



Policy Brief No. 43

July 2019

## The Dragon and the Elephant: India's Perspectives on Sino-Indian Relations

**Herbert Wulf**

### Summary

China and India are the two most populous countries in the world. Both countries have dynamic economies, although due to the US-Chinese trade disputes, China is experiencing slightly stuttering economic growth. Their actions are likely to decisively influence global politics in the near- and medium-term. Relations between China and India have been oscillating between conflict, competition and cooperation. They have fought a war with each other and continue to tussle over territory at their shared border. Both governments invest heavily in their military posture and are suspicious of each other's activities in the region. Their trade relations have greatly improved and cordial cooperation in various global and regional forums brought them closer to each other in selected political and economic areas. Is there hope for better conflict management, for fruitful competition, and for improving collaboration? Successful cooperation would not only improve the economic and political relations as well as the security situation in the region; it could also have positive effects on the troubled global order. Prospects for such a scenario are positive if the governments tone down nationalistic attitudes and expansionist great power behaviour. Although tensions and conflicts are apparent, there is no insurmountable barrier to a return to the India-China brotherhood relations of the 1950s.

### Oscillating Between Conflict, Competition, and Cooperation

1. The picture of the Chinese dragon and the Indian elephant is often used to illustrate the relationship between the two Asian giants.<sup>1</sup> The good times of the 'hindi-chini bhai bhai' (India-China brotherhood) in the early years of independence under Jawaharlal and Mao

---

<sup>1</sup> Meredith, Robyn (2007), *The Elephant and the Dragon: The Rise of India and China and What it Means for All of Us*. New York: W.W. Norton. Chachavalpongpun speaks of 'elephant versus dragon', 66-67, Chachavalpongpun, Pavin (2011), *Look East meets Look West: India-Southeast Asia Evolving Relations*, in: Gaur, Ma-hendra (ed.): *Focus: India's Look East Policy*, Foreign Policy Research Centre Journal, 8, pp. 48-71.

Tse-tung are long gone. The 1954 ‘panchsheel’ treaty between the two countries, establishing their peaceful co-existence, was supposed to regulate territorial integrity and a policy of non-interference. But the period of their common anti-imperialist ideology ended with a border war in 1962 in which Chinese troops caught India unprepared and occupied disputed territory. Although careful diplomatic initiatives have led to a cautious rapprochement, relations are far from trusting and cordial. A number of issues have produced anxieties.

2. This tense relationship has alternated with occasional periods of closer and more cooperative ties. It took until the mid-1970s when cautious steps were undertaken to normalise relations.<sup>2</sup> Governmental Indian initiatives and a few summits between Prime Minister Narendra Modi and Chairman Xi Jinping have given hopes for improved relations in times when the US government questions the present global order.

3. But the relations between the two countries are shaped by several contradictory factors; the still unresolved border disputes remain a source of concern in India.<sup>3</sup> Similarly worrying for India’s strategic community is China’s preferential relationship with Pakistan, especially China’s assistance for Pakistan’s conventional armed forces.<sup>4</sup> Both countries are increasing their spending on the military, but the growth of Chinese military expenditures outpaces India’s by far. This does not prevent the governments from cooperating in global and regional settings.

4. In economic terms, China and India could emerge either as fierce competitors or as amiable and cooperative partners. World attention is presently focused on the display of force between China on the one, and the United States on the other hand, played out via a conflict over islands in the South China Sea and, more recently, about the economic world order. But China’s maritime activities might also bring it into conflict with India.

## **Incriminating Conflicts**

### **Territorial Conflicts and Skirmishes**

5. Despite negotiations about the territorial disputes in numerous bilateral working groups, neither China nor India is willing to give up their claims. The contested territories involve three areas. Firstly, the Western part, called Aksai Chin; secondly, the Eastern sector comprising the Indian state of Arunachal Pradesh, where China claims that large parts of the territory are part of Tibet, sometimes calling the Indian state South Tibet. China refuses to recognise the Tibetan Government in exile in India and has always criticised the presence of the Dalai Lama, who fled to India after the Chinese occupation of Tibet in 1950. The third

<sup>2</sup> Malone, David M. (2011), *Does the Elephant Dance? Contemporary Indian Foreign Policy*, Oxford: Oxford University Press, 129-152.

<sup>3</sup> Bai, Leon (2012), *Resolving the India-China Boundary Dispute*, Observer Research Foundation, Occasional Paper 33, May, New Delhi.

<sup>4</sup> Mohan, C. Raja (2012), *Managing Multipolarity: India’s Security Strategy in a Changing World*, in: Mohan, C. Raja and Sahni, Ajai (eds.): *India’s Security Challenges at Home and Abroad*, Special Report No. 39, Washington: The National Bureau of Asian Research, 25-49.

area, the Middle Sector, is less contentious, and China has referred to this part as "Sikkim State of the Republic of India", thus informally recognising Sikkim as part of India.

6. The boundary disputes originated in colonial times and have been an issue of quarrel and negotiations since the early 19<sup>th</sup> century, ending as an 'undefined' border between India and China when the British left India.<sup>5</sup> Several Conventions, dating as far back as 1914 (Simla Accord with the so-called McMahon Line as demarcation between India and Tibet) are until today differently interpreted in India and China. These differences led to the border war in 1962 followed by several military skirmishes since then.

7. Over the past decades, the two governments held border talks, negotiated, established working groups and different types of dispute regulation. In 1993, for example, the Agreement on Maintenance of Peace and Tranquillity was signed, followed by the Agreement on Confidence Building Measures. Despite these efforts a military standoff in the Himalayas in June 2017 over the construction of a road by China showed that border issues remain contested since neither side will give up its claim for the territory. Both nations, equipped with nuclear weapons and large armed forces, experience a lack of trust at their shared border. This latest tension in 2017 was solved without firing a shot, but at the time commentators asked: "Are China and India on the brink of war?"<sup>6</sup>

8. India's parliament passed a resolution after the 1962 war, insisting that it would seek to recover every inch of the lost territory. Similar statements on the principles of sovereignty, not giving up any piece of territory, have been heard from Chinese leaders. The Modi government seeks avenues for cooperation, but Modi has also been firm and has criticised China's "mindset of expansion".<sup>7</sup>

### **China's Assistance for India's 'Arch Enemy' Pakistan**

9. India's role and status in South East Asia is complicated, for both politico-economic and security-related reasons. The complex and difficult relations are reflected in India's long-standing conflict with Pakistan and their stagnating political relations. In addition, the relations with smaller neighbours are not free of tension,<sup>8</sup> although the Modi government has, since its inauguration in 2014, tried to play the peaceful and benign hegemon.

10. The relationship between Pakistan and India is fraught with resentment and suspicion and shaped by four wars. Since the partition of the country in 1947, which ended in war, India and Pakistan have fought over Kashmir in 1965 and 1999 and over the separation of today's Bangladesh in 1971. The occasional glimmer of hope of improved political relations has repeatedly been disappointed. Successive governments have negotiated to resolve the outstanding conflicts and several issues were at least temporarily solved, like

<sup>5</sup> Bai, see footnote 3.

<sup>6</sup> Zhang, Feng (2017), Are China and India on the Brink of War?, in: The National Interest, 10 August 2017. <https://nationalinterest.org/blog/the-buzz/are-china-india-the-brink-war-21853>.

<sup>7</sup> Roy-Chaudhury, Rahul (2015), Modi's Approach to China and Pakistan, in: Godement, François (ed), What does India Think, in: European Council on Foreign Relations, pp. 96-100, p. 98.

<sup>8</sup> Behuria, Ashok K., Pattanaik, Smruti S. and Gupta, Arvind (2012), Does India Have a Neighbourhood Policy?, in: Strategic Analysis, (36), 2, pp. 229-246.

the opening of an Indo-Pakistani bus connection and the Indus Waters Treaty, but “the overall relationship never improved fundamentally for long”.<sup>9</sup>

11. The unsettled Kashmir conflict, with territorial claims from both India and Pakistan as well as calls for autonomy from within Kashmir, has led to an arms race that absorbs enormous resources. The war in Afghanistan has spread into Pakistan and Pakistan’s territory serves as a base for terrorism; this and the Indian government’s engagement in Afghanistan has exacerbated the mistrust between the governments in Delhi and Islamabad. Attacks by Pakistani-based terrorists in India (with the major incident in 2008 in Mumbai) are a chief stumbling block for improvement of relations. In India the fear is that developments in Pakistan could “trigger a wave of political Islam”<sup>10</sup> with potentially serious consequences for India. The nuclear weapons in Pakistan, which could easily fall into the hands of the military, create a high security risk, not only for neighbouring India.

12. Pakistan and China have maintained a special relationship since the early 1950s and China has provided economic, technical and military assistance to Pakistan. China was by far the major supplier of arms to Pakistan. In political-diplomatic terms China has always supported Pakistan in its position on Kashmir, while Pakistan takes China’s side on the border conflicts between India and China. Thus, India’s disputed borders both with Pakistan and China are a source of insecurity for India.

13. The latest serious incidents between India and Pakistan with reciprocal airstrikes and troop enforcements occurred in February 2019, followed by suicide car bombings in Indian-administered Jammu and Kashmir.

### **China’s Belt and Road Initiative: The New ‘Silk Road’**

14. A specific recent Indian concern about Chinese global politics is its BRI initiative, in particular the “China-Pakistan Economic Corridor (CPEC)”. It is “the flagship project in China’s grand vision of extending its reach across Europe, Africa and Asia.”<sup>11</sup> The project was announced by Xi during a visit to Islamabad in 2015. China plans to invest US \$46 billion, especially in infrastructure projects, connecting China’s troubled province Xinjiang with Pakistan’s Balochistan province. The end point in Pakistan is the deep-water port Gwadar, which Pakistan leased to China in 2016 for 43 years. Although the project is named ‘economic corridor’, its strategic importance is obvious. The CPEC will give China access to the Indian Ocean.

15. The road and rail connections pass through Pakistan-administered territory claimed by India. Already in 2015, the Indian government declared that the CPEC project was “not acceptable” since it was planned in disputed Kashmiri territory.<sup>12</sup> India’s objections to the project have not ceased. Prime Minister Modi was the only participant at a 2018

<sup>9</sup> Malone, see footnote 2, p. 107.

<sup>10</sup> Mennon, Raja and Kumar, Rajiv (2010), *The Long View From Delhi. To Define the Indian Grand Strategy for Foreign Policy*, New Delhi: Academic Foundation Delhi, p. 143.

<sup>11</sup> Baloch, Shah Meer (2017), CPEC: One Potentially Treacherous Road in China’s Grand Plan, in: Sicherheit und Frieden, (35), 3, pp. 139-143, p. 139.

<sup>12</sup> Roy-Chaudhury, see footnote 7. Also: Sengupta, Jayshree (2018), Modi’s new China policy, in: Observer Research Foundation, June 7.

Shanghai Cooperation Organization meeting who opposed China's BRI<sup>13</sup> and no high Indian representative participated in the April 2019 major BRI review in China.

### **India's Aspirations at the High-Table of Global Policy**

16. India's influence in global politics has been growing and the government is keen to take responsibility for a larger global role. Indian politicians, strategists and political scholars request an intensified global if not a great-power role: "India no longer wants to be mired in regional politics; rather, it wants to play a larger global role" concludes one researcher<sup>14</sup> while others argue that India's rising power enables it "to take its rightful position on the world stage."<sup>15</sup> Modi himself self-confidently said in 2015: "those days are gone when India had to beg. Now we want our right... It is India's right to get a permanent seat in UNSC."<sup>16</sup>

17. India's phenomenal economic growth has contributed to the country's political ambitions and, at the same time, a number of global governance concerns—the financial crisis, climate change and energy supplies and their security, possibly also arms control issues—require Indian participation for their successful negotiation and management. Since the world is no longer bifurcated into two antagonistic systems, and since no single dominant superpower has emerged, India, with its economic and political weight, can use its influence to facilitate the shaping of global politics. Indian strategists see this a "great historical opportunity for India."<sup>17</sup>

18. India's insistence on being a nuclear weapons power, its ambitions in space and annual double-digit growth of investments in conventional weapons are instruments to underline the country's global aspirations and to signal to its neighbours its claim for regional leadership if not dominance.

19. Modi's Government engages in numerous international forums at the regional and sub-regional level and tries to improve its relations to such institutions. However, decisive Indian efforts are often thwarted and frustrated by Chinese reservations. The reform of the UNSC membership is not just a Sino-Indian issue; the failure to reform the UNSC has numerous other causes. But China plays an important role and seems not interested in upgrading India's position at the UN. Similarly, China (among other countries) has prevented India from joining the Nuclear Supplies' Group (NSG). Although many members assist India's ambition, China opposes India's entry to that group because of India's consistent refusal to join the Non-Proliferation Treaty. This illustrates that China is a global rule-maker while India still is more of a rule-taker.

<sup>13</sup> Chhabra, Radhika (2019), The new phase of Sino-Indian cooperation under the security dilemma, in: Observer Research Foundation, New Delhi, <https://www.orfonline.org/expert-speak/the-new-phase-of-sino-indian-co-operation-under-the-security-dilemma-48196/>

<sup>14</sup> Pattanaik, Smruti S. (2010), India's Neighbourhood Policy: Perceptions from Bangladesh, in: Strategic Analysis, 35 (1), pp. 71-87, p. 72.

<sup>15</sup> Mohan, C. Raja, see footnote 4, p. 27.

<sup>16</sup> Basur, Rajesh (2017) Modi's foreign policy fundamentals: a trajectory unchanged. In: International Affairs, (93), 1, pp. 7-26, Hindustan Times, quoted on p. 23.

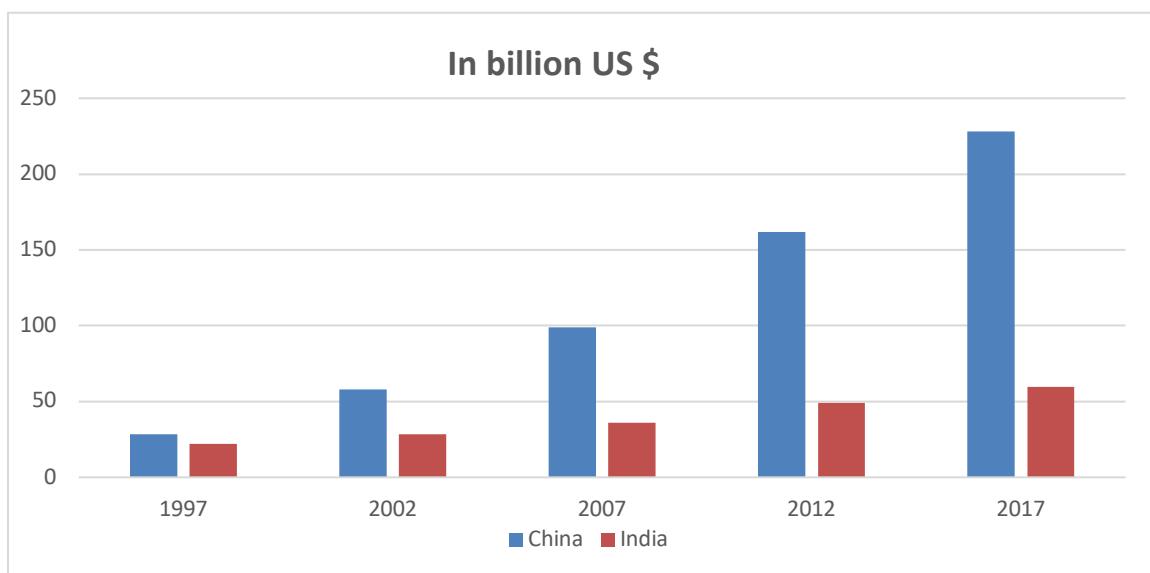
<sup>17</sup> Khilnani, Sunil et al. (2012), Nonalignment 2.0. A Foreign and Strategic Policy for India in the Twenty First Century, Centre for Policy Research India.

## Arms Racing and Military Competition to Exert Regional Influence

### Military Build-Up

20. Despite fairly normalised diplomatic and economic relations between China and India, the two countries' perceived competition has intensified. India's nuclear power status and the 'nuclear deal' of 2005 between the United States and India are of great concern to China.<sup>18</sup> All Indian governments have been convinced during the last five decades to invest heavily into modern equipped armed forces, including a sea-going naval capacity. Despite mutually enforcing political signals from both China and India, the investments in its armed forces have been substantial.

**Figure 1: Development of China's and India's Military Expenditures**



Source: SIPRI Military Expenditure Data Base

21. In 2018 China was the second largest and India the fourth largest spender in the world. India's military expenditures have risen fast and reached a level of US \$67 billion in 2018. Indian arms companies produce a broad variety of weapons and, in addition, India imports weapons from a number of countries, including Russia, France and Germany and increasingly also from the USA. Comparing the military expenditure of the two countries illustrates China's phenomenal growth; while the military budgets were at a similar level two decades ago, today, at US \$250 billion, China's defence budget is almost four times that of India.

### 'String of Pearls' in the Indian Ocean: Geopolitical and Geostrategic Reasoning

22. "As the two Asian powerhouses increasingly assert themselves both economically and militarily in the region, the game of geopolitical chess has now spilt over from Asia into

<sup>18</sup> Bajoria, Jayshree and Plan, Esther (2010), The US-India Nuclear Deal, Council on Foreign Relations. <http://www.cfr.org/india/us-india-nuclear-deal/p9663#p3>.

Africa to the Indian Ocean coastline in particular.” This analysis of the South African Institute for Security Studies<sup>19</sup> captures precisely the activities of China and India in the Indian Ocean and the entailing worries in Indian Ocean littoral states. China’s expansionary diplomatic, economic and maritime drive in the Indian Ocean region is increasingly seen as a risk in India. China’s government displays quite a high degree of assertiveness, even arrogance in pushing its new ‘Silk Road’. It invests heavily in maritime infrastructure projects and has managed, according to Indian analysts “to string together a patronage network of South Asian coastal nations...”<sup>20</sup> China builds, leases or owns, among others, deep-water ports in Pakistan since 2007, in Myanmar since 2010, in Sri Lanka since 2014, in Bangladesh since 2016, in the Maldives since 2017, in Djibouti since 2018 and plans are well advanced in Abu Dhabi.

23. With great uneasiness, strategists in India observe China’s approach to invest heavily in the modernisation of its naval force and the creation of what is called in Indian military circles a ‘string of pearls’, leaving a distinct footprint in what is considered India’s sphere of interest.<sup>21</sup> Some even see a “deliberate Chinese strategic encirclement of India” that needs a convincing response by investing in a blue-water navy.<sup>22</sup> Arun Prakash, a retired Admiral, wants to bolster India’s pre-eminent maritime power in the Indian Ocean for “sustained operations in our area of interest, including power projection.”<sup>23</sup> This is exactly what the Indian government does by procuring modern aircraft carriers, frigates and submarines. For the last decade, India was the largest weapon importer in the world.

24. The Chinese Government categorically denies that any of these projects has military relevance. However, the dual use of these ports cannot be discounted.

25. Meanwhile, the Chinese Government is anxious about increased cooperation between India and the USA. The 2005 nuclear deal between the two countries paved the way for closer cooperation. In the eyes of China, this partnership is part of the US strategy of rebalancing Asia, a move clearly directed against China. In addition, India actively promotes Indo-Pacific cooperation by hosting multi-nation naval exercises as in 2017 with the participation of Japan and Australia.

26. The Indian government pursues a strategy of defence and especially naval cooperation in the region to counter the Chinese activities but also economic cooperation. Prime Minister Modi stated in 2018: “We are advancing a comprehensive agenda of regional cooperation through Indian Ocean Rim Association. And, we also work with partners beyond the Indian Ocean Region to ensure that the global transit routes remain peaceful

<sup>19</sup> Gopaldas, Ronak (2018), The proxy battle for Africa’s Indian Ocean states, in: ISS Today, 22 October. <https://issafrica.org/iss-today/the-proxy-battle-for-africas-indian-ocean-states>.

<sup>20</sup> Mukerjee, Tuneer (2018), China’s Maritime Quest in the Indian Ocean: New Delhi’s Options, in: The Diplomat, 19 April.

<sup>21</sup> Kapoor, Deepak (2012), India’s China Concern, in: Strategic Analysis, (36) 4, Juli-August 2012, S. 663-679. Deepak Kapoor is former Chief of Army Staff.

<sup>22</sup> Kumar, Rajiv and Kumar, Santosh (2010), In the National Interest. A Strategic Foreign Policy for India, New Delhi: BS Books.

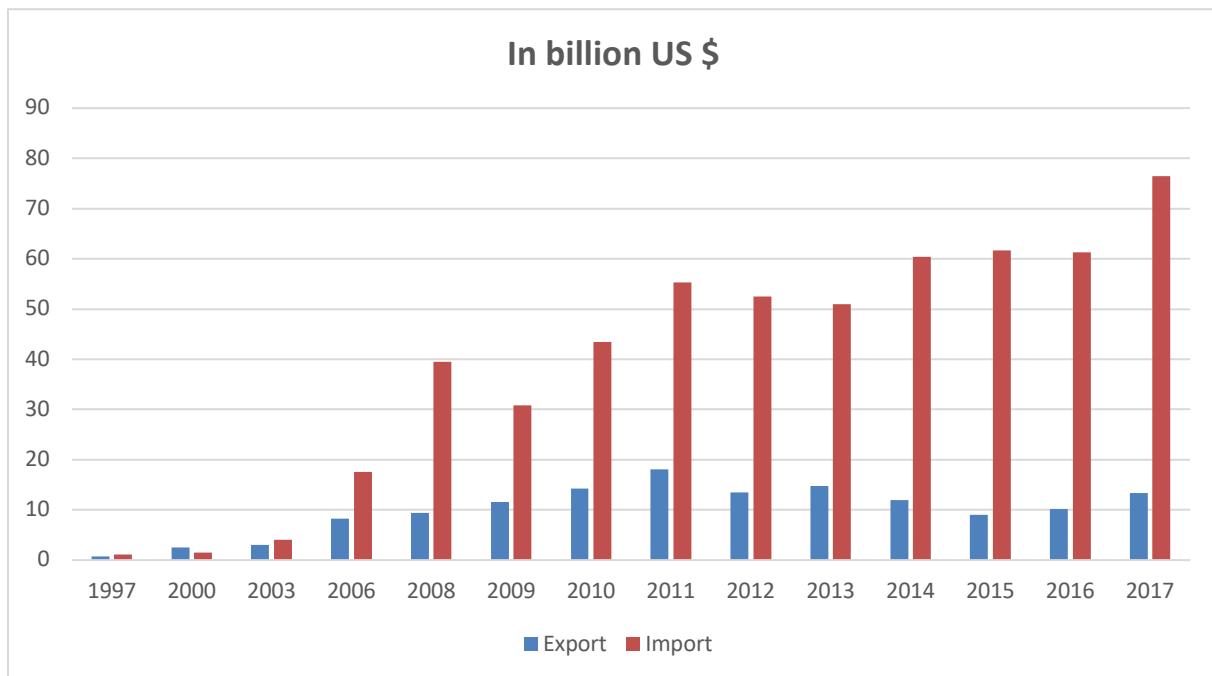
<sup>23</sup> Quoted by Singh, Abhijit (2012), The Indian Navy’s New ‘Expeditionary’ Outlook, Observer Research Foundation, Occasional Paper No. 37, p. 8, New Delhi.

and free for all.”<sup>24</sup> At the same time, Indian strategists speak in alarmist, geopolitical terms about a Chinese footprint in India’s sphere of influence and a possible encirclement.

## Economic Cooperation

27. Sino-Indian relations are not simply a source of conflict or a geopolitical competition, in which India tries to establish a balance of power, as some foreign policy experts in New Delhi advise.<sup>25</sup> Notwithstanding areas of conflict, cooperation in selected global and regional forums have helped to improve strained relations. Although India has not fully subscribed to free trade, bilateral trade has grown since India began to liberalise its economy at the beginning of the 1990s and particularly after the enormous Chinese economic growth. China has emerged as the largest trading partner of India, while it ranked only in 13<sup>th</sup> place in 1997. In contrast to India’s imports from China which have continued to grow over the last two decades, India’s exports to China have stagnated and have even gone back after its peak in 2011.

**Figure 2: India’s China Trade**



Source: Govt. of India, Department of Commerce, Export Import Data Bank, <http://commerce-app.gov.in/eidb/iecnttopn.asp>

28. India’s trade is less important to China than vice versa. India’s China trade constituted 11.6% of India’s total trade in 2017, while India—although among the top Chinese trading partners—is responsible for only 3.1% of China’s trade. These figures indicate the enormous size of the Chinese economy.

<sup>24</sup> <https://www.meaindia.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>

<sup>25</sup> Mohan, see footnote 4.

## Conclusion and Recommendation

### Foreign Policy: 'Hindutva' (Hindu-ness) and what it means for India's China Policy

29. For several decades, India's foreign policy was founded on two unshakeable primary concepts: in the political sphere, non-alignment; and in the economic sphere, as great a degree of autarky (*swadeshi*) as possible. Over the last three decades, both these foreign-policy concepts have been abandoned and the Indian government has instituted fundamental changes.<sup>26</sup> With the disappearance of the two opposing military blocs, non-alignment ceased to be a defining criterion of foreign policy.<sup>27</sup>

30. In the economic sphere, the dramatic shift towards liberalisation, initiated in the early 1990s, when India found itself in the throes of a deep economic and political crisis, brought about the gradual disappearance of the concepts of self-reliance and protectionism. The inward-looking ideological approach to the economy was abandoned. Since then, all Indian governments, whether headed by the Congress Party or by the Hindu-nationalist Bharatiya Janata Party (BJP), have sought to integrate the Indian economy into the world market rather than pursue self-reliance.

31. The loss of India's foreign-policy basis at the end of the Cold War, the demise of the Soviet Union, the new foreign-policy emphasis on economic issues (such as trade and foreign investment), as well as the rejection of anti-Americanism heralded a new era in Indian foreign policy. Four broad concepts of foreign policy approaches can be distinguished:

32. *First*, the *idealists* want India to be an independent, non-aligned actor that could also serve as a facilitator of disarmament and global peace. *Second*, the *realists* that have been prominent in government in India at different times strongly emphasise geopolitics and want to increase India's economic and military weight in the region and more recently at the global level. Not surprisingly, security and conflict, the issue *par excellence* of realism, is high on the agenda. *Third*, the *internationalists and neo-liberals* who focus on economics both domestically and in their foreign policy approach, started to dominate politically in India with the economic drive towards liberalisation.

33. *Fourth*, the *Hindu nationalists* governed from 1998 to 2004 and in the Modi government from 2014, and have now been reconfirmed in the 2019 election. However, their ideology, '*Hindutva*', is much older and predates Indian independence. '*Hindutva*' wants to defend and be proud of Hindu civilisation and aims to make India strong in military and economic terms. Hindu nationalists do not shy away from alienating non-Hindu communities in India and in neighbouring countries. The most comprehensive and influential societal concept of the nationalist ideology is the '*Hindutva*' manifest by Vinayak Damodar Savarkar written in 1923. He proposed creating an Indian nation based on its heritage and identity that is strong enough to defend its independence (*swaraj*) in the international competition.

<sup>26</sup> Sagar, Rahul (2009) State of mind: what kind of power will India become?, in: International Affairs, (85), 4, pp. 801-816. Wulf, Herbert and Debiel, Tobias (2015), India's 'Strategic Autonomy' and the Club Model of Global Governance: Why the Indian BRICS Engagement Warrants a Less Ambiguous Foreign Policy Doctrine, in: Strategic Analysis (39) 1, pp. 27-43.

<sup>27</sup> Thakur, Ramesh 2011: India and the United Nations, in: Strategic Analysis, (35), 6, pp. 898-905.

To achieve this, it would be essential to create a homogenous Hindu society that excludes all heterogeneous elements.<sup>28</sup> The emphasis on military strength by the Hindu nationalists resembles some of the realist concepts, although Hindu nationalism has a strong ideological underpinning and is based on exclusion of non-Hindus.

34. The BJP and its alliance was serious about strengthening India's military capabilities. In May 1998, only a few weeks after the inauguration of the government, the Indian nuclear experts tested five nuclear devices. While the technological preparation had already been done long before the BJP came to power, the government gave the green light for going overtly nuclear, a political act that provoked many governments in the world who had unsuccessfully tried for years to convince India to join the Nuclear Non-Proliferation Treaty (NPT) and the Comprehensive Nuclear-Test-Ban Treaty.

35. However, in contrast to its Hinduism focus in domestic social and political policies, the BJP subscribed fully to the moderate economic liberalisation policies and to an internationalist foreign policy. '*Hindutva*' is translated into domestic policy but not into foreign policy. "In domestic politics, the appropriateness of the label [Hindu nationalist] is evident in areas such as education policy and the drive to ban beef consumption. In the realm of foreign policy, its meaning is much less clear."<sup>29</sup> Not surprisingly, foreign policy relations with the neighbouring Muslim-majority states of Bangladesh and Pakistan did not improve. In its relations with China, the BJP government pursues a two-pronged approach. Despite all the contentious issues between China and India, Prime Minister Modi steadfastly positions India as a strong power, but also declared his friendship to China. Hindu nationalism certainly has an ideological 'muscular' approach.<sup>30</sup> But Modi's China policy does not overtly represent this part of '*Hindutva*'. The cooperative foreign policy concept is not likely to change after the 2019 general election.

### **Recommendations: Reduced Competition, Reinforced Conflict Management, and Strengthened Cooperation**

36. There are a number of unsettled and protracted conflicts between India and China. Both governments display quite a bit of hubris, occasionally preventing friendlier relations. With more modesty, less presumptuousness and toned down nationalistic attitudes some of the conflicts are resolvable, others—like the dire role of the Tibetans in China—have faded into the background, while others are not worth risking an arms race or even war. A more rational approach is recommended that should be based on **routine consultations and the establishment of a regular dialogue** rather than occasional summits by the heads of state.

37. In concrete foreign policy actions, the BJP-led governments spent an important part of their energies on changing India's foreign relations with Pakistan. These efforts have, however, often been disillusioned and frustrated by hostilities between India and Pakistan over contested borders in Kashmir and repeated terrorist attacks for which India holds the

<sup>28</sup> Wolf, Siegfried O. and Schultens, René (2009), Hindu-Nationalismus – (k)ein Ende in Sicht, in: Der Bürger im Staat, (59), 3-4, pp. 164-173.

<sup>29</sup> Basur; see footnote 16, p. 10.

<sup>30</sup> Basur, (Ibid).

Pakistan government responsible. China has illustrated its flexibility in other protracted conflict cases, like the Korean peninsula where China actually is on cordial terms with both the North and the South. It is recommended that India tests Chinese willingness to play a more neutral, possibly even a **mediating role** in the India-Pakistan relationship.

38. China's growing military power represents a significant challenge to India if it is seen in competitive terms. Whether such a geostrategic agenda is a useful concept is questionable, not the least because China's economic resources allow for a much more dynamic investment into the armed forces than India's. If hardliners on both sides, who perceive each other as rivals, have their way, all this could result in an even fiercer maritime arms race. If conflicts and competition between India and China (and the US, plus other allies) develop into an arms race, this would result in a massive waste of resources, if not military collusions. Usually states are rational actors, pursuing their own interests. These interests include **cost-benefit calculations** which should slow down military expenditures. However, geopolitical reasoning and zero-sum argumentation is quite familiar, both in China and in India.

39. How should the Indian government respond to the global power shifts with both the United States and China claiming a stake in Asia-Pacific and in global policies? Policy recommendations in India fluctuate between strong efforts towards autonomous military- and economically-based geopolitics and more internationalist positions such as "building robust political and economic links with both China and the U.S."<sup>31</sup> Some policy advisors argue that India needs to strengthen its military capabilities and to build up "competitive coercive capabilities."<sup>32</sup> It is recommended not to practise an either/or policy but to **pursue a balanced approach** and remain flexible in relations with the big powers.

40. To the surprise of many experts, India's Prime Minister declared in 2018 at a security conference in Singapore: "I firmly believe that Asia and the world will have a better future when India and China work together in trust and confidence, sensitive to each other's interests."<sup>33</sup> China is one of India's big and important trading partners; both countries cooperate in a number of global and regional forums; both are interested to transform Western dominance of the global governance architecture, particularly international financial institutions such as the International Monetary Fund and the World Bank. The expansionist China and the still strongly domestically-focused India could actually be complementary. It is recommended that the two governments cooperate more intensively by **putting aside their differences and emphasising their common interests**. One example could be the territorial disputes. Despite many rounds of border talks, no final agreement has been made possible so far.<sup>34</sup> India seems to push for an agreement, while China prefers to sidestep contentious issues, concentrating on the development of positive bilateral areas of interest. This could have positive effects on their relations and make their disagreements over

<sup>31</sup> Mohan, see footnote 4, p. 46.

<sup>32</sup> Singh, Zorawar Daulet (2011), Thinking about an Indian Grand Strategy, in: Strategic Analysis, (35) 1, pp. 52-70, p. 58.

<sup>33</sup> Ministry of External Affairs, New Delhi: <https://www.meaindia.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>.

<sup>34</sup> Happymon, Jacob (2015), China, India, Pakistan, in: François Godement (ed), What does India Think, in European Council on Foreign Relations, 2015, pp. 90-95.

disputed territories and their competition in the Indian Ocean, less relevant. Together, China and India could change the global power balance, with positive effects on economic development and security in Asia.

41. China pursues a two-fold strategy with regard to India's global policy aspirations. In some cases (such as climate change, trade issues within the WTO or in global finance issues within the IMF, in the deliberations of the G20 or in emerging powers forums like BRICS) the two countries work constructively together; in other forums, China considers India to be a competitor if not rival. It is recommended that **trust and confidence** is actively promoted so that Chinese reservations against an extended role for India fade away.

42. China is economically much more expansionist and bullying than India. In the West, India is considered mainly as a potential strategic partner, given its democratic and cultural heritage, while authoritarian China emerges as a dangerous competitor. The governments (and large parts of the population) in both countries are proud of their millennia old heritage. The question is whether two competing societal models are emerging in Asia: the democratic India and the authoritarian China. The West emphasises this contrast, but the **otherness of the political concepts** is, according to Indian mainstream political thought, no cause for polarisation or even conflict.

43. An Indian political commentator characterises Modi's foreign policy vis-à-vis China as a balancing act: "He is participating in Western efforts to check Chinese power, while agreeing with Xi on the need to avoid stepping on each other's toes."<sup>35</sup> Such a **flexible policy** is probably required and could ease the worries of India's neighbours about China's expansive policies. For example, Chinese investments in the BRI underscore the economic dependence of some of India's neighbouring countries. Smaller states are already in a debt-trap. This situation has led to questioning of the breath-taking pace of Chinese investments and to renegotiating agreements.

44. China, with its present drive for expansion, is not an easy partner. India is not the only country that experiences complex and at times problematic relations with China. There is also a growing mistrust within the EU about China's forceful BRI which has prompted a debate about China as a rival. Even before Donald Trump became President, the US regarded with suspicion China's emergence as a global power. If these major political and economic blocks **position themselves consistently vis-à-vis China**, this offers opportunities for India to improve its relations with China.

45. It is recommended that India **emphasises its soft power**. Soft power "is the ability to get what you want through attraction rather than coercion or payment."<sup>36</sup> Soft power is the ability of a government to co-opt other states without using hard power (such as military means or trade, which can be used as 'sticks' or 'carrots'). Indian culture, its functioning democracy and political pluralism, its free press, religious diversity, its values and cultural heritage make it an attractive partner. Even such diverse aspects as Gandhian non-violence and non-cooperation, India's cuisine, its Bollywood films, music, literature and science,

<sup>35</sup> Sengupta, Jayshree (2018), Modi's new China policy, in: Observer Research Foundation, June 7.

<sup>36</sup> Nye, Joseph S. (2004), Soft Power. The Means to Success in World Politics, New York: Public Affairs, p. X.

ayurveda and yoga are considered to contribute to India's soft power.<sup>37</sup> Political ideals, education and knowledge are part of this ensemble of soft power. It is the cultural, moral and ideological capital of the country.

46. **Values and norms matter in global governance;** it is not only the economic or military power. Even the most militarily and economically powerful nations need to consider international norms as well as public opinion about their foreign policy behaviour. For many countries, the status of India seems to be an attractive example. The image of a bureaucratic, poor and underdeveloped nation still remains, as does the trend to modernisation, but the soft power aspects are increasingly seen together with the modernisation and economic growth of India. But this image of a developing country plagued by poverty, inequality, illiteracy and high levels of violence is only one part of the Indian society. At the same time there are modern sectors that present the image of a dynamic society and economy. In the long run, this could be the more sustainable concept.

47. Given the potential of the two Asian countries, their present cooperation is still weak; there is much **scope for intensified cooperation** in political and economic areas that would not only strengthen the Sino-Indian relations but could have positive effects on multipolar global settings. The potential for future growth in trade is vast, given the fact that these are the most populous countries in the world, with a still growing Indian population. If China and India can transform their fragile and unstable relationship into something more cooperative, this could have an enormous positive impact on the two countries—and on global politics.

---

<sup>37</sup> Blarel, Nicolas (2012), India's Soft Power: From Potential to Reality?, in: Kitchen, Nicolas (ed.): India: The Next Superpower?, London School of Economics, pp. 28-33.

## The Author

**Herbert Wulf** is a Professor of International Relations and former Director of the Bonn International Center for Conversion (BICC). He worked for four years in development cooperation in India and wrote his dissertation thesis about technology transfer to India. He is presently a Senior Fellow at BICC, an Adjunct Senior Researcher at the Institute for Development and Peace, University of Duisburg/Essen, Germany, and a Research Affiliate at the National Centre for Peace and Conflict Studies, University of Otago, New Zealand. He serves on the Scientific Councils of SIPRI and the Centre for Conflict Studies of the University of Marburg, Germany.

## Toda Peace Institute

The **Toda Peace Institute** is an independent, nonpartisan institute committed to advancing a more just and peaceful world through policy-oriented peace research and practice. The Institute commissions evidence-based research, convenes multi-track and multi-disciplinary problem-solving workshops and seminars, and promotes dialogue across ethnic, cultural, religious and political divides. It catalyses practical, policy-oriented conversations between theoretical experts, practitioners, policymakers and civil society leaders in order to discern innovative and creative solutions to the major problems confronting the world in the twenty-first century (see [www.toda.org](http://www.toda.org) for more information).

## Contact Us

Toda Peace Institute  
Samon Eleven Bldg. 5<sup>th</sup> Floor  
3-1 Samon-cho, Shinjuku-ku, Tokyo 160-0017, Japan  
Email: [contact@toda.org](mailto:contact@toda.org)