The Future of China-India Relations

CHINA and India are rising almost simultaneously. Their bilateral relationship is of critical significance to the regional and world pattern, but this relationship is very complicated. With the advancement of the Belt and Road Initiative (BRI) in South Asia and India Ocean Region, India's strategic suspicions of China have accumulated. Indian strategists government believe that there is some geostrategic design behind the BRI. India has adopted opposing, delaying, and hedging measures toward different parts of the initiative. Donglang (Doklam) standoff revealed India's strategic ambition and its dissatisfaction towards China's regional policies. India hopes to counterbalance China through strengthened strategic and security cooperation with countries including the United States (US), Japan, Australia, Vietnam, etc. However, the Sino-Indian relationship is, in essence, a competitive symbiotic relationship. India's China strategy must still strike a careful balance between cooperation and competition, economic and political interests, and bilateral and regional contexts. President Xi and PM Modi have reached many consensuses during Wuhan informal meeting, but India's adjustment of policy towards China is a tactical one, not a strategic one. It is very difficult to change the mindset of India's strategic elites who will decide India's policy towards China in the future.

China-India Relations: Cooperation and Disputes

As two members of G20 and Brazil, Russia, India, China and South Africa (BRJCS), China and India share extensive common interests on issues such as the reform of the international financial system, climate change, and international trade negotiation. Especially in the face of unprecedented changes in the world today as well as uncertainty and instability in the current international situation, it is necessary for the two countries to enhance cooperation against the backdrop of rising protectionism in the West, especially the 'America First' doctrine championed by the Donald Trump administration and the apprehensions of a China-US trade war. China and India have also cooperated on myriad regional issues like regional economic integration, the Afghanistan issue, and the crackdown on terrorism. China is one of India's largest trading partners, and their economic collaboration will inject vigorous impetus to the Indian economy.

Admittedly, there are many unsolved questions left over by history between China and India, among which the border dispute is the biggest obstacle to the bilateral relationship. The Sino-Indian border issue is a very complex one and has been brewing since the British Imperialist invasions of India and China. In the 1960s, a military conflict erupted between China and India over territorial misunderstandings. That conflict became an excuse for India to rejuvenate its arms inventory culminating in India becoming a full-fledged Nuclear Power. Besides the boundary problem, other issues such as China-Pakistan relations, Dalai Lama issue, trade deficit, and water resources issue also hinder the promotion of China-India relations. These problems

force India into harbouring a deep-seated distrust towards China. Especially with the growing economic gap between China and India, some Indians are losing self-confidence gradually when they look at China. The Indian mass media and some Indian strategic scholars frequently propagate ‘Chinese incursion’ and ‘China threat’ which ex-poses their lack of confidence. This distrust among the two countries can be exploited by some Western countries to disrupt Sino-India relations.

India-The-Future-of-South-ABESIDES, with the swelling of China’s economic activity in South Asia and the Indian Ocean, especially in recent years with the-advancement of the BRI, India’s strategic suspicions of China have aggravated. Some Western countries have taken advantage of this to fan the flames of the strategic competition or even confrontation between China and India. Western scholars forged and hyped China’s ‘String of Pearls Strategy’ in the Indian Ocean, and the Indian side accepted it.

India’s Attitude Towards the Belt and Road Initiative

The BRI is the top-level design of China’s opening-up and its economic diplomacy in the new era. It is a geo-economic initiative. In the report delivered at the 19th National Congress of the Communist Party of China, we can find that the BRI has both internal and external implications. Internally, the BRI is one of the concrete measures of balancing regional development, together with the coordinated development of the Beijing-Tianjin-Hebei region, and the development of the Yangtze Economic Belt. Externally, the BRI is the priority of making new ground in opening China further through links running eastward and westward, across land and over sea, by giving equal emphasis to ‘bringing in’ and ‘going global’, following the principle of achieving shared growth through discussion and collaboration, and increasing openness and cooperation in building innovation capacity.

India’s position and role in the BRI are significant. India is regarded as one of the four key countries along the BRI by some Chinese experts. It is not only because of India’s population, labour resource, and a huge market but also because of India’s political influence over the South Asian and Indian Ocean countries. India’s attitude towards BRI will affect these countries’ positivity to participate in BRI, and China needs India’s cooperation on terrorism, regional stability, and security of BRI.

When China initiated the twenty-first century Maritime Silk Road (MSR) in 2013, the then Indian Prime Minister Manmohan Singh and his national security advisor Shivshankar Menon expressed support and interest. However, the incumbent Prime Minister Narendra Modi changed India’s attitude toward the MSR and BRI after he came to power.

Indian strategists and the government believe there is some geo-strategic design behind the BRI. Some Indians think that the twenty-first century MSR is just an alternative name that sounds more pleasant and is used to replace the ‘String of Pearls’

strategy. Also, some strategists regard the Bangladesh-China- India-Myanmar (BCIM) and the China-Pakistan Economic Corridor (CPEC) as parts of the twenty-first century MSR because both corridors lead to the Indian Ocean. India opposes CPEC and delays the process of the BCIM economic corridor and puts forward its own interconnectivity projects. India initiated Project 'Mausam', Cotton Route, Spice Route, or Sagar Mala projects, and upgraded its 'Look East' Policy to 'Act East' Policy, to hedge the twenty- first century MSR. India is very active in driving Bangladesh, Bhutan, India, and Nepal (BBIN) and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIM-STEC).

MOREOVER, the Indian press has also given much coverage to the US plan to restart the New Silk Road and the Indo-Pacific Economic Corridor initiatives, both of which they claim will rival Beijing's BRI and New Delhi will play an essential role in it. India also speeded up its cooperation with Iran and Afghanistan to build Chabahar Port and International North-South Transport Corridor (INSTC). One week after the forum met in Beijing, India held the 52nd Annual General Meeting of the African Development Bank Group in its western State of Gujarat. At the meeting, PM Modi pitched for an 'Asia-Africa Growth Corridor AAGC', in actuality a duplication of the 'freedom corridor' designed by his Japanese counterpart Shinzo Abe during his Japan visit in November 2016. In the eyes of Indian media outlets, this Asia-Africa connectivity initiative is a counter to China's BRI.

India's reaction toward the BRI is a part of its Indo-Pacific strategy. It has four features. First of all, India gives precedence to geopolitics over geo-economic cooperation. Second, the Indian hedging strategy toward the BRI has very strong military and strategic implications. The BRI is an economic cooperation, and China will invest a large amount of capital along the route that India cannot match. So, India is determined to adopt an asymmetrical strategy to secure a dominant position in the Indian Ocean. Third, India enforced its military and strategic coordination with the US, Japan, and some South-East Asian countries which have islands disputes with China in the South China Sea. Now, India, the US, Japan, and Australia are talking about building 'Quad 2.0'. Last, there is a convergence of values and norms between India and western countries towards the BRI. After the BRI forum held in Beijing, Indian mass media and scholars slandered in-discriminately that the BRI violates other country's territorial integrity and sovereignty, lacks transparency, and makes States along the belt and road fall into the debt trap. India demands that connectivity 'must be based on universally recognised international norms, good governance, the rule of law, openness, transparency, and equality'. India enhanced its cooperation with the US and Japan in Sri Lanka and the Maldives to counter the BRI influence, 'trying to wean Sri Lanka away from the debt trap created by the Chinese'.

MY considered view is that India views the BRI and the CPEC projects as China's measures to dominate Asia and establish its status as a global power. Chinese investment and infrastructure construction in South Asia, the Indian Ocean, and along

its border are seen as aggressive attempts to surround India and strangle its strategic space. Given this, it is unsurprising that India's reaction is to strike back resolutely and not allow China to gain any strategic advantage. India's thinking was clearly reflected in its behaviour at Donglang. India orchestrated the standoff not just to guarantee the security of the Siliguri Corridor-India's sensitive 'chicken's neck' connecting its central and north- east regions, but more importantly to jeopardise China's BRI. In this way, it can reverse its strategic disparity with China in South Asia and the Indian Ocean Region and tighten its grip on small countries there. Donglang stand- off revealed India's strategic ambition and its dissatisfaction towards China's regional policies.

Indo-Pacific and Its Two Trends

'Indo-Pacific' has emerged as a new geopolitical term in recent years. The concept was first developed by Australian and Indian scholars in 2007 and promoted by Americans after the Obama administration put forward the strategic rebalance toward the Asia-Pacific. With Trump administration officially launching the 'Indo-Pacific' strategy, the US, Japan, Australia, India, Indonesia, and some other South-Eastern Asian countries have formed their own 'Indo-Pacific' strategies, although sometimes they are not included in this term. The aim of the US 'Indo-Pacific' geostrategy is to balance and even contain China's increasing influence in the Asia-Pacific region and the Indian Ocean, with the help of some countries in the region. Now the US wants to play a leading role in integrating these countries' Indo-Pacific strategy and counterbalance China's BRI.

The US places high importance on the role of India in its so-called Indo-Pacific strategy aimed at containing China. For the US and Japan, India is the 'linchpin' in the Indo-Pacific geo-strategic system. Many Indian officials and scholars appreciate this idea. India had thought it might improve its international status and receive financial support from the US and Japan in return for acting as a counterbalance against China and its BRI through the Pacific strategy and the 'Quad' grouping. The term 'Indo-Pacific' has appeared frequently in recent years in Modi government's official documents. However, the Indian government and scholars have different perspectives from the US and other countries on this point. For India, the so-called Indo-Pacific strategy should have at least three pillars: military, economic and commercial besides value, norms, and international law.

However, the US is unlikely to respect India's national interest in its Indo-Pacific strategy. For the US, the Indo-Pacific extends from the west coast of India to the west coast of America and does not include the whole of Indian Ocean. Moreover, the Trump administration's policies on Iran, Afghanistan, Pakistan, and trade and climate change are all harmful to India's development circumstances.

India also cannot get enough financial support and investment from the US and Japan to develop its infrastructure, while the advancement of the BRI in the past several

years shows that China has both the willingness and capability that India needs. The US and Japan both play a double game towards China and India. It is interesting that Japan put forward the Partnership for Quality Infrastructure and the Asia-Africa Growth Corridor in words with India while also being eager to cooperate with China on the BRI. Even on the CPEC, which is the main bone of contention between China and India, the Japanese ambassador to Pakistan had said that Japan might be open to helping further the project.

The US, Japan, and Australia had talked for a long time to build an alternative to the BRI in this region. And recently, the US Senate passed the Better Utilization of Investment Leading to Development, or BUILD Act, which will create a new US government agency-the US International Development Finance Corporation. The US promises to provide $60 billion to help the world's impoverished areas to build infrastructure and develop their economy.

Will the US fulfill its promise? Only time will tell.

AS for the Indo-Pacific strategy, what the US wants first is to build an exclusive military group 'Quad', because the US enjoys some ad-vantages in the military field. Washington changed the name of the Pacific Command to the US Indo-Pacific Command. On 6 September 2018, in New Delhi, the US Secretary of State Mike Pompeo and Defence Secretary James Mattis held talks with their Indian counterparts-the incumbent External Affairs Minister Sushma Swaraj and Defence Minister Nirmala Sitharaman. The US and India signed the Communications Compatibility and Security Agreement (COMCASA) and agreed to hold joint exercises involving the Air Force, Navy, and the Army of the eastern Indian coast in 2019. The two plus two ministerial dialogue mechanism has long been established between the US and its regional allies such as Japan and Australia. With the establishment of such an arrangement between the US and India, a similar two plus two ministerial dialogue mechanism between India and Japan was established in late October when PM Modi visited Japan. It is expected that the Australia-India strategic cooperation mechanism will also be further upgraded. If so, the formation of a quadrilateral security dialogue comprising the US, Japan, Australia, and India is not far away.

India hopes to counterbalance China through strengthened strategic and security cooperation with countries including Japan, Vietnam, and the Philippines. It is also reinforcing collaboration with the US. On the one hand, India hopes it could rely on the US to counterbalance China; on the other, it does not want to lose strategic independence and degrade into a pawn of the US. However, as seen in the interactions between India and the US, there has been more and more convergence between India's China strategy and the US' Indo-Pacific strategy.

Now, in the so-called Indo-Pacific region, there are two different propositions. One

underlines its geopolitical and geostrategic significance, advocating the establishment of a political, military, and value alliance from the Pacific Ocean to the Indian Ocean. The other demands countries within the region conduct economic cooperation, expanding the industry chains and financial networks of North East Asia to the Indian Ocean Region to provide impetus to the economy. The latter is embodied in the BRI of China. India holds a critical position in both propositions. In the first proposition, constructing an 'Indo-Asia-Pacific' from the geopolitical perspective may lead to military and strategic competition or conflicts, while in the second, which emphasises geo-economic significance, there will be more cooperation.

In his keynote speech at the 17th Shangri-La Dialogue held in June 2018 in Singapore, the incumbent Indian Prime Minister Narendra Modi emphasised more cooperation with China, calling Beijing a 'major partner' and praising the two countries for their maturity and wisdom in managing differences and ensuring a peaceful border. The Indian leader criticised protectionism and put forward a vision for the Indo-Pacific region that differs from New Delhi's former policy declarations and diplomatic moves, which disappointed Western media that had anticipated the siege of China by India's alliance with Japan and other countries. In the speech, Modi seems to avoid referring to the Quadrilateral Security Dialogue with the US, Japan, and Australia. He defined the 'Indo-Pacific' as a geographical concept rather than a strategy.

The Wuhan Meeting and the Essence of China-India Relationship

BOTH China and India drew some lessons from the Donglang standoff in the summer of 2017, which set bilateral relations at a low ebb. On 27-28 April 2018, the incumbent Chinese President Xi Jinping held an informal meeting with Indian Prime Minister Narendra Modi. The meeting, which took place just over a month before the Shanghai Cooperation Organization summit that Modi had decided to attend, reflects India's urgent desire to boost relations with China. The informal meeting also shows that China is willing to receive Modi with extraordinary treatment and that it respects India as a major power. The informal meeting was a result of China and India's coincidence of interests in the international sphere. Xi and Modi, as the leaders of the two largest developing countries, feel that the two countries need to deliberate on some of the long-term strategic issues embedded in their bilateral relations and international affairs. President Xi Jinping and Prime Minister Modi reached a broad consensus on the overarching, long-term and strategic issues of global and bilateral importance. The success of Wuhan informal summit shows the essence of China-India bilateral relationship.

First of all, there are some competitions between China and India, mainly in geopolitics, the trade market, energy, etc., but these competitions are not necessarily cut-throat and zero-sum. China and India can cooperate if they have mutual trust. In fact, China and India do have good cooperation in many fields, such as energy and anti-terrorism.

In addition to the competition, Sino-Indian symbiotic relationship can be divided into four levels: First, as two big powers that rise simultaneously, China and India possess similar positions in the current international system. They are beneficiaries of the current international system, but at the same time, they are constrained by this system and suppressed by the dominant power in the system. They want to improve and reform this system. So, China and India have common interests on many global issues, such as the reform of the international financial system, climate change, WTO negotiation, and so on.

China and India led the development of human civilizations since ancient times but were bullied by the West in modem history. If the two emerging economies can develop their relations into an intimate partnership and a new type of major-country relations, there is great hope for the rapid rise of China and India and the revival of Asia. However, western countries may not be resigned to losing leadership and dominance over the world that have lasted hundreds of years.

As the world is undergoing profound changes, Beijing and New Delhi should ponder whether to promote the rejuvenation of Asian civilizations or to fall into conflict and confrontation because of the West's conspiracy to drive a wedge between them. If China, India, and other BRICS countries failed to consolidate on these global issues, they would be crushed one by one by the dominant power in the system and lose chances to rise again forever.

SECOND, in the trilateral relations of China, India, and the US, the promotion of India's status benefits from China's rise. China's development and growth is the prerequisite for India's growth that western countries regard.

The US just wants to utilise India to counterbalance China. If there is a conflict between China and India, India would have to face the pressure from China alone, as the Donglang standoff showed. But if India surpasses China, it will definitely replace its neighbour as a target for the US. The largest source of uncertainty and instability of the world today is the US President Donald Trump's foreign policy. Over the past 30 years, India's stalled reforms made it miss the Golden Age of Rapid Globalisation, while China successfully seized the opportunity and achieved rapid economic growth through reform and opening-up. After Modi came to power, he was quick to learn from the Chinese model and become part of the global industrial chain by promoting 'Make in India' and taking up comprehensive reforms. How- ever, with a wave of anti-globalisation sentiment-particularly Trump's 'America first' doctrine-in recent years, the western countries have established trade barriers to restore their manufacturing. China became the new standard-bearer of globalisation.

Third, as two neighbouring powers in Asia, both China and India need a peaceful and stable periphery to develop their economies. Statesmen in both countries know clearly

that development is the primary task for their country, and growth requires stable and conducive circumstances. So, it is a common task for China and India to maintain the stability of the region. This is the determinant factor that encouraged China and India to solve Donglang Standoff peacefully in 2017 summer.

At last, the Chinese and Indian economies are complementary. Since they are symbiotic, they could provide nourishment to each other for their partner's survival and development at least in theory. Sino-Indian bilateral trade developed quickly in the past ten years, and the trade volume has surpassed US$80 billion in 2017. Although Indians complain that there are some problems in bilateral trade structure, and the Indian trade deficit is too large, China is opening its market to Indian goods. China and India have a large room to cooperate, especially in infrastructure construction.

CHINA has massive amounts of capital and rich experience in the development of infrastructure, while India needs to improve the construction of infrastructure facilities but lacks finance. Sino- Indian cooperation in this field will benefit both sides. Indian senior officials have publicly welcomed Chinese investments on many occasions. Just after the Donglang standoff, in a meeting with China's Minister of Commerce Zhong Shan in Manila, the Indian Commerce Minister Suresh Prabhu called for more Chinese investment in India and said there would be 'facilitating measures, including in SEZs [special economic zones]'. In fact, India wants to utilise China's abundant resources.

The Future of China-India Relations

The Nonalignment 2.0 report of 2012 warned and mentioned that India's China strategy must strike a careful balance between cooperation and competition, economic and political interests, and bilateral and regional contexts. It further added, "Given India's current and future asymmetries in strength and influence, 'India must grasp the essence of this balance. This may be the most important challenge for India's strategy in the future." Nevertheless, the Modi government has not achieved this balance in the past four years. The failure led to a months-long border standoff in Donglang in 2017 had brought India and China on the brink of a military conflict.

It is hard to say whether New Delhi will achieve this balance in the future.

At the Shangri-La Dialogue, Modi's remarks about India's role in the Indo- Pacific region and its maritime strategy have obviously shown his ambition to expand India's maritime power. Although Modi did not mention the Quad at the summit, the US, Japan, Australia, and India will continue to hold talks and discuss cooperation. The four-nation military alliance is the core of the Indo-Pacific strategy. India will continue its efforts to expand its Indo-Pacific strategy from a security network to economic cooperation, and strengthen ties with Japan, Australia, Singapore, the UK,

France, and other countries. By promoting the Asia-Africa Growth Corridors and other mechanisms to expand spheres of influence, India is trying to oppress China's influence through the so-called International Laws and Rules.

President Xi and PM Modi have reached many consensuses during their informal meetings, including enhancing cooperation under the framework of BCIM and 'China-India plus' cooperation, but putting those consensuses into practice remains a big challenge for Modi. Diplomatic and strategic elites in India should ramp up efforts in this regard. However, a great number of them have been beset by stereo-typical mindsets including the sphere of influence, regional hegemony, and a Cold War mentality. They are also calculative and unwilling to make even the smallest sacrifice and are adept at linking their perceived trivial losses to the bilateral ties with China. From the aspect of domestic politics, by making anti-China waves, Indian politicians can shift public attention from domestic contradictions, bolster national morale, and pull votes; and the military can get budget! From the aspect of international politics, by the same analogy, India can obtain advanced weaponry and technologies from western countries. Therefore, the barrier to implementing those consensuses remains formidable.

FURTHERMORE, India's adjustment of policy towards China is a tactical one, not a strategic one, although both the top leaders have met several times after the Wuhan informal summit, and some consensus has been implemented too. India wants to get better development opportunities and realise some domestic political goals through this shift. The most urgent task for PM Modi is the general election in 2019. As the former Indian Foreign Secretary Shyam Saran noted after the summit, 'Modi-Xi summit gives India the chance to expand its diplomatic options in the neighbourhood and beyond.' The only effective instrument for managing India-China relations will be a significant, sustained and rapid development of India's economic and security capabilities, thus narrowing the power gap between the two Asian giants.

The direction of Sino-Indian relations is determined in mid-term at least, but border issue is still a yoke in bilateral relations, although the two special representatives, Indian National Security Advisor AjitDoval and the Chinese State Councillor and Foreign Minister Wang Yi just held excellent talks on border affairs at Chengdu. The 1962 conflict had created a deep trust deficit between China and India. India had some domestic reflection on the Sino- Indian conflict of 1962 and Nehru's policy towards China at that time, but no consensus was achieved. The Indian government never revealed to the public the Henderson-Brooks Report that summarised the reasons why India was defeated. A coherent or similar view of history will play a decisive role in the peaceful resolution of the Sino-Indian border problem. It is necessary for the Indian government to uncover the truth of Sino-Indian boundary conflict to the Indian people; and facilitate the Chinese and Indian scholars to conduct joint research on some historical problems, to alter both sides' longstanding misconceptions.

Today, both countries' top leaders play the main role in the management of bilateral relations. In the future, different levels of people-to-people exchanges will be key to improving the relationship. But it is tough to change the mindset of India's strategic elites who will decide India's policy towards China in the future. There remains a long road ahead for China and India.