

### India in a multipolar world: India-china relations

The rise of China and India as major world powers promises to test the established global order in the coming decades. As the two powers grow, they are bound to change the current international system with profound implications for themselves, the United States, and the world. A close examination of Chinese and Indian perspectives on the fundamentals of the emerging international order reveals that Sino-Indian differences on many issues of both bilateral and global significance are stark.

China and India's sustained economic growth fuels their increasing geopolitical and military influence. Despite their developmental similarities, China and India's bilateral strategic rivalry means that they have competing priorities on most major global issues.

Sino-Indian differences are considerable on issues relating to the non-proliferation system, Asian security, regional stability in Southern Asia, and security in the maritime commons, space, and cyberspace. The two rising powers broadly agree on matters relating to the international economic system, energy security, and the environment.

### INTRODUCTION

The concurrent rise of China and India represents a geopolitical event of historic proportions. Rarely has the global system witnessed the re-emergence of two major powers simultaneously states that possess large populations, have ancient and storied histories, about each other spatially and politically, and dominate the geographic environs within which they are located. The parallel revival of these two nations also dramatically exemplifies Asia's resurgence in the global system.

The recent renaissance of China and India is owed in large measure to their productive integration into the liberal economic order built and sustained by American hegemony in the post-war period. As a result of that integration, both of these giants have experienced dramatic levels of economic growth in recent decades. China's economic performance, for example, has been simply meteoric, exceeding even the impressive record set by the first generation of Asian tigers between 1960 and 1990. During the last thirty or so years, China has demonstrated average real growth in excess of 9 percent annually, with growth rates touching 13–14 per cent in peak years.

India's economic performance has not yet matched China's in either intensity or longevity. New Delhi's economic reforms, which have produced India's recent spurt in growth, began only in the early 1990s, over a decade after China's.

Yet despite these disadvantages, the Indian economy has grown at a rate of about 7.5 percent during the first decade of this century. More interestingly, India's growth unlike China's, which relies extensively on foreign capital and export markets has derived largely from internal sources.

Even if these exact expectations are not met, China and India are likely to sustain their relatively high levels of GDP growth for some time to come. Propelled by the rapid economic growth achieved thus far, China and India are already extending their political influence as well as strengthening their military capabilities and reach. China is quickly closing in on its goal of becoming a major global power, if it is not one already, and India is likely to achieve global-power status in the next two decades. The two countries also share a common interest in ensuring that the international environment is peaceful to guarantee their continued economic consolidation and domestic political stability.

But if the history of previous rising powers is any indication, as China and India continue to grow they will want to progressively reshape the international system to advance their own interests that may differ from those of the United States, the established hegemon that sustains the current global order. This does not imply, however, that Beijing and New Delhi invariably share common objectives in opposition to Washington.

Despite these convergent objectives, China and India are also divided by deep differences in the conduct of their political affairs. As one analysis concluded, "the relation[ship] between Asia's two great powers can best be characterized as one of global cooperation on transnational issues especially vis-à-vis the 'West,' geostrategic rivalry at the regional level in the form of growing commercial exchange and in some cases bilateral competition." This statement captures, in many ways, the conventional wisdom about the dichotomy in Sino-Indian ties: a broad convergence on transnational issues complemented by a deep bilateral rivalry that persists despite the two countries' mutual and growing economic interdependence.

In the aftermath of the Second World War, both states driven by strong anti-colonialist impulses opposed great-power politics and what was viewed as "superpower hegemony," calling instead for a multipolar world. Since the end of the Cold War, however, both nations have become increasingly integrated into the U.S.-led international order. They recognize that this order has created a peaceful external environment within which they can safely develop, and they see globalization as a positive and, to some extent, inevitable trend. As a result, China and India have abandoned calls for a complete overhaul of the global order and instead have come to support "merely" its revision.

## CHINESE AND INDIA: AREAS OF CONVERGENCE

Global Order: China and India tend to agree on the importance of state sovereignty and the need to reform global governance institutions to reflect the new balance of power. They also share a strong commitment to the open economic order that has allowed both powers to flourish in the global marketplace. But the two diverge on many details of the international system, such as the future viability of the Non-Proliferation Treaty and the role of state-owned enterprises in fostering globalization.

Despite their engagement with the extant world order, both China and India remain concerned about this order's ability to protect their state sovereignty. As both states are still in the midst of major state-building projects, sovereignty is a key priority. Beijing and New Delhi generally oppose Western-led interventions in the internal affairs of the developing world. China and India identify another potential threat: the increasing empowerment of individuals and civil society at the expense of the state. Both nations are suspicious of nongovernmental organizations in their countries, in part because of their perceived links with foreign states, and they also harbour extensive reservations about international norms that seek to bind the hands of national leaders in domestic matters. Moreover, they watch the rise of new technologies such as innovations in cyberspace and social media with some distrust.

Similarly, while China and India are both suspicious of the empowerment of individuals and society relative to the state, their responses to that development are markedly different. Accordingly, Beijing has positioned itself against the emergence of a robust civil society by committing to the reinforcement of state power, including through heavy regulation and control. China deeply fears American intrusions on its sovereignty and is acutely conscious of the leverage India possesses regarding Tibet's future as a Chinese province.

Security in the Global Commons: Beijing and New Delhi rely heavily on open sea lines of communication, and as a result, they both support the current maritime security regime. However, their interpretations as to its provisions have occasionally diverged. In space, China enjoys significant advantages over India and has emphasized the military dimensions of its program, while New Delhi has only recently begun developing space-based military technology.

Non-traditional Security: Chinese and Indian approaches to both energy and the environment broadly converge. Because India and China face a rising domestic demand for energy, they heavily rely on foreign suppliers of energy resources. This has prompted both governments to seek more efficient power sources and to secure their presence in overseas energy markets. On environmental policy, the two countries focus on primarily local and short-term concerns that must be balanced with the need for economic growth.

Regarding international institutions: Both China and India yearn for a greater role in the global order and that they currently feel underrepresented in key international bodies. China's has lack of representation in international economic institutions, while that India is not a permanent member of the United Nations Security Council (UNSC).

China and India are well aware of their growing economic heft within the international trading system, and they see the rise of the G20 and the BRICS (Brazil, Russia, India, China, and South Africa) as reflecting a larger shift in economic power from the developed to the developing world. Accordingly, Beijing and New Delhi believe that developing nations are entitled to greater representation and rights within international finance institutions especially the International Monetary Fund (IMF) and the World Bank and that the fundamental structure of these organizations must be altered. China and India also agree that these institutions are becoming increasingly important in the current global climate. Additionally, both identify Chinese and Indian fears of rising protectionism among developed countries, and they emphasize that the West should not fence off its economies from globalization, given the importance of a universal free market.

The two sets of authors affirm that in the absence of global progress, China and India will continue to support bilateral and regional arrangements, including free trade agreements (FTAs), that advance economic goals in a manner that complements global efforts. Both countries prioritize global agreements over regional ones, however, and are committed to not letting the latter become obstacles to the former.

Regarding Non-Proliferation: Both China and India, for example, have strongly condemned North Korea's nuclear program. But given Chinese dilemmas and interests regarding North Korea, Beijing has not prioritized compelling Pyongyang to give up its nuclear program. Both China and India do not want to challenge Tehran's right to peaceful nuclear technology, but they are concerned about its nuclear program.

In part, this is because Beijing and New Delhi recognize that North Korea's and Iran's decisions are driven by the larger political and security contexts in their respective regions. Accordingly, both China and India oppose the threat or use of force to coerce these nations and wish for an amicable resolution to the dispute through "the improvement of overall international relations and appropriate settlement of regional security problems."

Both China and India see the United States as an indispensable actor in Asia. Both Asian countries are well aware of the considerable American military strength in the region and the unlikelihood of its departure in the foreseeable future. Both also accept the American presence though with varying degrees of enthusiasm and see it as being in their national interests. Neither seeks to challenge U.S. leadership on this front. Despite the differences that both China and India have with the United States, they want Washington to play a constructive role in maintaining regional security and in promoting economic cooperation and integration.

The global maritime system is crucial to the continued prosperity of China and India. Of equal significance is their conviction that UNCLOS remains both the core and the framework of that system and that upholding it is therefore incredibly important for continued stability. The strong convergence on this position indicates that China and India, like many other developing countries, see only benefits in supporting a regime that offers strong national control and jurisdiction over ever-increasing ocean areas, especially those subject to the most intense human use.

China and India both see UNCLOS as codifying, not rejecting, the inheritance of customary international law while also expanding upon it in various significant and welcome ways. UNCLOS also added new rules about the passage of vessels, including the activities of naval and research ships, in waters where China and India now enjoy jurisdiction.

Both view UNCLOS as indispensable and argue that most current maritime challenges arise from the omissions in UNCLOS rather than from its affirmative provisions.

#### AREAS OF DISAGREEMENT

Regarding international agreements: While both China and India support expanding the global trading system, they disagree on whether bilateral and regional FTAs are an obstacle. China considers regional arrangements to be incredibly important, and his essay clearly stresses China's continued interest in expanding them. However India fears that bilateral and regional trade agreements could undermine the multilateral trading order.

Regarding world economic institutions: This element of divergence in the two papers is reflective of other important disagreements as well. For example, while China and India agree on the importance of increasing developing-country representation in the governance structures of the World Bank, their wishes for the orientation of the World Bank's future mandate seem to differ subtly.

China argues that the world should either create a new international reserve currency or move toward a multicurrency system. This position reflects Indian fears of instability arising from any transition to a multicurrency system and, even worse, of the replacement of the dollar by the Chinese yuan, should the latter become fully convertible in the future.

Also in particular, China and India have clashed over the expansion of the UNSC. In contrast, China insists that any expansion include more developing countries, preserve the geographical balance, and represent different cultures and civilizations. Although Indian representation would meet these criteria in theory, China opposes India's inclusion in the UNSC.

Regarding NPT: China and India diverge sharply in their evaluation of the NPT system's success. Despite China's initial opposition to the NPT regime, China now sees the system as a success and views the treaty as "the cornerstone of the global nuclear non-proliferation system." This change of heart is linked closely to the treaty's recognition of China as a legitimate nuclear-weapon state.

Consequently, India's continuing complaints about the flaws in the NPT system, claiming that the regime is under "severe stress" and in dire need of "renewal and rejuvenation." India, however, continues to harbor complaints about the treaty, though their public articulation has been muted considerably in recent years, particularly after the successful conclusion of the U.S.-India civilian nuclear cooperation agreement.

India believes that the regime needs to be more inclusive, with stronger compliance measures so that all commitments (including disarmament) are actively pursued.

Security Strategy: For all the commonality in their approaches to Asian security, China's and India's national security strategies differ in important respects.

China is upgrading its military in part "to deter military interference by other major powers," presumably the United States. In contrast, India's military as being involved mostly in smaller conflicts in its neighbourhood.

First, China strongly opposes multilateral military alliances. While India is specifically looking for them, India perceives the value of existing American alliances to its security. Although New Delhi will not join such organizations, that India is less averse to bilateral military cooperation as long as it can maintain its strategic autonomy.

Additionally, Beijing wants Washington to make it clear to smaller Asian countries that it is not balancing against China, therefore discouraging them from confronting China over territorial disputes on the assumption that Washington will back their claims. Beijing also wants the United States to back away from its current militarization of regional issues, such as Taiwan, the Chinese-Japanese disputes, and the maritime squabbles in the South China Sea. India, in contrast, expects the opposite: it wants Washington to act as a balancing force against China. However the United States has been inconsistent about doing so, New Delhi remains hesitant about aligning too closely with Washington and will continue to pursue strategic autonomy.

Finally, Chinese and Indian perspectives seem most sharply divided on their judgments about the role of the United States in Southern Asia. Chinese has the perception that the American "pivot" to Asia is itself a potential security threat, perhaps because it is also perceived as implicating India. New Delhi does not subscribe to this view. In contrast, Beijing still sees Washington's increasing presence in Asia as a threat to Chinese interests and a possible prelude to containment. China states U.S.-Indian relationship as one of the elements of encirclement threatening China. To counteract these policies, China has adopted a dual strategy of playing up common interests with the United States while strengthening its regional ties and modernizing its military as a hedge against American threats.

UNCLOS: In addition to the disagreements between China and India vis-à-vis the United States, there are significant differences in the behaviours of the two Asian powers. While China routinely confronts U.S. naval vessels and aircraft operating in its EEZ, India studiously avoids such confrontations. Thus, although the two powers reject the American legal justification for its military operations, their practical responses to these activities are vastly different. This difference can be explained only by the fact that for all their ideational solidarity over UNCLOS, China and India view the role of the United States in the global maritime order through very different lenses.

It should not be surprising that while China and India share concerns about the security of their sea lines of communication, they have divergent views of the role of the United States, and particularly the U.S. Navy, in protecting them. Chinese analysts are anxious about the leverage of the U.S. Navy and fear that it might blockade China in the event of a conflict. India, on the other hand, is apprehensive about the withdrawal and retrenchment of American naval capabilities, especially as U.S. domestic problems threaten its defense budgets and its larger force structure. New Delhi is perceived to have been “free-riding on U.S. naval forces” and notes that any U.S. withdrawal or reduction in capabilities could increase India’s vulnerability.

Beijing also suspects the United States is using its naval power to meddle in China’s territorial and maritime disputes and to infringe upon the UNCLOS-derived rights of all nations. Specifically, China sees the U.S. Navy as “a powerful tool for the United States to pursue American global hegemony and intervene in regional affairs.” India has extensively engaged with the U.S. Navy, has a robust program of joint exercises, and is exploring more expansive forms of military-to-military cooperation with U.S. sea services. India believes that the U.S. Navy is providing an important global public good by maintaining maritime order and stability.

Space Program: China and India view space as a critical arena for advancing their economic and national security goals. Consequently, both states are accelerating their space programs, which are in many ways exemplars of national achievement, and both are increasingly devoting resources as well as political and bureaucratic attention to the issue of space security. The countries’ space programs are quite comprehensive, encompassing both the civilian and military dimensions of space technology.

This broad similarity notwithstanding, there are conspicuous differences in the two national programs. The Indian space program has been from its inception an entirely civilian endeavour, and it has only recently been pressed by its national security managers into supporting some military tasks. This reorientation, however, is still extremely modest, and the strategic components of the Indian space program pale in comparison to its emphasis on development. In contrast, China’s space program has been a military effort from the start. China does not have a clearly defined civilian space component. Instead, it has seamlessly integrated the civilian and military dimensions of space into one program. Many of its current programs from space launchers to space systems serve the operations of the People’s Liberation Army (PLA).

Hence although Beijing pursues a wide set of objectives that include exploring space and making discoveries for the benefit of humanity as a whole, these activities are natural progressions of various organizational endeavours that have, at their base, a strong military complexion. India's space organization, in contrast, is still fundamentally focused on exploiting space for peaceful purposes through the development of various space systems for communications, remote sensing, meteorology, and space science, with a newer and more limited set of national security objectives now embedded in the larger civilian effort.

India's government has also been both slow to promote space-technology development for national security purposes and hesitant to test and field space weapons. Instead, New Delhi has adopted a wait-and-see approach, settling for creating some retaliatory capabilities but refusing to test or demonstrate them until other states force India's hand. Moreover, New Delhi has taken a measured and exploratory approach to space-technology development, focusing on a few specific areas rather than advancing its technological capabilities at every level. In part, this is because India's space industry is smaller than China's. Both programs are government-directed, but the Indian government lacks the resources available to its Chinese counterpart. Thus, unlike China, which has invested in its military space programs across the board, India has specifically prioritized improving mainly its space imagery and surveillance, position and navigation, and communication systems.

**Energy Needs:** While both China and India will use more and more energy, there are differences in their country's abilities to indigenously meet their increasing energy needs. China is largely self-sufficient in all energy sources save oil and that its dependence on foreign sources of energy will largely be limited to this sphere. In contrast, India already depends heavily on foreign sources of oil, coal, and natural gas and that this dependence is likely to intensify in the future.

Given the rising demand for energy in both countries, it is not surprising that China's and India's energy security objectives are similar but there are important differences. China focuses fundamentally on reducing its energy intensity to allow for both continuing economic growth and decreasing energy consumption, and it emphasizes the rapid domestic development of its energy assets. India has also concentrated on the domestic development of energy assets but not at China's frenetic pace and, most importantly, with less attention paid to energy intensity. Moreover, India's efforts to expand its domestic energy production base and increase energy efficiency have been mired in the complicated dynamics of its democratic politics.

Both China and India have encountered severe domestic environmental stress as a result of their national concentration on rapid economic growth. Health and environmental problems are pervasive in China and India, caused by the intense use of resources in production coupled with rising consumption. Among many challenges, both countries see pollution and the deterioration of domestic environmental quality as the greatest immediate threats.

Despite these broad resemblances, however, China and India appear to have invested dissimilar amounts of resources in environmental management. China has spent significant sums in an effort

to clean up the environment. China consciously seeks to improve its efficiency, restructure its economy, and change its long-term growth path in order to guarantee its sustainability.

## CONCLUSION

The ensuing interactions, which implicate both China's and India's engagements with one another and their separate affiliations with the United States and others, then make for a complex dynamic of cooperation and competition that transcends simple categories like "partnership" or "rivalry." But the dynamic does not generate the unqualified cooperation that many believe defines the Sino-Indian relationship with respect to global issues.

This reality leads to three important reminders. First, despite the superficial convergence between China and India on many global issues, there are deeper disagreements that—though sometimes subtle (especially when compared to the differences in Chinese and Indian views on the United States) are nevertheless likely to preclude the development of a meaningful partnership between Beijing and New Delhi.

In contrast to the global issues where there is apparent convergence between China and India even if the same is not reflected in the details the bilateral problems that plague the Sino-Indian relationship are so serious that even their outwardly optimistic and polite rhetoric cannot mask their underlying suspicions and corrosive rivalry. This security dilemma, in turn, frustrates whatever possibilities may otherwise have opened up for bilateral cooperation on global issues. The problems inherent in this complicated interaction suggest that a better understanding of the Sino-Indian rivalry remains the critical research task for the future.