
India And China - Forging A New Vision For Asia

**Dhrubajyoti Bhattacharjee
and Sameer Suryakant Patil***



The relationship between India and China has always been a complex one. From the phase of being identified as "*Hindi Chini Bhai Bhai*" to the humiliating defeat of India by the Chinese forces in 1962 to the growing warmth in the bilateral relations in recent years, the relationship between the two countries, over a period of half century and more, have gone through various ups and downs. The importance of the relationship has been such that the tensions between the two Asian giants, whether expressed or unexpressed creates a sense of insecurity in the entire Asian region.

This article takes a closer look at the recent efforts between the two countries for rapprochement.

From Confrontation to Normalcy

The defeat of India at the hands of the Chinese in 1962 brought about the greatest strain in the bilateral relations. For many years, after that confrontation, the two countries avoided direct contact. China's special relationship with Pakistan since 1963 further made the Sino-Indian rapprochement a remote possibility. It was in the 1970s that Prime Minister Indira Gandhi took initiative to revive relations. However, her efforts received a lukewarm response from Beijing.

The 1988 visit by the Prime Minister Rajiv Gandhi to China was the first initiative that provided a breakthrough and greatly facilitated the progress in Sino-Indian ties. Although the bonhomie surrounding

**Dhrubajyoti Bhattacharjee is a Lecturer of Political Science at Siliguri College, North Bengal University, Siliguri. Mr. Sameer Suryakant Patil is a doctoral candidate at the School of International Studies, Jawaharlal Nehru University, New Delhi.*

the relationship in the 1950s was clearly missing this time, a sense of realism had dawned among the leadership of both the countries.

Another sign of normalisation of the ties was the interaction on defence issues and the military establishments, which was stopped after 1962. The major thrust to this military-to-military dialogue was given by the visit in July 1992 by Defence Minister Sharad Pawar.¹ In 1993, both the countries signed "the Agreement on Maintenance of Peace and Tranquility along the Line of Actual Control".

This agreement was hailed by the strategic experts as the first major conventional arms control agreement between two Asian countries, without any role on the part of the third countries.² In 1996, during Chinese President Jiang Zemin's visit to India, the two countries concluded a twelve-article agreement on Confidence Building Measures (CBMs), which extended the existing CBMs to the military field and the two sides agreed to speed up the process of border dispute-resolution and start exchanging maps indicating their respective positions.³

In 1998, however, the bilateral ties strained for a while, when Defence Minister George Fernandes, publicly

stated that China was the main threat to the security of India.⁴ He drew attention to the various controversial issues- Chinese maps showing Indian territory as Chinese territory, Chinese incursions in the North-east and Chinese military cooperation with Pakistan.

Further erosion took place, when India conducted nuclear tests on 11th and 13th May 1998. What angered the Chinese was the reference by Prime Minister Atal Behari Vajpayee in his letter to the US President Bill Clinton citing China threat as a main factor for the decision to conduct nuclear tests.⁵ China took a serious note of these comments.

But within a year, the two sides picked up the pieces and in fact accelerated the process of normalising their relations. In June 1999, in the visit of External Affairs Minister Jaswant Singh, both the countries stated their adherence to Panchsheel, to develop Sino-Indian ties. With Singh's visit, high-level exchanges resumed. In April 2002, both the countries agreed to open direct air service between New Delhi and Beijing.⁶

Their disagreement on many issues notwithstanding, both the countries decided to celebrate 2006 as the year of India-China friendship.⁷

Trade as the CBM

Compared to their size and total amount of the foreign trade, the volume of the bilateral trade between India and China continued to remain miniscule in the post-Cold War era. Therefore, realising that only a grater economic engagement will act as a durable CBM, India and China have progressively stepped up their efforts in the sphere of economic cooperation and trade since 1990s.

In 1994, India became China's largest trading partner, overtaking Pakistan, in South Asia. During Chinese Premier Zhu Rongji's visit in 2002, agreements worth \$ 100 million were signed.⁸ In the late 1990s, Chinese businessmen began to tap the huge potential of the Indian market. In the June 2003 during the visit of Vajpayee, both sides made a historic decision to open Nathu La border post for border trade.⁹ In 2004, the bilateral trade reached to the tune of \$ 10 billion.¹⁰ However, not content with that momentum, both the countries agreed further to double the trade to \$ 40 billion by the end of this decade.¹¹

The year 2007 saw the bilateral trade touching \$ 34.2 billion.¹² However, concerns remain particularly on the Indian side

because this figure glosses over the fact that the trade is tilted towards the Chinese side. As of now, India being the supplier of raw material to China and China being the supplier of manufactured goods to India, the trade relationship cannot be sustained over a long period of time.¹³

Moreover, no real effort has been made by the Indian companies barring the service sector companies to explore the Chinese market. Unless the Indian companies take strides to penetrate the Chinese Market more vigorously, this trade will continue to harm India. China is also pressurising India to negotiate a bilateral free trade agreement to which India has adopted a cautious approach.¹⁴

Greater opportunities exist for the Indian software companies because this is one area where Indians are ahead of the Chinese. Therefore, China is trying to learn a thing or two from India. During his visit to India in 2002, Premier Zhu Rongji visited the Infosys campus at Bangalore. Subsequently, Infosys opened up an office in Shanghai.¹⁵ The combined synergies of India (software) and China (hardware) can benefit both the countries and boost bilateral trade.

Slow movement on the issues of disagreement

Strategic analysts hope that greater economic cooperation between the two countries will have spill over effects in other areas of disagreement most notably in the border dispute negotiations which has the potential to stall complete rapprochement between the two. During Vajpayee's visit in 2003, both sides agreed to upgrade the border dialogue from Joint Working Group (JWG) to the level of Special Representatives (SRs).¹⁶

In 2004, the talks picked up momentum fuelling speculation on the early resolution of the issue. However, leaders of both the countries agree that it is going to be a complicated and slow-moving exercise.

The SRs of both the countries met thrice in 2007 and yet there was no forward movement in the talks.¹⁷ The sticking point in the discussions is the claim by China on the whole of Arunachal Pradesh and India's refusal to part with any populated territory.¹⁸ It is no wonder then that both the sides are now talking about bringing in fresh perspectives and new ideas to break the current deadlock.

Emerging new areas of cooperation

Yet, both the countries have marched ahead to explore new vistas of cooperation. The widening of the political agenda is evident from the fact that the two countries have established a JWG on Terrorism.

For China, the terrorist problem is confined mainly to the Uighur Muslims living in Xinjiang province. Some of these terrorists have had close connections with the Taliban and Osama Bin Laden's al-Qaeda network.¹⁹ Although China and India are engaged in cooperating with a number of other nations on terrorism, there had been some political inhibitions in the past about mutual cooperation on the sensitive subject.

However, in December 2007, both the countries concluded the first ever joint military exercise called "Hand-in-Hand" in the Kunming Military Academy at Yunnan.²⁰ This was an indeed a historic step forward as both the armies were engaged in such activities for the first time after 1962. Essentially aimed as an anti-terrorism drill, both the countries have realised that future security challenges will also emanate from non-state actors.²¹ Development of

that common threat perception and the willingness of both the countries to develop trust is something which is to be paid attention to.

And the synergies at work between both the countries and coordination of positions at the Climate Change talks in Bali, Indonesia, also demonstrate that on the global issues of environment and terrorism at least, both the countries are on a similar wavelength.²² Deeper economic engagement and the willingness of both the countries to compromise on their stated positions will definitely bring both the countries closer. Both China and India have another common interest in terms of their shared commitment towards multipolar world. Notwithstanding India's growing proximity with the United States, as the two emerging powers of the world, both India and China need to play an effective and meaningful role in international arena.

The joint vision for a New Asia

Amidst this growing bonhomie between the world's two oldest civilisational states, Prime Minister Manmohan Singh made his maiden trip to China on January 13, 2008.²³ A significant hype was associated by

the Indian and Chinese media as it was the first visit to China by an Indian Prime Minister from the Congress party after more than a decade.²⁴ It was hoped that Dr. Singh's visit will give that much-needed thrust in the border talks. The visit concluded by bringing both India and China into a new phase of positive relationship. Facing the 'new and bigger opportunities' that both the nations face, a joint document titled "A Shared Vision for the 21st Century of the People's Republic of China and the Republic of India" was signed which stressed on the need to strengthen India-China relations on the foundations of the Panchasheel.²⁵ The agreements that have been signed upon are as follows:

Memorandum of Understanding for Cooperation between the Planning Commission of India and National Development and Reform Commission of the Peoples Republic of China

Memorandum of Understanding on Cooperation between Ministry of Railways, India and Ministry of Railways, PRC

Memorandum of Understanding between Ministry of Housing and Urban Poverty Alleviation of India and Ministry of Construction, PRC

Memorandum of Understanding between the Ministry of Rural Development of the Republic of India and the Ministry of Land Resources of the PRC for Cooperation in Land Resource Management, Land Administration and Resettlement and Rehabilitation

Memorandum of Understanding between Indian Council for Cultural Relations and Chinese People's Association for Friendship with Foreign Countries on India-China Joint Medical Mission

Memorandum of Understanding between the Indian Council for Cultural Relations and Chinese People's Association for Friendship with Foreign Countries on Cooperation in Culture

Memorandum of Understanding on Cooperation between Geological Survey of India and China Geological Survey in Geosciences

Memorandum of Understanding between Department of AYUSH, Ministry of Health and Family Welfare and State Administration of Traditional Chinese Medicine (SATCM), PRC Covering Cooperation in Traditional Medicine

Memorandum of Understanding between NABARD and Agricultural Development Bank of China on Mutual Cooperation

Protocol of Phyto-sanitary Requirements for the Export of Tobacco Leaves from India to China between the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the Ministry of Agriculture of the Republic of India

Stressing on the promotion of human rights and rule of law, both the leaderships held the importance of the right to 'choose its own path of social, economic and political development'. Both the nations supported as well as stressed on the need for the expansion of the membership of the Security Council, where the Chinese leadership supported the candidature of India as a permanent member in the Security Council.

Both the leaderships also agreed on the necessity of strengthening the regional mechanisms of SAARC, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation as well as the Shanghai Cooperation Organisation, by way of enhancing the position of Asia in the

international fora. Favouring the 'positive facets of economic globalisation' they favoured the early conclusion of the Doha Development Report, as supported by the G-20 countries.

As expected, the issue of clean and renewable energy came up in the 'Shared Vision' both showing their conviction regarding its necessity and made a commitment to make 'joint efforts to diversify the global energy mix'. The role of the International Thermonuclear Experimental Reactor (ITER), where both Chinese and Indian scientists were delegated for its development for the creation of nuclear energy was congratulated upon.

However, the US-India Nuclear Agreement did not find any reference in the joint vision in any form. In response to climate change, analysts expected something more than merely expressing their commitment to the international conventions on global climate change.

To conclude, a cautiously chalked out strategy, the vision that has been

shared in Prime Minister Singh's visit, envisages a dream that is not improbable to achieve. However, a 'comprehensive, balanced and sustainable social and economic development' 'based on equality' will be hard to achieve if there remains a political and strategic misunderstanding between the two countries.

Though Panchsheel was meant for bilateral cooperation, this vision foresees the five principles to be the foundation of an international system which is based on a "fair, rational, equal and mutually beneficial" relation.

From the above account, it is clear that the process of rapprochement of Sino-Indian ties, has picked up its pace, yet there are issues that have neither been resolved nor completely ignored. But, with a high rate of growth fuelling the two economies, forging deeper economic engagement, promoting mutual economic and infrastructure development and energy security is in the enlightened national interest of both the countries. ■

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