

Confidence Building between India and China: An Analytical Approach*

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Introduction

India and China are two ancient civilizations who are at the forefront of major ongoing changes in the World Order. The rapid rise of China in the international hierarchy of power from the cultural revolution of the 50s to its overtaking most industrialised countries in terms of GDP has drawn awe, admiration, envy and fear in varying measures from the international community. China has already become the dominant economic and military power in Asia. China's position in the international order has been cemented further during the ongoing global recession.

India is often mentioned along with China when the shift of power to Asia is discussed; BRICS and Chindia have become common jargon in the international strategic and economic communities. India's economic progress lags China by about two decades, and, in absolute terms, the economic and military power of the two is not comparable. Notwithstanding, India has certain strengths, in some cases beyond those possessed by China, that demand attention of the international community. At the same time, both China and India are yet to attain the status of Western industrialised economies on account of their large size and population. The common features of their developmental trajectory imply that they are often placed identically when dealing with the external environment.

Aim

This paper examines the congruence and divergences in various facets of the China-India relationship with a historical perspective and looks at prospects for the future. It suggests ways to build on the congruence and suppress the divergences through a comprehensive set of Confidence Building Measures (CBMs) between the two nations.

Objectives

Developing CBMs presumes that both China and India are desirous of avoiding conflict in the short term and reducing divergence over time. Hence, the following objectives could result in methodical evolution of the CBMs:-

- (a) Ensure that China-India competition does not escalate into a conflict.
- (b) Ensure harmonious growth of 'both', China and India.
- (c) Ensure development of friendly relationship between Chinese and Indian stakeholders across the social, economic, political and strategic spectrum.

Factors

Culture and History

China and India are both ancient civilizations that together generated over 50 per cent of world's GDP in the 18th century. Yet, these are neither the same civilizations nor arrived at their present locus through the same route. In the strategic domain, as well as in strategic culture, each has its own discernible features. The convergences and divergences are listed in succeeding paragraphs:-

Convergences

- (a) Both civilizations and their heyday precede western industrial civilizations by a long margin, giving them an abiding sense of pride.
- (b) Both were affected by external imperialism – China by Japan and European powers and India by several Western countries.
- (c) Both have great internal diversity and a history of internal political struggle.

Divergences

(a) The colonial presence in India lasted much longer. In fact, counting the Mughal period, India was under 'external' influence for almost a thousand years. However, India 'assimilated' the external powers, including the Europeans, much more extensively than China. As such, Indian diversity is not only indigenous but almost trans-continental. The impact of this is that diversity - social, cultural, linguistic and religious, is deeply ingrained in the Indian psyche. As opposed to this, China lived through a similar long period of internal strife where many empires attempted the 'integration' of China through an expansion (or imposition) of a Han identity. This means that fissiparous tendencies are much more likely in India but also that India has developed the natural culture to adjust to such challenges in an open manner.

(b) The colonial subjugation by Japan and the later rise of the Party have meant a very high acceptance of violence as a means of state policy in China. That the writings of Sun Tzu have guided the Chinese leadership in recent times only confirms China's fondness for the realist theory based on balance of power. On the other hand, India's road to Independence only affirmed the idealistic, pacifist cultural tendencies that espoused avoidance of violence in worldly affairs. What this means is that Indian and Chinese leadership could conceivably be placed in situations where their understanding of each other's readiness to use violent or aggressive means could be at wide variance. It is within context to mention that an understanding on similar lines has landed Pakistan more than once in situations where the Indian response was far more vigorous than expected.

(c) Recent history provides the single gravest source of divergence - the 1962 War. Without going into the build-up to the conflict and the details of claims and counter-claims, the overwhelming social memory in India is one of having been shocked in a devious manner. This goes well beyond the pain and lessons learnt from a military defeat.

Political System

The political systems in China and India are so sharply distinct that to look for congruence would appear futile. However, both countries value their own systems immensely and are resentful of external influences on their sovereignty.

Convergences. The shared vision for the 21st Century co-signed by PMs Manmohan Singh and Wen Jiabao on 14 January 2008 lists a large number of political convergence points.

(a) China has sharply projected the Panchsheel - The Five Principles of Peaceful Co-existence as the basis of relationship between states. Indian systems are highly appreciative of these principles, provided they are practised.

(b) The two countries respect the "right of each country to choose its own path of social, economic and political development in which fundamental human rights and rule of law are given their due place". Such an agreement contrasts sharply with the Western, and particularly the US, views that place democracy at an ideological pedestal. Of the major issues between China and the West, this is an issue that carries the most negative connotations. With their special circumstances, support to each other on such a vital issue can have innumerable positive payoffs.

Divergences. The Indian system is based on political decentralisation, federalism, constitutionally well demarcated institutions and a fractious polity. The Chinese system is rigidly structured with limited political decentralisation. This does not lead to any significant divergence in itself. The problem occurs when interactions take place between different sub-systems in either country. The outcome of interaction can be reasonably controlled and predicted in China. However, Indian policy responses could be, and frequently 'appear to be' fickle. This has major implications for the design and execution of CBMs as well as other systemic interactions

International Relations

This factor is one of the most fertile in yielding convergence and divergences. History has placed India and China very far apart in their posture at the regional level in Asia, somewhat closer in their posture with respect to other international players, and very close to each other in a structured multilateral context. However, the issues of distrust closer home have normally overwhelmed the possibilities of building trust at distant locations.

Divergences

(a) **Pakistan.** Pakistan is the biggest source of distrust between China and India. Chinese complicity in nuclear proliferation to Pakistan and its overt and covert support to their nuclear and missile programmes can never be

discounted in India. That such support happened, and still continues, against declared Chinese policies on non-proliferation and technology controls not only puts China in Pakistan's camp but only affirms Indian apprehensions that China would go to any length to build-up Pakistan in a manner that would restrict Indian strategic choices.

(b) **South Asia.** Some aspects of China's engagement with Nepal, Myanmar, Sri Lanka and Bangladesh are distinctly divergent from the Indian position in these areas. This gives rise to Indian apprehensions that China is not present in South Asia as a benign regional power, interested in harmonious sub-regional development, but is doing so in pursuit of its perceived geo-political interests at any cost. Similarly, China has provided unstinted political support to many anti-India regimes in Bangladesh. On the whole, Chinese political involvement in South Asia appears to have no positive payoffs but appears motivated only by the will to pull India down.

(c) **Asia.** In Asia, it appears that China takes its perceived position as the regional hegemon very seriously and can barely conceal its irritation at India's, and often other Asian countries, attempts to have India play a greater role in Asian matters. Thus it has been with great reluctance that China has acquiesced in greater Indian involvement with ASEAN, the East Asia Summit and the SCO.

(d) **USA.** The US-China relationship is, by all metrics, much stronger than the US-India relationship, if one were to go by trade and economic figures. However, on the basis of political beliefs, shared values and vision and their current world view, the USA is much closer to India in real terms. Whether US warmth towards India is driven by basic congruence, or US realpolitik, for the Chinese decision-makers who are driven strongly by a balance of power approach, this can only be an attempt to contain China's ascendance. Phrases like 'Concert of Democracies' only serve to accentuate Chinese apprehensions.

(e) **United Nations.** India has very strong aspirations to play a greater role in international affairs, of which a desire to have a permanent seat in the UN Security Council is an important manifestation. The Chinese position on this is seen as not helpful.

(f) **Other Multilateral Fora.** While China and India have cooperated on several international issues, the Chinese opposition to India, for example at the Nuclear Suppliers Group, often comes at short notice and in a convoluted manner. This is hardly conducive to enhancement of trust.

Convergences. China and India have convergence on many international issues particularly as they pertain to trade and climate change. They also agree on the central role of the UN in multilateralism. On multilateral arms control, disarmament, non-proliferation and peaceful uses of outer space, China and India have very similar positions that can be leveraged to increase trust as also to gain their respective national interest.

Strategic / Military

The strategic domain is the main source of divergences and some convergence. While the boundary question is the main issue of divergence, it appears to Indian stakeholders that the border issue is only a peg for the overall balance of power approach by China to keep India down. However, transnational security issues increasingly affect both and could be the source of convergence.

Divergences. The boundary question has bedevilled China and India ever since the British handed over their legacy to India. While the non-demarcation of the border is a historical fact, the lack of progress on the issue is surprising to all in India, because China has settled its borders with all other neighbours. Since the 2005 Agreement on Political Parameters and Guiding Principles for the Settlement of India-China Boundary Question, many meetings of the special representatives have been held with no progress. China has even been stonewalling the relatively simpler issue of demarcation of the Line of Actual Control. On the contrary, China appears to have deliberately escalated tensions on the issue of Tawang and Arunachal Pradesh and Indian administrative control over these areas.

China's military modernisation, aggressive infrastructure and military facilities development in Tibet and on the India Tibet border, and deployment of strategic and tactical missiles in a manner that covers large parts of India has created military capabilities that are usable only against India. This has forced India to move from a posture of self-dissuasion to limited deterrence. Thus, the risks of localised escalation have been growing instead of reducing. Therefore, this is one area that can benefit immensely by institution of tactical and operational level CBMs. In similar vein, Chinese ships and submarines have become increasingly active in the Indian Ocean and misunderstandings/mishaps are much more likely than earlier.

Convergences

(a) **War on Terror.** 9/11 signalled the arrival of global terrorism as a threat no country could ignore. Subsequent events in Pakistan, Afghanistan, Iran and Yemen have proved that support to terrorism as an instrument of state policy would be self-defeating. While, India has been suffering from the effects of Islamic terrorism since long, China has become aware of the risks extending to its Western regions from both Pakistan and Afghanistan. Incipient cooperation in the SCO could be a model for further engagement.

(b) **Nuclear Proliferation.** Although China has a long history of cooperation with nuclear pariah states, its new position as a global leader will in due course require it to clamp down on nuclear proliferation. With India also becoming a recognised nuclear weapon state, Chinese and Indian interests could well become closely aligned in the

future.

(c) **Maritime Security.** The IOR is host to 50 per cent of world trade flows. 40 per cent of world trade and 50 per cent of the world's oil and gas flows pass through the Malacca Straits. China and India both have vital interests in the security of the sea lanes of communication in the IOR. China and India have both launched several military missions to the Somali coast to tackle piracy. However, these efforts are typically stand-alone with little mutual support and long term gains. Cooperation can serve the mutual interests of both with reduced costs.

Natural Resources. Availability and utilisation of natural resources - energy, water, minerals etc not only have implications for the economy but in cases of extreme scarcity or heavy external dependence, can become key issues of national security. China and India are large countries on the development path and have a voracious appetite for resources. It has been widely analysed that scaling up Indian and Chinese consumption levels to Western industrial per capita levels will strain the international availability of all resources to breaking point. The divergences and convergences flow from this basic postulate.

Divergences

(a) **Energy.** Indian and Chinese dependence on external oil and gas supplies is extremely high. Naturally, both are attempting to secure overseas assets. While competition in international markets is market driven, China does tend to secure these vital assets through questionable means, undercutting fair competition through a package of political patronage and military support.

(b) **Water.** The Tibetan plateau is the richest source of fresh water in Asia. The main rivers of the Indian sub-continent, The Indus, the Satluj and the Brahmaputra all originate in Tibet and flow to India. China itself is suffering from a potential crisis in the availability of fresh water; the situation in India is not much different. China has been extremely reluctant to discuss its plans to tame these rivers for energy and water. The South-North Water Transfer Project and similar schemes are being developed by China with lack of transparency. This potential threat is the source of much apprehension in all segments in India.

Convergences. The convergences flow from the attempts of the West to constrain Chinese and Indian growth by consideration of gross consumption of resources (including free goods like air and weather) versus Chinese and Indian per capita claims. Specific issues of convergence are the UN Framework Convention on Climate Change (UNFCCC) wherein both China and India are committed to the 2007 Bali Roadmap envisaging 'common but differentiated responsibilities', participation in global efforts to diversify the global energy mix by enhancing the share of clean and renewable energy, and participation in the International Thermonuclear Experimental Reactor (ITER).

Economy. Over the last two decades, the economy has become one of the major pillars of international relations leading to economic security being viewed as a key component of national security. China and India are natural competitors but there also exists great potential for mutual benefit through cooperation.

Confidence Building Measures - The Way Ahead

The potential targets for CBMs have been clearly identified in the previous section. Specific CBMs would require much greater interaction with concerned stakeholders. These are listed in the succeeding paras alongwith their potential for success.

Social and Cultural. As seen, India and China are well established civilizations and nation states which are culturally very distant from each other, often depending on received wisdom to understand each other. Therefore, the top CBM category has to be one which brings the civilizations closer through the following means:-

(a) **Language.** Learning of Chinese in India and Indian languages in China in specific domain contexts - for example, technical education, the arts, development studies etc. English could be used as a bridge language. Greater accessibility to translated works, both classical and contemporary needs to be provided.

(b) **People to People Contacts.** To be drastically enhanced through tourism, small entrepreneurs, border trade, education etc. Frequent organisation of festivals in each others countries would enhance cultural understanding.

Economic. Economic CBMs are the easiest to implement since mutual benefit is easy to model and demonstrate. Mutual economic engagement of the highest order has already been demonstrated between the USA and China, China and Japan and China and Korea, despite severe bilateral reservations. Globalization and mutual economic engagement is thus the most potent CBM. CBMs would include addressing the trade imbalance in favour of China by giving market access to Indian goods and services in the field of IT, pharmaceuticals and engineering.¹

Political. The Strategic Vision for the 21st Century signed between the two Prime Ministers on January 14, 2008 already provides an example of political CBMs at the highest level.² Other CBMs would relate to the activation of mechanisms that would demonstrate mutual adherence to the principle enshrined therein.

Natural Resources. Possible CBMs include:-

- (a) Sharing of data on precipitation, snow, glaciers, hydrological flows and utilisation for all rivers originating from the Himalayan system; this should be done to include Nepal, Bangladesh and Pakistan. More transparency is required on damming of rivers that affect the middle and lower riparian countries based on international covenants and agreements.
- (b) Sharing of climate change and weather data from across the continent and Cooperative modelling of weather.

Strategic. Strategic CBMs have been adequately addressed in the ongoing interaction between the two countries and the Annual Defence Dialogue. There is a need to take it beyond reciprocal visits of military officials and think tanks to greater understanding of each other's motivations, capabilities and limitations. Additional CBMs should address the following issues:-

- (a) Joint demarcation of the Line of Actual Control
- (b) Exchange of military scientists; this could commence with exchange programmes between educational institutions focussing on military research.
- (c) The flag meetings presently held at the tactical level should be upgraded to the operational level and be held in the border regions but away from the tactical deployment areas.
- (d) Advance warning of training activities at tactical and operational depths; this is required in order to reduce the feeling of vulnerability to surprise from the opposite side.
- (e) Nuclear CBMs is another area which needs to be addressed even though officially, China does not consider India as a nuclear weapon state.

Conclusion

This paper has attempted a novel approach to determine the manner in which CBMs may be evolved. The convergence and divergence between China and India have been examined in some detail with an emphasis on motivation and perceptions. This has led to listing of a broad set of potential CBMs. The CBMs can be refined through the workshop route using experts from both sides. This activity was noticeable among the think tanks of the National Capital during 2009, with USI also holding an international seminar on China's Rise in November 2009.³

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