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India-China Relations: An Overview

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The history of India-China interaction is almost as old as the two civilisations themselves. This centuries-long peaceful coexistence, mutually enriching, both materially and spiritually, is possibly unparalleled in human history. The last fifty years however—when the two countries began the latest and easily the most contentious phase in their age old relationship—have cast such long shadows that the multi-textured and multi-dimensional earlier periods, of infinitely great variety and of tremendous benefit to both, are now merely the subject of academic research and discussion. Today, the historical epochs of interaction are encapsulated in clichéd statements, referred to only when thought fit and when the moment demands. This is clearly a situation which needs to be remedied.

It is generally accepted that contacts between India and China began as early as the time of Christ although there is as yet no definite record to establish this.[1] Trade and commerce flourished between them via the Silk Road, as also cultural contacts. One of the most significant aspects of the ancient contacts was the establishment of Buddhism in China. The Chinese responded with great enthusiasm to the arrival of Buddhist missionaries and thereafter initiated a number of moves to bring Indian Buddhist monks and scholars to help teach, explain and establish Buddhism firmly in China.[2] During the fourth and fifth centuries, there was

[1]Tan Chung, "Ageless Brotherhood Between India and China," *Indian Horizons*, Vol.43, Nos. 1-2, Special Issue, India and China, p. 12.

[2]Keh-mu Chen, *Short History of Sino-Indian Friendship*, translated by Yang Hsien-yi and Gladys Yang (Calcutta: ATS, 1981), pp. 8-10.

a second wave of Buddhist monks to China which in turn created a counter wave of Chinese Buddhists to India for advanced training. Kumarajiva and Bodhidharma, who went from India to China, and Xuan Zhang and Fa Hien, who came from China to India, are familiar names who greatly enriched the knowledge and understanding of their countries of origin. The dominance and firm grip that Buddhism came to acquire in China was of course the result of a long-lasting process of considerable interaction and exchange between India and China, spread over centuries, which benefited both countries in many ways. The Chinese were responsible for preserving many valuable Sanskrit works of the Gupta and post-Gupta period by organising Chinese translations of them and printing them for posterity. Indian monks, on the other hand, "acted like bees carrying cultural pollen to China," and apart from the development of religion and philosophy, they also promoted the advancement of phonology, astronomy, medicine, chemistry and physical exercise in China.[3]

The decline of Buddhism in India, and also to some extent in China, led to a weakening of contacts mainly after the tenth century. Over the next two centuries, trade and commerce between India and China also declined on account of a number of economic and political developments and, gradually, whatever little residual contacts existed, faded with the advent of the colonial and imperialist era in Asia. The rise of nationalist forces and the different responses to the exploitation by the imperialist powers once again led to the revival of the linkages and contacts between India and China. From 1840 onwards, when most of India had come under British control, and the other Western powers were becoming involved in hostilities with China, the British recruited a large number of Indians to carry out soldiering and guard duties to serve British interests. However, during the course of the Taiping Rebellion, which lasted from 1850 to 1864, many Indian soldiers deserted and went over to the side of the Chinese. While some of these soldiers had been captured by the Taipings in battle and were converted to their cause, some did join them voluntarily. Almost a century later, this phenomenon was

[3]Tan Chung, "Cultural Ambassadors : Ancient Buddhist Monks from India to China and from China to India." Paper presented at the First Seminar on "India and China: Looking at Each Other", organised by the Indira Gandhi National Centre for the Arts and the Institute for Chinese Studies, November 15-18, 1995.

to be repeated when Indian soldiers and policemen in China, motivated by the struggle against imperialism, once again turned their arms against the British.[4] This turnaround in their political loyalties and their radicalisation came about with the work of the Ghadar Party in China and indeed, in retrospect, the Ghadar movement figures in the history of India-China interaction as a notable chapter of revolutionary comradeship.[5]

The emerging modern Indian reformists, intellectuals and political thinkers of the mid-nineteenth century were deeply moved by the "stranglehold of the despicable opium trade" carried out by the British on China and they spoke out and wrote extensively against it. Chinese reformers, for their part, engaged in national self-strengthening, attempted to learn from the decline of India in the context of their examination of colonial rule[6] Thus, while there was considerable interest in and concern for the sufferings which both had to undergo, the trajectories of the nationalist movements in India and China were along different lines. While there were occasional calls for cooperation and support to fight the imperialists, such cooperation did not take place in any substantial manner. Certainly, there was a lot of inspiration to be drawn from each other's struggles, and there is plenty of evidence testifying to this attempt to learn from each other, particularly from the turn of the century up to the Republican revolution of 1911 in China.[7]

From the mid-1920s onward, Indian interest in China took a different turn when the Indian National Congress (INC) and particularly Jawaharlal Nehru, the spokesman of the INC on foreign affairs, began articulating a worldview from an Indian perspective in an anti-imperialist context. Relations with China

[4]For a detailed account, see Madhavi Thampi, "Indian Soldiers, Policemen and Watchmen in China in the Nineteenth and Early Twentieth, Centuries," *China Report*, Vol. 35, No. 4, 1999, forthcoming.

[5]For a more detailed account, see B.R. Deepak, "The Revolutionary Activities of Ghadar Party in China," *China Report*, Vol. 35, No. 4, 1999, forthcoming.

[6]See Avinash Saklani, "Colonialism and Early Nationalist Links between India and China," *China Report*, Vol. 35, No. 3, 1999, pp. 259-70.

[7]Lin Chenjie, "Friends in Need: Comradeship between Chinese and Indians in their Common Struggle in Modern History," *Indian Horizons*, Vol. 43, Nos. 1-2, 1994, p. 3.

were to figure prominently in independent India. In a notable essay, "A Foreign Policy for India," in September 1927, Nehru wrote, "[I]n developing our foreign policy we shall naturally first cultivate friendly relations with the countries of the East which have so much in common with us. Nepal will be our neighbour and friend; with China and Japan, Indonesia, Amman and Central Asia we shall have the closest contact."[8] For Nehru, China was not just a powerful neighbouring country, but one which had equally suffered at the hands of imperialism and therefore one which would be a strong ally in the global crusade for freedom, justice and peace.

The exploitation and domination by the imperialist and colonial powers that India and China experienced, and their successful struggles against them, did not however bring them together. In 1947, India won her freedom from the British, and in 1949 the Communist Party of China (CPC) won the civil war and came to power in the newly proclaimed People's Republic of China–two developments that were to change the course of Asian and world history. But the world in which India awoke "to life and freedom" and China achieved liberation was sharply divided into two ideologically opposed blocs: the socialist bloc led by the former Soviet Union and the capitalist bloc led by the United States. Whereas the People's Republic of China was unambiguously aligned with the former, for Jawaharlal Nehru, the first Prime Minister of independent India, the bipolar world order posed a grave threat to India's hard won independence. Only by steering clear of bloc politics and rivalry and adopting a non-aligned path to development and security could India fulfill its promise as a potential power and contribute more substantially towards reducing tension in the world.

In the regional context, India-China relations held the key to stability and development. The communist regime which came to power in 1949 in Beijing did not in Nehru's opinion necessitate any fundamental alterations in India's foreign policy with respect to China. He certainly refused to be hustled into any anti-communist posture per se, simply because of Cold War compulsions. As he put it, "[W]e have chosen our path and we propose to go along it, and

[8]Jawaharlal Nehru, *A Foreign Policy for India*, AICC File No.8, 1927, p. 361.

to vary it as and when we choose, and not at somebody's dictate or pressure.... Our thinking and our approach do not fit in with this great crusade of communism or crusade of anti-communism."[9] Nehru's 'China policy' thus flowed directly from the linkage between his global view and his policy of non-alignment. Indian and Chinese historical experience and common concerns called for a policy of friendship and cooperation. Any other policy could not but lead to a confrontation at the global level. Nehru felt reassured that China would never attack India precisely because of the possibility of superpower intervention and involvement. And India's interests in the long run would best be served by avoiding confrontation with China. For the PRC, the world situation demanded that nations make a choice between the two camps. As Mao Zedong put it, "...all Chinese without exception must lean to the side of imperialism or to the side of socialism. Sitting on the fence will not do, nor is there a third road."[10]

The initial interactions between independent India and liberated China therefore did not begin, and could not have begun, in an amicable and smooth fashion. For the PRC, since non-alignment was meaningless, India was virtually a "semi-colony" under the "control of American imperialism." Nehru was moreover characterised as the "stooge" and "running dog" of British and American imperialism in various articles in the Chinese press during the latter half of 1949.[11] Problems with Nehru and the nature of the political leadership in India apart, the crux of the India-China problem was unquestionably regarding Tibet. The suspicions generated in India by the Chinese actions in Tibet in early 1950, Indian reactions and criticisms, and the Chinese counter-criticisms persisted for quite some time and, though they were briefly eclipsed, resurfaced to fuel the tensions of the late 1950s.

[9]Jawaharlal Nehru, *India's Foreign Policy* (New Delhi: Government of India, Ministry of Information and Broadcasting, 1983), pp. 68-69.

[10]"On the People's Democratic Dictatorship: In Commemoration of the Twenty Eighth Anniversary of the Communist Party of China," June 30, 1949, in Mao Tse-tung (Mao Zedong), *Selected Writings* (Calcutta: National Book Agency, 1967), p. 102.

[11]See Girilal Jain, *Panchsheela and After: A Re-appraisal of Sino-Indian Relations in the Context of the Tibetan Insurrection* (Bombay: Asia Publishing House, 1960), pp. 6-9.

India's role and diplomacy in the Korean War, the developments in the Afro-Asian world and the change in the evaluations of the Chinese regarding their own role and stand vis-à-vis the de-colonised world, all these brought about a change in Chinese foreign policy towards the non-aligned countries. The mediation by India in the Korean War of 1950-53 helped in solving the imbroglio and, by establishing India's image as an "honest peacebroker", brought the desired break in India-China relations.[12] One of the first results of this change was Panchsheel. The Five Principles, as they were first termed (the name Panchsheel was applied to them later), were originally, and in retrospect somewhat incongruously, a part of the Agreement on Trade and Intercourse between India and China relating to Tibet.[13] In this rather long and detailed agreement, signed in Beijing on 29 April 1954, in the section on trade, the two governments stated that to facilitate pilgrimage and travel, they entered into this agreement based on the following principles:

1. Mutual respect for each other's territorial integrity and sovereignty.
2. Mutual non-aggression.
3. Mutual non-interference in each other's affairs.
4. Equality and mutual benefit.
5. Peaceful co-existence.

With the April 1954 Treaty began a rather short-lived but extremely fraternal and friendly period in the relationship. A new phase in Chinese foreign policy, which had been shaped mainly by the Cold War in the post-1949 period and which had showed some signs of flexibility after Stalin's death in 1953, was now unveiled with Zhou Enlai's trip to India in June 1954. It was the first time that a communist head of government was making a peacetime visit to a non-communist state. Indeed, Zhou's visit indicated the contours of China's new strategic perspective and testified to its recognition

[12]For more details on the Indian role during the Korean War, see Karunakar Gupta, *Sino-Indian Relations 1948-52 : Role of K.M. Panikkar* (Calcutta: Minerva Associates, 1987), p. 109.

[13]Text of this treaty is to be found in G.V. Ambekar and V. D. Divakar, eds., *Documents on China's Relations with South and South East Asia, 1949-1962* (Bombay: Allied Publishers, 1964), pp. 283-86.

of the new force constituted by the non-aligned group of de-colonised nations. Both Nehru and Zhou Enlai reiterated the Five Principles of Peaceful Coexistence (they had not yet been given the nomenclature Panchsheel) as the basis not only of their bilateral relations but also as having universal applicability. The Five Principles in fact became the model for the PRC's agreements/ treaties with other countries. Importantly, with the April 1954 agreement, India unequivocally recognised the PRC's sovereignty over Tibet and relinquished all its extra-territorial rights there. Not surprisingly, there was an uproar in Parliament and criticism from other quarters as well, at this tame acceptance of Chinese sovereignty in Tibet.[14]

Nehru returned Zhou's visit in October 1954 and the *Hindi-Chini bhai bhai* (Indians and Chinese are brothers) phase was inaugurated. In retrospect, this phase was so brief that it appears surprising that it could camouflage the contentious issues in the relationship. Much of the euphoria and optimism for the future of India-China relations was generated by the warm reception accorded to Nehru during his China visit. There are enough accounts which testify to this unprecedented welcome. Awareness of the disputed border certainly existed as early as 1950 and there was some debate within India on the need to begin negotiations with China. However, the matter was shelved for the time being. During his visit, Nehru had reportedly raised the matter of incorrect border lines on Chinese maps. Zhou had replied that the PRC needed time to complete their investigations.

Zhou Enlai's second visit to India still resounded to the slogan of *Hindi-Chini bhai bhai*, but the latent tensions had begun to emerge as more obvious and clearly discordant strains. Zhou viewed the demonstrations by the pro-Tibetan protestors as Indian tolerance of anti-China activity on its soil.[15] Zhou also stated the Chinese view of the "historical illegitimacy" of the MacMahon Line. Nonetheless, in the interests of peace, the Chinese would not violate the border pending a resolution. Violations had however

[14]For the parliamentary debates during this period, see Nancy Jetly, *India-China Relations, 1947-1977: A Study of Parliament's Role in the Making of Foreign Policy* (New Delhi: Radiant Publishers, 1979).

[15]Ronald C. Keith, *The Diplomacy of Zhou Enlai* (London: Macmillan Press, 1989), pp. 59-87.

occurred–indeed they had taken place from mid-1954 and they continued intermittently right until 1959 and beyond, alongside outward manifestations and declarations of goodwill and friendship. In September 1957, the announcement of a road, linking Sinkiang and Tibet in the Aksai Chin area, appeared in the Chinese media.[16]

An exchange of letters between Nehru and Zhou Enlai began in December 1958 and continued upto 1960.[17] These letters revealed the differences between the Indian and the Chinese stand on a range of issues, chiefly the border, but also their world views, attitudes to international law, colonial treaties, and, above all, the "status quo", which both sides desired to maintain and respect, pending settlement. The differences eventually emerged as basic, irresolvable contradictions. They also contributed to yet another attitudinal change in the PRC with regard to the ruling classes of the newly emergent states of Asia. Along with two other developments—the launching of India's "Forward Policy" and the uprising in Tibet and the Dalai Lama's seeking and obtaining political asylum in India—the above mentioned changes brought India-China relations to breaking point in 1959.

Border clashes continued unabated, as did the written and verbal exchanges—but there was nothing either side could produce which was acceptable to the other. Zhou Enlai's third and last visit to India in April 1960, once again did not achieve a breakthrough. A joint communique, signed on April 25, laid the pattern for future talks, alternately in Beijing and New Delhi, to exchange views on the facts of the case. Beyond this, there was no point where Indian and Chinese thinking converged, so that Nehru told Parliament on April 26 that "...this basic disagreement about historical and actual facts came up again and again... the actual discussion came against a rock of entirely different sets of data. If data differ, if inferences

[16]It has been pointed out that the Indian Intelligence Bureau (IB) had information that the Chinese were using Aksai Chin since 1951, but this information seems to have had no operational consequences. See the memoirs of the then Director of IB, B.N. Mullik, *My Years with Nehru: The Chinese Betrayal* (Bombay: Allied Publishers, 1971), p.120.

[17]The Nehru-Zhou correspondence can be found in *Notes, Memoranda and Letters Exchanged and Agreements Signed between the Governments of India and China 1954-1959* (New Delhi: Ministry of External Affairs, Government of India, 1963).

differ, arguments differ, if the basic facts are different, then there is no meeting ground at all."[18]

There was no meeting ground, but in addition mutual suspicions were intensifying as regards the border but largely because of Tibet. Negotiations between India and China continued throughout 1960-62, to no avail. Matters were made worse by the media on both sides. Politicians of different hues, especially in India, intensified the suspicions by their ultra-nationalist, and at times, cold war rhetoric. The climax came in the shape of a short but decisive war in October 1962.[19] It finally brought the curtains down on the show of fraternal friendship and understanding, which in any case had begun to fray in the preceding few years. Domestic critics of Nehru's China policy and the propounders of Communist China's "perfidy" and "expansionism" appeared vindicated.

Reactions from around the world were inevitably mixed and offers of mediation came in from various quarters, the UAR (Egypt), Ghana, Indonesia and Tanzania being among the most prominent of the Afro-Asian group. The Colombo Conference of the Afro-Asian Group took place from 10-12 December 1962. However, the proposals failed to bring India and China to the negotiating table and nothing much came out of these efforts at mediation. The post-1962 period saw the PRC once again adjusting its policy vis-à-vis the subcontinent, which was essentially aimed

[18]Jawaharlal Nehru, *Indian Foreign Policy: Selected Speeches, September 1946-April 1961* (New Delhi: Ministry of Information and Broadcasting, Govt. of India, 1961), pp.386-88.

[19]There are numerous books on the war, by civilian and military authors—both Indian and foreign. Some representative works are : J.P. Dalvi, *Himalayan Blunder* (New Delhi: Thacker, 1969); B.M. Kaul, *Untold Story* (Bombay: Allied Publishers, 1967) John Lall, *Aksai Chin and the Sino Indian Conflict* (New Delhi: Allied Publishers, 1989); D.K. Palit, *War in the High Himalaya: The Indian Army in Crisis*, 1962 (London: Hurst & Company, 1991); V.K. Krishna Menon, *India and the Chinese Invasion* (Bombay: Contemporary Publishers, 1963); Neville Maxwell, *India's China War* (Bombay: Jaico Publishing House, 1971); Yaacov Vertzberger, *Misperceptions in Foreign Policy Making: The Sino-Indian Conflict* (Boulder: Westview Press,1984); Steven A. Hoffman, *India and the China Crisis* (Delhi: Oxford University Press, 1990) and Xuecheng Liu, *The Sino-Indian Border Dispute and Sino-Indian Relations* (Maryland: University Press of America, 1994).

at establishing a special relationship with Pakistan. Thereafter, a realignment of relationships in the subcontinent was witnessed, with two sets of triangular politics—the US-USSR-PRC and the PRC-India-Pakistan—at work. This became evident with the Indo-Pakistani war of 1965 and the liberation of Bangladesh in 1971. There was extremely critical and hostile writing in the Chinese media in both cases. Yet there was no physical intervention by China (in either case) even though pressure tactics were rather crudely applied. The Chinese reaction to the Indo-Soviet Treaty was also restrained. A parallel could be drawn with their reaction to Pakistani membership of the Southeast Asia Treaty Organisation (SEATO), and the possibility cannot be ruled out that they read the thrust of the Treaty as directed mainly against Pakistan.

In overall terms, the decade of 1965-66 to 1975-76 saw India-China relations gradually move from one of "hostile co-existence", at worst, to diplomatic and cultural overtures, at best. On the whole this period saw a slow but definite strengthening of the Indian position vis-à-vis the Chinese, a position which had undoubtedly been a weak one in the latter half of the 1960s. It may also be mentioned that during the Cultural Revolution period in the PRC, the Communist Party of China intervened in the domestic politics of various states, including India. When the Communist Party of India split in 1964, China welcomed the formation of the CPI(M). There was also an attempt to support the Naxalite movement of the late 1960s as also an active endorsement of the Naga and Mizo rebels in the Northeast.[20] However, it would not do to overplay this assistance, since it did not appear to go beyond pressure tactics or an attempt to keep New Delhi guessing. That the Chinese involvement in the Northeast was marginal is more than demonstrated by the fact the rebels in various regions of the Northeast have been going from strength to strength long after China ceased to take any interest in them. Besides, domestic adventurism and the domination of the ultra-left faction during the Cultural Revolution was at least partially responsible for some of the adventurism overseas.

[20]See the report on the Mizo revolt, *Peking Review*, 18 March 1966, p. 28; a *Renmin Ribao* editorial, "Spring Thunder Over India," 5 July 1967 translated in *Peking Review*, 14 July 1967, p. 22 and *Renmin Ribao* commentary, "Let the Red Flag of Naxalbari Fly Still Higher," 7 August 1967 in *Peking Review*, 11 August 1967, pp.21 and 23.

By the end of the 1960s, some movement towards change could be discerned at the bilateral level–and it was India which sought to initiate the moves towards restoring normalcy, even though domestic opinion prevented the articulation of any such sentiments for quite some time after 1962. In fact, Indira Gandhi was criticised in Parliament for her attempts to inject some realism as well as to bring about a change in the seemingly inflexible Indian stand on the border, when she reportedly asserted that "...however difficult the situation may seem, it (was) always possible in the world to find a way out.... I do not think you can forget the past...."[21] In response, on May Day in 1970, Mao smiled at the Indian Chargé d'Affaires and expressed some hopes for normalisation of relations.

The desired changes did not materialise immediately, and the Sino-US rapprochement of 1971 in the meantime brought two cold wars to bear on the power relationships in the region: the one between the two superpowers and the other between China and the Soviet Union. While American military support to Pakistan had long been a source of tension and anxiety to India, the US stand during the Bangladesh crisis clearly revealed the lack of any similarity or synchronisation in Indian and US strategic perceptions. It was made clear to India not to expect any assistance in the imminent war with Pakistan. From the American point of view, India was virtually a client state of the USSR, intent on dismembering Pakistan—a view which became stronger with the signing of the Indo-Soviet Treaty of Friendship and Mutual Cooperation in August 1971. Indian fears of either indirect Chinese involvement through military assistance or even direct intervention were downplayed in Washington.

Chinese behaviour vis-à-vis India during the Bangladesh Liberation War has some interesting aspects. It is believed—though this could be debated—that Mrs. Gandhi and her government were reasonably certain that China would not take direct military action but would confine itself to verbal threats .[22] The PRC's rhetoric in its mass media during the Bangladesh crisis denounced India's role

[21]*Selected Speeches of Indira Gandhi: January 1966-August 1969* (New Delhi: Ministry of Information and Broadcasting, Government of India, 1971), pp. 346-7.

[22]Surjit Mansingh, *India's Search for Power* (New Delhi: Sage Publications, 1984), p.197 and p. 222.

in no uncertain terms. Much ire was expended on "the threat posed by the Indian reactionaries to Pakistan", "Indian expansionist" interference in the "internal affairs of Pakistan" and the "scheming for international intervention" by setting "their entire propaganda machine in motion to fan up anti-Pakistan chauvinist sentiments." In this context, "(T)he Chinese Government and people (would), as always, resolutely support the Pakistan Government and people in their just struggle for safeguarding national independence and state sovereignty..."[23]. But, there was a substantial difference in Chinese attitudes in 1965 and 1971, and the Indo-Soviet Treaty was certainly an important reason for the difference. There was no physical intervention and, surprisingly, the acceptance speech of the Chinese delegate in October 1971 at the United Nations General Assembly neatly avoided any reference to South Asia, although the emergence of Bangladesh was a virtual reality.

In retrospect, the resumption of diplomatic relations in 1976 seems to be the only concrete achievement in bilateral relations in the 1970s. As the Annual Report of the Ministry of External Affairs for the year 1973-4 stated: "There was no significant change in India's relations with China. While India continued to seek normalisation of relations, there was little response from China."[24] The merger of Sikkim with India in 1975 once again stalled matters. There was bitter denunciation of India's "naked annexation" and, till today, China has refused to accept Sikkim as part of India.[25] But a process of change was underway and gradually various minor developments, in conjunction with an obvious rethinking among the political and intellectual elite in India, paved the way for the re-establishment of ambassadorial relations in 1976. Elections in India brought the Janata Party to power in 1977–a development that was welcomed in the Chinese media along with a general criticism of

[23]*Renmin Ribao*, Commentator's article, "What are the Indian Expansionists Trying to Do?" Excerpted in *New China News Agency* (*Xinhua*), 11 April, 1971. Reproduced as Appendix II in G.P. Deshpande, "Soviet and Chinese Stakes" in Mohammed Ayoob et. al., *Bangla Desh : A Struggle for Nationhood* (Vikas Publications: Delhi, 1971), pp. 130-31.

[24]*Ministry of External Affairs, Annual Report 1973-74* (New Delhi: Ministry of External Affairs, Government of India, 1974), pp. 38-39.

[25]"Naked Annexation", *Renmin Ribao* commentary on Sikkim, 13 April 1975. Reprinted in *Peking Review*, 18 April 1975, p. 14.

the previous regime. However, Morarji Desai, the new Prime Minister, held the view that since it was China that had occupied Indian territory, the initiative lay with the PRC. The change in government therefore did not accelerate the process of normalisation. Whatever developments were taking place were once again interrupted–albeit briefly–by the unfortunately timed Chinese attack on Vietnam in February 1979 when the Indian Foreign Minister A.B. Vajpayee was visiting China. Whatever the justifications or criticisms of the attack, Vajpayee cut short his visit and returned to India forthwith. The Janata tenure, brief though it was, did manage to contain tensions in the region by its stress on peace and good neighbourliness. India-China relations, after that brief setback, once again began their slow march to normalisation.

This period also marks a rather significant turning point in Chinese domestic politics. The Third Plenum of the Eleventh Central Committee of the CPC in December 1978 inaugurated the era of economic reforms in China. Deng Xiaoping consolidated his position and power within the Communist Party and government and attained the status of paramount leader. With a fairly broad consensus, Deng began a series of dramatic reforms in Chinese agriculture and industry and opened China's doors to the outside world. An 'independent foreign policy', contingent on the merits of any situation, and a clear departure from the earlier ideological approach, was formally elaborated in 1982 and became the basis of the PRC's bilateral and multilateral interactions. The large gap in terms of technology and industrial production between China and the West had to be bridged, the stagnation in agriculture had to be reduced and the living standards of the people had to be enhanced. China had to take its proper place among the leading powers of the world. Obviously, these goals could not be achieved in a situation of tensions on the borders and problems with neighbours. Peace and an atmosphere of cordiality in the neighbourhood in particular, but also in the world at large, was a sine qua non of modernisation and development. Thereafter, an incremental but distinct change was also discernible in Chinese policy towards South Asia.

The changes in China's South Asia policy and India-PRC relations began with the Soviet intervention in Afghanistan. The 1980s ushered in many other changes. The growing power and prosperity of Japan and Western Europe, which, by indirectly challenging US supremacy, opened new avenues for the developing

world, the improvement in Sino-Soviet relations, the apparent strengthening of the Non-aligned Movement–all were assessed as extremely favourable trends by both India and China. Clearly, in the foreseeable future, it would be not only the military but the economic and technological capability as well which would determine the superiority or otherwise of a state. However, what gave decisive shape to Chinese policies was the war with Vietnam and the Soviet intervention in Afghanistan. While the former demonstrated the relative backwardness of China's military machine, the latter made it clear that it was important for China to watch the Soviet Union carefully. Reagan's presidency in the US, with its aggressive postures in world politics, made a strategic and tactical shift absolutely necessary. The new Chinese approach, marked by a strategy of equidistance between the two superpowers, was elevated to the status of doctrine. Rapprochement with the Soviet Union was, in any case, eminently rational, and the process of Sino-Soviet normalisation was accelerated. The other important aspect of this new phase in Chinese foreign policy was the launching of a vigorous campaign to increase China's circle of friends in the developing world as well as to gradually assume the role of spokesperson for the "just demands and reasonable propositions" of the Third World countries regarding the unjust world economic order.

With such a changed context the first visit to India by a Chinese leader, in more than two decades, took place in June 1981 when Huang Hua, the Chinese foreign minister, arrived. This was the beginning of the de-freezing of the border issue in that the two sides agreed to exchange official delegations to begin talks. At this point, there was no indication that either side had changed or relaxed its position on the border. However, insofar as India agreed to substantive discussions, it was a major advance on its original stand that there would be no talks unless the Chinese had vacated Indian territory. The Chinese approach, spelt out in Huang Hua's statement on the occasion, stressed the maintenance of the status quo and of peace and tranquillity on the border, pending its resolution. Huang Hua's visit also saw the setting up of five sub-groups, with the aim of initiating co-operation in a variety of scientific, technological, cultural and economic fields so as to improve the atmosphere and begin the process of economic interaction and exchange.

The border talks between the officials of the two countries took place at regular intervals, alternately in Beijing and New Delhi, but largely from two static positions: the Chinese arguing for a "package deal" and the Indians putting forward a "sector by sector approach". The Chinese position in effect amounted to a de jure recognition of the de facto boundary–the Line of Actual Control (LAC). There were in fact two levels at which India-China relations operated through the decade of the 1980s. One was the above mentioned level, that of the border talks, which hardly saw any progress. As Minister of External Affairs, P.V. Narasimha Rao, stated in an address to the Parliamentary Consultative Committee for External Affairs, "...there are wide differences on the border issue, but it continues to be the take off point. The improvement of Sino-Indian relations is not only the common desire of the two peoples but it is beneficial to the strengthening of peace and stability in Asia and the world."[26] The other level was the gradually increasing and diversifying cultural, commercial, technological and scientific contacts between the two countries. Frequent statements from both countries emphasized the need for better relations. There were references to the age-old contacts between the two great civilisations and on the revival of the spirit of Panchsheel. Both sides reiterated the fact that there was "no fundamental conflict of interests" between them and that the pre-eminent desire of both countries was peace and development. The broadbasing of contacts with India saw delegations from both the CPI (M) and the CPI visiting China. The Congress Party and even the BJP sent some delegations as well. There was also, by this time, a clear break with the policy of support and assistance to the Naxalites in India.

By 1985, when the Prime Ministers of India and China, Rajiv Gandhi and Zhao Ziyang, met in New York, five rounds of border talks had taken place, with the sixth round due in November. Both agreed that the border problem was not an insurmountable issue, but whereas Zhao felt that it was a problem left over by history and that it would therefore take time to be resolved, Rajiv Gandhi was of the view that it was the crux of their relationship which needed to be tackled urgently. Zhao also extended an invitation to Gandhi

[26]As quoted in Satish Kumar, ed., *Year Book on India's Foreign Policy, 1985-86* (New Delhi: Sage Publications, 1988), pp. 150-52.

to visit China. Barely a year later, the Sumdorong Chu incident occurred. On August 3,1986, reports arrived that the Chinese had built a helipad in the Sumdurong Chu valley in Arunachal Pradesh, inside Indian territory. The Minister of State of External Affairs reported this to Parliament on August 8. China denied the allegations on August 22, in turn accusing India of having violated the border in the Eastern Himalayas. The Chinese proposal for "mutual concessions" in the valley of Sumdurong Chu was not agreeable to India, and Rajiv Gandhi called for a "systematic and scientific mapping" of the area which could help in settling the dispute.[27] In December 1986, when Arunachal Pradesh was granted statehood, not surprisingly, it elicited a strong protest from China, which predictably reiterated the illegality of the McMahon line, which India denounced in turn as interference in its internal affairs.[28] The situation became rather tense and high-level discussions and exchanges were initiated to restore normalcy. In retrospect, this easily was the most critical point in India-China relations since the 1962 war and it must have impressed upon the Indian leadership the potentially inflammable nature of the border problem as well as the necessity of an early resolution. More crucially, it made plain yet again that the pace of the border settlement process was far from satisfactory and the matter should be handled at the highest political level.

During 1987-88, there were renewed exchanges between India and China, geared towards resuming the process of establishing a climate of trust and cooperation that had been briefly interrupted by the Sumdurong episode. The exchanges were not greatly significant in themselves, but contributed to improving the atmospherics. At the end of 1988, Rajiv Gandhi became the second prime minister of India to visit China, thirty years after Nehru's 1955 visit. "It is now time to look into the future. I have come to renew an old friendship," declared Rajiv Gandhi at his meeting with Deng Xiaoping.[29] The five-day visit included meetings with all the top leaders of China, and an entire range of issues at the bilateral, regional and global levels, of concern to both countries, were raised

[27]As cited in Xuecheng Liu, *The Sino-Indian Border Dispute and Sino-Indian Relations* (Lanham: University Press of America, 1994), p. 143.

[28]*Asian Recorder*, 1987, p. 19270 and p. 19440.

[29]*Asian Recorder*, 1989, p. 20434.

and discussed. The significance of the visit lay in the re-commencement of political dialogue at the highest level and providing a much needed shot in the arm to the border negotiations, eight rounds of which had already taken place, that had acquired a rather mechanical and sterile character. The most significant outcome of Rajiv Gandhi's visit was the setting up of the Joint Working Group (JWG) to explore the boundary question, review the probable solutions as well as ensure the maintenance of peace and tranquillity on the border while the negotiations were in progress. Its uniqueness lay in the fact that it was composed of people drawn from the Foreign Ministry as well as the Armed Forces, legal bodies as well as official cartographers and surveyors. Besides the JWG, there were other agreements on civil air transport, science and technological cooperation, cultural exchanges and economic interaction.

The year 1989 marked the beginning of yet another, and in many ways the current, phase in Chinese foreign policy. Tiananmen generated a great deal of furore and controversy in the Western world, but did not seem to make much difference to Western policies towards the PRC. The collapse of the Stalinist state-systems in the Soviet Union and East Europe was clearly the more significant development, necessitating new measures to adjust to the post-Soviet world. Towards the end of 1989, the Chinese Vice-Premier Wu Xueqian came to India, maintaining the trend of continuous high level contacts aimed at fostering cordial and friendly ties and enhancing cooperation. This was followed by a visit of the Chinese foreign minister, Qian Qichen, in March 1990. The increasing warmth between India and China was largely the outcome of a gradual change in China's approach to its neighbours in general and towards the South Asian region in particular, which was to crystallise more clearly by the mid-1990s. Lest this change, still in its embryonic stages, create apprehensions among the "time-tested" friends of China in South Asia, Qian Qichen clarified that improvement in India-PRC bilateral relations would not adversely affect relations with other countries of the region. It would, in fact, be conducive to an overall improvement in Asia. Qian also elaborated on the PRC's stand on the Kashmir question, in that it should be solved peacefully by India, and Pakistan, through mutual consultations. India, in turn, supported the PRC's entry into GATT.

The decade of the 1990s, up to the Indian nuclear explosions in May 1998, constitutes the most cordial phase of India-China relations

since 1962. Not only did contacts at all levels flourish, but also some very significant agreements were signed. The apparently more evenhanded Chinese approach towards the South Asian region and the attempts to downplay China's "special" relationship with Pakistan did have a favourable impact. There was no dearth of criticisms about the PRC's assistance to the Pakistani nuclear programme, its activities in India's neighbourhood and the Indian Ocean as well as its intentions in India's North-eastern region and Tibet. But that was part of the wider and ongoing debate on India's strategic and security concerns at the academic, intellectual and elite levels and did not as yet impact adversely on the course of India-China relations at the official/political level.

Throughout 1990, several leaders of the ruling Janata Dal (JD) visited China. CPC leaders expressed the desire to "establish and develop friendly ties" with the JD. The year 1991 began with the China visit of the Indian External Affairs Minister V.C. Shukla and ended with the visit of Li Peng, the first visit by a Chinese Premier after Zhou Enlai in 1956. The nature of the post-Soviet world prompted the need for a broadly common approach towards the forces which could endanger the political and economic interests of the developing world. In his speech, Li Peng avoided reference to the border problem, other than the conventional reiteration of the need to maintain peace and tranquillity. More significantly, Li Peng noted that differences regarding the border should be "set aside for the time being" and not allowed to become an obstacle in the way of developing Sino-Indian relations in a "comprehensive way". This approach was subsequently to become the hallmark of the Chinese approach to contentious issues. During Li Peng's visit, three agreements were signed: one was with regard to the resumption of land trade through the middle sector of the border; the second was an MoU on bilateral cooperation in science and technology; and the third was a trade protocol for 1992, seeking to further extend and diversify trade. It was also agreed that the Indian and Chinese army commanders would meet every June and October at fixed points on the eastern and western sectors and that more frequent meetings of the JWG would take place. An India-China consular connection was also established with the opening of consulates in Bombay and Shanghai in April 1994.[30]

[30]*Foreign Affairs Record*, Vol. XXXVII, No. 2, pp. 241-43.

The year 1992 was notable for its many visits. In May, R. Venkataraman became the first Indian President to visit China. And yet, it was during Venkataraman's visit that the Chinese conducted a nuclear test which generated Indian apprehensions. Subsequently, in August 1992, during Indian Defence Minister Sharad Pawar's visit to China, the hosts made special efforts to impress upon Pawar the purely coincidental nature and timing of its May nuclear tests.[31] Later in the year, the Indian Chief-of-Army Staff, General B.C. Joshi, went on the first official visit by an Army Chief at the invitation of his Chinese counterpart, General Chi Haotian.

Thus, when Prime Minister Narasimha Rao visited China in September 1993, the political atmosphere, to all appearances, was one of bonhomie. The backdrop, constituted by the international developments mentioned earlier, was one of extreme flux and consequently the need for stability and relaxation of tensions was so much greater. Rao's China visit is celebrated for the landmark Agreement on the Maintenance of Peace and Tranquillity along the Line of Actual Control (LAC) in the Border Areas. Basically, this agreement established a framework for resolving the border dispute through peaceful and friendly consultations. It enjoined both sides not to use or threaten to use force against the other while strictly adhering to and respecting the LAC. It recommended joint consultations in the event of conflict of views and clearly—and necessarily—specified that the agreement would in no way prejudice the respective positions of the two countries on the boundary question. A number of confidence-building measures were also agreed upon such as the reduction of military forces by stages in mutually agreed geographical locations, "in conformity with the principle of mutual and equal security", prior notification of military exercises of specified levels in mutually identified zones, prevention of air intrusion by both sides and mutual decisions on the "form, method, scale and content" of effective verification measures. Obviously, neither country could speak of a final settlement of the border just yet—but with a certain mechanism (JWG) already in place, an agreement on the LAC appeared to be

[31]Manoj Joshi, "Coming Closer : Sharad Pawar's China Visit," *Frontline*, 28 August 1992, pp. 37-39.

the first step towards a final settlement of the border.[32] China's recognition of Sikkim's accession to India also failed to materialise.

In 1994, a small but somewhat significant event–in terms of the comparatively greater importance attached to it by the Chinese–took place. The fortieth anniversary of Panchsheel was celebrated with some enthusiasm and fanfare, highlighting its importance as the fundamental basis of India's and the PRC's foreign policy. It was also around this time that the changes in China's South Asia policy began to be more apparent, and these changes were reflected even more sharply with President Jiang Zemin's visit to South Asia in November-December 1996. To cite some of the more prominent examples of this shift: First, the PRC had been notably mild in its reactions to India's stand on the CTBT; secondly, China voted against Japan, in support of India's bid for a non-permanent seat in the Security Council; and as mentioned earlier, its approach to the handling of territorial disputes was also different now, as witnessed in its stand on the Kashmir issue.

For a presidential visit, Jiang's arrival in India was downplayed—the uncertain response of a diffident coalition government in New Delhi. In its desire to appear firmly in control, the Indian government appeared anxious to avoid any anti-Chinese demonstrations. The visit had to be handled not just at the bilateral level, but also, in a sense, at the domestic level. It is quite apparent that there is a dual perception regarding China. On the one hand, there seems to be admiration for Chinese economic progress, while, on the other, there is deep suspicion of Chinese motives and actions. Any government which deals with China has to therefore make it clear that it is not bowing to Chinese dictates or pressures or putting the country's security and national interests at risk.

Jiang's South Asia visit included New Delhi, Islamabad and Kathmandu, in that order, the first two stops being of equal duration. The reassurance, if any, was intended for Pakistan, since the general political thrust of China's changing South Asia policy, in a manner of speaking, went against Pakistani interests. In India, Jiang expressed the hope that India and Pakistan would settle all their outstanding disputes through "amicable negotiation." More

[32]Text of Agreements Signed Between India and China during Rao's Visit, reproduced in *China Report*, Vol. 30, No. 1, January-March 1994, pp. 101-110.

interestingly, in Islamabad, Jiang made a general statement regarding the problems in the region. The customary diplomatic support that Pakistan receives from the PRC regarding Kashmir was given a miss on this occasion. On the contrary, Jiang Zemin advised the Pakistanis that in the interests of imparting normalcy to bilateral relations, controversial and contentious issues should be "temporarily shelved" or frozen. The Pakistani leadership was disappointed to hear this from the visiting Chinese President. From the Indian point of view, this welcome turnaround on the Kashmir issue appeared to signal a new phase in China's regional and global perspective. The interesting thing was that it echoed the stand that the Chinese have adopted with regard to the disputed Paracels and Spratly Islands in the South China Seas. To both Vietnam and the Philippines, China has proposed shelving the dispute and exploring the economic potential of the islands jointly. The final settlement of any dispute can wait—and wait almost indefinitely-provided joint economic activities, of benefit to both sides, takes the place of squabbling. In the process some crystallisation of both government and public opinion would point to an eventual settlement. The merits of such an approach clearly outweigh the doubts of those who are inclined to see this strategy as part of a sinister Chinese strategy to put off the final decision on the border till they are in an unassailable position. Certainly, in shelving the "problems left over by history" and in desiring to make a fresh start, the lessons of history must not be forgotten. No one would deny that the border dispute, given its rather undefined nature and given the lack of common ground between the two parties, has to be tackled step by step. Having said that, it has to be tackled, there has to be a long term strategic perspective in which it is tackled, and more importantly, it has to be visibly perceived as being tackled.

What emerged from Jiang's visit to India was, among others, the Agreement on Confidence Building Measures in the Military Field along the Line of Actual Control in the India-China Border Areas.[33] On the one hand, it was hailed as a virtual no-war pact, and on the other hand, there were many who pointed out that most of the features of this new agreement were included in the 1993 Agreement during Rao's visit. It has also been argued that the

[33]Text of the four Agreements signed between India and China, on 29 November 1996, reproduced in *Strategic Digest*, January 1992, pp. 3-16.

stipulation in Article One of the 1996 Agreement that "neither side shall use its military capability against the other side" refers only to the forces in the border areas. There was nothing in the nature of a breakthrough on the boundary question. Jiang's visit was more in the nature of sustaining India-China ties, which were on the upswing, but there was a palpable underlying reality, namely, that it was not a relationship between equals.

The virtually exclusive focus in the media on the power equation, as also the PRC-Pakistan nuclear and missile collaboration and its implications for India, has led to a neglect of the commercial and economic potential in India-China relations. Total trade between the two has grown very slowly and stands at a little over a billion dollars annually. Apart from the constraints that are generally mentioned, such as the competitiveness of Indian and Chinese trade and the limits to increasing interaction in hi-tech areas, India has failed to capitalise on the obsessive Chinese concern with economic development and trade and investment. The single-minded devotion with which the Chinese have been pursuing economic reforms for the last two decades and the quantum leap in its foreign trade with its other neighbours brings India's tardy approach into sharper focus. In the 100-strong entourage Jiang Zemin brought with him to India, more than half were persons from the business and trade sector. The Chinese seem to be far more purposeful and dynamic in this regard, whereas the Indians seem to be just waking up to the advantages of business.

While Jiang's visit appeared to reflect an increasing convergence of Indian and Chinese regional perspectives (this impression was to shortly undergo a rather abrupt and radical transformation in early 1998), there was clearly less convergence in their worldviews. The 1990s had seen India go along with quite a few of the Chinese articulations on the world situation. It may be recalled that during Li Peng's visit, the joint declaration issued at the end cautioned against the "evolving international oligarchy"–a clear reference to US hegemonic behaviour in the wake of the collapse of the Soviet Union. Jiang's speech at the welcome banquet hosted by the Indian President also reiterated a similar theme : "...The world at this time is characterised by continued multipolarisation, more vocal calls for peace and development by nations and peoples. growing weight of economic factors in international relations, rising trends of resorting to consultation and dialogue rather than confrontation

in settling international disputes and increasing unpopularity of power politics and hegemonism...."[34]

More exhaustive studies are necessary, but there is evidence to suggest that China has faced a lot of pressure in its efforts to join the World Trade Organisation (WTO) and that it has been conceding a lot more than is generally believed. The PRC's tough bargaining posture, though, does mask the extent to which China has compromised on key issues of trade and investment and the lowering of tariff barriers. Likewise, in the political sphere, China's unwavering opposition to what it considers interference in its internal affairs highlights the fact that on issues of human rights, political prisoners and democracy, it has come under considerable pressure. The need for a broad forum, composed largely of developing countries, to face up to sustained economic and political pressure from the West, especially the US, is not new in Chinese foreign policy—it merely acquires new dimensions and meanings in the context of changing circumstances. The PRC's intensive interaction and building of contacts among the so-called Third World countries has been geared towards that end. In the aftermath of the US bombing of the Chinese embassy in Belgrade, the PRC has become even more strident and critical about what it perceives as US hegemony and has once again begun to emphasize the need to counter it. It must be kept in mind that 'broad forum' does not translate into a united front. There is no trace of the kind of anti-status quoist policies that pre-1978 China subscribed to or followed. Its commitment to uphold the current regime of international norms and regulations, as is evident in its pronouncements, is considerable, as is its consistent efforts to project itself as a responsible major power in the world.

The yin and yang of India–China relations was never more evident than in the year since the nuclear tests of May 1998. If the war of 1962 constituted the first major watershed in India-China relations, both in terms of taking the relationship from one extreme to the other, as well as altering the power equations in the subcontinent, the Indian nuclear explosions of May 1998 constitute the next dramatic turning point, with almost similar consequences.[35]

[34]Text of Jiang's speech in *News From China*, 11 December 1996, p. 22.

[35]An earlier version of the following section appeared in Alka Acharya, "Sino-Indian Relations Since Pokhran II", *Economic and Political Weekly* Vol. 34, No. 23, June 5-11, 1999, pp.1397- 1400.

The aftermath of Pokhran II saw a drastic downward swing in India-China relations. The general hope that it was only a temporary setback which would soon be tided over took almost a year to be fulfilled. Both countries have different and divergent views on the causes and solutions to the imbroglio. While China feels that the onus lies with India to make good the damage done, India believes that China should be more sensitive to its security and strategic concerns. The exchanges have been sharp and often bitter, raising serious doubts about the validity of the general belief that the management of Sino-Indian relations had, on the basis of the agreements and confidence building measures of the past decade, achieved a more mature and enduring foundation. The treaties and agreements between the two—so substantial on paper—nonetheless did not provide a sufficient bulwark against the differences over the nuclear tests. The past, it seemed, was set to dictate the future once again.

It is not our intention to discuss the reasons for India's decision to go nuclear or even to assess the wisdom of its declared concerns regarding the "deteriorating security environment" in general and the China factor in particular. Atal Behari Vajpayee's much discussed letter to Clinton is by now all too well known. And yet it is worth recalling the operative part of that letter which cites China as the major reason for its nuclear explosions. "...We have," wrote Vajpayee, "an overt nuclear weapons state on our borders, a state which committed armed aggression against India in 1962. Although our relationship with that country has improved in the last decade or so, an atmosphere of distrust persists mainly due to the unresolved border problem. To add to the distrust, that country has materially helped another neighbour of ours to become a covert nuclear weapon state."[36]

At one level there is nothing startlingly new or revealing in this letter as regards the Indian position. These facts have appeared in the Annual Defence Reports brought out by the Indian Ministry of Defence. The Annual Report for 1996-97 for instance clearly spelt out "India's concerns regarding China's defence cooperation with Pakistan's clandestine nuclear-programe and the sale of missiles and sophisticated weapons systems by it to Pakistan," which were

[36]Text of letter reproduced in *China Report*, Vol. 35, No 2, 1999, pp. 210-11.

"conveyed to the Chinese side." The Report also mentioned the "...progress that China has made in the recent years in upgrading her nuclear arsenal and missile capabilities (which) will continue to have relevance for India's security concerns. Upgradation of China's logistic capabilities all along the India-China border for strengthened air operations has to be noted."[37] The problem, as the Chinese mentioned in their official statement of May 14, 1998, is that India "...maliciously accused China of posing a nuclear threat to India" and that this "gratuitous accusation" was "solely for the purpose of finding an excuse for the development of its nuclear weapons."[38] India's bona fides were being questioned.

A casual survey of writings in the pre-Pokhran period, both by Indians and Chinese, reveals that they unfailingly begin by praising the efforts of both sides to improve the relationship and then add that, despite these efforts, deep mutual suspicion and distrust still exist. In a sense, therefore, Vajpayee's letter to Clinton finally verbalised this suspicion and mistrust which, ever since the 1962 war, has been deeply entrenched within a certain section of the Indian elite. A strong case for exercising the nuclear option has therefore figured prominently in some Indian writings well before the May 1998 explosions. It would therefore not be quite accurate to maintain that India's exercise of the nuclear option came as a surprise to the Chinese. They had good reason to expect the tests, especially after the change of government in February 1998, inasmuch as the leading partner of the ruling coalition—the BJP—had made its nuclear intentions explicit in its election manifesto. On the other hand, judging by their official statements and non-official writings, as well as their public postures both in bilateral and multilateral fora, the problem arose from their perception that India had used the "China threat" as a pretext to justify its nuclear explosions.

From another point of view, Vajpayee's letter to Clinton implied India's acceptance of a unipolar world and the US as the only superpower. This could have been equally irksome. One may recall here that shortly before the explosions, the Indian Defence Minister had described China as India's "enemy number one" and though

[37]As quoted in Bidanda M. Chengappa, "China-Pak Nexus Led to N-Tests : Govt.," *Indian Express*, 26 June 1988.

[38]Reproduced in *News From China*, 20 May 1998, p. 3.

the PRC had reacted sharply, there was an attempt to isolate this as an individual opinion. George Fernandes denied that he had used this expression. Besides, the Chief of the PLA General Staff Department, Gen. Fu Quanyou, who visited India in the first week of May was received by the Prime Minister which was a positive signal. But Vajpayee's letter effectively appeared to close all options. For the Chinese, it represented the stand of the government of India. This unfortunate development should have been explained with speed and despatch. To be sure, India had been making consistent overtures and conciliatory statements to reduce tensions, even though it must be admitted that the signals from New Delhi have not always been consistent. Vajpayee promptly refuted George Fernandes' charge in April 1998 about the Chinese having built a helipad in Arunachal Pradesh.[39] Again, Fernandes' reported designation of China as 'enemy number one' was sought to be explained and modified.[40] The statement in October 1998 by the Director-General of the Indo-Tibetan Border Police (ITBP) Gautam Kaul that the Chinese were amassing troops along the Line of Actual Control was also termed as inaccurate by the government.[41]

The Prime Minister as well, in clarificatory statements to Parliament in September 1998, stressed the fundamental Indian desire to have friendly relations with China and a satisfactory solution to the border dispute through negotiation. He also emphasized that by working together, India and China would serve not only bilateral interests, but regional and global ones as well. Then, in October, the Principal Secretary to Prime Minister Vajpayee, Brajesh Mishra, also stressed that India did not regard China as an enemy and that it would like to solve all problems through substantive dialogue.[42] However, almost till the end of the year, none of these overtures seemed to make any difference.

[39]"Airstrip on China Border Being Probed: Fernandes", *The Times of India*, 5 May 1991 and "Atal, George in Chinese Sweet and Sour", *The Economic Times*, 17 April 1998.

[40]"George Downplays China Controversy", *The Asian Age*, 7 May 1998.

[41]"'India Doesn't Regard China as Enemy'", *The Asian Age*, 29 October 1998.

[42]"China is Not Our Enemy, Says Govt.", *The Economic Times*, 29 October 1998.

The Chinese government expressed its displeasure and anger by unilaterally deciding to indefinitely postpone the Joint Working Group (JWG) meeting. This decision, which clearly contravened a clearcut understanding regarding a mechanism set up at the Prime Ministerial level, was not politic to say the least. It was almost a year after Pokhran II that the formal mechanics of the India–China dialogue were restored, and it came about when the Chinese signalled their willingness to hold it. The tenth JWG meeting had taken place in New Delhi in August 1997. The eleventh JWG meeting was held on 26 April 1999, the two delegations being led by the Indian Foreign Secretary and the Chinese Vice Foreign Minister, respectively. However, if one examines the content of the India-China dialogue and interaction after the JWG, it seems as if there has been no forward movement at all. The two sides have begun to talk; only this time the dialogue is in the nuclear shadow. The latent mistrust, which was so unfortunately emblazoned by India last year, has only deepened on both sides. And in such a situation, gentle pressure tactics acquire troublesome proportions. For the first time since the JWG talks had begun ten years ago, *Xinhua*, the Chinese official news agency, reported at the end of May 1998 that India was in possession of Chinese territory. *Xinhua* also criticised the Indian government's decision to shift Jammu and Kashmir affairs from the Prime Minister's Office to the Ministry of Home Affairs. "It is expected'" commented *Xinhua*, "to cast a new shadow over the Kashmir issue, the major dispute between India and Pakistan in the past five decades..." India's Minister for Home Affairs L.K. Advani was also described as being "intransigent" on the Kashmir issue.[43] Of late, the Chinese have been referring to the UN Resolution on Kashmir in the context of solving that problem. This stand on Kashmir is yet another change from the neutral one that was in evidence for the last few years and was given shape during Jiang Zemin's 1996 visit to the subcontinent, Pakistan has been China's strategic ally and the recipient of considerable military (conventional and nuclear) assistance. Indian concerns in that regard have not always been appreciated by the Chinese or at any rate, publicly.

To the earlier causes of mistrust, viz, the territorial question and China's military relationship with Pakistan, is now added the nuclear problem. On this matter as well there seems to be, at the

[43]As quoted in "Advani Intransigent", *Indian Express*, 24 May 1998.

moment, no prospects of discussion and dialogue whereas the need for it could not be greater. The Chinese position that India should sign the NPT and in effect roll back its nuclear programme only serves to give the impression that they are unwilling to accept the new strategic reality in the region. It may be mentioned here that the above-stated position is one that all the P-5 countries take and, for some time now, the Chinese have been placing a great deal of emphasis on their role as a responsive and responsible member of the global community. However, as long as China continues to take this position, there can be no hope for any substantive nuclear dialogue between India and China. This is likely to create a vicious circle in which the relationship will only deteriorate. The greater the delay in getting down to a serious discussion on the nuclear issue, the greater the chances of a vitiation of the atmosphere. That will in turn undermine efforts at restoring any degree of confidence on either side vis-à-vis the other, which will diminish even more the chances of a nuclear dialogue.

If the year had begun with India writing to the US about the China threat, it ended with China tarring Indian and American actions with the same brush. To give one example, the journal of the quasi-official think tank, The Chinese People's Institute of Foreign Affairs, *Foreign Affairs Journal*, in its March 1999 issue, carries an article by the Chairman of the China Institute for International Strategic Studies, Xiong Kuangkai, titled "Characteristics of Present International Security Situation" which is the text of a speech delivered at the Annual Symposium of the China Institute for International Strategic Studies, held on 21 December 1998. This article lists "as many as ten odd major crises which broke out in the field of international security" in 1998 and divides them into different categories. The third of the categories is the "crisis brought about by the research and development of weapons of mass destruction by some countries, such as the nuclear tests conducted by India and Pakistan." And in Xiong's assessment, the "Indian and Pakistani nuclear crisis" along with "the United States military strike for retaliating against international terrorist activities" are "new emerging situations which merit attention and are also new unstable elements in the international security situation."[44] This article is clearly indicative of official thinking in

[44]*Foreign Affairs Journal* (Beijing), No. 51, March 1999, p. 2.

China regarding the nature and impact of the Indian nuclear tests. The interesting, even though somewhat strange, aspect is the clubbing of US military intervention with Pokharan II, strange because the Chinese stand on a nation's right to acquire nuclear weapons/technology has traditionally been quite different and also because, not so very long ago, India was among the leading countries with which it sought to join hands in opposing the hegemonic behaviour of the US.

On the Chinese side, however, distinct from the government's stand, have been the responses and efforts of a small but substantial group of "friends of India" who have expressed their discomfiture at home vis-à-vis the "hardliners" and have regretted the embarrassment they underwent. Prominent in this group is the former ambassador to India, Cheng Ruisheng, who led an academic delegation to the second round of India-China scholars dialogue in January this year. He also met the Indian President who reiterated the importance of India-China friendship. Interestingly, this meeting was prominently mentioned in the Chinese media.

A year of unremitting effort finally brought some change in the Chinese attitude. It may be mentioned here in passing that during this year, despite the tensions, movement of peoples and visitors to and fro did not decline. Invitations to prominent personalities, among them Sonia Gandhi, continued. China's largest state-run corporation, China National Chemicals Import & Export Corporation, went ahead with its decision to expand its business of exports of natural gas, oil crude, etc., to India, and the Chinese have reportedly expressed a great deal of interest in information technology.[45] Addressing a press conference after the Second Plenary Session of the Ninth National People's Congress, in March 1999, the Chinese Foreign Minister Tang Jiaxuan admitted that "recently" they had "noticed that the leaders of India have on several occasions made public statements, expressing wishes to improve relations with China. They have repeatedly stated at present India does not think China is posing a threat to India. We welcome that."[46] Shortly thereafter, the long delayed JWG meeting was held.

[45]See, for instance, the following reports, "China's No.1 Firm to Open Shop in India", *The Economic Times*, 3 October 1998 and "Sino-Indian Business Meet on March 15", *The Hindustan Times*, 5 March 1999.

[46]"Tang Discusses a Variety of Issues", *China Daily*, 8 March 1999.

The re-commencement of the formal dialogue between India and China will not be sufficient to bring about a cordial atmosphere in which to discuss other matters. Clearly, the qualitatively different footing of this relationship should be reflected in a sharper and clearer focus on India's strategic objectives and policy vis-à-vis China. The JWG has to begin to render results and not just be allowed to degenerate into a rather sterile exchange of views. The recognition of Sikkim is another important matter on which India has to move decisively.

Post-Pokharan developments led to a definite degeneration in the congenial and upbeat atmosphere of the past few years which is so essential for negotiations on the border and for the continuation and promotion of trade, tourism and commerce. As mentioned earlier, it had been suggested, well before Pokharan II, that India and China ought to concentrate on business and let the "problems left over by history" be solved in their own time and at their own pace. There is some merit in the argument that when serious or intractable problems are making no headway, it may be a better option to shelve the problem temporarily and improve the bilateral relationship by other means. The slow and steady progress in Sino-Indian bilateral trade and the fact that India is the PRC's largest South Asian trading partner is often cited as proof of the efficacy of such an approach. In 1998, bilateral trade between India and China reached US $ 1.92 billion—an increase of 5 percent over 1997. The trade balance, however, was in favour of China by US$ 110.89 million.[47] But then, can the matter of trade and commerce be seen in isolation from the question of politics? Sino-Indian relations have never been dominated by pure commercial interests. There can be no denying that trade and commerce can only flourish in a congenial political atmosphere or where consistent and overt efforts are made at the highest political levels to defuse tensions.

It cannot be denied that there is a notable hesitation on the part of Indian business to enter China. There is a lack of adequate and basic information (though this is now being reversed) and onerous bureaucratic and legal hurdles. Questions about the sustainability of the economic relationship inevitably crop up. The vagaries of the

[47]"India-China Trade in 1998," *Shanghai-India Business* (A Monthly Bulletin of the Consulate General of India, Shanghai), Vol.3, No. 4, April 1999, p. 8.

relationship have not exactly fostered a sense of confidence about the kind of returns one could reasonably expect. It has also been suggested at various times that the nature of India-China trade is essentially competitive and that therefore there are limits to the business India and China can do. Besides, it is difficult to promote border trade beyond certain levels in a situation where borders are contested and there are geopolitical and other tensions in those areas. This is not to deny the importance of small-scale trade which is of enormous benefit to the tribes living on the borders. However, the significance of carrying on with trade and commerce to impart a certain amount of continuity and normalcy should neither be over nor under-estimated.

It is not in either India's or China's interests to have a hostile or antagonistic relationship. This realisation, among others, leads to the conclusion that there is no option for the two neighbours but to talk to each other. China should reconsider India's offer of a 'no first use' pact on the use of nuclear weapons instead of reiterating that India should first give up its nuclear programme and accede to the Non-Proliferation Treaty and Comprehensive Test Ban Treaty.[48] If there was in China an expectation that India would sooner or later exercise its nuclear option, there should equally be a clear realisation that India is not likely to sign the NPT. Nor is an arms race, either conventional or nuclear, a desirable eventuality. India today is no match for China, that is clear, but this state of affairs will not last forever. India and China will have to meet each other half way and sit down together at the negotiating table.

[48]See "India's Offer Evokes No Response From China" *The Hindu*, 14 August 1998.

10

India and China: The Economic Relationship

Shahul Hameed

Many studies and books have documented the various reforms and dynamics of the Chinese economy. This paper provides an assessment of China's economic development and the status of Sino-Indian economic co-operation. The first part of this paper looks at four distinctive features of China's economic reform and growth, which are important in the Indian context, namely rural economic development, Township and Village Enterprises (TVEs), Foreign Direct Investment, and foreign trade. The second part looks at the status and scope for bilateral trade and economic co-operation.

Thrust of China's Reform: A Brief Survey

The year 1999 marks the 50th anniversary of the founding of the People's Republic of China and the completion of 20 years since the introduction of its multi-directional economic reform programme. Since 1978, China has implemented the most far-reaching economic reforms, which encouraged growth through greater use of incentives and market-oriented principles. This process is still continuing. These reforms were thoroughly implemented in the rural economy and in its policy of opening up to the outside world. These reform policies, however, have varied over time in their sectoral emphasis beginning in the late 1970s. They initially concentrated on the agricultural sector. The radical changes in agricultural policies have affected all aspects of rural society. Reforms in agriculture were followed by striking growth in TVEs in the 1980s and early 1990s. These rural economic reform measures have involved 80 percent of

domestic interests. Finally in the Sino-Indian context, the JEG should aggressively pursue options for increasing economic cooperation. Given the complementarity in their export profiles, there is little reason why the two-way volume of trade should not grow to about $10 billion by the end of the next decade.

On the security axis, India should make a pragmatic assessment of threats in its strategic neighbourhood and devise a differentiated response to them. If any adversary, say China, were to make threatening troop deployments near the Indian borders, making reckless statements in domestic and international fora only raises the stakes and hardens mutual stances. The answer to such provocation is to deter aggression. The old adage, "speak softly, but carry a big stick," is a policy that China has put to good use, and India should incorporate that maxim into its larger security and foreign policy paradigm.

A final point regarding Sino-Indian relations needs to be underlined. The post-Cold War alignment in Asia has created a new domain for Sino-Indian strategic engagement. India should accordingly re-calibrate its response to China and gear its foreign policy to pursue these opportunities. The United States is engaging China in the hope of making it an increasing stockholder in the stability of the international system, but it remains fearful of a downturn in its relations with China. To an extent, improved relations with India can serve to "contain" the adverse fallout of Chinese unilateral activism in the region. But this Indian role is tightly circumscribed. For instance, China has a $56 billion trade surplus with the United States, second only to Japan ($65 bn), while India's two-way trade with the United States is a meager $11.5 billion. Such an asymmetry puts the Indo-US relationship in a different category from the Sino-US one. India should factor such realities into its decisional calculus while formulating its larger strategy vis-à-vis China and the United States.

In sum, India's economic and security policies over the last decade and the underlying domestic discourse has been imbued with a refreshing blend of pragmatism and a sense of purpose. This progressive trend needs to be carefully nurtured and strengthened. Foreign policy needs to be re-calibrated to promote domestic interests and priorities. A revamped foreign policy will optimise India's relations with China as indeed with the rest of the world. Achieving this target will be one of the central challenges for the country in the twenty-first century.

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India, China and the United States

Kaushik Sen

The evolution of China as a major global power and player has been one of the most significant developments of the 1990s. While the US remains the sole superpower, regional powers like India have emerged, more determined to play a leading role in world affairs in the coming century. Forces of globalisation are sweeping across the world, new economic groupings have been formed and moves towards free trade zones have increased. Efforts are being made to resolve conflicts within and across the borders of nation-states. New initiatives for arms control and disarmament have made countries more conscious of the need to dispossess dangerous weapons. But power struggles remain and in renewed forms.

The theatre of power struggles is shifting to Asia. Peace and stability in Asia is closely linked to the economic interests and security of major powers like the US, China, Japan, Russia and regional powers like India and Iran. The lure of the resource-rich Central Asian Republics, the multi-dimensional economic potential of the East Asian economies and the vast untapped resources of 'big emerging markets' like India are increasingly drawing in competing interests in these regions. This is generating new alliances and counter-alliances to maintain the balance of power and stability in Asia. Hence the necessity to design and dominate an Asian political and economic order to serve its national interest is likely to become an important foreign policy objective of the sole superpower, the US, a major global power, China, the economic power, Japan, in alliance with other important Asian powers, particularly India which also has vital stakes (for its economic development and security) in a stable and peaceful Asia. Relations between India and the US, the US and China, and India and China assume great

significance in this context. Their perception of and relations with Japan, Russia and new economic groupings in Asia and the Pacific region will also have a bearing on their foreign policies, particularly economic policies.

Though the decade of the 1990s has witnessed the growing importance of economics in the foreign and security policy frameworks of the major powers, nuclear weapons have remained a source of threat to the security of countries. The nuclearisation of two major contending South Asian powers, India and Pakistan, has altered the security situation in the subcontinent. South Asia's nuclearisation is a matter of particular concern to powers like the US and China who have identified it as a threat to peace and stability in Asia and beyond.

The US's need for a strategic ally in Asia will, to a large extent, shape Asia's future in the coming century. Its search for an ally will be chiefly guided by the perception of its strategic and security interests. Of late, the US administration has taken a pragmatic course in defining its strategic and security interests. At the same time, many in the US Congress have remained bound to ideological considerations in this regard. Another crucial and determining factor is whether the strategic and security interests of the US's Asian ally will be the same as that of the US or not. Who will be the US's strategic ally in Asia? Is a pluralist, democratic and 'big emerging market' like India or a totalitarian China with a booming economy and enhanced military power better suited to serve US strategic interests in Asia? Will the other important powers like Japan and Russia act in consonance with US interests? Can Sino-Indian relations provide a counterweight to US designs?

This article, divided into six parts, attempts to answer these questions. As China will play a crucial role in Asia in the coming century, there is a need to understand the nature of Chinese foreign policy in the post Cold War world order. The first part of the article looks at the changes in the nature of Chinese foreign policy perspectives, following the end of the Cold War. The second part of the article looks broadly at the nature of Sino-Indian relations, and the third part, at the nature of Sino-US relations in the 1990s till Pokhran II. The fourth part compares the US approach to India and China, in recent years. The fifth part discusses developments following Pokhran II. The sixth and concluding part sums up the major trends and discusses the future of relations between India, China and the US.

China's Foreign Policy in the Post Cold War World

During the years of Cold War and detente, Chinese foreign policy was influenced and conditioned by the bipolar world and relations between the two superpowers, the US and Soviet Union. The state of its relations with one of the superpowers had an impact on its relations with the other.[1] China felt a threat from both—the US and the Soviet Union. The breakdown of the Soviet Union removed one of the principal sources of threat to Chinese security. As a Chinese security analyst has commented, "The end of the Cold War also released China from military encirclement by the former Soviet Union and the countries it supported. After the disintegration of the former Soviet Union, military threats to the north of China were further reduced".[2]

The US emerged victorious but weary from the Cold War and the Gulf War. In the new US perspective, the situation was inappropriate for heavy military engagements. Moreover, the drain on its domestic economy was alarming, which turned its attention to other aspects of security. It realised that, "at the end of the cold war, the military aspect has become less important and the multi-dimensional aspects of security have come to the forefront."[3] Thus the US felt reluctant to involve itself in military conflicts abroad and this, the Chinese felt, led to a relatively benign international environment from which China could benefit. Subsequently, Chinese foreign policy became oriented towards building a peaceful international order in general and regional order in particular as a prerequisite for economic development along the path laid down by Deng. This is brought out in the analysis of a Chinese expert. He writes, "China is now focussing on its economic construction,

[1]For a good account of China's relations with the US and Soviet Union in the decades before the disintegration of the Soviet Union, see David L. Shambaugh, "Patterns of Interaction in Sino-American Relations" in David L. Shambaugh and Thomas W. Robinson, eds., *Chinese Foreign Policy: Theory and Practice* (Oxford: Clarendon Press, 1994).

[2]Yan Xuetong, "China's Security After the Cold War," in Sheng Qurong and Bhabani Sengupta, eds., *China Looks At the World* (New Delhi: Konark Publishers, 1999), p.98.

[3]Daniel Warner, "In Search of Security After the Cold War: US Security Concerns", *World Affairs*, Vol. 1, No.4, Oct-Dec 1997, p.61.

which requires a long-lasting stable and peaceful international environment, especially a favourable relationship with neighbours."[4]

The fast growing economies of the Asia-Pacific led Chinese leaders to develop policies recognising the need for China to closely cultivate and maintain good relations with neighbouring countries for its security and prosperity. The integration of the Chinese economy, with this large economic space, necessitated peace along China's borders and in the surrounding areas. The Chinese also felt that their country was central to and had an important role to play in the region. Michael Yahuda writes, "This is an indication of the centrality of the region to the Chinese economy and of the importance of the fast growing Chinese economy to the region itself."[5] Thus, in the post Cold War world, Chinese foreign policy became more regional in character and its security interests, mainly economic, became focussed on the surrounding areas.

The end of the Cold War also led the US to think of creating a 'new world order' conditioned by its own interests. As President George Bush said, this 'new world order' should be based on a "new partnership of nations...whose goals are to increase democracy, increase prosperity, increase peace and reduce arms".[6] In the Clinton Administration, National Security Adviser Anthony Lake mooted the doctrine of 'democratic enlargement'. This meant that the US would try to encourage free markets and democracy and to cooperate with liberal states. The doctrine made the Chinese apprehensive of US intentions, particularly in the Asia-Pacific. The Chinese were opposed to the idea of a world order dominated by the US and viewed the emergence of a multipolar world order as inevitable, wherein China would have a greater role to play. This mood is reflected in the writings of a Chinese expert: "[US hegemony] is no longer permissible, as was the case during the Cold War era when powerful and rich countries ruled the world. The emergence of the multipolar pattern—an unavoidable trend in the post Cold War history—is replacing the old system."[7] In order to counter the

[4]Wu Xueqian, "The Post Cold War era: A Chinese Perspective", *World Affairs*, Vol. 1, No. 1, January-March 1997, p. 63.

[5]Michael Yahuda, *The International Politics of the Asia-Pacific, 1945-95* (London: Routledge, 1996), p. 186.

[6]Ibid., p. 142.

[7]Wu Xueqian, n.4, p. 59.

Pax Americana world order, China embraced the concept of multilateralism in the post-Cold War world. It joined the Asia Pacific Economic Community (APEC) and the Asean Regional Forum (ARF), which it felt would enhance its economic growth and security, but also provide sites of resistance to the US.

In the post Cold War period, Chinese foreign policy became more pragmatic and realistic. Guided by the idea of national interest as the highest principle governing international relations as emphasized by Deng Xiaoping, Chinese leaders realised the necessity of shedding their ideological rhetoric. They felt that this was necessary in order to take advantage of the new situation in the post Cold War era. Four major reasons led to a shift in attitude. First, the criticisms and humiliation brought about by the Tiananmen incident left the conservative Chinese communists with no alternative but to adopt a realistic and sterner attitude vis-à-vis the West. Secondly, the collapse of the Soviet Union provided an opportunity for China to fill the power vacuum thus created, and for this a realpolitik orientation was needed. Third, the awesome might of the US in the field of military technology was visible during the Gulf War which compelled the Chinese leaders to think in terms of the modernisation of its armed forces, more nuclear testing and development of long range missiles. Fourth, its ambition to embark on the path of economic modernisation reversed its erstwhile dislike of capitalism and encouraged an interest in aid, trade, capital and technology. A Chinese scholar has written, "all Chinese authors now agree that diplomacy constrained by ideology or by the facade of communist internationalism had not upheld Chinese national interests and they argue for distinguishing between ideological fantasy and China's real economic and political interests."[8]

[8]Yong Deng, "The Chinese Conception of National Interests in International Relations", *The China Quarterly*, No. 154, June 1998, p. 326. In the same essay, Yong discusses the attitude of contemporary China towards national interest and power theory. He argues that, like their counterparts in the West, Chinese realists also see the world in terms of power politics and there is almost a worship of national interest in Chinese IR literature in the 1990s, which has led Chinese scholars and leaders to break away from the confines of Maoist ideology and define national interests based on pragmatism.

In the post Cold War era, China wanted to open up to the world by speeding up its liberalisation process, introduced by Deng in 1978, and to take advantage of the altered situation to play a leading role in it. It wanted to build comprehensive national power in which economic modernisation and development were key elements. A peaceful environment was sought for economic development. Keeping these objectives in mind, its leaders pursued a foreign policy that shed its Maoist ideology, encouraged multilateral cooperation for security and economic matters, and concentrated in maintaining peace along its borders and in neighbouring countries.

Sino-Indian Relations in the 1990s

China's efforts to maintain peace and stability in surrounding countries turned its attention towards its dominant South Asian neighbour, India. Its policy of keeping bilateral good neighbourly relations with India followed from its broader strategy of resolving disputes along its territories. According to a Chinese expert, "China particularly focused its attention on seeking out neighbouring countries with whom it had some basic territorial difference and with whom it had to face a conflictual situation during the Cold War."[9]

The foundations for improved Sino-Indian relations were laid by Prime Minister Rajiv Gandhi's visit to China in 1988. The landmark achievement of this visit was the creation of an atmosphere of mutual trust and confidence-building between the two nations. An agreement was signed to reduce tensions and maintain peace along the border. Moreover, the creation of the Joint Working Group to negotiate on the boundary quarrel reflected the desire for a constructive approach to mitigate tensions between the two nations. What marked the 1990s, till Pokhran II, was growing mutual confidence and a spirit of cooperation and accommodation.

Cooperation was facilitated by a shared perception of the opportunities and challenges in the post Cold War world. A peaceful environment was needed for economic cooperation and development to tap the opportunities offered by globalisation. Both

[9]Yan Xuetong, "In Search of Security After the Cold War: China's Security Concerns", *World Affairs*, Vol.1, No.4, p.57.

countries realised that "the challenge of the times is that economic struggle cannot be substituted by political struggles, nor won through tensions and confrontations. Since both countries are learning this lesson it becomes easier for them to turn away from conflict and tension."[10] Both were apprehensive of and wanted to resist US attempts to dominate the world order. Both looked forward to building greater economic cooperation and good relations in general with the Asia-Pacific countries. The volatile politics of the newly emergent and resource-rich Central Asian Republics posed an additional security threat to both these multi-ethnic and multi-religion countries.

The warming up of relations between India and China could be seen in the exchange of visits by the highest level political dignitaries. Chinese Prime Minister Li Peng came to India in 1991. This was followed by the President of India, R. Venkataraman's visit to China in 1992 and Prime Minister Rao's visit in 1993. During Rao's visit, both countries signed an agreement to maintain peace and tranquility along the line of actual control. This agreement implied a confidence-building and confidence-expression measure, pending a boundary settlement. Commenting on it, *The Economist* wrote that the solution of the issue seemed to be near as "with the dissolution of the Soviet Union, the old balance of power game between India and China had lost its logic."[11] The Vice-President of India, K.R. Narayanan, visited China in October 1994 and the Chinese President Jiang Zemin came to India towards the end of 1996. Besides these visits, the two countries maintained the highest level political contacts whenever they got a chance to meet in forums outside their countries.[12] Each of these meetings helped to enhance the spirit of cooperation and sustained the dialogue between them. The Joint Working Group on the boundary question met annually. Various confidence-building measures revealed a constant effort to maintain

[10]V.P. Dutt, "India-China: Promise and Limitation", in *Indian Foreign Policy: Agenda for the Twenty-first Century*, Vol. 2 (New Delhi: Foreign Service Institute, Konark Publishers, 1998), p.235.

[11]*The Economist*, Vol. 328, No. 7828, September 11, 1993, p.69.

[12]Narasimha Rao met Jiang Zemin in New York in 1995 during the fiftieth anniversary celebrations of the UN and, in 1996, Deve Gowda met Li Peng during the World Food Summit in Rome.

peace along the border. Other areas of cooperation like health, education and agriculture were also identified.

The period was also marked by a greater understanding of each others concerns and gestures of concession towards each other. This further reflected the spirit of accommodation. Issues like the Chinese attitude towards Sikkim's incorporation in India, Kashmir, and India's attitude towards the Dalai Lama and Tibet bear testimony to the fact that there was a will on the part of both countries to harmonise relations between them. China showed its readiness to consider the annexation of Sikkim to India and told Islamabad that the Kashmir problem should be solved bilaterally and through peaceful means.[13] On India's part, India conveyed to China that Tibet was an autonomous part of China and India would not allow any anti-Chinese activities on Indian soil.[14] India considered the Dalai Lama a religious leader and not a political personage.

In an era of rapid changes in the world economy, both countries recognised the need for greater economic cooperation even as they competed for more foreign aid, trade and investment. They agreed upon the necessity to strengthen ties in the field of science and technology. Important features of their economic cooperation were bilateral trade, border trade and joint ventures. Bilateral trade reached US $1.4 billion in 1996, showing an increase of 21 per cent over the previous year.[15] Bilateral trade clocked US $1 billion during the first seven months of 1997.[16] India-China border trade was worth Rs. 69 lakhs and Rs. 16 lakhs along the Lipulekh pass and the Shipki La pass respectively in 1996.[17] Both countries have also set up a number of joint ventures between them.[18]

The Sino-Pakistani nuclear and missile cooperation raised doubts about China's intentions and this cast a dark shadow over Sino-Indian relations. China stated that these were not meant to harm

[13]These issues are well discussed in V.P. Dutt, *Indian Foreign Policy in a Changing World* (New Delhi: Vikas Publishing House), 1999.

[14]Ibid.

[15]Ministry of External Affairs *Annual Report*, 1997-98, p.38.

[16]Ibid., p.38.

[17]Ibid., p.39.

[18]Ministry of External Affairs *Annual Report, 1996-97* p.12, reports that over fifty joint ventures have been set up.

India's security. Further, China denied having sold any arms to Pakistan that could be used against India.[19] The US showed little concern, for commercial reasons, towards India's worry in this matter.[20] In addition to the arms relationship with Pakistan, China's own massive arms build up, its missile deployments, its arms sales to Myanmar, Bangladesh and Sri Lanka caused serious apprehensions in India. Many in India thought that China was taking advantage of the India-initiated detente to engage and contain India at the same time.

Briefly speaking, the hallmarks of Sino-Indian relations in the 1990s, till Pokhran II, were high level political contacts, a constant if cautious effort to resolve the border dispute, a greater understanding of each other's concerns in a spirit of accommodation, and growing economic cooperation. These seemed to prevail over differences and apprehensions. As former foreign secretary J.N. Dixit has written: "Both India and China, while being aware of the implication of this (missile deployments and defence cooperation with India's neighbours) phenomenon, were consciously trying to build a working relationship insulated from the likely pressures generated by Chinese equations with India's neighbours".[21]

Sino-US. Relations in the 1990s

In the 1990s, Chinese foreign policy was mainly guided by pragmatism. China felt that whatever may have been the outcome of the Cold War, it should acquaint itself with the new situation and attempt to gain from it. There was an imperative need to build a peaceful world order. Echoing this mood, a Chinese political analyst has written, "No matter what changes have taken place in the world framework and the power balance, countries of the world need to join hands to build a new world order and develop effective systems to guarantee peace and stability in the world."[22]

[19]Dutt, n.10, p.387.

[20]For a comprehensive analysis of the US approach to Sino-Pakistani nuclear and missile cooperation see Chintamani Mahapatra, "American Approach to Sino-Pak Missile and Nuclear Cooperation", *Strategic Analysis*, Vol. 21, No.10, January 1998.

[21]J.N. Dixit, *Across Borders: Fifty Years of Indian Foreign Policy* (New Delhi: Picus Books, 1998), p.414.

[22]Liu Seqing, "Searching for a New World Order", in n.2, p.6.

This view facilitated Chinese efforts to build cooperative relations with the US. At the same time, the Chinese were opposed to the concept of a Pax Americana world order. Realpolitik made the Chinese adopt a two-track approach of cooperation with the US, on the one hand, and talking tough whenever the need arose, on the other.

Even though the demise of the Soviet Union had reduced the strategic significance of China in US perceptions, its importance in other areas, especially geo-economics, was understood by Washington. The US saw a huge and growing market. Its arms build up and military modernisation deeply disturbed the US. Moreover, China's will to play a leading role in international affairs was evident in its participation in various international bodies and the signing of important treaties. China's growing weight in Asia was seen by the Americans as an event whose strategic significance would remain in the coming century. A foreign policy expert in US predicted, "The Soviet-American relationship defined the previous half-century; Sino-American ties are likely to define the next."[23] A policy to comprehensively engage China thus became vitally important.

The history of their relations in the 1990s is replete with allegations and criticisms of each other.[24] In the US, China was accused mainly of a poor human rights record, violations of intellectual property rights, not allowing US exports to enter Chinese markets, the sale of arms, and using US technology to enhance its military power. China alleged that US defence policy was oriented towards hegemony. Beijing was apprehensive of the US security alliance with Japan, criticised it for arms sales to Taiwan and called it a greater arms proliferator than Beijing. China also accused the US of not allowing it to host the Olympics in AD 2000.

Notwithstanding differences, there were issues on which their interests converged.[25] A major issue on which there was greater

[23]Richard N. Haas, "Fatal Distraction: Bill Clinton's Foreign Policy", *Foreign Policy*, Fall 1997, p.120

[24]For a detailed analysis of Sino-US differences during this period, see P.M.Kamath, "US-China Relations Under the Clinton Administration: Comprehensive Engagement or the Cold War Again?", *Strategic Analysis*, Vol.22, No.5, August 1998.

[25]Ibid.

convergence of interest was nuclear non-proliferation. China's main interest in cooperation with the sole superpower was to prevent countries in its periphery going nuclear. Even here, Chinese foreign policy was based on realpolitik. While China agreed to cooperate with the US on the Non Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT), it was clear that it would agree to the Missile Technology Control Regime (MTCR) only on its terms. The Chinese supply of ring magnets and M-11 missiles to Pakistan continued despite criticisms in the West.

Broadly speaking, the Clinton administration adopted a conciliatory approach towards China, and it did so for purely commercial reasons. China was too big and important a market to be ignored, particularly in the face of the alarming trade deficits of the US.[26] Besides, China's centrality in the development of the region and its growing influence and territorial claims in the South China Sea, which forms an important trade route linking the US and other Western countries with South east Asia and the Far East, increased its economic importance for Washington. China was conceived of as vital for the growth and stability of the dynamic Asia-Pacific region as a whole. The US administration overcame all obstacles to grant MFN status to China, as it did not want to lose access to the booming Chinese economy.[27] The lucrative economic opportunities for US business caused it to lobby hard with the administration. "The American Chamber of Commerce and the US-China Business Council, whose members include most big investors fought the human rights lobby to extend China's Most Favoured Nation (MFN) trading status."[28] The expansion of the use of commercial satellites by China and the enthusiasm of US businessmen to enter into deals with China had the President's

[26]"America's Trade Policy in the 21st Century", *Official Text*, USIS, 28 January 1999, p.13.

[27]Even though the US Congress demanded that trade with China should be linked to its human rights records and incidents like humiliation of the US Assistant Secretary for Human Rights, John Shattuck (he was lectured on human rights violations in the US by the Chinese) took place, Clinton bypassed these contentious issues and delinked MFN from human rights.

[28]Matt Forney, Deborah Lutterbeck, Julian Baum, "Chinese Images", *Far Eastern Economic Review*, February 26, 1998, p.24.

approval. The world's largest satellite manufacturer, Hughes, got almost all the approvals it sought from the Clinton administration on China.[29] The US administration was also working hard to integrate China into the world economy by backing its entry into the World Trade Organisation (WTO). This has been so despite complaints of Chinese trade barriers, both tariff and non-tariff.[30]

China's realisation of its growing importance to the US led its leaders to explore ways of entering into a strategic partnership with the US. A consensus regarding this was reached with Jiang Zemin's visit to the US in 1997. Clinton reciprocated with his visit to China in. 1998 which helped to intensify cooperation in this direction. Thus, as two Chinese authors have written, "it (Jiang's visit) has eventually put a continual roller coaster relationship on an orbit of relative stability. President Bill Clinton's China visit served to flesh out the nascent consensus".[31]

To sum up, Sino-US. relations in the 1990s were based on a convergence and divergence of views and interests on various international and regional issues. Their views were similar in terms of building a peaceful international order for greater economic cooperation and the need for nuclear non-proliferation. Their views differed whenever Washington's strategic goals clashed with China's national aspirations. In the field of economic relations, China earned concessions without much compliance. Both realised the strategic importance of their bilateral relations for international relations in the coming century. While the US anticipated the rise of China as the second most powerful country, China felt that the US would be its realpolitik and not ideological adversary in the years to come.

The US Approach to China and India in the 1990s

The US approach towards China and India in the 1990s rested on its perceptions of these two Asian neighbours. It is beyond doubt

[29]"For Hughes, Hard Lobbying for China Satellite Deals," *International Herald Tribune*, London, June 26, 1998.

[30]Nancy Bernkopf Tucker, "A Precarious Balance: Clinton and China", *Current History*, Vol. 97, No. 620, September 1998, p.246.

[31]Ding Kuisong and Niu Xinchun, "Sino-US. Relations: A Bumpy Path of Exploring Cooperation", *Contemporary International Relations* (Beijing), Vol.9, No.1, January 1999, p.6.

that the US had a better understanding of and respect for Chinese concerns. China's quest for comprehensive national power and a tougher posture in its dealings with the US sent clear signals to the US about its ambitions. On the other hand, the hesitations, ambiguity and moralistic posture of India were less appreciated in Washington. US views about India and China seem to have their roots in traditional American thinking about their cultures. "China's current 'pragmatism', its glorification of getting rich quickly, its enunciation and single minded pursuit of national priorities... resonates with most Americans who admire these qualities in their own societies. Indian culture ... is deeply repugnant to many Americans."[32]

In the 1990s, China's growing power and its ambition led to two broad trends of thinking amongst American experts and policy makers.[33] While one group felt that China would grow into a major global rival of the US, others viewed it as a country that would be less adversarial and could use its power in ways that were conducive to US interests. In other words, while China appeared as a major threat to US security, in one view, others found it less dangerous globally and felt that the US needed to seek its partnership and engagement to bring about peace and stability in the post Cold War world order, especially in Asia. The US administration was more influenced by the second viewpoint. Like his predecessor George Bush, Bill Clinton pursued a policy of engagement with China.

Indian democracy and the economic reforms of the 1990s could have been the bases for a favourable view of India. Many in the US had pointed out that democracy made India a natural partner and its economic reforms offered increased commercial opportunities. However, in the 1990s, the instability and confusion that characterised Indian politics and the corruption and chaos of its politics tarnished India's image in the West. Its economic liberalisation did not generate sustained interest. The Indian government failed to create a wider political consensus for the reforms. The fruits of reform did not reach various sections in

[32]Surjit Mansingh, "How the US. Perceives China and India", *World Affairs*, Vol.1, No.4, October-December 1997, p.139.

[33]These two broad trends of thinking have been discussed in two consecutive articles by Richard Bernstein and Ross H. Munro, "China: the Coming Conflict with America" and Robert S. Ross, "China: Beijing as a Conservative Power", *Foreign Affairs*, Vol. 76, No.2, March/April 1997.

society which endangered democracy in the long-run. As a US analyst has written, "A failure to accelerate reforms and growth would make the orderly accommodation of these interests, the reduction of poverty, and eventually, the maintenance of democratic stability and national unity vastly more difficult."[34] Thus, in the US there were doubts about India's stability and the sustainability of its economic reforms. In addition, older policies such as secularism and non-alignment were under considerable pressure. To many in the US, India appeared to be a country, which is `neither rich, nor powerful, nor principled.'[35]

.Clinton's foreign policy, influenced by commercial interests, preferred China to India. China was at a relatively more advanced stage of economic liberalisation and development.[36] China's huge market, excellent infrastructure facilities, business-friendly environment and trading networks sustained by a large number of overseas Chinese looked more suitable for US investments than India which was in the initial stages of liberalisation and behind China in creating suitable institutions and a political consensus behind the reforms. Though Indo-US economic relations improved in the 1990s, the US's major concern was to enter the newest 'big emerging market' without caring much about India's concerns. While India faced the threat of sanctions under Super and Special 301, China had the US administration's support for its entry to the WTO despite allegations about its violations of intellectual property rights. This is only an example of the US preference for China over India in trade matters.

The US used national security related pressures to extract economic concessions from India, but the same strategy did not work against China. China's tougher stand beat back US attempts.[37] While India's stand on the NPT and CTBT was criticised, China's accommodating posture towards these issues earned it US approval. The US sought China's cooperation in nuclear non-proliferation but

[34]Marshall M. Bouton, " India's Problem is Not Politics", *Foreign Affairs*, Vol.77, No.3, May-June 1998, p.81.

[35]Ramesh Thakur, "India in the World," "*Foreign Affairs*, July/August 1997.

[36]China had started to liberalise its economy from 1978. India started in the 1980s.

[37]China's stand on the MTCR is a case in point.

did not disturb China's regional strategic and business interests. China helped US to solve the crisis in Korea but continued its nuclear and missile-related cooperation with Pakistan. Despite India's allegations about Chinese deliveries to Pakistan and credible evidence thereof in the US, the US government remained seemingly indifferent to the problem. India's concerns about the Brown Amendment (which permitted US military sales to Pakistan to resume) and the China-connection in Pakistan's Ghauri missile were ignored by the US administration.[38] At the same time, India's missile programme was criticised by the Clinton administration. China became a factor in the US strategic calculus, to a large extent, because its missiles could target US cities. Surprisingly, credible reports pointing out that China had used US technology to develop its own missiles did not find favour with the US administration, which was more interested in satisfying the interests of its arms merchants.

In the decade of the 1990s, China won more concessions from the US than did India. India's economic reforms could not match China's ability to attract US commercial interests. In matters of nuclear non-proliferation and missile development also, China got greater weightage as Beijing joined the US-led non-proliferation regime.

Pokhran II and After

In May 1998, India and Pakistan conducted a series of nuclear tests. India's tests were a response to its threat perception from China and Pakistan. The heat of the nuclear summer was felt not only in the subcontinent but also transmitted through the world, affecting the bilateral relations of these two countries with the major powers. The tests led to a series of sanctions which had an adverse impact on their economies, generated jingoism at home and set off heated exchanges of words between India and Pakistan, further deteriorating their bilateral relations. Above all, the tests changed the strategic significance of South Asia in the perception of the US and China.

The nuclear tests conducted by India and Pakistan were, expectedly, severely criticised in the US. The US President, Bill Clinton, commenting on India's tests said that he was "deeply

[38]See Chintamani Mahapatra, "The US., China and Ghauri Missile", *Strategic Analysis*, Vol. 22, No. 3, June 1998.

disturbed by the tests" and added that "this action by India not only threatens the stability of the region, it directly challenges the firm international consensus to stop the proliferation of weapons of mass destruction."[39] Angered by Pakistan's tests, he said, "by failing to exercise restraint in response to India's tests, Pakistan lost a truly priceless opportunity to strengthen its own security."[40] Deputy Secretary of State, Strobe Talbott, considered the tests "a path leading to a 'dead end' and advised others not to follow down the path."[41] An independent US Task force suggested that the nuclear tests had made South Asia and the world more dangerous. They had increased the chances of nuclear weapons being used "in case of a conflict between the two countries."[42]

The US imposed sanctions on India and Pakistan following their tests, under the Glenn Amendment of the US Nuclear Proliferation and Prevention Act, 1994. The sanctions were oriented towards having maximum influence on their governments and minimising the damage to other US interests.[43] US goals were to stop further nuclear testing and production of fissile materials, unconditional signing of the CTBT by the two countries, their cooperation in FMCT negotiations in Geneva, restraining them from the development and deployment of missiles, tightening export controls on sensitive materials and technologies that could be used in the development of weapons of mass destruction and reducing the bilateral tensions between them on contentious issues, including Kashmir. The US claimed that these objectives had the support of the communiqués adopted by the P-5 and G-8 nations and the UN Security Council. While these remained short-term objectives, the long-term objective was to make both countries sign the NPT.

The tests resulted in dialogues between the US and the two South Asian countries. The US Deputy Secretary of State, Strobe

[39]Chintamani Mahapatra, "Pokhran II and After: Dark Clouds Over Indo-U.S. Relations", *Strategic Analysis*, Vol. xxii, No. 5, p.711.

[40]Smruti Patnaik, "Pakistan: The Post Chagai Challenges", *Strategic Analysis*, Vol. 22, No.6, September 1998, p.898.

[41]Mahapatra, n.39, p.711.

[42]Report of the Independent Task Force, *After the Tests: US Policy Towards India and Pakistan*, pp. 2-3. This task force was co-sponsored by the Council on Foreign Relations and the Brookings Institution, Washington, D.C.

[43]"India and Pakistan Sanctions", *Fact Sheet*, USIS, 19 June 1998.

Talbott, started separate dialogues with India's Jaswant Singh and Pakistan's Shamshad Ahmad. The dialogues were intended to bring about 'broad-based cooperation' between the US and the two South Asian neighbours and induce them to initiate CBMs.[44]

The sanctions and the dialogues influenced India and Pakistan to reduce their mutual antagonism. The sanctions affected their economies, especially Pakistan's economy, adversely. In his dialogues with his Indian and Pakistani counterparts, Talbott reminded them that "no amount of diplomatic exertion on our part, on non-proliferation or any other subject, will have much effect unless India and Pakistan can liberate themselves from their own enmity."[45] Apart from the sanctions and dialogues with Talbott, it was the mutual acknowledgment of the necessity of reducing tensions and enhancing security that led the governments of the two countries to initiate the Foreign Secretaries' dialogue and summit diplomacy. The two countries declared a moratorium on further nuclear testing and showed their willingness to adhere to the CTBT by September 1999. In November 1998, President Clinton decided to use the Brownback Amendment to ease sanctions against India and Pakistan, "in response to positive steps both countries have taken to address our non-proliferation concerns following their nuclear tests in May."[46]

The identification of China as India's prime enemy gave a jolt to the rapprochement that New Delhi had been building with Beijing.[47] China strongly condemned the tests pointing out that they were a serious blow to international efforts to prevent nuclear weapons proliferation with serious consequences for peace and security in South Asia and the world. Beijing alleged that India had hegemonistic designs in South Asia and called for international

[44]"Talbott Remarks at Brookings Institute on South Asia on November 12", *Official Text*, USIS, 13 November 1998, p.4.

[45]Ibid., p.7.

[46]*Official Text*, USIS, 12 November 1998.

[47]The Defence Minister of India, George Fernandes stated before the tests that China was India's enemy number one. This was also reiterated by Prime Minister Vajpayee in a letter to the U.S. President trying to rationalise India's tests. Misperceptions about each other were also raised when some Indian ministers said that Taiwan is a part of China and China reacted sharply by commenting that India had occupied 90,000 square kilometers of their territory and was responsible for starting the 1962 war.

support to stop India's nuclear programme. It considered India's 'China threat' groundless. Comments about Taiwan by some Indian leaders and China's reaction to the remarks led to further deterioration in their bilateral relations. Besides, the fact that Pakistan had taken China into confidence before the tests raised doubts in India about China's objectives in South Asia.

While the nuclear tests conducted by India and Pakistan disturbed China's regional interests, they brought major gains for China in terms of its broader foreign policy objective of maintaining strategic and cooperative relations with the US for international peace and security. The tests made policy makers in US realise that since China was to some extent responsible for India's tests followed by Pakistan's, its help would be essential for peace and stability in South Asia. As the Independent Task Force noted in its report, "China bears responsibility for the situation in South Asia, given its own nuclear and missile programmes that concern India... and the help provided over the years to Pakistan's nuclear and missile programmes. It will be difficult ... to stabilize the situation in South Asia without China's constructive participation."[48] The Sino-US Summit of June 1998 saw their Presidents sign a joint statement on South Asia, giving China responsibility jointly with the US to maintain peace and stability in South Asia. The US and China also agreed to help the two major South Asian countries to resolve their differences including the contentious issue of Kashmir. In addition, China and the US would move towards building international support, with cooperation from groups like the P-5, G-8 and the European Union (EU), to prevent instability in South Asia. Speaking on South Asia, Talbott remarked, "We ourselves have an ongoing strategic dialogue with China, including about critical regions; and our determination to foster peace and security in South Asia will continue to be very much part of our agenda with Beijing."[49]

Russia was 'alarmed' and 'concerned' about India's tests and expressed 'deep regrets' over India's actions.[50] At the same time,

[48]Report of the Independent Task Force, n.41, p.11.

[49]"Talbott Remarks at Brookings Institute on South Asia on November 12", n.43, p.3.

[50]For a brief analysis of Russia's reactions to India's and Pakistan's tests, see Jyotsna Bakhsi, "Russia's Post-Pokhran Dilemma", *Strategic Analysis* Vol. 22, No. 5, 1998.

Moscow made clear that the tests would not be a hindrance to Indo-Russian cooperation, especially defence cooperation. Russia's concerns grew out of the possibility of the rise of Chinese influence in the subcontinent following the tests and Clinton's China visit in June 1998. Also, in a bid to balance the West and perturbed by NATO's eastward expansion, it entered into a 'strategic partnership' with China.[51] The bullying of the West and the possibility that China seemed to be positioning itself as the new manager of the South Asian regional order led Russian Prime Minister Primakov to propose a Russia, India and China "strategic triangle." He called for such a formation on his arrival in New Delhi on 21 December 1998. It found some support in the Indian strategic community: "India, China and Russia are great powers-potentially, economically and strategically. If they get closer it would help all three and others in the Asia-Pacific region and reduce the domination or attempts to dominate by some other 'great' powers."[52] The West looked upon the idea of a strategic entente as "Russia's reply to the US-British bombardment in Iraq" and an "attempt of the weakened and frustrated former superpower to put together a new anti-Western bloc."[53] Some observers felt that, in reality, the proposed strategic triangle was an important feature of "the entire Eurasian Land-Bridge development strategy."[54] But neither India nor China showed much enthusiasm for it.

Certainly, signals have been missed in India and China. All three countries, Russia, China and India, have common strategic goals to pursue which could have strengthened their alliance. All of them want to maintain peace along their borders, stability and access to resources in Central Asia and a stable Asian order in general. Russia, one of the P-5 and G-8 nations, is also an important defence supplier of both India and China. Moreover, China's dependence on Russia for oil and natural gas is likely to grow in

[51]During Jiang Zemin's visit to Russia in 1997, both countries signed an agreement envisaging a 'strategic partnership' to challenge US attempts to dominate the world order.

[52]T.N. Kaul, "A Strategic Friendship", *Hindustan Times*, 19 January 1999.

[53]Jonathan Tennenbaum, "The Russia-China-India Triangle Moves Forward", *Executive Intelligence Review* (Washington), January 8, 1999, p.42.

[54]Ibid., p.42.

future. The three could therefore have forged a strategic alliance on their common perception of the need to resist US hegemonism in the world. An important reality is that in refusing such an alliance, China has less to lose than India. Chinese foreign policy will continue to maintain a two track approach of good relations with the US for broader international security reasons, without compromising on its national interests, and for a regional environment conducive to Beijing's goals.

China also changed its attitude towards India after the initial criticism of Pokhran and Indian statements in the wake of the tests. Early in 1999, it agreed to allow a delegation from the Ministry of External Affairs to visit China and discuss normalisation, including the modalities of holding a Joint Working Group meeting, which it had earlier rebuffed.[55] This new found Chinese interest towards normalisation is actually intended to prevent India from developing an anti-China posture and moving closer to the US. Chinese policy may have been a response to the evolution of Indo-US ties towards the forging of a more broad-based and comprehensive relationship following their strategic dialogue. China would like to steer India away from the West and tie it down to the subcontinent.

Thus after Pokhran II, significant changes are in motion. Following India's and Pakistan's tests, the US imposed sanctions on both countries to meet certain non-proliferation objectives in the short run. The sanctions adversely affected their economies and were partly responsible for instigating the bilateral dialogues with the US and with each other. A significant event was the Sino-US Summit in June 1998 which gave China the opportunity to emerge as a manager of South Asian peace and stability with the support of the US and other major powers. In reality, both the US and China are interested in keeping India tied down to the subcontinent with Pakistan. India missed an opportunity to counter this "containment," when it cold-shouldered the proposed India-China-Russia strategic triangle.

Conclusion

We have seen how the nature of Chinese foreign policy in the post Cold War world influenced its approach to bilateral relations with India and the US. China has outweighed India in attracting US

[55]Apratim Mukherjee, "Turnaround in Chinese Attitude Towards India", *Hindustan Times*, 16 February 1999.

investments and at the same time has been more successful than India in not allowing the US to pressurise it, on economic or other security issues. China has viewed the US through the prism of realpolitik. India's economic reforms, not yet matured, and its troubled democracy have given rise to a feeling of confusion about India. Nevertheless, India's ties with the US have been evolving. The nuclear tests conducted by India and Pakistan have enhanced their strategic significance, in the US perception. The tests have also enhanced the strategic significance of the sub-continent in the perception of the other major powers like China, Japan, Russia and other P-5 and G-8 nations. As the world steps into the next century, the nuclear tests in the sub-continent may well provide an impetus for new alliances and counter-alliances which will be the most important challenge for Indian foreign policy in the years to come.

China's policies of power projection have led to its emergence as the epicentre of the new great game in Asia. Washington has already recognised it as the second most important pillar of the post Cold War Asian balance of power.[56] Its role in the East Asian economic crisis reveals an ambition to be Asia's leader in the coming century.[57] Also, its growing ties with the EU is a bid to cultivate and win new friends as well as support for its role in Asia. Clearly, China will not depend only on the US for its new strategic role. Its growing power may even challenge US interests. As a US specialist in national security issues writes, "[China] could alter the balance of power in the region and adversely affect US interests much sooner than the 20 to 30 years time frame many China watchers and US policy makers are predicting."[58] Though there are voices of worry, China will not be able to outclass the superior technology of the US. *The Military Balance, 1997-98*, estimates "it will take most of the next decade and increasing defence expenditure,

[56] Institute for Defence Studies and Analyses, *Asian Strategic Review, 1997-98* (New Delhi: IDSA, 1998), p.223. The Chinese economy is one of the fastest growing economies in the world. Besides, China is continuously modernising its strategic and major conventional weapons systems.

[57]Paul Dibb, David D. Hale and Peter Prince, "The Strategic Implications of Asia's Economic Crisis", *Survival*, Vol.40, No.2, Summer 1998. If Washington fails to play a decisive role in solving East Asia's crisis, then the East and South-East Asian countries may well repose more trust in China, especially in the face of a faltering Japanese economy.

[58]Stephen P. Aubin, "China: Yes, Worry about the Future", *Strategic Review*, Vol. 26, No. 1, Winter 1998, p.17.

for China to reach the technological level of the major NATO powers."[59] US analyst, Avery Goldstein, echoes this viewpoint: "Early in the 21st century, China's military capabilities will have increased, but will continue to lag behind those of the other industrial states, certainly behind those of the US."[60]

No matter how US experts and strategic thinkers perceive China, the US Administration will continue to maintain good commercial relations with China and back its membership in the WTO. In his state of the Union address on 19 January 1999, President Clinton stated about China that "it is important not to isolate that country". He added that "the more we bring China into the world, the more the world will bring change and freedom to China."[61] The US Administration seems to be giving more importance to China's economic, rather than military, might. China is yet to emerge as a serious global threat to the US but may grow to be a major challenge for US strategic interests in Asia.

There are opinions in the West in favour of India. Some in the West argue that India is a democracy and that this is a vital interest of Western countries. India's political culture is more accessible to the West. Besides, greater transparency in military matters, and a better record in human rights and arms exports, place India above China in the eyes of many Westerners. India's economic reforms, now irreversible and showing signs of maturity, have attracted businesses in the West.

China's growing military power may make the West lean more towards India: "As China grows militarily formidable, there might be a greater coincidence of interests between India and the Western powers in thinking about a more effective balance of power to manage Beijing."[62] Of late, there has been a greater recognition in the US of the fact that China is a serious security threat to India. Speaking before the international relations Congressional sub-committee on the Asia-Pacific, Democrat Congressman Gary

[59]International Institute for Strategic Studies (IISS), *The Military Balance, 1997-98*, p.164.

[60]Avery Goldstein, "Interpreting China's Arrival", *International Security*, Vol.22, No.3, Winter 1997-98, p.71.

[61]"Clinton's State of the Union Address on 19.1.99", *Official Text*, USIS, 21 January 1999.

[62]James Manor and Gerald Segal, "Taking India Seriously", *Survival*, Vol.40, No.2, Summer 1998, p.67.

Ackerman noted that "there is a much larger contest that is unfolding in not only the South Asian, but the Asian theatre. And that contest is between a democratic and pluralistic India and a totalitarian China."[63] He felt that both the US and India should take steps to increase mutual trust. The US Secretary of State, Madeleine Albright encouraged Chinese officials, during her visit to Beijing, to engage with India in reducing tensions.[64] The Assistant Secretary of State for South Asian Affairs, Karl Inderfurth, while testifying before the US Congress, stated that "Pakistan is certainly a component in India's security considerations but not the only one, indeed not the major one."[65]

Will this lead to a strategic partnership between India and the US? It is too early to predict. Though the Pokhran tests have enhanced India's strategic significance, the present US administration still has a pro-China tilt and this will limit India-US ties. Clinton visited China in 1998, but has not yet come to India. Meanwhile, China is trying to neutralise anti-Chinese feelings amongst major and important powers. China even has a stake in India's economic reforms, and Sino-Indian economic cooperation is likely to intensify. More importantly, Beijing mended fences with Russia and Japan. In the future, the recession-hit Russian economy will need Chinese purchases. The US-Japan security alliance may be a threat to China, but China's growing diplomatic weight in Asia may be used to counter it. Besides, Japan has committed itself deeply to China's economic development and there are limits to Sino-Japanese differences. The possibilities of a maturing trilateral relationship between the US, Japan and China cannot be discounted. As the Japanese Deputy Vice-Minister of the Foreign Ministry, Sumio Tarui, has recently stated, "the relations between Japan, China and the US is a mutual-supported, not a `zero-sum' one."[66] The US may use China's growing economic and military might to meet its strategic needs in Asia. Japan's military ambitions may be tied

[63]"Sino-Indian Stand Off More Potent than Indo-Pak Rivalry", *Hindustan Times*, 5 March 1999.

[64]"Respond to India's Moves, US Tells China", *The Hindu*, 5 March 1999.

[65]Ibid.

[66]Lin Jiangyong, "Clinton's China Visit and New Trends in Sino-US-Japanese Relations", *Contemporary International Relations*, (Beijing), Vol.8, No.7, July 1998, p.12.

down by Chinese power as well as the US-Japan security alliance. China's role as an international capital lender may be encouraged, at a time when the East Asian economic crisis has pulled down Japan's credibility as Asia's economic leader. Finally, China is already an established nuclear power by virtue of being a P-5 member. These developments point in one direction—in the near future, China will be the eastern anchor of the US even as Washington and Tokyo remain strategic partners.

In the context of such power politics, what are the tasks in front of Indian foreign policy? The following are suggestive:

- First, India must continue its economic liberalisation. India cannot afford to compromise on this.
- Second, India needs to broaden and deepen its strategic alliance with the US and pursue common strategic goals at a greater pace.
- Third, India should identify areas of strategic cooperation with China, based on their perception of common economic and security challenges in the 21st century. A more immediate task is to continue confidence building measures with China in a spirit of accommodation as was evident before Pokhran II.
- Fourth, India needs to take a prudent and far-sighted policy towards the Eurasian region as a whole, build multi-dimensional cooperation with Russia and deepen its economic ties with the Central Asian Republics.
- Fifth, India's growing acceptance by ASEAN and membership in ARF should be the basis for a more aggressive stance in joining APEC.
- Sixth, India will have to try harder to engage the EU. In the long run, the EU may be a counter balance to unilateral US pressures in the field of international trade.
- Seventh, India should take initiatives to forge a 'strategic triangle' with the US and China, for peace, stability and prosperity in the world in general and Asia in particular.

These policies will provide a broader and deeper strategic framework within which India's foreign policy can operate with greater confidence. After all, international relations in the 21st century is going to be governed by alliances, counter alliances, and overlapping alliances amongst the major players in international affairs. India will have to understand this and learn to live in this new system.

14

India, China and Tibet

Dawa Norbu

Tibet has been of crucial importance to the dominant powers of South and East Asia in their respective strategic calculations in the past, just as it is today. The domination of the region by either power, directly or indirectly, has been an accurate indication of one power's supremacy over the other. At the turn of the century, it was the arena of the "Great Game" between Great Britain, Tsarist Russia and Qing/Republican China. And by 1950, when two nationalist regimes had emerged in China and India, Tibet again became a matter of acute contention between the two states. The critical question was: who should occupy the strategic frontier region between the two giants? Nehru submitted to Chinese demands by 1954, hoping that both parties would respect the Himalayas as the limit of each other's political influence and defence perimeters. Since then, much has happened in Sino-Indian relations.

India's Dual Policy Towards Tibet

The strategic importance of Tibet is lost neither to China nor to India. The seeming lack of interest that New Delhi now shows in the Tibetan question should not be misconstrued as lack of strategic appreciation of Tibet; it is more a diplomatic posture of accepting the Chinese reality in Tibet in the face of Chinese military might. Indeed, there had been a certain degree of helplessness in the Indian attitude with regard to the Chinese takeover of Tibet. Given the chance, and in the absence of Chinese military might to reassert its political power in Tibet, even Nehruvian India would have prepared to pursue essentially the same policy as the British did in