

# SINO-INDIA RELATIONS: CHALLENGES AND OPPORTUNITIES

*Hidayat Ali Soomro\**

## **Abstract**

*With the growth of the confidence between the China and India relations both the states have amended their past as that was shaped with worse memories as both the nations went to war in 1962 which has frozen the relations between both the states until the end of the Cold War. Since then both the nations have never looked to their past and have tried to resolve the past grievances through peaceful means. As a result the trade between both the states has flourished and has started a new era in the relations of both the states. With the growth of the relations both the states face multiple challenges as they have the unsettled borders and issues like Tibet and Kashmir present a greater challenge to their development. Whereas US strategic alliance with India and Chinese support to Pakistan has been also an irritating problem for both the states. On the other hand their development would increase the bilateral trade which has seen tremendous rise since the end of the Cold War era, but the rising trade would sooner be a challenge for both the states as both the states have already tried to influence the sphere of influence of each other. Such as the India is trying to win the ASEAN markets and Chinese regards the ASEAN as its sphere of influence and on the other hand China has been involved in South Asia which is Indian sphere of influence. Despite these challenges the relations among both the states continued to be warmer and friendly, which will have a positive impact over the region.*

## **Introduction**

The relations between both the states have started in the ancient era as both the civilizations continued to trade with each other via Silk route. This continued their economic relations for the longer generations until the new era of the relations have started between both the states. China is one of the biggest states of Asia in territory

---

\* Assistant Professor , Area Study Centre, Far East & South East Asia, University of Sindh, Jamshoro

and controls the vital points of the world. As it has an area of 9,640,821 km<sup>2</sup>,<sup>1</sup> with population of 1,338,612,968<sup>2</sup> according to 2010 census and it borders with the Afghanistan, Pakistan, India, Bhutan, Burma, Tajikistan, Russia, Kyrgyzstan, Mongolia, Nepal, Laos, Vietnam and North Korea and shares coastline with Japan, South Korea and Philippines. Whereas on the other hand India is a democratic state with an area of 3, 287, 240 km<sup>2</sup>,<sup>3</sup> and population of 1, 181, 221, 000<sup>4</sup>, it shares borders with Pakistan, China, Nepal, Bhutan, Bangladesh, Burma and has coastline with Srilanka and Maldives. As both the states are neighbors and share the borders they have lot of opportunities and challenges that are facing to them.

The economic disparity is a huge one as Chinese nominal GDP is over 4 trillion US dollars, whereas India has GDP of over 1 trillion US dollars. The foreign exchange reserves of both the states are varied as China has foreign reserves of 2,400,000 million US dollars whereas India has 287,000 million US dollars.

The relations between both the states were confined to very limited contact before the independence of India from the British rule but there were very few contacts since the old times as both Indian and Chinese have very old civilizations.

## Challenges

*The economic analysts have also expressed their views that the economic growth of China is unrealistic but the slow and steady economic growth of India is sustainable. Recent incident of political discussion in India and withdrawn support of the left-coalition on the issue of nuclear deal of India with America has also drawn attention of China. Growing influence of China in African countries and its monopoly market has urged the United States of America to build new ally for the sustained economy of America. In this context there are enormous challenges in the relation between India and China.*<sup>5</sup>

They face multiple challenges like:

**The border dispute between both the states.**

*The border dispute between China and India is another impediment in smooth sailing of the Sino-Indian rapprochement. China and India share about 2, 000 kilometres border. However the disputed area is about 15,000 square kilometres, which can be divided into three sectors-the eastern sector, middle sector and western sector. India controls the esatern and middle sector while the western sector is in China's control. China describes China-India border dispute as the legacy of the history.<sup>6</sup>*

The border dispute is a big problem since the British rule between both the states as in 1914 the Mac Mohan line was drawn to define the border between both the states, but since at that time China was not a powerful state so it was compelled to accept the boundary. After the independence from the British Raj by India and the communists control of China in 1949 the situation look changed very quickly as India was not a powerful state and communist China has been a close ally of the former Soviet Union. China claimed that the boundary line was unjustified by the British government and they did not accept it as the border between both the states, and they would solve this border dispute through peaceful negotiations. But on the other hand India didn't pay much attention towards this issue as a result this issue became a bone of contention between both states which later resulted in the war of 1962. From 1962 till 1988 the relations were frozen between both the states and it took a dramatic turn when in December 1988 Indian Prime Minister Rajiv Gandhi paid a state visit of China. Since then both the states have pledged to solve the bilateral issues through peaceful means.

**Pakistan**

Pakistan has been the problem among both the states as China is one of the strongest supporters of Pakistan since long time, and on the other hand India has very hostile relations with Pakistan over the

Kashmir issue and they have seen four wars i.e., in 1948, 1965, 1971, and 1999 over the issue. India has been a critic of China-Pakistan relations since long time as it has perceived that the nuclear programme of Pakistan has been accomplished with the help of the PRC. New Delhi believes that it is a desire to contain India that brought China and Pakistan together and provides the glue for the decades-long Sino-Pakistan relationship. There are other benefits that China and Pakistan draw from their bilateral bonding. For instance, it was Pakistan that brought China and the United States together in the 1970s, and continues to be a useful link between Beijing and the Islamic countries. However, it is their common hostility to India that is the main factor that fuels their all-weather friendship.<sup>7</sup> In this context India can perceive the China-Pakistan alliance aimed towards her as India aspires for the role in global politics and China wants to contain India via Pakistan by engaging her with Pakistan rather than giving her space to compete with China. Pakistan plays an important role due to its important geo-strategic location and through the Gwadar port China can find an easy access to the Indian Ocean.<sup>8</sup>

### **Tibet Issue**

China has traditionally regarded Tibet as its integral part and when in 1959 Dalai Lama went into exile he remained in India and the Tibetan refugees also found their place in India's Arunachal Pradesh. Whereas China claims that India is supporting the anti-Chinese movements in Tibet and this has caused serious matter with China. India on the other hand wanted Tibet to remain a buffer state between both the states.

### **The Competition for Markets**

The competition for the markets has been increasing between both the states as both the states are booming economies and both are searching for the new markets for their commodities and also for the raw materials.

### **The battle for the dominancy in South Asia and ASEAN**

These both the regions are important for them as India regards the South Asia its traditional sphere of influence whereas on the other hand China regards the ASEAN as its sphere of influence and both of them don't want any other states influence in their respective regions. During the cold war years these both the regions were divided between two blocs as in South Asia India was the close ally of the former Soviet Union as in 1970s they have signed the Treaty of Friendship and Cooperation and Pakistan was the closest ally of the West being the member of the SEATO and CENTO.

Whereas Pakistan and India have been adversaries since their independence as they have fought four wars i.e., in 1948, 1965, 1971, and even a limited war in 1999. China –Pakistan have also been very close during the cold war years although it was not the ideological similarity that brought both these states closer to each other but it was the old saying that “enemy of your enemy is your friend’s friend”.

1. Your enemy, my friend
2. enemy of my enemy is my friend
3. enemy of your enemy is your friend’s friend.

Both China and Pakistan have been facing the problems from the Indian side and even both the states have fought the wars with India as China has fought the war in 1962 although it was China who has outclassed India in this war. But their adversary with India has brought them closer to each other and they have found a common alliance against India during the cold war years. These relations have been a greater threat to the Indian security as India regarded the South Asia as its sphere of influence but China not only have entered in this sphere but also found a very close ally against China whom China can use against the Indian interests in the region. Although Indian thinking is that China is using Pakistan for its interests against India but on the other hand China treats Pakistan as an equal

friend who has helped China in the hour of difficulty when whole world has isolated China it was Paksitan who played a role to bring it from out of isolation and worked closely with the US and brought both China and West close to each other in the 1970s. "In the trilateral interaction between China, India and Pakistan, China stands a dominant position, not only because of its influences on Pakistan, but also an active promoter in the development of Sino-India relations."<sup>9</sup>

Indian search for the global role in world politics and dominancy in the South Asian region has been hampered by the Chinese as China creates lots of influence over South Asian tiny states due to its efforts for the developemnt of the region. But since China's strategy to develop harmonious relations with its neighbours has strengthened the confidence of its neighbours to develop friendly cooperation with China whereas India has dealt with its neighbours in a more dominant way that has caused serious tensions with its neighbours like Bangladesh and Srilanka also. Both India and China will continue their battle for dominancy in South with two different approaches to take control of the south Asian region.

China regards ASEAN as its traditional sphere of influence as it is a close neighbour of China and many of the states of this region have very close relations with China since centuries. Many of the ASEAN states have remained even very close during the Cold war years and China have helped them at a greater extent as the war in Veitnam when Americans waged the war against Vietnamese from 1954-75 it was the Chinese who helped its neighbours against fighting the superpower. The Vietnamese with the help of the Chinese have defeated the Americans in the Vietnam War. But on the other hand there was growing msiunderstanding that China has been interffering in te affairs of the states as Indonesia did in the 1960s when general Suharto started the mass murder of Chinese population in Indonesia and the sympathisizers of Chinese or the Communist party members which was at that time one of the

leading parties of the Indonesia. General Suharto accused them that they tried to overthrow the government through an attempted coup and tried to establish the communist government there with the help of China. It was that fear that many countries of the region have gone to the West for the help protect their governments from the communist threats and Chinese intervention in the region.

As China and India rise politically and economically on the world stage, it is natural that they compete with one another for influence. Although China's economic rise will continue to be faster than India's, Beijing may seek to counter New Delhi's political and geo-strategic influence. Rivalry between the two nations will be fuelled especially by each country's efforts to reach into the other's traditional spheres of influence, for example, China in South Asia and India in Southeast Asia.<sup>10</sup>

**US - India Alliance:** United States and India have close relations since the Cold War era especially after the 1962 War between China and India. When India was heavily crushed by the Communist China and US came for the Indian help as they were helping the non communist nations/states fighting against the communists. This policy is called the policy of Containment. Since then the relations between both the states have strengthened at a greater level that US became the leading trading partner of the India. The US and India alliance continued even after the end of the Cold war era and the latest Indo-US strategic alliance and the Indo-US nuclear cooperation has further strengthened the relations between both the states, which will be a greater challenge for the betterment of the Sino-India relations as US wants to counter the Chinese influence in the region and they want the Indians to play the role of Sheriff in the region for the United States. "The US perception of China threat is coincidental with the Indian menace. India's unresolved disputes with China and their competitive role in the Indian Ocean made the former a natural ally of the US, for the purpose of countering the Chinese threat and to contain China's growing economic and military strength."<sup>11</sup>

Indo-US cooperation has been a necessity for the Indians as they wanted to become the global power and without the help of the superpower it would not be possible for them to counter the two threats at a time i.e., Pakistan and China in the region.

### **Opportunities**

There are lots of opportunities available to both the states.

- They can increase the trade between each other: The enhancement of the relations between both the states will further the trade between both the states as it was witnessed that their trade has been US \$ 260 million in the 1990, which has increased at US \$ 18.17 billion in 2005, and then in 2007 it reached to US \$ 38.6 billion. As they have earlier set the goal that bilateral trade would increase to US \$ 40 billion, but later when in 2007 China has replaced the US as India's leading trading partner they set the new target of bilateral trade of US \$ 60 billion in 2010.
- They can solve the complex issues facing both the states through the peaceful negotiations as the relations between both the states have reached at a level where they can talk freely on the issues and can find solutions of the disputes which would be acceptable to both the parties.
- They can combat terrorism effectively. As since 9/11, 2001 the centre of the world has been shifted toward the issue of terrorism as it has taken the world security at a greater risk. Terrorism has been the issue which has been haunting both China and India as India is facing the insurgency in Kashmir, whereas on the other hand China believes that terrorist might risk the security of the state. India has been the victim of the terror attacks as in case of Mumbai train bombings on 11<sup>th</sup> July 2006 in which more than 200 people died and the terrorists attack on Mumbai city from 26<sup>th</sup> to 29<sup>th</sup> November 2008 which killed more than 150 people. Both the states might look for a joint network which will share the



information regarding the terrorist activities and they can increase the cooperation and work jointly on terrorist activities.

- They can play an active role in establishing an organization like EU or ASEAN type in the region which will enhance the trade and cooperation among states. As both the states are economically booming and their industries will rise and which would create a huge impact on the region. China and India may play an active role in bringing the states of SAARC<sup>12</sup> plus China in forming a regional organization which would work for the regional peace and stability. When this organization would be mature enough they would solve the problems especially the territorial issues haunting the regions for more than fifty years. These both the state might later increase the status of that organization by eliminating the travel and trade barriers so that people can travel freely in the member states and one day there might be a single currency and single parliament of the organization which will deal the matters facing the region.

## Conclusion

Although the relations between both the states have remained frozen during the cold war years especially after the 1962 war, but since at the end of the Cold war the visit of Indian prime minister Indira Gandhi has enabled to restore the relations. Since then both the states have never looked towards the bitter memories of their past relations, and have increased the cooperation in different sectors. The trade between both the states has been enormous but still we can feel that there is still the lack of trust that prevails between both the states which is stopping the trade to reach at level which was expected between the two giant economies. The relations between both the states have taken a dramatic turn when US-India signed a strategic deal in 2005 which forecasts that India might be the next sheriff of the United States in the region and will be used by the United States to contain the rising China.

## References

---

- <sup>1</sup> "People's Republic of China", see [http://en.wikipedia.org/wiki/People's\\_Republic\\_of\\_China](http://en.wikipedia.org/wiki/People's_Republic_of_China). Accessed on 2010/07/19
- <sup>2</sup> "China", see <https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html>. Accessed on 2010/08/26
- <sup>3</sup> "India", see <http://en.wikipedia.org/wiki/India>. Accessed on 2010/08/15
- <sup>4</sup> Ibid.
- <sup>5</sup> "Prospects for improvement in Sino-Indian relations" see <http://www.helium.com/items/1140429-prospects-for-improvement-in-sino-indian-relations>. Accessed on 2009/10/12
- <sup>6</sup> Aman Memon, *Shift in Sino-Pakistan Relations: A Sequel to Post-Cold War Realities*, Area Study Centre, Jamshoro, 2008, p.127.
- <sup>7</sup> Sudha Ramachandran "Sino-India ties marred by the 'P' word", see [http://www.atimes.com/atimes/South\\_Asia/GD09Df04.html](http://www.atimes.com/atimes/South_Asia/GD09Df04.html). Accessed on 2009/12/16
- <sup>8</sup> Majid Ali Noonari, "Is China Heading towards Next Cold War?", *Asia Pacific*, Far East & South East Asia, University of Sindh Jamshoro, Vol.27, 2009, p. 139
- <sup>9</sup> Zhang Jiegen, "Rise of China and South Asia: Quest for Harmonious China-India-Pakistan Trilateral Relations", *Proceeding of One-Day International Seminar on Strategic implications of Rise of China*, Area Study Centre, Jamshoro, 2008, p. 95
- <sup>10</sup> Lisa Curtis, "US-India Relations: The China Factor", see <http://www.heritage.org/research/asiaandthepacific/bg2209.cfm>. Accessed on 2009/10/13
- <sup>11</sup> Aman Memon, *Shift in Sino-Pakistan Relations: A Sequel to Post-Cold War Realities*, op.cit., p. 132.
- <sup>12</sup> SAARC is known for South Asian Association for Regional Cooperation, which was found on 8<sup>th</sup> April 1985 Bangladesh, Bhutan, Maldives, Nepal, Pakistan, India, Sri Lanka, and later in 2007 Afghanistan became its eighth member. Basic aim of SAARC is to promote economic and cultural activities and increase the cooperation among member states.