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Asia's China Debate

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Eyeing the Dragon: India's China Debate

M O H A N M A L I K

Executive Summary

- Just as the Indian sub-continental plate constantly rubs and pushes against the Eurasian tectonic plate and causes friction and volatility in the entire Himalayan mountain range, India's relations with China also remain volatile and friction-ridden because of past experience, war, territorial disputes, unparallel interests, conflicting worldviews and divergent geopolitical interests.
- Today India and China are engaged in a competition for supremacy in overlapping areas of influence in Asia.
- The key players in India's debate about China are the Prime Minister's Office, the military and intelligence community, the Ministry of External Affairs, political parties, and business lobbies.
- The Indian government's current approach signals a shift from confrontation to cooperation. New Delhi prefers to steer a pragmatic course ("balanced engagement") between the "concirclement" ("China as threat") and appeasement ("China as benign power") schools of thought.
- Simultaneously, India's evolving Asia policy reflects a desire to build an arc of strategic partnerships with the United States and "China-wary" Asian countries, which would neutralize continuing Chinese military assistance and activity around India.
- India prefers a U.S.-led unipolar world to a China-dominated Asia—but ultimately seeks a multipolar world with itself as a constituent pole. New Delhi also has a degree of interest in U.S.-China competition because it makes India the object of courtship and wooing by both the United States and China. The chances of an India-China united front (or Russia-China-India axis) against the United States are nil.

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THE BURDEN OF HISTORY

India and China coexisted peacefully for millennia—mainly because the mighty Himalayas separated the two empires. However, as post-colonial nation-states, with the exception of a very short period of bonhomie (the “*Hindi-Chini bhai bhai*” era) in the early 1950s, relations have been marked by conflict, mutual suspicion, distrust, estrangement, encirclement, containment and rivalry.

The Chinese occupation of Tibet in 1950 brought the two nations in close physical contact for the first time, culminating in Chinese victory during an armed clash in 1962 over disputed boundaries. In 1988, one year after China and India came close to fighting another war, relations began to warm after a Deng Xiaoping-Rajiv Gandhi handshake. Relations weathered another serious downturn over India’s 1998 nuclear tests when the Indian government cited the “China threat” as the main reason for going nuclear. Agreements on maintaining peace and tranquillity were signed in 1993 and 1996, but talks over the last twenty-three years have failed to resolve the border dispute. Today, Beijing’s nuclear and missile assistance to Pakistan overshadows the territorial dispute. Nor has China lost its geopolitical motivations to prop up South Asia’s smaller states against India. Beijing has its own India concerns, for example, India’s hosting of the Tibetan-government-in-exile. China has recently elevated its ties with Burma, Bangladesh, Nepal and the Maldives both to counter India’s “Look East” policy—which is bringing Indian economic and military interests into China’s claimed sphere of influence in Southeast and East Asia—and to gain access to naval bases in the Indian Ocean.

Since 1998, a number of measures to strengthen trade, political and military ties between the world’s two most populous nations have been taken. A regular security dialogue has been initiated and the Indian and Chinese navies conducted their first naval exercise in November 2003. Despite a dramatic increase in bilateral exchanges, the burden of history still weighs heavily on India’s policy-making elite, and India-China relations remain poor.

PRINCIPAL DRIVERS IN INDIA’S CHINA DEBATE

In India’s policy circles and media, the debate over the China threat is more active than at any time since the 1962 Sino-Indian War. Though bitterness over the war lingers, the principal driver shaping India’s policies and attitudes toward China is the territorial dispute. Other factors that contribute to the fractious relationship include power asymmetry; Beijing’s military alliances with Pakistan and Burma; Beijing’s support to insurgents in northeastern India; nuclear proliferation and terrorism issues; differences over the status of Tibet, Kashmir and Sikkim; multipolarity and China’s opposition to an Indian permanent seat in the UN Security Council; Chinese encroachments into what India sees as its “sphere of influence,” as evident in Beijing’s plans for a naval presence in the Indian Ocean; and India’s counter-moves to establish closer strategic ties with “China-wary nations” (such as Tajikistan, Kyrgyzstan, Mongolia, Japan, Vietnam, Taiwan, the Philippines, Indonesia and Australia), and with the sole superpower, the United States.

Furthermore, the traditional India-China rivalry is augmented by China’s groundwork for a naval presence along maritime chokepoints in the South China Sea, the Malacca Straits, the Indian Ocean and the Strait of Hormuz in the Persian

Gulf to protect its long-term economic security interests. India has countered by improving military relations with Iran, Oman, and Israel in the west while upgrading military ties with Burma, Singapore, Vietnam, Taiwan, Japan and the United States in the east. Both India and China remain suspicious of each other's intentions and are attempting to fill any perceived power vacuum or block the other from doing so.

Indian and Chinese economies are competitive rather than complementary. Both look to the West and Japan for advanced technology, machinery, capital and investment. China has long regarded India as a large potential market and has shown interest in India's information technology (IT) prowess. But Indians see China as a trade predator and fear being left behind China's robust growth rates. Over the last twenty years, China's gross domestic product (GDP) has grown at about 10 percent a year, compared with India's 6 percent growth rate.

On the positive side, India and China have begun to allow trade and investment and promote people-to-people contact. Bilateral trade flows are rising rapidly (from a paltry \$350 million in 1993 to nearly \$7 billion in 2003) and could touch \$10 billion in 2004 and double again by 2010. In 1994, India displaced Pakistan to become China's largest trading partner in South Asia, and in 2003 China displaced Japan as India's largest trading partner in East Asia. The rapidly expanding bilateral engagement provides a different template for addressing the boundary dispute. The relative weight of economic factors vis-à-vis military security concerns is increasing. Both India and China desire a peaceful security environment and comprehensive national strength underpinned by a solid economic-technological base.

Nonetheless, the forces impelling India and China toward suspicion and competition are powerful and deeply rooted in domestic political systems, competing interests, and historical positioning in the international system. Competitive tendencies rooted in geopolitics cannot be easily offset or overcome, even by growing economic links. Both countries suffer from mutual distrust and a siege mentality borne out of Indian and Chinese elites' acute consciousness of the fissiparous tendencies that make their countries' present political unity so fragile.

China is a reference point for India's economic, security and diplomatic policies, and India's strategic planners have always emphasized the need to keep up militarily with China. Both countries are non-*status-quoist* powers: China in terms of *territory*, power and influence; India in terms of *status*, power and influence. The fact that China has advanced further than India in achieving its goals largely explains the competitive relationship between India and China. Their self-images as centers of civilization and culture continue to drive them to support different countries and causes. The combination of internal uncertainties and external overlapping spheres of influence forestall the chances for a genuine Sino-Indian rapprochement.

INTERESTS AND AGENDAS OF STAKEHOLDERS AND ACTORS

India's major stakeholders regarding China are the Prime Minister's Office (PMO), the military and intelligence community and the Ministry of Defense (MOD), the Ministry of External Affairs (MEA), political parties, academia, and the hitherto non-existent but increasingly influential business lobby. Political (and increasingly, economic) considerations prevail over the cautious assessments of the national security bureaucracy, as evidenced during Prime Minister Vajpayee's China visit in June 2003.

There are also sharp differences of opinion on China within the policy establishment. The MEA oscillates between the official political line and its own instincts, which are to mistrust China. The MOD favors a hawkish policy vis-à-vis China, recognizing that the People's Liberation Army (PLA) remains a bastion of anti-Indian sentiment in the Middle Kingdom's ruling apparatus. The military establishment cautions against lowering its guard so as to avoid a repeat of the 1962 defeat. The MOD contends that China's new policy of détente is intended to lull India into a false sense of security. The MOD's 2003 Annual Report noted the nuclear asymmetry between India and China, China's continued close defense ties with Pakistan, and the threat of Chinese nuclear missiles to Indian cities. India's navy chiefs routinely express concern about the Chinese navy's close interaction with Indian Ocean states. Believing that "China respects power and competition, not weakness and cooperation," the intelligence community laments successive governments' attempts to soft-pedal differences with China and favors finding a powerful lever against China (e.g., playing "the Taiwan card" to counter China's "Pakistan card"). The Indian Planning Commission's "Vision 2020" document contends that "India will be growingly threatened by the rising economic and military strength of China," and calls on the leadership to "join regional or global defence pacts."

Since the late 1990s, a degree of bipartisanship has emerged in the approach to China between the Bharatiya Janata Party (BJP) and India's Congress, although how to handle China remains the subject of political point scoring. The BJP-led coalition's attempts since 1999 to improve ties with China have received multi-partisan support across the Indian political spectrum.

The ruling nationalist BJP ardently covets great power status. The BJP was critical of the successive governments for fine-tuning Sino-Indian bilateral relations by playing second fiddle to an assertive China. It was not a coincidence that Sino-Indian relations deteriorated sharply after the BJP-led coalition came to power in 1998. Though the BJP has moved toward more cooperative relations with China, it believes that only a firm policy based on comprehensive strength, strategic alliances and proactive containment of China will force the Chinese to abandon their hostility toward India. Incidentally, the BJP's slogan of "prosperous and powerful country" bears remarkable resemblance to the Chinese Communist Party's (CCP) national goal of "rich country, strong military" (*fuguo qiangbing*).

Since the mid-1990s, the Indian business lobby has also started influencing India's China policy, pushing for closer economic ties. Initially, there were alarmist cries in India Inc. of the Chinese flooding Indians out of their own market through large-scale dumping of Chinese consumer goods. Over time, however, with the trade balance in India's favor, envy and awe have given way to new confidence in both cooperating with and even besting the dragon. Several joint ventures in power generation, consumer goods, chemicals, minerals, mining, transport, IT and telecommunication sectors are in the pipeline.

ENGAGEMENT, CONCIRCLEMENT AND APPEASEMENT

The chasm in India's China debate divides those who want to proceed on the basis of Beijing's words and those who want policy to be founded on Chinese deeds. The three main views based on this divide are described below.

Pragmatists: "Engage but Balance China"

Pragmatists, who represent India's dominant school of thought on China, hold that China is a long-term threat and that the Sino-Pakistan nuclear/missile nexus is of greater immediate concern. Economics should be the key factor in bilateral relations because intensifying trade and commerce would eventually raise the stakes for China in its relationship with India and thus bear on Beijing's ties to Pakistan and the rest of South Asia. A desire for stability on its southwestern flank and fears of an India-U.S. alliance have already caused Beijing to take a more even-handed approach, while still favoring Islamabad. Pragmatists acknowledge the huge gap between China's rhetoric and reality and see the need for robust defenses to guard against future power projection once China reaches the pinnacle of its economic and military power. However, with its current focus on economic progress, China is likely to be a restrained power interested in managing, if not resolving, conflict. Therefore, it is in India's interests to promote peace and tranquility on disputed borders, resolve the border issue realistically and promote cooperation with China on issues of mutual interest.

Pragmatists do not deny that India and China are competitors but believe their aspirations are manageable. Just as the United States and the Soviet Union did not go to war to counter each other's power or spheres of influence, India and China can learn to co-exist with each other's aspirations. The Asia-Pacific region is big enough to accommodate both India and China. Both share common interests in maintaining regional stability (e.g., combating Islamic fundamentalists), exploiting economic opportunities, and maintaining access to energy sources, capital, and markets. On economic, environmental and cultural issues, it is argued that China and India may have far more reason to cooperate than to collide. Besides, cooperation could allow them to balance U.S. influence and increase their negotiating positions with the sole superpower.

Interestingly, the "engage China" school also emphasizes the need to "emulate China." Much like China, India should have a long-term "calculative strategy" that allows accumulation of economic-technological-military power while sidestepping difficult issues. Like China, India should pursue mutual economic dependencies among Asian nations to temper Chinese ambitions and countervail Chinese power. Like China, India too should pursue the goal of achieving the status of an autonomous, self-reliant power in the international system. In short, "India must emulate China to be secure against its neighbour in the decades to come, and more importantly, to manage its relations with other great powers as Beijing does."

This strategy of "balanced engagement" or *interim entente* with China has many takers in official circles, especially with the business lobby rooting for such a path. Even India's defense minister, an avid China baiter, now pursues a chastened moderate tone as a consequence of the official "China policy consensus" since 1999, which lies somewhere between the "balanced engagement" and "concirclement" schools.

Hyperrealists: "Contain and Encircle China"

Hyperrealists are China-hawks who view China as a "clear and present danger" to India. They draw attention to the vast gap between Beijing's declaratory and operational policies vis-à-vis India and argue that "China will never be territorially satiated." They maintain that only Indian military power and a containment-

cum-encirclement strategy (or “concirclement of China”) by a ring of Asian powers will hold Beijing in check. India must take the lead in forming an alliance of China-wary countries along China’s periphery. Put simply, “India must do to China what China has done to India,” i.e., containment and encirclement. In the 1950s, China occupied Tibet. In the 1960s, it attacked India and befriended Pakistan. In the 1970s and 1980s, Beijing transformed Pakistan into its surrogate and transferred Chinese nuclear-armed missiles to Pakistan to target Indian cities. In the 1990s, Beijing moved into Burma. Presently, China is wooing Bangladesh and the strategically located Indian Ocean island nation of the Maldives. In addition to arming India’s neighbors, Beijing has also pressured New Delhi by supporting insurgency movements in India’s minority regions. As Defense Minister George Fernandes recently noted, “China has encouraged or endorsed a revisionist agenda on the Indian periphery and this causes deep anxiety—more so when this heightens state-sponsored terrorism.”

While supporting *interim détente*, the concirclement school of thought cautions against rushing into a border settlement with China from a position of weakness. Says one China-watcher:

India should be buying time. Another decade of strong economic reforms and growing cooperation with the United States could give India the necessary leverage and self-confidence to deal with China. Given the unsustainable contradiction between China’s communist autocracy and market capitalism, time is on India’s side.

Hyperrealists cannot conceive of friendly relations with Beijing, because given its Middle Kingdom complex and hubris of Han superiority, China will always undercut India militarily or economically. Though still very small and on the margins, the ranks of the concirclement school of thought swelled during the 1990s with the emergence of “baby hawks”—a new generation of young nationalists who oppose any accommodation with China except on equal terms because of what they perceive to be “the second betrayal” (the War of 1962 being the first) of their country by China in the form of Chinese transfers of nuclear-armed missiles to Pakistan and Beijing’s concerted efforts to turn Burma and Bangladesh into China’s surrogates. As Brahma Chellaney contends:

New Delhi has to engage China on equal terms, which would mean that Beijing could no longer be allowed to one-sidedly pursue a strategy of engagement with containment. Nobody is suggesting India adopt an aggressive posture. But India can surely nuance its position on Tibet and Taiwan to help checkmate Chinese designs and gain leverage.

Hyperrealists argue it is time for India to take a leaf out of China’s book and counter China’s alliances with “India-wary countries.” New Delhi must take the lead in establishing an anti-China alliance system with Tajikistan, Kyrgyzstan, Mongolia, Japan, Taiwan, Vietnam, the Philippines, Australia, Indonesia, Thailand and Burma. Hyperrealists also favor an Indian naval presence in the South China Sea to counter Chinese naval presence in the Indian Ocean. The PLA’s incursions into Arunachal Pradesh during Prime Minister Vajpayee’s June 2003 China visit and his failure to wrest Chinese recognition of Sikkim as Indian

territory in return for India's concessions on Tibet emboldened the hyperrealists to demand upgrading of ties with Taiwan to "force moderation in China's position vis-à-vis India." As one commentary noted:

The more you give, the more it takes. China only understands competition....Philosophically, India is more attuned to Taiwan than China, and they have complementary strengths. Taiwan has huge capital and high-tech in IT, electronics...while India has cheap labour, top professionals, and a massive market. A little friendliness to Taiwan will rattle China, and that is not a bad beginning.

Hyperrealists decry pragmatists' belief in "trade over security" as irrational. They ridicule the notion of joint Sino-Indian management of Asian security as illusion. They note that growing India-China interaction has not made Beijing abandon its "contain India" policy. Hyperrealists believe that India and China are likely to come into conflict as their capabilities, ambitions and influence grow. Therefore, India needs to ensure that the overall military balance of power does not tilt in China's favor, especially in air, naval, nuclear and space capabilities.

For hyperrealists, an anti-China alliance with the United States is welcome in the near term, but over the long term India must emerge as the linchpin of a new alliance system, stretching from Turkey and Israel in the west to Taiwan and Japan in the east, to combat the twin threats of the twenty-first century: Chinese expansionism and Islamic fundamentalism. In short, hyperrealists prefer a down-to-earth, result-oriented, business-like balance-of-power-based concirclement strategy toward China.

Appeasers: "China Is No Threat"

India's pro-China lobby (consisting of Communists, left-leaning academics, journalists, pacifists, anti-nuclear, anti-U.S. elements and idealists) has historically exercised far greater influence on policymaking than their small numbers would warrant. Appeasers support whatever China says and does 100 percent. To them, China is not an irredentist, aggressive power that threatens or bullies its neighbors. Rather, China is a developing country seeking to improve the lives of its billion-plus people, much like India. The problem, in their view, is India, not China.

China apologists have a ready explanation to justify any Chinese action. The War of 1962 is attributed to New Delhi's own mistakes and the Cold War dynamics. The border dispute is of India's making, and the key to building a durable India-China partnership is to "de-territorialize their bilateral relations." They mouth platitudes and maintain that China and India share the same perspective on the need for a stronger UN, a multipolar world, WTO and other issues. To end the U.S. hegemony, appeasers want India to think what it can do to make China strong and powerful, not what China can do for India. They hold that engagement with China will modify Chinese policies more than concirclement. They support minimalist and non-provocative defense and favor constructing a bilateral relationship based on common security concerns. Appeasers were very critical of the Vajpayee government's citing of the China threat to justify nuclear tests in 1998 but have since supported the general thrust of Vajpayee's non-confrontational diplomacy with China.

Of the three schools of thought, most mainstream Indian strategic analysts share some hyperrealist positions to some extent. For both pragmatists and hyperrealists, the adage "Do unto others as you would have them do unto you" provides

a solid foundation for Sino-Indian amity. The bottom line of India's China debate thus tends more toward the China-skeptic position. Overall, the Indian government's approach has been to steer a pragmatic course ("balanced engagement") between the hyperrealist ("China as threat") and appeasement ("China as benign power") schools of thought.

IMPLICATIONS FOR U.S. FOREIGN POLICY

While India and China may share similar international goals, India foresees a longer term potential for China to impinge on its strategic interests as their spheres of influence overlap in Asia. Acknowledging this reality of this competition, India and China have taken measures to stabilize their relationship so as to move away from confrontation and conflict mode. Interestingly, both are courting the United States to help balance the relationship until they are strong enough to do so on their own. Chances of an India-China united front (or Russia-China-India axis) against the United States are nil because both countries value their ties with the United States more than with each other.

Notwithstanding India's desire to remain an independent power, which sometimes results in India's taking policy decisions contrary to the United States (e.g., on Iraq), India prefers a U.S.-led unipolar world to a China-dominated Asia. New Delhi sees the U.S. military presence as a factor of stability in Asia and has also been an enthusiastic supporter of the U.S. missile defense plan. New Delhi also has an interest in the growing U.S.-China competition as it makes India the object of courtship and wooing by both the United States and China. At a minimum, New Delhi would use its strategic ties with Washington to bolster its position in dealing with Beijing.

India is taking counter-measures to balance China's growing economic and military power by increasing its defense spending and by forging closer military ties with "China-wary countries" in Asia. Some Indian strategic thinkers even see in the emerging U.S.-India quasi-alliance an opportunity for "payback" to China for Beijing's alignment with Washington from 1971 to 1989. India also welcomes a greater Japanese role in maintaining Asian security. The growing *entente cordiale* between India and Japan is based on the understanding that united they contain China and divided they are contained by China and its allies. As India comes under strategic pressure from China, it will play the Taiwan card, which will have implications for the U.S.-China ties. That the India-China rivalry in Southeast Asia has now effectively replaced the Sino-Soviet rivalry of the Cold War era became evident in November 2002 when India offered to set up a Free Trade Area (FTA) with ASEAN one day after the signing of a China-ASEAN FTA in Phnom Penh. In the short term, India and China will jockey for economic and political influence in the region. In the long term, neither Indian nor Chinese defense planners can rule out the possibility of a renewed confrontation either over their disputed frontiers, Tibet, Burma or over a naval incident in the Indian Ocean or the South China Sea.