India and China: Conflict and Cooperation

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Not much has changed in the rhetoric of Sino-Indian relations since Mao Zedong, speaking in 1951 in honour of the first anniversary of India’s constitution, declared that ‘excellent friendship’ had existed between the two countries ‘for thousands of years’. Yet few of the lofty proclamations made by Indian and Chinese leaders over the years truly reflect the reality of relations between the neighbours. It is surprising that two states with such a rich and sometimes fractious history, including a border conflict in 1962, should have what appears to be a largely reactive relationship. But neither has developed a grand strategy with regard to the other. An unshakeable and largely unprofitable preoccupation with the past on the Indian side, and an equally intense preoccupation with domestic consolidation on the Chinese side, have left the relationship under-tended. It might best be seen as one of geostrategic competition qualified by growing commercial cooperation. And there is some asymmetry: China is a more fraught subject in Indian national debates than India is for China. China does not appear to feel threatened in any serious way by India, while India at times displays tremendous insecurity in the face of Chinese economic success and military expansion.

To outsiders, India and China show some striking similarities. Both are ancient civilisations reincarnated as modern republics in the mid twentieth
century, and are now rising powers. Both have nuclear weapons, burgeoning economies, expanding military budgets and large reservoirs of manpower, and seem to be vying for influence in the Indian Ocean, the Persian Gulf, Africa, Central Asia and East Asia. Yet little attention is paid to the relationship between them. Most scholarship has focused on Beijing’s relations with the United States, Japan and East Asia or New Delhi’s relations with Pakistan, South Asia and the United States. Whereas Sino-US ties are often cast as a one-to-one contest for global pre-eminence, moreover, the Sino-Indian relationship is more often seen in terms of the countries’ interactions with extraneous actors such as the United States, Pakistan and other South Asian nations. It is also defined by contrasting polities and models of development, with the parties silently competing not just for capital, resources and markets, but also for legitimacy in the arena of great and emerging global powers.

**From enthusiasm to uncertainty**

The modern Sino-Indian relationship has been marked by four distinct phases. Purported friendship and ideological congruence around anti-imperialist foreign-policy objectives from 1950 deteriorated into a bitter yet brief border conflict in 1962, followed by a Sino-Indian ‘Cold War’. Bilateral normalisation efforts after 1976 led to attempts to address differences through dialogue. This was by no means easy, given Indian sensitivities, frequently expressed in the media and in parliament. In 1998, India pointed to China as the justification for its second round of nuclear tests (the first had occurred in 1974). Although this might have been expected to create significant tensions between the two nations, economic relations have since intensified. Nonetheless, the period from 1998 onward remains one of uncertainty and occasional antagonism, marked by China’s full emergence as a global power and the courting of India by other powers, not least the United States, as an important nation not just in its own right but also as a potential counter-weight to Chinese power and regional influence.

India and China started off on a friendly footing soon after their formation as republics. This 1950s entente, epitomised by the popular Hindi slogan *Hindi Chini Bhai-Bhai* (Indians and Chinese are brothers), was grounded in
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the countries’ shared sense of having cast off the imperialist yoke through long, albeit completely different, struggles. Both espoused a shared responsibility to lead countries newly emerging from colonisation in a quest for peace and prosperity against the treacherous backdrop of US–Soviet rivalry. As late as 1962, at the height of the India–China border dispute, Chinese Premier Zhou Enlai reminded Indian Prime Minister Jawaharlal Nehru: ‘Our two peoples’ common interests in their struggle against imperialism outweigh by far all the differences between our two countries. We have a major responsibility for Sino-Indian friendship, Asian–African solidarity and Asian peace.’

Despite this common ground, there were marked differences in the ideologies of the two great leaders, Mao and Nehru, who controlled the foreign policies of their respective nations. Mao had led a militant movement that armed and mobilised the Chinese peasantry to win a civil war and establish the People’s Republic of China (PRC). Nehru, on the other hand, had, alongside Mahatma Gandhi, led a movement that won an unlikely victory against British colonialism through nonviolent resistance. Nehru chose a foreign policy of non-alignment while Mao adopted a policy of formal, if intermittent, support for international revolution.

India and China, however, could not share the mantle of leading the newly independent colonies of Asia and Africa for long. At the first Afro-Asian Conference at Bandung, Indonesia, in 1955, Nehru took great pride in introducing Zhou to other leaders as if India were, in the words of scholar Manjari Chatterjee Miller, a ‘public mentor and introducer of China into the group of developing nations’. Much later, Zhou would comment to a group of journalists that he had ‘never met a more arrogant man’ than Nehru. At Bandung, China is reported to have reached a ‘strategic understanding with Pakistan founded on their convergent interests vis-à-vis India’. This laid the foundation for one of the twentieth century’s most enduring alliances, which is still intact. After Bandung, the emerging competition between India and China contributed to an increasingly strained bilateral relationship that...
was soon put to the test in addressing a serious irritant: the Sino-Indian border.

While some have traced the roots of the Indo-Chinese border dispute to a much earlier period, its immediate antecedents lay in the Chinese invasion of Tibet in 1950. This created significant tensions in India, which had strategic interests in Tibet and ‘spiritual bonds’ with Tibetan civilisation stretching back almost two millennia. Writing at the height of the Sino-Indian border conflict, Indian analyst P.C. Chakravarti expressed India’s fears: ‘Any strong expansionist power, entrenched in Tibet, holds in its hands a loaded pistol pointed at the heart of India’. Although India officially acquiesced to the Chinese occupation of Tibet, declining to support the Tibetans at the United Nations or to expand the scope of conflict, it did lend limited material support to Tibetan rebels.

Controversies soon emerged regarding the Indo-Tibetan border, and the Sino-Indian border in general. Two areas were of particular concern: the eastern sector (145,000km²), which the Indians called the North East Frontier Agency (NEFA) and which the Chinese viewed as South Tibet; and the western sector (34,000km²), which included most prominently the Aksai Chin plateau, bordering Kashmir, Xinjiang and Tibet. In 1958, it emerged that the US Central Intelligence Agency and Chiang Kai-shek’s agents were financing and training Tibetan rebels in Indian territory. In March of 1959, following an uprising against Chinese rule in Tibet, the Dalai Lama fled to India. In pursuit of Tibetan rebels, Chinese forces came up against and clashed with the Indian Army at Longju. In April 1960, Zhou came to New Delhi for talks with Nehru, which were unsuccessful.

In November 1961, India launched a more overtly confrontational ‘forward policy’, establishing military posts north of existing Chinese positions in the disputed territories in an attempt to cut off Chinese supply lines and force a withdrawal. This approach was reinforced in April 1962, when China was reeling under the disastrous impact of the Great Leap Forward, facing threats of military invasion from Taiwan and involved in a proxy conflict with the United States in Laos. By July, however, these international challenges were resolved and China focused its energy on countering India’s actions. China attacked Indian positions in both the eastern and western
sectors on 20 October 1962, much to New Delhi’s surprise. Nehru appealed to the United States for assistance, which President John F. Kennedy was quick to provide. An American aircraft carrier was dispatched to the Bay of Bengal, but was recalled almost immediately when, on 21 November, China unilaterally declared a ceasefire and withdrew to the positions it had held prior to the beginning of the dispute. The war had ended in 31 days with a comprehensive victory for the Chinese.

The Sino-Indian war is often cited as a watershed moment in Indian foreign policy, after which Nehruvian idealism began to give way to the pragmatic impulses of subsequent administrations. After the war, India began to align itself more closely with the Soviet Union, which had begun to split from
China within the international Communist movement; meanwhile, China and Pakistan developed closer ties. In 1964, China conducted its first nuclear test, at Lop Nor, which provided impetus for India’s own successful ‘peaceful’ nuclear test at Pokhran ten years later. The 1965 India–Pakistan war was a litmus test of the already established US–Pakistan relationship as well as the new Sino-Pakistani relationship. When the United States declared neutrality and blocked military transfers to both India and Pakistan, Islamabad turned to Beijing for assistance, which it provided in generous quantities. When war broke out, China came down heavily on Pakistan’s side and threatened to open a front with India on the Sikkim border. US diplomatic intervention and a United Nations resolution calling for a ceasefire were ultimately necessary to discourage Chinese intervention.

In 1967, as Mao’s Cultural Revolution took hold, India and China again exchanged artillery fire in the eastern sector of their disputed border. Chinese forces clashed with Soviet troops in 1969, the same year Beijing began to coordinate with Pakistan to supply arms, training and funding to insurgents in India’s northeastern region – activities that China had been engaged in since 1962. As the Cultural Revolution subsided, Washington began cultivating ties with China through Pakistan. During the 1971 unrest in East Pakistan, India faced tremendous pressure from both the United States and China, driving Prime Minister Indira Gandhi to seek a military alliance with the Soviet Union. From that point on, until the thawing of the Cold War, India and China were on opposing sides of a global rivalry. The US–Chinese rapprochement brought UN membership and a permanent seat on the Security Council for Beijing. India responded to China’s new global status with its 1974 nuclear test and the annexation of Sikkim the following year, provoking loud Chinese protests. In 1976, China signed an agreement on nuclear cooperation with Pakistan, though it did not follow through until 1981.

Soon after Deng Xiaoping assumed leadership in 1978, the country declared it would no longer support insurgencies in India’s northeastern states. This was in keeping with a wider paradigm shift in China’s inward and outward orientation. Deng’s foreign policy, based on the principle of *Tao Guang Yang Hui* (‘Hide Brightness, Nourish Obscurity’) prescribed an
internally oriented programme of building up domestic economic strength and disentangling the country from international conflicts. Yet Sino-Indian rapprochement remained uneasy, frequently falling victim to temporary changes in the international and bilateral climate, and to domestic politics. During the brief interlude of India’s Janata government in 1979, then Foreign Minister Atal Bihari Vajpayee paid a historic visit to China. Unfortunately, the visit coincided with the Chinese ‘Pedagogical War’ with Vietnam and caused Vajpayee much embarrassment. A Sino-Indian border-dialogue process initiated in 1981 quickly turned sour, culminating in a large-scale military stand-off between India and China in the eastern sector at Sumdurong Chu in 1986–87.

This impasse was eventually resolved, and Indian Prime Minister Rajiv Gandhi visited China in December 1988, during which he reversed the decades-old Indian stance that resolution of the border dispute was a precondition for the normalisation of relations, and admitted that some members of the Tibetan community residing in India were engaged in anti-China activities. The pace of bilateral visits back and forth accelerated, resulting in new agreements to cooperate on the border issue and in other areas. These agreements established a foundation for greater economic cooperation that withstood the shock of India’s May 1998 nuclear tests.

Immediately following the tests, Washington leaked a letter from Prime Minister Atal Bihari Vajpayee to President Bill Clinton that justified India’s action in terms of the Chinese nuclear threat and its nuclear assistance to Pakistan. Ten days prior to the tests, Indian Defence Minister George Fernandes had declared during an interview that China was ‘potential threat number one’. New Delhi’s message seemed loud and clear, but after some strident criticisms of the tests and India’s justifications, Beijing quickly resumed relations with its neighbour. A critical test of China’s new approach was the Kargil conflict between India and Pakistan in 1999, during which Beijing assured Indian Foreign Minister Jaswant Singh of its neutrality. Indeed, China’s statements on the Kashmir issue and other conflicts between India and Pakistan since the 1990s have called for their bilateral
resolution, a marked change from China’s stance during the India–Pakistan wars of 1965 and 1971.

The new millennium saw the resumption of high-level diplomatic exchanges despite intermittent crises in the relationship. In 2000, the seventeenth Karmapa, considered by many Buddhists as the third most senior cleric of their faith, fled from Tibet to India against the wishes of the Chinese government. Nonetheless, high-level visits continued. In 2005, Chinese Premier Wen Jiabao officially recognised Sikkim as part of India and seemed to acquiesce in India’s bid for a permanent seat in the UN Security Council (though China’s subsequent refusal to explicitly endorse India’s bid at a meeting of the foreign ministers of Brazil, Russia, China and India in mid 2008 belied this understanding). 20

2006 was declared ‘India–China Friendship Year’ and celebrated by the exchange of dignitaries and a year-long programme of cultural events. Significantly, the Nathula trading pass on the Sino-Indian border in Sikkim was reopened. Sino-Indian trade was worth almost $38 billion in 2007 (and an estimated $50bn in 2009), up from $117 million in 1987. 21 In December 2007, India and China hosted their first-ever joint military exercises. In January 2008, Indian Prime Minister Manmohan Singh reaffirmed with Chinese President Hu Jintao and Premier Wen Jiabao that their countries enjoyed a ‘shared vision on the 21st century’. 22

In 2009, India–China trade overtook India–US trade in value, 23 making China India’s top trading partner.

Irritants continue to plague the relationship, however, particularly where the border is concerned. In 2007 China refused to grant a visa to a government official from the Indian state of Arunachal Pradesh, which constitutes part of China’s territorial claim in the eastern sector, on the grounds that he was in fact a Chinese citizen. The official was part of a group of 107 officers scheduled to visit China on a study tour. In retaliation, the Indian government cancelled the entire visit. 24 In 2008, Prime Minister Singh invited Chinese displeasure by visiting Arunachal Pradesh, and President Pratibha Patil’s recent visit to the state and to Tawang, a site of confrontation in 1962, aroused similar complaints. 25

Chinese opposition to the use of an Asian Development Bank loan to India for projects in Arunachal Pradesh revived tension between the two countries in mid 2009 that the new Indian Foreign
Minister S.M. Krishna sought to calm by announcing that India would henceforth raise funds for that state internally.\textsuperscript{26}

\textbf{The current dynamic}

Underlying many views of the Sino-Indian relationship is the notion that two rising powers with rapidly growing economies and global ambitions cannot peacefully co-exist at such close quarters. Where spheres of influence overlap there is competition, as in the cases of Nepal and Myanmar. Standard realist accounts argue China is unwilling to permit the emergence of India as a power beyond South Asia. In the past China has built alliances and partnerships with countries in the Indian periphery, most notably Pakistan, but also Myanmar, Nepal, Sri Lanka, Bangladesh and, more recently, Afghanistan.\textsuperscript{27} Combined with the Chinese presence in the Indian Ocean region, this has created some concern among Indian policymakers of strategic encirclement.\textsuperscript{28} Still, India has been cautious and, in all but naval strategy, circumspect about countering China’s moves. New Delhi continues to follow a one-China policy favouring Beijing, despite growing military exchanges with Taiwan.\textsuperscript{29} India’s Look East policy, a serious attempt to correct the conceptual drift in India’s approach to Asia beyond China, has resulted in substantially growing economic relations with Singapore, Vietnam and Indonesia. Yet India has refrained from seeking out strategic alliances in either East or Southeast Asia.

\textit{Security concerns}

The Sino-Indian border dispute is long running and fairly intractable, despite shows of flexibility in the past. It periodically prompts both sides to rake up decades-old grievances. Yet India and China have taken meaningful steps towards an institutionalised process for its resolution. Since 1988 they have for the most part managed to separate border issues from the overall bilateral relationship. The long-standing relationship between China and Pakistan presents a further obstacle to closer ties between China and India. However, China has begun to adopt a more even-handed stance, evident during the Kargil War, the attack on the Indian Parliament in 2001, and the 2008 terrorist attacks in Mumbai. The underlying logic is that Pakistan’s
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growing instability and India’s growing power compel China to take a middle path.

China’s nuclear and missile-technology assistance to Pakistan is of particular concern to India. Future tensions between India and Pakistan could fuel a nuclear arms race on the subcontinent. In light of the Mumbai attacks and setbacks for the Pakistani government’s efforts to contain Islamist influence in the country, however, it would be surprising if Beijing were not becoming somewhat wary of Islamabad, given unrest in its own Xinjiang region and the country’s persistent fear of terrorism. Moreover, the prospect of nuclear or military conflict between India and China is diminished by the sizeable gap in capabilities between the two.

Tibet is a significant security concern. Indian parliamentarian and author Arun Shourie argues that ‘India’s security is inextricably intertwined with the existence and survival of Tibet as a buffer state and to the survival and strengthening of Tibetan culture and religion’. For India, the Chinese role in Tibet presents both a threat and a tactical opportunity. The presence of the Dalai Lama and thousands of Tibetan refugees in India sometimes allows New Delhi to indirectly apply pressure on Beijing, just as China’s policies toward Pakistan sometimes do to India. This lever is not often used, however. In 2008, the Indian government took great pains to ensure that Tibetan protestors did not cause any embarrassment to Beijing during the passage of the Olympic Torch through New Delhi. On the other hand, at the height of tensions between the two countries over border issues during autumn 2009, a visit by the Dalai Lama to the Buddhist temple community in the disputed Tawang, nestled in northwestern Arunachal Pradesh, can only have been perceived as provocative by Beijing.

Perhaps the biggest challenge to Sino-Indian rapprochement, and a source of impetus, is the rapidly improving US–Indian relationship. While a much-improved relationship with Washington has helped India counter the traditional pro-Pakistan tilt in US foreign policy, it has also made Sino-Indian rapprochement a greater priority for Beijing. This echoes some of the history of Chinese overtures towards India in the 1970s, which were likely made in part with an eye to diminishing Indo-Soviet cooperation. As the global contest for influence between the United States and China
intensifies, India is likely to become an important factor in this strategic triangle.

US approaches to China oscillate between policies of containment and engagement. The former has given birth to a new triangle between the United States, India and China, whereby Washington cultivates closer ties with India, as an established democracy and as a regional bulwark against a potentially aggressive, communist China. On the other hand, the Obama administration’s approach to China has reinvigorated engagement enthusiasts in Washington. Indian commentators have observed with some alarm the renewed cooperation between China and the United States in tackling the global economic crisis, as well as increased US–Chinese interdependence resulting from Chinese creditors holding large amounts of US Treasury Bills and US debtors providing the single largest market for Chinese manufactured goods. This has prompted some to question the logic of picking a side in the unpredictable Sino-US relationship.

Ultimately, neither China nor India stands to gain from sparking a regional conflict. Both nations are deeply engaged in the domestic sphere, including generating economic reform, maintaining state legitimacy and juggling ethno-nationalism. Even the ostensible machinations of the United States have done little to hamper the current upswing in Sino-Indian relations. In some key international forums, including those addressing climate change, trade, labour laws, arms control and human rights, China and India have found common ground in countering Western positions, though their tactical alliances have often proved unstable in the heat of negotiation.

India’s best-case scenario would appear to be an interests-based balancing act between the United States and China. At worst, India could face conflict with China in the medium term or be left out in the cold as the US and China become closer. In any event, India’s hitherto prudent policy of measured engagement with all the major powers is more likely to pay off than bold moves it can ill afford financially at a time when domestic necessities continue to preoccupy its people and politicians.
Economic concerns

China and India are both net importers of crude oil, and both are seeking to diversify their energy supply through natural gas. This has the potential to cast them in direct competition for natural resources from Central Asia and the Persian Gulf. Yet so far both countries have mostly relied on market mechanisms and resisted any temptation to pursue a strategy hinging on exclusive access to supplies.\(^{39}\) This has allowed them to collaborate in Central Asia and the Persian Gulf, securing sea lanes as delivery channels, and participating in consortiums for exploration and extraction rights in certain areas. In January 2006, India’s Oil and Natural Gas Corporation and the China National Petroleum Corporation decided to bid jointly for energy projects in some regions. Both nations also harbour the potential to produce and benefit from non-conventional energy generation. In commodities, China and India account for almost 50% of Africa’s exports to Asia, as well as its imports from Asia.\(^{40}\) Economic competition in developing-country markets and the struggle for political-economic ties with African governments could conceivably set off a scramble for resources and markets in the region. On the other hand, the major exports from Africa to China and India today (oil and natural gas to China, ores and metals to India) do not overlap.

There is some competition among Chinese and Indian producers in export markets for such goods as textiles, garments, leather goods and light machinery.\(^{41}\) China’s accession to the World Trade Organisation could potentially have long-term adverse consequences for the growth of Indian exports in these sectors,\(^{42}\) and China’s better and growing integration into global production networks for manufactured goods could have negative implications for India’s exports in general. However, the top 25 exports of China and India in 2004 were almost entirely non-overlapping, and India has excelled mainly at trade in services in the recent past, suggesting that China’s trade impact on India will be less pronounced than some have predicted.\(^{43}\) It is also possible that other Indian export sectors will expand to partially offset declines in India’s relative economic welfare.\(^{44}\) Moreover, growing trade relations between India and China are likely to have a positive effect on bilateral relations. The low politics of trade could foster greater cooperation between the two nations, and not just in the economic realm.\(^{45}\)
Identity and perceptions

There is a very clear sense in both China and India that their civilisational greatness entitles them to great-power status. In his Budget Speech of 1991, then Indian Finance Minister Manmohan Singh asserted that the emergence of India as a world economic power was ‘an idea whose time has come’, a remark that is often quoted. China, meanwhile, is often said to retain a Confucian notion of itself as ‘the Middle Kingdom’ around which international relations ought to be ordered. This perception is compounded by the Chinese nationalist narrative of the ‘century of humiliation’, a period extending from the First Opium War until the creation of the People’s Republic, and featuring serial national humiliations at the hands of foreign imperialist powers, especially Japan. Some worry that competing conceptions of inherent historical and contemporary greatness among Chinese and Indian policymakers could prove difficult to reconcile in day-to-day relations.

It would be easy, however, to overestimate how much China’s and India’s claims to more international clout could contribute to regional conflict. Although China has essentially achieved great-power status, its foreign policy is notably and pointedly oriented towards maintaining regional stability and creating conditions for China’s ‘peaceful rise’. Analysts have characterised China’s new diplomacy as ‘less confrontational, more sophisticated, more confident, and, at times, more constructive’ in its approach to regional and international affairs than it has been in the past. At the domestic level, modern Chinese nationalism has been called ‘pragmatic’: it is instrumental and reactive, preoccupied with holding the nation together, in part through a strategy of rapidly accelerating growth, rather than with hostility to others. China’s leaders are acutely aware of the dangers that await should the patriotism of their citizens become ‘virulent ultranationalism’.

Contemporary Indian politics and foreign policy evince a similar pragmatic strain, though occasional Indian stridency in multilateral forums stands in contrast to China’s more targeted and restrained interventions. India is not as convinced of its historical uniqueness as it once was, and prefers to cast itself officially as an ordinary if significant nation tending to the imperatives of its economic development rather than a country obsessed by the quest for great-power status. Economic prosperity is seen by most
Indians as the key to India’s attainment of greater power in the years to come. This approach has favoured the normalisation of traditionally antagonistic relationships with neighbouring countries and a greater commitment to international institutions that might legitimise its emergent status.

Sino-Indian perceptions of each other are somewhat more problematic. A 2006 Pew Global Attitudes Survey found that 43% of Chinese had an unfavourable opinion of India, while 39% of Indians had an unfavourable opinion of China. China’s growing military power was, according to 63% of Indians, a ‘bad thing’ for their country, while 50% said the same about China’s growing economic power. At the same time, 65% of Indians said that China would replace the United States as the dominant power sometime in the next 50 years.\textsuperscript{54} Public opinion is one thing; more relevant perhaps is the perception (and potentially a self-fulfilling prophecy) among some members of the Indian foreign-policy establishment of a ‘China threat’. Eminent Indian foreign-policy analyst C. Raja Mohan describes India’s China policy as standing on three legs: ‘say nice things in public about Sino-Indian friendship, Asian unity and anti-Western solidarity; nurse intense grievances in private; and avoid problem solving because that would need a lot of political courage’.\textsuperscript{55} Political debate in India complicates matters further, with pillars of the Right and Left respectively vilifying and eulogising China to the exclusion of more sensible and nuanced assessments of the relationship that naturally do not receive as much airplay. On the border issue, sophisticated, up-to-date analyses of the China–India relationship are often drowned out in Indian public debates by revanchist voices.\textsuperscript{56} This increases the likelihood of a China policy driven by misperception and miscalculation.

**Looking forward**

The unconnected nature of China’s and India’s rise is striking. Bilateral trade, while growing fast, is a small share of overall trade for both countries. Major strategic partnerships have been made with third parties, including Pakistan and the United States. Societal interaction between the two nations is still negligible, though tourism is growing and interpersonal connections related to trade between the two countries are also increasing. Direct flights
between India and China, however, only began in 2002, and in 2007, the two nations, with a combined population of over 2 billion, exchanged a paltry 570,000 visitors.

Equally striking has been the remarkably poor understanding until very recently among each country’s respective foreign-policy circles of the other’s history, society and contemporary policy. In India, many assessments are firmly bounded by the past, with no deep understanding of (or interest in) the drivers of Chinese policy today. In the words of former Indian Army Chief Shankar Roychowdhury, ‘though much water has flowed down the Tsangpo since [the Sino-Indian border war], India’s “1962 syndrome” is unaltered’. Only modest academic attention has been paid in India to China, especially compared to Chinese efforts to understand India.

As a result, the modern history of Sino-Indian relations has been less about China and India than it has been about extraneous actors such as the United States, the Soviet Union and Pakistan, and multilaterally managed issues such as non-proliferation and climate change. There has been little effort until very recently to engage in an in-depth, widely gauged Sino-Indian dialogue. Such a dialogue cannot be based on fantasies about purported similarities between China and India (which are sometimes rooted in conceptions of shared Asian characteristics). India and China are probably today more different than they have ever been, both as societies and as economies. The main coincidence between the two countries is their parallel pursuit of domestic consolidation, with foreign-policy pragmatism underpinning aspirations to great-power status.

One important wild card could be domestic sub-nationalism, which afflicts both China and India, but with different characteristics and consequences. India has survived as a nation by cobbled together a sometimes conciliatory and often weak political and security response to various insurgencies and separatist movements. China, on the other hand, still very much relies on the heavy hand of the state to suppress such uprisings, as seen in Tibet in 2008 and Xinjiang in 2009. Ethnic unrest in China’s peripheral territories – Xinjiang, Tibet, Taiwan, Manchuria, Mongolia – has historically been a major vulnerability for the Chinese state, as such episodes could possibly invite foreign involvement. Moreover, the legitimacy of China’s leader-
ship is often questioned at such moments, posing a threat to the future of the ruling Communist Party. Thus, while the prospect is remote, Tibet could conceivably ignite a future Sino-Indian conflict not because of its strategic value but because a well-organised Tibetan revolt might prompt the Chinese leadership to demand unreasonable concessions from India.

Similarly, changes in China’s economic fortunes might provoke a nationalistic turn in its foreign policy. Although Chinese leaders since Deng Xiaoping have exhibited pragmatic tendencies, seminal events such as the Tiananmen Square protests or recent events in Xinjiang could empower nativists, who prefer isolation and domestic purity. Even modest movement in this direction within China could cause major setbacks in bilateral relations with India, and set the stage for wider confrontation should, for example, a serious border incident occur. Some also fear that a sustained economic downturn could seriously undermine Sino-Indian relations by threatening the legitimacy of the Chinese state, which could motivate Chinese leaders to attempt to distract the Chinese citizenry from domestic problems by provoking confrontation further afield.

From a Chinese perspective, understanding and respecting Indian sensitivities is also vital. The future of Pakistan remains a key factor in the Sino-Indian relationship, and the future of Kashmir remains critical to the Indo-Pakistani relationship. Therefore any move by China that either intentionally or inadvertently secured gains for Pakistan on the Kashmir issue would invite much concern in India. For example, a recent decision by China to issue separate visas to residents of Indian-administered Kashmir led to a minor diplomatic stand-off. Such moves are, to be sure, contrary to the overall thrust of Chinese policy since the 1990s.

Territorial integrity has occupied the minds of India’s leaders ever since the country gained independence in 1947, when more than 500 princely states had to be incorporated into the Indian Union – a considerable task for any post-colonial state. Given this mindset, the Sino-Indian border conflict could prove particularly intractable. Since its formation, the People’s Republic has settled its borders with a number of neighbours, often making
concessions to the other party. The Indian border, however, remains contentious and a continuing source of ill will between the two nations. Initial formulations by Zhou Enlai in the 1950s had envisaged a quid pro quo settlement whereby India would drop its claims in the western sector in exchange for China’s concession of the eastern sector. This proposal was rejected by Nehru at the time, ostensibly under domestic political pressure, and again by New Delhi in the 1980s when Deng Xiaoping revived the plan. Today, even unverified reports of minor Chinese incursions into disputed areas receive widespread media coverage in India, and elite opinion often responds by amplifying the China threat. Accumulated incidents of this nature might provoke an Indian reaction, driven largely by domestic political actors, that could seriously damage the relationship, though successive Indian governments have guarded against such an outcome.

While the legitimacy of the Chinese state hinges on its economic model, that of the Indian state hinges on its political model. India’s ability to manage a multitude of divergent interests and competing claims on state resources within a democratic polity have earned it considerable international political capital. In recent years, India’s democratic credentials have allowed it to enjoy disproportionate gains from multilateral regimes, particularly in nuclear technology, relative to its level of socio-economic development. Bolstered by a booming economy, India today stakes a strong claim to being a vibrant and productive (if often chaotic and internally violence-prone) democratic society. If India’s domestic political fortunes were to change, possibly through the rise of more extreme political ideologies, relations with China would likely deteriorate. Similarly, an upsurge in extremist or separatist violence in India’s peripheral regions, or of Maoist-style Naxalite violence aimed at the Indian state, might prompt domestic analysts and policymakers to point to Pakistani–Chinese involvement.

The greatest threat to the Indo-Chinese relationship arises from widely differing views of the history and ultimate destiny of Tibet. For China, India’s recognition of Tibet as part of China seems grudging and conditional. And its role as host of the Dalai Lama and his ‘splittist clique’, to use Beijing’s colourful phrase, could appear to some Chinese as a threat to their country’s cohesion. For India, Chinese repression in Tibet is painful,
and many Indians hope it will ultimately prove futile. Careful management by both capitals will be required to prevent developments relating to Tibet from undermining the wider China–India relationship.

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India and China find themselves on the cusp of history. China’s rise, reinforced by a very difficult decade for the United States, is obvious to all. Beijing has played its cards prudently while carving out a larger role for itself in the management of the global economy. Its military investments and might continue to grow, but appear aimed mainly at overall deterrence and the containment of Taiwan. Its designs in the Indian Ocean, while fuelling Indian anxieties, do not yet seem central to Beijing’s wider objectives. India’s own achievements (economic and otherwise), while impressive, in no way match China’s. India’s overwhelming challenge remains, as Prime Minister Singh never fails to point out, the fight against poverty, but Indian state capacity has been woefully inadequate to the task. Innovative approaches introduced in recent years to boost rural incomes and to short-circuit opportunities for corruption do, however, give reason to hope.

The two rising Asian powers are helping shape a new distribution of global power, as demonstrated not just by their growing prominence within the machinery of multilateral economic and security diplomacy (both, for example, are members of the G20) but by the ardour with which they are courted by other international actors. A new world order seems to be emerging in which China, the United States, a declining or at least static Russia, and India, with Brazil not far behind, all speak internationally with authority on many issues, while EU members struggle to find a common voice.

And yet, beyond the recognition of its status as a meaningful global power, India does not yet seem to have much of a project for its global reach, while China, which might well have one, is exercising great prudence in articulating it publicly. In a genuinely multipolar world where the principal powers engage one another constantly across a wide range of issues in many different forums, India and China should be able to manage their
parallel rise without generating shocks on their own continent. A more systematic dialogue, going well beyond high-level visits and acknowledging differences instead of emphasising imagined similarities, could lay the foundations for a better understanding of the domestic compulsions that drive the two countries’ foreign policies and help both sides manage their nationalist impulses, transform public perceptions and learn to pre-empt situations before they can develop into full-blown confrontation.

Notes

2 Waheguru Pal Singh Sidhu and Jing-dong Yuan, China and India: Cooperation or Conflict? (Boulder, CO: Lynne Rienner, 2003), p. 17.
12 Garver, Protracted Contest, pp. 60–1.
14 Garver, Protracted Contest, p. 94.
15 Ashley Tellis, quoted in Susan L. Shirk, ‘One-Sided Rivalry: China’s Perceptions and Policies toward
India’, in Frankel and Harding (eds), *The India–China Relationship*, p. 79.

16 Guruswamy and Singh, *India China Relations*, p. 93.


19 Sidhu and Yuan, *China and India*, p. 32.


21 The first figure is from Sidhu and Yuan, *China and India*, p. 25; the second from the Export Import Data Bank of the Department of Commerce, Government of India, available at http://commerce.nic.in/eidb/iecntq.asp.


33 Garver, *Protracted Contest*, p. 75.

This uptick in tension was described most incisively in the Banyan column of the *Economist*, ‘Himalayan Histrionics’, 29 October 2009.


James Clad, ‘Convergent Perspectives’, in Frankel and Harding (eds), *The India–China Relationship*, p. 272.


Cerra, Rivera and Saxena, ‘Crouching Tiger, Hidden Dragon’, p. 16.

Athwal, *China–India Relations*, pp. 11–12.


*Ibid*.


Yan, ‘India–China Relations’.


Mohan, ‘The Middle Path’.


