

China-US ‘Grand Bargain’: India's Future Stakes in Great Power Peace

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6 July 2015

The strategic imbalance in East Asia appears to be worsening due to the incidents of confrontation between China and the US, also involving regional countries. China's re-emergence and resultant external behaviour poses a historic challenge to major power peace in East Asia and it is in the interests of the reigning superpower, the US, to uphold the *status quo*. The looming inevitability of violent conflict between the two great powers and its potentially devastating consequences for a still developing region, have also kept alive the search for lasting peace and stability. In the above milieu, the China-US ‘grand bargain’ has been mooted as an actionable strategy. There are persistent doubts regarding whether or not such a bargain is attainable, given the growing fragility of the East Asian security environment, and a lack of clarity on what compromises can be realistically pursued. Nonetheless, attempts have been made to provide answers to both the questions and it is fair to say that these have opened new avenues for debating the future course in Sino-American relations. The debate must also reflect upon the consequences of the grand bargain for interested and engaged states such as India.

India's strategic interests are inextricably linked to shifts in the East Asian regional order. China is its largest neighbour, second largest trading partner, and a long-term competitor. India also seeks to deepen its bilateral ties with all major East Asian powers and is a stakeholder in the region's multilateral institutions. In South Asia, India views China as a long-term challenger to its leadership in shaping the norms of interstate relations and regional cooperation, and as a destabilizing influence in the India-Pakistan conflict/security dyad. Further, China's ambitious economic diplomacy and

naval forays into the Indian Ocean Region (IOR) are seen as a new set of challenges appearing in India's maritime areas of interest and influence.

Since the beginning of Indo-US strategic cooperation in the post-Cold War period, the US has largely been a reassuring presence for India in the Indo-Pacific region. It has acknowledged India's geopolitical importance and endorsed its global vision.¹ The US leadership have also welcomed New Delhi's partnership in maintaining order and providing public goods in the region. One of the key areas of correspondence between Indian and US interests has been the changing distribution of power favouring China and uncertainty over how Beijing would move forward with its rising prominence in the international system. A bargain struck between China and the US would open a new chapter in great power relations, one which would have a potentially transformative impact on India's relations with both the states as also on relations with its immediate and extended neighbourhood. Arguably, a China-US grand bargain would also manifest in the form of significant challenges to India's foreign policy, national security, and grand strategy.

An Unlikely 'Détente'

Simply put, the grand bargain proponents argue that there might be certain areas, including territorial disputes and defence pacts, where both China and the US could exchange concessions without irreversibly jeopardizing their security, national interests, international commitments, and long-term economic objectives.² A grand bargain thus reached, would simultaneously mollify the Chinese leadership's fear that the US's primacy in East Asia and its containment of China necessitates military struggle as well as ensure America's role as the region's security provider, guaranteeing freedom of access and engagement with its regional allies for an indefinite period.

A section of experts identify Taiwan and island disputes in the East and South China Seas as issues where a consequential bargain could be struck.³ Taiwan's full political integration with the mainland is a high national priority for China. At the same time, the US remains committed to the Taiwan Relations Act (1979). It has been argued that improvement in cross-Straits relations in the future along with US limiting its arms sales to Taiwan would remove a major cause of China's insecurity and pacify domestic

political pressures. In return, China should either peacefully resolve all maritime disputes with neighbours in the China Seas or agree to concrete conflict prevention and joint cooperation frameworks to ultimately reach an equitable solution.

There might be similar possible scenarios wherein China and the US could come to a mutual agreement to suppress major irritants in their bilateral relations. Certainly, there are significant problems which might obstruct a probable bargain. The prevailing mutual suspicions and recurrent tensions make it extremely difficult to initiate a discussion on the issue in the domestic political arena, to communicate intentions bilaterally, or to anticipate the other side's preparedness to negotiate. Nonetheless, those who support the case note that the existing conditions in the international system and world economy do not compel the two states toward unavoidable conflict.

The normalization of Sino-American diplomatic relations and deepening of economic and people-to-people ties have been viewed in the US as the most successful aspect of its strategy and 'soft power' in East Asia. For good measure, it is only now that the Chinese leadership has felt sufficiently self-assured to announce that relations with the great powers would not be the primary focus of China's foreign policy as it considers its ties with the US to be 'constructive' and 'sustainable' in the foreseeable future. Significant constituencies exist within both China and the US which are vocal in the favour of friendly relations and peaceful resolution of problems despite hardliners on both sides pointing toward adversarial tendencies in the counterpart. Similarly, US allies – Australia, South Korea, and Singapore – tend to balance perceptions and consider the growing acrimony in Sino-American relations a destabilizing phenomenon for the Asia-Pacific region. Therefore, the idea of a tentative grand bargain, though conjectural, still appears to retain a considerable degree of desirability and feasibility.⁴

Hard Lessons from the Past

Since the end of the Second World War and gaining independence, India's interests and its position in the emergent international system have been closely linked with developments in the system's structure and the vicissitudes of great power politics. This has reflected in India's choice of non-alignment in foreign policy, a preference to be strategically closer to the former Soviet Union (USSR), and its efforts to revitalize ties

with the US after the Cold War ended. Similarly, New Delhi's relations with China have also witnessed the influence of larger international developments. In this historical context, the evolution of Sino-American strategic ties shaped India's security environment and its relations with China in some critical areas. A brief recapitulation of the impact of rapprochement in the 1970s between China and the US on India's interests is relevant for laying out an outline of New Delhi's future stakes.

The Sino-American rapprochement was an outcome of sustained and highly secretive diplomacy that culminated in the normalization of relations between the two states. The process progressed through several critical terms of mutual accommodation and understanding. Of direct symbolic detriment to India's position on Third World non-alignment in the Cold War was China's split with the USSR and alignment with the US's anti-Soviet containment strategy. At the same time, China gained recognition in the United Nations and permanent membership in the United Nations Security Council (UNSC) at the cost of Taiwan's de-recognition as a sovereign entity. This happened just a decade after the border war between India and China (1962) and thus, appears in stark contrast to India's own rejection of the offers of UNSC permanent membership in the 1950s over principles of solidarity with China.⁵

Pakistan played the role of the back-channel between China and the US during the rapprochement phase. This not only gained US endorsement for the Sino-Pakistan security relationship but also cemented Islamabad's place in America's strategic calculus for the region. So far, the US had been relatively conscious of its interests in India's security or had at least maintained ambivalence in South Asia. Subsequently, it viewed Pakistan as the primary South Asian ally in the Cold War and that manifested in their cooperation in fighting against the Soviets in Afghanistan. This was the origin of militant Islamic fundamentalism in Pakistan and its direct fallout in Kashmir. Adding further complications to India's security were the US's continuous arms sales to Pakistan and reluctance at the highest levels to act against China's proliferation of nuclear weapons technology to Islamabad.⁶ These developments led to deep distrust and 'estrangement' in Indo-US diplomatic relationship, greatly intensifying criticisms of US foreign policy within Indian politics and society which persist even until today.

Some Considerations for the Future

Viewing the origins of India's prolonged external security problems through the prism of Sino-American rapprochement and China's subsequent actions in South Asia, leads to questioning New Delhi's prospects if a grand bargain is struck in the near future. The core areas of interest for India will be: (a) China's new place in the East Asian order; (b) China's future presence and role in the IOR; (c) China in South Asia – Pakistan and Afghanistan, in particular; (d) the future of India's strategic partnerships in East Asia and shifting emphases and possible strains in the Indo-US ties and their joint vision for the Asia-Pacific; and (e) impact on existing norms, legal principles, and international institutions.

Firstly, a lasting accommodation of China by the US will inevitably be based on exchanges and concessions as has occurred in the past. From India's point of view, far more consequential than China's gains would be the concessions made by the US. India has persevered over the last decade to carve a foothold in the Asia-Pacific and its position there is largely reassured because of US pre-eminence and stabilizing role. Even if a bargain does not immediately threaten US allies, which it is bound to appear as in many quarters, it can also not preclude China's rise in terms of military and economic weight. India's own rise, by intent and imperatives, will keep it pitted as China's competitor in the long-term and the attendant challenges to Indian foreign policy are liable to remain unmitigated.

Secondly, an accommodative stance will also be staked on the US assuming a non-threatening posture vis-a-vis the PLA Navy's (PLAN) movements in international waters far beyond its shores. Although it may begin to take shape in the form of maritime cooperation between the US and the PLAN in the IOR, it will also boost China's long-term plans of re-emerging as a great maritime power capable of transoceanic presence. This is likely to increase pressures on the Indian political and maritime security establishment to retain its 'home advantage' in the Indian Ocean. In view of the lack of confidence between India and China on outstanding issues of security, Sino-Indian naval rivalry will only intensify.

Thirdly, with further rise in its stature, China's military assistance and other aid to Pakistan are likely to continue if not expand further. Unless Pakistan demonstrates that foreign aid is being used to resolve its domestic economic challenges and improve social welfare/human security or international pressures prevail on Islamabad to make it do so, India's problems on the western front are going to remain unaddressed. Further, with a complete withdrawal of the US and its NATO allies from Afghanistan in the future, both China and Pakistan can expect to gain greater presence in the country. The accompanying developments will present both old and new challenges to Indian interests in Afghanistan's stability and in Kabul's friendly disposition towards New Delhi.

Fourthly, a fundamental change in the tone of Sino-American relations will cast new considerations for India's strategic relationships with South Korea, Japan, Vietnam, Australia and so on. Some US allies may not welcome a change in *status quo*, and New Delhi's relations with these states may strengthen depending on commonalities of perception with regard to China's external objectives and actions. But, India could also face constraints in its ties with those who would perceive the change as favourable and durable. There could be a substantial shift in the Indo-US strategic partnership since a bargain with China will not happen in the absence of solid political conviction within the US to pursue it. It would erode mutual confidence between India and the US and undermine the partnership's rationale unless a parallel effort is mounted by the US to strengthen India's security and to maintain an Asian balance of power.

Lastly, a China-US grand bargain will have the potential to recast the norms of regional security, international legal principles, and bring its own influences on international and regional institutions. Asian security would depend even more on China's intentions and actions in a post-bargain scenario and the fail-safe measures likely to supplant American security guarantees and commitments would be tested before long. India will not achieve greater security if dispute resolution on China's part does not include steps to settle its borders with New Delhi as well. That is likely to allow China to keep selectively arguing its case in some disputes and violate legal principles in others.

In conclusion, a China-US grand bargain does not bode well for India primarily because it would have little effect on resolving India's long-standing problems and could even threaten to aggravate them. It is also not to be denied that India has natural interests in great power peace, especially, one that engenders greater stability in interstate relations and prevents major conflict in the region. Therefore, India's official response is likely to be favourable. However, early emphasis must be put on strengthening India's security and prepare its foreign policy to be able to tackle the challenges emerging from a new great power peace.

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¹ "Obama: US and India Can Be Best Partners," BBC News, January 27, 2015. <http://www.bbc.com/news/world-asia-india-30995988> (accessed on July 2, 2015). Also see, "The Best American President India's Ever Had," Forbes, March 11, 2009. <http://www.forbes.com/2009/11/03/george-w-bush-india-obama-hindustan-times-opinions-contributors-ashok-malik.html> (accessed on July 2, 2015).

² "Only a Grand Compromise Between U.S. and China Can Reduce East Asian Tensions," The Huffington Post, January 27, 2014. http://www.huffingtonpost.com/yoon-youngkwan/us-china-grand-compromise_b_4670443.html?ir=India&adsSiteOverride=in (accessed on July 2, 2015). Also see, "Can China and US Seize the Chance for Compromise at Strategic and Economic Dialogue?" South China Morning Post, June 22, 2015. <http://www.scmp.com/comment/insight-opinion/article/1824771/can-china-and-us-seize-chance-compromise-strategic-and?page=all> (accessed on July 2, 2015).

³ Charles L. Glaser, "A U.S.-China Grand Bargain?" *International Security*, Vol. 39, No. 4 (Spring 2015), p.49-90.

⁴ For recent literature, see Lyle Goldstein, *Meeting China Halfway: How to Defuse the Emerging U.S.-China Rivalry*, Georgetown University Press (2015).

⁵ Anton Harder, "Not at the Cost of China: New Evidence Regarding US Proposals to Nehru for Joining the United Nations Security Council," Cold War International History Project Working Paper No. 76, Woodrow Wilson International Center for Scholars, March 2015. http://www.wilsoncenter.org/sites/default/files/cwihp_working_paper_76_not_at_the_cost_of_china.pdf (accessed July 2, 2015).

⁶ C. Christine Fair, "False Equivalency in the "Indo-Pakistan" Dispute," War On the Rocks, June 16, 2015. <http://warontherocks.com/2015/06/false-equivalency-in-the-indo-pakistan-dispute/?singlepage=1> (accessed on July 2, 2015).

