
India-China Strategic Relations

Further Improvement is Contingent on Resolution of the Territorial Dispute

Gurmeet Kanwal

China and India, both Asian giants and emerging world powers, have begun to exercise immense influence in international political and economic affairs. As China's Gross Domestic Product (GDP) is much larger than that of India, it enjoys a correspondingly greater international clout at present. Political and economic relations between India and China are much better now than they have ever been since the 1962 border war between the two countries. Mutual economic dependence is growing rapidly every year, with bilateral trade increasing at a brisk pace. Even though it is skewed in China's favour, bilateral trade has crossed US\$ 50 billion and is expected to touch US\$ 60 billion soon. If India's trade with Hong Kong is included, China is already India's largest trading partner.

However, growth in the strategic and security relationship has not kept pace with the political and economic relationship. Despite prolonged negotiations at the political level to resolve the long-standing territorial and boundary dispute between the two countries, there has been little progress on this sensitive issue. China has a clandestine nuclear warheads-ballistic missiles-military hardware technology transfer relationship with Pakistan that causes apprehension in India. Also, in recent years, China appears to have raised the ante by way of its shrill political rhetoric, frequent transgressions across the Line of Actual Control

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(LAC) and unprecedented cyber attacks on Indian networks. The security relationship has the potential to act as a spoiler in the larger relationship and will ultimately determine whether the two Asian giants will clash or cooperate for mutual gains. Arguably, while the India-China relationship is relatively stable at the strategic level, China's political, diplomatic and military aggressiveness at the tactical level is acting as a dampener.

Strategic Relationship: Competition or Cooperation?

On April 11, 2005, China and India announced a new "strategic and cooperative partnership" after a summit-level meeting between Prime Ministers Manmohan Singh and Wen Jiabao. International analysts were quick to note that the prospects of a more cooperative relationship between these two growing economies had significant global implications. A meaningful strategic partnership will lead to mutually beneficial synergies between the Chinese and Indian economies. India is rapidly emerging as a leader in software development. Its knowledge-based industries are attracting the interest of major information technology (IT) enterprises from all over the world. China is now a leading base for the manufacture of IT hardware. Synergising India's software capability and China's hardware strength will produce an unbeatable combination.

The rapidly growing appetite of both the countries for energy and their high dependence on oil and gas imports is forcing both to secure oil equity abroad. Chinese and Indian oil and gas companies have often been in competition with each other to invest in overseas fields and have driven up prices by outbidding each other. A strategy based on cooperation rather than competition will help both the countries to secure better terms and will enable them to share their risks. They could follow a consortium or joint venture approach for bidding and invest in sharing infrastructure costs such as building joint pipelines. So far, cooperation in this field has been extremely limited.

China's and India's coordinated approach in international negotiations is proving to be mutually beneficial to both. When two countries that represent more than a third of the global population speak in unison, as has been seen in their coordinated approach in the Doha round of the World Trade Organisation (WTO) negotiations

and on environmental issues, particularly in the 2009 World Climate Summit at Copenhagen, the world has no option but to sit up and take note. China and India played a calming role in the 2008-09 global financial meltdown that has now begun to peter out. They are likely to work together towards the long-pending reform of the international financial architecture. As both the countries hold substantial foreign exchange reserves, they will increasingly play a greater role in decision-making in the existing Bretton Woods organisations.

Reform of the UN Security Council (UNSC) is yet another area for cooperation. Just as India had played a very positive role in China's membership of the UN and its subsequent inclusion in the UNSC, India expects China to support its aspiration for a seat in an expanded UNSC. This will quite naturally increase Asia's clout in world affairs. However, so far, such explicit support has not been forthcoming. In Asia, China and India should work together for peace and stability and broader regional economic integration to make the 21st century truly Asia's century. Counter-terrorism is another area in which China and India can cooperate for mutual benefit as both countries are victims of pan-Islamist fundamentalist terrorism emanating from across their borders. In this context, the Hand-in-Hand series of joint military exercises, conducted at Kunming in 2007 and at Belgaum in 2008, were steps in the right direction. Both also need to work together to counter the menace of narcotics trafficking from the Golden Crescent on one side and the Golden Triangle on the other.

Areas of Concern

In the Indian perception, there are several major areas of concern that are limiting the growth of the bilateral relationship. The foremost among these is the "all-weather" friendship between China and Pakistan that is, in Chinese President Hu Jintao's words, "higher than the mountains and deeper than the oceans". The Indian government and most Indian analysts are convinced that China has given nuclear warhead designs, fissile material and missile technology as well as fully assembled, crated M-9 and M-11 missiles to Pakistan, as has been

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widely reported in the international media. China and Pakistan are also known to have a joint weapons and equipment development programme that includes Al Khalid tanks, F-22 frigates and FC-1/JF-17 fighter aircraft. China's military aid has considerably strengthened Pakistan's war waging potential and enabled it to launch and sustain a proxy war in Jammu and Kashmir (J&K) and in other parts of India. By implication, therefore, it is also China's proxy war.

Other contentious issues include China's continuing opposition to India's nuclear weapons programme; its deep inroads into Myanmar and support to its military regime; its covert assistance to the now almost defunct Liberation Tigers of Tamil Eelam (LTTE) in Sri Lanka; its increasing activities in the Bay of Bengal; its attempts to isolate India in the ASEAN Regional Forum (ARF) while keeping India out of the Shanghai Cooperation Organisation (SCO); and, its relentless efforts to increase its influence in Nepal and Bangladesh. China's efforts to develop port facilities in Myanmar (Hangyi), Chittagong (Bangladesh), Sri Lanka (Hambantota), Maldives and Gwadar in Pakistan are seen by many Indian analysts as forming part of a "string of pearls" strategy to contain India and develop the capacity to dominate the northern Indian Ocean region around 2015-20. Though at present the Indian Navy dominates the northern Indian Ocean, a maritime clash is possible in future as the People's Liberation Army (PLA) Navy begins operating in the Indian Ocean – ostensibly to safeguard its sea lanes and protect its merchant ship traffic. Hence, China's moves are seen by Indian analysts to be part of a carefully orchestrated plan aimed at the strategic encirclement of India in the long-term to counter-balance India's growing power and influence in Asia, even as China engages India on the political and economic fronts in the short-term.

As both China and India are nuclear-armed states, it is in the interest of both to ensure that strategic stability is maintained and that the risk of accidental or unauthorised nuclear exchanges is minimised. This would be possible only if negotiators from both the sides sit down together and discuss nuclear confidence building measures (CBMs) and nuclear risk reduction measures (NRRMs). However, China's insistence that it cannot discuss nuclear CBMs and NRRMs with India as India is not a nuclear weapons state recognised by the nuclear Non-Proliferation Treaty (NPT) is proving to be a stumbling block. China's official position is that India should cap, roll back and eliminate its nuclear weapons in terms of UNSC Resolution No 1172. That is unlikely to happen. India has been recognised as a responsible state with advanced nuclear technology and has been given a backdoor entry into the NPT through the Nuclear Suppliers Group (NSG) waiver and the International Atomic Energy Agency (IAEA) safeguards

agreement. India has also signed civil nuclear cooperation agreements with France, Russia and the United States (US). It would be in the interest of both the countries to discuss nuclear CBMs and NRRMs so as to enhance strategic stability in Southern Asia. It is also in China's interest to enter into a nuclear trade agreement with India as India is rapidly emerging as a large market for nuclear fuel and nuclear technology.

India realises that its growing external relations with its new strategic partners are causing some concern in China. China has viewed with some suspicion India's willingness to join Australia, Japan and the US in a "quadrilateral" engagement to promote shared common interests in Southeast Asia. China also wishes to reduce what it perceives as the steadily increasing influence of the US over New Delhi. China knows that the US is several years ahead of Beijing in recognising India's potential as a military and economic power and has greatly increased its cooperation with India in both spheres. China fears that the growing US-India strategic partnership is actually a loose alliance and that the two countries are ganging up against China. China should study India's track record. It should be clear that India is unlikely to ever form a military alliance with the US – unlike Pakistan, which is a Major Non-NATO Ally (MNNA) of the US and is also China's "all weather" friend. India has always pursued an independent foreign policy and cherishes its strategic autonomy. It will be recalled that India steadfastly supported the Non-Aligned Movement (NAM) for several decades during the Cold War and has never entered into a military alliance with any country. The US is an Asian country in strategic terms and it is necessary for India to maintain good relations with it. It is also India's largest trading partner and has a large Indian Diaspora. There are major convergences of interests between India and the US. Hence, India's newfound strategic relationship with the US need not come in the way of India-China relations, which have their own strategic significance for India.

In an article entitled "Warning to the Indian Government" (posted on the website of the China Institute of International Strategic Studies on March 26, 2008), Zhan Lue, a Communist Party member, warned India not to "walk today along the old road of resisting China" as the PLA is now well-entrenched in Tibet and will not repeat its mistake of withdrawing after a border war as it did in 1962. He extolled the virtues of the PLA's newly developed capabilities and went on to advise India "not to requite kindness with ingratitude." This surprisingly sharp

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attack in a scholarly journal did not appear to be an isolated piece of writing. Another Chinese scholar advised his government to engage India's neighbours to break India into 26 parts. In the wake of the Tibetan unrest in India and across the world earlier during 2008, anti-India rhetoric in the Chinese media had been ratcheted up several notches. Analysts in India believe that such scurrilous writings could not have been published without the express sanction of the Chinese authorities as almost all Chinese media are state controlled. This type of rhetoric sets back efforts at reconciliation and mutual understanding.

China is concerned about the situation that might develop when the Dalai Lama passes away. Despite all the raving and ranting against him, the Chinese government is acutely conscious of the fact that the present Dalai Lama's is a voice of moderation and accommodation. They know that there will be a major uprising in Tibet when he passes away as the Tibetan youth will no longer feel constrained to respect his cherished desire for peace and harmony and are likely to resort to violent attacks against the Han Chinese people and officials and state property. Despite India's remarkable restraint over 50 years, the Chinese are not sure of how India will react to a post-Dalai Lama rebellion in Tibet. In fact, the Chinese harbour a fair deal of ill will against India for providing the Dalai Lama with a sanctuary – even though India has forbidden him from any anti-China political activities from Indian soil and the Dalai Lama has honoured the restraints imposed on him by his hosts. A senior Chinese interlocutor told that this analyst at a bilateral think-tanks' dialogue at Bangkok in October 2009 that relations between China and India would flourish very well if India was to hand over the Dalai Lama to China even at this belated stage. From this, the depth of Chinese resentment at India's harbouring of the Dalai Lama can be gauged. Since such a course of action would be completely out of character with India's civilisational and spiritual values, handing over the Dalai Lama is simply out of the question. China would, therefore, do well to put this issue aside and move forward in its relationship with India.

Unresolved Territorial Dispute: The Firewall

Of all the areas of concern that have dampened relations between the two countries, it is the long-standing territorial and boundary dispute that is the most disconcerting. The genesis of the territorial dispute is well known and is not being repeated here. Since well before the 1962 border war, China has continued to be in occupation of large areas of Indian territory. In Aksai Chin in Ladakh, China has been in physical possession of approximately 38,000 sq km of Indian territory

since the mid-1950s. China surreptitiously built its alternative route from Tibet to Sinkiang through this part of Aksai Chin. In addition, in March 1963, Pakistan illegally ceded 5,180 sq km of Indian (J&K) territory in the Shaksgam Valley of the Northern Areas of Pakistan Occupied Kashmir (north of the Siachen Glacier and west of the Karakoram Pass) to China under a boundary agreement that India does not recognise. Through this area, China built the Karakoram highway that now provides a strategic land link between Sinkiang, Tibet and Pakistan.

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In India's northeastern region, China continues to stake its claim to about 96,000 sq km of Indian territory that includes the entire Indian state of Arunachal Pradesh even though the territory is physically under Indian control. In terms of physical area, Arunachal Pradesh is over three times the size of Taiwan. Sun Yuxi, the then Chinese ambassador in New Delhi, had publicly reiterated this claim just before President Hu Jintao's visit in November 2006. The ambassador single-handedly ensured that his president received a cold shoulder in Delhi and the visit turned out to be inconsequential. Since then, Chinese interlocutors have claimed several times that the Tawang Tract is part of Tibet because one of the Dalai Lamas was born there. Chinese scholars visiting New Delhi always hint that the merger of the Tawang Tract with Tibet is non-negotiable. China's often stated official position on such issues is that the reunification of Chinese territories is a sacred duty. The concern exhibited by the Chinese authorities for a former Dalai Lama is indeed touching as they lose no opportunity to revile the living Dalai Lama.

An inherently destabilising situation stems from the omission that the Line of Actual Control (LAC) between India and China, implying *de facto* control after the 1962 War, is yet to be physically demarcated on the ground and delineated on military maps. The LAC is quite different from the disputed 4,056-km-long boundary between India and Tibet. The undelineated LAC is a major destabilising factor as patrol face-offs are not uncommon and could result in an armed clash between patrols. Incidents such as the Nathu La border clash of 1967 and the Wang Dung stand-off of 1986 can recur. Such incidents have the potential to escalate into another border conflict similar to the war of 1962.

Even after over 15 meetings of the Joint Working Group and the Experts Group, it has not been possible for the two countries to exchange maps showing the respective versions of the LAC claimed by the two armies in the contentious

Western (Ladakh-Aksai Chin) and Eastern (Arunachal Pradesh) Sectors. Discussion of the varying positions can begin only after marked maps are first exchanged. The only positive development has been that maps have been exchanged for the least contentious Central Sector, that is, the Uttarakhand and Himachal Pradesh borders with Tibet where almost no fighting had taken place in 1962. It clearly shows how intractable the challenge is.

Early in 2005, India and China had agreed to identify “guiding principles and parameters” for a political solution to the five-decade-old dispute. Many foreign policy analysts had then hailed it as a great leap forward. Five years down the line, the two countries are still stuck with the principles and a solution is nowhere in sight. In fact, even the sanctity of the principles accepted by the two sides is in doubt as China has violated the agreed principle that “settled populations will not be disturbed” while arriving at an acceptable solution by so vociferously laying its claim to Tawang. This is not the first time that India has signed a “feel-good” agreement with the Chinese. The Border Peace and Tranquillity Agreement (BPTA) signed with the Chinese in 1993 and the Agreement on Confidence Building Measures in the Military Field signed in 1996 were expected to reduce the operational commitments of the army from having to permanently man the difficult LAC with China. However, it has not been possible to withdraw a single soldier from the LAC so far.

In fact, despite the 1996 agreement on CBMs, several incidents of Chinese intrusions at Asaphi La and elsewhere in Arunachal Pradesh and in Ladakh have been periodically reported in the Indian Press and discussed in the Indian Parliament. The PLA Border Guards even intruded across the Sikkim border with Tibet, which is a settled border and is marked by recognisable landmarks. While no violent incident has taken place in the recent past, there have been occasions when Indian and Chinese patrols have met face-to-face in areas like the two “fish-tail” shaped protrusions in the northeast corner of Arunachal Pradesh. Such meetings have an element of tension built into them and despite the best of military training, the possibility of an armed clash can never be ruled out. An armed clash in which there are heavy casualties can lead to a larger border incident that may not remain localised.

In the Western Sector in Ladakh-Aksai Chin, the LAC is even more ambiguous because the paucity of easily recognisable terrain features on the Aksai Chin makes it difficult to accurately co-relate ground and map. Both the sides habitually send patrols up to the point at which, in their perception, the LAC runs. These patrols leave “tell-tale” signs behind in the form of *burjis* (piles

of stones), biscuit and cigarette packets and other similar markers in a sort of primitive ritual to lay stake to territory and assert their claim. While the government invariably advises caution, it is extremely difficult for commanders of troops to advocate a soft line to their subordinates. There is an inherent contradiction in sending soldiers to patrol what they are told and believe are Indian areas and then giving them orders that they must not under any circumstances fire on “intruding” Chinese soldiers. This is the reason why it is operationally critical to demarcate the LAC on the ground and on the map. Once that is done, the inadequacy of recognisable terrain features can be overcome by exploiting Global Positioning System

(GPS) technology to accurately navigate up to the agreed and well-defined LAC on the ground and avoid transgressing it even unintentionally.

In this light, the Chinese intransigence in not being willing to exchange maps showing the alignment of the LAC in the Western and the Eastern Sectors is difficult to understand. In 1988, China’s leader Deng Xiao Ping had told visiting Indian Prime Minister Rajiv Gandhi that the territorial dispute is a problem left over from history and it should be left for future generations to resolve. Early resolution of the dispute is in the interest of both countries as it will end the suspicions and hostility of the past and free both countries to shape a more friendly future for mutual gains. China and India must resolve the territorial and boundary dispute on the basis of historical records, geography, security parameters and the interests of the people who live in the area. Meanwhile, it is in the interest of both countries that peace and tranquillity should continue to prevail on the border.

Finally, as two large countries with a shared border and a long history of peaceful coexistence, the Governments of China and India have a responsibility to discharge towards their own people and the people of Asia: both can and must work together in the interest of peace, stability and the future prosperity of Asia. Healthy competition for markets can have positive spin-offs as long as it is conducted in a spirit of cooperative security. China must not hold resolution of the territorial dispute hostage to its successful integration of Tibet with the national mainstream. Once the long-standing territorial dispute is resolved, there is no reason why the dragon and the elephant cannot dance together.

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