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India–China Relations: Perception, Problems, Potential

Swaran Singh

Mutual perceptions and policies of an emerging India and a rising China have increasingly become the focus of public debates around the world. The two countries are seen today as ordained to become major pillars of the international system. The future of India-China relations clearly impinges on the future of Asia, if not the whole world. But in addition to bringing a limited visibility, this public glare has only further complicated their already complex web of problems and potential. The fact that both countries still continue to work together to enhance their mutual understanding holds promise for their future. While their historical baggage continues, continued engagement between China and India remains an imperative for their own survival and for the welfare of their people. In the context of the increasing external influences on their interactions, this article makes an appeal for indigenisation of their mutual explorations and policy formulations.

This article begins with the premise that consensus-building and pragmatism have increasingly become the cornerstones of India–China relations. Secondly, it is also important to note that neither long history nor geographical proximity have facilitated their mutual interactions. In recent years the two countries have evolved an understanding of each other’s visions as well as limits. Given their colonial and Cold War legacies, differences in their political systems and pressures of nation-building, dealings between Beijing and New Delhi are still not easy or simple. Historically, interactions between India and China had always been few and far between. Even if Buddhism gradually travelled from India to China and has extensive presence there today, it did not emerge as a dominant link between these two societies. India’s links with Tibetan Buddhism remains an exception, and one that has caused many problems between India and China.

Extensive and direct India–China interface and consciousness began only with their subjugation by European powers. The colonial experience turned India–China ties topsy-turvy, distorting China’s image about India from Tian zhu (western heaven).

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since ancient times to one that saw India as an integral part of the British exports of opium, the Opium Wars and the Younghusband expedition of 1905. Chairman Mao Zedong was to later describe independent India’s founding fathers as only a transitory liberal bourgeoisie that was bent on pushing for unjust imperial treaties on China’s ‘middle kingdom’ pride. This mutual scepticism was to finally result in the border war between India and China in October–November 1962, which remains the single most important event in moulding their mutual perceptions and policies. It is against this larger backdrop that this article analyses the shifting sands of India–China relations.

I INDIA’S TRADITION OF CHINA-WATCHING

Given their limited yet unique historical exchanges of traders and pilgrims since ancient times, China-watching in India has been a civilisational preoccupation. In spite of very limited interactions, the exchange of scholars had always been disproportionately influential. This was clearly reinforced in India’s post-independence images of China—dominated by Prime Minister Jawaharlal Nehru’s indulgences—that continued to reflect their ancient romanticism about ‘a thousand million strong cooperative of the Chinese and Indian people’, although there were also views about Nehru’s fears about the long-term threat from a powerful and centralised Chinese State (Chaturvedi 1991: 17–18). India’s humiliation during the India–China war of 1962, however, was to leave a lasting scar on the Indian psyche and make all China-watching a taboo in subsequent years (Ranganathan and Khanna 2000: 155). By default, India’s China policy became dependent upon easily available Western interpretations and analyses of China.

As regards the contemporary Indian debate on a rising China, there does seem to be an increasing indigenisation of India’s assessments and initiatives. Nevertheless, the official perspective still predominantly remains normative and idealised. It continues to emphasise ancient civilisational contacts and partnership in modern times. Such policies remain rooted principally in India’s ‘anti-colonial’ and ‘anti-Western’ discourse of the 1950s. It takes a rather benign view of China’s future by highlighting the increasing external constraints on China’s behaviour as also China’s increasing interdependence with the international system (Mattoo 2000: 16, 18–19, 24). Yet, India’s contemporary China-watching continues to sustain two parallel discourses: one extreme sees China as incorrigibly aggressive and expansionist, and the other extreme perceives it as a benign neighbour, a sister ancient civilisation, more sinned against than sinning in modern times (Ranganathan and Khanna 2000: 155). The latter version appears to be on the rise in recent years.

What do China’s India-watchers say about India’s China-watching? One Chinese expert believes that India’s China-watchers can be classified broadly into three categories (Han 2005: 245–46). The first category portrays China in a dispassionate way and tries to offer a true account of the border war and about the ups and downs of India–China relations. Amongst these, some propose a constructive and forward-looking
relationship and think Beijing has no intention to confront New Delhi (Deshingkar 1999; Ranganathan 1998: 240–55). On the other hand, ‘hardliners’, among whom the ‘China threat’ theory remains still very popular, see China as a major and present threat to India (Chellaney 2002; Malik 1995: 317–55). The mainstream view on China fits between these two extremes and claims that bilateral relations have improved since the late 1980s, and that the potential flashpoints in relations such as territorial disputes and the Tibet issue have been either effectively ‘tranquilised’ or sidelined. The mainstream view supports multilateralism and advocates India and China coming together to evolve a multipolar world (Mohan 2003: 10; Sidhu and Yuan 2003: 49).

Another Chinese expert on India’s perceptions about China believes that most experts in India see a rising China as both an opportunity and a challenge. But, in contrast to the relatively reasonable understanding of China’s economic growth, Indian perceptions of China’s military build up remains, by and large, negative (Zhang 2006: 98). This clearly reflects how, even after 45 years, the legacies of the 1962 India–China war continue to circumscribe India’s policies and perceptions about China.

II India’s Contemporary China Debate

China’s ‘second revolution’ under Deng Xiaoping, followed by the collapse of Soviet Union, rendered the old ideological gulf obsolete, thereby heralding a new pragmatic era of India–China rapprochement. At the same time, the success of China’s ‘Four Modernisations’ drive since the early 1980s has resulted in Beijing’s growing military and political clout and its increasing acceptance into the international US-led global power elite. This has generated new compulsions for India’s China policy, often compelling New Delhi to engage Beijing on the latter’s terms.

However, recent trends in India—stable coalition politics in New Delhi, better Indian economic performance since the early 1990s, India’s decision in 1998 to finally exercise its nuclear option—have injected some self-confidence in India’s dealings with China. This is manifested in the current Beijing-New Delhi consensus that, except for a short period during 1958–63, India–China relations have not been entirely confrontational, even though they may not have been very complimentary and cooperative. Nevertheless, given strong traditions of plurality and democracy in Indian society, other shades of opinion also contribute to India’s overall decision making with regard to China.

Scholars have categorised Indian contemporary debates on China using variables of time, space and orientations. In terms of time, India’s China debate has been examined in different phases—post-independence, post-1962 war, post-rapprochement, post-1998 nuclear tests and so on. Similarly, the nature and scope of India’s focus on China varies in different regions of India. Overseas Indian experts on China can be categorised as a separate category. In terms of their orientation, various schools have been categorised as hawks, doves, owls, or more specifically, sinophiles and sinophobes. Then there are those who classify India’s China experts as pragmatists, hyper-realists...
and appeasers while others call these groups as mainstream, China-is-not-a-threat and China-is-a-threat factions (Hoffman 2004: 39–49; Malik 2003: 6–8).

India’s popular perceptions on China can also be viewed through institutional lineages and legacies, in terms of views held by successive occupants in the Indian Ministries of Defence (MoD), External Affairs (MEA), Home Affairs (MHA) and more recently those working in the Prime Minister's Office (PMO), which has lately centralised all policy making. In recent years, the views of India’s National Security Advisor (NSA) have become increasingly open and emphatic. Perspectives may also be categorised amongst those representing official, academic, non-governmental organisations (NGOs) or business communities. These diverse constituencies have different points of emphasis: agreements, statistics of either trade or defence expenditures, building of norms and regimes especially through conferences and profit motives. Large numbers of young Indian students in China as also an ever increasing number of small-time-small-town business travellers have lately emerged as a new pro-China lobby in India. While some characterise this mosaic as a reflection of the essential plurality of life and discourse in Indian society, others see this as evidence of a glaring absence of a coherent China policy in India (Pant 2006: 760; Ranganathan and Khanna 2000: 155).

In short, like few other states in the international system, China continues to fascinate, intrigue and challenge the intellectual imagination and traditional categories of analysts in India. Especially at the grassroots level, the image of China continues to be that of a mysterious, unfathomable, inscrutable nation that generates both romance and suspicions at the same time (Mattoo 2000: 13).

III MAJOR THEMES IN INDIA–CHINA RELATIONS

There has never been any confusion about the major issues in India–China relations, although different experts have understandably put different priorities on each of these issues. We could say that ten ‘Ts’ aptly define almost all the major issues that have determined the evolution of India’s perceptions and policies towards China during the last six decades. Since most of these issues remain unresolved, these ten ‘Ts’ can be expected to continue to define both the present and future contours of India–China relations. To briefly enumerate these ten ‘Ts’ include traditional legacies; territorial sovereignty; Tibet’s past, present and future; temporary knee-jerk initiatives; technology transfers to Pakistan; three border skirmishes; three treaties for tranquillity in border regions; Taiwan syndrome about unification; trade as an emerging new link and finally India and China’s tryst-with-destiny approach towards competing for an Asian and larger leadership profile.

Examining each of these issues individually and in terms of their relative priority for India’s policy makers would be too exhaustive an exercise for an article of this size. Furthermore, there is already a profusion of material researched and published on each of these issues. Also, it is not possible to compartmentalise these issues into exclusive
sectors since most of them continue to overlap and influence each other. Finally, the relative importance of these issues has been changing with the passage of time. For instance, the China-Pakistan ‘special relationship’, which since the early 1960s had been an all-consuming irritant for India’s policy makers, has virtually disappeared from the bilateral agenda in the last few years (Singh 2007: 23–24).

The various issues in India–China relations take on different priorities and connotations depending on the disciplinary perspective (historical, economic or strategic) brought to bear upon them and the context (global, regional or bilateral) in which these issues are placed. This article blends some of these issues together, emphasising both how they have evolved as also their relative significance in India–China relations in recent years.

IV Tibet’s India Connection

Tibet remains the perennial as also most critical issue in determining the tenor of India–China relations. India and China would not have a common border, and hence no border problem, had Tibet been an independent entity. Without going into the arguments of whether Tibet ever was or ever will become a separate nation, this article instead seeks to focus on the criticality of Tibet as a traditional buffer that once marked the outermost limits of expanding empires be they Russian, Mongolian, Chinese or British India. Each of these empires failed to survive the inhospitable environment and overcome the hostility of the Tibetan people towards foreign invaders, and had sooner or later to either leave Tibet or surrender it to another rising power. As regards Tibet’s position between China and India, neither country had ever directly ruled over these peripheral and inaccessible areas, although China’s contacts with Tibet had always implied administrative, military and jurisdictional links while India’s links had traditionally been cultural and commercial. In the more recent past, however, while the British evolved a detailed framework of trade centres, post-offices, telecommunications as also a military presence since the late nineteenth century, China forcibly occupied Tibet in 1950 and has been in control of it ever since.

The consolidation of the British empire in India laid the foundations of India’s Tibet policy vis-à-vis China. The British had sought to create buffers like Tibet to protect their Indian empire against the Russian and Chinese empires. Starting from the Opium Wars in the 1840s, the British presence inside Tibet completely changed the character of Tibet’s India-connection. It completely nullified all the positive efforts by Indian nationalist leaders, who had been trying to evolve friendly ties with Chinese anti-colonial forces, the Guomintang and the communists. Lala Lajpat Rai visited China in 1913 followed by Satyendra Nath Sen and Vishnu Ganesh Pingle in 1914. The leaders of the Ghadar movement enjoyed good relations with the Sun Yat-Sen regime. Later, during Mao’s collaboration with the nationalists to fight the Japanese invasion, as also during the period of communist expansion in China, Indian leaders like Jawaharlal Nehru, Sarvapalli Radhakrishnan and Rabindranath Tagore
visited China to strengthen a positive sentiment between the anti-colonial forces in Asia. However, the peaceful transfer of power in India from British to Indian hands and the new Indian leadership’s decision to stand by the British-era agreements made the Chinese leadership suspicious about China’s vulnerabilities as long as Tibet was accessible to India. India’s policy making for long continued to depend on old British records, officials and expertise. Chinese scepticism was to almost become a paranoia because the Western powers responded to China’s communist revolution by policies of encirclement and containment. The Chinese leadership, at least initially, suspected India of being a part of these Western efforts to contain China.

As a result, even when India made historic concessions by giving up its presence in Tibet and recognising China’s suzerainty over Tibet in the Panchsheel Treaty of April 1954, relations between China and India continued to deteriorate as sporadic Tibetan rebellions continued to undermine China’s authority. Chinese suspicion about Tibet’s India connection worsened when India decided to grant asylum to the Dalai Lama and a large number of his followers in April 1959. Tibetan refugees have continued to flow into India ever since, and their number, according to official Indian sources, was 110,095 in February 2008 (MHA 2008: 122).

More than their numbers, the Tibetans in India have continued to be a cause of embarrassment for Beijing, which has been aptly exploited by Western nations to pressurise successive Chinese regimes. Thus, Tibet’s India connection is the greatest irritant in China’s perceptions about India. Repeated Indian statements such as the one in June 2003 expressing India’s commitment to regard Tibet as an autonomous and integral part of the ‘territory’ of China, have not helped India–China relations. Likewise, the watering down, over the years, by the Dalai Lama of his demands and interpretations of autonomy, has not advanced the Tibetan cause.

V Territorial Sovereignty vs Boundary Dispute

Although it is popularly described as the boundary dispute between India and China, this expression is in reality very misleading. The India–China dispute actually involves the question of territorial sovereignty, wherein clashing claims involve a total territory of over 130,000 sq. km. While China claims about 90,000 sq. km. of territory in the east, India believes that China has occupied 38,000 sq. km. of its territory in the west. Differences in the middle sector of about 2,000 sq. km. remain. Moreover, their respective historical experiences of colonial subjugation make both China and India excessively possessive about territorial sovereignty, thus making any compromises difficult. Their border war in 1962 has only further hardened their obsession. For the Chinese side, acceptance of the treaties signed by Tibet during the British period amount to recognising Tibet’s treaty making powers, which has its own negative implications for China. In addition to these historical legacies, a large part of these territories are physically uninhabitable and, as a result, there are no historical records or folklore to establish the historical claims about revenue collection or any other evidence of
government by either country. Much of the territory consists of glaciers, dense forests or arid and isolated plateaux. Thus, even a friendly exercise at mapping, surveying or patrolling these regions faces severe limitations. This also applies to other technical limitations like maintaining a military or administrative presence, which makes border management in these regions an extremely difficult proposition.

Even under the best of circumstances, the issue of resolving the India–China border involves complications that require long preparatory efforts to reach any objective understanding of this problem. This can be gleaned from the fact that even during the euphoric days of *Hindi-Chini Bhai Bhai*, the two countries could not resolve their boundary question to their mutual satisfaction. Given the fact that India–China ties have since witnessed many more upheavals, neither side is likely to make any historic compromises or concessions. This reality seems to have been fully understood by India’s China policy planners. New Delhi has, therefore, come around to the Chinese position that instead of insisting on preconditions, like first taking back every inch of Indian territories, the two countries should try to develop a political package on a give-and-take basis. This is expected to create a positive environment and facilitate the tackling of more difficult questions like boundary delineation and demarcation.

It is with this objective that the two countries had eight annual border talks during 1980–88, followed by 14 rounds of the Joint Working Group on Boundary Question, during 1989–2003 and 10 rounds of talks between their special representatives during 2003–07. These talks have since evolved a series of Confidence Building Measures (CBMs) for maintaining peace and tranquillity in their border regions, followed by two important agreements that were signed during the April 2005 visit of Chinese Premier Wen Jiabao to India. These include the Agreement on Political Parameters and General Principles for the Settlement of their Boundary Question and the Protocol on Modalities for the Implementation of Confidence Building Measures in the Military Field along the Line of Actual Control in China–India Border Areas. Since then, however, the growing closeness of India–US ties has resulted in relative coldness in India–China interactions.

**VI The 1962 War and its Implications**

Without being an issue in public debate, the India-China border war of October–November 1962 remains the other most enduring event that has moulded the attitudes of India’s China experts and policy makers. India and China had absolutely no interaction during the first five years following this war and could not revive their diplomatic interactions to the ambassadorial level till 1974, 12 years later. The economic interaction between the two countries remained dormant for over two decades and their military interactions for nearly 30 years. The spectre of India’s loss of face continues to haunt its senior experts and policy planners. This hurt was particularly deep because it was rooted, in the ultimate analysis, not so much in issues of border demarcation but rather in a clash of two big egos competing for Asian leadership at
large and also responding to their domestic politics, with lasting implications. Even after 17 years of the India–China border war, when bilateral ties had greatly improved, China’s paramount leader Deng Xiaoping would reportedly boast about China’s victory against India in the following manner: ‘We taught India a lesson in 1962. We shall teach Vietnam a lesson in 1979’ (Kaul 2000: 176).

The 1962 war remains an enigma, despite several studies with varying interpretations (Bhutani 2004; Hoffman 1990; Maxwell 1970; Mehra 1989; Ranganathan and Khanna 2000; Shandilya 1998) because there has been no attempt on the part of the Indian government to put out its own version of the war. Far from commissioning an official history of this most important event of independent India, the Indian government has not even published the Henderson Brooks Report on the Indian Army’s reverses in the 1962 war, an operations review that was ordered by the Army itself. The lack of an open and objective debate on the 1962 war has resulted in loss of opportunity for learning lessons. It was this war that had led the Indian Parliament to pass a historic resolution in November 1962 which binds all successive generations of India’s leaders not to open relations with China until every inch of India’s land has been recovered from it. This limitation, however, was bypassed in 1988 by a Congress Working Committee resolution on the eve of then Prime Minister Rajiv Gandhi’s visit to China. Nevertheless, the 1962 war continues to determine India’s popular image of China and its leaders.

In recent years there has been some re-examination of the 1962 war in India. For instance, Bhutani (2004: 214) concludes that although China inflicted a memorable defeat on India, there had been no Indian surrender. Also, at the end of the 1962 war, China’s ability to threaten India with dire consequences diminished considerably. Bhutani concludes that both China and India were losers in the 1962 war, while Tibetan Buddhism emerged as the winner especially in subsequent years, by breaking out of its feudal moorings and gaining worldwide following. Ensuring the survival and sustenance of Tibetan religion and culture over all these years has brought laurels to India, making it something of a winner in the long run. Thus, Indian intellectuals feel increasingly confident in prescribing lessons for India from China’s early policy of universalising healthcare and education and advocating that India learn from China’s experience (Sen 2005: 189). Another argument, which may appear strange today, holds that 50 years into the future territories are likely to become almost irrelevant, with countries increasingly placing investments across borders. Thus, it may not be necessary for issues of territorial sovereignty to be settled before normalisation becomes an accepted fact in India–China relations.

VII PAKISTAN’S CHINA CONNECTION

From the very beginning, Pakistan has been a major bulwark of China’s policies towards India. Following its traditional method of an indirect approach to national security, China sought to prop up India’s smaller neighbours to keep New Delhi occupied.
with its South Asian entanglements. After their respective wars against India in 1962 and 1965, China and Pakistan became natural allies driven by a common anti-India sentiment. The Pakistan–China border settlement agreement of March 1963 led to Pakistan transferring 5,180 sq. km. of Kashmir to China. After this agreement, defence cooperation between China and Pakistan became a major concern for the makers of India's China policy. Repeated arms embargoes by the US against Pakistan in 1965, 1971 and 1990 further cemented the 'special relationship' between Beijing and Islamabad. Until the late 1990s, over 70 per cent of Pakistan's main battle tanks, nearly 50 per cent of its combat aircraft and most of its small and light weapons and ammunitions were of Chinese origin (Singh and Singh 1997: 63). The fact that most of the weapons acquired by Pakistan from China were targeted or used against India (and also Afghanistan) has been a major concern for New Delhi over the years. However, nothing can compare with India’s worries about the alleged China-Pakistan nuclear nexus (Singh 2000: 92).

The genesis of the China–Pakistan nuclear nexus lay in Pakistan’s search for a nuclear deterrence against India, which became Islamabad’s foremost strategic obsession following its military defeat by India and bifurcation in December 1971. It was in these special circumstances that Zulfikar Ali Bhutto, first as President and later as Prime Minister of Pakistan, made three important visits to Beijing in February 1972, September 1974 and April 1976. China finally agreed to sign an agreement that Bhutto himself describes as ‘my greatest achievement and contribution to the survival of our nation’ (Bhutto 1979: 103). It is now believed that it was India’s first nuclear test in May 1974 that had tilted China’s decision in favour of Pakistan’s nuclear weapons programme. Most probably, it was this agreement that laid the foundations of China–Pakistan nuclear cooperation (Bhola 1993: 85–86). However, both Beijing and Islamabad have continued to deny the very existence of any cooperation in nuclear weapons. There is, of course, enough circumstantial evidence available to prove the sustained co-relationship between China’s nuclear projects and their transfer as end products in Pakistan.

Over the years, China has been accused of supplying Pakistan with nuclear designs, test data and heavy water and of setting up Pakistan’s known and secret enrichment facilities (Namboodiri 1982: 426). Paul Leventhal of the US Nuclear Arms Control Institute was amongst the first to point out that the Chinese had conducted a nuclear test at Lop Nor in Xinjiang in 1983 in the presence of Pakistan’s Foreign Minister (Subrahmanyam 1995). According to another analysis, China supplied Pakistan the original design of the nuclear bomb that it tested in 1966 and that Pakistan had later carried out ‘one cold test in September 1987 in the hills west of Chagai in order to verify the Chinese design’ (Hough 1995: 270). From 1987, Pakistani leaders had themselves started making public announcements about Islamabad possessing the capability to build a nuclear weapon. Washington remained helpless in dealing with the China–Pakistan alliance because it needed Pakistan’s assistance as a frontline state for fighting the bigger enemy, the Soviet Union, in Afghanistan. Pakistan’s missile
development programme presents a similar story. Each project in China has resulted in a missile system that was proclaimed by Pakistan as its own indigenous weapon. The fact that Pakistan has repeatedly declared India as the potential target for its nuclear and missile arsenals makes the Pakistan–China nuclear nexus the most difficult knot in India–China rapprochement. This has obviously put tremendous indirect pressures on India's foreign policy choices and compulsions.

VIII Initiatives Underlining Rapprochement

The issues discussed so far have impacted negatively on India–China relations. However, the two sides have also made some positive strides. The earliest evidence of India's efforts at rapprochement with China can be traced to statements by Prime Minister Indira Gandhi, in September 1968 and January 1969, indicating that India kept open its option of seeking a negotiated settlement on all outstanding issues with Beijing. Significantly, neither of these statements referred to the earlier Indian stand of conditional talks, as laid out in Parliament's November 1962 resolution, which suggested that New Delhi was prepared for unconditional talks with China (Chaturvedi 1991: 160). Later, the 1971 Afro-Asian Tennis Tournament held in Beijing became the first occasion after 1962 when New Delhi accepted China's invitation and an Indian team was allowed to travel to Beijing (Appadorai and Rajan 1985: 149). But before that, on 26 August 1970, India's Foreign Minister Sardar Swaran Singh, speaking in the Rajya Sabha (upper house of Parliament), summed up the state of India–China relations as:

We do notice a slight change in the attitude of China towards, and propaganda against, her neighbours including India, of late; but we have not seen any change in the substantive matters… Neither China nor India can change the geographical fact that both our countries have a long common border. It is in the interest of both countries to settle the border question peacefully and normalise our relations in other fields as well, and when China is willing to take a concrete step in this direction, she will not find us lacking (cited in Appadorai 1982: 743–44).

This statement was followed by both countries allowing the installation of telex in each other's embassies. India supported China's candidacy for the Manila-based Asian Development Bank and invited China to a regional conference of UNESCO in Delhi. Finally, Prime Minister Indira Gandhi made a personal visit to the Chinese Embassy in New Delhi to sign the condolence book following the death of her father's dear friend Zhou Enlai (Singh 1998b). These gestures led to the two countries finally re-establishing diplomatic ties at the ambassadorial level in 1974. Atal Bihari Vajpayee became the first Foreign Minister of India to visit China in 1979. Following the breakthrough visit by Prime Minister Rajiv Gandhi to China in December 1988, the first half of the 1990s witnessed a new era of India–China rapprochement with a
series of important high-level visits as also the setting up of important bilateral forums and agreements. The annual meetings of the India–China Joint Working Group on Boundary Question (JWG) have since become one of the most effective and generic forum for implementing India–China CBMs.

Amongst some of the major achievements of the JWG, the two agreements of September 1993 and November 1996 had clearly originated in the discussions during the JWG’s second round in New Delhi in August–September 1991, during which the phrase ‘maintain peace and tranquillity’ was first agreed upon (Singh 1998a). The other high points in the JWG occurred during the eighth round in August 1995 in New Delhi where the two sides agreed to actually disengage their troops from four border posts in the Wangdong region where they had been deployed at alarming proximity to each other. This was hailed as the first example in the post-Cold War era when actual disarmament by mutual agreement took place amongst Asian countries (Singh 1994: 1517). Apart from these broad-based policy postures and political commitments, the JWG has also institutionalised regular meetings at more operational levels. Of special importance have been the regular meetings between the India–China military commanders posted in the border regions—at Bumla and Dichu in the eastern sector and at Spanggur near Chushul in the western sector. Apart from these regular flag meetings, the commanders on both sides are also provided with ‘hotline’ telephone links at Nathu La to ensure consultations in case of any intrusions or other contingencies. These CBMs have clearly been responsible for ensuring that regular ‘incursions’ by patrolling parties from both sides do not result in any major crisis.

IX Trade as the Most Reliable CBM

The second positive component and the most potent outcome of India–China rapprochement has been in the field of bilateral trade. Bilateral trade has shown startling improvement, often at odds with trends in other areas of India–China official interaction, which makes trade unique amongst India–China CBMs. India–China trade statistics have been overshooting the targets set by the respective political leaderships. This clearly falls in line with the global trends of geo-economics, wherein economic diplomacy is paving the way for resolving the more difficult political problems. According to data from the China State Statistical Bureau, for first 20 years after liberalisation (1978–97), while China’s total international trade went up by a factor of 14, Indian–China trade increased 16-fold. After India’s nuclear tests of May 1998, India–China annual trade has witnessed an unprecedented boom, going up from US$ 1.9 billion in 1998 to US$ 30 billion in 2007. This surely speaks volumes about the new tenor of India–China relations.

India–China border trade has special significance, when seen in terms of its intangible benefits in resolving long-standing problems. While border trade may have remained extremely low as a percentage of total bilateral trade, the freedom and interaction that
it has opened for border communities has greatly improved mutual trust on both the sides. The two countries have free trade in 29 local items which include yak-tail, salt, borax, China clay and China silk. Obviously, transactions in these items are not capital intensive and are not correctly reflected when seen in terms of their monetary value. Nevertheless, increased border trade since the early 1990s has resulted in the revival of various related cottage industries. In Pithoragarh district of India, for example, India–China border trade has resulted in the revival of the carpet weaving industry which had been completely shut down as it was entirely dependent on Tibetan wool. Also, border trade has to be seen in the light of poor road and communication infrastructure and generally backward conditions of border communities. Thus, increased cross-border activity has generated momentum leading to the improvement of these remote regions, which ensures peace and stability in these otherwise disputed borders. Apart from improving the interaction and living standards of border communities, border trade has also facilitated border management activities of the personnel deployed by both countries for maintaining peace and tranquillity in the border regions.

But the India–China trade boom also continues to have its limitations. Firstly, border trade continues to hover at around US$ 100,000. The opening of Nathu La has not brought about the much expected transformation. Secondly, though bilateral trade remains more or less balanced in value terms, there remain fundamental problems with India’s exports basket in which iron ore constitutes half of its total exports. This not only deprives India of making ‘value-additions’ by exporting manufactured goods but also contributes to China’s build-up as a major power. Thirdly, the booming bilateral trade has also not moved to its natural next step of expansion in mutual investments. Despite both countries being among the world’s largest destinations for foreign direct investment, their respective security concerns (mainly India’s) continue to undermine mutual investments, thereby diluting their strong potential for development.

**X Future Trends**

Any crystal gazing into the future challenges of India–China relations beyond the immediate few years reflects inherent limitations. Longer term projections are bound to be far too hazy to be dependable for charting out future plans by policy makers. Nevertheless, long-term crystal gazing in inter-state relations does have its own significance, insofar as it can provide some broad directions for practitioners of India’s China policy.

In the medium-term future, it would be safe to assume that as modern technologies gradually overcome geographical barriers and reduce physical distances, both India and China will develop far more intensive and intrusive interactions than they have ever experienced in the past. This should be in line with the transformation that has occurred during the last 50 years, as science and technology have gradually reduced
the relevance of geographical barriers like the mountain ranges of Kuen Lun and the Himalayas. The momentum of change in the future is going to be even faster. This would suggest that the two countries will become increasingly similar in terms of their material possessions, and their competition as two dominant economic, political and cultural models may gradually come to dominate their mutual interactions. However, their competition in terms of their being Asia’s two major military powers or their disputes regarding territorial jurisdiction may no longer be their primary foreign policy concerns beyond the time horizon of 25 years. Future trends point towards the information revolution sweeping the world in the coming decades. This is bound to favour China and India, which have the advantage when it comes to competing for knowledge based power. Both countries are known for their skilled manpower. Indeed, this is one area in which both China and India may be seen competing in the coming decades.

Over the next 50 years, stability might finally set in on the currently uncertain trends regarding their relative population growth, societal development and mutual relations. Given the current trends of globalisation as also the revolution in military affairs, it seems more and more unlikely that India and China will choose to settle conflictive issues through military aggression. The possession of nuclear weapons on both sides will further ensure that their competition is managed at a mutually acceptable level and that no actions from one side are allowed to threaten the other. No one, of course, can completely rule out the possibilities of accidental skirmishes running out of control, or of drastic diversions in their respective evolutions as states resulting in internal instability on either side or some other as yet ‘unknown’ factors. The discovery of a potent defence against nuclear weapons may be one possibility that could prove destabilising, thus affecting the existing premises for making predictions about the future of India–China relations.

Looking out over 100 years, even their competition as two major economic powers of Asia might become far more stable and manageable. According to most experts, the twenty-first century is likely to see both China and India emerge as major economic powers, although they may not be able to regain their earlier position when these two societies together accounted for over half of the world’s output. Increasingly, their competition for economic power will be dominated by their progress in the realm of science and technology which will provide it with a different character than cannot even be conceived now. Going by the predictions of futurologists—who project human beings moving from knowledge based societies to colonising other planets within the next 100 years—scientific skilled manpower will prove a major asset for both China and India. Even otherwise, these large populations would work as forces for the most basic human activities—production and consumption—thereby providing the necessary momentum for India and China to emerge as major powers. However, while the world might become increasingly similar, it is their survival as distinct cultural systems that
will increasingly determine the pace and direction of India-China competition and determine their place in the comity of nations. In the end, therefore, it is their cultural profile that will obtain India and China their identity in a distant future where technology may gradually replace the culture and societal norms of *Homo sapiens*.

**XI Conclusion**

It appears, therefore, that with their gradual unfolding to each other’s existence and profile, competition between India and China has been and will always remain a norm rather than an accident. The gradual march of human civilisation into the future will only make this fact more transparent and obvious. The experience of the last 60 years clearly shows that India–China relations pose complex challenges for both the practitioners and scholars of international relations.

The problem in India–China relations has not been as much in terms of inimical relations between China and India as in the lack of mutual awareness, understanding and trust. This has resulted in India’s China policy being described as slow-moving, although it has managed to be fairly successful in maintaining peace and tranquillity between these two countries. Most other countries dealing with China have faced similar problems of appreciating the unique in the Chinese mindset and attitudes which have to be understood especially when it comes to taking diplomatic initiatives. Subjects like China’s negotiation behaviour and China’s strategic culture have lately become very fashionable in research institutions of the Western world. But how the Western world reads China will not be the same as how Indians do it. Therefore, it is the indigenisation of knowledge on India’s relations with its most important neighbour that will have to be emphasised if India’s China policy has to be made more effective in ensuring lasting peace and cooperation in India–China relations.

**References**


