

## The Turnaround in Sino-Indian Relations

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Many observers have recently argued that the newly forged Indo-U.S. alliance will work against its “intended aims of Chinese encirclement.” [1] Although India denies its part in any attempt at “Chinese containment” to the publicly acknowledged satisfaction of China, [2] the theory nevertheless persists. China’s response to the Indo-U.S. alliance is, however, quite creative. Instead of reacting with alarm, Beijing has gone on a charm offensive to draw New Delhi into a triangular entente among China, India and Russia. India, which has languished under foreign subjugation for centuries, has a visceral aversion to strategic alliances with world powers. Since its independence in 1947, it has followed what could be described as the “Third Way” in world diplomacy, which manifested itself in the birth of the Non-aligned Movement (NAM) in the 1950s. China is now building bridges to India based in part on the latter’s instinctive wariness of foreign influences, which is evident in India’s homegrown opposition to its nuclear deal with the U.S.

Most surprisingly, India has been warmly receptive to Chinese overtures to form a triangulation of regional entente. Since President Bush’s landmark visit to New Delhi in March 2006, which laid the foundation for exceptional cooperation between Washington and New Delhi in civilian uses of nuclear technology, India has received the highest-level visits by the Chinese President Hu Jintao in November 2006 and the Russian President Vladimir Putin in January 2007. If anything, these exchanges demonstrate that the Indo-U.S. alliance has brought China, India and Russia ever closer. As a co-architect of this entente, China has embarked on a threefold strategy to bring India into its fold. First, it is reordering its relationship with Pakistan that has long been seen in India as its counterbalance. Second, it is deepening economic ties and speedily resolving the lingering border disputes with India. Third, it is developing, with Russia in the lead, a triangulation of strategic alliance among the three nations to build a “multipolar world,” that is to check U.S. hegemonic impulses.[3] As will be spelled out below, Indians are appreciatively responsive to the Chinese threefold strategy.

## Reordering Sino-Pakistani Relations

China's relations with South Asia have long been frozen in the rivalry between India and Pakistan. With the turn of the millennium, however, Beijing has initiated a thaw. It has since warmed towards India, while at the same time maintaining its special relationship with Pakistan. Observers believe that Chinese President Hu Jintao is now taking Sino-Indian amity to the next level. His visit to India and Pakistan on November 21-26, 2006 epitomized the future shape of Sino-Indian relations, signaling a marked shift in Beijing's long-held view of New Delhi as a potential rival. The first sign of Beijing's changing vision became apparent when Hu chose India over Pakistan for his first stop during his week-long visit to South Asia. This was a stunning reversal in the 45-year-old tradition of Chinese leaders who have been making Pakistan their first destination on their official trips to South Asia. Also, the change in Hu's itinerary helped defuse the sense of offense among Indians at the fact that Chinese Premier Wen Jiabao's 10-day visit to the region in April 2005 took him first to Islamabad rather than New Delhi. Having swapped Islamabad for New Delhi, Hu recognized India's place in the sun. This symbolic move heartened India's nationalist elites, who often decry Beijing's tilt towards Islamabad.

Beyond symbols, Hu took substantial steps to

straddle the chasm between India and Pakistan and thus fashion a new approach to South Asia that is consistent with what he described as "the changing global scenario" and "the situation in the region." [4] Three such steps that signal a shift, especially, in the Chinese approach to India stand out. First, Hu assured New Delhi that Beijing would not stand in the way if the former made a go at the United Nations Security Council (UNSC) seat. Many Indians resent China's putative obstructionist role to spoil their country's prospects for a place on the UNSC. Yet just as many Indians attribute Beijing's resistance to their country's bid to India's alliance with Japan, rather than to the Indian bid itself. [5] Hu's renewed assurances of support for India's future bid will infuse Indians of all stripes with new hope for their country's entrée into the UNSC.

Second, during his stay in New Delhi and Islamabad, Hu carefully kept the K-word off his agenda. This was the first time in the past 45 years that a Chinese leader distanced himself from his country's enduring pro-Pakistan position on the disputed territory of Jammu and Kashmir (J&K), which continues to be contested between India and Pakistan. Indians certainly took heart at the omission of Kashmir from Hu's statements and speeches. Hu, instead, offered to help broker peace in the region. A negotiated settlement of the Kashmir dispute will greatly unburden Beijing of the need for "balancing acts"

– between India and Pakistan – while facilitating its diplomacy in the region.

Third, Hu did not sign a long-predicted nuclear cooperation deal with Pakistan, an omission that was evidently aimed at calming New Delhi, which has long been wary of such cooperation. China and Pakistan will, however, continue to cooperate in nuclear power production as per past agreements, which also permit the construction of the second nuclear power plant at Chashma in western Pakistan. Yet Pakistan will not receive the 6 additional power plants that it hoped for from China any time soon. [6] China's self-imposed moratorium on further expansion of nuclear cooperation with Pakistan also went down well in Washington, calming its proliferation concerns.

#### The political Economy of Sino-Indian Relations

In particular, Hu celebrated the growing economic ties between China and India, whose two-way trade of \$24bn in 2007 has already reached the current volume of Indo-U.S. trade. [7] It is now projected to grow to \$40bn by 2010. [8] This dramatic growth in economic cooperation is helping ease the border tensions between Beijing and New Delhi as well. As of 2005, the bulk of Sino-Indian trade was conducted through maritime shipping, since overland trade was suspended in 1962 after the outbreak of hostilities between the two. The two

nations have now agreed to reopen the Himalayan crossing after 44 years of closing, to begin overland trade. [9] This will further boost their bilateral trade.

As well, ever-expanding economic ties are likely to ease the lingering Sino-Indian border disputes. There are already visible signs that Indians are willing to exchange their claimed territory of Aksai Chin, which remains under Chinese occupation, for Beijing's recognition of Arunachal Pradesh as Indian Territory. For its part, China is ready to concede almost all of Arunachal Pradesh to India -- except for the Tawang area [10] near the border with Tibet. The Chinese believe that the Sino-Indian border dispute is a legacy of "the western colonial powers," [11] which was "imposed on the Chinese and Indian peoples when they were not masters in their own homes." [12] China, however, cannot let go of Aksai Chin that is the only land link between its two turbulent western regions of Tibet and Xinjiang.

Having grasped the importance of Aksai Chin to China, India's founding leader and the architect of Sino-Indian alliance in the 1950s, Jawaharlal Nehru, was inclined to "perpetually lease" it to China. [13] Since the ceasefire that followed the Sino-Indian border war of 1962, Beijing has repeatedly offered New Delhi a similar solution to the dispute. In addition, Indians are emboldened by the erstwhile Chinese recognition

of Indian sovereignty over Sikkim, to which Beijing has long laid territorial claims. In his April 2005 visit to India, Chinese Premier Wen provided the Indian Prime Minister Man Mohan Singh with cartographic evidence showing Sikkim as part of India. [14]

#### Emerging Triangulation of Regional Entente

With growing economic ties and subsiding political disagreements, China is also moving fast to draw India into a regional web of security relations with the lead support of Russia, which is at the forefront of such efforts to forge a triangular alliance among the three nations. Russian President Vladimir Putin takes credit for instituting trilateral dialogue among China, India and Russia, [15] which is shaping a new geopolitical reality in the region. As part of the trilateral dialogue, the three nations' foreign ministers held their first meeting in May 2005 in Russia. On February 14, 2007, they met in New Delhi for their first formal trilateral dialogue. Earlier, in July 2006, the three-way summit of the leaders of China, India, and Russia was held in St. Petersburg, where China and India were invited as observers to an annual G-8 meeting that Russia hosted.

During his recent visit to India on Jan. 25-26 this year as the guest of honor on India's Republic Day, Putin discussed what he described as trilateral cooperation with Indian Prime Minister

Singh. It is worth noting that Prime Minister Singh went beyond the call of protocol to receive President Putin at airport. [16] Later, Putin standing shoulder to shoulder with Singh told a news conference in New Delhi, "We want to resolve regional problems in a way acceptable to all sides. We therefore think that there are good prospects for working together in a trilateral format." [17] Indians who have long been beholden to Russia seem to embrace Putin's trilateral initiative, while remaining skeptical about the Indo-U.S. alliance. "Russia has seen India as a key to Asian stability for the past 50 years, some four decades before George W Bush's team reached that conclusion," [18] K. Subrahmanyam, India's foremost observer of strategic affairs, noted with a tinge of sarcasm. In a realist mode, he advised the Indian government: "In a balance of power world, India has to learn to deal simultaneously with all major powers to enhance its own national interest." [19]

The emerging triangulation has, however, internal dynamics as well. Internally, all three nations have been facing the triple menace of what Chinese describe as "extremism, separatism, and terrorism" (EST). China's sore points are the Buddhist autonomous region of Tibet and the Muslim-majority autonomous region of Xinjiang; India has its trouble spots in Jammu and Kashmir and the Maoists-dominated Northeast (the latter is a cluster of several states); and Russia has its nemesis in Chechen separatists

in the north. Although all three nations acknowledge, in varying degrees, the presence of domestic discontent behind their separatist challenges, they openly blame external powers for the flare-up. These internal and external dynamics are conflating into a tripartite regional entente.

To promote military cooperation in the battle against EST, India and China, China and Russia, and Russia and India have already conducted joint military exercises. These exercises, however, have been overshadowed by the “Malabar 07-2” in the Bay of Bengal in which Australia, India, Japan, Singapore and the U.S. participated with 20,000 military personnel and 25 ships. The stated aim of the joint naval exercises is to counter terrorism and piracy, which are threatening the Strait of Malacca, an 805-km-long strip of sea between Malaysia and Sumatra, through which 60% of the world’s energy is shipped. Yet anticipating China’s reaction to “Malabar 07-2,” India publicly rejected suggestions that China is “the focus of the war games,” and that India intends to “set up a new security alliance.” [20] India’s assurance was backed up by its planned first-ever joint army exercises with China itself, which are slated for October this year. The Sino-Indian drills are also aimed at counterterrorism. They were planned after a landmark visit to China by the Indian army chief Gen. J.J. Singh to China in May this year. Later, Indian Prime Minister Man Mohan

Singh met with Chinese President Hu Jintao in Germany, where the two traveled to attend the G-8 meeting this year and further assured him: “Our government and people, regardless of their political affiliations, want the strongest relationship with China.” [21] India plans joint military exercises with Moscow as well.

To institutionalize long-term cooperation between China, India and Russia, India was brought into the Shanghai Cooperation Organization (SCO), which, among other things, seeks to neutralize the North Atlantic Treaty Organization’s (NATO) advance into the region. [22] China and Russia seem to be ready to accept India as a voting member of the SCO, which will be an upgrade on India’s current status as an observer. The SCO will eventually culminate in formal trilateral alliance that would bind China, India, and Russia into a regional and global entente. [23] This triangulation seeks to guarantee India’s due place in the South Asian region and to prevent it from engaging in security alliances with external powers. Yet China and India both agreed to “play their respective roles in the region and beyond, while remaining sensitive to each other’s concerns and aspirations.” [24]

To further boost their security relationship, China also signed a civilian nuclear cooperation deal with India in November last year. It is pertinent to note that Beijing’s reluctance to offer

Islamabad such a deal was partly attributed to the latter's close alliance with NATO nations, whose tens of thousands of troops are fighting Taliban insurgents in China's neighborhood in Afghanistan. [25] The state-run Press Trust of India (PTI) news agency gushingly billed the Sino-Indian nuclear agreement as "a major advance," in which "China and India agreed to promote cooperation in nuclear energy consistent with their international commitments." [26] To caution potential proliferators and to display their credentials as responsible nuclear power states, both further reiterated that "international civilian (nuclear) cooperation" should be conducted in keeping with "the global non-proliferation principles." [27]

Although Sino-Indian nuclear cooperation is not of the same magnitude as the Indo-U.S. nuclear deal that will yield a \$100-billion-deal for the U.S. nuclear industry, it will help India through the hurdles at the 45-nation Nuclear Suppliers Group (NSG) for such key supplies as nuclear fuel. China and Russia sit on the NSG as members. The Chinese offer of nuclear cooperation with India was taken in step with Chinese acceptance, however reluctant, of the landmark Indo-U.S. nuclear deal. The Indian External Affairs Minister Pranab Mukherjee took upon himself to break the news that "China has endorsed the Indo-U.S. nuclear deal." [28] In reciprocity, Mukherjee said, "India would not object if China signed a similar nuclear deal with Pakistan." [28]

In the same vein, Russia has offered to sell India 4 light water nuclear reactors and an arsenal worth \$10bn. [29] Indians affectionately spell out PUTIN as "planes, uranium, tanks, infrastructure, and nuclear power." [30]

#### Indian Response to Chinese Overtures

Indians are receptive to Chinese overtures, especially Hu's deft diplomacy at reaching across the schism between India and China's protagonist Pakistan. Indians, however, remain deeply divided over the China question. Its current government led by the Indian National Congress and motley regional parties seems open to reaching a broad accommodation with Beijing while pursuing cooperation with the U.S. The Congress's predecessor, the Bhartiya Janta Party (BJP), which subscribes to an ultranationalist ideology of Hindutva, however, took a harder line on the future shape of Sino-Indian relations. Soon after India conducted nuclear tests in 1998, the BJP Minister for Defense identified China as "India's Number One problem." Shortly after his intemperate statement, however, the pragmatic BJP showed the Minister to the door.

Sumit Ganguly condenses the diversity of Indian public opinion on "the rise of China" and Sino-Indian relations into three groups, "...there are those who appease and muddle through, those who advocate strategic engagement, and those who take a confrontational approach." [31] He

puts the Indian National Congress and the Indian Ministry of External Affairs (MEA) in the first category, the Hindu nationalist BJP in the second, and an amorphous minority, whom he describes as “the lunatic fringe,” in the third. [32] Ganguly, however, overstates the Indian National Congress’s “appeasement” of China. The Congress, which has vigorously pursued Indian interests in befriending China in the 1950s and yet fighting it in the sixties, can hardly be described as “China’s appeaser.”

Historically, the Congress was born of Indian nationalism, and as such it has pursued independent foreign policy without allying itself with any of the power blocs. It is for this reason that Congress and its allies in the United Progressive Alliance (UPA) coalition government diverge from the U.S. in their vision of global security. It was due to this divergent vision that India politely declined to be involved in policing Iraq and Afghanistan. Similarly, President Bush’s vision of the “axis of evil” was not automatically transferred on to India, which continues to have an estimated \$40 billion worth of oil and gas interests in Iran and with which it is in talks for the construction of an additional \$10bn gas pipeline, despite U.S. objections. India’s huge investments in Iran, combined with its desire to be assertively independent in its diplomacy, were the reason that India, which sits at the 35-member board of governors of the International Atomic Energy Agency (IAEA), was reluctant to

report Iran to the UN Security Council for the latter’s nuclear program. The U.S. had to lobby it so hard that the very landmark Indo-U.S. nuclear deal was threatened to be shelved indefinitely. India finally voted with the U.S., but only after China and Russia led the path.

India also has a vibrant peace movement and the growing Indian Left which is pressing for deeper Sino-Indian relations. Praful Bidwai, long an advocate of Sino-Indian amity, is the latter-day Gandhi of the Indian peace movement. Many realists such as Kuldip Nayar, one of the elder statesmen of the Indian National Congress, often oppose the Indian Left on Sino-Indian relations. Nayar, however, has recently advised the Indian government against totally allying with the U.S. “It suits us (India) to keep America guessing whether we would ever be a counter force to check China,” he wrote in a syndicated op-ed piece. [33] At the same time, he argued that the Indo-U.S. alliance has instrumental value for India to squeeze a better deal from China on the Sino-Indian border dispute: “Not that America’s friendship is crucial to us, but our equation with it will help us get a better offer on the border (dispute) from China.” [34]

## Conclusion

The Indo-US alliance is unlikely to break India apart from China, let alone set the two on a collision course. If anything, it seems to have



nudged Beijing and New Delhi ever closer. India's growing economic ties with China, marked by a trade surplus of tens of billions of dollars, will further deepen their diplomatic relations. Unlike Sino-Japanese history of colonialism, China and India are unencumbered of such a baggage. That is why they do not share a past of antagonisms to poison their present. Even the 1962 war and the Chinese security relationship with Pakistan, which long embittered Sino-Indian relations, are a far cry from the legacy of colonial relations that continue to mark Sino-Japanese relations and stir visceral emotions in both nations. Yet in significant ways, China's economic diplomacy appears to overtake political disagreements with Japan, of which it is now the world's largest trading partner. The underlying assumption of Chinese emergent diplomacy is that economics trumps politics as China's experiences with ASEAN (Association of Southeast Asian Nations) Japan, Taiwan, and the U.S. amply demonstrate. China has modeled its relations with India on the same economic logic of its regional and global diplomacy. To address its political disagreements with India, China is going a step further by calling for a swap of "land for peace with India." While the issues are not yet fully resolved, this is evident in its conceding of Sikkim and almost all of Arunachal Pradesh to India.

Above all, China is creating entente in South Asia to recognize India's dominant position in the

region. Its changed stance on Kashmir, scaled-down nuclear cooperation with Pakistan, and shelving of Islamabad's request for an upgrade on its observer status on the SCO are substantial steps towards Chinese recognition of India's looming presence in South Asia. Russia, which has become the nucleus of the emerging triangulation of strategic cooperation -- between China, India and Russia -- is further helping along Sino-Indian relations. Russia's central role in the trilateral dialogue has already helped calm strategic competition between China and India.

This calm is evident from China's measured reaction to India's nuclear tests in May 1998 and its subsequent landmark nuclear deal with the U.S. China and India, in fact, are so sure of their future relations that they have struck a nuclear deal of their own. Furthermore, China has pledged to drop its opposition to India's bid for the UNSC. For its part, India has pledged to further deepen its relations with China and make "irreversible" the positive progress it has already achieved in forging such relations. [35] To calm mutual suspicions, Hu expressed his country's appreciation of Indian Prime Minister Singh's statement in 2005 "that India would not be part of any containment strategy against China." [36] This statement, however, has to be tested against the emerging shape of Indo-U.S. relations and their impact on the triangular relationship between China, India and Russia.



Russia seems to keep pushing Sino-Indian relations in the direction of mutual amity. It commands India's utmost confidence that is rooted in the Indo-Russian longest and friendliest history of military and nuclear cooperation. Their past relations have further enriched with Moscow's growing economic fortune from its energy resources. As a result, contemporary Russia, after a long time, is expanding its economic reach into India. In turn, India is eyeing Russia's foreign exchange reserves of \$1trillion, one of the world's largest funds, for developing its decayed infrastructure. In the like vein, India needs to be shouldered by China and Japan for its due place on the proposed East Asian Community (EAC) to further boost its economy.

Indo-Japanese relations are already robust. Japan anticipates that its relations with India will surpass "Japan-US and Japan-China relations" in 10 years. [37] Despite this inter-state bonhomie, Indo-Japanese relations came under greater strain due to the Indo-U.S. nuclear pact. Japan, which is an ardent advocate of nuclear disarmament and non-proliferation, is hard pressed to swallow the transfer of nuclear technology to a country that is neither a signatory to the NPT (Non Proliferation Treaty), nor is willing to bring all its nuclear facilities under the IAEA's (International Atomic Energy Agency) inspections. China, on the other hand, appears to have given India a free pass on all such concerns by endorsing the Indo-U.S. nuclear

pact and striking a nuclear deal of its own.

Yet India seeks deeper relations with the U.S. to help modernize its economy, strengthen its military, and make needed advances in science and technology. The Indo-U.S. nuclear deal addresses all these concerns. Above all, India needs the U.S. to step onto the world stage as an emerging world power. To achieve this end, India will heed Subrahmanyam's advice "to learn to deal simultaneously with all major powers to enhance its own national interest." [38] India will do so even if it has to play off competitive tensions between China and the U.S. to its advantage as described by an Indian statesman, Kuldip Nayar: "It suits (India) to keep America guessing whether we would ever be a counter force to check China.... Not that America's friendship is crucial to us, but our equation with it will help us get a better offer on the border (dispute) from China." [39] Chinese and Indians have come to recognize this reality by agreeing that they both will "play their respective roles in the region and beyond, while remaining sensitive to each other's concerns and aspirations." [40]

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