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The India–China relationship: a tempered rivalry?

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Asian geopolitics in coming decades will be shaped by the rise of two new regional great powers: China and India. As those powers assume larger roles in regional security, alongside the United States and, likely, a Japan that aspires to strategic and not merely economic influence in Asia, the security environment will become more complex. But the rising powers won't merely be fighting for strategic space against incumbents: China and India have their own relationship to sort out—a relationship marked by elements of both convergence and divergence. That the two are neighbours seems to contribute as much to the rough as to the smooth of the relationship, geographic proximity providing both a focus for tension and an important driver for crisis management.

The relationship between the two powers is at best mixed. *The Economist* magazine recently described them as 'more rivals than partners'.[1] Bill Emmott's book, *Rivals*, supports a similar case, arguing that China, India and Japan are competing for influence across a greater Asia stretching from Tehran to Tokyo.[2] Brahma Chellaney notes that 'the two most populous nations on earth, China and India, have been scowling at each other across a 4057-kilometre disputed frontier for more than half a century.'[3] And *The Times* (of London) last November published an article suggesting the two were heading into a new 'cold war'.[4] In fact, the relationship between the two growing powers is not that starkly adversarial, but it contains some worrying elements. The rise of each power actually owes little to the other, and neither has developed a grand strategy for managing the relationship.[5]

So far, the India–China rivalry has been a tempered one. True, the temper has at times varied between the good and the bad. On the positive side of the ledger, the 1962 Sino–Indian war is now a distant memory. Economic relations have strengthened appreciably—bilateral trade is likely to exceed US$60 billion this year. Tourism and student exchanges are growing. Both countries are members of the BRIC bloc (Brazil, Russia, India and China), an increasingly influential grouping in international relations. And the two countries can find points where their interests intersect—as they found at Copenhagen, when both resisted attempts to cap the carbon emissions of developing countries.

But on the other side of the ledger, difficulties endure. Each country finds its major strategic partners elsewhere. Trade linkages are still comparatively modest—and heavily skewed in China's favour—and societal interactions are

low. A legacy of strategic distrust haunts the relationship. A set of challenging border issues—the legacy of both colonial times and the 1962 Sino–Indian war—defies easy solution. India remains suspicious of China–Pakistan strategic cooperation, viewing Pakistan as China's stalking horse in South Asia. China dislikes India's hosting of the Dalai Lama. And new tensions loom. India is increasingly 'looking east' to ride the growth of Asian economic power, just as China is looking west, across the Indian Ocean to the resources and partners of the Middle East and Africa. The competition for resources and markets looks set to intensify. Secure energy supplies are a key worry for both. And underpinning all those tensions is a larger contest: namely, each country's relative position in the pecking order of a new Asian security environment.

Shifting relativities

Analysts of the bilateral relationship typically cite an old Chinese proverb, 'Two tigers cannot share the same mountain.' In a literal sense, of course, China and India certainly do share the Himalayas. But in a more figurative sense, the sharing of the 'mountain' is a metaphor for their relative positions within the emerging Asian security order. Both countries sense that the other might be attempting to compromise their 'positional' status on that mountain. In Asia, hierarchy is everything, and the Asian hierarchy of geopolitical power is undergoing an era of transformation.

Those worries manifest in a number of more distinct strategic concerns. Among those concerns, China worries that rapprochement between the United States and India might result in India becoming part of a broader 'democratic axis' in Asia, an axis deliberately designed to offset China's growing influence. And India fears that China is attempting to encircle it—by direct pressure along their common border, supplemented by Chinese engagement with Pakistan and growing Chinese naval deployments and access arrangements in the Indian Ocean.

Still, the strategic competition between the two powers is not exactly a competition between equals. For the foreseeable future, China will be more important to India than India to China. China is a permanent member of the UN Security Council and a formal nuclear weapon state under the NPT; India is not. China seems to be in less of a hurry than India to solve their territorial and border disputes, and more content to rely on 'principles' than maps to reach a solution. And India feels itself the poor cousin in the economic relationship, the provider of natural resources and raw materials to Chinese manufacturing.[6] In short, the bilateral relationship is marked by asymmetry—of geopolitical significance, nuclear weaponry, bargaining leverage and economics.

Putting it bluntly, South Asia is starting to feel the gravitational pull of the East Asian power. Moreover, India—though a rising power—isn't yet in China's league. William Overholt's assessment of India provides a measured judgment about Indian strategic leverage:

> India is coming up in the world, but its economy is so much smaller and less open than those of the big three [US, China and Japan] and it is geographically so far from Asia's centre of geopolitical gravity (assuming Korea as the centre of geopolitical gravity) that it is not going to be a primary determinant of Asia's architecture in the next two decades.[7]

The border

Shashi Tharoor, then India's Minister of State for External Affairs, was interviewed on Indian television last September after a fresh bout of tensions on the Sino–Indian border, and put the dispute in a broader context. India, he said, had 'a

large, complex relationship with China'. It was nothing like the relationship India had with Pakistan. China was one of India's major trade partners. And no-one in China was sending terrorist groups into Indian cities.

The border problem is not capable of simple resolution. It dates back to the drawing of the McMahon line in 1913–14, when Britain was attempting to formalise the boundaries of its empire in India, a line which China has never accepted. Over time, the India–Pakistan border has sharpened into a distinct Line of Control, but the Sino–Indian border has no such distinct line. Tensions are persistent along a frontier that stretches from the Indian state of Arunachal Pradesh in the east (which China regards as southern Tibet) to Kashmir in the west (where the two countries dispute ownership of a portion of the Aksai Chin plateau). Border 'incursions', both ground and air, are relatively frequent—in recent years, almost three hundred per year. That tempo reflects more than a disagreement over where the border is—it suggests a strategic competition in which both are signalling their commitment to current claims.

Those incursions don't often turn violent: in the words of one analyst, the border is 'more a barometer of relations than a problem in itself'.[8] Typically, they involve a formalised crossing of the frontier, some act of symbolic assertion, and then a retreat to existing positions. Their larger significance, though, is to keep alive the strategic tensions between the two rising powers:

> 'Let's keep in mind, not a single shot has been fired on the border,' said retired Maj. Gen. Dipankar Banerjee, director of the Institute of Peace and Conflict Studies in New Delhi. 'But there's also a recent realisation about the nature of our relationship. As China grows more powerful, so does the anxiety and envy in India.'[9]

It's the link between the border and those larger issues that has made both countries keen to moderate their territorial differences. At a foreign minister exchange in Beijing last month, both sides agreed to establish a hotline between their prime ministers as a confidence-building mechanism intended to reduce the possibility of misunderstandings.[10]

The strategic contest

As the smaller of the players, India's primary strategic ambition is to follow China's lead by growing its own power base at home. Only by doing so can it build a more expansive strategic role at the regional level. Internal developmental priorities will eventually yield it a set of 'layered' strategic objectives: dominance of its 'near abroad'; greater influence across its 'expanded neighbourhood' (the Gulf, central Asia and Southeast Asia); and a role in the management of global affairs.[11] Its easiest strategic gains lie in the greater domination of its near abroad; its hardest lie in the expanded neighbourhood, where it will be a competitor for influence in places like Iran, Afghanistan and Burma. In many of those places, India will be neither the sole player nor, sometimes, even the major player.

China's primary strategic objective is to continue its developmental recipe for strategic success and to reap the regional rewards of that policy. 'In the past, China has tended to dismiss India as a peer competitor … Beijing has only recently taken note of India's actual emergence as a global power.'[12] But China—ahead of India on the development curve—is able to look down on the South Asian subregion from a position of secure geopolitical strength in East Asia. Riding a wave of self-confidence, Chinese leaders even today are more likely to see India as a difficult neighbour rather than a direct strategic rival. India has only limited capacity to compete with China, and that capacity diminishes the more the competition moves into areas (and issues) that Beijing regards as its core priorities.

The tendency to see India as a problem rather than as a rival means Chinese leaders tend to treat bilateral issues with greater indifference than do their Indian counterparts. China has a range of cards that it can play in South Asia, including its growing economic linkages with a range of regional countries and its special relationship with Pakistan. It is easier, and perhaps more effective, for it to play those cards than to resort to direct military force. In a broader strategic sense, there are no easy gains to be had from conflict by either side: the Himalayas are a difficult place to fight a war; each side is too dominant in its 'home' region for the other to make more than marginal gains; and nuclear weapons rule out large-scale military options. So the most likely outcome will be for tensions to be 'contained' rather than overt.

Australian interests

Australia accepts that the era of weak Asian great powers has come to an end. A direct consequence is that Asia's strategic topography will be shaped increasingly by Asian powers and around Asian interests. While the great powers might well be drawn into limited cooperation in the 'public goods' area of the strategic agenda—counter-terrorism, counter-piracy, disaster relief and the like—and it is in Australia's interest to foster such cooperation, it would be vain to suppose those powers will always share a common strategic vision of the future. While such an outcome is possible, it's probably safer to assume that Asian interests—primarily national ones, since nationalism is a growing rather than a declining force in the region—could prove just as competitive in the 21st century as other countries' national interests have proven in earlier times. Because of that, Canberra has a direct interest in pushing the regional powers towards stronger confidence-building regimes and conflict mediation systems.

Australia in recent years has been pursuing a multi-strand approach to Asian security problems. It has been attempting to grow separate and distinct strategic relationships with each of the likely four big players—the US, China, Japan and India—in the future Asian security environment. Under the Rudd Government, it has been pressing the case for an 'Asia–Pacific community', hoping thereby to soften regional tensions in the years ahead. And it has been growing its own set of security partnerships with regional countries, using the Australian Defence Force, the Australian Federal Police and intelligence agencies as instruments of security cooperation with a growing range of partners. By all three approaches, Australia hopes to play something of an engaged, stabilising role across a shifting geopolitical landscape. Australia has also, of course, shown a commitment to hedging against the possibility of a darker Asian future—the Defence White Paper of 2009 is a clear indicator of such a strategy.

But we have only limited cards to play in relation to the specific India–China strategic relationship. Neither country sees Australia as an especially close strategic partner, so this great-power bilateral is the hardest for us to shape. India is attached to notions of strategic autonomy, despite its rapprochement with the US and closer defence relationship with us. And China knows that its relationship with Australia is marked by economic complementarity and strategic ambivalence. Moreover, this great-power relationship is in large part a land-border, 'continentalist' one, whereas all the other bilaterals between the big four have a dominant 'maritime' aspect. Australian diplomatic clout attenuates relatively quickly at the land borders of Asia. Much more than the other future Asian great-power relationships, this one—marked by convergence and divergence—seems likely to be difficult for Australia to influence.

To be frank, Australia has two dominant concerns about the bilateral tensions. Its first concern is that the two great powers take primary responsibility for managing—and tempering—the tensions between them. When all is said and done,

those tensions are relatively contained, in large part because the two countries sit 'back to back'. China faces outward to the Pacific, India outward to the Indian Ocean. So an agenda to manage the relationship better—by building on the recent hotline agreement—is both feasible and desirable. A lasting agreement must spring from the two great powers themselves, not from outside intervention.

Australia's second concern is that the current tensions do not spread. At the moment, just as both India and China do not make strategic policy with the other primarily in mind, Australia does not frame its strategic policy towards either country primarily on the basis of the bilateral tensions. A substantial escalation of the India–China strategic competition, especially an escalation into areas of greater importance to Australia, could change that. A spreading of the strategic tensions into the maritime domain, for example, either in the northern Indian Ocean or the western Pacific—across Australia's key trade routes—would be of much greater significance: a worry for Canberra and for other regional capitals. The maritime domain should therefore be at the forefront of Australian policy initiatives. Enhancing the idea that secure sea lanes are a public good is an important part of that effort. And, as a recent ASPI report argued, we must get past our tendency to 'tread water' (in policy terms) in the Indian Ocean.[13] Building stable, positive patterns of maritime cooperation there can serve an important strategic interest.

Endnotes

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