India-China Relations: Vitalization of Bilateral Cooperation in the Futuristic Global Order

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ABSTRACT: Global order in the 21st century of the third millennium highly hinges upon the concretization of the relationship that exists between the Nations of the world. Albeit of UNO and other regional organizations, fissiparous tendencies and demagogic attitude predominates along the comity of Nations. Further, the world nations are now concerned to the maximum level with the economic development and cooperation. However the factor of insecurity throns the sovereignty of nations because of skirmishes here and there.

China and India have long been described as geostrategic 'rivals' sharing a history of contentious bilateral issues: from territorial disputes and divergent political ideologies, to differences on Tibet, nuclear doctrines and the Asian regional groupings. While they are competitors for interests and influences in Asia, China and India also share increasingly common interests in maintaining regional stability and order, exploiting economic growth opportunities, cooperation in infrastructure investment, securing access to global energy markets and enhancing regional multilateral economic co-operation. The main objective of this article is to analyze the existing challenges on bilateral aspects and beyond and a brief light on the future of China-India priorities on which the two countries can enhance their relationship on the areas of core mutual interests. Further it would explain the rational prospects on how China and India can engage on achieving regional stability, security, peace and prosperity.

Key Words: China, India, Bilateral, Periphery, Strategic Relationship, Contention, United Nations.

Introduction

China-India relations, also called Sino-Indian relations or Indo-Chinese relations, refers to the respective connection between the People’s Republic of China (PRC) and the Republic of India. In spite of the fact that the relationship has been genial and hostile respective issues: such as border disputes and an economic competition between the two nations that have now and again prompted stressed relations. The cutting edge relationship started in 1950 when India was among the principal nations to end formal ties with the Republic of China (Taiwan) and perceive the PRC as the genuine administration of Mainland China. Growth in diplomatic and economic influence has increased the significance of bilateral relationship. Cultural and economic relations among China and India go back to old occasions. The Silk Road not only served as a major trade route between India and China, but on the other hand is credited for encouraging the spread of Buddhism from India to East Asia.

In June 2012, China expressed its position that "Sino-Indian ties" could be the most "essential bilateral partnership of the century". That month, Wen Jiabao, the Premier of China and Manmohan Singh, the Prime Minister of India set an objective to increase bilateral trade between the two nations to US$100 billion by 2015. Bilateral trade between China and India contacted US$89.6 billion of every 2017-18, with the trade deficit broadening to US$62.9 billion to support China. In 2017, the volume of bilateral trade between India and China remains at US$84.5 billion.

The continuous rise of China and India is seen as a basic piece of the contention that the "21st Century is Asian Century". China and India have come to be known as the main "rising" economies and notwithstanding "emerging" powers regionally and globally. India and China's joined populace represents more than 35 percent of worldwide population and both are nuclear weapons holders. China is founding permanent member of the United Nations Security Council (UNSC), while India has been eager to become a new permanent at the reformed UNSC, in the future. In September 2014, Chinese President Xi Jinping paid a van visit to India and met with the recently chosen Prime Minister, Narendra Modi. During President Xi's India trip, China and India consented to a few arrangements abandoning China's immense speculation and
participation guarantees. Chinese President Xi was the first international leader to reach out to Prime Minister Modi after his election victory, even Chinese Premier Li Keqiang made his first outside visit to India on May 18, 2013 which exhibited China’s basic to have better relations with India in a quickly changing world politics and economics. Diplomatically, it was seen generally as an effective outing with accentuation on financial participation and the better administration of non-economic issues.

**Evolution of China-India Relations**

In the middle of the 20th century, the newly independent Republic of India and the “New China” People’s Republic of China (PRC) were born simultaneously. The two countries have had huge legacies from their historically rich cultures and civilizations. They became major parts of the Global South as special developing countries in the era of the United Nations. India’s first Prime Minister Jawaharlal Nehru saw China ideally as a natural ally, close to India, as both states had just fought off Western imperialism and colonialism. So did the PRC. PRC and India mutually recognized each other politically and diplomatically in the early 1950s. From the Indian side, the phrase “Hindi-Chini bhai-bhai” (India and China are brothers) was coined during this time, in the light of the 1954 Panchsheel Agreement with the PRC. With similar and even common imaginations and aspirations, the China-India relationship was based on the fragile “peaceful coexistence” principle. But, such a shared principle of the 1950s was seriously disrupted and damaged by the induction of the Dalai Lama issue in 1959 and the fiercely fought border war between the two in 1962. The border disputes and the Dalai Lama issue have been thorny issues since then. In regard of the border issue, China and India have made series of serious attempts to negotiate but unfortunately it remains a constant source of tension in the relationship, and this is probably where the neo-realist perspective most accurately interprets the relationship between the two countries. Hence, the last six decades since 1955, the core challenge confronting China-India relations has been to build sincere mutual trust and respect. The trust deficit or distrust created by both sides has delayed the improvement of other dimensions of the bilateral relations and China-India cooperation multilaterally.

On the other hand, some of China’s India experts deeply worry that with the “rise of India” to great power status, it is almost impossible to reclaim Chinese sovereignty over Southern Tibet; China has to face this reality in the China-India border areas. India, with a new political leadership has as its foreign policy focus the vigorous pursuit of geo-political influence through projecting its greater maritime power. India’s quarter century of ‘looking East’ is set to be followed by a long-term period of “acting East”. Further enhanced security cooperation with Japan, South Korea, Outer Mongolia, Australia, and the United States are the prime indicators of the new doctrine. Also, strengthening existing security ties with Association of South East Asian Nations (ASEAN) as a regional security community and expanding cooperation with islands in the South Pacific and the Indian Oceans are other dynamics underpinning this doctrine.

From the political realist point of view, one can assume China and India are both competitive and conflictive for greater economic and political sphere of influence and even regional leadership in the greater Asia. China’s military security concerns vis-a-vis South Asia’s largest and most powerful state, India, coupled with territorial disputes and the need to protect its ‘soft strategic underbelly’, i.e. Tibet, provide a key to understanding Beijing’s South Asia policy. With an increasing military build-up and a frequent-nationalistic rhetoric in both nations, some of the analysts see the risk of a China-India military conflict to be a real possibility. These contradictory processes are complicated by some degree of asymmetry between the two Asian giants as China’s political and policy elites do not appear to feel threatened by India or intentionally neglects/belittles the India threat while the Indian elites and over-sensational media seem to project a sense of insecurity with regard to China’s rise to superpower status in a globalized world system.

Nevertheless, both countries are experiencing high economic growth in the last three decades, and building a more substantial economic relationship and pursuing cooperation in international forums on financial governance, global growth promotion, environment and climate change negotiation, multilateral trade rounds, human rights and others. Parallel developments between the two countries have turned into an interesting opportunity to cooperate in several industrial and urbanized sectors. Tensions on their disputed border have considerably decreased.

China is willing to develop a good relationship with India as a crucial part of its friendly neighborhood policy. Chinese President Xi Jinping made the following remarks during a meeting with the former Indian Prime Minister Manmohan Singh on the sidelines of a summit of BRICS countries in South Africa on March 28, 2013. In that occasion, President Xi described China and India, as the world’s two largest developing nations with a similar historic mission to boost their social and economic development. “China, which regards its ties with India as one of the most important bilateral relationship, commits itself to pushing forward the two countries’ strategic cooperative partnership”.

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On the border issue, President Xi said:

"China and India should improve and make good use of the mechanism of special representatives to strive for a fair, rational solution framework acceptable to both sides as soon as possible."10

Major Priorities in the China-India Strategic Partnership

The major priority in the India-China relationship has always been that each contributes to the other’s security and, for now, partner in economic growth and development. This is an unexceptionable agenda. Paradoxically, however, India and China’s notions of how their security may be achieved pits both against each other since notions of security are intrinsic to that other objective, maximization of power. India’s major priorities in its China policy can be listed as the following: a stable South Asia; a resolution of the border conflict; cooperation on terrorism; securing its interests in the IOR and the Indo-Pacific; partnering with China on economic growth and in global and multilateral institutions. Chinese policymakers identify four concerns related to its “periphery”, which has traditionally included India: nuclearization, terrorism, third party disputes and internal political instability in its border provinces. These translate in its India policy to the following priorities: a stable periphery; establishing parity between India and Pakistan on the nuclear issue; opposing extra-regional powers on its South Asian periphery; cooperation on its “maritime silk route” initiative which translates into India’s acceptance of its naval presence in the IOR; expanding economic interests in South Asia, including India; partnering in global regimes and resolving the border conflict. Behind the similarity of most of these priorities lies a world of divergence in meaning and objectives. Stability itself takes on different meanings in the South Asian context for India and China as does the notion of extra regional powers and terrorism. However, it is evident that the core issues over which there is a contest between India and China lie in the sub-region of South Asia.11

Significance of the Sub-Region: Between Neighbourhood and Periphery

Since the middle of the last century almost all the security concerns of India, and many of China, have been located in South Asia. India has viewed South Asia as its neighbourhood and China has viewed it as its periphery. For the former, the connotation of neighbourhood is a familial one, for the latter, the experience of the periphery has always been threatening. China’s strategic interest in South Asia evolved as part of its periphery policy. However, neither has had a consistent policy in South Asia. A perception of their stakes in the sub-region as a whole has emerged in keeping with their economic and political rise and a view of threats from specific parts of the sub-region.

China’s South Asia Policy: From Periphery to Neighbourhood

China’s periphery policy was almost always about securing its periphery, internal and external. Its periphery was the site of threat to the state. The concerns over the periphery have increasingly been linked to internal stability and domestic economic growth in its backward and disturbed western regions.12 In recent years, however, China’s policy in South Asia has moved from thinking of the sub region merely as periphery to viewing it as a neighbourhood. As Chinese president, Xi Jinping, announced in his visit to Delhi last year, China has economic interests in South Asia and views the countries of South Asia as “cooperative partners” in a joint quest for prosperity.

In fact, between 1962 and 9/11, China’s South Asian interactions have been the weakest link in its Asian and global foreign and strategic policy. While the “enduring” relationship with Pakistan took care of the India factor, China’s chief security concern in the 1980s was the Soviet threat. However, turn of the century events—the war on terror, the re-emergence of the United States in the region, the rise of India, unrest in Tibet and China’s own trade, investment and resource trajectories—have dictated a reorientation of its policies in the region.

The strategic value of the region emerged initially because of a conjunction of two events: Pokhran II in 1998 and the American attack on Afghanistan after 9/11. The Indian state’s reasons for Pokhran II in 1998 placed China at the centre of India’s security concerns even though early statements were later moderated. China opposed this view but was forced to notice that Indian strategic policy no longer focused entirely on Pakistan. Once again Pakistan became a frontline state for the military venture in Afghanistan, this time without China’s close involvement and as a non-NATO ally of the United States. China’s concerns for its western provinces and the presence of the US on its western flank meant that for the first time serious security issues were located in South Asia. Strategic and economic changes in South Asia, however, also gave Beijing an opportunity to enlarge and deepen its relationship with South Asian states making China an important factor in South Asia’s strategic and economic future. Beijing’s "single dimensional and
Limited policy” towards South Asia has therefore changed remarkably. This was reflected at the 17th Party Congress in 2007 where a major reference to periphery first appeared as a policy guideline espousing cooperation, partnership and stability. If China was to look forward to a harmonious world and region, it was argued it could do so only in the context of a harmonious periphery. Consequently, periphery policy has been reinstated as a central aspect of China’s foreign policy recently. Its significance for domestic stability and foreign policy objectives are repeatedly listed. Broadly, Chinese policy makers identify four concerns related to China’s periphery: nuclearization, terrorism, third party disputes and internal political instability in its border provinces. While the PRC’s periphery policy is designed to look at all parts of its periphery and each applies in different ways to specific areas of its periphery all of these concerns are part of the problems it confronts in South Asia. The PRC’s policy responses to deal with these potential causes of instability are conflict reduction, crisis prevention and conflict mitigation. In the recent past it has moved from this defensive set of responses to a more assertive one of showing the flag in crisis areas. Elsewhere on its periphery China has moved to create or support mechanisms to activate these policy responses even when they have been less than successful as with the Six Party Talks (North Korea) or the Code of Conduct in the South China Seas. In South Asia only one of these responses has been tried by China, that of crisis prevention. However, if it is to make its South Asian periphery stable China will need to activate all three aspects of its policy responses. This will demand a radical rethinking of the premises of its South Asia policy, especially its India policy.

A consequence of the changes in the global and regional environment is that South Asia has moved from being regarded merely as a periphery to being regarded as a neighbourhood. This has implications for new policy initiatives and therefore China’s responses have changed from the purely security and military to economic and strategic. India, for example, is now cast not just as a target for China’s security policy but as a cooperative/competitive/strategic partner. Engaging India at both the political and economic levels is built into the new perspective. The relationship with India, it is argued, is “the core in the chain of relationships between China and South Asia.” While Pakistan still remains an “all weather friend”, China now views the Indian economic relationship and Pakistan’s strategic relationship as the “dual pillars” of its South Asian policy, disregarding in the process the incongruence of this policy from Delhi’s perspective. China’s relations with other South Asian nations have also been rejigged from a primarily military relationship to one where investments in energy and resource production and transportation imperatives are more prominent. China’s efforts to deal with South Asia as a region are behind its acceptance of observer status in the SAARC. Clearly domestic economic policies and sub-regional economic connections, as much as security concerns, drive much of its new policies in South Asia.

Multilateral Cooperation

Interestingly, China and India have more cooperation multilaterally than bilaterally. It appeared that China and India are using multilateral structure to facilitate their bilateral relations. They have sound cooperation in multilateral forums including Russia-India-China (RIC), BRICS, and G20. China shares a great deal of common interests and goals with India in global and regional issues, especially those related to promote the interests of developing countries, economic development, trade regimes, climate change, and human rights. The voting behaviors of the two countries in these issue areas are similar in many international organizations/institutions and settings. However, China is particularly concerned with its regional security situation, which is closely related to its relationships both with India and the United States.

China is particularly sensitive to any new security and military relationship established between United States and India, as many in China’s defense establishment view US actions as designed to strategically encircle China in Asia and the Pacific region. Along with the military presence in Afghanistan, bordering China, since 2001, the United States has strengthened its military ties with Japan, South Korea, and the Philippines, Singapore, Australia and other regional players. Recently, the United States has enhanced security cooperation with India and Vietnam that once fought border wars with China and has existing territorial disputes with these countries. India’s increasing military ties with the US and Japan can be seen as more of a precaution against China than an outright anti-China move.

India’s UN Security Council Bid

In the late 1990s India showed its strong desire to occupy a permanent seat on a reformed United Nations Security Council. Seeking China’s support thereafter became an important element of India’s China policy and main topic at meetings between the two nations’ leaders. Both China and India have vowed to
work together to promote reforms to the UN Security Council and enhance representation of the developing countries. In the April 2005 joint statement, China and India reemphasized the importance of the UN in global peace, stability and common development and expressed their determination to continue their efforts together with the international community to strengthen the UN system and develop a sound multilateral basis from which to address global issues. India is continuously reiterating its aspirations towards permanent membership of the UN Security Council. China has acknowledged India as an important developing country which has a growing influence in the international arena and supports India’s aspirations to play an active role in the UN and international affairs. In May 2015, during Prime Minister Modi’s visit to China, both China and India vowed to support a comprehensive reform of the UN, including recognizing the imperative of increased participation of developing countries in UN affairs and governance structures. Although, China’s attitude toward India’s interest in seeking a permanent seat in Security Council has never been explicitly announced. On the one hand, Beijing confirms that it would like to see India play a more important and active role in Asia and in global affairs. On the other hand, Beijing has to take into consideration the interest of its close ally Pakistan, which vehemently rejects India’s bid for a permanent seat.

Regional and Sub-Regional Cooperation

China does not openly contest India’s political prominence in South Asia. China’s policy towards South Asia has limited aims, it has no ambition/intention to get involved deeply in South Asian regional issues unless it identified the issues ascertaining to China’s security and economic interests. China did not expand its relations with South Asian countries to all fields, even in the last two decades of the 20th century. After China’s “open up and reform” strategy came under way, China ranked economic interests as the main issue in its relations with many countries and regions, such as Southeast Asia, Europe and Africa. China has used its stronger trade/investment ties with some countries to reduce the fundamental political disputes between them, such as the US and West Europe, but the relationship between China and South Asia was still quite traditional and focused on military and political issues.

After the beginning of 21st century, China’s economic and bilateral engagements with South Asian countries including India have grown. China has deepened cooperation in the field of trade, investment and agriculture within the SAARC framework since it gained observer status in 2006. Thereby, from 2013, every year, China has started to organize ‘China-South Asia Expo Fair’ to enhance and promote regional cooperation with South Asian countries. No doubt, the trade between China and the member-countries of the SAARC at the bilateral level are likely to increase manifold if China becomes a full member of the bloc and plays a greater role in the South Asian Free Trade Agreement (SAFTA). China is willing to participate and make significant contribution on progress of economic integration of South Asia as part of Beijing’s multilateral diplomacy. Additionally, it is understandable that China’s diplomatic pragmatism has allowed for a gradually changing economic status quo in South Asia. The changing relationship between China and India have big impacts in their neighborhood too. The growing interest in economic security will reduce rivalry between China and India in their Neighborhood. It is clear that Sino-Indian relations have a significant effect upon geopolitics in the South Asian region, and thus upon peace and stability of South Asia.

China-India policy under the New Political Landscape

The leadership of the Chinese President Xi Jinping and Indian Prime Minister Narendra Modi appears entrepreneurial; both being transformational leaders reshaping their own domestic and global identities. China and India are fast developing countries with growing global influence. It is natural that more and more attention is being attached to their leaders and decision-makers. We have watched closely that both Chinese and Indian leaders are aware of their differences and despite that have realized the importance of bilateral cooperation to avoid conflicts. Both leaders hope to find common ground for their countries despite strategic tensions and a long-standing border dispute.

In their foreign policies, both have shown pro-active pragmatism on good neighbourly relations. Apart from this, Prime Minister Modi has repeatedly emphasized that in the foreign-policy sphere, his priority lies in economic diplomacy. He is intensely conscious of the fact that his mandate in the last parliamentary elections emanates out of the pledges he made with regard to steering India’s economic development and good governance. Consequently, during President Xi’s visit, economic edge has been sustainably exposed. The Chinese government has committed US $30 billion, including some business deals signed by Chinese companies to import products worth US $3.6 billion from India, the setting up of two industrial parks and in developing a fast train corridor and a new strategic road. And this implies an
enormous increase in Chinese investments in India so far. Moreover, Modi government’s emphasis is on infrastructure development and building up India’s manufacturing industry. As China-India has agreed to consider cooperating on a prestigious High Speed Rail project, the railway system in India has been identified as a major area of cooperation with China assisting in introducing faster trains on lines connecting the big cities. China is providing training for Indian railway officials, engineers and is also assisting in the redevelopment of existing railway stations and as well the establishment of a railway university in India.

Conclusion

Both India and China expect a peaceful rise and both countries are finally interlinked through globalization. The common social, environmental and security threats China and India are facing are forcing them to work together for bilateral, regional and global solutions. Cooperation is the only rationale that both countries can choose for their fundamental and long-term mutual benefits. There are also several key areas of economy and security in which both countries, if they cooperate, can achieve mutual gains.

China and India have already emerged as the two largest economies in the global economic system. In many serious predictions such as Global Trends 2030 by US National Intelligence Council, China and India will surpass the US separately to be the two dominant leading economies. The "economic interdependence" or "economic cooperation" between China and India at various levels would be a key to secure the China-India domination in the global economy.

Globally, with common grounds in multilateral diplomacy by strengthening the new frameworks such as the BRICS, China and India would support each other to lead the Global South to realize a new world economic order. Regionally, the progress of economic regional integration in Asia is not up to China-Japan or China-ASEAN cooperation, but up to China-India cooperation. Currently, several fresh significant initiatives sponsored by China and in which India has participated including the AIIB, New Silk Road, BCIM and others continentally and on the seas, will further escalate the realization of the dream of the Asian Century. China is offering India a decent role in such non-Western dominated international institutions, and it appears India would eventually incorporate Chinese efforts to rebuild the world economic order.

The enhanced relations between India and China can best be characterized as one of global cooperation on transnational issues especially vis-à-vis the West’s geostrategic rivalry at the regional level, in the form of growing commercial exchange and in some cases bilateral trade, investment and competition. Of course, nobody ignores the harsh realities of China-India relations. Even someone who cheers China and India’s new approaches to improve and advance the relations admits privately or even publicly the difficulties involved. However, no matter the difficulties, it is clear that the relationship will be a crucial strategic partnership of Asia and the Global South.

Overall it is quite clear that there is much cooperation rather than just trade and investment between China and India. What is hindering cooperation between China and India is lack of mutual strategic trust, historical disputes and ‘perceived threat’ of China by India. It is high time that both China and India start emphasizing on resolving the real border issues so that the relationship gets boost and which ultimately would forge a greater and friendlier cooperation. China and India need to see and acknowledge existing changes, so they can deal with the changes in the new situation by using a rational attitude and by truly grasping the new opportunities of historical development in order to achieve ultimate objectives.

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15. For example on the border confrontations with India the response has been to add more mechanisms to avoid a confrontation and on the ethnic problems on the PRC-Myanmar China has opted for mediation and conflict mitigation.
16. He Yailin, op.cit, n.7.