

The Reshaping of China-India Relations: A Chinese Perspective

LOU Chunhao and WANG Chong*

China-India relations are becoming increasingly competitive and volatile.

The deep-rooted dynamic is the dysfunctioning of the previous interaction framework that had ensured relatively stable bilateral relationship for decades.

This paper explores the main obstacles and dynamics of the current China-India relationship, including the border issue, economic relations and the Quad. It also shares some thoughts on what China and India should do to move forward the bilateral relationship.

THE CHINA-INDIA RELATIONSHIP has witnessed ups and downs. There was a honeymoon, though short, Hindi-Chini Bhai-Bhai period in the early 1950s. The 1962 border conflict brought China-India relations to a low point and into

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a long-term freeze until 1988 when Indian Prime Minister Rajiv Gandhi made an “ice-breaking” trip to China. Although disturbed by various issues from time to time, China and India have maintained a balance between “competition” and “cooperation”, and relations had been generally stable since. In recent years, however, the China-India relationship has become increasingly volatile and the previous interaction framework is disintegrating quite extensively. Some salient incidents are the Dong Lang (Doklam) standoff in 2017, India’s unilateral action undermining Chinese territory sovereignty by setting the Ladakh Union Territory in 2019, the Galwan clash in 2020 and so on.

The violent clash at Galwan in mid-June 2020, which caused military casualties for the first time since 1975, proved to be the last straw. It was the most violent and longest standoff in decades, worsening mutual public perception. Particularly from the Indian side, the Galwan clash has received wide media coverage and incited strong nationalist fervour, complicating Chinese efforts to calm the situation. Some Indian politicians and senior officers made very hawkish remarks. According to the Mood of the Nation in August 2020, 59% of the respondents said that “India should go to war with China over the border conflict” and 84% said that “India cannot trust China”.¹ The hard-hitting strategic report, “India’s Path to Power: Strategy in a World Adrift” states that “the China challenge is likely to be the most significant issue in India’s external security policies in the coming decade”.² Chinese public’s perception towards India also deteriorated greatly. The survey conducted by Global Times Research Centre showed that 70.5% of respondents said that “China should be more assertive in dealing with India’s rude behaviour” and almost 89.1% of respondents supported “China should take military defensive measures to counter future border clashes with India”.³ In line with the negative perception towards each other, the ground situation of bilateral relationship has also declined quickly.

There are wide debates on the causes for the deteriorating China-India relations, such as the rise of nationalism, India’s counterbalance towards Chinese increasing presence in South Asia and impact of China-India-US triangular interactions. All these analyses are correct to some extent. However, holistic analyses informed that the dysfunctioning of the previous interaction model is the fundamental cause for the deteriorating China-India relations. The

¹ “Mood of the Nation”, *India Today*, August 2020, <<https://www.indiatoday.in/mood-of-the-nation-survey-2020>> (accessed 20 August 2022).

² Yamini Aiyar, Sunil Khilnan, et al, *India’s Path to Power: Strategy in a World Adrift*, 2 October 2021, p. 12, <https://cprindia.org/wp-content/uploads/2022/01/Indias-Path-to-Power_English-Final.pdf> (accessed 1 June 2022).

³ Global Times Research Centre, “Zhongyin guanxi gongzhong diaocha baogao” (Public Survey Report on China-India Relations), 6 September 2020, <<https://weibo.com/ttarticle/p/show?id=2309404546176295764022>> (accessed 20 August 2022).

main reason for the almost three decades of relatively stable “coopetition” is the strategic framework, or *Modus Vivendi*, that was reached for stabilising bilateral relations. This framework includes elements such as negotiations on the boundary issue while maintaining peace and tranquility on the boundary; decoupling the border dispute from overall bilateral relations; viewing each other as development opportunities and strengthening economic cooperation; strengthening cooperation on multilateral platforms when possible and necessary; and sticking to an independent foreign policy. However, this strategic framework is currently disintegrating at a rapid pace.

During the past few years, however, border standoffs have become fiercer due to technical reasons such as the improvement of frontier infrastructure, increasing logistics capability and deployment of advanced monitoring equipment.

Lingering Border Dispute: Precondition for Normal Bilateral Relationship?

The border dispute is the thorniest issue obstructing the development of China-India relations. From 1962 to 1988, the continuous rigidity of China-India relations was mainly caused by India’s obsession with the boundary issue. Relations improved only in 1988 when both sides agreed to decouple the border issue from other aspects of bilateral relations. The Sino-Indian Joint Press Communiqué (1988) states clearly that “the leaders of the two countries held earnest, in-depth discussions on the Sino-Indian boundary question and agreed to settle this question through peaceful and friendly consultations. They also agreed to develop their relations actively in other fields and work hard to create a favorable climate and conditions for a fair and reasonable settlement of the boundary question while seeking a mutually acceptable solution to this question”.⁴

These principles have been repeatedly reaffirmed in the joint statement or joint communiqué between China and India. In practice, successive Chinese and Indian governments have been working hard at establishing various mechanisms to “maintain peace and tranquility” along the Line of Actual Control (LAC) in the China–India border areas while conducting consultations and negotiations. These mechanisms have contributed significantly to the relatively stable situation along the LAC.

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⁴ Ministry of Foreign Affairs of the People’s Republic of China, *Sino-Indian Joint Press Communiqué*, 23 December 1988, <<https://www.mfa.gov.cn/ce/cein/eng/zygxc/wx/t762866.htm>>(accessed 20 August 2022).

due to technical reasons such as the improvement of frontier infrastructure, increasing logistics capability and deployment of advanced monitoring equipment. These factors enable Chinese and Indian troops to conduct more frequent patrols and respond more quickly and assertively against “intrusion and infiltration” from the other side. As there have always been standoffs along the LAC, why did the crisis management mechanisms fail to prevent the violent Galwan clash? Why did this happen just three years after the challenging Dong Lang standoff? Why did the Galwan standoff inflict such serious damage to the bilateral relationship?

Undeniably, China and India have totally different views towards the Galwan clash. India repeatedly criticised China for “disregarding border pacts with India” and “its aggressive behaviour to alter the status quo”. From the Chinese perspective, however, the understanding is quite different. It is widely argued in China that the Indian government has become more hawkish and adventuristic on the border issue. The Chinese strategic community tends to believe that the Indian side has deviated from the previous consensus on “maintaining peace and tranquility” and “not allowing border dispute to affect overall bilateral relationship”. Some concerns from Chinese side are as follows.

First, India reconnects the border issue with overall bilateral relationship and the normalisation of bilateral relationship is now contingent on the India-set normalcy of border areas. China has appealed to India several times to view bilateral relations from a long-term perspective and place the differences on the boundary issue in a proper place in bilateral relations. Thus, China is downplaying the standoff and emphasising that it is in both countries’ interest to return to the right track as early as possible. However, India takes quite a different stand. Though fully realistic about the difficulties of resolving the border dispute, India sticks to the normalcy of border areas, according to India’s understanding, as a precondition to the restoration of normal bilateral relations. Indian External Affairs Minister (EAM) Jaishankar stated that “it (China-India relationship) cannot be normal, if the situation in the border areas is abnormal”.⁵ Evidently, China and India have different understanding of the “status quo” or “normalcy” concerning disputed areas, and it is impossible for China to accept fully India’s

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⁵ Ministry of External Affairs, Government of India, “Transcript of Special Briefing by External Affairs Minister on Meeting with Foreign Minister of China”, 25 March 2022.

version of status-quo. For example, in 2019, India set up the Ladakh Union Territory and included part of Chinese territory in the western sector of China-India boundary into its administrative jurisdiction. India argued that this is its “internal matter concerning the territory of India”, but China objected to it as “undermining Chinese territory sovereignty”. History has illustrated clearly that linking the border issue with overall relationship is in no parties’ interest. Particularly, under the background of rising nationalism in both countries, the hype of the border dispute will greatly hijack the overall relationship.

Second, India tends to pursue “absolute security” instead of “maximum security” on national sovereignty issue. Prime Minister Modi won a landslide victory in 2019 by branding himself as national security *chowkidar* or watchman, as opposed to the image of *vikas purush* or “development man” in the 2014 election. Clearly, the hawkish policy towards “external security threat” will help Modi gain popularity at home as illustrated by the surgical strikes against Pakistan. Though it is unrealistic for India to take its claimed disputed areas by force, the Indian government tends to favour taking risk to gain advantages. Indian EAM Jaishankar has stated clearly that “risk-taking is an inherent aspect of diplomacy” and “not all risks are necessarily dramatic, many just require the confident calculations and determined follow through of day-to-day policy management”.⁶ The absolute majority at Lok Sabha gives Modi the confidence of taking risks without being checked by other political powers. Moreover, as a longtime member of Rashtriya Swayamsevak Sangh (RSS), Prime Minister Modi’s perception towards the border dispute is deeply shaped by the Hindu Nationalism ideology. It is widely acknowledged that the RSS viewed the 1962 war as the biggest political and military blunders in modern Indian history.⁷ Thus, the Modi government has the motivation to be tough on China. Dr Hu Shisheng, a well-known Chinese strategist on Indian study, argued that “in a domestic political environment where Hindu nationalism is flourishing, coupled with an international political landscape highlighting confrontation between China and the United States or even the West as a whole, both speculative and risk preferences are on the rise in the Modi government’s policy toward China”.⁸ The China-India border dispute is a case in point.

⁶ Ministry of External Affairs, Government of India, “External Affairs Minister’s Speech at the 4th Ramnath Goenka Lecture”, November 2019, <https://mea.gov.in/Speeches-Statements.htm?dtl/32038/External_Affairs_Ministers_speech_at_the_4th_Ramnath_Goenka_Lecture_2019> (accessed 6 May 2022).

⁷ “RSS Wants Students to Learn More about India-China War”, *Economic Times*, 2 July 2015; “RSS Concern about China Has Moved from Security to Economy. Cultural Links Don’t Count”, *The Print*, 14 February 2022, <<https://theprint.in/opinion/rss-concern-about-china-has-moved-from-security-to-economy-cultural-links-dont-count/830302/>> (accessed 6 May 2022).

⁸ Hu Shisheng and Wang Jue, “The Behavioural Logical Behind India’s Tough Foreign Policy Toward China”, *Contemporary International Relations*, vol. 30, no. 5, 2020, p. 44.

Third, it is a real concern that the Indian government has changed the crisis management model. China and India have signed several agreements concerning military operations along the LAC. According to the 1996 Agreement on Confidence-Building Measures in the Military Field Along the Line of Actual Control in the China-India Border Areas between two governments, “neither side shall open fire.....within two kilometers from the Line of Actual Control”. “No bullet has been fired for decades” was used to describe the maturity of China-India relations. However, it seems to China that India has changed its tactical operation model and tended to resort to the use of force in dealing with the crisis. Recently, Indian National Security Adviser Ajit Doval admitted that during the 2020 standoff, “the use of force was approved with alacrity at the topmost level” and “(the Indian government) authorized freedom of action at the lowest tactical level”.⁹ The Indian government’s new operation model is reminiscent of Nehru’s “forward policy”. Taking history as a mirror, the underestimating of Chinese will to use force to safeguard sovereignty and territorial integrity must be avoided. Another dangerous change is that India tends to turn to US help in addressing the border issue. It is admitted publicly by Lisa Curtis, senior director for South and Central Asia on the National Security Council (NSC) at the Trump administration, that the United States has provided “strong and unambiguous support to India during its border crisis with China”.¹⁰ It is also stated clearly in the declassified *US Strategic Framework for the Indo-Pacific* that the United States will “offer support to India-through diplomatic, military, and intelligence channels-to help address continental challenges such as the border dispute with China and access to water, including the Brahmaputra and other rivers facing diversion by China”.¹¹ Inciting the third party to interfere with the bilateral dispute will only add fuel to the flames.

Politicised Economic Relationship: From Bedrock to Stumbling Block?

Since the economic reform in the early 1990s, India has taken economic and social development as its central task and maintaining a foreign policy that is conducive to domestic economic development is a priority. Thus, as the two largest developing countries, China and India have common interests in

⁹ “PM Modi’s Personal Equation with Xi Resolved Many Crises: Ajit Doval”, *Indian Express*, 13 May 2022.

¹⁰ “US Provided ‘Strong, Unambiguous Support’ to India During Border Crisis with China: WH Official”, *New Indian Express*, 17 September 2020, <<https://www.newindianexpress.com/world/2020/sep/17/us-provided-strong-unambiguous-support-to-india-during-border-crisis-with-china-wh-official-2198276.html>> (accessed 6 May 2022).

¹¹ US National Security Council, *U.S. Strategic Framework for the Indo-Pacific*, 5 January 2021, p. 5, <<https://trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/IPS-Final-Declass.pdf>> (accessed 6 May 2022).

achieving domestic development. Bilateral economic and trade cooperation has been very robust. Trade volume and investment scale between the two countries have increased significantly. By the year 2014 when Narendra Modi inaugurated as prime minister, China-India bilateral trade had increased almost 268 times from US\$263.3 million in 1990 to US\$70.65 billion in 2014, and Chinese investment in India had increased correspondingly from almost zero to US\$243 million.¹²

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When Modi claimed prime ministership, China has high expectation for bilateral economic cooperation due to Modi's role in promoting the Gujarat Model of Development. During Chinese President Xi Jinping's state visit to India in September 2014, just four months after Modi's inauguration, China and India issued Joint Statement between the People's Republic of China and the Republic of India on Building a Closer Developmental Partnership. Even after the Dong Lang standoff in 2017, China still had high hopes that the economic cooperation could be a bedrock for stability of bilateral relationship. During the second Informal Summit in 2019, China and India agreed to set up High-Level Economic and Trade Dialogue mechanism and develop a Manufacturing Partnership to deepen economic cooperation.

All these have changed dramatically after 2020. Though bilateral trade continues to grow and even hit an all-time high of US\$125.66 billion in 2021, the environment for bilateral economic cooperation has changed significantly. While the increasing bilateral trade reflects the strong supply-demand dynamics at the market end, the trend at the policy end is negative. The background can be attributed to rising economic nationalism and protectionism in India, intensified US economic competition against China and India's increasing concern about the dependence on China exposed by the outbreak of COVID-19, among others.

The Chinese strategic community is concerned that under the new circumstances, India has become less interested in economic cooperation with China. Instead, India will compete with China and eventually replace China as a global manufacturing hub,¹³ a scenario that may not be feasible in the near

¹² Ministry of Commerce of China, "Zhongguo yindu shuangbian jingmao hezuo jiankuang" (China-India Bilateral Economic and Trade Cooperation Profile), 5 June 2015, <<http://yzs.mofcom.gov.cn/article/t/201506/20150601003113.shtml>> (accessed 6 May 2022).

¹³ Wang Rui, Pan Yichen and Zhu Siqiao, "Yindu duihua jingji tuogou de dongyin ji yingxiang" (The Motivation and Impact of India's Economic Decoupling from China), *Intertrade*, no. 10, 2020, pp. 12-18.

term. It is also widely argued in China that the economic cooperation's role in stabilising bilateral relationship is diluting. Instead, India tends to weaponise economic cooperation for its geo-political agenda. Some major concerns are as follows.

First, India becomes tougher on the trade imbalance issue. China has recorded trade surplus against India in 2006. Since then, China has become India's largest trade deficit source for consecutive years. In 2021, China-India bilateral trade hit the record of US\$125.66 billion, with China's export to India amounting to US\$97.52 billion and India's export to China at US\$28.14 billion. India's trade deficit was US\$69.38 billion, accounting for over half of the total bilateral trade and around 40% of India's overall trade deficit. Another aspect of the trade imbalance is the trade composition. India's major exports to China mainly consist of primary goods, while China's major exports to India consist of chiefly higher value manufactured goods. From the Chinese perspective, the bilateral trade imbalance is due to different industrial comparative advantage and the result of market dynamism. To India, its complaints are on market access. China has also been the main target of India's anti-dumping cases. Compared with previous governments, the Modi government prefers to adopt a more nationalist economic policy.¹⁴ Indian EAM Jaishankar has argued against the "dogma of globalisation without a cost-benefit analysis" and stated that "the post-1991 belief that we could rely on the costing of others abroad to build our own businesses at home clearly has a high price... Continuing to follow the post-1991 mantras in such circumstances makes little sense".¹⁵ The nationalist economic policy makes the Indian government guard against the influx of Chinese goods and investment. The incidents such as the Dong Lang standoff and Galwan clash only give India an excuse to boycott Chinese goods and reduce

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¹⁴ The RSS role in influencing Modi government's economic policy cannot be overemphasised. During the Vajpayee government (1998-2004), the Indian economy performed well and was branded as India Shining. However, RSS criticised Vajpayee government's economic reform vehemently and withdrew the support for Vajpayee in 2004 general election. RSS' reservation towards RCEP contributes to India's withdrawal from the RCEP at the last minute.

¹⁵ S Jaishankar, *The India Way: Strategies for an Uncertain World*, India, Harper Collins Publishers India, 2020, p. 92.

economic and supply chain dependence on China. India is particularly concerned about the supply chain dependence on China, which was exposed after the outbreak of COVID-19. It is calculated that in 2018-2019, there were around 375 categories of products exported to India where China accounted for over 80%, with China accounting for 100% of 57 categories.¹⁶ Though India has the world's

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third largest pharmaceutical industry, around 70% of its key ingredients come from China.¹⁷ Thus, under the banner of national security, India aims to reduce supply chain dependence on China by taking Production Linked Incentives (PLIs) domestically and resilient supply chain cooperation with like-minded countries externally.

Second, India tends to address the bilateral economic relationship from geopolitical and national security perspective. In times of fluctuations in China-India relations in the past, economic logic would prevail over geopolitical and security logic. These days, however, India prefers to extend geopolitical competition to the economic arena. On one hand, India is not duly concerned if economic cooperation would be impacted by the border dispute. After the Galwan standoff, the Indian government took many biased policies against China, such as banning Chinese apps, delaying the clearance of Chinese investment, removing Chinese investment from the Automatic Route to Approval Route, conducting tax raids against Chinese companies and so on. According to the Chinese Ministry of Commerce, in 2020, Chinese direct investment in India fell 61.6% year on year and the value of new engineering contracts signed by Chinese enterprises declined about 55.9% year on year.¹⁸ According to Indian

¹⁶ Santosh Pai, "Deciphering India's Dependency on Chinese Imports", Institute of Chinese Studies, October 2020 and Press Information Bureau, "Enough Stocks of APIs and Formulations", 13 March 2020, <<https://pib.gov.in/newsite/PrintRelease.aspx?relid=200235>> (accessed 6 June 2022).

¹⁷ Anamika Gulati, "Time to End the Battle of Indian Pharmaceutical Players and Chinese Key Ingredients", July 2021, <<https://www.orfonline.org/expert-speak/time-to-end-the-battle-of-indian-pharmaceutical-players-and-chinese-key-ingredients/>> (accessed 6 June 2022).

¹⁸ Ministry of Commerce of China, "Zhongguo yindu jingmao hezuo jiankuang" (China-India bilateral economic and trade cooperation profile), 15 October 2021, <<http://www.mofcom.gov.cn/article/tongjiziliao/sjty/yzgggb/202103/20210303042326.shtml>> (accessed 6 June 2022).

sources, the Indian government had been strictly implementing its new security-oriented investment restrictions and not approving FDI to Chinese companies until mid-2021. It is reported that “Indian central government directed law enforcement agencies and regulators to share their information with each other when investigating Chinese companies doing business in India for reasons of security besides concerns over tax malpractice and customs duty evasion”.¹⁹ What alarmed China is the high approval rate of the Modi government’s retaliatory policy towards Chinese economic interest according to the Mood of the Nation Survey conducted by India Today. Thus, it is highly possible that India will continue to adopt security-oriented policy towards Chinese investment.

Third, India is following the US “decoupling” policy towards China. Since the Trump administration, the United States took whole-of-government approach towards China. One important pillar was the geo-economic competition, such as the trade war, high-tech decoupling and reshaping of supply chain. The Biden administration followed the same policy. For India, due to its huge manpower, cheap labour and “reliable partner” identity, the reshaping of global supply chain gives it huge opportunity to be an alternative “global manufacturer hub”. Thus, following the US “decoupling” policy and strengthening supply chain cooperation with the United States and its partners are to India’s advantage. Domestically, India has taken measures to improve the business environment and infrastructure facility to attract global investment. “Make in India” is one of the most important flag initiatives for the Modi government. Externally, India extended its outreach abroad to attract global investment and enhance its position in the global industrial chain. On 27 April 2021, India, Japan and Australia formally launched the Supply Chain Resilience Initiative. Under the Quad mechanism, Australia, India, Japan and the United States have repeated their commitment to “resilient, diverse and secure supply chains”. As a populous developing country, India has strong and rightful impetus to develop its manufacturing industry. China welcomes and supports India’s development. However, considering US decoupling policy towards China and India’s biased policy towards Chinese investment, India’s policy trend has sent negative signals to China that India will follow in the path of the United States.

Indo-Pacific and the Quad: “Asian NATO” Against China?

Indo-Pacific is a hot word in geopolitical discourse during the past few years. First proposed by Japanese former Prime Minister Abe during the Sixth Tokyo International Conference on African Development (TICAD VI) in 2016, the concept of “free and open Indo-Pacific” was used by US President Trump during

¹⁹ James Fox, “How Is India Treating FDI Proposals Involving Chinese Entities?” 18 August 2022, <<https://www.india-briefing.com/news/india-fdi-policy-china-companies-associated-entities-security-concerns-approvals-25534.html>> (accessed 22 August 2022).

his first trip to Asia in late 2017. Since then, the US government has continued to push hard at advancing the Indo-Pacific strategy. The Biden administration gives the strategy a further push by elevating the Quad mechanism to the summit level, setting up the Australia-UK-US (AUKUS) alignment, rolling out the Indo-Pacific Economic Framework (IPEF), launching the Indo-Pacific Partnership for Maritime Domain Awareness Initiative and so on.

For China and India, they displayed divergent attitude and response towards the US Indo-Pacific strategy. China criticises the Indo-Pacific strategy as an “Asian NATO” and cautions regional countries against joining the American “anti-China club”. Even before the Trump administration rolled out the “free and open Indo-Pacific” in late 2017, there were some academic debates on the “Indo-Pacific” concept and relevant strategic implication. Dr Zhao Qinghai, senior researcher from the China Institute of International Studies, warned that “(China) need to pay attention to and be alert to the mentality of checking and guarding against China underlying the emergence of this (Indo-Pacific) concept”.²⁰ After the formalisation and implementation of the US Indo-Pacific strategy, the strategy was heatedly debated in China. The mainstream discourse is that, though the other parties may have different versions of the Indo-Pacific initiative or framework, the essence of the US Indo-Pacific strategy underpinned by the Quad is to contain China. It is widely acknowledged in China that the strategy will intensify bloc politics and geopolitical competition in this region. This assumption was echoed by the declassified document US Strategic Framework for the Indo-Pacific in January 2021.

India, however, takes an opposite stand. There have been discussions on the similar concept of “Indo-Pacific” in India for a long time. In 2004, the Indian Maritime Doctrine stated that “the shift in global maritime focus from the Atlantic-Pacific combine to the Pacific-Indian”. It was the Modi government which solidifies and embraces the concept and puts it into the national strategy design resolutely. For India, the geopolitical shift from Euro-Atlantic to Indo-Pacific is inevitable and India could and should make use of this shift due to its geo-advantage. The Indo-Pacific framework is also helpful for integrating India’s policies such as Act East, Think West, SAGAR and Neighbourhood First. Thus, India not only welcomes the Indo-Pacific concept, but converges with the US Indo-Pacific strategy by joining the Quad. Indian EAM Jaishankar argued that “the Quad is the most prominent plurilateral platform that addresses contemporary challenges and opportunities in the Indo-Pacific. If there are reservations in any quarter, these stem from a desire to exercise a veto on the choices of others. And possibly a unilateralist opposition to a collective and

²⁰ Zhao Qinghai, “Yintai gainian jiqi dui zhongguo de hanyi” (The Concept of ‘Indo Pacific’ and Its Implications for China), *Contemporary International Relations*, no. 7, 2013, p. 22.

cooperative endeavours”.²¹ The United States also attaches great importance to India’s status in its Indo-Pacific strategy. Considering India’s geo-advantage in South Asia and the Indian Ocean region and its complicated relations with China, the United States expects India to act as a counterbalance against China. This was clearly illustrated in the Biden administration’s Indo-Pacific strategy, which defined India as “a like-minded partner and leader in South Asia and the Indian Ocean, active in and connected to Southeast Asia, a driving force of the Quad and other regional forums, and an engine for regional growth and development”. The United States even listed the “support (of) India’s continued rise and regional leadership” as one of its 10 Indo-Pacific action plans.²²

The divergence in views and policies towards the US Indo-Pacific strategy has negative impacts on the relations between China and India. The Chinese strategic community used to view India as the “loose link” in the Quad and has high expectation on India’s “non-alignment” or even “strategic autonomy”, hoping that India will check the United States’ anti-China agenda to some extent. At the Shangri-La Dialogue in 2018, Indian Prime Minister Narendra Modi elaborated that “India does not see the Indo-Pacific Region as a strategy or as a club of limited members. Nor as a grouping that seeks to dominate. And by no means do we consider it as directed against any country. A geographical definition, as such, cannot be”.²³ This was received as a very positive signal for China.

With time, it seems that India is leaning towards the United States. At the defence level, India has signed all the foundational agreements with the

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²¹ “Address by External Affairs Minister, Dr. S. Jaishankar at the Chulalongkorn University on ‘India’s Vision of the Indo-Pacific’”, 18 August 2022, <<https://www.mea.gov.in/Speeches-Statements.htm?dtl/35641/Address+by+External+Affairs+Minister+Dr+S+Jaishankar+at+the+Chulalongkorn+University+on+Indias+Vision+of+the+IndoPacific>> (accessed 23 August 2022).

²² The White House, *Indo-Pacific Strategy of the United States*, February 2022, p. 16, <<https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>> (accessed 23 August 2022).

²³ “PM Modi’s Keynote Address at the Shangri-La Dialogue in Singapore”, 1 June 2018, <<https://www.narendramodi.in/pm-%20modi-%20to%20deliver%20keynote-%20address%20-at%20-shangri-la-%20dialogue-%20in%20-singapore-540324>> (accessed 12 February 2020).

United States: Logistics Exchange Memorandum of Agreement (LEMOA, 2016), Communications Compatibility and Security Agreement (COMCASA, 2018), Industrial Security Annex Agreement (ISA, 2019) and Basic Exchange and Cooperation Agreement (BECA, 2020). India and the United States have strengthened defence cooperation in all domains and areas covering defence trade, military exercise and defence technology, and so on. India also strengthened maritime security cooperation with the United States such as the Malabar exercise and Indo-Pacific Partnership for Maritime Domain Awareness under the Quad framework. The planned India-US high-altitude military exercise near LAC in late October 2022 also alarms China.

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At the economic and technology levels, India adheres to the US decoupling policy against China. Worried about supply chain overdependence on China and hoping to replace China as global industry hub, India turns to the United States and its partners for reshaping the global supply chain. Since it is difficult to reduce merchandise imports from China in the near future, India targets Chinese companies as the first stage, corresponding to the US technological decoupling against China. At the first in-person summit in September 2021, Quad members adopted “Quad Principles on Technology Design, Development, Governance and Use”. At the Quad leaders’ Tokyo summit 2022, the four countries approved the “Common Statement of Principles on Critical Technology Supply Chains” and committed to strengthen cooperation on 5G, cyber security, space and so on. India also joins the Indo-Pacific Economic Framework. Moreover, Quad countries launched the Infrastructure Coordination Group and agreed to contribute more than US\$50 billion for infrastructure assistance and investment in the

Indo-Pacific over the next five years. Considering their reservation and even opposition to China’s Belt and Road Initiative, it is widely believed in China that Quad members’ cooperation on infrastructure has an element of competition and confrontation with China.

At the diplomatic and geopolitical levels, India converges with the United States in building the network of like-minded partners. The United States has strengthened its network of allies and partners to balance against China, such as the Five Eyes, Quad, AUKUS and bilateral military partners. In this process, the United States values India’s role as a counterweight to China

partly because India has border dispute with China. The United States needs to woo India to weaken mechanisms such as BRICS (Brazil, Russia, India, China and South Africa) and SCO (Shanghai Cooperation Organisation), and seeks India's cooperation in increasing presence in countries like Nepal, Sri Lanka and Maldives. It seems that India buys the US story and has turned to the United States for help in countering Chinese presence along the disputed border and interest in other South Asian countries.

Based on detailed studies on history, Professor Li Li from Tsinghua University argues that whenever China's confrontation with superpower intensified and India was under strongman leadership, India would deviate from the non-alignment policy. Thus, "since India still regards China as its biggest potential rival, the direction of India's non-alignment policy and its relations with China will be more determined by the direction of Sino-US relations. Under the background of China-US confrontation, the possibility of an alliance between India and the United States will increase".²⁴ According to the ORF report "Foreign Policy Survey 2021: Young India and the World", 70% Indian urban youth are concerned about the rise of China as a major power and 78% of the respondents agree with the Modi government's approach to China. Moreover, 44% of the respondents "very likely" choose the United States as India's leading partner in the next 10 years, while the ratio of choosing China is only 2%. Another 62% of the respondents are of the view that India should abandon non-alignment in case of rising US-China tensions.²⁵

According to the ORF report "Foreign Policy Survey 2021: Young India and the World", 70% Indian urban youth are concerned about the rise of China as a major power and 78% of the respondents agree with the Modi government's approach to China.

Way Forward: Rebuilding the Interaction Framework

There are wide debates on the future of China-India relations. The conclusions arrived are generally not optimistic. Chinese scholars' views on China-India relationship are relatively diverse and fluctuated significantly with the happenings

²⁴ Li Li, "Yindu pianli bujiemeng jiqi dongyin fenxi" (An Analyses of India's Deviation from Non-Alignment and Its Causes), *Quarterly Journal of International Politics*, vol. 2, no. 1, 2017, p. 34.

²⁵ Harsh V Pant, Harsh Panta, Prithvi Lyer, et al, *The ORF Foreign Policy Survey 2021: Young India and the World*, Observer Research Foundation, August 2021.

on the ground.²⁶ This phenomenon reflects Chinese scholars' conflicting attitudes towards China-India relations. While most Chinese scholars hope and expect positive bilateral relations, they are increasingly frustrated by how things are turning out in reality. This paper argues that based on the aforementioned analyses, it can be concluded that the old framework regulating China-India interaction does not work well. The border dispute has taken centre stage in the bilateral relations; the economic cooperation cannot be the bedrock for stabilising bilateral relations and the "third party" factor impacts bilateral relations to a greater extent. Thus, it is time for both China and India to rethink the future of their bilateral relations. Taking history as a mirror, it is not in each party's interest to be trapped in the blame game. China and India should learn precious lessons from the old framework and modify the framework under the new circumstances in several ways.

First, China and India should rediscover and redefine their bilateral relationship. Indian EAM Jaishankar has outlined three mutuals—mutual respect, mutual sensitivity and mutual interests—as fundamental principles guiding the bilateral relationship. Chinese State Councillor and Foreign Minister Wang Yi appeals for "long-term perspective", "win-win mentality" and "cooperative posture" for strengthening bilateral cooperation. Their appeals resonate with each other to quite an extent, and both countries are earnest in building a stable and healthy relationship. However, why does the strategic mistrust exist? One of the fundamental reasons is that with the rise of China and India simultaneously, China and India are not accustomed to each other's new identity and new interests. Both China and India have achieved huge success in national development. Their aspirations, interests and powers are quite different from those of the 1980s. Thus, the two countries should acknowledge the fact that they are dealing with simultaneously rising powers with global aspirations and extensive national interests instead of just a "big neighbouring country". A new understanding of each other's identity and bilateral relationship will help China and India have a better interpretation of each other's interest and behaviour.

Second, China and India should shift from "crisis management" to overall "competition management". The border dispute is the knottiest factor in the lack

²⁶ In addition to the newspaper comments greatly influenced by the political environment, academic papers also fluctuate with the overall environment of China India relations. For example, Xie Chao, "2020 nian zhongyinguanxi jiang baochi huanman huinuan qushi" (China-India Relations will Maintain A Slow Warming Trend in 2020), *Quarterly Journal of International Politics*, vol. 4, no. 4, 2019, pp. 189-193; Lin Minwang, "Chaoyue Donglang duizhi: zhongyin guanxi de 'chongqi' ji qianjing" (Beyond the Donglang Standoff: the Resetting and Prospect of China-India relations), *Pacific Journal*, vol. 27, no. 6, 2019, pp. 42-51; Rong Ying, "'Modizhuyi yu zhongyinguanxi de weilai'" (The Modi Doctrine and Future of China-India Relations), *International Studies*, no. 6, 2017, pp. 1-13; and Ye Hailin, "Zhongguo jueqi yu ciyao zhangluefangxiang tiaozhan de yingdui: yi Donglang shijian hou de zhongyin guanxi weli" (China's Rise and Response to Challenges in Secondary Strategic Directions -- Taking China India Relations after the Donglang Incident as an Example), *World Economics and Politics*, no. 4, 2018, pp. 106-128.

of strategic mutual trust between China and India. The two countries have also established many border-related mechanisms and communication channels, and worked hard to resolve relevant issues through dialogue and consultation. Now, however, the crisis management mechanism is not working well, while the scope of the collision of interests between the two countries is expanding. India's strategic misgivings about China began with the border dispute, but have expanded to maritime security, regional connectivity, Indo-Pacific order, cyber security, space weapons and many other areas. It is important to have effective crisis management mechanism, but it is equally important to nip the crisis in the bud. Therefore, it is necessary for China and India to shift from a "dispute/crisis management mechanism" to a "competition management mechanism" and prevent "competition" from escalating into "confrontation". China and India should establish high-level strategic dialogue to strengthen communication on potential conflicting issues, such as maritime security, third party factor and regional hotspots.

Third, China and India should cherish the precious lessons and experiences in dealing with each other. Reframing the old interaction framework does not necessitate the recreation of a new framework. On the contrary, it means keeping pace with the times while adhering to good practice. The first lesson is to leverage the leading role of high-level exchanges in order to ensure that bilateral relations do not suffer reversals. High-level communication is extremely important to stabilise bilateral relations due to the complexity of bilateral relations and rising nationalism in both countries. Though high-level exchanges are hardly an elixir for all the problems, something is better than nothing. The second lesson is the importance of people-to-people contact. Stronger people-to-people exchange is helpful for mutual better understanding and more positive perception towards each other. The lack of people-to-people exchanges since the COVID-19 pandemic has negative impacts on bilateral relations. The third lesson is to discard the "absolute security" mindset. In many cases, one country's absolute security means the other's insecurity. Thus, China and India should pursue "maximum security" through communication and compromise. The fourth lesson is to stick to independent foreign policy and not view each other through third parties' perspective. China-India relationship has its own trajectory. Thus, when dealing with issues like Quad and supply chain, China and India should be pragmatic and alert enough not to be hijacked by the other country's agenda. ■