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The Contours of India-China Relations in the New World



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Introduction

India was the first non-communist nation to recognise the People's Republic of China (PRC). India-China relations have seen heady days of the 1950s when "Hindi-Chini Bhai-Bhai" gained popularity. However, the relationship reached its nadir when India was defeated in the 1962 India-China conflict. After a hiatus of uneasy peace, with occasional border skirmishes for over 30 years, especially after the signing of the Agreement on the Maintenance of Peace and Tranquility in 1993, the situation stabilised and relations normalised.

There was a dramatic increase in trade relations between the two countries. However, the trade relations recently suffered as is evident from the decreasing trade deficit between India and China from US\$ 58.04 billion in 2018 to US\$ 56.77 billion in 2019.¹

Existing Indian Sensitivities

India and China has been engaged in disputes pertaining to the border, claims over Aksai Chin region, Doklam issue, recent standoff in Eastern Ladakh and many more. This makes it evident that the famous saying of "Hindi-Chini Bhai-Bhai" is long lost.

Key Points

- India was the first non-communist nation to recognise the People's Republic of China (PRC).
- However, the trade relations between the two countries recently suffered as the trade deficit between India and China declined from US\$ 58.04 billion in 2018 to US\$ 56.77 billion in 2019.
- With the present strong leadership in India and China, it is a good opportunity to have a well demarcated LAC which could be called the "Xinamo Line" or the "Namoxi Line" to avoid any future misunderstandings.
- Taiwan is evolving as a vibrant democracy, and therefore, it would be of significance to further develop the already existing trade ties between India and Taiwan.
- Moreover, the COVID-19 pandemic has created opportunities for India to increase its role on the global stage by opening it's land for the MNCs which are keen to shift it's base out of China.

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The Contours of India-China ...

The major Chinese concerns in its relations with India are the Tibet Issue, fear of closer Indo-US ties, new structures like the Quad aimed at China, India's opposition to BRI and the Regional Comprehensive Economic Partnership (RCEP) and its vulnerability in the Indian Ocean.

However, there is scope for both the countries to cooperate, as both the countries want to have a multipolar world order, as well as desires that the functioning of the international bodies, mainly the Western-dominated financial institutions like the World Bank and the IMF, be reformed. India and China has been cooperating on issues such as climate change and trade. There is also a plan to undertake joint projects in areas of health, education and food security in Afghanistan.²

The COVID-19 Pandemic

The COVID-19 pandemic struck the world when the US was in an "inward looking" mode—it had withdrawn from the Trans-Pacific Partnership (TPP) Agreement as well as the Paris Agreement on Climate Change. It had also pulled out of the Iran nuclear deal and imposed unilateral sanctions; it was in the middle of a full-blown trade war with China. On the other hand, Europe was embroiled in the forthcoming BREXIT and differences on the refugee crisis.

Whether the virus originated from the Wet Market of Wuhan or the Wuhan Institute of Virology, there is no denying that Wuhan is the source of the pandemic. The PRC made deliberate efforts, firstly to conceal the outbreak, then downplayed the severity and did not tell the world about the human-to-human transmission of the infection. It refused to share the research tests and the initial test samples with the world. China also concealed the number of cases and fatalities caused by the virus. Although it sealed parts of the country to contain the outbreak of the virus, but also exported the virus to nearly 187 'ill-prepared countries' of the world.

However, during such times, China did not hesitate to attempt to blackmail countries to 'toe their line'. This was evident when Beijing's Ambassador to Australia,

Mr. Cheng Jingye, made a statement that Chinese consumers would boycott Australian products, in response to Australia's call for a probe in the Pandemic.

Fresh Dynamics in India-China Relationship

Medical Aid. India did not hesitate to offer medical aid to China and provided 15 tonnes of medical assistance on February 26, 2020. These supplies were delivered by an Indian Air Force C-17 special flight to Wuhan, China. On the other hand, India received a faulty batch of PPE kit and about 50,000 Chinese kits failed the quality tests. Complaints of faulty supplies from China were also received from Spain, the Czech Republic, Slovakia, Turkey, and Britain.³ However, it is only in the case of India, that the spokesperson for the Chinese Embassy in India defended the two Chinese companies and blamed the Indian medical staff for not using the equipment correctly.⁴

Issue of New Maps. In the middle of the pandemic, Sky Map which is China's authority on digital maps, in its latest publications, has shown Arunachal Pradesh as part of China, which it claims as South Tibet. If reports are to be believed, Chinese authorities have also destroyed 30,000 world maps for showing Arunachal Pradesh as a part of India and for referring to Taiwan as a country.

Heightened Tension along the Borders. The skirmish in the Naku La Area of Sikkim in early May 2020, was followed by a build-up of troops and defence structures in the Galwan Valley and recently in the area of the Pangong Tso Lake in Ladakh. The situation in Ladakh has seen some improvements as the armies of both the sides have started to disengage and the process to restore status quo ante has started at standoff location(s).⁵

Predatory Financial Takeovers. The pandemic has created havoc, as the world is starting to face the worst recession in a century. Valuations of companies which were the "jewels in the crown" are down to record levels—China is using this opportunity to pick up shares in these companies at throwaway prices. India has retaliated with protective measures against such foreign predatory moves much to the chagrin of China.

Taiwan Issue. Taiwan had been relegated to the fringes of the international polity of nations for over six decades due to the 'One China' policy of the PRC, which made nations decide which China to recognise between the two. The deft handling of the pandemic helped Taiwan to contain the outbreak with minimal cases and fatalities. Taiwan has, thus, emerged on the global arena as a mature state.

There has been an upward trend in India-Taiwan relations from the 1990s and today they have significant relationships in diverse fields like scientific research, education and bilateral trade which was up to US\$ 7.5 billion in 2019. During the pandemic, Taiwan donated 1 million masks to India as a goodwill gesture. The growing relationship was evident when 2 MPs from India were invited to attend the 2nd term swearing-in ceremony of Taiwan's President Tsai Ing-wen. Similarly, the recent declaration of Taiwan's new representative to India further proves the strengthening of the relationship.

Enlargement of Quad. In March 2020, the US Secretary of State Mike Pompeo, took part in a teleconference with his counterparts from Australia, India, Japan, the United States, New Zealand, Vietnam and South Korea (called "Quad Plus") to discuss about the pandemic. The Indian Foreign Minister S Jaishankar tweeted that, it "covered pandemic response, global health management, medical cooperation, economic recovery and travel norms".⁶ China was already apprehensive of the motives of the Quad and the possible addition of another three countries to this group added to its discomfort.

Analysis of the Border Situation

China's 'core issues' of national importance are the internal situations in Tibet and Xinjiang, reunification of Taiwan, gaining control of its 'claimed areas' in the South China Sea and the smooth absorption of Hong Kong into its fold. The India-China border dispute and its resolution is of no consequence for China because it already has the area (although contested) of Aksai Chin under its occupation, the BRI and CPEC are progressing unhindered and there is no urgency whatsoever to resolve the dispute.

Reasons. The tensions on the border have been escalated because, firstly, the perception that India is getting too close to the US basically to contain Chinese influence, is a matter of concern for China. The Quad, and now the possibility of it being enlarged to the "Quad-Plus," all of which have disputes with China, are aimed to deny China's control on the South China Sea. India also supported the US-led proposal to carry out an independent probe into the pandemic. India was also the first country to retaliate with measures to prevent the attempt by Chinese financial institutions to invest in Indian blue-chip companies.

Timing. President Xi Jinping's hopes to immortalise himself in Chinese history as the leader who restored the Chinese Empire to its past glory is fast fading. His flagship project, the Belt and Road Initiative, is in the doldrums because of the pandemic amidst lockdowns, and most of the projects have slowed down, if not stalled. The backlash that China received due to the mayhem created by the pandemic and its handling by the CPC, may add to their woes, as many foreign companies are looking to shift their manufacturing base out of China. Internal strife and unemployment are on the rise and could go out of hand. The situation in Hong Kong is getting grimmer by the day and the new security law is drawing international flak.

It may be just a coincidence or a pattern but the timing of the problems on the border merits a look. The incidents of 2013 and 2014 happened during VIP visits to India. The nearly three month long standoff on the Doklam plateau in June 2017 was resolved just two months before the 19th Party Congress was held in Beijing. It is evident that China, in order to deflect attention from the dismal state of affairs and to garner the support of the populace, takes such steps at times.

Road Ahead

Border Dispute. Though there are many agreements on the methodology to maintain peace on the border, it is still a 'festering sore'. By mobilising its forces, China has been able to check India's response timings in the region as well as its political resolve. India's rapid mobilisation of forces in the region has once again demonstrated its intention of contesting any attempts

of China at 'salami slicing' and determination to go in for the long haul. It is very unlikely that China will escalate the situation when there are far more pressing issues at hand. With the present strong leadership in India and China it is a good opportunity to have a well demarcated LAC which could be called the "Xinamo Line" or the "Namoxi Line" to avoid any future misunderstandings. It appears that China would prefer a package deal in which it retains Aksai Chin and India gets to keep Arunachal Pradesh. Minor border adjustments in Ladakh would be of little consequence. This is what the much touted "Win-Win Cooperation" is all about. India needs to hold firm for a fair resolution of the problem. India needs to be prepared for the psychological operations regularly waged by the 'controlled' Chinese media on various issues.

Other Areas. China has demonstrated that it will 'ride rough shod' over any opposition to its scheme of things and not hesitate to use its financial clout to arm-twist countries. Regardless of India's sensitivities, China will continue to tighten its stranglehold over India's neighbourhood, and that Nepal and Bangladesh are next on their radar. China is not likely to be bothered about any of India's sensitivities about support to Pakistan, Kashmir issue, terrorism or any others. With the Dalai Lama advancing in age, India would do well to formulate its future policy on Tibet by itself. The pandemic has exposed the faultlines and magnified the sensitivities of China which India must exploit and not be on the defensive always.

The COVID-19 pandemic has created opportunities for India to increase its role on the global stage. This

is an opportunity for India to attract MNCs which are keen to shift out of China. India should continue to strengthen its strategic partnership with US and other like-minded nations – the recent invitation by the US President to the Indian Prime Minister to attend the forthcoming G-7 meeting may well be a precursor to make India a permanent member which would enhance its claim for a permanent seat in the UN Security Council. However, this did not go down well with China.

Taiwan today is a vibrant democracy with the same standard of living as that of the developed countries in the West. Taiwan already has strong trade ties with India which can be developed even further.

Conclusion

The COVID-19 pandemic has created havoc all over the world and is a wake-up call for humanity, and life is unlikely ever to be the same again. It has also provided an impetus for India to review her relationship with China. India have to live with the border dispute and occasional flare-ups. The Armed Forces must further improve the infrastructure in the border districts and maintain a high state of readiness to deter any transgression/incursion across the LAC.

India should welcome more interactions with the Quad and the Quad Plus and even discuss the possibility of reciprocal access to bases. Taiwan could be another suitable member into the Quad Plus. India should endeavour to reduce the trade imbalance and have more open access to Chinese markets. China needs to be more sensitive to India's concerns as, in future, India may well take on China on its turf.

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Notes

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