

**MAINS 2016 CURRENT AFFAIRS
GENERAL STUDIES 2
7. INDIA-CHINA RELATIONS**

India was the first non-communist country to establish an Embassy in PRC. On April 1, 1950, India and China established diplomatic relations. The two countries also jointly expounded the **Panchsheel** (Five Principles of Peaceful Co-existence) in 1954. The **India-China conflict in 1962** led to a serious setback in bilateral relations.

Both started to rival each other in their **economic growth**. Bilateral trade is booming, while China and India are equally concerned over regional and global issues such as **energy security, climate change, the reform of international organisations**, and the situation in **Afghanistan and Pakistan**.

SINO-INDIAN TRADE/ECONOMIC RELATIONS

Among the most encouraging recent developments in **Sino-Indian ties** is the rapid increase in **bilateral trade**. India and China resumed trade officially in 1978. The India China trade relations have been further developed from 2006, with the initiation of the border trade between Tibet, an autonomous region of China, and India through Nathu La Pass, reopened after more than 40 years.

Seeing the whopping growth in Sino-Indian trade, China outlined a **5-point agenda**, including **reducing trade barriers** and **enhancing multilateral cooperation** to boost bilateral trade. There are several institutional mechanisms for India's economic and commercial engagement with China. India-China **Joint Economic Group** on Economic Relations, Trade, Science and Technology (JEG) is a ministerial-level dialogue mechanism. A **Joint Study Group** (JSG) was set up to examine the potential complementarities between the two countries in expanded trade and economic cooperation.

However, there is a **large and growing trade deficit** that India was experiencing in its bilateral trade with China. Trade deficit with China has spiked by **34 percent to \$48.5 billion** — **nearly 3 percent** of the nation's GDP. Total trade between India and China was **\$72 billion** in FY 2015, about **\$8 billion** higher than with the United States, which is India's second-largest trade partner.

India and China have agreed to work towards bridging the fast-widening trade gap between the two countries. The government is working on a **three-pronged strategy** to narrow the trade gap with China. The first is to **identify the areas where India is strong** and can contribute to the Chinese economy, and to then **seek effective market access from China** in these areas. Such areas include **pharmaceuticals, IT/ITES, food products** and **agriculture**, and automobile components. India is also trying to see how to channelize **Chinese investments into India** in order to **reduce imports** from the country, and **tap Chinese technology** and capacity.

India also needs to work with China in global forums such as the **World Trade Organization** and in the on-going negotiations for a **Regional Comprehensive Economic Partnership (RCEP)** as the two can have a better say jointly.

China is already **India's number one trading partner**. From China's side, India already is **one of its top ten trading partners** and is growing much faster than the other nine. Since it is almost certain that, by 2050, China and India will be the two largest economies in the world, it is inevitable that bilateral trade between them will become the most important economic relationship in the world.

WATER DISPUTE

China's grand plans to harness the waters of the **Brahmaputra River** have set off ripples of anxiety in the **two lower riparian states: India and Bangladesh**. China's **construction of dams and the proposed diversion of the Brahmaputra's waters** is not only expected to have repercussions for water flow, agriculture, ecology, and lives and livelihoods downstream; it had also become another contentious issue undermining Sino-Indian relations

The 2,880 km-long **Brahmaputra** originates in Tibet, where it is known as the YarlungTsangpo. It flows eastwards through southern Tibet for a distance of 1,625 kilometers and at its easternmost point it swings around to make a spectacular U-turn at the Shuomatan Point or Great Bend before it enters India's easternmost state, **Arunachal Pradesh**. Here it is known as the Siang River. After gathering the waters of several rivers it announces itself as the Brahmaputra in the state of Assam. The river snakes lazily through **Assam** to then enter **Bangladesh**, where it is known as the Jamuna. In Bangladesh it is joined by the **Ganges** (known as the Padma in Bangladesh) and Meghna and together these rivers form the world's largest delta before emptying their waters into the Bay of Bengal.

As with other rivers originating in the icy Tibetan plateau, Beijing's plans for the Brahmaputra include two kinds of projects. The first involves the **construction of hydro-electric power projects** on the river and the other, more ambitious project, envisages the **diversion of its waters to the arid north**. In the former case, the concern would be largely about **horrendous ecological impacts**; in the latter, the worry would primarily be about the **reduction of flows to the downstream countries**. In either case, any major intervention in a river by an upstream country is always a matter of serious concern on the part of downstream countries.

This will affect the **quality of downstream water**. By **2050**, the annual runoff in the **Brahmaputra** is projected to decline by **14 per cent**. This will have significant implications for food security and social stability, given the impact on climate-sensitive sectors such as agriculture.

These also raise the larger question about the cumulative impact of massive dam-building projects across the entire Himalayan region and the consequences of such intensive interventions in a region that is **ecologically fragile**. The dangers of **water accumulation behind dams** could also induce devastating **artificial earthquakes**.

In a way, Indian concerns about Chinese interventions in the **Brahmaputra** or **Yarlung Tsangpo** are similar to Pakistani concerns about Indian interventions in the Indus system. The difference is that there is a treaty- the Indus Waters Treaty 1960, and an institutional arrangement, (the Permanent Indus Commission), to take care of Pakistan's concerns vis-à-vis India, whereas India has no such treaty or institutional arrangement vis-à-vis China. We need a treaty on the Brahmaputra, but it cannot be a bilateral one between **India and China**; it will have to be a multilateral one covering China, **India, Bhutan and Bangladesh**, with a multilateral Brahmaputra Commission similar to the Mekong Commission.

INDO-CHINA AND TIBET ISSUE

India's record in terms of respecting China's strategic sensitive is glaringly positive. India has supported the Chinese policy of "**One China**" principle. India respected China's stand on **Tibet issue** & never supported anti-China activities by Tibetan exiles. India accepts **Tibet Autonomous Region** as an integral part of China and standing firmly against any anti-China activity of the Dalai Lama from Indian soil, However, China appears to be having reservations on India's motives with respect to the **Dalai Lama**. Chinese official viewed his visit to **Arunachal Pradesh** in November 2009, 'further exposes the anti-china and separatist nature of the Dalai clique' and that such visits cast a new shadow on Sino-Indian relations. This firmly points to Beijing's approach of linking the Dalai Lama factor with the Sino-Indian border question.

Tibet ceased to be a political buffer when China occupied it in 1950-51. But Tibet can still turn into a political bridge between China and India. For that to happen, China must start a process of **political reconciliation** in Tibet, **repudiate claims to Indian territories** on the basis of their alleged Tibetan links, and turn water into a source of cooperation, not conflict. The boundary issue cannot be resolved peacefully without a solution to the status of Tibet and the return of over 94,000 **registered refugees** in India. The unofficial figures are estimated to be around 150,000.

Tibet is the core issue in Beijing's relations with countries like **India, Nepal and Bhutan** that traditionally did not have a common border with China. These countries became China's neighbours after it annexed Tibet

INDO-CHINA BOUNDARY ISSUE

India and China display a peculiar case of "**constrained cooperation**," in which the convergence of their **economic interests** tends to mask their prevailing **strategic differences**. Yet these divergences, of which the territorial and boundary dispute is foremost, still hold the potential of upstaging ties at any point.

The boundary issue comes foremost in the list of problem areas. India's doubts emanate from China's aggressive policies as Mao's description of **China's 'palm' (Tibet) and 'five fingers' (Nepal, Sikkim, Bhutan, NEFA and Ladakh)**. China also published maps showing India's Assam, even Andamans, as 'historically' parts of China. Chinese claims are based on its historical period which ended in 1912.

The root of the border problem with India lies in Beijing's position that a large chunk of its territory, especially the 90,000 Sq km area in the Eastern sector, were illegally taken away by the British, after the **1914 Shimla Convention**. This has provided the rationale for Beijing in rejecting the **McMahon line**, a product of the Convention and in claiming the entire Arunachal Pradesh, a state of India as part of Chinese territory, called by it as '**Southern Tibet**'. On the other hand, for India, **McMahon line** remains the 'de facto' border with china.

The Sino-Indian border problem remains complicated with the Chinese claiming recently the '**finger area**' of **Sikkim**, the status of which as an Indian state has already been recognized by Beijing 'de facto'. China has also put claim over Tawang in **Arunachal Pradesh**, due to the China's fears that Buddhist monasteries have been centres of Tibetan resistance to the Chinese authority. China is illegally occupying 43000 sq km of **Jammu and Kashmir** in the Ladakh sector. That piece of land, is called **Aksai Chin**. It has been under Chinese control since 1962. **Line of Actual Control (LAC)** is ceasefire line between **Chinese and Indian military** post in disputed Aksai Chin Sector. This was informal demarcation line after **Sino-India War 1962** but was first put on paper in 1993 & 1996 Border Management Agreement between India & China. However, even today there is different perception of LAC according to India and China. This border is guarded by **Indo-Tibetan Police Force (ITBP)**.

Indian Home Ministry's recent report said that the area along the **Line of Actual Control** with China has "**shrunk**" over a period of time, and India has lost a "substantial" amount of land in the last two decades. Sino-Indian border talks have undergone **19 rounds** of talks between two Special representatives. Though settlement achieved more or less in **middle sector; western & eastern sectors** are still troublesome. These have not led to any tangible results in finalizing a 'frame work' for a boundary settlement in accordance with the Agreement on Political Parameters, reached in 2005. While Beijing's stand is to approach the border issue in the spirit of '**mutual understanding and mutual accommodation**', India wants '**ground realities**' to be taken into account.

In an effort towards demarcating the contentious boundary, India and China reinforced commitment to the "**three-step process to seek a fair, reasonable and mutually acceptable resolution**" within the agreed guiding principles. This was agreed in the **18th** round of talks between the Special Representatives of India and China on the Boundary Question. By their very nature, territorial compromises are not easy, despite the strong political will in Delhi and Beijing. Even the simplest of solutions to the boundary dispute — turning the **status quo into a legitimate border** — involves a notional exchange of territories and changing the way the two countries have long drawn their maps.

On April 20 2016, Indian National Security Advisor Ajit Doval met with Chinese State Councilor Yang Jiechi in Beijing for the **19th Special Representatives Meeting on the India-China Boundary Question (SRM)**. Given the gulf between China and India's positions and the tangible **trust deficit** between the two, there were no expectations that these talks would result in any breakthrough. Nonetheless the SRM was ostensibly conducted cordially, with both sides engaging in the usual platitudes of the two countries' desire to resolve their dispute with a peaceful and mutually acceptable political solution.

Given the difficulties of finding a final settlement, the two sides have focused, in the last few rounds, on ensuring peace and tranquillity on the border. Repeated incursions by both sides across the claimed boundary line have raised tensions on the border in recent years and cast a political shadow over bilateral ties. Further, the lack of agreement on where the **Line of Actual Control (LAC)** is has complicated the effective implementation of many confidence-building measures for border stability that the two sides had negotiated in recent years. So, the clarification of the LAC has become an immediate political need for both countries.

Both these approaches — **maintaining a peaceful border and clarifying the LAC** — look beneath the boundary dispute by disaggregating the problem. But the greatest opportunity for the two governments today lies in looking beyond the boundary dispute and altering the broader context in which it plays out.

The Chinese have often said **expanded bilateral cooperation** across the board will set the stage, over the longer term, for addressing the intractable territorial problem left over by history. That long term might be too far down the road for India's political comfort. A more **productive approach** would be to focus on promoting cooperation across the shared but disputed frontiers. This cooperation must necessarily be pursued in tandem with efforts to maintain peace on the border and purposeful negotiations to resolve the dispute.

There are three levels at which India and China can develop **trans-frontier engagement**. **One** is to promote **trade and people-to-people contact** across their borders. Tentative efforts in recent decades have not got real traction, thanks to the Indian focus on limited local trade. It is about time Delhi initiated comprehensive trade across the borders. The **Nathu la Pass** between Sikkim and Tibet is a good place to start. **Inadequate infrastructure** on the Indian side is often trotted out as an excuse in Delhi to avoid substantive trade on the Indo-Tibetan frontier.

The **promotion of tourism, including spiritual pilgrimage**, has been a central theme of Modi's regional policy. This approach has unlimited possibilities with China. Delhi and Beijing must now launch a joint initiative to develop religious and cultural tourism across the **Indo-Gangetic plains** and bordering regions in Tibet, Yunnan and Xinjiang.

Delhi can build on **China's Silk Road initiatives**, which call for trilateral and quadrilateral transport and industrial corridors between western China on the one hand, and northern and eastern India on the other. Beijing has been pressing Delhi to cooperate in the development of the **BCIM corridor** (running through the Yunnan province of China, Myanmar, Bangladesh and India) in the east. It has also suggested a trans-Himalayan corridor between Tibet, Nepal and India. More recently, the Chinese ambassador to India, Le Yucheng, put out an intriguing idea — of extending the China-Pakistan economic corridor to India.

China is investing massively in the development of a corridor running from Kashgar in Xinjiang to Gwadar and Karachi on Pakistan's Arabian coast. China has plans to connect this corridor to Afghanistan through new road and rail links. There is a lot of benefits in connecting the two Punjabs and linking them to the new Silk Road. Restoring economic cooperation between the two Punjabs through the Wagah-Attari border between Amritsar and Lahore has been a major goal of India's effort to normalise trade relations with Pakistan.

India recently deployed **T-72 Tanks in Ladakh**, along the Line of Actual Control (LAC) demarcating the border with China in Jammu and Kashmir, decades after the 1962 India-China War. It's a move that Beijing has duly noted.

Chinese leaders has stated that **positioning of "100 Indian tanks"** near the Indo-China border has grabbed potential **Chinese investors'** attention who as a consequence might "weigh the threat of political instability before making investment decisions."

Reports have it that the **Indian Army** is about to induct a **Block III version of the BrahMos supersonic cruise missile** along the Himalayas. The Chinese army is said to have reacted by

stating that India deploying supersonic missiles on the border poses a serious threat to China's Tibet and Yunnan provinces.

Until now, India has viewed **China's Silk Road** projects through a limiting **geopolitical perspective**. If it leavens its thinking with a bit of **economic sense**, Delhi might find that these initiatives are rooted in **China's massive accumulation of hard currency reserves** and **excess industrial capacity**. If Beijing has a genuine domestic economic imperative to promote regional cooperation with India, **Delhi should try and benefit from it**, rather than finding clever ways to duck China's Silk Road initiatives.

Finally, there is a new opportunity for unprecedented cooperation between Delhi and Beijing on **regional issues**, especially on the **future of Pakistan and Afghanistan**. If Delhi has had reason to see China's ties with Pakistan as an enduring threat in the past, there is a case to view them today as a possible opportunity. As America ends its combat role in Afghanistan and religious extremism rises in Pakistan, China is deeply concerned about the impact on the restive **Xinjiang province**. If Beijing appears to be redoing its geopolitical sums on India's northwest, Delhi too must suspend, at least for the moment, some of its certitudes on the China-Pak partnership.

INDO-CHINA STRATEGIC ISSUES

Sino-Indian border war of 1962: China and India have been strategic adversaries since the 1962 war and it cemented India's alignment with the Soviet Union. China's propensity to use military force in boundary disputes has created huge tensions between both countries.

India's NSG bid: China along with few countries like Turkey and Brazil stalled India's bid to join the elite grouping at its plenary meeting in Seoul in **2016**. China raised objection saying India was not a signatory to the **Nuclear Non-Proliferation Treaty (NPT)**. China also encouraged to apply for NSG membership just after India did, to block India's entry. China also initially opposed to the **NSG waiver** granted to India in **2008**. China **later withdrew its opposition** as it did not want to be seen as the only NSG member opposing the waiver which would allow India to re-engage in nuclear cooperation with the rest of the world.

UN SECURITY COUNCIL REFORMATION: India had supported China's entry into the UN and expects China also to support India's bid for a permanent seat in the **UNSC**.

China is the **only country among the permanent five** to have **not endorsed India's permanent membership to the UNSC**. The other four - United States, Russia, Britain and France - in principle backed New Delhi's push for UNSC permanent membership.

About the UNSC reform, Chinese officials say that Beijing has a problem with Japan and not India to become a permanent member due to historic issues and India should not join with Tokyo to stake its claim.

India's case is also a problem for China as its **close ally Pakistan opposes India's inclusion** as a Permanent Member of the UNSC. India along with Brazil, Germany and Japan is part of **G-4** countries campaigning for the Permanent Membership in the UNSC.

Chinese policy of asserting power in Indian Ocean is evident. It threatens India's role in the Indian Ocean. China's "**strategic encirclement**" of India by creation of military client states on all peripheries of Indian Ocean. The "**string of pearls**" concept is often viewed a military initiative, with the aim of providing China's navy **access to a series of ports** stretching from the **South China Sea** to the **Arabian Sea**. China's "**Defence Cooperation Agreements**" with **Pakistan** and **Bangladesh** are solely aimed at India. As a result both the countries get encouraged to have inimical attitudes towards India.

India has not, unlike China, supported any insurgent activities against China. India has not made any efforts towards strategic encirclement of China. India has asserted that its growing **relationship with USA precludes being part of any China containment** policies of USA. China hopes **increased trade** and investment ties with India **will counter strategic U.S.-India cooperation**,

which Beijing perceived as an **attempt to contain Chinese** influence. For Beijing, there's also desire to limit India's relationships with the Japan as well as other countries in what Beijing considers its backyard.

INDIA-CHINA-PAKISTAN TRIANGLE

China has been **Pakistan's strategic and military ally** for the past 50 years. Pakistan's **nuclear weapons and missile arsenal** was built up by direct Chinese assistance. Chinese arms supply to Pakistani military has been a point of objection from India.

China has two purpose behind its assistance to Pakistan. **First**, it takes **Pakistan** as a secure friend and ally in the Indian Ocean and **second**, they share a common interest to contain India. **Pakistan** supports China's candidate for China's entry **into SAARC**; India is against the prospect of Chinese membership. New Delhi views Beijing links with Islamabad as being part of a wider strategy aimed at keeping it off balance strategically. China's military aid has considerably strengthened **Pakistan's war** waging potential and enabled it to launch and sustain a proxy war in **J&K** and in other parts of India.

China signed a **free trade agreement with Pakistan** and a deal to co-produce **Chinese fighter jets**. China is providing additional nuclear power reactors to Islamabad. The **Shaksgam Valley** or **Trans Karakoram Tract** was ceded to China by Pakistan in **1963** when both countries signed a **boundary agreement** to settle their border differences. It **borders Xinjiang Province** of the People's Republic of China (PRC) to the north, the Northern Areas of **POK** to the south and west, and the **Siachen Glacier** region to the east.

China gave designs for a nuclear bomb to Pakistan in 1984 and then helped them built it. China has given **nuclear warhead designs** and **missile technology** as well as fully assembled M-9 and M-11 missiles to Pakistan. China and Pakistan are also known to have a joint weapons and equipment development programme that includes Al Khalid tanks and FC-1/JF-17 fighter aircraft. They also helped in the construction of the **Gwadar port**. **China-Pakistan nuclear deal** could spell trouble for India.

CHINA SUPPORTING PAKISTAN-SPONSORED TERRORISM AGAINST INDIA

India has sought **transparency in the U.N. procedures** to designate a group or an individual terrorist. The demand comes days after China blocked its bid to designate Jaish-e-Mohammad chief Masood Azhar a terrorist.

The Security Council has Al-Qaeda, Taliban and Islamic State Sanctions Committees that can mandate international sanctions, which will **require countries to freeze the targeted group's or individual's assets, ban designated individuals from travelling and prevent the supply of weapons, technology** and other aid. Earlier too, China delayed moves against the Pakistan-based terror groups such as the Jamaat-Ud-Dawa and the Lashkar-e-Taiba.

India was shocked by **China's recent veto of action against the chief of the Jaish-e-Mohammed, Maulana Masood Azhar**, when there was widespread support in the **UN Sanctions Committee** to act against him for his role in the **Pathankot attack**. The **UN declared the Jaish-e-Mohammed a terrorist organisation in 2001**.

The former director-general of the ISI, Lt Gen Javed Ashraf Qazi, **acknowledged in Pakistan's parliament in 2004** that the **Jaish-e-Mohammed** was **responsible for the attack on the Indian parliament** — an action that took the two countries to the brink of war. This veto was, however, not an isolated action by China, which has long backed Pakistan-sponsored terrorism against India.

China's contacts with radical Islamic groups backed by the ISI is nothing new. It was one of the few countries that had **contacts with high-level Taliban leaders**, including Mullah Omar, during Taliban rule between 1996 and 2000. There was even a **Chinese offer** to establish a **telephone network in Kabul** during this period. Moreover, after the Taliban was ousted from power in 2001 and was hosted by the ISI in Quetta, the Chinese maintained clandestine contacts with the Mullah

Omar-led Quetta Shura. **China** recently **joined the ISI** to **sponsor** a so-called Afghan-led **peace process with the Kabul government**.

Beijing appears convinced of the need to have an **ISI-friendly government in Kabul**. Beijing evidently favour such a dispensation in the belief that the **ISI will stop Taliban support for Uighur Muslim militants in Xinjiang**.

While **India** received overwhelming **international sympathy and support** during the **26/11** terrorist carnage, the **Chinese backed Pakistani protestations of innocence**. The state-run China Institute of Contemporary International Relations claimed that the **terrorists** who carried out the attack **came from India**. Moreover, even as the terrorist strike was on, a Chinese 'scholar' gleefully noted: "The Mumbai attack exposed the internal weakness of India, a power that is otherwise raising its status both in the region and in the world."

CHINA-PAKISTAN ECONOMIC CORRIDOR (CPEC)

At the Chinese President Xi Jinping's maiden visit to Pakistan, the two countries signed **51 agreements** between them. In monetary terms, the **\$46 billion** Chinese funding for an ambitious **3,000-km-long China-Pakistan Economic Corridor (CPEC)** which will **shorten the route** for Chinese **energy imports** from the **Middle East by 12,000 km**, is the biggest overseas investment by China announced yet. The project would link China's far-western region to **Pakistan's Gwadar port** (built with Chinese investment and technical expertise) and would provide **14,000 MW** of electricity to the energy-starved Pakistan. The August **2015 "Karamay Declaration"** detailed Pakistan's role in China's global scheme. Lately, even **Russia** has indicated its interest in joining the bandwagon to prop up **Pakistan's strategic significance for Eurasian integration**.

China has invited India for the ambitious project. **China** expects **CPEC** will yield far-reaching **economic benefits and regional security is instrumental** for this purpose.

First, **the Karakoram (land)** with Gwadar (sea) alignment has both commercial and military significance to serve as strategic chokepoints vis-à-vis India. Considering **PoK's** strategic location, it could have many ramifications for India. China's support to Pakistan's stand on Kashmir is obvious since CPEC's plan goes through PoK.

Second, the CPEC is suspected to be about offsetting the growing U.S.-India intimacy as also in China's quid pro quo to counter **India's "Act East" policy**. **Third**, it seems linked to preventing the Afghan-Pak area from potentially becoming a safe haven for **Uighur militants** once the **U.S. troops leave Afghanistan**. Beijing's frantic initiatives for Afghan reconciliation talks explain that. Clearly, Beijing seeks new opportunity to fill up gaps where India has largely failed.

While Beijing has justified CPEC as a "**livelihood project**", Pakistan is going the whole hog to get the landlocked **Shanghai Cooperation Organisation (SCO)** members to join the corridor and offering them access to the **Indian Ocean**. Once completed, the **CPEC project** would enlarge **China's strategic footprints** in the Indian Ocean and would change the **regional power matrix forever**.

In the new millennium, the triangular relationship between **India, Pakistan, and China** will remain an important driver of regional security. However, the inter-relationship between the three nations will be far more fluid than it was in the past.

INDIA-CHINA COMPARATIVE RELATIONS IN REGIONAL GROUPS

BIMSTEC: BIMSTEC not only balance India's engagement with Southeast and South Asia but it also counters China's growing influence among ASEAN members, in particular Myanmar. Through BIMSTEC, India engaged Bangladesh, Myanmar, Sri Lanka & Thailand to enhance cooperation in trade & investment, communication & transport, tourism, energy projects and fisheries. However China's dominant role individually in these countries has over-shadowed the importance of BIMSTEC as a group.

ASEAN: With the withdrawal of US troops from strategic locations in the region following the collapse of Soviet Union, the Southeast Asian countries deemed it appropriate to guard against Chinese influence by setting up vital sea-lanes of communications such as the Taiwan, Malacca, Sunda and Lombok Straits. Accordingly, ASEAN countries justifiably perceive India, with the largest Naval forces in Indian Ocean & nuclear capabilities, a strategic partner to balance China's growing power in the region.

ASEAN looks at India's security needs more as a factor emanating from the compulsions of the geopolitical position that India holds, rather than being a derivative of any hegemonic designs on India's part. The institutionalization of these relations came with the First ASEAN-India Summit in 2002 and was perceived as the success of India's Look East Policy. It was considered an acknowledgement of India's emergence as a key player in the Asia Pacific Region. The increasing importance of maritime trade and energy security for India has made it imperative to ensure the safety of Sea Lanes of Communication.

EAST ASIA SUMMIT: The East Asia Summit (EAS) is a forum held annually by leaders of, initially, 16 countries in the East Asian region. Membership expanded to 18 countries including the United States and Russia at the Sixth EAS in 2011. China perceives India's "Look East" policy as part of wider "contain China" strategy unveiled by the perceived Washington-Tokyo-New Delhi axis. Wary of India, Australia and Japan, China proposed that the existing ASEAN plus 3 (China, South Korea and Japan). However, nearly all Southeast Asian countries supported India's participation in the EAS, seeing it as a useful counterweight to China's growing power.

G-20: China & India are working closely within G20, proposing reforms to international financial system and jointly promoting the building of a fair & reasonable international economic & financial order.

SAARC: SAARC is considered by China to be key and part of its own back yard. There is some resentment from other members of the SAARC that India has had too much say and that China should be included to provide more financial and political balance. Beijing has indicated that but may assist India's entry into the SCO in return for SAARC membership. However, India has apparently blocked an attempt by China to obtain membership in SAARC. China currently has observer status.

ROAD AHEAD

Cooperation between India and China will have multi-dimensional benefits for both sides. **Geo-politically**, a China-India strategic alliance could alter the global balance of power from a unilateral one to a multi-lateral one. **Geo-strategically**, a China-India strategic alliance would encompass the major portion of the heartland of Asia besides resting on the waters of the Pacific Ocean and Indian Ocean. **Geo-economically** it would integrate the world's two fastest growing economies.

Looking ahead, one can expect the **two Asian giants** to transcend the **bilateral dimension** and enlarge the arc of **convergence to shape regional and global agenda** by proactive consultations on "**developments affecting international peace, security and development**". The new narrative of "major powers" engagement, which was articulated during the PM's visit to China, will frame this critical partnership as the two Asian juggernauts leverage their **growing economic weight** and **international profile** to carry along the entire region to fructify the promise of an **Asian century**. There are, however, many pitfalls on the way— the **unresolved boundary dispute** remains the source of off-and-on tensions and **trust deficit**, which needs to be resolved expeditiously by taking a long-range view of this critical relationship. The **widening trust deficit**, if it continues at this pace, could derail the expanding **economic relationship**. China needs to deliver on its long-standing **promise of greater market access to Indian companies**, especially in IT, pharma and food sectors. The fruition of China's plans for **long-term investments** and the setting up of **industrial parks** is critical to the long-term vitality of the burgeoning economic relationship. The two **Asian heavyweights** also need to square up their concerns and anxieties about their **relationship with third countries**. The continued transformation of **India-China relations**, therefore, has to reckon into account creative ways and **out-of-the box solutions** to address these festering issues. A

journey of a thousand miles, as a Chinese proverb says, begins with a small step. Many small steps have already been taken, and it's time now for the leaders of the two countries to raise the bar, show flexibility and imagination to take large strides to pitch fork the India-China relationship into another dimension and insulate it from pulls and pressures of competitive ambitions and geopolitics.

Chinese Foreign Minister Wang Yi's 2016 August 11-13 visit to India was closely watched for clues on the current state of India-China relations and the outlook going forward. There are two major multilateral summits in 2016, the **G-20 summit** hosted by China in September and the **BRICS summit** hosted by India in November. Neither country would like the summit it is hosting to be overshadowed by bilateral differences.

On the vexed issue of China's opposition to India's membership of the Nuclear Suppliers Group (NSG), it was agreed that a focussed dialogue take place between the Indian Joint Secretary dealing with disarmament and international security and China's Director-General of Arms Control and Disarmament. The issue of **China's "technical hold" on the listing of Masood Azhar, the Jaish-e-Mohammad leader, as a terrorist at the United Nations, and Chinese activities in Pakistan-occupied Kashmir (PoK)** under its One Belt, One Road (OBOR) initiative will be on its agenda.

China is faced with a complex and **deteriorating political** and security **situation in its Asia-Pacific** periphery. The categorical and entirely negative arbitration award against China over its claim to the South China Sea — handed in July by a tribunal constituted under the provisions of the UN Convention on the Law of the Sea (UNCLOS) — is a major setback for Beijing. Its relations with ASEAN (Association of Southeast Asian Nations) are now under unprecedented strain. To add to its woes, the **deployment of the THAAD anti-missile defence system by the U.S. in South Korea** has led to a worsening of relations with a neighbour with which China has, over the years, assiduously nurtured close political, economic, commercial and even cultural relations.

In dealing with China, India has to be conscious of the fact that in terms of both economic and military capabilities, the **asymmetry between the two countries** continues to expand. **China's economy is five times as large as India's** and even with slower rates of growth China will be adding more muscle from a larger base while India will have to grow much faster over a longer period of time to begin to narrow the gap. There are only two ways to deal with this power asymmetry; one is to **acquire and deploy capabilities** which will make any aggressive military move by China a risky proposition. The other is to **enmesh oneself more tightly in the U.S.-led countervailing coalition targeting China**. The latter does run counter to India's view of itself as an independent power but there is a steady creep in that direction.

India's vulnerability increases if there is a **coordinated move by China and Pakistan**. In **previous India-Pakistan wars, post-1962, China supported Pakistan politically and with supplies but refrained from attacking India across the border**. This reassuring pattern of behaviour needs to be under our constant review and assessment. China's willingness to stand alone in **blocking India's membership of the NSG on behalf of Pakistan, and in shielding it from international pressures** consequent upon its use of cross-border terrorism as an instrument of state policy against India, point to an enhanced strategic role for Pakistan in Chinese regional and global calculations. Pakistan has so far been important to China as a **low-cost and effective proxy against India**. It is now becoming important for China's ambitious **OBOR project**, which is long term in nature. It is also assuming importance in China's Central Asian strategy. China is reported to be **encouraging the Pakistan Army to take charge of implementing the China-Pakistan Economic Corridor (CPEC)** since the civilian government of Nawaz Sharif is said to be too slow on delivery.

The Prime Minister is now explicitly **committed to the return of PoK including Gilgit and Baltistan to India. Without Pakistani control over this disputed territory there would be no CPEC**. If **India** additionally encourages anti-Pakistan militants in **Balochistan**, this would adversely affect the utility of **Gwadar port**, another key link in the OBOR. China would at least be under

pressure to assuage heightened anxieties in Islamabad, and this may have a negative fallout on India-China relations.

Deng Xiao Ping said to **Rajiv Gandhi** in 1989, “An **Asian Century** is only possible when India and China come together”. The significance of this statement must not be under stated as mere political rhetoric. China and India are the two largest economies and militaries in Asia. In terms of human capital, together, the two nations account for almost **40% of the world’s population**. Given these figures, if the dream of the ‘**Asian Century**’ is to be realized, then India and China would have to radically alter their bilateral equation and follow a co-operative rather than confrontational policy toward each other.

PREVIOUS YEARS’ QUESTIONS

1. Project ‘Mausam’ is considered a unique foreign policy initiative of the Indian Government to improve relationship with its neighbours. Does the project has a strategic dimension? Discuss. (2015)
2. What do you understand by “The String of Pearls”? How does it impact India? Briefly outline the steps taken by India to counter this. (200 word) (2013)
3. Do you think that China’s emergence as one of the largest trading partners of India had adversely affected the settlement of the outstanding border problem? (250 words) (2012)
4. Critically examine the security and strategic implications of so-called ‘string of pearls’ theory for India. (2011)
5. Trace the progress of India’s efforts for a joint counter-terrorism strategy with China. What are the likely implications of the recent Xinjiang violence on these efforts? (2011)
6. Evaluate the prospects for greater economic co-operation between India and China. (2009)
7. Write notes on India and China: Strategy to Boost Ties in about 150 words. (2008)
8. Write short note on Indians in China in about 20 words. (2005)
9. Discuss the recent trends in India’s relations with China. (150 words) (2003)
10. Discuss the major irritants in Indo-China relations and highlight the latest moves to overcome these. (in about 150 words) (2002)
11. What are the terms of India-China trade-pact signed recently? (Not more than 75 words) (1984)

MODEL QUESTION

1. Critically analyse the main strategic considerations behind China’s growing interest in South Asia and their implications on India.