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## ***Rising India through China's Eye***

**Abstract:** *In international politics, the image of India until recently used to be in terms of its perennial rivalry with Pakistan and as a power confined to South Asia only. However, as result of the remarkable improvement in India's national strength over the last decade, consisting of its hard and soft powers, the world has started re-hyphenating India with a rapidly growing China. This paper is oriented towards assessing the Chinese perspective on the story of a rising India in terms of its origin, drivers, threat perceptions, and China's response to dealing with its one-time peer competitor.*

### **Introduction**

The term *rising India* is a buzzword in the International Relations discourse nowadays. Until recently the world community used to hyphenate India with Pakistan given its perennial entanglement with the latter, its unimpressive military profile, and sluggish *Hindu Rate* of growth until the early 1990s. However, with the steady rise of its national power over the last decade, India is being increasingly de-hyphenated from Pakistan and has begun to be bracketed with rapidly growing China, a potential (if not current) rival power center to the United States. Scholars like Arvind Virmani have projected that the unfolding world order will neither be bipolar nor multipolar rather it will become *tripolar* by 2040 with India, China, and the US being the three

poles.<sup>1</sup> Others like Daniel Twining have forecasted that the 21<sup>st</sup> century is going to be an *Indo-American* century while rejecting the much talked-about notion of this being the Chinese century.<sup>2</sup>

While the world has discarded the prism through which it used to see India, it is exciting to investigate China's perception of the rising India story given the fact that it had written off India as a strategic adversary by the early 1990s, as argued by C. Raja Mohan, due its internal social contradictions and external constraints.<sup>3</sup>

India has already begun to consume increasingly more Chinese scholarly attention than in the past. For example since the mid-1990s more than 200 books and around 2,000 research papers and monographs on India have been produced by the Chinese International Relations scholars. Also, India was the central focus for at least 40 theses and dissertations of IR students throughout China since then.<sup>4</sup>

The theme of this paper is to find an answer to the question as to how China perceives *rising India*. It is divided into five sections. The first section focuses on the origin of the rising India story. The second section talks about the Chinese perception of rising India and argues that it has undergone a major shift when juxtaposed with the traditional Chinese strategic posture of India. The drivers engineering that shift are the theme of the third section. The fourth section analyses how rising India is competing with China in military, diplomatic, and economic domains. The section also highlights India as a formidable rival to China even in soft power projection. The final section tries to elaborate the Chinese response strategy to deal with an ambitious, resurgent and multi-aligned India.

## **The Origin of the Rising India Story**

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<sup>1</sup> Arvind Virmani, *From Unipolar to Tripolar World: Multipolar Transition Paradox* (Academic Foundation, 2010), 145.

<sup>2</sup> Daniel Twining, "Not a Chinese Century, An Indo-American One" *Global Asia* 6, no. 1 (Spring 2011):29.

<sup>3</sup> Raja C. Mohan, *Crossing the Rubicon: The Shaping of India's Foreign Policy* (Penguin Books, 2003), 152.

<sup>4</sup> Liu Qian (2008), "China's India Studies", *Contemporary International Relations* 18, no. 3 (2008): 74-85.

An important question that crops up is: how far back the origin of rising India story can be traced. Speaking strictly from the Chinese decision-makers' perspective (that has a dominant voice from the PLA), India's national power has begun to rise steadily since Pokhran-II.<sup>5</sup> India unleashed a slew of path-breaking initiatives in quick succession in 1998 (and beyond). It was from this year onwards that the idea of India being a great power, first floated by Nehru, started to be reflected in its foreign policy.

Admittedly, India shifted its foreign and economic policies soon after the end of the Cold War in 1991 when it started broadbasing its diplomacy, initiated economic reforms by dismantling the economic model based on *import substitution*, and went for market friendly policies. The economic reforms did give India economic stability in the sense that India started growing at 6% annually ever since the economic liberalization of early 1990s, however, political stability remained fragile. Once P. V. Narasimha Rao's government completed its five-year term in 1996, there was political chaos from 1996 to March 1998. From 1989 to 1999 8 governments came to power in New Delhi, six of them lasting less than a year and the shortest lasting for only 13 days.<sup>6</sup> In fact, one of the reasons why India's candidature for the Asia Pacific Economic Cooperation (APEC) was rejected was its hung parliament in 1997.<sup>7</sup>

The country got much-needed political stability at the center when the BJP-led NDA (National Democratic Alliance) government came to office in March 1998 and took a series of radical initiatives in quick succession beginning with the nuclear tests in the Pokhran desert of Rajasthan on May 11<sup>th</sup> and 13<sup>th</sup> 1998, which, the author opines, was a *grand strategic masterstroke* (emphasis added) by independent India. India initiated Multi-aligned/Great power diplomacy for the first time in its independent history when it developed strategic partnerships with all the great powers simultaneously, especially its relations with the

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<sup>5</sup>Jing-dong Yuan, "India's Rise after Pokhran II: Chinese Analyses and Assessments", *Asian Survey*, 41, no.6(2001): 978-1001.

<sup>6</sup>Ma Jiali, "A Changing India and its Trend", *Contemporary International Relations*, no. 7 (2004): 1-34.

<sup>7</sup>Chakraborti, T and M. Chakraborty (Dec 2010), "India and the Pacific Region: Dilemma of a Changing APEC mindset", *Asia-Pacific Journal of Social Sciences*, Special Issue no.1 (Dec 2010): 1-11.

United States and Japan, while retaining time-tested ties with Russia. India made institutional arrangements to its national security when it set up the National Security Advisory Board, National Security Council, Nuclear Command Authority, developed a nuclear doctrine, and so on. More importantly, India developed a much-needed strategic vision whereby it redefined its geo-strategic construct well beyond the mainland of South Asia. The extended geo-strategic construct included the Indian Ocean, the Middle East, Central Asia and the Asia-Pacific.

### **The Chinese Perception of *Rising India***

China's perception of India has come full circle in that it started off treating India as a peer competitor, then it wrote off India as one, and again China has begun to treat India as a main strategic threat in its regional grand strategy.

To illustrate this, despite all the rhetoric of *Asian Solidarity*, *Hindi-Chini Bhai-Bhai*, *civilizational dialogue* and so on in the 1950s or even earlier, the *realpolitik*-minded Chinese security planners had realized in their long term calculations that India, given its political, geographic, cultural, diplomatic, and demographic attributes, is going to be their main rival in constructing Asia as the *neo-Middle Kingdom*.

This apprehension was justified as India, despite the partition, was on a natural course to emerge as the predominant power in Asia due to its centrality in the British Empire, its geostrategic location in the Indian Ocean, its competent navy, and its diplomatic and cultural links with the Middle East, Southeast, and Africa. Not surprisingly, the first Asian Relations Conference was held in New Delhi in Mar-Apr 1947 and not in Beijing.

While China, in a sharp contrast, was ostracized by the international community, India's democracy and its non-alignment policy was a far more acceptable political and diplomatic model for the fledgling Third

World and non-aligned countries than an authoritarian model professed by an isolated communist China. Finally Nehru's reconciliatory policy of acting as a bridge between East and West enjoyed far greater international legitimacy in a world that was trying to recover from two World Wars in a short period, than the Maoist Agenda of deepening the polarization between the two super powers by exporting revolutionary violence and intensifying the class struggle.

What was more troublesome for Maoist China was that India was destined be the main intermediary in the US-Soviet strategic game. After 1949, democratic India began to be seen as the main interlocutor by the USSR under Stalin because he had come to the conclusion that the US could not be militarily defeated, and so the next best option was negotiations. At the same time Stalin had mistrusted Mao since 1927.<sup>8</sup> Similarly, the US shared its core political value with India, which was democracy. In short, communist China was becoming increasingly edgy and even jealous of India's growing *soft power* in this phase. The net result of these internal and external Indian positives was that China singled out India as its main competitor to the top of the Asian mountain.

With its military victory over India in 1962, China grabbed the initiative from India and projected itself as *primus inter pares* in the developing world. A hard power-minded China institutionalized this victory with its policy to use Pakistan as a strategic spoiler against India in South Asia soon after the 1962 war and openly sided with Pakistan in the 1965 war, as argued by Subhash Kapila<sup>9</sup>.

The second shift in China's perception of India started when China entered the super power rivalry following Henry Kissinger's secret visit to China to see Chairman Mao Zedong in July 1971, which was followed by U.S. President Richard Nixon's visit to China in Feb 1972. China accepted the US offer to ally with

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<sup>8</sup> Ashok Kapur, "China's Destructive Policies," in *Rising India: Friends and Foes*, ed. Prakash Nanda (New Delhi: Lancer Publishers, 2007), 67.

<sup>9</sup> Kapila, Subhash (2002), "South Asia and China's Policy Record An Analysis" South Asia Analysis Group, Paper no. 387.[Online: web] Accessed 5 Apr. 2011 URL: <http://www.southasiaanalysis.org/%5Cpapers4%5Cpaper387.html>

it in containing the common foe, the then Soviet Union. In turn, the United States allowed China to occupy a permanent seat in the U.N. Security Council in 1971 replacing the Republic of China on Taiwan.

This strategic partnership further deepened under President Jimmy Carter and his anti-Soviet advisor Zbigniew Brzezinski. Brzezinski rewrote the rules of China-U.S. rapprochement and offered all advantages to China in return for its promise to confront the Soviets in the East. Under the Reagan administration their relations followed Carter's policies. In the early 1990s under President Bill Clinton, FDI flows to China increased from about US\$5 billion a year in 1989 to US\$20 billion by the late 1990's. The huge inflow of FDI converted China into a manufacturing giant.

The high point in the U.S.-China relationship was the signing of a nuclear deal in 1997. It was Clinton's welcome gift to Chinese President Jiang Zemin. This agreement further strengthened a 1985 U.S.-China nuclear cooperation agreement, which allowed exports worth billions of dollars of nuclear technology into China without hindrance. China, as an original member of the Nuclear-5 or "nuclear weapons states," could import everything for the commercial exploitation of nuclear technology.

Meanwhile India, in sharp contrast, was facing a reversal in fortune. Just as China was an international pariah until 1971, India was ostracized from international nuclear commerce after its nuclear detonation in 1974. Washington tailored new rules to punish India economically and diplomatically too. The new rules, enacted in 1978, denied India economic aid and nuclear technology.

It was in this context, in which India was subjected to international sanctions and also was grappling with its internal issues, while China remarkably enhanced its political, diplomatic, economic, and military clout that the latter no longer treated India as a strategic rival in Asia. However, things took a turn a third time and China had to again reorient its India stance. After its military victory over India in 1962 and the subsequent

power differential between the two, China developed the (mis)perception that India would remain confined to South Asia and never think of challenging China's predominant role in Asia. However, India undertook an array of path-breaking initiatives in quick succession in late 1990s (and beyond) to herald its arrival as a great power in the unfolding 21<sup>st</sup> century that removed this Chinese (mis)perception.

The year 1998 was an eventful year in terms of China rediscovering the Indian threat. India's annual 6% GDP growth in the 1990s and *de facto* nuclear power status made China review its traditional perception of India. What really stunned the Chinese, however, was India's first-ever *Multi-aligned diplomacy*, or what the Chinese defense analysts call *Great power diplomacy*, under which it developed strategic partnerships with all the major powers of the world concurrently, especially with the United States and later with Japan. When an economically better-off and nuclear-armed India ventured into the South China Sea (with possibly the United States' support) in October-November 2000 and conducted naval exercises with Vietnam and South Korea<sup>10</sup>, China could no longer afford to rely solely on its proxy Pakistan to keep India confined within South Asia. China's strategic attention which was traditionally focused on the Asia-Pacific suddenly found an emerging security nightmare in the growing Indo-United States strategic partnership in South Asia, somewhat similar to the one during the Cold War between India and then Soviet Union.

### **Why did the traditional Chinese strategic posture of India shift?**

Jing-dong Yuan opines that China used to dismiss India as a peer competitor, citing India's handicaps, like poverty, poor infrastructure, and sluggish bureaucracy. However Beijing is now paying increasing attention to India's drive for great-power status through robust diplomatic initiatives, a military buildup, Indo-US

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<sup>10</sup>Ayaz Ahemad Khan, "India's Arming Blitz",  
URL: <http://www.defencejournal.com/2000/june/blitz.htm>

relations, and new regional initiatives.<sup>11</sup> Based on similar Chinese writings on India, the author argues that the interplay of four factors led China to reorient its strategic perspective on India. They included, India's rising military profile, its poly/multi-aligned diplomacy, growing economic clout, and rising soft power.

### *India as a Rising Military Power*

China has taken serious note of India's growing military power over the last decade. India, which has traditionally talked of the power of argument began to talk of the argument of power. In fact, the 1998 nuclear tests themselves were indicative of the fact that India had begun to realize the role of hard power in securing its national interests and also in making her voice heard in international politics.

India's growing military profile is especially evident in the maritime domain. The Indian navy has emerged as the net security provider in the Indian Ocean over the last decade. In 2004, it unveiled its first-ever naval doctrine that defined India's legitimate areas of interest stretching from the Persian Gulf to the Malacca Straits. It released its updated version in 2009, incorporating the rapid changes in the geo-strategic environment involving India.<sup>12</sup>

India's defense ties with the US have developed at a frenetic pace, which has played the central role in India's military modernization. For example, recent defense contracts signed with the US include US\$ 1.1 billion for C-130J Super Hercules transport planes and US\$2.4 billion for 10 Globemasters airlifters. In January 2009, the Indian Navy signed an agreement with the U. S. to buy eight P-8I planes worth nearly US\$2.1 billion, so as to replace the aging long range aerial reconnaissance fleet of eight Russian-made Tu-142s and five IL-38 planes.

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<sup>11</sup> Jing-Dong Yuan, "The Dragon and the Elephant: Chinese-Indian Relations in the 21st Century", Washington Quarterly 30, no. 3 (2007): 135.

<sup>12</sup> Special Correspondent, "Navy releases 2009 version of Maritime Doctrine," The Hindu, Aug 29, 2009.

India has emerged as a formidable missile power in the same period, both offensively and defensively, with the tests of its China-centric Agni series missile systems and the development of a Ballistic Missile Defense system. India's future military plans are even more ambitious, which further complicates China's strategic calculations. For example, the Indian Ministry of Defense in late 2011 announced its biggest expansion package to date, a US\$13 billion military modernization plan. Under this plan within next five years, the Indian army is set to deploy 90,000 more soldiers and raise four new divisions along India's border with China, the largest such mobilization since the Sino-Indian border clashes of 1962.<sup>13</sup>

### *India's Poly/Multi-aligned diplomacy*

The India that China defeated in 1962 was guided by a foreign policy doctrine called *non-alignment* vis-à-vis the superpower rivalry, and it remained the cornerstone of India's international diplomacy for more than four decades. However, this foreign policy paradigm underwent a U-turn when it metamorphosed into *poly/multi-alignment* under the new leadership in New Delhi in 1998. The new foreign policy outlook broadly had two components, namely, *improving relations with the US* and its *Look East Policy-II*.

The turnaround in India-US relations from being “estranged democracies” during the Cold War to “engaged democracies” in the 2000s has played a central role in bringing out a shift in China's India posture over the last decade.<sup>14</sup> The anti-China element in the dramatically improving Indo-US relations was not very difficult to discern. Chinese scholar Jing-Dong Yuan notes that the warming of US-Indian relations took place at a time when China-US relations were undergoing serious setbacks in the late 1990s.<sup>15</sup> In 1999, NATO bombed the Chinese embassy in the former Yugoslavia (the only embassy that it targeted); in May of that year, the Cox Report charged Chinese nationals with nuclear espionage and accused China of proliferation activities.

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<sup>13</sup> Hu Yanan, “India sees China as 'de facto competitor'”, China Daily, Nov 10, 2011.

<sup>14</sup> Zhang, Guihong, “US-India Partnership: Implications for China”, International Studies 42, no. 3(2005): 278.

<sup>15</sup> Jing-Dong Yuan n.10, 136.

Then came the EP-3 incident in April 2001, the Bush administration's pro-Taiwan policy, and its perceived hostile attitude toward the PRC further exacerbated tensions in early 2001.<sup>16</sup> Also, the revised Nuclear Posture Review (NPR) included China as a nuclear target.<sup>17</sup>

Meanwhile, in a diametrically opposite turn of events, India-US relations suddenly displayed signs of dramatic improvement. US President Bill Clinton visited India in March 2000 (the first presidential visit since Carter's visit in 1978). The US' National Security Strategy Report of 2002 released by the White House redefined India-US relations, stating that because of "India's potential to become one of the great democratic powers of the twenty-first century," the United States would "invest time and resources [for] building strong bilateral relations with India," and "work hard to transform our relationship accordingly."<sup>18</sup> Consequently, the years 2002-03 witnessed a series of high-level meetings and substantial cooperation between the two democracies. Yet another contrast was the U.S.'s approval of Israel's sale of the Phalcon airborne warning and control systems to India in 2003 after the blockage of a similar sale to China in 2000.

Another Chinese security analyst Du Youkang argues that the US strategy of maintaining the balance of power in South Asia during the Cold War has gone beyond the balance of power and has tilted toward India. He cites the Clinton administration's pro-India attitude during the Kargil conflict, and his subsequent official tour to South Asia, where he spent six days in India compared to five hours in Pakistan.<sup>19</sup> The growing strategic ties between the two countries provides a dangerous historical precedent for Beijing. During the Cold War, China perceived India-USSR relations in terms of an anti-China alliance in South Asia. So the strategic partnership between India and the US in the 2000s is, from China's perspective, the revival of the same anti-China alliance – the only difference being that the US has replaced the Soviet Union. Zhang Guihong compared the US-India

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<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> [Online: web] Accessed 26 March 2011 URL: <http://www.globalsecurity.org/military/library/policy/national/nss-020920.htm>

<sup>19</sup> Du Youkang 2001, "South Asian Security and its Impact on China", *China Report*, 37:2.

strategic ties in South Asia and Indian Ocean with the US-Japan military alliance in East Asia and the Western Pacific.<sup>20</sup>

The other pedestal of India's multi-aligned diplomacy included its *Look East Policy-II*. India's Look East Policy-I was officially initiated in 1992. Like most of the previous Indian policies it was reactionary and an outcome of ad hoc-ism. The main driver behind this policy was the economic doldrums of early 1990s, and India saw Southeast Asia as a springboard to join unfolding globalization. However, India displayed an uncharacteristic proactiveness in projecting the Look East policy in its second incarnation in the first-ever India ASEAN summit in Phnom Penh, Cambodia in 2002. India added a politico-security dimension to this policy. It developed security ties with the ASEAN group. From ASEAN's perspective, developing such ties with India (apart from the US presence in the region) provided them a sense of strategic reassurance given their territorial disputes in the South China Sea with a rapidly growing, authoritarian China.

An important highlight of India's Look East Policy-II, from China's viewpoint, has been a transformational improvement in India-Japan relations. Although the ice between their relations was broken with the visit of Prime Minister Mori Yoshiro to India in August 2000, their relations broadened and deepened in the second phase. The April 2005 joint statement issued during Koizumi Junichiro's visit to India introduced a "strategic" dimension to the partnership. The establishment of the Strategic and Global Partnership between India and Japan in December 2006 elevated relations to a new level. In 2006 Japan became only the second country with which India had a bilateral annual summit apart from Russia. When then Prime Minister Shinzo Abe visited India in August 2007, the joint statement sought to provide a roadmap for new dimensions to the strategic and global partnership. The October 2008 joint statement during Prime Minister Manmohan Singh's visit to Japan mentioned the advancement of the strategic and global partnership, making Japan the only country

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<sup>20</sup> Zhang Guihong n.13, 290.

with which India has a security pact. In Feb 2011 both countries signed the Comprehensive Economic Partnership Agreement (CEPA) which came into force in August of the same year. In late December 2011 India's External Affairs minister visited Japan in October 2011 for the Fifth round of the India-Japan Strategic Dialogue. Japanese PM Yoshihiko Noda visited India for the sixth annual meeting of the leaders of India and Japan. It was the success of India's Look East Policy-II (and not Look East Policy I) that made China remark that India's Look East Policy is "look to encircle China."<sup>21</sup>

### *India Emerging as an Economic Giant*

India and China had similar per capita income by 1974. However, China surged well ahead of India thanks to its deep economic engagement with the US after the Policy of Reform and Open Up (*gaige kaifang*) by Deng Xiaoping in 1978. While China's Open Door policy was a well-thought-out initiative, India, following its legacy of taking radical initiatives only while in crisis, embarked upon its own version of Open Door policy in 1991. The much-needed reforms removed obstacles to economic freedom, and India began to play catch-up, steadily re-integrating into the global economy. A Goldman Sachs report from 2007 found another watermark in India's economic history since 1991 when it pointed out that since 2003 India has been one of the fastest growing major economies, leading to rapid increases in per capita income, demand, and integration with the global economy.<sup>22</sup>

The story of India's economic success has captivated Chinese attention over the last decade. Among Chinese scholars a new discourse has begun over India's economic success story, especially in the IT and

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<sup>21</sup> Li Hongmei (2010), "India's Look East Policy means Look to encircle China", *People's Daily Online*, 27 October 2010. [Online: web] Accessed 5 Nov. 2010 URL: <http://english.peopledaily.com.cn/90002/96417/7179404.html>.

<sup>22</sup> Goldman Sachs (2007), *BRICS and Beyond Report 2007*, Goldman Sachs Global Economics Group. [Online: web] Accessed 29 September. 2011 URL: <http://www2.goldmansachs.com/ideas/brics/book/BRIC-Full.pdf>.

Software industries since the late 1990s. For example, Jinxin Huang, says “though there is international consensus that China is a great success in exports, inside China, focusing on China’s lag in information technology, Chinese researchers ask why India has become so competitive in the international software market when India has many unattractive features.”<sup>23</sup>

Chinese scholars now debate an “Indian Model” as an alternative to the “Chinese model” for developing countries. The Indian model, as understood by Chinese scholars, is characterized by avoiding its weaknesses and exploiting its strengths. For example, India leapfrogged from the primary sector (agriculture) to the tertiary sector (services) by exploiting its inherent advantages in the IT sector which includes a vast, young English-speaking population, the entrepreneurial genius of its private sector, computer literacy, a sound banking sector, and a culture that respects the rule of law. Chinese analysts have especially taken notice of what they call “India New Economy” which is acting like an engine to the Indian Model. Ma Jiali argues that although India is a baby elephant in the manufacturing industry, it is a “doughty tiger” in the information sector. Another set of scholars attributed India’s success in this sector to its diaspora. It opined, “India’s IT success is also attributed to the large cohort of educated overseas Indians who have good connections and invested heavily in their home country in recent years as a result of favorable government policies. The dynamism brought by the overseas Indians was comparable to the boost brought by the overseas Chinese since the 1978 economic reform in China.”<sup>24</sup>

### *India’s Growing Soft Power*

The abovementioned drivers triggering a shift in China’s India posture can be placed under the rubric of India’s *hard power*. However, India’s (re)rising *soft power* has also contributed to this shift in China’s outlook

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<sup>23</sup> Huang, Jinxin, “A New Chinese Discourse of India”, *Journal of Contemporary China* 14, no. 45(2005): 635.

<sup>24</sup> *Ibid.*

towards India. The term “soft power” was first coined by Harvard University professor, Joseph Nye to describe a country’s ability to alter the behavior of others through attraction rather than sticks or carrots.<sup>25</sup> India has been a democracy right since its birth as a modern nation-state in 1947. However, its sluggish economic growth and weak military profile that led to its defeat in 1962 seriously tarnished this aspect of India’s soft power. With the rising India story, its democracy as an important component of its soft power has again come into the global limelight. India has more than 1 billion people. It is linguistically, culturally, racially, and religiously diverse, and it is growing economically at an enviable pace under democratic governmental institutions (except for the emergency period of 1975-77 when civil liberties were undermined). Its culture values peaceful coexistence, nonviolence, and religious tolerance. All of these factors, combined with the largest pool of English speakers outside the US, has increased India’s power of attraction without need for coercion or persuasion, a fact not lost on an envious, hard power-minded China.

The country to which India has projected most of its soft power is the US, through the export of highly skilled manpower, consisting mainly of software developers, engineers, and doctors. China has been keeping a close watch on the rising influence of the Indian community in the United States, especially over the last decade. In order to improve its own soft power in the United States, China has sent far more students to the United States than India. As per the Institute of International Education’s annual report in the academic year 2009-10, out of 690,932 international students in the United States nearly 128,000 of them, or more than 18 percent, were from China while India sent only 107,897 students in the same academic year.<sup>26</sup> However, with

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<sup>25</sup> Joseph Nye Jr., *Bound to Lead: The Changing Nature of American Power*, (USA: Basic Books. 1991).

<sup>26</sup> Tamar Lewin, “China Surges Past India as Top Home of Foreign Students”, *New York Times*, Nov 15, 2010. [Online: web] Accessed 5 Sept. 2011 URL: <http://www.nytimes.com/2010/11/15/us/15international.html>

the first-ever Indo-US Higher Education Summit held in Georgetown University in Washington, D.C. on 13<sup>th</sup> Oct 2011, educational exchanges between India and the US would rise much faster in the future.<sup>27</sup>

### **India's Reemergence as a Strategic Rival to China**

The challenges that China's geo-strategists had foreseen in 1950s or even earlier from a potentially strong India finally began to take shape in 2000s. India has emerged as the most formidable competitor (after the US) to China in the Asian theater over the last decade. It's posing as a serious competitor to China in military, diplomatic, economic and even in soft power domains.

In military terms, post-1998 India has been enjoying, what this author calls *strategic capital*, in the sense that, unlike the rise of China, India's military rise is not only not feared but it is felt to be desirable by the countries in the Asia-Pacific like Japan, Australia, South Korea, and ASEAN as a group. Most importantly even the US sees India's military rise in its own interests.<sup>28</sup> Interestingly, a rising India is making full use of this capital by emerging as a formidable military power over the last decade, apart from unveiling even more ambitious military plans for the future.

Chinese security analysts are anxiously observing the growing presence of the Indian military in the Pacific. Indian army representatives have attended the Pacific Armies Management Seminar (PAMS) meetings for some years. India hosted PAMS in 2004, while it was Fiji's turn to hold it in September 2006. Similarly, India has been participating in the Asia-Pacific Chiefs of Defense Conference ever since 1998. The scale of India's participation in the Pacific has raised a major question in China: "Are we all ready to accept India as a

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<sup>27</sup> Narayan Lakshman, "India-U.S. Higher Education Summit kicks off", The Hindu, Oct 14, 2011.

<sup>28</sup> Council for Foreign Relations, "The United States and India A Shared Strategic Future", Council for Foreign Relations, 15 Sep 2011. URF: <http://www.cfr.org/india/united-states-india-shared-strategic-future/p25740>

Pacific power?”<sup>29</sup> In October last year the Indian army announced plans to deploy Brahmos cruise missiles against China, the first time it has taken such a step with offensive tactical missiles.

Besides the army, India has also given focused strategic attention to its naval modernization, which has become, along with the US’s naval presence, the most serious challenge to China, not only in the Indian Ocean but also in the western Pacific. When it set up the Far Eastern Naval Command (FENC) at Port Blair in the Andaman and Nicobar islands in 2005, India further accentuated what President Hu Jintao has called China’s “Malacca Dilemma”. The command also acts as a base for the Indian navy to carry out maritime operations in the South China Sea and the Western Pacific, which are the two sensitive maritime domains for Beijing.

Taking lessons from its military defeat in 1962, mainly due to its failure to deploy air force, the Indian defense planners have shifted their focus to boosting India’s air power in both the eastern and western sectors. Expressing his anxieties over India’s growing air presence in the Himalayas, Andrei Chang, the Hong Kong editor in chief of the Canadian journal *Kanwa Defense Weekly*, pointed out, “Along the India-China border, air power has been shifting in favor of India. First of all, India has quite a number of airports in Assam and the disputed territory of Arunachal Pradesh, making troop maneuvers easier.” Also once India started procuring 126 aircraft, both the Eurofighter Typhoon and the French Dassault Rafale, in a defense deal worth more than US\$20 billion, India began to enjoy a great advantage over the Tibetan skies, thereby seriously threatening the Chinese nuclear deterrent against it.

In 2008 for the first time the Indian Air force stationed its most advanced fighter jets, the Su-MKI30, at four Indian Air Force bases in north eastern India—Tezpur, Avantipur (Baghhdogra) , Chhabua and Hashimara.

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<sup>29</sup> Zhao Hong, “India and China: Rivals or Partners in Southeast Asia?”, *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 29, no. 1(2007): 132.

The Su-30MKI's 1500 km (932 miles) combat radius is enough to cover all the major cities in southwest China, including Kunming, Chengdu and Chongqing. In 2008 India reactivated the 2.1-km airstrip at Daulat Beg Oldi (DBO) in northeastern Ladakh.. The highly strategic ALG is located close to the Chinese controlled portion of Kashmir, also referred to as *Aksai Chin*. It is just eight kilometers from the Karakorum Highway that links Pakistan with China.

Diplomatically India has emerged as the main rival to China after Japan in East Asia. Despite China's diplomatic offensive, India became a member of East Asia Summit (EAS) in 2005 mainly due to hard lobbying by Japan and South Korea. The Chinese scholars interpreted India's entry into EAS as one more step forward to realize the East Asian Community (EAC) modeled on the EU, a concept initiated by Japan. China sees the EAC in terms of a Japan-ASEAN axis and a Japanese attempt to restore its prominent political and military role in the region.<sup>30</sup>

China blames India's democracy for its poor economic performance compared to what China has achieved under its own economic model (the "Beijing Consensus" i.e. economic growth under tight political control).<sup>31</sup> However, a rising democratic India in concert with major Asia-Pacific democracies such as Japan, South Korea, and Australia and the United States is creating what China calls the "axis of democracies" or an Asian NATO against China.<sup>32</sup> Beijing perceives the formation of this bloc as a move to contain its influence in East Asia and the 10-nation ASEAN.<sup>33</sup>

In a major diplomatic setback to China, on 19 November, 2011, due to strong support from India and Japan, the US participated for the first time in the sixth East Asia Summit held in Bali, Indonesia. Again, India

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<sup>30</sup> Ibid., p.136.

<sup>31</sup> Huang Jinxin n.22, 636.

<sup>32</sup> Twining, Daniel, "Democratic partnership in Asia", Policy Review, (2010): 65.

<sup>33</sup> Shekhar Iyer, "Japanese PM Abe moots 'Asian NATO', Hindustan Times,, August 23 2007.

and Japan, the two Asian maritime democracies, are driving towards what Secretary of State Hillary Clinton described in a speech in Honolulu in October 2010 as the “Indo-Pacific” theater, a newly emerged and integrated theatre joining the Indian and the Pacific oceans.<sup>34</sup> On 19<sup>th</sup> Dec 2011, India, Japan and the US, the three maritime democracies, held their first-ever trilateral dialogue in Washington, which was widely reported by the Chinese media as yet another component of containment strategy.<sup>35</sup> The next trilateral meeting is scheduled to be held in Tokyo, Japan in 2012.

In the economic domain India, despite all of its economic growth over the last two decades, has still not emerged as an economic challenger to China. China's huge economic edge over India has enabled China to outbid India in various energy deals. Its membership of APEC has enabled it to have a much greater share of global trade than India. However, China's economic lead over India is not going to survive for long. One school of economists already see India as the most serious economic competitor to China in the medium to long term time horizon given India's institutional and demographic advantages over China.

India has already emerged as a serious rival of China in attracting FDI, which is a very sensitive economic issue for China. With the completion of Golden Quadrilateral Highway project in 2007, India has taken the first all important step in addressing the core obstacle in attracting FDI, which was poor physical connectivity. The results of better connectivity became instantly obvious when India attracted an FDI amount worth US\$34.6 billion compared to US\$78.2 billion by China in 2009. These figures stood at 3.6% and 38.4% respectively in 2000. Morgan Stanley predicted that India's GDP growth rate would overtake China's in 2013; the World Bank projected it might happen a year earlier in 2012. But the IMF's World Economic Outlook says it's already happened: China grew by 10.3% last year; India grew by 10.4%.

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<sup>34</sup> Shyam Saran, Mapping the Indo-Pacific”, Indian Express, Oct 29 2011.

<sup>35</sup> “US, Japan, India hold first trilateral dialogue”, Global Times, Dec 20 2011.

URL: <http://www.globaltimes.cn/NEWS/tabid/99/ID/689186/US-Japan-India-hold-first-trilateral-dialogue.aspx>

Chinese scholars have begun to see India as potentially a very strong rival in Southeast Asia. For example, Yong Dali says, “as India’s manufacture sectors develop and China’s service sectors become more competitive, it is possible that these two countries’ trade competition in Southeast Asia will become more serious”.<sup>36</sup> China for a long time reaped handsome dividends on the availability of its low cost labor force. However, China has begun to loose on providing cheap labor due to the rising income levels of its manpower employed in the manufacturing sector. The main challenge China faces here is posed by India.<sup>37</sup>

A 2007 Goldman Sachs report forecasts that China will get old before it gets rich. China is the fastest aging country among the developing economies.<sup>38</sup> In fact, the report predicts that China will be an “aged society” in 2027. In India, on the other hand, in 2020 the average age in India will be only 29 years, compared with 37 in China and the United States, 45 in Western Europe, and 48 in Japan. Moreover, 70 percent of Indians will be of working age in 2025, up from 61 percent now. Also by 2025 the proportion of children younger than 15 will fall to 23 percent of India’s total population, from 34 percent today, while the share of people older than 65 will remain around just 5 percent.<sup>39</sup>

### *Soft power*

The other domain where India has emerged as a serious rival to China is the soft power domain. India’s concurrently growing soft power has further intensified the competition between these two pre-modern

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<sup>36</sup> Yang Dali & Zhao Hong (2007), “The Rise of India: China’s Perspectives and Responses”, [Online: web] Accessed 5 July. 2011 URL: [http://www.daliyang.com/files/Yang\\_and\\_Zhao\\_The\\_Rise\\_of\\_India-china\\_s\\_perspectives\\_and\\_reponse.pdf](http://www.daliyang.com/files/Yang_and_Zhao_The_Rise_of_India-china_s_perspectives_and_reponse.pdf).

<sup>37</sup> *Beijing Review* (2009), “Rising Stars” No. 26, 2 July 2009.

<sup>38</sup> Goldman, n.21, p. 4.

<sup>39</sup> Strategy + Business, “Preparing for a Demographic Dividend” , [Online: web] Accessed 1 July 2011 URL: <http://www.strategy-business.com/article/10205?pg=all>

superpowers. In fact, India's soft power poses a greater threat to China than that of any other country including the United States. India, just like China, is not only a nation-state, it's also a civilization-state which is a very important element of soft power, as Nye says.<sup>40</sup> India is the only country that can share the Chinese claim to great power status based on its 5000 year-old civilization. However, China is in no mood whatsoever to share this privilege – especially with India, a country that it militarily defeated in 1962. But more importantly, the rise of a civilization-state like India challenges China's historically constructed exclusivist political notion of the *Middle Kingdom*. As John Lee argues, "The Chinese see the idea of Asia as having a Chinese core (i.e. *Middle Kingdom*) with a number of cultures and polities in the periphery while itself is at the centre. Those cultures and polities are either tributary to the Middle Kingdom or considered 'barbarians.' Thus a rising civilization-state such as India uniquely threatens the core political idea of another civilization-state, China."<sup>41</sup>

The rise of India has created a rare phenomenon in international politics where a civilization-state with more than one billion diverse people is growing economically at good pace under a democratically elected government. Joseph Nye argues that India has considerable soft power advantage over China in being a democratic country.<sup>42</sup> The fact that India can grow at more than 7% over the last two decades under a democratic polity is an ideological threat to the authoritarian China. In fact, one can argue that a "New Delhi Consensus," meaning economic development under a democratic rule, is a far better model for the Third World than the "Beijing Consensus" based on economic development under tight political control. John Lee opines, "The traditional Chinese response to Western expectations that it pursue political reform is to point out that

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<sup>40</sup> Joseph Nye Jr., op. cit., p. 25.

<sup>41</sup> Lee, John (2010), "India's Edge Over China: Soft Power", [Online: web] Accessed 12 June 2011 URL:[http://www.businessweek.com/globalbiz/content/jun2010/gb20100617\\_150774.htm](http://www.businessweek.com/globalbiz/content/jun2010/gb20100617_150774.htm)

<sup>42</sup> Quoted in Johnson, Jo (2006), "India seeks 'soft power' as it reasserts identity", [Online: web] Accessed 11 Apr. 2011 URL: <http://www.ft.com/cms/s/0/a034c848-501f-11db-9d85-0000779e2340.html#axzz1RzjGA9UW>.

democratic politics would derail the economic progress of such a big, developing country. India is a direct contradiction to this reasoning”.

Also, the communist regime in China used to sell the argument to its own people that democracy is causally related to India’s previous economic stagnation, and thereby China has derived legitimacy for its authoritarian rule.<sup>43</sup> However, democratic India’s economic success over the 2000s has put the CCP in quite an uncomfortable position. The Chinese citizenry, at least among the intellectual class, has begun to develop an extremely positive outlook towards Indian democracy. As Jinxin Huang argues:

One anonymous Chinese scholar believes that it is India’s decentralized democracy that has managed to hold together a poor, populous, and linguistically and religiously diverse country. According to her/him, ‘democracy has created a shared commitment for all those who live in India regardless of religious and ethnic backgrounds.’ In short, for the first time ever, the Chinese are finding that India’s democracy is an advantage.<sup>44</sup>

### **China's Response Strategy**

In the 1950s and early 1960s, when Beijing realized that India was reducing its diplomatic and strategic space by emerging as its main Asian peer competitor, it taught New Delhi a lesson and emerged as *primus inter pares* in the developing world. It established what John W. Garver has called *entente cordiale* with Pakistan by giving it diplomatic, political and military support. It openly sided with Pakistan in the 1965 war. However, the real diplomatic master stroke on the part of Beijing that de-hyphenated it with India and put it in the big league with the two super powers, occurred when China accepted the US offer of an alliance to corner

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<sup>43</sup> Qin Yaqing (2008), “Managing Sino-U.S. Relations: The Chinese Way”. Princeton University.  
URL: <http://www.youtube.com/watch?v=vWfJIoVQcfE>

<sup>44</sup> Huang Jinxin, n.22, p.633.

the growing power of the USSR in Asia following Kissinger's and subsequently Nixon's visit to China in the early 1970s. Now it is perfectly logical to ask how Chinese leaders are going to respond to a resurgent India that is being re-hyphenated with China. This author opines that China has developed a four-pronged strategy to "manage" the rise of India. Importantly, all the four components of this strategy are in place simultaneously. These components are:

- A carrot and stick policy to sabotage growing Indo-US ties
- To intensify military encirclement of India
- To deepen *entente cordiale* with Pakistan
- To keep India out of regional and global institutions

Beijing's carrots to India include rhetorically affirming India's great power ambitions (e.g. India's *zhong he guoli*<sup>45</sup> or "comprehensive national power"), China's declaration that it wants India to play a bigger role in global politics, and cultivating India-China "friendship." More importantly the Chinese carrot also included heightened diplomatic engagement with India over the 2000s. For example, high profile leaders visited India, including Li Peng in January 2001, Premier Zhu Rongji in January 2002, Premier Wen Jiabao in April 2005, President Hu Jintao in November 2006, and Premier Wen Jiabao again in December 2010. The timing of such visits creates an interesting pattern. Each of these visits has followed a high profile visit from the US to India. For example, Li Peng and Zhu Rongji's visits followed President Bill Clinton's March 2000 visit; Wen Jiabao's first visit followed Secretary of State Condoleezza Rice's March 2005 visit; Hu Jintao's visit followed President George W. Bush' visit in March 2006; and Wen's second visit followed President Barack Obama's

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<sup>45</sup> Pallavi Aiyar, "Beijing's growing respect for India", Asia Times, Nov 14, 2006.

visit in November 2010. This shows that China is relentless in its pursuit to forestall India's slide into the US orbit. I strongly believe that this pattern will continue in the foreseeable future as well.

Another component of the Chinese carrot to India is deepening trade ties with India. With more than US\$61 billion as of 2011, China has emerged as India's single largest trading partner. During Wen's visit to India in December 2010 he proposed to raise bilateral trade to US\$100 billion by 2015. As Ziad Haider, a research fellow at the Stimson Center in Washington D. C. argues, "Stronger economic ties will create stronger constituents for peace in both countries and raise the threshold for conflict. In what scenarios would India deem siding with the USA against China worth jeopardizing its commercial links with China?"<sup>46</sup>

The pragmatic Chinese have complemented the carrot by using the stick of periodically reminding India that Sino-US relations are exclusive, both have deep economic engagement, and their views on global security issues converge. Besides, both are permanent members of UNSC, and this can harm Indian interests, especially on the issue of nuclear proliferation. China also likes to remind India that both the US and China have strong relations with India's Achilles' heel, Pakistan. The second component of this strategy is China's intensified military encirclement of India. For example, China completed Golmund-Lhasa railway in 2006, thereby dramatically reducing the troop deployment time on Indian borders. It completed its fifth airfield in Tibet in October 2010. Over the last decade Beijing has deployed state-of-the-art medium and intermediate range missiles with nuclear warheads in Tibet that have a very short flight time (meaning no warning time). It has been constructing seaports around India in Bangladesh, Sri Lanka, and Pakistan under the "string of pearls" strategy. The latest "pearl" in this string included a base on the Seychelles, completed in December 2011.<sup>47</sup> It's going to station three aircraft carriers, one each in the South China Sea, Western Pacific, and Indian Ocean by

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<sup>46</sup> Ziad Haider, "US-India-China: Giants at play", India Express, Jul 30, 2005.

<sup>47</sup> Jeremy Page, "Chinese Military Considers New Indian Ocean Presence", WSJ, Dec 14, 2011.

2017. As a third component, China has deepened its *entente cordiale* with Pakistan over the last decade. As Zhang Li explicitly argues, Pakistan is a hedge against uncertainties in Indo-China relations given the Tibet factor and now increasingly the US factor.<sup>48</sup> A similar view is proffered by Ye Hailing when he argues that “the influence of the US on Indian foreign policy and the temptation of becoming a member of a so-called ‘Democracy Community’ cannot be ignored by India. It is not very wise for China to expect Indians to take China's engagement with Pakistan kindly.”<sup>49</sup> China has widened the Karakorum highway, making it suitable for transportation of military vehicles and building the Diamer-Bhasha dam in PoK.<sup>50</sup> In the construction of the Gwadar port, China provided much of the technical assistance and 80 percent of the funds. Giving a further boost to their strategic ties during the visit of the Chinese Premier to Islamabad in 2005, the two governments signed the “*Treaty of Friendship, Cooperation and Good-neighborly Relations between the People’s Republic of China and the Islamic Republic of Pakistan*.” By this treaty, argues Gurmeet Kanwal, China has guaranteed the territorial integrity of Pakistan.<sup>51</sup> In April 2008 China promised Pakistan it would provide financial support for purchasing a Chinese 250 JF-17 Thunder jet fighter fleet and F-22 frigates.<sup>52</sup> In a strategic tit-for-tat for the Indo-United States civilian nuclear deal signed in 2006 that came into effect in 2008, Chinese companies in June 2010 signed a contract in Shanghai in relation to two 650-megawatt Chashma-3 and Chashma-4 reactors, in addition to a 2004 deal under which China supplied Chashma-1 and Chashma-2 to Pakistan .

As a fourth and final component of its strategy, China has been playing a villainous role to keep India out of important global and regional institutions despite its rhetoric of acknowledging India’s “great power”

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<sup>48</sup> Zhang Li 2009, “To Manage Conflict in South Asia: China’s Stakes, Perceptions and Inputs”, Asia Paper, (Institute for Security & Development Policy 2009).

<sup>49</sup> Ye Hailin (2008), “China and South Asian relations in a new perspective”, [Online: web] Accessed 8 Aug. 2010 URL: <http://yataisuo.cass.cn/english/articles/showcontent.asp?id=1118>.

<sup>50</sup> Indrani Bagchi, “Keep off PoK, India warns China”, Times of India, Sep 16, 2011.

<sup>51</sup> Author’s conversation with him.

<sup>52</sup> Jonathan Holslag, “The Next Security Frontier: Regional Instability and the Prospects for Sino-Indian Cooperation”, Strategic Analysis 33 no. 5(2009) p.659.

ambitions. China is the only P-5 nation that has not given the explicit nod to India's candidature into UNSC. This Chinese stance is diametrically opposite to what India did in the 1950s when the UNSC seat was being offered to India on a platter and India refused the privilege guided by its *moralpolitik*. Also, China left no stone unturned to keep India out of the EAS in 2005. Though China invited India to the Shanghai Cooperation Organization as an observer in 2006, it did so only along with Pakistan. It tried to obstruct the Nuclear Suppliers Group waiver to India in 2008. Similarly, India had secured full support from the US, Japan, and Vietnam among others to get entry into APEC, but its inclusion was halted by Chinese reluctance at the 2007 summit to lift the moratorium on new members.<sup>53</sup>

### Conclusion

India's comprehensive national power consists of its *hard power* (politico-economic and military clout) and *soft power* (vibrant democracy, Bollywood, highly skilled English-speaking manpower, religious tolerance, unity in diversity, and so on). It has risen steadily since Pokhran-II, leading to the remarkable enhancement of its international profile. The world community is no longer hyphenating India with a decaying (if not an already decayed) Pakistan; rather it has begun to re-hyphenate India with a fast growing China. India's rising international clout has also drawn China's strategic attention, which has traditionally been heavily concentrated on the Asia-Pacific region. China's India perception has come full circle. In the 1950s and early 1960s China considered India as a strategic rival given its advantages in material and human resources. However, with its military victory over India in 1962 and subsequent joining of superpower rivalry in early 1970s, China began to neglect India as a peer competitor. And by the early 1990s, as C. Raja Mohan argues, China had written off India as a strategic rival given its social contradictions and foreign policy failures. However, China had to

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<sup>53</sup> David Scott, "The Great Power 'Great Game' between India and China: 'The Logic of Geography'", *Geopolitics* 13, no.1 (2008): 14.

reorient this stance in the wake of a series of new developments in the Indian context since the late 1990s. Such developments included India's rise as a credible military power, its great power diplomacy (especially its relations with US and later Japan), India's rise as an economic giant, and last but not least the rise of India's soft power. While in the 1950s and early 1960s when China saw India as a peer competitor, it chose to militarily defeat India to de-hyphenate itself with the latter and emerge as *primus inter pares* in the developing world. In the present context, when India is being re-hyphenated with China with coinage such as "Chindia," the latter has pursued a comprehensive strategy having four components to manage India's rise. These components are a carrot and stick policy to sabotage growing Indo-US ties, an intensifying military encirclement of India, a deepening strategic nexus with Pakistan, and efforts to keep India out of regional and global institutions. This strategy is to make sure that China continues to remain the only tiger on the mountain of the Asian continent.

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