This observation, which needs to be examined and tested more fully, is that it appears that rivalry between China and India is more likely to exist in areas which are considered militarily or strategically significant, such as the Indian Ocean, Burma and the Sino-Indian border, while cooperation is more likely to exist in areas which are less salient, for example in Central Asia. In terms of institutional interactions, similarly cooperation is more likely to occur in areas where military or strategic considerations are relatively far-removed, such as trade issues or climate change, while rivalry is more likely in forums related to military, security or strategic issues
such as the UN Security Council and the Nuclear Suppliers’ Group. Although these propositions and conclusions are obviously quite generalised at present, they demonstrate the way in which this broad examination of the Sino-Indian relationship is both able to contribute to a better understanding of rising power relationships and also provide a bedrock for future research projects, both theoretical and empirical.

An ancient Indian parable, which has been enthusiastically embraced in China and throughout South-East Asia, tells of three blind men discovering an elephant. The first, after feeling the elephant’s leg, declares that an elephant is like a pillar. The second, touching the tail, believes an elephant to be like a rope, while the third feels the trunk and claims that an elephant is actually like a tree branch. By limiting the characterisation of the Sino-Indian relationship to one of simple rivalry we risk becoming like the blind men. Just as the elephant is more than the sum of its parts, so too is the relationship between these two populous, diverse, unpredictable and fascinating nations. Appreciating this complexity is the first step to understanding the profound impact this relationship is already having and will continue to have on the international order in coming decades.
# Appendix A: List of Interviewees

*Indicates female interviewee

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Location</th>
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<tbody>
<tr>
<td>Banerjee, Indranil (Mr)</td>
<td>Observer in Uzbek elections; founder and Executive Director of SAPRA India Foundation (think-tank focused on national security in Central Asia)</td>
<td>Delhi</td>
</tr>
<tr>
<td>Basrur, Rajesh (Prof)</td>
<td>Associate Prof, RSIS, NTU, interests in South Asian strategic studies</td>
<td>Singapore</td>
</tr>
<tr>
<td>Bhadrakumar, M.K. (Amb)</td>
<td>Former Indian career diplomat who has served in Pakistan, Uzbekistan, Afghanistan and Moscow.</td>
<td>Delhi</td>
</tr>
<tr>
<td>Chakrabarti, Sreemati (Prof)*</td>
<td>Head, Dept of East Asian Studies, DU; Director, Institute of Chinese Studies</td>
<td>Delhi</td>
</tr>
<tr>
<td>Cheng Ruisheng (Amb)</td>
<td>Former Chinese Ambassador to India (1991-94)</td>
<td>Shanghai</td>
</tr>
<tr>
<td>Das, Gautam (Colonel, ret'd)</td>
<td>Ret'd Indian Army colonel who worked in border areas; now author with interest in Chinese military, Tibet question, Central Asia (Afghanistan)</td>
<td>Delhi</td>
</tr>
<tr>
<td>Ding Xiaoxing (Prof)</td>
<td>CICIR, Central Asia specialist</td>
<td>Beijing</td>
</tr>
<tr>
<td>Dutt, V.P. (Dr)</td>
<td>Former Member of Parliament; former Pro-VC, DU; Distinguished Fellow, Institute of Defence Studies and Analysis</td>
<td>Delhi</td>
</tr>
<tr>
<td>Dutta, Mondira (Prof)*</td>
<td>Associate Professor, Centre for South, Central, Southeast Asian and Southwest Pacific Studies, School of International Studies, JNU</td>
<td>Delhi</td>
</tr>
<tr>
<td>Gopinath, Meenakshi (Prof)*</td>
<td>Principal, Lady Shri Ram College for Women, DU; professor of political science</td>
<td>Delhi</td>
</tr>
<tr>
<td>Gupta, Ranjit (Amb)</td>
<td>Retired Indian ambassador; Member, National Security Advisory Board; Visiting Fellow, Institute of Chinese Studies</td>
<td>Delhi</td>
</tr>
<tr>
<td>Hu Shisheng (Mr)</td>
<td>Director of South Asia studies, China Institute of Contemporary International Relations, think-tank associated with the Ministry of State Security</td>
<td>Beijing</td>
</tr>
<tr>
<td>Hu Zhiyong (Mr)</td>
<td>China-South Asia division, Shanghai Academy of Social Sciences</td>
<td>Shanghai</td>
</tr>
<tr>
<td>Jaishankar, S. (Amb)</td>
<td>Current Indian Ambassador to China (2009-present)</td>
<td>Beijing</td>
</tr>
<tr>
<td>Joshi, Nirmala (Prof)*</td>
<td>Head of India-Central Asia Foundation and fellow of Centre for Russian, Central Asian and East European Studies in the School of International Studies, JNU (now retired)</td>
<td>Delhi</td>
</tr>
<tr>
<td>Name</td>
<td>Title/Role</td>
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<tr>
<td>Kondapalli, Srikanth</td>
<td>Associate Professor of Chinese Studies, JNU</td>
<td>Delhi</td>
</tr>
<tr>
<td>Krishnan, Ananth (Mr)</td>
<td>Beijing correspondent for <em>The Hindu</em> newspaper</td>
<td>Beijing</td>
</tr>
<tr>
<td>Li Li (Dr)*</td>
<td>CICIR, India specialist</td>
<td>Beijing</td>
</tr>
<tr>
<td>Menon, Shivshankar (Amb)</td>
<td>Current Indian National Security Advisor, former Foreign Secretary, former Indian ambassador to China (2000-2003)</td>
<td>Delhi</td>
</tr>
<tr>
<td>Muni, S.D. (Prof)</td>
<td>Visiting Senior Research Fellow, ISAS, Indian foreign and strategic policy</td>
<td>Singapore</td>
</tr>
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