



Between engagement and counter-hedging: China's India strategy

Mao Jikang^a and Li Mingjiang^b

^aEnergy Research Institute, China State Grid, Beijing, People's Republic of China; ^bS. Rajaratnam School of International Studies (RSIS), Nanyang Technological University of Singapore, Singapore

ABSTRACT

From China's perspective, border disputes, India's strategic cooperation with other major powers and security competition between China and India in IOR are the main factors shaping Sino-India relations. China believes that border disputes is difficult to resolve but largely manageable, India is wary of joining forces with US and other major powers to contain China, and the two countries can still seek coexistence in IOR even though India is concerned about China's growing influence in this region. China is implementing a counter-hedging strategy towards India that features active engagement with India on one hand and a certain level of security pressures on India on the other hand. To prevent these three problems from becoming more serious and exacerbating the Sino-Indian contradiction, China find it necessary to pay more attention on engagement with India and come up with more diplomatic resources and policy inputs in handling the bilateral relations.

KEYWORDS

China; engagement; hedging;
Sino-India relations

Introduction

The relations between China and India is one of the most discussed issues among China's strategic circles today. India features prominently in China's foreign policy towards its neighbourhood, major powers, the developing world, and global multilateralism. The bilateral ties between Beijing and Delhi are shaped by many factors, some positive and some negative. Major positive factors would include the two countries' convergent views on major international affairs, common desires for economic development (opposition to trade protectionism, climate change, etc), similar objectives for overall stability in bilateral ties and in Asia. Major negative factors include border disputes, strategic rivalry in Asia, in particular in South Asia and the Indian Ocean region (IOR), and imbalance in trade.

There has been significant positive development in bilateral relations since China's former premier Wen Jiabao paid a visit to New Delhi in April 2005 when both countries agreed to build a "Strategic Partnership for Peace and Prosperity". Such positive developments can be attributed to the two countries' joint efforts in engagement and cooperation

in many fields, including politics, economy and military. At the same time, over the years, the bilateral relationship has experienced tensions due to frictions over boundary issues as demonstrated during the Tent Confrontation and Doklam incident, which happened in 2013 and 2017 respectively.

This state of bilateral ties, overall stability coupled with sporadic occurrences of problems, well reflect the complicated dynamics in the relations between the two countries. In general, the mainstream view in China's policy community regards India as a strategic cooperative partner rather than a major threat or immediate danger for China. This does not mean that Chinese elites do not have negative views on India and are not concerned about India's foreign and security policy. There is no doubt that the security dilemma is also a major factor in Sino-Indian relations. In this paper, we argue that the security dilemma has helped shape bilateral ties in three ways. First, China's strategic rivalry with the United States has inevitably played a role in Sino-Indian security dilemma. Second, India's security cooperation with other major powers fuels China's security concerns towards India. Third, the IOR is increasingly becoming a theatre of Sino-Indian security rivalry, which is at least partially fostered by the security dilemma dynamics between the two countries.

India's place in China's broad strategic interests

For a long time, China's cognition that the foreign policy emphasis on the US, Russia, Japan and other big powers, as well as South-east countries prior to that on India, has narrowed China's mind and measures to strengthen its diplomatic relations with India. However, the preceding decade of India's economic growth, which was accompanied by a great development of influence in the international system has already made China of a quick adjustment of India's position in terms of China's foreign strategy, especial after the "Asia-Pacific rebalance" strategy proposed vigorously by the United States.

For China, the biggest and most probable threat comes from the United States. Sino-US strategic rivalries are structural. Washington is worried that a rising China may weaken American global hegemony. In the Asia-Pacific region, China and the US have immensely different security goals. Beijing believes that the US is always intent on containing or weakening China through US-centred alliances and close security partnerships. From the Korean peninsula, East China Sea, Taiwan strait, to the South China Sea, China and the US have almost totally different security objectives. In this context, China has strong incentives to build more solid ties with many neighbouring countries because of the strategic and security pressures from the United States and its allies in the Asia Pacific.¹ India is China's neighbour and the dominant power in South Asia. The situation in South Asian regions concerns India's core interest, China's South Asian policy needs to take full account of India's interests. Also, India is the only big power in the IOR. Therefore, a stable and favourable relationship with India is critical for China's peripheral policy and security of Indian Ocean sea lanes of communication under the context of US's containment.

China believes that Beijing and Delhi have many common interests in global politics. China's specific objectives in global politics include undermining American hegemony, weakening Western dominance in international affairs (consequently upgrading China's position, increasing the developing world's role in decision making), reforming some

aspects of major international institutions, fending off Western countries' ideological censure on China, and now increasingly upholding free trade regimes. From Beijing's perspective, India is a very useful partner for these international causes that China attempts to champion. China understands that it alone is not powerful and influential enough to achieve those objectives. Since India also shares many of those global goals, Beijing is intent on working with India to reform the existing international system. There has been quite significant collaboration between the two countries on various major international issues such as the climate change. This is also why the two countries could work together in the BRICS grouping.

India's strategic position now has been mentioned in the governmental highest level in the same breath as Russia or Japan. China and India actually saw bilateral visits and negotiations happening on an unprecedented scale and frequencies in the recent years. In May 2013, when Primary Li Keqiang came into force, his first official visit was to India. In September 2014, President Xi visited India, and Modi invited Xi to his hometown Gujarat, which was really rare in India's foreign policy. And the next year, Modi arranged his first stop in China Xian which was Xi's hometown.

However, the diplomatic investment in India has not yet caught up with its political leaders' pace. There is still some inertia in China's diplomatic work toward India, and the diplomatic work on Sino-Indian relations has not yet been elevated to the important level of bilateral relations with major powers such as Russia and Japan. In a few years' time, we will see more efforts from China in the diplomatic work on Sino-Indian relations.

China's perception of India's security policy

China believes that India's foreign and security policy has long been based largely on the principle of non-alignment and the pursuit of great-power status, as well as the establishment of a stable regional order with India's leadership in South Asia. In the strategic security field, China is most concerned with border disputes, Indian Ocean issues and India's expanding security ties with other major powers. The latter two issues, in particular, have raised concerns in China that India has the possibility to form kind of semi-alliances with US and Japan to counterbalance China. Even though these problems are and may continue to plague the bilateral relations, China is convinced that the nature of Sino-India contradiction has by no means been of structural characteristics. Benign negotiations and accurate communications are both viable and necessary to solve technical problems and ensure regional stability.

Border disputes

There is no doubt that Chinese elites regard the border dispute with India as a major barrier for the development of bilateral relations. Over the years, conflicts along the Sino-India boundary have proven to be a source of instability in bilateral ties. Sino-Indian ties have always been vulnerable to tensions and crisis in the disputed border areas. A set-back in bilateral relations because of border disputes is very real as was evident during several crisis situations in the recent past. Given that neither side is willing to compromise, the divergence is unlikely to be narrowed and it is unlikely a mutually satisfactory settlement can be obtained in the short term. Nevertheless, the

possibility of an actual fight is also slim because both countries, by and large, are willing to exercise self-restraint militarily.

This cautious optimism can be supported by the track record of how the two countries have actually handled the border dispute. In 1993 and 1996, the two countries signed agreements on measures of keeping the border peace and tranquillity and enhancing mutual military trust. Former Indian Prime Minister Vajpayee paid an official visit to China in 2003 and during the visit the two countries agreed to each appoint a Special Representative to explore a framework of boundary settlement from the political and the overall bilateral relationship perspectives. In its wake, the two sides have already met and negotiated 20 times. Especially, in April 2005, a protocol on modalities for the implementation of confidence building measures in the military field along the line of actual control in the India-China border areas was released, recognising that the maintenance of peace and tranquillity along the line of actual control in the India-China border areas accords with the fundamental interests of the two sides, and will facilitate the process of early clarification and confirmation.

Then in 2012, aiming for timely communication of information on the border issue, China and India agreed to establish a Working Mechanism for Consultation and Coordination on India-China Border Affairs. After the “Tent Stand-off” event,² the two countries signed an agreement on Border Defence and Cooperation and established border personnel meeting sites in all sectors, as well as telephone contacts and telecommunication links at mutually agreed locations along the line of actual control. The two countries even established a Hotline between the military headquarters of the two countries, so as to enhance understanding and cooperation between the border defence forces of the two sides. It is evident that even though “crossing boundary” events popped up from time to time, escalation of the situation was avoided thanks to the agreements and self-restraint mechanisms India and China had established. China in its diplomatic strategy to India has always been committed to the fundamental philosophy that both sides should seek a peaceful settlement of the boundary question. This is also India’s basic policy on the border issue with China.

Therefore, both China and India believe that despite the border dispute, common interests and positive cooperation should be given priority. This does not mean, however, that Chinese India watchers simply regard India’s security measures along the disputed borders as purely defensive. In fact, many Chinese analysts contend that India has been necessarily increasing its military forces on the Indian side of the disputed border lines. China has always criticised India’s immigration policy and infrastructure projects in “South Tibet” (India calls the region Arunachal Pradesh) as efforts that complicate the border dispute and consolidate India’s hold of these territories that ought to be Chinese land. At the same time, Chinese elites believe that China’s own security measures and infrastructure projects on the Chinese side are only for defensive purposes. Obviously, China and India are in a security dilemma situation with regard to the border dispute.

The IOR

In addition to the land border dispute, there is now increasingly a more salient maritime security issue between China and India, in particular in the Indian Ocean region. Since the 1990s, Beijing has been concerned about the secure supply of external energy resources

and maritime trade routes that would be critical for the sustainability of China's economic growth. It is in this context that China has been developing a strong interest in playing a significant role in regional security in the Indian Ocean. China's strategy to enhance security influence in the Indian Ocean is increasingly causing significant concerns on the part of India. For China, Sino-India relations in the maritime domain are becoming more and more important.

China attaches great importance to the Indian Ocean. In terms of sea power, Indian Ocean is the maritime centre in the world geo-politically. The Indian Ocean is the third largest of the world's oceanic area, with a high density of maritime traffic flows. The major choke points include Bab el Mandeb, Strait of Hormuz, the Lombok Strait, the Strait of Malacca and the Palk Strait. Regional seas in the Indian Ocean include the Gulf of Aden, Andaman Sea, Arabian Sea, Bay of Bengal, Great Australian Bight, Laccadive Sea, Gulf of Mannar, Mozambique Channel, Gulf of Oman, Persian Gulf, Red Sea and other tributary water bodies. The Indian Ocean is artificially connected to the Mediterranean Sea through the Suez Canal, which is accessible via the Red Sea. Besides, along with the abundant strategic ore resources in the African region along the west coast of South Indian Ocean, the oil resource in the north-west coast of Indian Ocean highly elevate Indian Ocean's geo-political position in the world. Presently, around 90 percent of inter-continental trade and two thirds of the oil supply are all transported by sea. The amount of container transportation in the Indian Ocean occupies half of the world's gross. Considering these facts, those who have explored the passageways and intensified surveillance in this area could have more important a role to play in the trade transportation lines.

China's strategic interests and energy security over the past few decades have significantly expanded overseas. As far as China's imports of fossil fuel resources are concerned, more than half of crude oil is presently coming from the Middle East region transported through the Indian Ocean. While this leads to the imperative for China to acquire extended blue water capacities, securing sea lines safety has also become a prominent strategic consideration for China.

In a speech given by China's former president Hu Jintao in 2003, "Malacca Strait dilemma" was explicitly presented. Hu's remarks indicate that China has been seriously concerned about the risks and dangers for Chinese shipping cargos and energy resources through the Malacca Strait. They believe that the any movement of blockage by the US could become a serious issue and crisis for China. This speech triggered hot debates for a long time on whether a real "Malacca dilemma" exists or not thereafter.

Some analysts in China doubt that there is a real "Malacca Strait dilemma" for China.³ They argue that such worry is just a false proposition. They argue that although America is capable of blocking the Malacca strait, it is a remote possibility for the US to do so because it will trigger a full-scale war with China. Other Chinese analysts contend that the vulnerability of the strait to a conflict is still real and China should be vigilant against any possibility of Malacca strait blockage. These Chinese policy elites further point out that the US military has already suggested that the US should block the Strait of Malacca and hold up all activities coming in and out of this area when China launches the so-called anti-access and area-denial attack on the US. They have even suggested that teams of 13–15 US marines could interdict the roughly 800 ships that carry bulk import and export goods to and from China's main ports.⁴

Chinese policy makers tend to think “Malacca Strait dilemma” may appear. One way of circumventing threats to the existing transport routes is by identifying and pushing for alternative land routes and mechanisms that would allow China to transport energy resources and goods through routes that are relatively safer. Several of these alternative routes and mechanisms have already been found or are under discussion, such as China-Myanmar oil and gas pipelines, China-Russia energy pipelines, and China-Central Asia pipelines. Moreover, China-Pakistan Railway and China-Pakistan energy pipelines included as part of China-Pakistan Economy Corridor have been proposed. The railway and pipelines would circumvent the Strait of Malacca and make it possible to transport energy resources into China through Xinjiang. However, these arrangements could not fundamentally reduce China’s dependence on the sea transportation, primarily because the amount transported by land is much less than that transported through sea lanes.

Apart from the concerns over the Strait of Malacca, China is also confronting maritime energy security threats in other areas in the Indian Ocean. The US central naval command and the fifth fleet have been stationed in Bahrain and UK’s permanent military base has been started in late 2015 in Bahrain Mina Salman port. Along with other military bases in Saudi Arabia and other Gulf states, western countries can easily cut off the energy supply from Persian Gulf to China by directly closing the oil valve in the gulf countries rather than referring to the Strait of Malacca, not to mention the Diego Garcia base in the middle of Indian Ocean, which can be used to blockade the oil exportation off the coast of Africa in the Indian Ocean.⁵ Sea lanes in the Indian Ocean for China’s energy import are vulnerable to any military assault by the US and its allies. Especially, as the United States has already realised self-sufficiency in energy due to the technology advancement in exploring shale oil and gas, it would feel less hesitant to implement military blockage of sea transportation passage against China in war time. Therefore, strengthening its naval presence in the Indian Ocean is an inevitable requirement for Chinese energy supply security.

China’s growing naval ambitions in IOR were proposed in a statement made by Vice Admiral Su Zhiqian, Commander of the East Sea Fleet of the Chinese Navy in 2012. He stated that Chinese navy will actively maintain the peace and stability in the Indian Ocean by carrying out “maritime security cooperation” with the navies of various countries, especially seeking to establish a maritime security “code of conduct” between them under the “premise of respect for each country’s sovereignty and maritime interests”.⁶ However, in this process, Chinese efforts are likely to raise India’s suspicions and even push-back measures. Thus, from China’s perspective, maritime security issue in Sino-India relations is more important than the land border dispute.

While China is developing stronger interests in the Indian Ocean, India is also increasingly attaching more importance to its role in the Indian Ocean, and more Indian defence resources continue to be allocated to the navy. Chinese analysts take notice that although the proportion of India’s naval defence spending is still low, the growth rate is the highest. The Chinese investment in constructing ports and the enhanced naval activities in IOR, such as counter-piracy, search and rescue, and disaster relief, carried out in January 2014 and docking in Sri Lanka and Pakistan by Chinese submarines, have raised significant concerns in India. India doesn’t exaggerate China’s naval ambition in the IOR. Gurpreet S. Khurana, for instance, observes that for the next couple of decades at least, the

PLA Navy would not be able achieve “sea-control” to preserve these far-flung interests against military opposition from other players. Under such circumstances, the PLA Navy’s only option is to employ its submarine arm for “punishment” and “limited power-projection”.⁷

Even so, closely watching China’s naval activities, enhancing India’s dominant role in IOR and strengthening maritime cooperation with the US are all India’s responding policies for China’s strategy in IOR. In October 2015, the Indian Navy released a report laying out its latest maritime strategy, “Ensuring Secure Seas: Indian Maritime Security Strategy”. This edition is a revised and updated version of the previous outlined strategy report “Freedom to Use the Seas: India’s Maritime Military Strategy”, published in 2007. The new strategy shows that the navy’s areas of interest (both primary and secondary) are expanding. China believes that this new maritime strategy indicates that India will be more alert to China’s naval activities in the IOR, and will try to enhance India’s dominant role in the India Ocean. The efforts on capacity building of maritime domain awareness or comprehensive surveillance and near real-time operational capability, underlined in this new maritime strategy are not only for coping with non-traditional threat but also for the perceived Chinese encirclement of India.

India’s expanding security ties with other major powers

Obviously, recent years have witnessed continuously strengthening security cooperation between India and the United States. India has become one of the countries holding most joint military exercise with America and the biggest buyer of American weapons. India’s quest to be a permanent member of the UN Security Council and membership of NSG is supported by the United States. After PM Modi came to power, the security cooperation between India and the US further strengthened. In order to push forward its Asia-Pacific rebalancing strategy, the US also openly and repeatedly expressed its hope that India will play a more important role in keeping peace and security in the Indo-Pacific region.

On the 2015 National Day of India, former US president Obama was invited as a distinguished guest of foreign state head to participate. The two leaders officially met on the occasion and signed the agreement “US-India Joint Strategic Vision for the Asia-Pacific and the Indian Ocean Region”, which made it clear that India agreed to enhance its influence in the South China Sea at the request of the United States. Not long after, India and the US signed their 10-year Defence Framework Agreement. With 15 main cooperation items listed in the agreement, both countries expressed satisfaction with the progress on Defence Technology and Trade Initiative pathfinder projects, including the establishment of the Working Groups on Aircraft Carrier Technology and Jet Engine, and the growing cooperation between US and Indian defence industries through the “Make in India” initiative.

In April 2016, Ashton Carter, the US secretary of defence, visited India and a historic “in principle” deal was reached between the two countries called the Logistics Support Agreement (LSA). Then in June, Modi paid a visit to the US. In accordance with the roadmaps set out in the joint statements issued in September 2014 and January 2015, this time both countries “affirmed the increasing convergence in their strategic perspectives and emphasized the need to remain closely invested in each other’s security and prosperity”.

Besides, the Consulate General of the US in Calcutta once said in public that Tawang is an indivisible part of India. And India's Ministry of External Affairs made a supportive posture to the US on the South China Sea issue when the Philippines' arbitration was announced in July 2016. In 2018, India and US signed a Communications Compatibility and Security Agreement (COMCASA), which will facilitate India's access to advanced defence systems and enable India to optimally utilise its existing US-origin platforms. From the Chinese perspective, these cases suggest that India and the US are increasingly aligning their strategic security interests against China.

China is also concerned about the deepening security relationship between India and Japan, which appears to be driven by the strategic needs of the two countries. India-Japan relation is typically framed in a security cooperative framework and such framework in turn fosters their bilateral cooperation in many other areas. Abe has described Japan-India ties as the "most potential relation in the world". In 2006, India and Japan decided to forge a "Strategic and Global Partnership". And on 22 October 2008, the prime ministers of the two countries met in Tokyo and made a joint statement on the advancement of the strategic and global partnership. In 2014, India invited Japan to take part in the Malabar joint military drill, which was originally organised by the US and India. Japan's participation in this drill has become a regular practice. In order to draw India over to its side, Japan not only steadily upgraded defence exchanges and cooperation with India but also signed the agreement for cooperation on the peaceful use of nuclear energy on 11 November 2016. Many Chinese policy elites worry that India and Japan are expanding and deepening their bilateral security cooperation under the false assumption of a "China threat".

In addition, Beijing is also wary about the deepening trilateral cooperation among the US, Japan and India. As early as 2011, the three countries established an annual security dialogue with marine security as the main topic. The security cooperation among India, Japan and Australia also took major strides. In June 2015, in New Delhi, India, Japan and Australia discussed security challenges to the region that all three countries claimed they were concerned about. China's increasingly tough stance on the South China Sea issue and its intention to play a bigger role in the security of Indian Ocean were the major topics of their consultations. The three countries subsequently held a trilateral naval drill. In September 2015, the Australian Defence Minister visited India, proposing India to organise a four-party navy drill with the United States, Japan and Australia. Prior to that, the United States had proposed to expand the bilateral Malabar naval drill and invited more countries to participate in this naval drill. Japan participated in the 2015 Malabar naval drill, and Australia and Singapore are expected to attend it in the future. At the same time, the four countries are expected to restart their quadrilateral security dialogue, which was started in 2007 but was cancelled due to China's protest as it was suspected of targeting China. The four countries had met to discuss their common concerns on security issues, and promotion of the Quad to a higher level is also under discussion. Given all these developments, the Chinese policy community are seriously concerned that an alliance consisting of the United States, Japan, India and Australia on maritime security is emerging.

Despite India's strengthening maritime security cooperation with the US, Japan arouses concerns in China to some extent and China has attempted to deal with it calmly. In China's perspective, India has the tendency to counterbalance China by collaboration

with the US, Japan, etc. However, the traditional non-alignment foreign strategic principle still exerts an important influence on India. How far India's security cooperation with major power will go lies on how China's policy toward India. Beijing has been keen to engage with India on security matters, hoping to be able to assuage India's security concerns over China. Not too long after India and the US reached agreement on LSA, India's Defence Minister Manohar Parrikar visited China. Meanwhile, on 19 April 2016, at the Russia-India-China (RIC) trilateral meeting, External Affairs minister Sushma Swaraj met with China's Foreign Minister. And Indian National Security Advisor Ajit Doval continued to participate in the meeting on Sino-India boundary issue in Beijing. China did not mention the LSA issue on these occasions.

After careful examination of the negotiations between India and the US on the LSA, China concluded that India kept a few reservations on the opening up of its military facilities to the US. China also understood that it remained unclear when and how India would implement the LSA. Hence, the Chinese policy elites believed that the India-US LAS lacked substance and was largely symbolic. China believes India's status and its foreign strategy would never allow Delhi to become an unswerving follower of the United States. Beijing believes that there is still much room for China and India, under the current circumstances, to take joint actions to build strategic mutual trust and to work together to build a more balanced Indo-Pacific strategic order.

Other security matters

In 2016, the accusation made by India that Jaish-e-Mohammed, based in Pakistan, conducted the assault early in January was technically turned down by China at the United Nations. Reactions in India resembled the conventional wisdom among people in India that China has "no principle or morality" on the terrorism issue between India and Pakistan. India believes that China holds "double standards" on terrorism. This issue is a big challenge for China's diplomacy, and China chose to shelve it technically. China stated that the decision should be made based on sufficient evidence and the consensus of UN 1267 Committee. China thinks that India's accusation aims to classify Pakistan as a sponsor of terrorism and weaken Pakistan. China argues that the international community should have given more respect to Pakistan for its great effort and sacrifice in fighting terrorism.

Chinese behaviour as well as India's response concerning India's membership into NSG offers more clues for the conflicting security interests between India and China. Modi's ascent in 2014 has seen the BJP strive to enter NSG. His first visit to the United States was accompanied by a joint statement declaring America's recognition and resolution of pushing for India's membership in NSG. Modi's administration was very convinced that they could press China to be receptive too since India had already obtained western countries' consensus. Hence, India submitted the membership application to NSG in May 2016. And it turned out that various kinds of subjects, such as how the non-NPT countries' participation in NSG in terms of technology, law, and politics were all listed on the agenda and discussed but India's application was not fully addressed. India was furious with this outcome and blamed China.

As a matter of fact, with regard to the NSG membership issue, China does not support non-NPT countries' entry to NSG, which will damage the authority and rationality of

international non-proliferation system. China has always been adhering to the “two-step strategy” and the principle of fairness, and proposes that any country should not be given special channel. Beijing argues that NSG should first explore and reach a non-discriminatory agreement which can be applied for all non-NPT parties, then it should discuss the individual application proposed by each specific non-NPT party. It is increasingly believed in Delhi that this so called “strategy” is set by China deliberately as an obstacle aimed at blocking India’s NSG membership. India also believes that Pakistan’s application for NSG member was a result of China’s lobbying, which also served as the purpose preventing India’s entry into NSG.

China’s possible policy trajectory towards India

Even though the abovementioned problems exist in Sino-India relations, China is convinced that India and China have more overlapping interests than are usually recognised, and the nature of Sino-India contradictions is, by no means, structurally defined. Goodwill negotiations and effective communications are both possible and necessary to solve or mitigate some of the technical problems between India and China and ensure regional stability. China is the world’s second largest economy. India ranks third in the world in term of purchasing power parity only behind America and China. These facts indicate the great potential for the two countries to broaden their economic cooperation. President Xi Jinping mentioned, when he visited India in 2014, that South Asia is a sub-continent filled with hopes and potentials, which is projected to be the new growth pole in Asia and the world as well.

Over the last thirty years, China has succeeded in building the world’s largest scale manufacturing sector. With rising costs in China, time has come for some of the manufacturing capacities to be relocated to India. At the same time, India has to gear up to embrace China’s entrepreneurs and to have a strategy to meet the needs of China’s industrial transfer with its advantages of huge market and abundant manpower. Hence, there are so many options for both countries to focus on in their future cooperation.

As mentioned above, China’s diplomatic investment to India policy has not yet caught up with the political leaders’ pace, which is the main problem when China deals with the bilateral relations with India. Based on the current international power structure and the political diplomatic culture of these two countries, it is not inevitable for China-India relations to be headed towards a structural confrontation. India’s alternative foreign strategy could be either seeking an Equidistance Diplomacy between China and the US or India and China can work together to forge a unified partnership to shape a favourable, fair and democratic international order. However, if China’s actual policy inputs continue to mismatch India’s strategic importance in China’s international relations, it is more and more possible that India may further fall into the strategic orbit of the US and Japan, which will be a dangerous geopolitical scenario for China.

India’s negative attitude towards the “One Belt One Road” (OBOR) is a reflection, to a certain extent, that China has not paid enough attention to India’s aspirations of becoming a big power and being treated as such. India’s behaviour suggests a reevaluation of its substantial interests in its relations with China. Pragmatism is one of the most important characteristics in India’s foreign policy. Some scholars in China point out that India’s

diplomacy has been influenced too much by the populist sentiment in India, which is serious problem that China has to deal with.⁸ It is by no means evident that India-China relations can be transformed better if China keeps neglecting this fact. With regard to India's request for NSG membership, China seems to let the so-called "Principle" to prevail. Actually, some Chinese analysts contend that China may have done a better job in making its attitude and stance on NSG issue more clearly known by India through deeper diplomatic communications on one hand. On the other hand, it is politically feasible for China to support India's entry into NSG, which will not bring substantial loss to China.

China attaches much importance to India's role in the "OBOR" initiative. In February 2014, at the 17th round of talks between the special representatives, Chinese State Councillor Yang Jiechi invited India to build the "Maritime Silk Route" together with China. When PM Modi was in China in 2015, Xi further proposed that India and China could enhance their cooperation on "OBOR" and Asian Infrastructure Investment Bank. However, "OBOR" was not mentioned in the joint statement. China has realised the reason of India's ambiguous attitude towards the "OBOR" is that India aspires for a great power status. Joining the "OBOR" means being subject to China in dealing with South Asia and Indian Ocean affairs. Also, India is worried that China may use the "OBOR" as a cover for its military purposes. It is unfortunate that China has not made enough diplomatic efforts to win over India's confidence for "OBOR".

Although India will take counter-measures to constrain China's naval activities in IOR, India's immediate problem, however, is not the prospect of China acquiring military facilities in the Indian Ocean. Given the long and vulnerable lines of communication from China's coast to the Indian Ocean, China's bases will be vulnerable to attack in any military confrontation. The real problem for India is the massive maritime capacity gap with China in the civilian domain. Out of the top ten busiest container ports in the world, China has seven. The story is much the same when comparing the tonnage of merchant fleet or the ship-building capacities.⁹ Therefore, when India is focusing on generating millions of jobs through manufacturing and trade, a rapid expansion of India's maritime infrastructure would be necessary, which could be achieved through cooperation with China under the framework of the "OBOR".

China should clearly emphasise the nature of economic cooperation of "OBOR" and reject linking it to security and political purposes. China needs to be more sensitive to India's feelings and focus on the reciprocal nature of all the bilateral projects and abandon any propaganda of China unilaterally offering public goods for regional countries including India.¹⁰ As still at the initial stage, the "OBOR" initiative lacks concrete implementation plans. While China endeavours to build a good relationship with India, Beijing needs to pay more respect and attention to India. China can establish a bilateral negotiation mechanism with India to discuss the OBOR. Second, China should take full advantage of multilateral platforms in the region such as the Indian Ocean Rim Association so that India could play a more active role in joining the initiative. Third, China has to formulate a sophisticated strategy to deal with strained India-Pakistan relations. In South Asia, China tends to assume Pakistan as its supporting country of "OBOR". However, simply siding with Pakistan can only go so far in dealing with India, which obviously is the leading country in South Asia, and exerts much more influence than Pakistan. It does little to advance the "OBOR" and might actually worsen Pakistan's utility as a

supporting point in the course should India respond with an even harder policy towards Pakistan.

Many profound common interests

The analyses in this paper suggest that China and India have many profound common interests in global politics but the two countries appear to have many divergent political and security objectives in Asia. Security dilemma, indeed, has been a major factor shaping Sino-Indian relations. The border dispute naturally creates some security dilemma dynamics between the two countries. India's expanding security ties are creating even more challenging security dilemma between the two Asian powers. Apparently, the mainstream view in China regards India's deepening defence cooperation and exchanges with the US, Japan, as containing or constraining China. The strategic and security rivalry between China and India is becoming tangible and more intense in the IOR as China is increasingly interested in establishing a presence in this region. At present, Beijing's ostensible explanation for its growing role in the IOR is for the protection of China's maritime trade routes. This explanation will be difficult for India to accept. Very likely the security dilemma that is emerging now in the IOR between China and India may become worse if the two powers do not handle it properly.

Despite these differences and security competition, China and India have, by and large, managed to maintain an overall stable relationship. This achievement can be attributed to political will to engage in cooperation on major international affairs and bilateral economic ties on the part of both the countries. In reality, India may have pursued a "hedging" strategy in its relations with China, which can be seen in India's multi-faceted cooperation with China on one hand and military modernisation efforts and strategic collaboration with other major powers on the other hand. China has responded with a counter-hedging strategy that features active engagement with India on one hand and a certain level of security pressures on India on the other hand.

China's India policy is under debate in China. It appears that more Chinese policy elites are in favour of according more importance to India in China's international strategy. This new policy thinking has already been reflected in Beijing's actual policy behaviour towards India in recent years. Looking forward, it is very likely that China will continue to pursue its engagement with India. At the same time, Beijing may find it necessary to come up with more diplomatic resources and policy inputs in handling its relations with Delhi. China should realise that it has already done very well in expanding its influence in South Asia and the IOR in the past decade. It is time for Beijing to be more sensitive to India's regional security concerns and work with India to avoid a spiral in the security dilemma between the two countries in Asian strategic arena and in the IOR.

Notes

1. See Chen Ruixin, "The New Development of China's Peripheral Diplomacy and Practice since the Eighteenth CPC National Congress," *Socialism Studies*, No. 2 (2017); Chen Xiaoding, "The New Strategic Connotations of Neighborhood Diplomacy in Light of Regional Public Products," *World Economics and Politics*, No. 8 (2016); Wang Junsheng, "Strategic

- Refocus: China's Peripheral Diplomacy and Practice since the Eighteenth CPC National Congress," *Modern World and Socialism*, No. 4 (2018).
2. In April, 2013, India declared around 40 PLA Army soldiers intruded into Indian territory for about 20 km in Daulat Beg Oldi of Ladakh and set up tents. China denied this claim and declared that its troops were on its side. An equal number of ITBP soldiers put up their tents some 300 metres from the Chinese troops later and formed the military stand-off. After several round negotiations this stand-off resolved 3 weeks later.
 3. Such as: Xue Li, "Malacca Dilemma and China's Response," *World Economics and Politics*, No. 10 (2010); Zha Daojuong, *The International Political Economy analysis of China's Petroleum Security* (Beijing: Modern World Press, 2005).
 4. Erik Slavin, "Air-Sea Battle Concept Carries Risks in Possible Conflict with China," September 28, 2014. <https://www.stripes.com/news/analysts-air-sea-battle-concept-carries-risks-in-possible-conflict-with-china-1.305505> (accessed November 15, 2019).
 5. Mei Xinyu, "GwadarPort and China's Energy Import," *Finance*, No. 32 (2016).
 6. D. S. Rajan, "Indian Ocean: China-India-US Jostling for Power; Cases of Sri Lanka and Maldives," February 23, 2015. <http://www.southasiaanalysis.org/node/1718> (accessed November 15, 2019).
 7. Gurpreet S. Khurana, "PLA Navy's Submarine Arm 'Stretches its Sea Legs' to the Indian Ocean," November 21, 2014. <http://www.maritimeindia.org/CommentryView.aspx?NMFCID=2347> (accessed November 15, 2019).
 8. Lin Minwang, "Are Sino-India Relations Derailing," November 4, 2016. http://m.guancha.cn/LinMingWang/2016_11_04_379443.shtml?from=timeline (accessed November 16, 2019).
 9. "String of ports," April 11, 2014. <http://indianexpress.com/article/opinion/columns/string-of-ports/99/>(accessed November 20, 2019).
 10. Ye Hailin, "India's South Asia Policy and Its Impact on OBOR," *Indian Ocean Economic and Political Review*, No.2 (2016).

Notes on contributors

Dr. *Mao Jikang* is a research fellow in Energy Research Institute of China's State Grid Corporation. He received his PhD in International Relations from Fudan University, Shanghai, China. His research interests and areas of specialization include energy geopolitics, maritime issues and Asia-pacific international relations etc.

Dr *Li Mingjiang* is an Associate Professor at S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore. He is also the Coordinator of the China Programme at RSIS. He received his PhD in Political Science from Boston University. His main research interests include China-ASEAN relations, Sino-U.S. relations, Asia Pacific security, and domestic sources of Chinese foreign policy.