

# Competing Realities in China-India Multilateral Discourse: Asia's Enduring Power Rivalry

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## I. The Premise

The realist paradigm of Sino-Indian relations would posit that if these two countries continue to grow in their current power trajectory, a power rivalry between them will be inevitable, given that both stand a sound chance of becoming superpowers in times to come. In contrast, the liberalist notion posits that the strategic rivalry is muted, with multilateral engagement and economic interdependence. In the interest of setting a “non-Western” vis-à-vis “multipolar world order” – as the liberalist world foresees, China and India would think alike in a diverse multilateral context, which in due course would enhance their bilateral relations as “Asian powers”. Nevertheless, new global occurrences like the resource quest and energy politics in Asia, identity formation, and geo-political occurrences like the United States’ return to Asia recently, have complicated their discourse, placing the realists a notch above liberalists. Champion realist theorists Morgenthau and Thomson stated long ago:

The aspirations for power of the individual nations can come into conflict with each other – and some, if not most of them, do at any particular moment in history – in two different ways ... *the pattern of direct opposition and the pattern of competition*.<sup>1</sup>

To make the most of this competition/opposition phenomenon, China and India are relying on their own multilateral diplomacy in Asia and power factors, the relative aptitude of which must be their invariable concern. This paper talks about their emerging competition and contention in the regional polygonal context in which Asia remains the most pressing and glaring theater of power rivalry.

The corollary of such competition in the multilateral context is colossal, impacting the broader global politics, since Asia remains the bedrock of such politics due to the growing demand for energy resources, where China and India have accentuated their political stature over Asia's resourceful regions. Besides, the structural contexts through which they engage in multilateral conditions, at least at the regional level, are problematic: both are still engaged in boundary problems; are Asian powers and aim for the “primacy in Asia”. Though new institutional mechanisms and political conditions are being created at the bilateral level to shape the China-India regional vis-à-vis global discourse and to resolve the age-old boundary problem;<sup>2</sup> the geo-politics of Asia, rising power rivalry, and growing energy complexities in different segments of Asia restrict the depth and extent of these institutional mechanisms, prompting a massive China-India rivalry at the regional level. In fact, the China-India polygonal engagement at the Asian level is a statement of strategic opposition and rivalry rather than any pretence of collaboration.<sup>3</sup>

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<sup>1</sup> H.J. Morgenthau and K.W. Thompson, *Politics among Nations: The Struggle for Power and Peace*, New Delhi: Kalyani, 1985, p. 192.

<sup>2</sup> For example, the first India-China Strategic Economic Dialogue (SED) was conducted in Beijing on September 26-27, 2011. The decision to start SED was taken during Premier Wen Jiabao's visit to India in December 2010. The prime aim of the SED is to cooperate in the two countries' global economic outlook. See Sandeep Dixit, “Beijing to hold first ever India-China strategic economic dialogue,” *The Hindu*, September 24, 2011; Deng Shasha, “China, India hold strategic dialogue to boost economic ties,” *Xinhua*, September 26, 2011, [http://news.xinhuanet.com/english2010/china/2011-09/26/c\\_131161084.htm](http://news.xinhuanet.com/english2010/china/2011-09/26/c_131161084.htm)

<sup>3</sup> Many have noted that in the China-India multilateral context, connecting in regional or global bodies is mainly a potential medium of establishing cooperation and maximizing mutual interests. Swaran Singh, for example, argues

This paper presents a scenario to argue that China's and India's multilateral politics at the Asian level is a potential medium of denying a space and holding an edge over each other for acquiring assorted global resources, forming regional and global identity, and mainly in security issues of respective national strategic objectives. In order to do that, the paper is constructed into four major parts. The *first* section deals with methodological dialogue in Asian context, to place and contextualize China-India multilateral politics. The *second* section analyses the current complexity of China-India relations mainly at bilateral level as it is linked to the broader Asian complexity. *Third* section explains the different sub-regions that are the cornerstone of China-India rivalry in Asia. The *fourth* section delves upon the current Indian dominant discourse on China and China-India relations, followed by an assessment and conclusion.

## II. Characterizing the China-India Multilateral Discourse

Key notions and beliefs through which both China and India characterize their regional vis-à-vis global politics and heighten their bilateral relation today are: they belong to "a multipolar world order"; both are "developing countries", "populist societies", and "emerging economies", "immediate neighbors" and are "Asian Powers". Most of these terminologies are closely linked with the course of globalization like geography, energy resources, identity formation, power politics, technology, economic engagement and multilateralism; which makes them quite interdependent in a complex order. Yet, construing the detail of these terminologies in foreign policy construct and national security policymaking context explains a distinct sketch altogether. Most of these terminologies are "idealist" notions, and very "liberal" in nature. Notably, while the extent of globalization may be exceptional in this context, linkages between contemporary national foreign policy construct of rising powers and multilateral politics are more about competitive power politics than anything else. The China-India multilateral politics in Asia explains this hypothesis where politics over diverse resources between the two large societies are more complex today than ever. Be it the politics in South-East Asia where the South China Sea is the hotspot, or the greater Asia-Pacific region where the Indian Ocean is the core of their contention and the revisit of the US as a power to the Asia-Pacific region, or the Central Asian pipeline politics in that context, the ever-rising Asian complexity does indicate that the realist acuity predominates over any pretence of liberalist emotion in China-India discourse.

Besides, the multilateral politics of the current century does invite constant power persuasion and new methodology. The current foreign policy dialogue of large and populist powers like China and India is quite different and diverse from the previous politics and order. In reality, through multilateral politics, be it regional or global, rising powers like China and India affix themselves and integrate with different regional vis-à-vis global conditions and accentuate their individual power politics. Fundamental to this understanding, the forums or multilateral dealings in which the two countries decide to engage are not created in a vacuum, nor do they have any free existence or neutral platforms for strategic and tactical dealings. Multilateral politics, be it regional or global, within a defined set-up reflects "the prevailing international correlation of forces which often favor the stronger over the weak".<sup>4</sup> China as an economic and regional powerhouse carries an edge over India in most of the multilateral dealings, shaping India's discourse towards China. The current Asian politics between the two, both at bilateral and multilateral level, amply narrates this phenomenon.

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in "Paradigm Shift in India-China Relations: From Bilateralism to Multilateralism" (*Journal of International Affairs*, Vol. 64, No. 2, Spring/Summer 2011, p. 155) that "multilateral forums provide China and India with a relatively neutral playground in which the two countries have gradually begun to decipher their stronger commonality of interests in addressing their regional/global challenges within multilateral settings."

<sup>4</sup> Robert Ayson, "Multilateral Institutions and Major-Power Cooperation," in N.S. Sisodia and V. Krishnappa, *Global Power Shifts and Strategic Transition in Asia*, New Delhi: Academic Foundation, 2009, p. 198.

Moreover, the current multilateral politics shape the auxiliary evolution of regional power relations, standing as both cause and effect in any relationship discourse.<sup>5</sup> One variable that shapes these settings is “resource politics”, particularly energy – be it gas or oil – or even the economic richness of that region. No matter how resonant economically one country or a particular region really is, the current facets of global politics suggest that there is always potential for interstate contention for resources. In the case of both China and India, the strategic quest for energy security in Asia has influenced their foreign policy construct and design.<sup>6</sup> Both the “Asian neighbors” carry strategic ambitions, at least in the immediate maritime sector, to be able to exercise their “power projection” beyond the immediate and normal neighborhood territories.<sup>7</sup> Within their hoary boundary problem, mistrust rises further within the benefits of globalization and principles of free market society.<sup>8</sup> The “scramble for energy”, particularly in three immediate sub-regions in Asia – South-East Asia, Central Asia and South Asia- confirms this veiled and intense competition. These hidden competitions make the sub-regional bodies in these regions like the ASEAN, SCO and the SAARC even more vital to their multilateral political discourse.

Finding a fitting mechanism or design to explain this complex/versatile multilateral dynamics in China-India discourse is a difficult task. This paper follows a sectoral sub-regional structural framework at Asian level to explain the underlying realities of this competition. Yet, underscoring this discourse are a few basic strategic premises: (a) their multilateral competition is a result of their bilateral contention on the boundary dispute, which impacts their Asian rivalry; (b) both see each other as future powers from Asia and remain realistic about their global presence and rise; (c) both are large and populist societies, always craving for likely energy resources; (d) both are developing powers and try to connect themselves with other powers in different spectrums; (e) return of the US to Asia carries implications for their bilateral perceptions and relations; and (e) both aim to hold primacy in Asia. A caution here is that the geo-strategic and geo-political conditions of the evolving multipolar world order are, however, more favorable to China than India, since the Chinese economy is number two in the world currently and is being considered as an alternative to the American supremacy in global politics: it is almost setting the course to share the desk in the G2 discourse. Even more notably, China is a permanent five (P-5) country in the UNSC, a privilege that India craves for itself.

### **III. Unbounded Bilateral Complexity and China's Assertiveness**

Political discourse of international relations suggests that bilateral complexities often lead to the level of multilateral complexities. In Sino-Indian relations too, bilateral complexities on boundary have been the referring point to their multilateral course. To put it directly, Sino-Indian relations have always been complex, overshadowed by their historic boundary dispute. New problems like the Chinese construction activities in the Pakistan-occupied Kashmir (POK), the water diversion issue in the Tibetan plateau, and massive protests both in and outside Tibet are some of the other issues that have complicated their bilateral discourse further, touching new regional complexities. Given the complexities of these issues, it is quite expected that Sino-Indian relations will continue to remain tensed and uptight in the near future. Yet, going into the details in understanding these complexities narrates a more problematic sketch, where China seems to usurp the bilateral discourse through its aggressive stance and tough posture. The Chinese authoritative stance over the boundary negotiation strategy is an apt example of this.

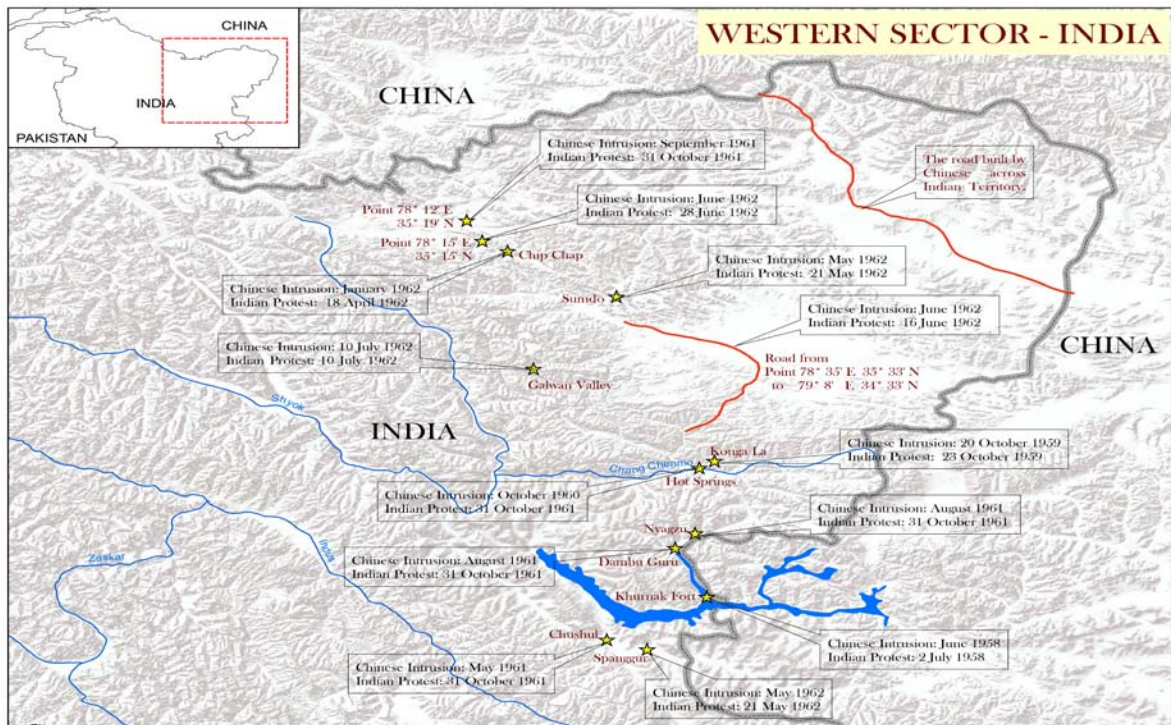
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<sup>5</sup> Ibid.

<sup>6</sup> Sascha Muller-Kraenner, “China's and India's Emerging Energy Foreign Policy,” *Discussion Paper* (German Development Institute), Bonn, 15/2008, p. 1.

<sup>7</sup> Ingolf Kiesow, “The Global Race for Oil and Gas: Power Politics and Principles in Asia,” *Asia Paper* (Institute for Security and Development Policy), October 2008, p. 21.

<sup>8</sup> Ibid.

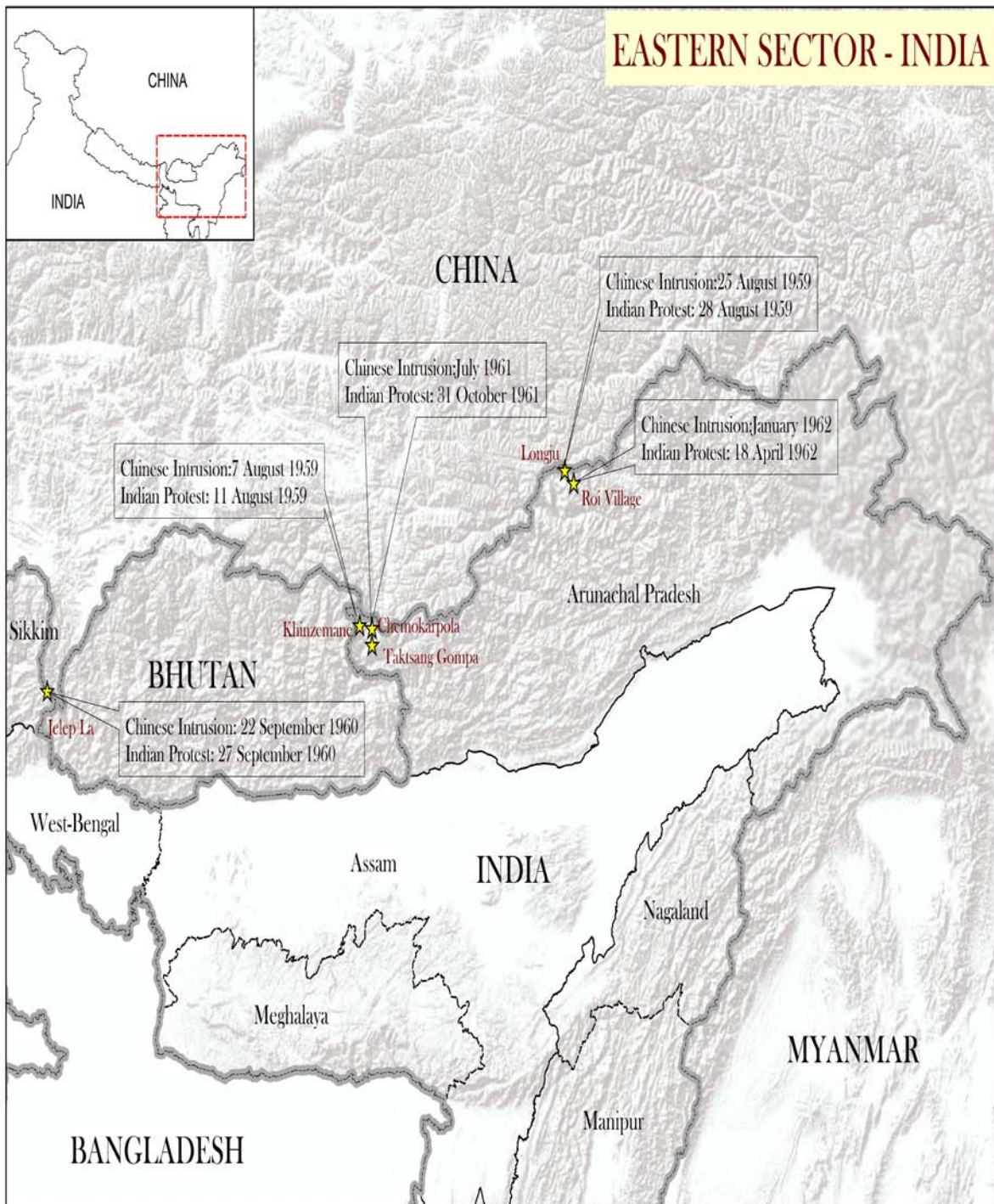


(Source: GIS Lab, IDSA)



(Source: GIS Lab, IDSA)





(Source: GIS Lab, IDSA)

### *Boundary*

The year 2012 saw the 15th round of Special Representatives (SRs) talks on the boundary negotiation.<sup>9</sup> In a way, since their inception in 2003, the SRs level talks have by now institutionalized to some extent the boundary negotiation strategy. At bilateral level, the thrust has been to develop various institutional mechanisms which have been the core in Sino-Indian boundary negotiation strategy so far. It is a general view that through the SRs talks, the two countries have reached a broad understanding and consensus on settling guidelines to resolve the boundary dispute. The Indian National Security Advisor has stated that the SRs talks have been the most positive so far, and “on the settlement itself, we are in the second stage of the three stage process of agreeing principles, a framework and finally a boundary one”.<sup>10</sup>

While there is an official appreciation of the fact that the boundary negotiation strategy is moving in the right direction, the problem persists, with the accompanying tension. In fact, the Chinese have become more aggressive in disputing India's sovereign claim on the province of Arunachal Pradesh, without respecting the core principles of the negotiation strategy, and more notably the 1996 Confidence Building Measures (CBMs) and the 2005 protocol between the two sides. The Chinese claim over Arunachal Pradesh has been more antithetic towards the boundary negotiation process. The Chinese have vigorously opposed Indian political leaders, including the Prime Minister's and other officials' visit to Arunachal Pradesh, stating that this is a “disputed eastern section” of the boundary, and have cautioned India time and again not to take any steps in this “disputed area” that may complicate the issue.<sup>11</sup> It may also be recalled that the 15th round of SRs talks was postponed because of the Chinese pressure to cancel the Dalai Lama's Tibetan conclave in New Delhi which coincided with the China-India SRs talks in November 2011 and was postponed to January 2012.

### *Border Incursions*

Chinese insolence with India on the boundary issue has also been demonstrated in other provocative gestures. For example, it has refused to grant visa to Indian officials and military officers hailing from Arunachal Pradesh and Kashmir. More provocatively, it has been aggressive and dominant in its position over the issue. Even more alarmingly, the Chinese military is repeatedly encroaching on the Indian side of the border, violating the existing CBMs and MoUs. The Indian media and the public discourse have

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<sup>9</sup> The highlight of the 15<sup>th</sup> SRs boundary talk was the Establishment of a *Working Mechanism* for Consultation and Coordination on India-China Border Affairs on January 17, 2012. This adds to the existing plethora of frameworks, mechanisms and documents, other than anything else. In fact, one highlight of the new 2012 mechanism has been to address the complexities of “border area” situations and handling of the “border incidents”. Though one would expect that the *working mechanism* will address some of these border incidents, the agreement actually does not indicate that. While on the one hand the agreement indicates “resolving the boundary question at an early date,” Article V mentions that the proposed working mechanism “will not discuss resolution of the boundary question or affect the Special Representative mechanism” per se. The proposed mechanism indicates “the spirit” of the agreements of September 1993, November 1996 and April 2005 and the protocol between the two sides, which are always debatable and lack clarity in public acceptance. Also, none of these agreements or protocols has been successful in pushing the boundary negotiation to an upper level. See, “India-China Agreement on the Establishment of a Working Mechanism for Consultation and Coordination on India-China Border Affairs,” *Agreement between the Government of the Republic of India and the Government of the People's Republic of China on the Establishment of a Working Mechanism for Consultation and Coordination on India-China Border Affairs*, January 17, 2012, <http://www.mea.gov.in/mystart.php?id=190018925>.

<sup>10</sup> “Speeches/Statements”, *Speech by NSA on “Developments in India-China Relations”*, Ministry of External Affairs, January 9, 2012, at <http://www.mea.gov.in/mystart.php?id=530118876>

<sup>11</sup> “Foreign Ministry Spokesperson Hong Lei's Remarks on an Indian Official's Remarks,” *Ministry of the Foreign Affairs of the People's Republic of China*, February 25, 2012, <http://www.fmprc.gov.cn/eng/xwfw/s2510/2535/t909585.htm>

reported that the Line of Actual Control (LAC) has “shrunk” over the years, and India has lost substantial chunks of land to China because of the People’s Liberation of Army’s (PLA) intrusion into the Indian border.<sup>12</sup> This seems to be a historical trend: before attacking India in 1962, the PLA was engaged in repeated incursions along the boundary (*see the three maps*).

#### *Dalai Lama and Tibetan Movement*

Tibet has always been a matter of constant debate between China and India. Despite India’s repeated assurances to China that it does not have any territorial interests or prejudices with regard to Tibet, the Chinese have continuously been suspicious of India on this matter.<sup>13</sup> Though there is a certain degree of acceptance among the current Chinese experts over India’s stance on the Tibet issue,<sup>14</sup> it remains too sensitive, being linked to the Tibetan protests and the post-Dalai Lama course of Tibet and the Tibetans. For China, the Dalai Lama still remains the main perpetrator not only for damaging China’s national image but also for China-India relations even after the leadership change in the Tibetan Government in Exile (TGIE).<sup>15</sup> The principal Chinese view is that the Dalai Lama’s retirement from active politics does not really make much difference, as he is still the most influential factor for the Tibetan community, and solely is responsible for misleading the Tibetan community.<sup>16</sup> The official Chinese discourse is that the recent Tibetan protest and movement in Tibet need “long-term, complicated and sometime even acute” policy approach.<sup>17</sup>

India’s approach to Tibet and the Tibetans, which has been based on democratic values, has been consistent. In this perspective, India sees the Chinese reactions over the Tibetan protests in India as being overdramatic, exhibiting a profile of insecurity. India is more concerned about the future of the huge Tibetan refugee population living in its territory, and how to effectively tackle them in the post-

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<sup>12</sup> A meeting held in Leh in January 2010, which was attended by officials from the state government of Jammu and Kashmir, Union Ministry of Home Affairs and the Indian Army under the chair of the Commissioner of Leh, A.K. Sahu, confirmed this. It was agreed in the meeting that “... we (India) have lost substantial amount of land in 20–25 years”. See “India loses ‘substantial land’ in 20–25 years along LAC to China”, *Economic Times*, January 11, 2010, “India has lost land to China”, *Deccan Chronicle*, January 10, 2010; Sumir Kaul, “It’s Official: India has lost ‘substantial’ land to China”, *Rediff.com*, January 10, 2010, <http://news.rediff.com/report/2010/jan/10/india-has-lost-substantial-land-to-china.htm>; Claude Arpi, “It is time to wake up to Chinese incursions”, *Indian Defence Review*, February 7, 2012, <http://www.indiandefencereview.com/geopolitics/It-is-time-to-wake-up-to-Chinese-incursions.html>; Saurabh Shukla, “Secret note to MEA says Chinese troops made 50 incursions into Indian territory in three months”, *India Today*, September 29, 2011, <http://indiatoday.intoday.in/story/secret-note-to-mea-corroborates-chinese-incursion-claims/1/153086.html> (accessed on March 10, 2012)

<sup>13</sup> Ashley J. Tellis, “China and India in Asia,” in Francine R. Frankel and Harry Harding (eds.), *The India-China Relationship: What the United States Needs to Know*, New York: Columbia University Press, 2004, p. 148.

<sup>14</sup> Cheng Ruisheng, “Sino-Indian Relations: Sixty Years of Experience and Enlightenment,” *IPCS Special Report*, June 2010, p. 7.

<sup>15</sup> “Seven Questions to the 14<sup>th</sup> Dalai Lama,” *Xinhua*, March 24, 2012, [http://www.chinadaily.com.cn/china/2012-03/24/content\\_14905520.htm](http://www.chinadaily.com.cn/china/2012-03/24/content_14905520.htm) (accessed on April 1, 2012)

<sup>16</sup> Cui Jia, “Dalai’s plan to retire nonsense: Tibet top official”, *China Daily*, March 11, 2011, [http://www.chinadaily.com.cn/china/2011npc/2011-03/11/content\\_12152735.htm](http://www.chinadaily.com.cn/china/2011npc/2011-03/11/content_12152735.htm) (accessed on March 06, 2012)

<sup>17</sup> Yang Jingjie, “Tibet officials ‘prepare for war’”, *Global Times*, February 10, 2012, <http://www.globaltimes.cn/NEWS/tabid/99/ID/695365/Tibet-officials-prepare-for-war.aspx> (accessed on March 09, 2012)

Dalai Lama scenario. In the view of India, the Dalai Lama carries an unequalled charismatic authority with the Tibetan community. After his demise, the Tibetan movement may get violent, which may further complicate China-India relations. If Beijing props up its own Dalai Lama whereas the Tibetan community in India may have its own new Dalai Lama, creating a historically unprecedented “two Dalai Lamas” in Tibet’s record, China-India relations are very likely to become extremely tenuous. It needs to be particularly noted that it is not the Tibetans in Tibet, but the Tibetan Government in Exile (TGIE) in Dharmasala in India that leads the Tibetan cause today, which clearly gives the upper hand to India in its relations with China.

China, of course, has been playing its Tibet cards vis-à-vis India. It has persistently linked Tawang with Tibetan history as regards to Arunachal Pradesh. It has constantly reiterated that the sixth Dalai Lama hailed from Monyul area and that three parts of Tawang – Monyul, Loyul and Lower Tsayul – were originally under the Tibetan administrative vis-à-vis jurisdictional control. Though not much weight is attached to that Chinese claim, from these select places in Arunachal, the Chinese claim has slowly expanded to encompass the whole state of Arunachal Pradesh today.<sup>18</sup>



(Source: GIS Lab, IDSA)

<sup>18</sup> Jagannath P. Panda, “China’s Designs on Arunachal Pradesh”, *IDSA Strategic Comment*, March 12, 2008, [http://www.idsa.in/idsastrategiccomments/ChinasDesignsonArunachalPradesh\\_IPPanda\\_120308](http://www.idsa.in/idsastrategiccomments/ChinasDesignsonArunachalPradesh_IPPanda_120308); also see Jagannath P. Panda, “China’s eagle eye on Arunachal”, *IDSA Strategic Comment*, July 10, 2009, [http://www.idsa.in/strategiccomments/ChinaseagleeyeonArunachal\\_IPPanda\\_100709](http://www.idsa.in/strategiccomments/ChinaseagleeyeonArunachal_IPPanda_100709)



#### *China's water diversion project*

A new problem in China-India relations is the Chinese water diversion project in the Tibetan plateau, from southern to northern China. The "South-North Water Diversion Project" is one of China's largest infrastructure projects since the Three Gorges Dam. The project is expected to become operational in 2013 and start supplying water to arid parts of the northern China. This ambitious project was the brainchild of Mao Zedong in 1952, and was formally approved in December 2002 after intense debate.<sup>19</sup> The project consists of three routes: eastern, middle and western (*see Maps*). India has a problem with the western route precisely, which is connected through the Brahmaputra River. The Brahmaputra originates from the Tibetan glacier, enters into Arunachal Pradesh and Assam in India and flows to Bangladesh. It takes a bend on the India-China border, known as the Great Bend, and flows with high speed between the Namcha Barwa and the Gyal Pelri Mountains.<sup>20</sup> If China decides to divert water from *Yarlung Tsangpo*, the water flow in the Brahmaputra is likely to be affected substantially, making the most of North-Eastern India drought prone. Currently, India has only the data sharing MoU with China, not an agreement. The Chinese have been adamant in their approach, not dialoguing with India on the issue: in fact, there is a seeming resolve in China today to start the Water diversion in the western route as early as possible,<sup>21</sup> regardless of China's may think.

The aforementioned problems –boundary dispute, Tibetan affairs, and water diversion – are genuine issues in the China-India discourse today, impacting both the bilateral and larger regional discourse. The boundary dispute, despite dialogue and talks, has remained constant since the 1962 war. The Tibetan discourse and the water dispute have further complicated this discourse. Though a national psyche is reflected in the overall bilateral discourse from both sides not to relax their position on the negotiating strategy, the Chinese have become more aggressive than the Indians on some of these issues. This aggression is clearly visible in Beijing's recent construction activities in the Pakistan-occupied Kashmir (POK) too, which indicates China's reluctance to openly endorse India's sovereign position on Kashmir. China's visa denial to officers hailing from Kashmir is a further example of this. This problematic discourse extends to the regional level where the competition is quite intense over resources and power posture in different segments of Asia.

#### **IV. Regional Hotspots: Resources, Rivalry and Supremacy in Asia**

The potential for China-India rivalry in Asia is writ large on three specifics: *resources, identity, and power politics*. Apart from their territorial integrity, the quest for strategic resources and forming their respective regional and global identity as future powers have received the highest priority in their domestic as well as foreign policy stratagems. Exploiting energy resources around the region has become the topic of their multilateral substance. Partaking with various regional bodies has become another crux of their foreign policy index. Though there have been constant interactions between them in the regional multilateral settings, hedging each other in multilateral power politics still remains the most vital determinant of their relations. It needs to be noted in this context that *geo-politics of the current century is more than a zero-sum game*. Power rivalry and competing cooperation are two facets of bilateral relations, and that is clearly noticed in China-India politics at the Asian level. Both Asian

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<sup>19</sup> Deng Shasha, "China's water diversion project to be operational next year", *Xinhua*, February 4, 2012, [http://news.xinhuanet.com/english/china/2012-02/04/c\\_131391611.htm](http://news.xinhuanet.com/english/china/2012-02/04/c_131391611.htm) (accessed on March 15, 2012)

<sup>20</sup> "Chapter 3: Water Issues in India-China Relations", *Water Security for India: The External Dynamics*, IDSA Task Force Report, Institute for Defence Studies and Analyses: New Delhi, September 2010, p. 45.

<sup>21</sup> He Shan, "Western route of water transfer project very much possible", *China.org.cn*, March 13, 2012, [http://www.china.org.cn/china/NPC CPPCC 2012/2012-03/13/content\\_24883931.htm](http://www.china.org.cn/china/NPC CPPCC 2012/2012-03/13/content_24883931.htm) (accessed on March 12, 2012)

countries are aiming for “pan-Asian leadership” at the regional level;<sup>22</sup> hence, relying on multilateral settings and sub-regional power alliances remain the two most effective and attractive medium in their regional strategic context.

Experts argue on how the Asian power politics is currently under a “profound change”, and the “rise of China is the principal cause” along with other factors like the rise of regional multilateral institutions.<sup>23</sup> In a way, the prime geo-strategic regions in Asia are becoming interwoven in a network of power politics, where China and India are the principal actors. Three major sub-regions may be taken as examples in this context: *South-East Asia*, *Central Asia* and *South Asia*. Corresponding to them are three principal sub-regional or multilateral settings: ASEAN, SCO and SAARC, where both China and India are involved with each other in a spectrum of power politics. A case-by-case analysis will expound this thesis, though it suggests that China has emerged as the predominant power with evocative security interests with these regions and their corresponding multilateral bodies.

#### *South-East Asia, ASEAN and the Geo-Strategic Maneuvers*

South-East Asia, with its economic and resource strength, is a vital strategic region for both local and great actors’ power projection. It has been argued that “position between two of the regional economic, political and military powerhouses – India and China – has made the relatively affluent region even more crucial in geopolitical terms”.<sup>24</sup> South-East Asia is also known for the economic weight of the ASEAN. Compared with other multilateral bodies, the role and influence of ASEAN is limited geographically, and particularly over various security issues.<sup>25</sup> Both China and India are influential powers in ASEAN-led South-East Asian politics. Three specific issues attract China and India to the South-East Asian region: (a) pushing the regional situation to sway trade and economy in their own favor; (b) the South China Sea dispute; and (c) exploiting the resources in Myanmar (Burma).

Clubbing together with ASEAN has been a principal policy priority for both China and India. At present, while China is clubbed with it under ASEAN+1, ASEAN+3 and ASEAN+6 frameworks,<sup>26</sup> India is clubbed only under the ASEAN+6 frameworks. Compared with India, the Chinese have always enjoyed closer contact with the ASEAN through a versatile policy strategy in the South-East Asian region that includes a variety of economic, political and cultural linkages. Officially, China wants to promote and has asked for

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<sup>22</sup> Tarique Niazi, “Sino-Indian Rivalry for Pan-Asian Leadership,” *China Brief*, vol. 6, issue 14, February 15, 2006.

<sup>23</sup> David Shambaugh has argued in length this proposition. For details see, David Shambaugh, “China Engages Asia: Reshaping the Regional Order,” *International Security*, vol. 29, no. 3, winter 2004-05, pp. 64-99. Also see, Jonathan D. Pollack, “The Transformation of the Asian Security Order: Assessing China’s Impact”, in David Shambaugh (ed.), *Power Shift: China and Asia’s New Dynamics*, University of California Press: Berkeley, Los Angeles, London, 2005, pp. 329-46.

<sup>24</sup> Niklas L.P. Swanstrom, “Chapter 2: Southeast Asia,” in *Asia 2018-2028: Development Scenarios*, Institute for Security and Development Policy, Sweden, June 2008, p. 98.

<sup>25</sup> Fenna Egberink and Frans-Paul van der Putten, “ASEAN and Strategic Rivalry among the Great Powers in Asia,” *Journal of Current Southeast Asian Affairs*, vol. 29, no. 3, p. 131.

<sup>26</sup> In ASEAN+1, +1 implies China; ASEAN+3 implies China, Japan and South Korea; ASEAN+6 implies ASEAN+3 plus India, Australia and New Zealand. East Asia Summit (EAS) generally implies ASEAN+6. During the second East Asia Summit (EAS) in Cebu held on January 15, 2007, the ASEAN+6 leaders agreed to launch a study on Comprehensive Economic Partnership in East Asia (CEPEA) among the EAS participants. The motto of this proposed CEPEA was to establish an ASEAN+6 FTA.

“ASEAN’s leading role in regional cooperation” in East Asia under ASEAN+1 or ASEAN+3 frameworks.<sup>27</sup> Beijing has developed and pushed for a range of “practical cooperation” in the field of infrastructure, connectivity, trade and economy, capital and information, transport and people-to-people exchanges.<sup>28</sup> Chinese Premier Wen Jiabao has pointed out that “in 2010, China became ASEAN’s biggest trading partner [...] launched the largest FTA among developing countries and [...] set the target of \$500 billion in two-way trade by 2015.”<sup>29</sup>

India’s engagement with ASEAN and with the region goes back to 1991, when it introduced the “Look East” policy, but this relationship was limited to trade and economy, ignoring the security aspect. India too has signed a Free Trade Agreement (FTA) with ASEAN recently. India is also a dialogue partner of ASEAN and a member of the ASEAN Regional Forum (ARF). For both China and India, the primary contention in their engagement with ASEAN is: *who will have an edge in ASEAN-led regional politics?* Both are concerned about the geographic scope of the Asian community building. Chinese commentators are worried about India’s recent revitalized approach towards ASEAN and South-East Asia. For example, an analyst writes that:

India finally regains the momentum to counteract China’s rising regional clout, with the “Look East Policy” as its guiding principle, encouraged by its leaders’ sound relationship with ASEAN nations, and by taking advantage of the face-off between China and Japan ...<sup>30</sup>

If India manages to integrate itself more actively with ASEAN and South-East Asia, ASEAN and India will be in a win-win situation when countries in the region looking for India’s greater role, particularly in terms of economic integration at least if not in other areas, undercutting China’s influence in the region. Beijing, it may be noted, vigorously opposed India’s association with the East Asia Summit (EAS).<sup>31</sup> China has always pointedly neglected to advocate a leading role for ASEAN+6 or EAS, canvassing to limit the dialogue to ASEAN+1 and +3.<sup>32</sup> Among these multilateral politics in South-East Asia, the conflicting approach over the South China Sea between China and India has been another matter of grave concern recently, affecting their relationship.

The issue of South China Sea is no more a dispute limited between China and South-East Asian countries. To add to Chinese worries, the USA, India and Japan have stepped into the region.<sup>33</sup> The South China Sea

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<sup>27</sup> “China pledges prosperous neighborhood policy,” *China Daily*, April 30, 2011, [http://www.chinadaily.com.cn/china/2011-04/30/content\\_12427176.htm](http://www.chinadaily.com.cn/china/2011-04/30/content_12427176.htm).

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> Li Hongmei, “India’s ‘Look East Policy’ means ‘Look to Encircle China’?,” *People’s Daily* (online), October 27, 2010, <http://english.peopledaily.com.cn/90002/96417/7179404.html>

<sup>31</sup> Elizabeth G.M. Parker and Teresita C. Schaffer, “India and China: The Road Ahead,” *South Asia Monitor*, July 1, 2008, p. 2.

<sup>32</sup> D.S. Rajan, “East Asia integration – China’s Reservations on India Playing a Leading Role,” *SAAG Paper* (South Asia Analysis Group), Paper no. 4377, March 14, 2011, <http://www.southasiaanalysis.org/%5Cpapers44%5Cpaper4377.html> (accessed on March 01, 2012)

<sup>33</sup> Li Hongmei, “‘Bundling Strategy’ over South China Sea will be disillusioned,” *English.news.cn*, September 26, 2011, [http://news.xinhuanet.com/english2010/indepth/2011-09/26/c\\_131160220.htm](http://news.xinhuanet.com/english2010/indepth/2011-09/26/c_131160220.htm) (accessed on March 02, 2012)

has not so far been a direct cause of strife or a major source of conflict between China and India.<sup>34</sup> Yet, India sees the authoritarian Chinese behavior over the South China Sea as an overture to a larger strategic contention between the two in the Indian Ocean Region (IOR).<sup>35</sup> India's concern lies in the fact that the South-East Asia is the gateway for Chinese shipping to IOR.<sup>36</sup> Given the rising maritime drive between China and India, South-East Asia is one region where both want to consolidate their position, perhaps through security multilateralism.<sup>37</sup>

For India, the region of South-East Asia is vital as it remains an entry point for shipping into the Western Pacific. In view of this aspect, India has maximized its defense cooperation agreements with various ASEAN countries, moving beyond the normal "commercial and economic" oriented "Look East" policy.<sup>38</sup> Chinese possessiveness with regard to the South China Sea is about the geopolitics of the region and its resources. China asserts that "some countries are eager to seek interest by nibbling and grabbing. Some external forces also have their hand in to reap unfair gains,"<sup>39</sup> that "China's stance has been consistent on the freedom of navigation and unblocked shipping lanes in the South China Sea."<sup>40</sup> The Chinese are quite particular about using the South China Sea link in their favor for oil transportation through the Indian Ocean. In short, China could be a weaker maritime power compared to India's maritime status in the Indian Ocean, but it wants to systematically concentrate in both the South China Sea and ASEAN to upgrade its naval presence in the region. This China-India rivalry is not limited to the South China Sea or the Indian Ocean region; it has extended to the level of power politics in influencing third countries in the region, or looking out for energy or commercial resources in those countries. China-India energy competition in Myanmar is a prominent example in this context.

Explicitly, oil and gas seem to be the prime factor in the two countries' current wooing of Myanmar. For China, Myanmar is a vital strategic region, being a part and parcel of its design in developing its western regions. The location of Myanmar also offers China closer access to Indian Ocean from China's Yunnan province. While Myanmar's strategic location is central for India's "Look-East" policy, that country's

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<sup>34</sup> While China's tension with Japan with regard to the East China Sea has been a longtime phenomenon, the emerging China-India maritime rivalry and competition in the region is a new facet: the issue is less territorial and more related to power postures.

<sup>35</sup> Egberink and van der Putten, "ASEAN and Strategic Rivalry ...," n. 25, p. 137.

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> India's recent presence in the South China Sea is a result of its historical links and part of its revitalized foreign policy towards the South East and East Asian region. India's trade contact with the East Asian economies has been impressive, and now exceeds that with the US and the EU. More than half of India's trade cargo passes through the Singapore and Malacca straits, pushing "economic diplomacy" to the front in its "Look East" strategy. See Ali Ahmed, "India, China and the US: The Debate in India," *Foreign Affairs Journal*, September 3, 2011, <http://www.foreignpolicyjournal.com/2011/09/03/india-china-and-the-us-the-debate-in-india/>; Mohan Malik, "Asia's Great Naval Rivalry," *Wall Street Journal*, September 5, 2011, [http://online.wsj.com/article/SB10001424053111904537404576551934186873612.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB10001424053111904537404576551934186873612.html?mod=googlenews_wsj) (accessed on March 09, 2012)

<sup>39</sup> Ding Gang, "Do not let South China Sea issue undermine China-ASEAN ties," *China Daily*, July 25, 2011, [http://www.chinadaily.com.cn/opinion/2011-07/25/content\\_12974522.htm](http://www.chinadaily.com.cn/opinion/2011-07/25/content_12974522.htm) (accessed on February 12, 2012)

<sup>40</sup> "Chinese FM positively comments on regional cooperation mechanism," *People's Daily*, July 24, 2011, <http://english.peopledaily.com.cn/90001/90776/90883/7449585.html> (accessed on February 12, 2012)



natural resources and vitality as a neighboring country further oblige India to take it seriously in its regional policy.<sup>41</sup> Myanmar has abundant energy and natural resources, accounting for world's tenth-largest natural gas reserves, of over 90 trillion cubic feet (tcf) spread over nineteen onshore and three main offshore fields. Between China and India, whoever outsmarts the other for dominance in Myanmar will also enjoy the strategic advantage for the neighboring sea route politics for energy and oil resources. In a way, it will provide direct access to IOR via the Bay of Bengal in the west and the strategic Andaman Sea in the south. China has acquired naval bases along the critical ends in the Indian Ocean to maximize its strategic presence.

#### *Central Asia, SCO and the Geo-Strategic Complexities*

In a vital region like Central Asia, where many global and local powers are present and a proper regional order is missing, as each state judges its grievances and ambitions by its own rationale and priorities, political conflict and competition are bound to arise. While the region of Central Asia is known for its historical dynamism, its contemporary politics for energy resources is the most interesting chapter where China and India are linked with a variety of power politics. China's and India's strategic ambitions are clearly reflected in their policy approaches towards Central Asia. Both seem to have security and economic interests in the region.<sup>42</sup> While the security interests lie in checking Islamist fundamentalism or terror links, the economic interest is linked mainly to the volume and reserves of energy resources that lie in Central Asia (see maps for Chinese and Indian proposed pipeline projects in the region).

Historical record suggests that unlike India, China accords the utmost priority in its foreign policy to relations with its neighbors.<sup>43</sup> This is reflected well in its policy approach to Central Asia, where it has created a huge profile for itself through the SCO and networking with other neighbors.<sup>44</sup> Beijing has systematically pushed its bilateral relations with individual countries in Central Asia, which has been a clash of interests for India in the region. While a complex set of factors shape India's policy direction in Central Asia, it is economic stakes coupled with the need for energy that hold the first line of interest among Indian policymakers.<sup>45</sup> The China factor has scuttled the progress of the Iran-Pakistan-India (IPI)

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<sup>41</sup> Faced with massive populations and to sustain their rising economy, both China and India face stiff challenges of energy security. Their competition for resources could even give rise to conflict in offshore areas like the East and South China Sea, and also in neighboring countries like Myanmar. See Stein Tonnesson and Ashild Kolas, *Energy Security in Asia: China, India, Oil and Peace* (Report to the Norwegian Ministry of Foreign Affairs), International Peace Research Institute, Oslo (PRIO), April 2006, p. 10.

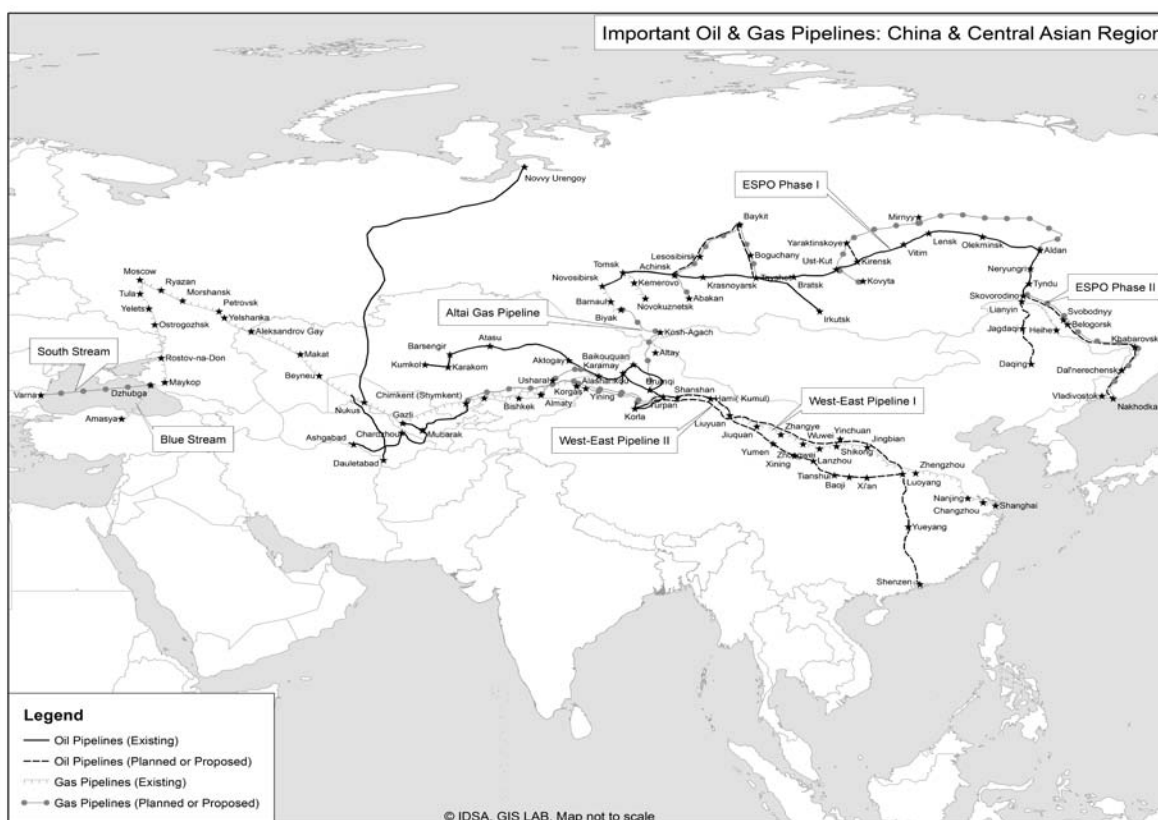
<sup>42</sup> Ashley J. Tellis, "China and India in Asia," in Francine R. Frankel and Harry Harding (eds.), *The India-China Relationship: Rivalry and Engagement*, New York: Oxford University Press, 2004, p. 156.

<sup>43</sup> M.K. Bhadrakumar, "India Plays Catch-up in the Great Game," *Asia Times*, July 18, 2009, [http://www.atimes.com/atimes/South\\_Asia/KG18Df06.html](http://www.atimes.com/atimes/South_Asia/KG18Df06.html)

<sup>44</sup> P. Stobdan, "Central Asia and India's Security," *Strategic Analysis*, vol. 28, no. 1, 2004, pp. 69-70.

<sup>45</sup> It is reported that Turkmenistan, Uzbekistan and Kazakhstan together have almost 300 trillion cubic feet of gas and 90 to 200 billion barrels of oil. See Hari Sud, "India Looks to Central Asia for Energy," *UPIAsia.com*, 17 June 2008, [http://www.upiasia.com/Economics/2008/06/17/india\\_looks\\_to\\_central\\_asia\\_for\\_energy/5733/](http://www.upiasia.com/Economics/2008/06/17/india_looks_to_central_asia_for_energy/5733/); Florian Pantazi, "India's Energy Diplomacy," *Europe's World*, October 17, 2010, [http://www.europesworld.org/NewEnglish/Home\\_old/CommunityPosts/tabid/809/PostID/1912/Indiasenergydiplomacy.aspx](http://www.europesworld.org/NewEnglish/Home_old/CommunityPosts/tabid/809/PostID/1912/Indiasenergydiplomacy.aspx); also see Jagannath P. Panda, "India's New Look at Central Asia Policy: A Strategic Review," in Marlene Laruelle and Sebastien Peyrouse (eds.), *Mapping Central Asia: Indian Perceptions and Strategies*, USA and England: Ashgate, 2011, p. 114.

pipeline: the Pakistanis were originally interested to bring China into the project.<sup>46</sup> The project offers an immense strategic opportunity for Pakistan, as this could also lay the path for a possible oil and gas pipeline to China. Given its difficult relations with Islamabad – and the consequent uncertainty in developing an overland pipeline through Pakistani territory – India faces hard choices in transporting Central Asian energy resources to its own markets. India would at the same time want to keep China out of IPI; but if China persists in pursuing the project, India may like to pull out. Diplomatic circles in India are worried that the Chinese are wooing the Iranians heavily over the project and that is why there are some reservations from the Iranian policymakers on pushing this project fast. Chinese companies' investment in Iran's energy sector in last few years has been imposing. India also feels uncomfortable because Iran is a major oil supplier to China, and also carries good political understanding with Beijing<sup>47</sup>, notably at a time when the Iranians are constantly facing pressure from the Western world.



(Source: GIS Lab, IDSA)

<sup>46</sup> P. Sen, "Courting the Prize in Pakistan: India, China and the geo-politics of Iranian gas," *The Focus: Energy Security EU/Asia*, no. 51, summer 2009.

<sup>47</sup> If the pipeline is to go to China through Himalaya, it will be quite expensive. But one should not forget the Chinese plan and construction in Tibet: the Qinghai-Tibet Railway is a good example. But if the pipeline goes through the Himalayas, there would be some anxiety in India. Things are still at the negotiating level. See Panda, "India's New Look at Central Asia Policy ...," n. 45.



(Map showing the proposed IPI & TAPI projects. Source: GIS Lab, IDSA)

Being geographically close to the region, India wants to capitalize on the Central Asian energy reservoirs for its own energy needs. India hopes to build gas pipelines to the region to enable its electricity sector to diversify away from coal.<sup>48</sup> More specifically, China-India energy politics in the Central Asian region are linked to IPI and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipelines. Within the prism of economic-security complexity, the presence of the SCO makes this region strategically vital. Though Chinese experts believe that China-India relations in the Central Asian region and China's interests in Central Asia are relatively constructive compared to those in South Asia and in the South-East Asia,<sup>49</sup> the differences between the two countries in SCO regarding India's membership are a matter of strategic contention.

In China's multilateral practice, the SCO – founded in 2001 as the first regional multilateral organization of the twenty-first century – stands out as the principal success story.<sup>50</sup> The SCO is the first multilateral security organization that the Chinese propounded and promoted actively.<sup>51</sup> Beijing is open to the idea of expanding the SCO, but is not in a hurry. China would like to see Pakistan, its “all-weather” partner, inside the SCO if the scope and membership of the SCO gets expanded, but about India's presence in the organization, China is wary about losing some of its turf. After ignoring the SCO all these years, India has finally started showing a serious interest in SCO membership. There is a feeling in India that Beijing

<sup>48</sup> F. Pantazi, “India's Energy Diplomacy,” *Europe's World*, October 17, 2010, <http://florianpantazi.blogactiv.eu/2010/10/indias-energy-diplomacy/>

<sup>49</sup> Yang Dali and Zhao Hong, “The Rise of India: China's Perspectives and Responses,” *Third International Conference on South Asia, Socio-political and Economic Challenges for South Asia*, Meritus Mandarin, Singapore, October 25, 2007, at [www.daliyang.com](http://www.daliyang.com)

<sup>50</sup> The Chinese preeminence in the SCO is indicated by the facts that the organization is named after the Chinese city of Shanghai, that the first SCO Secretary-General was a Chinese, and that the SCO secretariat is located in Beijing.

<sup>51</sup> Yu Jianhua, “The development of SCO and the exploration of new interstate relations,” *Chinese Diplomacy*, no. 7, 2003, p. 28.

would bargain hard over India's SCO membership application as an opportunity for its own inclusion in SAARC as a full member.<sup>52</sup>

The observer members carry strategic interests in becoming full SCO members and for getting access to the trade connections across the Central Asian region and to the trans-Asian energy networks through multilateral dealings. China, of course, will not want to facilitate this advantage without a quid pro quo. Till date, India has held the view that the SCO is primarily a security organization.<sup>53</sup> But the Chinese are now concerned about India's recently developed seriousness about its interests in the region of Central Asia. Be it at the official level by sending numerous delegations to the region, the plan of opening an Indian cultural center, or the rising interest of Indian investors in the Central Asian markets, a newly designed Central Asia policy by India is visible. A Chinese expert writes: "from the perspective of energy and economic security, Central Asia is of great strategic significance to India, which has been expanding communication and cooperation with the oil-supplying countries in the Persian Gulf and in Central Asia as well."<sup>54</sup> With regard to either the IPI or TAPI, the Chinese would not hesitate to undercut India: if India pulls out of TAPI, China could build a pipeline link from Gwadar to China along the Karakoram Highway in Pakistan via the Khunjerab Pass. China is equally serious about the post-US withdrawal of troops in Afghanistan, and takes the region quite seriously.<sup>55</sup> To sum up, the Central Asia episode in the China-India multilateral discourse suggests that the politics of energy resources and multilateral organization is interlinked, and will considerably shape the current discourse of China-India relations.

#### *South Asia, SAARC and China's Rise*

Much like the South East Asian politics, the current South Asian politics equally narrates a problematic China-India discourse. South Asia has been in the limelight for various issues of strategic significance like water, energy, the Indian Ocean, etc. Most of these issues directly and indirectly have influenced China-India relations. Most countries of this region are important neighbors and share borders with India and China. While India naturally enjoys an edge over China here as a leading South Asian country, China's eagerness to involve itself in South Asian politics and aiming for membership in SAARC have prompted concerns in India. Slowly, China has emerged as an effective South Asian power. Though regions like the North-East and South-East Asia used to be usually the prime priorities in Chinese foreign policy, the Chinese seem to be taking the South Asian region equally as one of the most vital regions in their foreign policy strategy lately.<sup>56</sup>

Though China's and India's pursuit of larger clout and resources extends all over the globe, competition is perhaps the keenest in the greater South Asia and Central Asian region. The ports of Chah Bahar and

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<sup>52</sup> Sachin Parashar, "India keen on SCO membership but China may play spoilsport," [timesofindia.indiatimes.com](http://timesofindia.indiatimes.com), June 9, 2010. Also note that this impression is gathered from the authors' participation in various bilateral dialogues between the IDSA and the Chinese think-tanks in Beijing and Shanghai. The Chinese experts also making a case that: "China's presence in SAARC means more opportunities for India and other SAARC members". Fu Xiaoqiang, "South Asia moving closer toward China relations", *China Daily*, April 3, 2007, at <http://www.china.org.cn/english/international/205899.htm> (accessed on March 25, 2012)

<sup>53</sup> Parashar, *ibid.*

<sup>54</sup> Yang Shu, "Reassessing the SCO's internal difficulties: a Chinese point of view," *China and Eurasia Quarterly*, vol. 7, no. 3, 2009, pp. 96-97.

<sup>55</sup> Zhu Naijuan, "Date of Return is Indefinite: Hope of a US Victory in Afghanistan Has Become Increasingly Flimsy", *21 Shiji Jingji Baodao* (21st Century Economic Report), December 7, 2009, OSC CPP20091208666002

<sup>56</sup> J. Mohan Malik, "South Asia in China's Foreign Relations," *Pacifica Review*, vol. 13, no. 1 (February 2001), p. 73.



Gwadar are two prominent examples of how the Indian and Chinese regional policies drive over energy resources, geography and plan to hold an edge in terms of building relationships with third countries in the region. The politics around the Afghanistan region remain a prime concern for both.<sup>57</sup> In the South Asian region, there are three points of contention between them: China's membership in SAARC, which India opposes; the Indian Ocean, where a China-India maritime rivalry is slowly emerging; and politics and resources of South Asia, for which both want to carve a niche for themselves. While the Chinese avow that there are historical linkages between the PRC and the South Asian region, India asserts that China is not a South Asian power, eligible for SAARC membership.

Among the major factors that have prompted China to take the region of South Asia seriously are: (a) the economic nature of the strategic location of South Asia; (b) connection between its two problematic regions – Xinjiang and Tibet – and the South Asian region; (c) building up a strong Pakistan to challenge India's preeminence in this Asian sub-region; (d) creating a strategic posture for strategic advantages; and (e) maintaining healthy economic tie-ups with the smaller South Asian countries to make China's presence felt in the region.<sup>58</sup> The politics of routes also makes the China-India antagonism quite public. South Asia is placed between the oil-rich Middle East and South-East Asia. This gives China a strategic option in opening a direct sea line access to the international sea lines route through the Indian Ocean Region. Traditionally, the IOR has always been the place of power among major actors (the US, Russia and the West) and the Islamic states: almost 75 percent of global merchant shipping passes through it. In fact, the multi-dimensionality of routes enhances an understanding of the interaction between the two faces of state policy – security and development. The Chinese politics of routes across the South Asian region supplies vivid testimony to the primacy of its political and strategic interest in the region. The Chinese interest in South Asia is "multidimensional," partly clubbed with the economic hub of the region, and partly because of India's supremacy in the region,<sup>59</sup> and therefore pushing strategic/military links with India's neighbors.<sup>60</sup> A *China Daily* piece confirms this intension: "New Delhi has generally chosen a path of peaceful development in South Asia despite its position of supremacy in the sub-continent."<sup>61</sup>

The most recent indicator of China's activism in South Asia is through its involvement in SAARC. During the thirteenth summit in Dhaka, SAARC agreed to grant China observer status.<sup>62</sup> The Chinese avow that

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<sup>57</sup> Chinese policy towards Afghanistan has been a mixture of both economy and security. For a Chinese official proposition see "China Pledges to Continue Supporting Afghanistan." 2008. *Xinhua*, June 12, OSC CPP20080612968323. For an unofficial proposition see Wu Shuhu. 2009. "US Troop Surge Can Hardly Completely Control the Situation in Afghanistan." *Dangdai Shijie*, May 5, OSC CPP20090610671006. Also see, Zhao Huasheng, "PRC Central Asia Diplomacy's Theory and Practice." *Guoji Wenti Yanjiu*, July 13, 2007, OSC CPP20070727455002; also see Zhao Huasheng, "The Shanghai Cooperation Organization and the Afghanistan Issue", *Guoji Wenti Yanjiu*, July 13, 2009; pp. 36-41, 52, OSC CPP20090813671001.

<sup>58</sup> Jagannath P. Panda, "Dragon Looks South: Current Drives in China's South Asian Neighborhood Policy," in Srikanth Kondapalli and Emi Mifune (eds.), *China and its Neighbours*, New Delhi: Pentagon Press, 2010, p. 181. See also Subhash Kapila, "China's Grand Strategy and Military Modernization," *SAAG Papers*, South Asia Analysis Group (SAAG), paper no. 642, March 26, 2003, <http://www.southasiaanalysis.org/papers7/paper642.html>

<sup>59</sup> Panda, *ibid.*, p. 183.

<sup>60</sup> Malik, "South Asia in China's Foreign Relations," n. 56, p. 74.

<sup>61</sup> "Coming collapse of Hegemonic world," *China Daily*, September 12, 2008, [http://www.china.org.cn/international/opinion/2008-09/12/content\\_16440328.htm](http://www.china.org.cn/international/opinion/2008-09/12/content_16440328.htm) (accessed on March 01, 2012)

<sup>62</sup> "Pakistani PM welcomes China to be associated with SAARC," *People's Daily* (online), November 14, 2005, [http://english.peopledaily.com.cn/200511/14/eng20051114\\_220864.html](http://english.peopledaily.com.cn/200511/14/eng20051114_220864.html) (accessed on March 01, 2012)

“the fundamental objective of China’s policy towards South Asia is stability, development and good neighborly relations.”<sup>63</sup> China has managed to make significant inroads in countries in South Asia using SAARC as the yardstick, further consolidating its weight with Nepal, Bangladesh and Sri Lanka, and consequently eroding some of India’s historical influence in these countries.<sup>64</sup> There are two levels of China’s engagement with the region: (i) to institutionalize the China-South Asia network through SAARC; and (ii) strengthen bilateral ties with the individual countries of South Asia.<sup>65</sup> The urge to formalize the relationship through the institutional process of the SAARC is relatively a new approach for China. Earlier, priority was accorded to bilateral relationships.<sup>66</sup> Under the current design, China’s connections with individual SAARC members are changing rapidly and, more notably, China appears to be planning to use SAARC as a base to maximize its linkages with the region,<sup>67</sup> aiming to undercut India’s primacy in the region.<sup>68</sup>

#### *Identifying the Complexities and China’s India Perception*

Out of these sub-regional complexities in Asia in which both China and India intend to play a strong role, a few imperatives seem to explain the downside of the Sino-Indian relations. *First*, the region of South-East Asia will emerge as a field of competition between the two countries, where the rivalry over the South China Sea will grow eventually. This rivalry may not necessarily result in an outright conflict; but with recent renewal of the United States’ Asia-Pacific policy and its Trans-Pacific Partnership (TPP) project, the region of South-East Asia will remain a hot-spot in Asia where a China-India rivalry would be obvious. The relationship will be intensified particularly on energy exploration in the South China Sea. *Second*, Central Asia may not outright present a pulsating China-India competition as such compared to South-East Asia; but the SCO’s growing role and the expansion process will eventually affect the politics and order in Asia. The China-India competition for energy will continue in the Central Asian region, both within and outside the SCO. The competition will extend to the Gulf region as well, for its energy resources. *Third*, no matter how much India detests the Chinese role and presence, China will continue to focus more on South Asia, and will try to build and accentuate its reach in the South Asian politics. While the Sino-Pakistan relationship will continue to grow, China will continue to show its gravity towards the South Asian region, and the focus will be on building an institutionalized relation with South Asia through SAARC.

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<sup>63</sup> The Chinese Foreign Minister stated this while attending the fourteenth SAARC summit in New Delhi. See Su Qiang, “China makes first visit to SAARC,” *China Daily* (online), April 3, 2007, [http://www.chinadaily.com.cn/china/2007-04/03/content\\_842112.htm](http://www.chinadaily.com.cn/china/2007-04/03/content_842112.htm) (accessed on February 16, 2012)

<sup>64</sup> Sreeradha Datta, “Bangladesh’s Relations with China and India: A Comparative Study,” *Strategic Analysis*, vol. 32, no. 5, September 2008, p. 756.

<sup>65</sup> Cheng Ruisheng, “The Security Situation and Foreign Relations of South Asia in 2006,” *Foreign Affairs Journal*, no. 82, winter 2006, pp. 79-88; Jagannath P. Panda, “China in SAARC: Evaluating the PRC’s Institutional Engagement and Regional Designs,” *China Report*, vol. 46, no. 3, 2010, p. 304.

<sup>66</sup> Ye Hailin, “China and South Asian Relations in a New Perspective,” *CASS Articles*, October 23, 2008, <http://iaps.cass.cn/english/articles/showcontent.asp?id=1118>

<sup>67</sup> Panda, “China in SAARC ...,” n. 65, p. 305.

<sup>68</sup> Lawrence Saez and Crystal Chang, “China and South Asia: Strategic Implications and Economic Imperatives,” in Lowell Dittmer and George T. Yu (eds.), *China, the Developing World, and the New Global Dynamics* (Boulder, CO: Lynne Rienner, 2010).

While Japan's role is limited more to the North-East Asia and the Asia-Pacific region, it is India's rise that remains a major competitive factor for China in Asia. India's renewed interest towards the South China Sea, South-East Asia and for the greater involvement in the Asia-Pacific politics are factors that worry China currently. India's growing relations with the US are also making the Chinese uncomfortable. At the bilateral level, India's demonstrated earnestness in upgrading infrastructure along China-India border, particularly near Arunachal Pradesh, has caused a great deal of unease in China.<sup>69</sup> The threat perception with regard to India seems to be rising in China steadily.<sup>70</sup> Though one would argue that "China does not regard India as a serious rival" yet,<sup>71</sup> the complexity of boundary issue, the energy resource politics in Asia and the focus on building influence in different segments of Asia are enough indicators that China sees India as a competitor if not a serious rival.

## V. India's Elitist Perception on China

India's dialogue on China has always been serious and intense. Liberal-pluralistic societies like India are often known for their open and critical policy dialogue. Through policy dialogue, they craft or produce a well-heeled course of policy actions; and that is where they maintain superiority over authoritarian powers and societies. Overall, India enjoys a perceptual strategic advantage over China both at the regional and global level, as India is known for its transparent and nonviolent rise, which is in contrast to the history of China's rise. While China's rise, despite its "peaceful rise theory", has more or less been seen as an alarm for both the regional and global politics; in contrast, India's rise has been seen more as an encouraging aspect of the twenty-first century politics. India's perception of China is a part and parcel of this universal phenomenon on China. The war of 1962 has also shaped Indian perception of China, impacting the China-India multilateral discourse.

Table 1: India's Democratic Elites and Their Perceptions of China

Elites	Predominant View	Assumption
Government	Engage China with caution	China's Rise cannot be "contained"
Media	Alarmist	China is a threat
Think-tanks	China is a security concern	China's approach to India is not so friendly
Business/Industrial Community	Engage with China	China is an economic opportunity

(Note: This table is abstract and impressionist in nature, based on the perceptual understanding of the author.)

Different streams of elitists in India – government, media, think-tanks and the business community – see China through different prisms. As a result, India's policy dialogue on China has been fragmented. Within these divisions, the predominant thinking is that of "caution" and "security concern", be it at the level of competitor or rival. This Indian elitist perception is because of two trajectories: *first*, due to the war of 1962 where China attacked India despite the *Panchasheel* agreement of 1954. The war and its result

<sup>69</sup> China has noted seriously in the recent past India's seriousness in upgrading the border infrastructures. Some of the Chinese reactions can be seen in: "More Indian troops in disputed territory", *Global Times*, June 10, 2009; "India's unwise military move", *Global Times*, June 11, 2009.

<sup>70</sup> Zhu Shanshan, "90% in online poll believe India threatens China's security", *Global Times*, June 11, 2009, at <http://www.globaltimes.cn/china/top-photo/2009-06/436320.html> (accessed on February 25, 2011)

<sup>71</sup> Susan L. Shirk, "One-Sided Rivalry: China's Perceptions and Policies toward India", in Francine R. Frankel and Harry Harding (eds.), *The India-China Relationship: What the United States Needs to Know*, New York: Columbia University Press, 2004, p. 95.

compel the Indian strategic community to think of China as a “suspect power”.<sup>72</sup> *Second*, China’s vibrant rise has its immediate effect at the Asian level, where India has its own posture and ambition. In fact, China’s rise has been one factor why there is a recent resurgence of the United States’ Asia policy and the reason behind the upswing in Indo-US relations. India would like to equally rise to the level where it can match the Chinese supremacy if not confront or negate it. But given the asymmetry of power politics that India shares with major powers and power blocs, its approach to China has been less antagonistic and more cooperative. A bilateral order based on political and economic engagement with China has been the preferred approach of India so far. For India, the USA is a “natural ally” and strategic partner in its broader global strategic and security design where China is an issue-based “limited partner”. Sharing the multilateral platform with China in cross-continental blocs like the BRICS and BASIC is a conscious effort and deliberate attempt for India. India’s association with China in cross-continental groupings is due to the nature of current global multilateralism and convergence of strategic interests in an interdependent globalized world.<sup>73</sup>

More than these elitist perceptions on China, it is the convergence of interests in Asia that has shaped the Indian discourse towards China and *vice-versa*, impacting larger Sino-Indian multilateral discourse. While India has preferred a liberal order in Asia, an order based on massive engagement, the Chinese have equally focused on Asia, as it is Asia which sustains its rise at the global level. Promoting security multilateralism and maximizing economic contacts through trade and investments with various Asian powers and regions has been the policy preference of both countries, which has resulted in a “clash of interests” at the regional level. For some time in the post-cold war period, there was an incongruity in Asian politics in that a countervailing Asian power or bloc which could match or respond to China’s rise was absent.<sup>74</sup> This incongruity is currently being overcome.

## VI. The Discourse: An Enduring Rivalry in Asia?

The current China-India polygonal politics at Asian level is quite complex. Bilateral intricacies continue while new sub-regional and regional complexities are rising. The effort to reconstruct their relationship is an age-old story. In 1954, the two neighbors agreed to put aside ideological differences in charting out the “Five Principles of Peaceful Coexistence” (*Panchasheel* in Sanskrit). These principles were the paradigm basis of the Asian Conference held in Bandung in 1955, which outlined the construct of “non-interference” and “mutual respect”. But China attacked India in 1962, and still continues their belligerent stance on a different scale today.

Within the prism of globalization and resource politics, course of China-India regional dealings seems to have touched new realities. On the one hand, the spirit of globalization has become a facilitator and has contributed to lessening their mutual fear; on the other hand, it has not completely downplayed threat perception.<sup>75</sup> Globalization has compelled the two countries to connect and follow an open approach for multilateral politics, believing to an extent in “Chindia” (China + India). The appeal of “Chindia” may not necessarily be restricted to the parameters of “economic integration under the aegis of globalization”.

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<sup>72</sup> Eminent Indian Sinologist Prof. V.P. Dutt held this view. The current author had numerous conversations with him on the subject.

<sup>73</sup> Jagannath P. Panda, “India’s call on BRICS: Aligning with China without a Deal”, *ISDP Policy Brief*, No.91, March 9, 2012, p.3.

<sup>74</sup> Sunil Dasgupta, “India in a Liberal Asia”, *East Asia Forum*, April 12, <http://www.eastasiaforum.org/2011/04/12/india-in-a-liberal-asia/>. (accessed on March 02, 2012)

<sup>75</sup> Jonathan Holslag, *China and India: Prospects for Peace*, New York: Columbia University Press, 2010, pp. 31-32.



Some see this concept in terms of “cultural and spiritual interconnectedness” between the two Asian civilizations.<sup>76</sup> Still, at practical foreign policy level, these emotional appeals remain weak and pointless. The reality of the fact is that both China and India have ambitions of becoming the dominant power in Asia: their geography, multilateral bodies through which they connect and play their politics in Asia, and resources contribute a great deal to this ambition.

Issues like sub-regional politics, the South China Sea, Indian Ocean, energy resources of Asia are big and sensitive enough to invite aggressive postures from both countries; both are also featured by strong nationalism and are populist societies. The political leadership on both sides may disagree that their countries are currently living with a certain amount of antagonism towards each other: they fulfill a certain role in holding on to this assumption. But foreign-policymakers and nationalist advocates in the two countries, faithful to their assigned task, would certainly differ over this basic assumption. The liberalist discourse about Sino-Indian relations suggests that both Asian countries are trying to forge their multilateral relations on a “developing world” or “developing economies” formula. BRICS and their association with Russia in trilateral framework of “Russia-India-China” (RIC) are probably outstanding examples in this regard. But this discourse looks inspiring probably because the neo-con idea of a US-dominated unipolar world is crumbling in measured degrees: the matter ends there. In reality, where the contemporary states are well aware of their national interests and objectives, China-India polygonal relationship is certainly not pushing for a “multi-polar world” or for checking the Western dominance.

Besides, the history of the global politics indicates that membership of – and declared adherence to – multilateral engagement is an unreliable variable for forecasting the intentions of rising powers; it is also an unreliable indicator of its own impact on the balance of power. Given the distinction of China’s rise and its global profile, its interest in the emerging polygonal politics at the Asian level and engaging with competitors might allow it to deflect doubt; at the same time allowing it to raise its regional and global profile and ambitions. This strategy allows China to keep intact its identity of a “developing country” – tying up with mainstream developing countries like India in BRICS and BASIC – to expand its global influence. *China’s partaking with India on many fronts in Asian and global politics indicates this scheme.* China seems to have an edge over India at the greater Asian level, as it is a founder member of the SCO, main economic partner of ASEAN, and the main economic power that many smaller South Asian countries and Asian countries look to engage with. Yet, a rise in India’s influence at the Asian level or at the sub-regional level need not result in a reciprocal decline in China’s influence and rise. *Attaining power is not a zero-sum game in a rapidly evolving multipolar world order.* In select cases, there could be multilateral correlation between the two countries, but not in all areas.

To see beyond Asia, the cross-(sub) regional or cross-continental power relations currently are in flux because of China’s and India’s expansionist multilateral engagements. Aptly referred to as “new” actors in cross-regional politics, both China and India have been quite impressive in influencing the other continental powers into their fold. China’s and India’s influence and presence have extended to the cross-regional or cross-(sub) regional areas on an occasion when the global business climate has improved among continents and powers. But their differing approach and diverse thinking in three mainstream cross-regional settings – BRICS, IBSA (India, Brazil, South Africa) and BASIC – confirms that engaging through or associating in various regional and global multilateral settings or bodies is simply not a fitting medium of launching collaboration and stabilizing the relationship. The two emblematic sub-regional-level initiatives, mainly track-two, like BCIM (Bangladesh-China-India-Myanmar) and RIC (Russia-India-China) are pointers to same narrative. These are contemporary initiatives, consistent with

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<sup>76</sup> Tan Chung, “International Standing” (chapter VI) in Patricia Oberoi (ed.), *Rise of the Asian Giants: The Dragon-elephant Tango*, London: Anthem Press, 2008, p. 273.

the broad trends in the evolving foreign policies of China and India.<sup>77</sup> They narrate greater multilateral maturity between the two countries, but also expose their asymmetries and incongruities.<sup>78</sup> In BCIM, China-India cooperation in the economic and social sectors has been limited. India sees its north-eastern region, which encompasses Arunachal Pradesh, as a security issue and too sensitive for closer and direct trade and economic and infrastructure cooperation with the Chinese under this framework. The Chinese in their turn have not taken BCIM seriously enough, seeing it more as a “provincial initiative.” RIC’s scope on the other hand is more limited to the national-level experts group and academic engagement among the three countries.<sup>79</sup>

The broader design of all these cross-regional and cross-(sub)-regional initiatives, in which China and India are engaged, narrates a political line of regional and multilateral apparatuses running within the global structural unilateralism still maintained by US.<sup>80</sup> According to Chinese experts, the RIC framework is a result of the “post-Cold war international system” where the US is still the sole superpower and holds absolute superiority in the current pyramidal world power structure.<sup>81</sup> Furthermore, identifying resourceful regions and developing cooperation is a forward-looking approach. It is argued that “energy” remains the common factor in the RIC framework, where the “three parties can and should continue to seek consensus in that aspect and coordinate mutual policies in areas, including regional organizations” such as the SCO.<sup>82</sup> Still, nothing credible has come from this multilateral progress.

On the global platforms, the major opposition between China and India is regarding UNSC reform and India’s permanent membership in the UNSC. It is possible that Beijing would have supported India’s case for the permanent berth a few years ago under the “developing-country” formula when both were rising and the US still used to be the superpower in a unipolar world order structure. Today, with the arrival of a multipolar world order and with the gravity of global attention focusing increasingly on China and India, the tide has turned. Not only has China arrived as the Number Two economy of the world, India’s global presence is not too far behind it. China cannot realistically add to that advantage by supporting India’s UNSC candidature. Currently, the two different regional and global visions of China and India place them in distinct leagues. Their multilateral politics with each other seem to be more of competitive power politics, without really forging any credible long-term strategy to stabilize their multilateral cooperative discourse. A few inferences may be noted in this context.

*First:* At the regional level, a multi-textured and multifaceted regional systemic power complexity with the lead of China and India has emerged. Searching for resources and cutting through each other’s interests and presence seems to be the main aspect of their current regional politics in Asia. The China-India complexity at the Asian level shares two essential elements: an unprecedented competition for resources, and an institutionalized normative Asian region with complex inter-reliant regional order. In this new regional scenario, both countries appear to be in tune with the logic of a new order, which

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<sup>77</sup> Patricia Uberoi, “India-China Initiatives in Multilateral Fora: Two Case Studies,” *China Report*, vol. 44, no. 307, 2008, p. 312.

<sup>78</sup> Ibid.

<sup>79</sup> Ibid.

<sup>80</sup> Zhao Gancheng, “China-Russia-India Trilateral Relations: Realities and Prospects,” *China Report*, vol. 45, no. 2, 2009, p. 127; Uberoi, *ibid.*, p. 311.

<sup>81</sup> Zhao Gancheng, *ibid.*, p. 128.

<sup>82</sup> Ibid., p. 132.

combines the search for energy resources and diplomatic status with the quest of supremacy in Asia. A considerate China-India relation at the Asian level may not become possible; but the drivers of energy resources and quest to establish their respective identity tend to adjust their rising competitiveness.

*Second:* The current context of multipolar world politics is one of global growth and shocks, especially pertaining to shrinking demand and supply and ever-increasing prices of resources. It is not just a US-specific sub-prime crisis. On the other hand, the global power politics is buoyed by China-India relations at the multilateral levels. The political leadership on both sides states that “China’s and India’s future prosperity lies in partnership, not rivalry,”<sup>83</sup> in spite of the various aspects of their troubled relationship. These rhetorical judgments will continue in China-India discourse as the trade and economic relations between the two are growing. Yet, what will realistically check the stability and cooperativeness in Sino-Indian relations is the boundary quandary, which will continue to be a problem in their relationship, making it Asia’s most troubled relationship. Finding a fitting solution to the boundary dispute will be difficult, as the predominant factor behind the dispute today is the aggressive nationalism on both parts which is shaping the dialogue and posture over each other.

*Third:* Identical regional ambitions in Asia put China and India under a complex competitive periphery. The Sino-Indian relations in Asia will be more complex in times to come, as the “competing realities” like resource politics and identity politics are some of the issues that are linked to their national security interests. No matter who outplays the other in these politics, the impact of the Sino-India multilateral discourse will be of huge global ramification.

*Fourth:* The Chinese and Indian foreign policy behavior in different segments of Asia has manifested that their rise has a characteristic of being obstructionist towards each other, irrespective of the issues or conditions for which they engage or compete for. These include involvement of power politics in Asia, relations with major powers or blocs in Asian political dynamics, and search for avenues to explore resources for their populist societies. As it is, getting access to major sources of resources in Asia – be it oil, gas, water, and land – has always been a central factor in regional and global politics.

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<sup>83</sup> Li Xiaokun, Li Xiang and Ai Yang, “World is big enough for China and India to grow,” *China Daily*, December 16, 2010.