

BUILDING CHINA-INDIA RECONCILIATION*

Shen Dingli

China and India have had largely peaceful relations over thousands of years. However, despite having long ago agreed to coexist on the basis of peaceful coexistence, border disputes have marred their relationship. More recently, the two countries have declared a strategic partnership and strengthened their economic interaction; but they suspect each other on a range of issues besides their border, such as the Dalai Lama, nuclear proliferation, and the policies of Pakistan and the United States. This article suggests ways to moderate Sino-Indian tensions by offering some non-realist approaches. It proposes peaceful coexistence as a higher priority than national sovereignty. It suggests how Beijing and New Delhi may forge a constructive partnership, a process they have already started.

Key words: Sino-Indian relations, reconciliation, politics in East Asia, partnership

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Introduction

China and India are two ancient world civilizations. For centuries, these two countries have peacefully coexisted, though in ancient times, the notion of “country” was quite different from the contemporary nation-state. The two countries have shared some common cultural legacies such as China’s importation of the Buddhist religion from India.¹ China supported India’s independence and the two countries collaborated on coining the Five Principles of Peaceful Coexistence in the 1950s.

However, their rift over border disputes in the early 1960s has undermined their relations profoundly.² Ever since their armed conflict along the border area in 1962, their relationship has been dominated by mutual suspicion and resentment. Each party has its own reason to feel dissatisfied: China regrets having not kept the land it claimed and acquired after winning the border clash in 1962, while India feels humiliation as its army was routed by the Chinese military at that time.

This frozen relationship began to thaw following Indian Prime Minister Rajiv Gandhi’s visit to Beijing in December 1988. Since then the two countries have made political and military arrangements in order to assure peace and tranquility in the border area. Presently, China and India have agreed on a host of confidence-building measures (CBMs) to avoid a crisis along their line of actual control (LAC). Indeed, there has been no report of any clash whatsoever in the region, thanks to their efforts at mutual self-restraint.

In the meantime, China and India have been accelerating their economic and trade cooperation. In 2009, their trade totaled \$43 billion, making China India’s second biggest trading partner.³ Lately India’s government has claimed to set up Chinese language

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1. For a collection of essays on India’s culture and contemporary society, see Wu Yongnian, *Tian Zhu Xin* (India’s Heart) (Shanghai: Shanghai Translation Press, 2002).
 2. The Chinese side considers that Neville Maxwell’s book has fairly accounted for the cause of the war. See Maxwell, *India’s China War* (New York: Pantheon Books, 1970).
 3. PRC Ministry of Foreign Affairs, “China’s Relations with India,” at

courses in Indian schools, to better prepare for dealing with China in the 21st century. By various measures, Sino-Indo relations are steadily improving.⁴

Nevertheless, the two countries still have a complex partnership that somewhat belies the “strategic partnership” they profess. India may feel that an ever rising China challenges its standing. China seems upset by the closer relations between India and the United States, especially as America is going to arm India and help modernize India’s economy, aiming to check and balance China.

Their border dispute is essentially what has brewed the deep distrust between China and India, though another major factor is their ever increasing economic disparity despite India’s outstanding growth.⁵ At a time of fast economic development in both countries, it is hard for either of them to make a territorial concession to the other. Also, in the Internet age, nationalism in both countries has limited their flexibility to deal with sensitive issues of sovereignty.

This article attempts to untie Sino-Indo complexities by utilizing non-realist approaches. It aims to reconcile their relations by assigning peaceful coexistence a higher priority than national sovereignty. In fact, the argument here favors the so-called Gujral Doctrine of “giving without asking for reciprocity,” extending it beyond Bangladesh, Bhutan, the Maldives, Nepal, and Sri Lanka, countries that Indian Prime Minister Inder Kumar Gujral’s five principles of the 1990s had applied to guide India’s foreign relations with some of its immediate neighbors.⁶

www.fmprc.gov.cn/chn/pds/gjhdq/gj/yz/1206_42/sbgx/.

4. For some reviews of Sino-Indian relations, see Richard Weixing Hu, “India’s Nuclear Bomb and Future Sino-Indian Relations,” *East Asia*, vol. 17, No. 1 (Spring, 1999), pp. 40-68, and Sun Shihai, “Sino-Indian Relations toward the 21st Century,” in *Asia Report 2000* (Changchun: Changchun Press, 2001), in Chinese.
5. For comparisons of their economic performance, see U.S. Central Intelligence Agency, *The World Factbook*, at www.cia.gov/library/publications/the-world-factbook/index.html. In 2009, the GDP of China and India was \$5.0 trillion and \$1.2 trillion, respectively, with China enjoying a 4:1 lead. In terms of per capita GDP, China enjoyed an edge of 3.2:1.
6. See Pascal Alan Nazareth, *Gandhi’s Outstanding Leadership*, 3d ed. (Bangalore: Sarvodaya International Trust, 2010).

An Overview

Elements of Cooperation

At the outset, it is necessary to take a holistic view of the present standing of China-India relations. In the political area, both China and India have been trying to accommodate their respective “rises.” Indian Prime Minister Manmohan Singh repeatedly pointed out “the world has enough space for the growth ambitions of India and China.”⁷ At one point, he asked the Indian people to learn from Chinese Premier Wen Jiabao’s speech delivered in Singapore on November 19, 2007, entitled “A Nation Can be Rich and Strong only through Opening and Accommodating.”⁸ It is common wisdom that the dragon and the elephant don’t necessarily have to compete negatively but may peacefully rise at the same time.

India has been unwavering in committing to a “One China” position, and China seems to be supportive of India’s bid for a permanent seat in a reformed United Nations Security Council (UNSC).⁹ The two countries have basically overcome their difficulty resulting from India’s nuclear weapons tests in 1998 when the Indian government implicitly used the China threat to justify its tests. In the economic field, Sino-Indian two-way trade has been rapidly expanding and their mutual investment is also on the rise. In the nuclear and security spheres, China joined the Nuclear Suppliers Group (NSG) in 2004, which more or less relieved India’s concern over China’s transfer of sensitive nuclear technology to Pakistan. (India remains concerned, however, about China’s continuing interest in providing light-water reactors to Pakistan in

7. For his most recent such statement, see “World Has Enough Space for India and China to Grow: PM,” at http://in.news.yahoo.com/48/20101027/804/tnl-world-has-enough-space-for-india-and_1.html.

8. “Indian PM Asked for Reading Chinese PM’s Speech,” at <http://news.21cn.com/world/guojisaomiao/2007/12/07/4000899.shtml>.

9. “Joint Statement between the People’s Republic of China and the Republic of India,” April 11, 2005. Article 16 states: “[China] understands and supports India to play an active role in the UN and international affairs.”

fulfillment of the “grandfather clause” to its joining the NSG.) Given the U.S.-India deal involving cooperation on civilian use of nuclear energy, China and India agreed in 2006 that the two countries will follow suit.¹⁰ In fact, before China joined the NSG, it exported light enriched uranium to India in the late 1980s. The two countries have also carried out joint military exercises in recent years and India has even used its defense budget to aid China’s combat of the SARS (severe acute respiratory syndrome) epidemic in 2003.¹¹

While Beijing and New Delhi have yet to resolve their border disputes, they have strengthened their military CBMs, and the two sides have designated special representatives to engage in well-authorized talks on the border question. India has stated unequivocally that Tibet is a part of China while China has virtually accepted India’s annexation of Sikkim. The two Asian giants have even officially declared that they have a “strategic partnership.”

The Sino-Indian-U.S. Triangle

American foreign policy is certainly a component of Sino-Indian relations. China used to work with the United States in denouncing India’s nuclear weapons testing, but now has to observe how the United States moves forward to accommodate

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10. “Joint Declaration between China and India,” New Delhi, November 21, 2006. Article 17 reads: “Considering that for both India and China, expansion of civilian nuclear energy program is an essential and important component of their national energy plans to ensure energy security, the two sides agree to promote cooperation in the field of nuclear energy, consistent with their respective international commitments.” This entails revision of the NSG, as its current shape does not allow even for peaceful nuclear energy cooperation between the NSG members and any non-members of the NPT (Treaty on the Non-Proliferation of Nuclear Weapons).
 11. Indian Defense Minister George Fernandes visited China in spring 2003 despite the SARS that Beijing was suffering from. He announced that India will provide China with Indian military medicine. In 2009, China twice gave India disaster relief assistance to cope with a hurricane and flooding.

India's nuclear status. Beijing might be upset about Washington's strategic inclination to use India as a conduit to check China. As a matter of fact, the past decade has witnessed growing U.S.-India political and military rapprochement. While maintaining its interest in thinking through this development, China has shown no hesitation in adjusting its own India policy. It seems that Beijing has been toughening its position on India's occupation of part of Kashmir, as it lately has denied visa applications to Indian officers from that region. China has also been pushing for more sales of power reactors to Pakistan.

In the India-U.S.-China trilateral context, the picture is also a mixed one. On the one hand, it is noted that India has received the AWACS (Airborne Warning and Control System) that Israel initially built for China but was later not allowed by Washington to deliver for political reasons. It is also noteworthy that India has shifted its official view toward the U.S. theater missile defense system in East Asia, quite a strategic move repositioning New Delhi in the world system.¹² On the other hand, India condemned the U.S.-led NATO bombing of the Chinese embassy in Belgrade in 1999, and was critical of the U.S. war in Iraq. China was impartial in its press coverage of the Kargil conflict between India and Pakistan in 1999, tilting to neither party involved, which respected India's position.

The dazzling shift of China-India relations since the end of the Cold War would not have occurred had it not been for the transformation of the world political landscape as well as China's and India's respective rise. The pragmatic rather than rigid approaches of their leaderships are also factors in this shift. The following sections will analyze various dimensions of Sino-Indian relations that have become increasingly strategically defined, as well as the factors that account for the new relationship. As for the difficulties that remain in the relations between these two countries, this article will propose some non-realist policies that might enable them to reconcile their divergent interests.

12. Shen Dingli, "India's Intention Suspect," *Outlook*, May 21, 2001, p. 52.

Political Relations

China and India have worked out their first document regarding the principles of a border settlement. In 2005 they signed the agreement and expressed a commitment to search for a mutually acceptable solution to the border question. If their border dispute is truly resolved, this part of Asia may find its long-term peace and stability. Even prior to such an outcome, China and India have agreed to build a strategic partnership and cooperate on India's UNSC bid.

India's UNSC Bid

China has for decades enjoyed its privilege as the sole Asian representative among the permanent five (Perm-5) members of the UN Security Council. This has been augmented by China's unprecedented economic development since the late 1970s that has empowered it as a new key actor in the world economy. In parallel, for much of the late 20th century, Japan reconstructed successfully and established itself as an economic superpower. For some time, Tokyo has concluded that it qualifies for a permanent seat on the UNSC, and has been pushing forcefully for such a seat.

Thus far, India has yet to become a first-rate international economic powerhouse and to ascend to the forefront of the world political stage. Nevertheless, India has longed for this status and has been enjoying impressive economic growth since the mid-1990s. It has been keeping up a pace of 6-8 percent annual growth in GDP for nearly a decade.¹³ That allows India, in PPP (purchasing power parity) terms, the honor of being a new, respectable player on the world stage. Like Tokyo, New Delhi also deems the time mature to bid for a UNSC permanent seat.

The challenge is really for both the United States and China. None of the Perm-5 seems to be truly interested in seeing its power diluted through the expansion of the Security Council.

13. By 2009, India had attained \$1.2 trillion in Gross Domestic Product.

Beijing and Washington may welcome a limited expansion of the Council at no cost to their veto privilege. However, the two capitals are sharply divided over which country would qualify for new permanent slots. In 2005, Washington indicated it would allow only two more seats, including its close ally in the Far East, Japan. But it rejected India's bid then.¹⁴ In contrast, Beijing may be more flexible in expecting an even larger permanent membership; but it is wary of Japan's bid.¹⁵

China's thinking about reforming the UNSC is that the new permanent members should reflect a fair regional representation, and that developing countries should receive adequate consideration. Given these criteria, India seems better qualified than Japan: It represents over one billion people in Asia's developing world, its economy is being lifted rapidly, and it maintains a fairly independent foreign policy. Comparing the popularity of India and Japan in their neighborhood in the context of bidding for the UNSC seat, India seems to be opposed only by Pakistan in South Asia, while Japan is disapproved by almost all its Northeast Asian neighbors: China, North Korea, and South Korea. Russia has also reserved its position in this regard.

Therefore, China seems to be more inclined to India and is pondering the *strategic* consequences of its choice: more ready to share Asia's leadership and responsibility at the Security Council with New Delhi. India's political baggage of *Pokhran II* nuclear tests seems to have been left behind. Over the years, India has withstood international pressures. Despite the "illegitimacy" of its development and possession of nuclear weapons, based on the Nuclear Nonproliferation Treaty (NPT), India's nuclear status has been gradually accepted as a *fait accompli*, and China has to show its realism in this regard as well. For its own part, India

14. Editor's note: During his visit to India in November 2010, President Barack Obama said the United States supports a permanent Indian seat on the UNSC.

15. Beijing's concern over Japan is rooted in the latter's refusal, especially under successive leaders including Prime Minister Koizumi Junichiro, of East Asia's call for respecting history, in particular by assuming responsibility for Japan's wartime atrocities during World War II.

has issued mixed signals: While its leadership has tried to distance itself from viewing China as a “threat,” negative arguments surface from time to time, especially when the border dispute remains.

Settling the Border Dispute

The perennial headache of the Sino-Indian border dispute has presented a seemingly insurmountable barrier to complete normalization of their relations. Indeed, there exist certain military CBMs among both armed forces along the LAC.¹⁶ However, without total settlement of the border dispute, it is hard to completely dispel mistrust between the two countries.

Given the recent strong commitment from the top leaderships to shaping a new relationship, China and India have designated two senior officials—Dai Bingguo, vice foreign minister of China who is now a state councilor, and Brijesh Misra,¹⁷ national security adviser—to start their first round of talks on the border question on October 23, 2003. Their talks concluded on April 11, 2005 with the signing of the *Agreement on the Political Parameters and Guiding Principles for the Settlement of the China-India Boundary Question*.

This agreement indicated in its preamble that “an early settlement of the boundary question will advance the basic interests of the two countries and should therefore be pursued as a *strategic* objective.” Article 1 noted that “[T]he differences on the boundary question should not be allowed to affect the overall development of bilateral relations.” It is worth mentioning that

16. Two previous documents signed by Chinese and Indian governments have played pivotal roles in stabilizing their relations. One is the *Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control in the China-India Border Areas*, signed September 7, 1993; the other is the *Agreement on Confidence Building Measures in the Military Field along the Line of Actual Control in the China-India Border*, signed November 29, 1996.

17. India’s Special Representative Misra was later succeeded by former president K. R. Narayanan.

the agreement (in article 5) made it clear that “[T]he two sides will take into account, *inter alia*, historical evidence, national sentiments, practical difficulties and reasonable concerns and sensitivities of both sides, and the actual state of border areas.” With the ongoing progress in affirming the current LAC, it is reasonable to expect that the status quo LAC will become the legal base of future negotiations leading to an eventual border settlement.

Obviously, an approach to resolving a border dispute by resorting to armed conflict in the first place is no longer an option for either China or India, as they are mutually deterred presently and are increasingly co-dependent in a wide range of issues of common interest. To be realistic, moreover, neither India nor China is ready to bring the dispute to the International Court of Justice, as they could not afford national interests to be determined by a third party. Thus, negotiation is the only approach to realizing a settlement, which demands that the two parties deal with each other with reasonable respect and concessions.

The *Agreement on the Political Parameters and Guiding Principles for the Settlement of the China-India Boundary Question of 2005* has provided the basis for handling their mutual concessions—respecting reality while making necessary adjustments along the LAC. In the eastern sector of their border dispute, China has to make major concessions by accepting the McMahon Line, a British-drawn line that has been rejected by successive Chinese central governments. They have opposed the Tibetan government for its action regarding the Simla Accord of 1914. However, given the fact that India has occupied the region for a long time, it is not possible that India will withdraw its interests through negotiation. Therefore, a pragmatic settlement would involve China’s accepting the hard reality, a realistic approach that would be quite non-realist for China.

Territorial sovereignty is certainly a supreme national interest, and is also a part of Prime Minister Gujral’s five principles. Nevertheless, a traditional realist philosophy, while understandable, is hardly respectable, as this approach may not be effective. For instance, India’s row with Pakistan over Kashmir since independence has never settled their dispute but has retarded their

economic and social development for too long. India and Pakistan are more harmed than befitted by the standstill after over six decades of conflict.

While China must be “realistic” in a different way in accepting the reality that India has control over Arunachal Pradesh in the northeast, India also needs to demonstrate flexibility in making concessions. (At this writing in November 2010, representatives of the two countries are preparing to meet in New Delhi on the Arunachal Pradesh border issue.) China cannot accept the land that India took during the 1950s, a move that was beyond the McMahon Line. A non-realistic approach that India might ponder is to “yield” to China some inches of the land it has taken, for instance, meaning to consider relinquishing its control over the Dawang (Tawang) area, the birthplace of the sixth Dalai Lama. However, non-realistic approaches have to be employed by both parties. As China is rising faster than India, it seems more difficult for a more confident China to extend substantial concessions presently. But for India, which may bet on its competitiveness in the long run, it may also be uninterested in yielding something it has obtained already.¹⁸

On the territorial question, Indian Prime Minister Atal Bihari Vajpayee declared in June 2003 when he visited China that the “Tibet Autonomous Region is a part of territory of the People’s Republic of China.”¹⁹ Though India may consider that it has maintained this position for over half a century, the statement has been viewed widely as India’s first unambiguous assertion of Tibet’s status. As a *quid pro quo*, China withdrew a statement recognizing Sikkim as a sovereign state from the official website of the Chinese ministry of foreign affairs, thus reversing a long-held PRC principle that had denied India’s sovereignty over the former Himalayan kingdom. With Chinese Premier Wen Jiabao’s visit to Delhi in 2005, the two sides furthered their exchange

18. For China-India economic competition, see Mohan Guruswamy and Zorawar Daulet Singh, *Chasing the Dragon: Will India Catch Up with China?*, 2d ed. (Delhi: Pearson, 2010).

19. *Declaration on Principles for Relations and Comprehensive Cooperation between China and India*, June 23, 2003.

through the Joint Statement of April 11: India repeated its rhetoric on Tibet made two years earlier,²⁰ and the Chinese used the term “the Sikkim state of India.”²¹

Reconciling “Strategic Partnership”

Given the size of their territory and population, their level of and potential for economic growth, and their nuclear weapons, the China-India relationship cannot be trivialized. Both leaderships accord their bilateral relations global and strategic significance. In 2005, the two countries eventually concluded “strategic partnership” when Premier Wen Jiabao visited New Delhi.

A Sino-Indian cooperative partnership could have been nurtured decades earlier when, in 1954, Zhou Enlai and Jawaharlal Nehru initiated the “Five Principles of Peaceful Coexistence” as the foundation of their relations. However, due to their problematic handling of the border dispute and the twists of the Cold War, China and India missed their opportunity to build a true partnership. The forging of a Sino-Indian cooperative partnership more recently was taken in two steps starting in the late 1990s. One followed President Jiang Zemin’s visit to New Delhi in November 1996, the first to India by a Chinese head of state. The two countries agreed to establish a “constructive cooperative partnership toward the 21st century,” signaling China’s shift to a more balanced foreign policy toward South Asia in the post-Cold War period. Then, Prime Minister Vajpayee’s visit to Beijing in June 2003, following his defense minister Fernandes’ visit in April despite the SARS influenza outbreak, consolidated this newly crafted partnership. His talk in Beijing elevated Sino-Indian relations to a new height: The two sides first set a positive tone with mutual recognition of their positions on Tibet and Sikkim, then set up the mechanism of a special representative to settle the principle of future border negotiations.²²

20. Article 12 of the *Joint Statement between the People’s Republic of China and the Republic of India*, April 11, 2005.

21. *Ibid.*, article 13.

22. The two special representatives have held thirteen rounds of talks so

The second step is the outcome of Wen Jiabao's visit to India in April 2005, when agreement was reached to establish "a strategic cooperative partnership for peace and prosperity." This visit led to the signing and publishing of twelve bilateral documents, including the *Protocol of Implementing Military CBMs in the Border Areas along China-India LAC* and the *Five-Year Plan of Sino-Indian Comprehensive Economic and Trade Cooperation*.

The China-India rapprochement amounts to sharing a common view of a fair world order accommodating multipolarity in the international system. This has reduced, though not necessarily removed, their mutual apprehension. Both sides recognize the need to tap the opportunities that their economic development and interaction have provided them in an interconnected world. Interestingly enough, this trend has been expanded to a Sino-Indian-Russian framework. In June 2005, foreign ministers from the three countries met in Vladivostok and affirmed the need for democratization in international relations and for a fair world order.²³ The summit mechanism of the BRICs nations—Brazil, Russia, India, and China—has provided another opportunity for this grouping of countries to address issues pertinent to their interests in a changing international environment.

Economic Relations

China-India trade relations started from a very low point. In the aftermath of Prime Minister Rajiv Gandhi's visit to Beijing in 1988, China-India trade was only \$200 million. The border trade resumed in 1992, primarily by barter at a level of 5 million yuan a year.

However, over a decade Sino-Indian trade relations have

far: October 2003, January 2004, July 2004, November 2004, April 2005, September 2005, March 2006, June 2006, January 2007, April 2007, September 2007, September 2008, and August 2009.

23. See *Joint Communique of the Informal Meeting between the Foreign Ministers of People's Republic of China, the Russian Federation and the Republic of India*, Vladivostok, June 3, 2005.

witnessed fast growth. According to statistics from China's general administration of customs, total Sino-Indian trade reached \$4.9 billion in 2002, up 37 percent from 2001; \$7.6 billion in 2003, up 54 percent from 2002; \$13.6 billion in 2004, up 79 percent from 2003; \$18.7 billion in 2005, up 38 percent from 2004; \$24.9 billion in 2006, up 33 percent from 2005; \$38.7 billion in 2007, up 55 percent from 2006; and \$51.8 billion in 2008, up 34 percent from 2007.²⁴ However, due to the impact of the global financial crisis, their trade volume declined to \$43.4 billion, down 16 percent from 2008.²⁵

Reportedly, Vajpayee's visit to China in 2003 led to agreement with Chinese leaders that in three years the two countries would double their trade from \$5 billion (2003) to \$10 billion (2006).²⁶ Apparently, this ambition has been met in less than two years. Then, the April 2005 joint statement targeted \$20 billion and \$30 billion for 2008 and 2010, respectively. In fact, these targets were met by 2006 and 2007, respectively. Given the actual average annual increasing level of trade of 32 percent over the decade from 1995 to 2005, we may project the Sino-Indian trade volume to attain \$43 billion by 2008, which was indeed met despite the financial crisis.

Now the two countries are aiming for \$60 billion as their next trading benchmark, and hope to achieve this by 2010. It is almost certain that Sino-Indian trade will flourish significantly in the future, given their geographic proximity and the vast scale of their economies. The Chinese and Indian governments have been discussing the making of a bilateral free trade zone.²⁷ This further bodes well for the future of their trade relationship.

24. China Ministry of Foreign Affairs at www.fmprc.gov.cn/chn/wjb/zjzg/yzs/gjlb/1328/default.htm; www.fmprc.gov.cn/eng/wjb/zjzg/yzs/gjlb/2711/; and <http://wenku.baidu.com/view/d3a9a04769eae009581beca3.html>.

25. China Ministry of Foreign Affairs at www.fmprc.gov.cn/chn/pds/gjhdq/gj/yz/1206_42/sbgx/.

26. Zhang Jingyu, "Vajpayee's Visit 'Very Successful,'" at <http://news.sina.com.cn/w/2003-06-27/12411236154.shtml>.

27. Wang Hongwei, "Premier Wen's India Visit and the New Development of Sino-Indian Relations," at <http://iaps.cass.cn/news/112672.htm>.

Clearly, while China and India have managed to stabilize their nuclear-weapon relationship, they are blessed by their thriving trade. There is no doubt that the Sino-Indian partnership will be strengthened through their economic and trade relations. The two governments are encouraging the expansion of a trade area and reduction of trade barriers. They are also expected to strengthen cooperation in high-tech areas and mutual investment. After some arduous work, the Indian government seems ready to accept Chinese investment by Huawei and ZTC Communications in the sensitive area of telecommunications. Chinese technology is assisting Delhi's engineering of underground transportation as well as suspension bridges. Cooperation in infrastructure construction has opened one more layer of collaboration.

Security Relations

Putting border issues aside, China and India are leaving the issue of India's nuclear weapons testing behind. They will not talk officially of their nuclear relationship, but have been watching each other's nuclear-weapons policy, as that will shape their response to each other on other issues to some extent. China and India still have much to do in reassuring each other.

The Nuclear Relationship

China-India economic relations are easier to manage than their nuclear relationship. As an acknowledged nuclear-weapon state, China cannot easily accept India as a *de jure* nuclear weapons state. As a member of the NPT, China is not in a position to accord India that kind of official recognition, in order to maintain the norm of nuclear nonproliferation. India may not be pleased with this, but both countries have agreed that nothing shall keep their relations from moving forward. In fact, India does not care much if its nuclear-weapons status is recognized or not. For Indians, it is important that India has acquired nuclear

weapons.²⁸

Although China cannot accept India's nuclear-weapons status, it is clear that Beijing will not ignore this fact when making its strategic calculations. As both are neighbors whose border disputes are yet to be resolved, China and India must realize that they need to develop a multifaceted nuclear relationship. This requires an understanding that has several dimensions. One is understanding each other's nuclear doctrine. Allegedly, both countries have embraced a no-first-use (NFU) strategy with respect to nuclear weapons. China is believed by most western strategists to employ a minimum nuclear-deterrence strategy, and India seems to be pursuing a similar course. Though the two countries cannot talk officially on nuclear-weapons matters, this author speculates that they are improving their respective understanding and ascertaining the other's nuclear doctrine concerning strategic requirements, use, and basing, and the ramifications of their doctrine for regional and global disarmament and nonproliferation.

Second, they must avoid misunderstanding when it comes to nuclear weapons. India may have acquired enough fissile material to build a nuclear arsenal at the level of a few hundred weapons, while its civilian reactors are accumulating even more plutonium in spent fuel (though less militarily usable due to the mixing of higher isotopes of plutonium).²⁹ Before officially ending further production of fissile materials for weapons use, the potential to expand China and India's nuclear arsenals exists, so it is important that China and India do not have any misunderstandings and miscalculation in their strategic planning.

28. Private communications with some Indian strategists.

29. Nongovernmental estimates of India's fissile-material stockpiles are summarized in David Albright, Frans Berkhout, and William Walker, *Plutonium and Highly Enriched Uranium 1996: World Inventories, Capabilities and Policies* (Oxford, UK: Oxford University Press, 1997). See also updates at <http://isis-online.org/studies/category/global-stocks-of-nuclear-explosive-material/>; and International Panel on Fissile Materials, *Global Fissile Material Report 2009: A Path to Nuclear Disarmament* (Princeton, N.J.: Princeton University, October 29, 2010).

Third, China and India must develop a responsible nonproliferation system. Whether as virtual or actual nuclear-weapon states, they should have clear nuclear nonproliferation policies as a matter of utmost importance, and should set up a national system of nonproliferation export control. China has had relatively more experiences in this regard and it would be productive for China and India to engage in such cooperation. Meanwhile, it is imperative that the two countries collaborate on nuclear security, developing enough physical protection for their nuclear assets, assuring their weapons' safety and security, and minimizing the risk of nuclear theft and terrorism.

The United States in 2008 waived its obligation under the Nuclear Suppliers Group not to cooperate with India in the peaceful use of nuclear energy before India's acceptance of the NPT. The U.S. government can hardly conceal its strategic intention to empower India at the cost of nonproliferation export controls, the purpose for which the NSG was designed. China certainly was wary of the U.S. shift, for both national-interest and international nonproliferation reasons. This seems to have complicated China's strategic trust building with India, due to their mutually negative perceptions and interactions.

The Pakistan Factor

As an "all-weather strategic partner" of China's, Pakistan has rendered comprehensive support to Beijing over the decades. Likewise, China has delivered strategic support to Pakistan whenever it has had a need. However, Beijing-Islamabad relations were developed during the Cold War, when security alignment was the key consideration in foreign policy making. The U.S.-Soviet confrontation in South Asia was framed as Pak-India confrontation, and China's strategic relations with Pakistan have much to do with India's territorial conflicts with both China and Pakistan.

Allegedly, in much of the 1980s and early 1990s, China's nuclear-related exports, particularly to Pakistan, were a "major international nonproliferation concern" that clouded China-U.S.

and China-India relations.³⁰ However, China made notable strides in the 1990s by joining various formal arms-control and nonproliferation regimes, and after 2000 by joining some informal nonproliferation export regimes. In the wake of the ring magnet issue involving Pakistan, the Chinese government announced on May 10, 1996 that “it will not provide assistance to unsafe-guarded facilities.”³¹ In May 2004, China joined the NSG, committing to full-scope safeguards (FSS), i.e., not to provide any nuclear assistance to countries that refuse to accept the FSS. By taking this step, China has committed not to cooperate with India, Pakistan, Israel, and the Democratic People’s Republic of Korea (North Korea) as long as they remain outside the NPT.³² However, continuing Chinese nuclear-power reactor sales to Pakistan could have India raising an eyebrow, even under the 2004 “grandfather clause” between China and the United States. China has to clarify how many additional power reactors were meant to be exported to Pakistan after it acceded to the NSG.³³

For a long time, India and Pakistan have remained confrontational, though their political relationship has sometimes improved. In the post-Cold War era, maintaining a strategic

30. For a western source, see Joseph Cirincione, Jon Wolfsthal, and Miriam Rajkumar, *Deadly Arsenals: Nuclear, Biological, and Chemical Threats*, 2d ed. (Washington D.C.: Carnegie Endowment for International Peace, 2005), pp. 163-88.

31. According to some western press reports, the Bill Clinton administration determined in August 1995 that China had sold 5,000 ring magnets valued at \$70,000 to the Abdul Qadeer Khan Research Laboratory in Kahuta, Pakistan between December 1994 and mid-1995. This unsafe-guarded gas-centrifuge facility can produce weapons-grade, highly enriched uranium. Reuters and UPI reports, February 8, 1996.

32. The DPRK quit the NPT on January 10, 2003. In the wake of the U.S.-India agreement on peaceful use of nuclear energy in March 2006, China agreed, also in 2006, to cooperate with both India and Pakistan on peaceful use of nuclear energy. This will actually only be possible if and when China can rearrange its commitment on FSS within the NSG.

33. Mark Hibbs, “The Breach,” *Foreign Policy*, June 4, 2010, at www.foreignpolicy.com/articles/2010/06/04/the_breach; “China, Pakistan, and the Nuclear Suppliers Group” (Washington, D.C.: Carnegie Endowment for International Peace, June 17, 2010), online at www.carnegieendowment.org/publications/index.cfm?fa=view&id=41027.

partnership with Pakistan while limiting Sino-Indian relations could undercut important Chinese interests. Beijing might come to redefine its strategic interests and build simultaneous partnerships with both Islamabad and New Delhi. Its strategic partnership with Pakistan could be redefined to include a wider range of issues while limiting the transfer of sensitive technologies. China's effort to adjust its nonproliferation stance and apply the FSS requirement certainly helps meet India's important concerns. This in turn promotes strategic trust and confidence building between China and India. It is understandable that China cannot issue a visa to an Indian general from the disputed Kashmir area, but it would be unhelpful if China is unfair and permits visits by Pakistani officials from Kashmir.

Anti-terror Measures

Just as the 9/11 attacks have transformed the world political landscape, the anti-terror issue has been increasingly a part of the new Sino-Indian security relationship. Both China and India have noticed the terrorism threat in their bilateral, regional, and global contexts. They have worked together in supporting anti-terror military action in Afghanistan, though without dispatching their own troops. They share disagreement concerning the preemptive U.S. military action in Iraq under the pretext of counter-WMD (weapons of mass destruction) proliferation or a war on terror. The two countries launched an anti-terrorism dialogue in April 2002, followed by further talks in June 2003 and late 2005. China has supported India's accession to the Shanghai Cooperation Organization as an observer in mid-2005. The Indian government has enhanced security to protect Chinese diplomatic compounds in India, since they may be under threat by the "Eastern Turkish Independence Movement (ETIM)," a UN-listed international terrorist group.

Sino-Indian military-to-military contact with anti-terror in the background is emerging. In November 2003, China and India carried out a joint search-and-rescue naval exercise in the East China Sea near Shanghai. In August 2004 Indian soldiers

joined the Chinese for mountain-hiking training. In December 2005, the Chinese navy conducted a joint exercise with India in the northern Indian Ocean for search-and-rescue purposes. The defense sectors of the two countries have conducted two rounds of anti-terror joint training (December 2007 in China and December 2008 in India). Such activities are part of the reconciliation trend between the two countries, and they position China to forge more normal relations with other countries in South Asia.

Reconciling Relations

The aforementioned positive side of China-India relations has been inspiring. It is derived from a number of factors: the parallel rise of China and India that renders them more confident and mature in dealing with each other; and the post-9/11 era that reprioritizes threat perceptions and national interests. U.S.-China and U.S.-India relations obviously have also affected Sino-Indian relations, often inducing a positive change regardless of the initial American intention.

It must be pointed out again that Sino-Indian relations still need nurturing. This relationship is not fragile as it enjoys wide support from both countries; but it is far from being unshakable so long as their border dispute remains unresolved. As the border talks involve national feelings and are hence highly sensitive, one wouldn't expect this dispute to be settled anytime soon.

Co-rise of China and India

Contemporary China and India have only enjoyed a history of some sixty years. On the part of China, it was only able to discover a flourishing path to success three decades ago. For India, its democratic institutions did not deliver substantial economic goods for many years, and many resources have been diverted to non-civilian purposes. The two "newly" independent states so treasured their hard-won sovereignty that they collided mili-

tarily in 1962 over their “border,” which has never been officially decided bilaterally.

Nuclear weapons provide both China and India with security and pride. Presently they are still learning how to peacefully coexist given their nuclear-weapons assets. India’s tacit accusation against China in 1998, when Delhi tested nuclear weapons, was viewed by Beijing as proof of its then “immature” statecraft in foreign policy. However, India’s possession of nuclear weapons has subsequently led it to handle relations with China and Pakistan more cautiously. For example, India refrained from attacking Pakistan after terrorist attacks, suspected to have originated from Pakistan, were carried out outside the parliament building in 2001 and in Mumbai in 2008.

Since India and Pakistan conducted nuclear-weapon tests in 1998, both China and India have taken a forward-looking approach to dealing with each other. This has happened even though China has not politically accepted India’s nuclear-weapons status and is displeased over U.S. cooperation with India on civilian use of nuclear energy, which could release Indian resources for its nuclear-weapons program. The “China threat” rhetoric in India has not disappeared but has been downplayed a bit as Indian leaders and mainstream strategists take a more moderate view of China’s rise. Indian thinkers are increasingly focused on their fundamental domestic challenges. Meanwhile, China has taken a more realistic view toward India, as it could not afford to leave relations cool for an excessively long time. To some extent, as the United States adjusts its policy toward India, China has to keep pace. One has to admit that both India and China are more confident and realistic nowadays, which helps stabilize their relationship.

World Strategic Landscape

The contemporary anti-terror warfare is conducive to improved Sino-Indian relations. Such a global landscape has allowed states to downplay their inter-state competition and rivalry, and presents ever unfolding cooperative opportunities.

In the case of Sino-Indian relations, the above analysis has already suggested that the anti-terror campaign furnishes the two countries with a new common security objective, in South Asia and in Central Asia as well. Comparing Indian with Pakistani positions on the military actions in Afghanistan, we may infer that while Beijing-New Delhi policy coordination on anti-terror is probably improving, China's relations with Pakistan seem to have become more complicated.

China would not allow the improvement of Sino-Indian relations to sour its relations with Pakistan. But China is facing more challenges due to terrorist attacks on some Chinese in Pakistan. In 2004 and 2007, Chinese engineers and workers were abducted and on one instance the kidnapping led to the death of a Chinese citizen. More recently, the Chinese government has requested the cooperation of the Pakistani government in arresting and repatriating twenty-two leading members of ETIM operating in a tribal area of Pakistan.³⁴ In this context, it is likely that China will need to expand its anti-terror cooperation with both India and Pakistan.

The American Effect

The United States has been interested in influencing China-India relations, and its effect so far has been mixed. One needs to distinguish between intention, perception, and outcome.

First, consider American intentions, both professed and real. Stated American policies are readily available, while actual policies keep one guessing. In this circumstance, how will China perceive American policy? Typically, one would perceive it from the negative side, as the two countries still lack sufficient trust. In the end China and India must develop their bilateral relations with reference to how the United States deals with each of them.

During the Clinton and Bush administrations, the United States shifted its relations with India. It built up bilateral defense relations, accommodated India's political standing (short of agree-

34. *Elite Reference*, online at http://qnck.cyol.com/content/2007-06/26/content_1805952.htm, accessed August 8, 2007.

ing with India's bid for a UNSC permanent seat), and extended civilian nuclear-energy cooperation. The Obama administration is also extending its cooperation on defense and technology to India. China may be unhappy about these developments. However, no matter how hard the United States pushes for anti-terrorism or WMD nonproliferation, and regardless of U.S. intentions or China's perceptions of them, China and India will improve their relationship.

For the whole of the 1990s, China and the United States were only briefly critical of India's and Pakistan's nuclear-weapons testing. But the United States lifted most of its sanctions on India quite quickly and started to accept India's minimum-deterrence argument. This American realism could only invite Chinese suspicion, and as a result, China presented its own realism: When Indian President Narayanan visited Beijing in 1999, the nuclear issue didn't surface on the agenda of their bilateral talks.

As mentioned above, the recent U.S.-India nuclear agreement merits China's pondering. On July 18, 2005, President Bush agreed with the visiting Indian prime minister, Manmohan Singh, on cooperation in the peaceful use of nuclear energy. In 2008, this deal was concluded, marking a major departure from the previous U.S. precondition of full-scope safeguards in regard to civilian nuclear cooperation with any country. As a new member of the NSG, China was obliged to observe a full-scope safeguards requirement. Prior to joining the NSG, China had supplied low-enriched uranium to India, and light-water reactors to Pakistan, with all such exported materials and facilities under the IAEA (International Atomic Energy Agency) safeguards. But it was not obliged to require full-scope safeguards, which neither India nor Pakistan would accept.

By joining the NSG in 2004, China relinquished its future rights to engage in nuclear cooperation for peaceful purposes with all non-NPT states. But given the U.S. policy change in this regard, China may well speculate about U.S. intentions, and may review its current FSS requirement under the NSG obligation. In fact, China has sought the same departure with India, and considered an expanded FSS exception to Pakistan as well.

Apparently, American policy toward India drives China's relations with New Delhi. India could best benefit from the policy adjustments of both the United States and China.

Conclusion

The rise of China and India is a major phenomenon in contemporary world politics. Despite their deep difficulties concerning their border and other issues, China and India have embarked on a course of dialogue and cooperation while leaving the unsettled border issue largely alone.

China and India have been talking about their strategic partnership. Forging strategic ties, although still premature, surely will improve their bilateral relations and the world order. The logic is that Sino-Indian relations will benefit the two and a half billion people living in these two states, regardless of external circumstances. This has been increasingly accepted by more Chinese and Indians lately, as they deem improving their state-to-state relations in their fundamental interests. But to restore their relations to the amicable level of the early 1950s, both India and China need to revamp their current mindset, and move beyond a *realpolitik* mindset.

Colder China-India relations could affect American interests in the region in a complicated way. The United States foresees some uncertainties due to China's and India's rise, and is playing the game of balancing power among China, India, and itself. However, given the tradition of Chinese and Indian independent foreign policy, one can reasonably predict that none of these three countries will try to form a bilateral alliance against the third party. The China-India partnership is unlikely to be directed against American interests, just as closer U.S.-India relations will probably not be accepted by Indians as a way to balance against China.

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