

# Recent Trends in India-China Ties: Policy Imperatives for India

Dipankar Banerjee

## Backdrop

China remains as Winston Churchill had said, “A riddle, wrapped in a mystery, inside an enigma.” But, there is always a “key” to unravel an enigma. As China is no longer behind a “bamboo curtain” and is today totally open to the world, it is not difficult to find that key.

India’s outlook and policies on China have far too often been guided by our fears. The power of countries waxes and wanes and nations sometimes even disappear with the tide of history as did the Soviet Union, the most powerful one of the last century. Post colonial India was weak in terms of hard power. It also believed that as it had no evil desires on any country, neither would others have any against us. That was a foolish assumption and we paid for it and should have closed that chapter long ago. Yet, the memory of the 1962 War is still too much with us. Let us acknowledge that event for what it was; a defeat, no doubt, but five decades later, the world has changed dramatically and so has India. But it still clouds our thinking and affects our policies and prevents us from taking initiatives that might resolve our differences.

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Surprisingly at the popular level, there is no memory of the 1962 War in China and in this there is a great asymmetry. It is true that there are a very few, mainly retired Generals, with nothing much to do any more, who find it convenient to hang their nationalism on the peg of an anti-India posture. Most do not consider India a worthy foe and due to travel difficulties, have limited experience of India of today. Not that they would change their opinion much given the apparent difference between us today. Overall, there is more pride in China's own achievements and a certain disdain towards India based on China's perception of the comparative lack of success of India's development and growth.

### **Recent Trends in India-China Relations**

Actually, unlike popular perceptions, relations between India and China remain rather good;

- There have been numerous official visits. The top leaders have met 26 times in the last few years.
- Many cooperative agreements have been signed in a whole range of areas from security to commerce to cultural and educational exchanges and many others.
- Our bilateral trade grew from almost nil at the turn of the century, to about \$ 71 billion before falling last year to about \$68 billion. The \$ 100 billion target by 2015 may not be achieved. This deceleration in trade is worrying, but not entirely unfavourable. We supply mainly raw material to China, which we need ourselves to convert to productive assets. Our Information Technology (IT) companies and pharmaceuticals, a major strength of India, do not get a fair deal in China. We import from China about twice as much as what we export, which is not sustainable over a period.
- This imbalance can be overcome only through allowing greater Chinese participation in Indian infrastructure construction and

enabling other manufacturing industries to take roots in India as they move out of China.

- Our people-to-people contacts and visitor exchanges are easily the lowest that China has with any other nation. As a consequence, very few Chinese know about India and Indians about China.
- More Chinese travel the world today than any other nation, with the US in the second position at about 20 million people less. We also miss out on the Chinese tourist business.
- All of Asia today trades with China more than with any other country, and this allows Beijing an additional weightage in their affairs.

There are other aspects about China that will have an impact on India-China relations:

- China's soft power presence is growing around the world along with its economy, though not all of that is favourable.
- China has opened literally thousands of Confucius centres around the world and in all major countries, except in India.
- Both President Xi Jinping and Premier Li Keqiang have interacted favourably with India in 2013. Xi had a good meeting with the Prime Minister in Durban at the India, Brazil, South Africa (IBSA) meet. Li Keqiang said all the right words in India during his first trip abroad as Prime Minister in May. Both sides have strongly supported an early resolution of the border question.
- China's economy continues to grow very fast, outpacing the world by some distance. The difference with India in terms of annual Gross Domestic Product (GDP) growth has been between 2-4 percent for over thirty years, which creates an enormous gap even though we started from the same position. This gets reflected in the comprehensive national strength of our two countries.
- We have a strategic economic partnership with China, and numerous military confidence building measures. These were further

strengthened through the Agreement on Border Defense Cooperation signed in October 2013.

### **The Border**

The border between India and China remains in dispute and undelineated. The Line of Actual Control, is not mutually agreed upon and, hence, is a notional line in many places. This allows both sides to legitimately claim innumerable violations of the LAC. In turn, a vibrant media, particularly in India, searching desperately to improve TV viewership ratings, exploits this phenomenon, with scant respect for truth or propriety. In turn, this imposes pressures on the political leadership in Delhi, where none should actually exist. The reality that unlike the India-Pakistan border or Line of Control (LoC,) the India-China border is much better managed is not generally accepted. There have been no casualties here due to hostile action for over 35 years.

### **Likely Trends in Our Relations**

China's power asymmetry with us will grow, politically, economically and militarily, at least for the near future, till India gets its act together. China is a world power and a permanent member of the UN Security Council (UNSC). This allows it opportunities and capabilities to secure its core interests better and more easily than others. It also benefits China economically in its international dealings with the developing world, particularly in Africa. Yet, China has huge vulnerabilities, just like the Soviet Union in the past; but its leadership has studied this, is more aware and better equipped to counter these than Moscow was in 1990. There are no major areas where our national interests will clash so seriously as to lead to a conflict, except in Tibet. Here again, the Joint Declaration in June 2003, which recognised that the Tibet Autonomous Region was a part of the territory of the People's Republic of China and reiterated that India does not allow Tibetans to engage in anti-China political activities

in India, was a step in the right direction. If followed in letter and spirit, this should remove misunderstandings.

At the popular level and even in informed circles in India, there are misgivings. There is a generally held belief that, according to Kautilya's Mandala theory, as a neighbour, China will always remain hostile to India and an 'enemy'. That as China grows stronger, its desire to expand to the south will possibly lead to a clash of interests and even conflict. Beijing's continued reference since 2006 to Arunachal Pradesh as 'southern Tibet' reflects this potential for contestation. That China's close military support to Pakistan will inevitably lead to a two-front war scenario for India.

None of this is necessarily true, of course. Many neighbours around the world live in friendship and cooperation. If we are able to take a fresh and uncluttered view, a solution to the India-China border can be found that will meet the core interests of both. Thirdly, if we do resolve our problems with China, there should be no incentive for a war with India even in collaboration with Pakistan. Finally, all three are nuclear weapon countries, each possessing sufficient stockpiles of weapons and their delivery means to be able to inflict unaffordable damage on the others. The disincentives for war far outweigh the cause for initiating one. It is true that China's rapid infrastructural and connectivity arrangements with all our neighbours, through pipelines, expressways, fast speed trains and fibreglass high speed cable networks tend to exacerbate our sense of being encircled. The solution to this will lie in countering this capability rather than being alarmed by it.

### **Principal Vulnerabilities of China**

China's achievements in the last three decades are indeed unprecedented in world history. But, its vulnerabilities are enormous as well. What keeps the Seven Politburo Standing Committee members awake at night? There are many challenges, and finding answers to these will not be easy. Let me list only four which should be at the top of that list:

- First, how long can the Chinese Communist Party, 86 million members as of now, continue to rule a country of 1.4 billion? Today Chinese citizens confront the state in significant numbers some 200,000 times every year.
- Second, how will it manage the transition to a more plural and participatory form of governance rather than this confrontational autocratic system?
- Third, when can it end the corruption that pervades every branch of Chinese society, especially at the highest levels of the Party and which, in turn, seriously undermines its credibility? The wealthiest and most influential Chinese have actually given up on their country and have established nest eggs abroad, so that they can flee at short notice.
- Fourth, how long will it ensure that the People's Liberation Army (PLA) remains subservient to the Party and not to the nation or perhaps even to itself? Especially now when the Party leadership has just begun a campaign to limit corruption in the PLA?
- Finally comes the economic growth. Is it sustainable at 7 percent for another decade, despite resource constraints, environmental degradation and water scarcity? If not, what then are the possible consequences?

### **Policy Imperatives for India and the Strategy to Meet it**

First, what is strategy at this level? Two brief definitions are suggested, selected for their simplicity;

*“Strategy is about shaping the future”* - to meet the demands of national needs, safeguarding and enhancing national interests.

*“Achieving desirable ends with available means”* - a strategy without the means and ability to support it – is a sure path to calamity.

Shaping strategy at the national level needs today global situational awareness; an understanding of the principal world players and their

policies; the adversary's capabilities as well as weaknesses and one's own strengths; among many others. Today, India needs a long-term strategy against China more than anything else. This concept of national strategy is more than military strategy, which Liddell Hart had defined as, "*the art of distributing and applying military means to fulfill the ends of policy.*"

### **What are the Strategic Imperatives Today?**

There is a window open, perhaps between 10-15 years, when a major confrontation with China is unlikely. Any initiation of conflict by China within this time would probably be disastrous to itself. Yet, of course even in this period, seizing tactical objectives based on our vulnerabilities cannot be ruled out. There are two issues we need to resolve first.

**Settle the Border Issue:** It is not an insurmountable problem. There are three ways of resolving borders generally: one, cartographic clarity and clear historic agreements or understandings. Two, based on established international legal treaty provisions such as the Thalweg principle on river boundaries. Or, mountain crest lines. Three, a political willingness to negotiate and reach a compromise. This involves give and take, surrendering what is not vital and safeguarding what is. New nation states and old civilisations do not find compromises easy. Hence, arises the need to build domestic public opinion to support difficult decisions.

**Decide on our Tibet Policy:** Tibet is one of world's great tragedies. India must never give up its support to the Tibetan cause, but to think that we have a 'Tibet card' is also a misreading of the situation. An open democratic China will find it easier to allow the degree of autonomy that Tibet seeks. We should support every move in that direction.

### **Other Strategic Imperatives**

- Integrate and develop our border regions.
- Enhance space, cyber and other frontier war-fighting technologies. Tomorrow's wars will not be fought by today's technology.

- Develop a robust, nuclear deterrent capability that will survive a ‘first strike’ and, hence, be truly an effective instrument to prevent war.
- A strong conventional and dissuasive military capability as much as our resources will allow.
- A strong political consensus and will, and an ability of the state to pursue these policies.

**This will require among others:**

- An economy growing at 10 per cent for at least the next 15 years.
- A more integrated national war-fighting structure, where realistic policy options can be pursued and executed within an acceptable timeframe.
- Comprehensive infrastructure development in the border areas, a task that has eluded us for the last half a century.
- A more effective domestic defence production capability, which will replace the existing ineffective enormously costly government led defence production establishments.
- Finally, commercial arrangements for building roads and other infrastructural development in our border areas.

It is indeed true, as Prime Minister Manmohan Singh has often said, that there is space in Asia and the world for India and China to grow together. But it will only succeed if it is based not on confrontation but cooperation.