

## **SINO-INDIAN RELATIONS: LOOKING FORWARD**

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Sino-Indian relations have experienced profound upheavals over the past five decades ranging from friendly relations during the 1950s, hypertension in the 1960s and 1970s, process of rapprochement in the 1980s and readjustment in the 1990s<sup>2</sup>. Since then their relations have been improving except for a short period of time when in May 1998 India conducted its nuclear tests and justified that explosions were conducted motivated by nuclear threat from China. But soon New Delhi realized that this lame excuse was unconvincing for both China and the international community. It picked up the threat it had left and again their relations started to improve. This paper studies Sino-Indian relations focusing on Vajpayee's visit to China in June 2003 and the following events, since the visit proved a turning point in their relations in the new millennium. To fully comprehend the dynamics of such developments, it is necessary to study them from the origin. Thus a very brief historical background is given.

### **HISTORICAL BACKGROUND**

The links between China and India go back a long way. Even prior to independence, Jawaharlal Nehru, the founding father of Indian foreign policy, was an ardent admirer of the socialist system prevalent in the USSR and China. This led India's early recognition of China and launching of an enthusiastic struggle to place China in the UN. Thus in the early 1950s, China and India were closer to each other. This pattern of relations lasted till the late 1950s, when it took a hostile turn<sup>3</sup>. The discovery by Indian patrols of the China-built road through Aksai-China in

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<sup>2</sup> M.B. Jain, "India-China Relations: Issues, Trends and Emerging Scenario," Hong Kong, 2003.

<sup>3</sup> Ghulam Ali, "Sino-Pakistan Relations: The Indian Factor," IPRI Journal (Islamabad), Vol. III, No. 2 (Summer 2003), p.99

Ladakh, the emergence of wide differences over the boundary issue in correspondence between foreign ministries and in letters exchanged between Nehru and Zhou Enlai, and in 1959 Indian sanctuary to the Dalai Lama and his thousands of followers as they fled China's crackdown on the uprising in Tibet, severely damaged their relations. Zhou, with a view to resolve emerging differences with India, visited New Delhi in 1960. But India's adverse internal environment, did not allow to weed out their difference which culminated to the Border War in 1962. The conflict also ended the dream of *Hindi Chini Bhai Bhai* (brotherhood between Indian and Chinese people).<sup>4</sup>

After almost six-year hiatus, in January 1969, Indian Prime Minister Indira Gandhi, indicated at a press conference that India would be prepared to hold talks with China without any precondition in order to seek ways of solving conflicts between the two countries. Chinese response came on 1 May 1970. Mao Zedong stated to the Indian charge daffier, Bragesh Mislra, that "India is a great country and the Indian people a great people. Chinese and Indian people should live as friends, they cannot always quarrel." In the mean while Indian naked aggression against Pakistan during Indo-Pakistan War of 1971, temporary blocked the process of normalization. It was in 1976 that Beijing and New Delhi agreed to restore their ambassadorial-level diplomatic relations after a gap of 15 years<sup>5</sup>. The next major step was Vajpayee's visit to China in February 1979, the first high-level visit between the two countries since 1960. In June 1981, the Chinese Foreign Minister Huang Hua, came to India, reciprocating Vajpayee's visit. It was agreed during Huang Hua's visit to institute an annual dialogue at the level of foreign ministers<sup>6</sup>. In December 1988, Indian Prime Minister Rajiv Gandhi, went to China, the visit marked a turning point in their relations. It was the first visit by an Indian Prime Minister to China since 1954. Rajiv's discussion with Chinese leaders significantly enhanced mutual confidence and understanding. A joint

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<sup>4</sup> C.V. Ranganathan, "The China Threat: A View From India", in Herbert Yee and Ian Storey, eds., *The China Threat: Perception, Myth and Reality* (London: Routledge Curzon, 2002).

<sup>5</sup> C. Dasgupta, "Recent Trends in India-China Relations", [www.observerindia.com/analysis/A011.htm](http://www.observerindia.com/analysis/A011.htm).

<sup>6</sup> Ibid.

working Group was formed for negotiating on the boundary issue and exploring ways of maintaining peace and tranquility along the Line of Actual Control (LAC) in border areas. Another Working Group was set up to promote trade and investment. Agreements were signed on cooperation in cultural exchanges, on science and technology and civil aviation<sup>7</sup>. In 2000, Indian President K. R. Narayanan took a week-long visit to China, the visit led to an increase in high-level exchanges<sup>8</sup>.

Zhu Rongji's India visit in 2002, was another forward step towards their bilateral relations. The two countries adopted a similar position on a number of international issues such as terrorism and the war in Iraq. China Eastern Airlines started flights between Beijing and New Delhi earlier this year, the first direct air links between the two countries<sup>9</sup>.

### **VAJPAYEE'S VISIT TO CHINA**

Among the recent high-profile exchanges, a weeklong tour of Prime Minister Atal Bihari to China in June 2003, exceedingly worked in strengthening their ties. This was the first by any Indian Prime Minister in a decade and also the third meeting in a month between the leaders of the two countries<sup>10</sup>. It marked important progress in bilateral relationship<sup>11</sup>. On 22 June, they signed first-ever Joint Declaration on Principles for Relations and Comprehensive Cooperation, setting out goals and guiding principles to promote their bilateral talks, with the leaders of China proposing a "phasing out" of Sino-Indian differences on their nearly 40-

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<sup>7</sup> Ibid.

<sup>8</sup> "53 Years of Sino-Indian Relations," World Tibet Network News, 27 June 2003. [www.tibet.ca/en/wtnarchive/2003/6/27\\_8.html](http://www.tibet.ca/en/wtnarchive/2003/6/27_8.html).

<sup>9</sup> "A Thaw in India-China Relations" 1 September 2003. South Asia Monitor, Center for Strategic and International Studies, Washington. <http://csis.org/saprog/sam622.pdf>

<sup>10</sup> Indian Premier Vajpayee met Chinese President Hu Jintao on 31 May on the sidelines of the ceremony marking the 30<sup>th</sup> anniversary of the Russian city of St Petersburg. They also met following day at the South-North leaders' informal dialogues meeting in the French resort of Evian.

<sup>11</sup> "Sino-Indian Relations demonstrate signs of turning around", Taipei Times <http://www.taipetimes.com/News/edit/archives/2003/07/05/2003058160>

year old border dispute<sup>12</sup>. A Memorandum of Understanding (MoU), expanding bilateral border trade was also signed by Indian External Affairs Minister Yashwant Sinha, and Chinese Commerce Minister Lu Fuyan, in the presence of the two Prime Ministers<sup>13</sup>. On 24 June, they decided to further step up bilateral trade and increase cooperation to safeguard the interests of developing nations at the World Trade Organizations (WTO). These decisions were taken during a meeting in Beijing between Minister of Commerce Aruna Jaitley and his Chinese counterpart, Lu Fuyan. The two sides also decided to hold the next round of the Joint Economic Group meeting in the following months<sup>14</sup>.

The most significant aspect of the visit was their recognition of each other's viewpoint on Sikkim and Tibet. At China's recognition of Sikkim as part of India, New Delhi, in return, conceded that the 'Tibet Autonomous Region is part of the Territory of the People's Republic of China.' The Declaration stated:

The Indian side recognizes that the Tibet Autonomous Region is part of the territory of the People's Republic of China and reiterates that it does not allow Tibetans to engage in anti-China political activities in India. The Chinese side express its appreciation for the Indian position and reiterates that it is firmly opposed to any attempt and action aimed at splitting China and bringing about "independence of Tibet".

The Indian side recalled that India was among the first countries that there is one China and its one China policy remains unaltered. The Chinese side expressed its appreciation of the Indian position<sup>15</sup>.

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<sup>12</sup> See the text of the Joint "Declaration on Principles for Relations and Comprehensive Cooperation Between the Republic of India and The People's Republic of China." <<http://www.meadev.nic.in/ind-chn-decla.htm>>

<sup>13</sup> Collectively nine documents were signed between China and India. For detail see, "India-China Relations," *IPRI Factfile* Vol. V, No. 7 (July 2003). Pp. 72-77.

<sup>14</sup> Ramtanu Maitra, "Vajpayee's Historic Trip Strengthens India-China Ties", <[http://www.larouchepub.com/other/2003/3026india\\_china.html](http://www.larouchepub.com/other/2003/3026india_china.html)>

<sup>15</sup> "Declaration," <http://www.meadev.nic.in/ind-chn-decla.htm>

Vajpayee's visit was considered to be an important turn in their bilateral relations. Sun Shihai, Deputy Director with the Institute of Asia-Pacific Studies of the Chinese Academy of Social Sciences, commented on the significance of the visit: "Under the current complex and volatile international situation, this visit – to which both countries have attached great importance – will write a new chapter in Sino-Indian bilateral ties. It will promote a constructive partnership between the two Asian giants by adopting more mature and pragmatic approaches<sup>16</sup>."

### ECONOMIC COOPERATION

Economic cooperation has become an important part of Sino-Indian relations. This started in the early 1990s. During Premier Li Peng's visit to India in December 1991, they signed Trade Protocol to boost their bilateral border trade. The agreement proved an important turn towards their economic relations<sup>17</sup>. Later on 1 July 1992, they signed Protocol on Entry and Exist Procedures for Border Trade, which facilitated their border trade. Throughout the 1990s, they took a number of steps to further enhance their economy. Recently during Vajpayee's visit, both the sides reassured the spirit of these agreements to boost their economies<sup>18</sup>. They have been developing their strategies in the context of the coming implementation of WTO. In June 2004, for the first time, India and China agreed to coordinate their strategies in support of the developing countries within the WTO. A political-level understanding on these lines was reached during the talks between the high officials of the two countries<sup>19</sup>.

Vajpayee had accompanied with him around 100 leaders hailing from key industrial sectors like software, pharmaceuticals, cement makers etc.

<sup>16</sup> "Sino-Indian Ties Enter New Stage: News Analysis," *People's Daily Online*, 23 June 2003.

<[http://english.peopledaily.com.cn/200306/23/eng20030623\\_118739.shtml](http://english.peopledaily.com.cn/200306/23/eng20030623_118739.shtml)>

<sup>17</sup> Jian, "India-China Relations".

<sup>18</sup> "Documents" signed between China and India at Vajpayee's visit. For detail see, "India-China Relations," *IPRI Factfile* Vol. V, no. 7 (July 2003). Pp.73.

<sup>19</sup> "India, China to act in concert on WTO issues," *The Hindu* (New Delhi), 26 June 2003.

Among his three important speeches made during the visit, two were addressed at business venues. This well reflected India's growing interests to avail benefits from China's economic miracle. P. Rajendran, Chief Operating Officer at a leading training and software company in India, highlighted China's importance for India in the following words: "China offers a big opportunity for us because it also helps our expansion in other Asian markets such as Hong Kong." Indian software companies are setting up development centers in Shanghai and elsewhere. Zhu Rongji, the former Chinese Prime Minister said on his trip to India that China should marry its hardware strength with Indian software expertise to create a beating combination<sup>20</sup>.

As a result of these steps the level of their bilateral trade reached to an impressive heights. For instance, in 2002 it was US \$ 5 billion and next year it jumped to US\$ 7.5 billion—an impressive increase. The economists had estimated that Sino-Indian trade would surge to US \$ 10 billion in 2005<sup>21</sup>. However, in the latest forecast, to one's surprise, it is now presumed that the target of US\$ 10 billion would be achieved by the end of 2004, a year ahead of the previous date. This was pronounced by Sino-India Eminent Persons' Group (EPG), an advisory agency for the two government on boosting Sino-India exchanges and cooperation, on 18 February 2004. Zhou Gang, Secretary General of the EPG, stated that the two countries have decided to set up a compact Joint Study Group (JSG), composed of officials and economists, to examine potential commonalities and to draw up a program for the development and economic cooperation over the next five years<sup>22</sup>. If this trend continued the volume of their mutual trade would further rise.

There is a big imbalance in Sino-Indian economies, as Chinese economy is much bigger than Indian, but their bilateral trade keeps balance. Such

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<sup>20</sup> "Indian companies look to ride China's growth," *Herald Tribune* Online, 7 July 2004.

[http://www.iht.com/ihtsearch.php?id=100339&owner=\(Bloomberg%20News\)&date=20020312...](http://www.iht.com/ihtsearch.php?id=100339&owner=(Bloomberg%20News)&date=20020312...)

<sup>21</sup> *Daily Times* (Lahore), 22 March, 2004.

<sup>22</sup> "India-China trade set to touch US\$ 10bln in 2004", *People's Daily* Online, <[http://english.peopledaily.com.cn/200402/19/eng20040219\\_135299.shtml](http://english.peopledaily.com.cn/200402/19/eng20040219_135299.shtml)>

pattern of trade flourishes more smoothly, than the imbalance in trade between the two countries. Indian exports to China grew by 85.3% during the first nine months of 2003, totaling US\$ 2.95 billion compared with US\$ 1.59 billion during the corresponding period in 2002. China's exports to India increased by 28.4 % during this period. India reported a favourable trade balance of US\$ 584 million during the first three quarters of 2003, compared with a deficit of US \$ 452 million during the same period of previous year<sup>23</sup>.

According to Indian statistics, since the 1990s, China gradually became a major import country of India. It is reported that goods from China made up about 2.59 percent of the total import in the fiscal year of 1998-1999, ranking only the 16th place. In 2002-2003, it jumped to the 3rd, next only to the United States and Belgium. Import volume increased from US\$ 210 million in 1991-1992 to US \$ 2.039 billion in 2001-2002. The yearly growth rate is 58%. Chinese export to India makes up 3.98% of India's total import, ranking the 6th<sup>24</sup>.

## CULTURAL TIES

Parallel to economic cooperation, Sino-Indian cultural exchanges are also at rise. The official web site of Chinese Embassy in India, pasted a report entitled "A Survey of Sino-Indian Cultural Relations" indicated an upward trend in cultural relations. In 1988, the two governments signed Cultural Cooperative Agreement, which stipulated that Executive Program of the Cultural Agreement of their respective governments would be signed every triennium. During Indian Prime Minister Rajiv Gandhi's visit to China, their Cultural program for 1988-1990 was signed. In 1992 and 1994 respectively, China and India successively held festivals in each other's countries. The exchange visits of high-level personal have increased constantly<sup>25</sup>.

<sup>23</sup> *Daily Times* (Lahore), 22 March 2004.

<sup>24</sup> "Is India China's Imaginative Rival?," *Peoples Daily Online*, 23 February 2004. <[http://english.peopledaily.com.cn/200402/23/eng20040223\\_135584.shtml](http://english.peopledaily.com.cn/200402/23/eng20040223_135584.shtml)>

<sup>25</sup> "A Survey of Sino-Indian Cultural Relations", Embassy of the People's Republic of China in India.

<<http://www.chinaembassy.org.in/eng/wh/zywhjl/t61249.htm>>

## BEGINNING OF DEFENCE RELATIONS

Another dimension of their bilateral relations is the emergence of their defence ties, though it is at initial stage. If one looks in the context of protracted Sino-Indian rivalry and China's alleged military cooperation with Pakistan, this limited but increasing cooperation is quite notable. During Vajpayee's visit, Beijing and New Delhi had agreed to broaden and deepen their defence exchanges, which would help them to enhance and deepen the mutual understanding and trust between their armed forces<sup>26</sup>. They also decided to hold joint naval exercise, which were the first-ever of its nature. Analysts viewed that it would boost understanding between the armed forces of the two countries<sup>27</sup>. The exercise held according to schedule, Indian naval fleet made a friendly port call at Shanghai and later joined the Chinese navy in a search and rescue exercise in the East China Sea. This was the first joint naval exercise by the two navies in the non-traditional security field which would further take them for mutual cooperation, The China Year Book 2004 commented<sup>28</sup>.

Earlier in March 2003, Chinese Minister of National Defense and Vice-chairman of the Central Military Commission and State Council, Mr. Cao Gangchuan toured India and met with military and government officials. Embassy of the PRC in New Delhi, termed the visit an important step to boost their military cooperation<sup>29</sup>. In April next month, Chairman of China's Central Military Commission, Jiang Zemin met with Indian Defence Minister George Fernandes in Shanghai. The two sides reiterated that they do not view each other as enemies<sup>30</sup>. Later in October, George Fernandes, called for more military contacts such as joint defence exercise between the two countries. "The time has come for Sino-Indian joint

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<sup>26</sup> "Declaration," <http://www.meadev.nic.in/ind-chn-decla.htm>

<sup>27</sup> "Sino-Indian joint exercise to enhance mutual trust", *Daily Times* (Lahore), 7 July, 2003.

<sup>28</sup> "India, China move closer, thanks to Atal," 2 June 2004.

<<http://www.expressindia.com/fullstory.php?newsid=32044>>

<sup>29</sup> "DM's India tour to promote Sino-Indian relations", 31 March 2003. Embassy of the PRC in Australia <<http://www.chinaembassy.org.au/eng/wgc/t81129.htm>>

<sup>30</sup> "53 Years of Sino-Indian Relations",  
<[http://www.tibet.ca/en/wtnarchive/2003/6/27\\_8.html](http://www.tibet.ca/en/wtnarchive/2003/6/27_8.html)>

military exercises, since joint exercise would help 'friendly countries' to assess each other's weaknesses and strengths, to mutual benefits."<sup>31</sup> Sino-Indian Defence ties, if continued to flourish on the same lines, would have broader impacts on the regional politics.

## SIKKIM

The forcible merger of Sikkim in India in 1975 had angered China. It remained a critical irritant in Sino-Indian relations for almost three decades. From Chinese perspective, it enjoyed long-standing relations with Sikkim, until the relations were destroyed by the British colonialism in the 19th century<sup>32</sup>. When the Communists came into power, they denounced India's 1949 and 1950 treaties establishing special relations with Sikkim and Bhutan. In his correspondence with Nehru in 1959, Chinese Premier Zhou Enlai denied Indian stance and gave the impression, as Sikkim was an independent country. Zhou maintained, "In your Excellency's letter, you also referred to the boundary between China and Sikkim... this question does not fall within the scope of our present discussion." In other words, China never wanted to talk to India about former's border with Sikkim, but only with the governments of that country. Since 1959 China had been insisting that Sikkim is fully independent sovereign country and Indian action has abolished that sovereignty, and China would not accept that unjust and hegemonic act. It continued to follow the policy of non-recognition<sup>33</sup>. However, a change in Chinese policy was seen since the initiation of the process of normalization of its relations with India. Deng had indicated that in April 1981. Since then China has been using Sikkim as a bargaining chip to conclude a boundary treaty with India<sup>34</sup>. As India and China worked to find a way of improving relations in the 1990s, New

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<sup>31</sup> Remarks came soon after China took an important symbolic step towards recognizing the state of Sikkim as part of India by deleting it from a list of Asian countries. "George Fernandes calls for Sino-Indian military exercises (AFP)", World Tibet Network News  
<[http://www.tibet.ca/en/wtnarchive/2003/10/12\\_3.html](http://www.tibet.ca/en/wtnarchive/2003/10/12_3.html)>

<sup>32</sup> John W. Garver, *Protracted Contest: Sino Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2001), p.174.

<sup>33</sup> Ibid.

<sup>34</sup> Ibid., p.175

Delhi insisted that Beijing accept that Sikkim was part of India. China addressed the Indian concern on the Sikkim question in a typically Chinese way. The first hint that China accepted Sikkim's status as an integral part of India came when the two sides during Vajpayee's visit signed a Memorandum of Understanding (MoU) to expand border trade. According to the Declaration, both sides were 'desirous of opening another pass on India-China border'. It specified a trading center and the all-weather Nathu Lal Pass as the entry and exit points for trade. Since both were in Sikkim, this implied China's de facto acceptance of the state being within the Indian border<sup>35</sup>. This was a clear signal that China had moved away from its earlier position that Sikkim's merger with India in 1975 was an "illegal annexation". The MoU was tantamount to an implicit Chinese acknowledgement of Sikkim as part of India. But a still clearer indication came a few months later when Sikkim ceased to figure in the list of "independent countries" on the Chinese Foreign Ministry's website. This was actually goodwill gesture from Beijing ahead of Vajpayee's meeting with his Chinese counterpart in Bali in October 2003<sup>36</sup>. It seems that China would not further raise Sikkim issue in its interaction with India.

## BORDER

Long un-demarcated boundary has been the stumbling block in Sino-Indian relations. Since the initiation of their rapprochement in 1988, the two sides have been giving a particular attention to address this issue. In subsequent interactions they have repeatedly expressed their determination to resolve the issue through peaceful means. The Joint Communiqué issued at the end of Rajiv's visit addressed the issue in the following words:

*The leaders of the two countries held earnest, in-depth discussion on the Sino-Indian boundary question and agreed to settle this question through peaceful and friendly consultations. They also*

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<sup>35</sup> "India and China: Cutting the (Sikkim) Salami in Cyberspace," Special Report–December 2003. Asian Analysis, The Australian National University.

<<http://www.aseanfocus.com/asiananalysis/article/cfm?articleID=693>>

<sup>36</sup> "New turn in Sino-Indian ties," *Dawn* (Islamabad), 22 May 2004.

*agreed to develop their relations actively in other fields and work hard to create a favourable climate and conditions for a fair and reasonable settlement of the boundary question while seeking a mutually acceptable solution to this question. In this context, concrete steps will be taken<sup>37</sup>....*

In September 1993, Prime Minister Narasimha Rao's official visit to Beijing culminated into signing of an agreement on the LAC for maintenance of peace and tranquility along the border. Later, President Jiang Zemin's visit to India in November 1996, took India-China relations to new heights. Among the four agreements signed between the two countries, the most significant one pertained to confidence building measures (CBM) along the border areas. Under its Article III, both sides agreed upon downsizing their respective military forces along the LAC. The agreement was ratified by the Chinese parliament in May 1997, thus paving the way for reducing tension along the border. It was termed as a major breakthrough in Sino-Indian bilateral relations<sup>38</sup>.

During Vajpayee's visit, they moved forward on this issue and expounded their respective positions. They reiterated their readiness to seek a fair, reasonable and mutually acceptable solution through consultations on equal footings. The two sides agreed that pending an ultimate solution, they should work together to maintain peace and tranquility in the border areas, and reiterated their commitment to continue implementation of the agreements signed for this purpose, including the clarification of the Line of Actual Control<sup>39</sup>. Premier Wen Jiabao further expressed that solution to the border issue should be based on the five principles of equal consultations, mutual understanding and accommodation and reciprocal adjustments. To solve the issue the two sides should first make efforts to maintain peace in the border area<sup>40</sup>.

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<sup>37</sup> India-China Joint Press Communique issued on 23 December 1988. *IPRI Factfile*, pp. 23-25.

<sup>38</sup> Jain, "India-China Relations,"

<sup>39</sup> "Declaration," <<http://www.meadev.nic.in/ind-chn-decla.htm>>

<sup>40</sup> "Wen Calls for Fair Solution to China-India Border Issue," *People's Daily Online*, 24 June 2003

<[http://englishdaily.com.cn/200306/24/eng/20030624\\_118776.shtml](http://englishdaily.com.cn/200306/24/eng/20030624_118776.shtml)>

There is a considerable progress on this issue. The first round of their talks was held in October 2003 leading to successful second round, which held in Beijing in January 2004. The remarks of the Chinese official on this occasion were very prudent. He stated that the border issue existed for a long period of time, thus a rapid solution in just one or two rounds of talks should not be expected. Both the countries had agreed to conduct the third round of talks, which would be held in New Delhi<sup>41</sup>. China has reiterated that border issue should not hamper Sino-Indian bilateral relations. “Even if our border issues are not completely settled, we are still enjoying development in our bilateral relations,” Chinese Assistant Foreign Minister, Shen Guofang, said in Beijing during a meeting with visiting Indian journalists<sup>42</sup>.

### PAKISTAN FACTOR

India used to project Pakistan as an important factor in its relations with China. This factor appeared in their relations in the early 1960s when a number of events changed the nature of relations among the regional countries. In the wake of Sino-Indian border skirmishes of November 1959 in Ladakh, the US President Eisenhower undertook an Asian tour and discussed regional problems with Nehru against the background of the Sino-Indian controversy. Subsequently the US opened its arm stores for India against China, totally ignoring Pakistan’s protest. From 1959 to 1963, India received \$ 4 billion from the US, which were many times more than the amount it had received in the earlier 11-years<sup>43</sup>. The US policy of arming India disillusioned Pakistan, which had been relying solely on the West for its defense. Following these developments, intra-state relations of the regional countries underwent drastic changes. The Sino-Indian and Sino-Soviet rifts contributed to the forging of close military, political and economic links between India and the Soviet Union on the one hand and

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<sup>41</sup> China-India Border discussions ‘positive’: FM spokesman”, *People’s Daily Online*, 16 January 2004

<[http://english.peopledaily.com.cn/200401/16/eng20040116\\_132762](http://english.peopledaily.com.cn/200401/16/eng20040116_132762)>

<sup>42</sup> “Border issue must not impede Sino-Indian ties: China,” 29 June 2004.

<<http://www.indianexpress.com/news/world/20040629-0.html>>

<sup>43</sup> Zulfikar Ali Bhutto, *Myth of Independence* (Karachi: Oxford, 1969) pp.48-50.

ushered in a new era in friendly relations between China and Pakistan on the other hand<sup>44</sup>. China started supporting Pakistan on different fronts. This pattern of relations continued till the late 1970s.

Since the new leadership assumed power in Beijing under Deng Xiaoping, it started a rapprochement with India. China adopted a neutral stance towards South Asia. Beijing, without any caveat, moderated its support for the Pakistani point of view on Kashmir and stressed upon a peaceful solution of the issue through bilateral dialogues between Indian and Pakistan<sup>45</sup>. During his visit to Pakistan in May 2001, the Chinese Prime Minister stated, "Kashmir is a problem left over by history. China appreciates and agrees with the position taken by Pakistan on the issue of Kashmir. We will try our utmost and spare no efforts for peaceful solution of this issue<sup>46</sup>." Actually China has uncoupled its relations with Pakistan from its relations with India. In the joint statement by China and the US on South Asia, issued when President Bill Clinton visited China a month after the Indo-Pakistan nuclear tests in June, they called upon India and Pakistan not to develop and deploy further nuclear weapons. In addition, both reaffirmed that their respective policies were to prevent the export of equipments materials and technologies that could in any way assist programmes in India or Pakistan for nuclear weapons or for ballistic missiles capable of delivering such weapons. It well addressed Indian protest of Chinese alleged support to Pakistan and proved an additional boost to strengthen their ties.

M.B.Jain looked at China's readjustment of its south Asian policy from a different angle. He observed that the end of Cold war created a favourable political climate for friendly relations between New Delhi and Beijing. China appeared with a larger strategic and diplomatic space to act as a bridge between New Delhi and Islamabad as well as a facilitator in the emergence of co-operative security in the South Asian region. This would serve in two ways. First, it would enable India and Pakistan to develop

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<sup>44</sup> Ali, "Sino-Pakistan Relations," pp.100-1.

<sup>45</sup> Ibid., p.112

<sup>46</sup> "Pakistan's Foreign Policy: Quarterly Survey: April-June," *Pakistan Horizon* (Karachi), Vol. 54, No. 3 (July 2001), pp.7-8.

their relations afresh on a trajectory of peace and friendship. Second, the South Asian region will remain relatively clam and free from the “power politics” of big powers<sup>47</sup>.

### RECENT DEVELOPMENTS

Some recent trends also indicate upward trends in their relations. These are separately discussed here.

### CHANGE OF GOVERNMENT IN INDIA

In May 2004, elections for the 14th Lok Sabha held in India in which Indian National Congress emerged as the single majority party and later, with the coalition parties, formed a government. The change of power in New Delhi did not affect the ongoing process of normalization of relations with China. Indian Congress Party, during its election campaign had pledged to maintain closer relations with China. Natwar Singh, who later became Foreign Minister, had stated that process to improve relations with China was started by the then Congress Prime Minister Rajiv Gandhi in December 1988 that would be continued. “we will take this process of improving bilateral relations (with China) further in all areas”, he added<sup>48</sup>.

There is another noteworthy development regarding India’s long pursuit for the permanent seat in the UN Security Council. China, for the first time, has expressed its initial boost for India’s “greater role” in the international arena including the UN. “The Chinese government values India’s influence and role in international and regional affairs and is willing to see a greater Indian role in the international politics, the United Nations included”, Tang Jiaxuan, who oversaw China’s foreign policy as a senior Cabinet minister, told Press Trust of India. This is quite a new development. Previously, China had been quite ambiguous when it said the

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<sup>47</sup> Jain, “India-China Relations”.

<sup>48</sup> “India’s Congress pledges closer ties with China, US,” *People’s Daily Online*, 16 May, 2004. <[http://english.com.cn/200405/16eng2004-0516\\_143451.html](http://english.com.cn/200405/16eng2004-0516_143451.html)>

of these countries have already made progress on these issues when they met in New York last year. Russian Foreign Minister Igor Ivanov, planned to host a meeting of three foreign ministers in Moscow<sup>51</sup>. Feng Zhaokui, a research fellow at Japan Research Institute of the Chinese Academy of Social Sciences in an article, which was published in China's official mouthpiece, the *People's Daily*, expounded the later idea. The paper in its editorial implied the feasibility and effectiveness of the proposed plan. Also because it would contradict the new security concept—the US hegemony and uni-polar world—and would establish bilateral cooperation among “China-India-Japan on realistic grounds<sup>52</sup>. If these plans became reality, they would further integrate China and India both economically as well as politically.

The positive developments in Sino-Indian relations can largely be attributed to two main factors; economy and new emerging international system. In the post Cold War, the emphasis in international relations shifted from politics to economic. Both India and China needed a peaceful international environment that would be favourable for their own economic development. This required their closer cooperation with each other.

The second major reason is the emergence of the new international order which has been ushered in not merely on account of the demolition of the Soviet Union at the beginning of the 1990s but also because of the emergence of two other factors, the stridently militarist policy of Washington, as manifested starkly by its Iraq policy, on the one hand, and the new-found status of China as a major economic power to contend with in the international arena, on the other<sup>53</sup>. China and India watched the launch of the US war on terror with unease. The US military action, first in

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<sup>51</sup> “China-India-Russia trilateral interaction of good prospect: Russian diplomat,” February 2004, *People's Daily Online*  
<[http://english.peopledaily.com.cn/200402/24/eng20040224\\_135679.shtml](http://english.peopledaily.com.cn/200402/24/eng20040224_135679.shtml)>

<sup>52</sup> “Bilateral cooperation among China, Japan and India more realistic,” *People's Daily Online*  
<[http://english.peopledaily.com.cn/200405/14/eng20040514\\_143304.html](http://english.peopledaily.com.cn/200405/14/eng20040514_143304.html)>

<sup>53</sup> “Paradigm change in Sino-Indian relations,” *Business Line*, 5 July 2003.  
<<http://www.blonnet.com/2003/07/05/stories/2003070500090800.htm>>

Chinese side had taken note of India's desire to play a more active role in international affairs<sup>49</sup>.

### PANCHEELA CELEBRATIONS

The Five Principles of Peaceful co-existence, which are also known as Panchheel, were jointly initiated by China and India in the mid-1950s. In June 2004, China celebrated its 50th anniversary. Chinese President Hu Jintao and his Indian counterpart, Abdul Kalam, exchanged congratulations on this occasion. Indian President in his message to Hu, stated, "On this historic occasion, I wish to reiterate that in the years to come, we shall endeavour to maintain, and indeed accelerate the steady growth of friendship and cooperation between our two countries." Hu stated in his reply, "China will firmly pursue the independent foreign policy of peace, forge and develop friendship and partnership with neighbours and remain committed to the good-neighbourly and friendly relations and mutually-beneficial cooperation with surrounding countries." He also added that Five Principles had been part of the important guiding principles of the Indian-Chinese ties and will continue to play an important role in future<sup>50</sup>.

### CHINA AND INDIA IN TRIANGULAR RELATIONS

There are two moves for trilateral cooperation, among China, India and Russia and China, India and Japan. The former idea was expounded by Krishnan Raghunath, Indian Ambassador to Russia. He pointed out that Moscow-Beijing-New Delhi were developing a triangular format that evolved from non-governmental exchanges to high-ranking official contacts and were able to discuss issues of common concern. He argued that there were wide range of issues among the three countries, such as global and regional security, international terrorism, drug trafficking, the proliferation of weapons of mass destruction and so on. Foreign Ministers

<sup>49</sup> "China supports greater role for India in UN,"

<<http://www.indiaexpress.com/news/world/20040626-0.html>>

<sup>50</sup> "China, India exchange congratulations on 'Five Principles' anniversary", *People's Daily Online*, 28 June, 2004

<[http://english.people.com.cn/200406/28/eng20040628\\_147781.html](http://english.people.com.cn/200406/28/eng20040628_147781.html)>

Afghanistan and then in Iraq, alarmed both China and India. One protection against this newly dominant US could be for India and China to look to each other. Much of China's recent rhetoric seems to suggest just such a new strategic alliance with India<sup>54</sup>.

## CONCLUSION

China and India are big economies as well as the most populous countries of the world. They alone constitute the one-third of human population. The nature of their relations has great impact on both regional and international politics. Over a long period of time, they have experienced both cordiality and rivalry in their relations. This has made them realized that good neighbourly relations are pre-requisite for their long-term goals. To Beijing, smaller events should not block their mutual relations. Indian foreign policy, however, is yet not mature to that level and is greatly characterized by its fanatic internal politics. This was well reflected during its nuclear explosions in 1998, when Indian leadership put the Chinese threat a prime factor behind these tests. Though at that time, they had reached to a greater degree of understanding.

Once again their ties are back to normalcy. Vajpayee's visit to China in June 2003, proved a hallmark in this direction. Following this a substantial progress is seen in several areas. The most impressive is the economic field. It is speculated that by the end of 2004, their mutual trade would reach US\$ 10 billion, which is a tremendous achievement. Economic interdependence can be an effective tool in settling bilateral issues between the states. The cultural exchanges that are also at rise would also help in confidence building as well as paving the way for people to people contact.

China's initial boost for India's greater role in the international politics, including the UN, reflects China's willingness to vote for India's permanent seat in the UN at some stage in future. China's tacit recognition of Sikkim as part of India, and in response, New Delhi's acceptance of

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<sup>54</sup> "Analysis: Old Asian rivals get together," BBC News Online, 21 June 2003. <[http://news.bbc.co.uk/2/hi/south\\_asia/3007746.stm](http://news.bbc.co.uk/2/hi/south_asia/3007746.stm)>

Tibet as part of China, are the major steps for accommodating each other's point. They have reached to a conclusion on Sikkim and Tibet, which were the most contentious issues between the two countries. On border dispute, they have concluded two successful rounds of talks and have agreed to continue dialogues to reach at a solution agreeable to both the parties.

Since Deng's reforms, China has started a more balanced approach towards South Asia. It has uncoupled its relations with Pakistan from its relations with India. That greatly addresses India's concern of Pakistan factor, impeding its relations with China. Certain analysts view that such developments would not effect Beijing's relations with Islamabad. With the improvement in Beijing-New Delhi ties, China would be in a better position to play an effective role in normalizing Indo-Pakistan relations, a role easily acceptable to India.

Complete convergence of opinion cannot exist between two countries. China and India also have some major differences in their relations. But if they continued to sort them out with same spirit and pace, in future, their relations can be very friendly. But it depends on how India responds to Chinese moves.