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SINO-INDIAN RELATIONS: PROBLEMS, PROGRESS AND PROSPECTS

Ever since the 1962 Sino-Indian war, the relationship between China and India remained frozen until it was restored in 1976 at ambassadorial level. Three years after the restoration of ties, the Indian Foreign Minister A. B. Vajpayee visited China in 1979, which was followed by the Chinese Foreign Minister Huang Hua's visit to India in 1981. Despite the exchange of such high level visits, no significant change in relations was witnessed until 1988 when the late Indian Prime Minister Rajiv Gandhi paid a visit to China. The visit led to thawing of the cold relationship between these two Asian giants thereby, ushering in a new phase of bilateral ties between them.

In the aftermath of late Rajiv's China visit in 1988, New Delhi adopted a policy which segregated the territorial problems from the overall bilateral relations between China and India. It was also made clear that border issues could be discussed simultaneously without directly linking them with the overall bilateral relations between India and China. The approach was reiterated during the visits of the Chinese Premier Li Peng and the Indian Premier P. V. Narasimha Rao to each other's country in December 1990 and September 1993 respectively. In this context it is pertinent to ask: Do these developments, especially in the late 1980s and early 1990s, signify a real breakthrough in Sino-Indian relations? Has there been a decisive shift in

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New Delhi's policy *vis-a-vis* Beijing? Are the changes real or apparent ones? How can one explain them? Are they, for example, an outcome of the changed global power equation? How can one view the prospects of Sino-Indian bilateral relations in the light of past experiences and the current context of global changes? These are some of the key questions that the article will address.

The first section of the article reviews perceptual and territorial problems between China and India. The second section examines the basic factors that led to the normalization of Sino-Indian relations. The implications of the changes in the international environ on Sino-Indian relations are also assessed. The third section reviews the progress in their bilateral relations. The concluding section deals with the prospects of Sino-Indian relations, which is followed by some concluding observations.

I. SINO-INDIAN RELATIONS IN HISTORICAL PERSPECTIVE

Sino-Indian relations in their historical perspectives may be viewed from two angles: perceptual and substantive. The substantive issues for all practical purposes will boil down to the territorial or border disputes.

i) Perceptual Problems

Both India and China are two great countries and two great civilizations. They had centuries-old ties with each other. Although Nehru was (before the 1962 Sino-Indian war) always euphoric about India's relationship with China, China, by contrast, was not. Beijing always viewed its relations with India from the standpoint of *realpolitik*. Consequently, Sino-Indian relations were not rosy all throughout. Rather, they had their periodic ups and downs. It was Buddhism that singularly acted as the common denominator between the two countries' relationships. Jawaharlal Nehru noted: "It was through Buddhism that China and India

came near to each other and developed many contacts."¹ Added to this were the trade and scholarly interactions between the two countries that further brought them closer. The Chinese scholars and pilgrims trekked to India overland across the Gobi Desert and the plains and mountains of Central Asia over the Himalayas and by sea through Indo-China, Java, and Sumatra, Malaya and the Nicobar Islands. This is how, to quote Nehru: "Buddhism and Indian culture had spread all over Central Asia and in parts of Indonesia, and there were large number of monasteries and study centres dotted all over these vast areas."² Nehru further observed, to cite him again: "During these thousands years and more intercourse between India and China, each country learned something from the other, not only in the regions of thought and philosophy, but also in the arts and sciences of life. Probably China was more influenced by India than India by China, which is a pity, for India could well have received, with profit to herself, some of the sound commonsense of the Chinese, and with its aid checked her own extravagant fancies. China took much from India but she was always strong and self-confident enough to take it in her own way and fit it in somewhere in her own texture of life."³

However, it was under the influence of the British East India Company that both India and China were once again brought by some strange fate after they got cut-off from each other for many centuries.⁴ Blaming the British for fostering ill-will against India in China, Nehru asserted, "We must now resume the ancient personal, cultural and political relations between the two peoples. British imperialism, which in the past has kept us apart and done us so much injury, is now the very force that is uniting us in a common endeavour to overthrow it."⁵ To make friendship with China was

1. Jawaharlal Nehru, *The Discovery of India*, Jawaharlal Nehru Memorial Fund, New Delhi, (Oxford University Press, New Delhi 1981), p. 192.

2. *Ibid.*, p. 193.

3. *Ibid.*, p. 199.

4. *Ibid.*, p. 199.

5. As cited in Sarvepalli Gopal, *Jawaharlal Nehru : Biography Volume One (1889-1947)*. (Oxford University Press, Delhi 1975), p. 102.

the core of Nehru's pan-Asian policy. Nehru's 1938 China visit and his establishment of personal rapport with Chiang Kai-Shek and his wife further signalled his inclination to adopt a common pan-Asian policy in league with China. Nehru himself has confessed that he liked the Chinese, who struck him "as a singularly grown-up people."⁶ Commenting on his China visit Nehru admitted that, "China has grown very near to me and all my thoughts are mixed up with her."⁷ It was Nehru's vision that in the new world order that was emerging, both India and China should work together. Actually, he thought in terms of an eastern federation in which India and China would be the senior partners, and called upon his compatriots to plan and work for it.⁸ Observing the common problems of India and China and the two countries' efforts to build national power to gain national freedom, Nehru could not but write a note to Chiang suggesting closer contacts between the two national movements and the development of a common outlook and policy on major international issues.⁹ Analysis thus far shows that Nehru was quite obsessed to make China to be India's friend where an element of idealism was clearly visible.

Following the independence of India in 1947, Nehru was left with two options: either to align India with any of the two power blocs or to adopt an independent foreign policy for it. For obvious reason, Nehru chose the latter course. In choosing out the latter option, he had to find out countries that share some goals and aspirations that India nourished. Evidently, New Delhi's immediate neighbour, Pakistan, could not be a party to the goals and aspirations that Nehru would nurture. On the other hand, a close study of India's nationalist movement will show that Nehru always had strong inclination, as indicated earlier, to work with China. Consequently, the rise of China, under Mao Zedong, was welcomed by India as a natural co-partner to combat the forces of colonialism and imperialism.

6. As cited in *ibid*, p. 249.

7. To Madame Chiang Kai-Shek, 17 December, 1940, as quoted in *ibid*, p. 249.

8. "The Eastern Federation" in *National Herald*, 28 October 1940 as referred in *ibid*, p. 149.

9. A note on the development of contacts between India and China, written at Chungking, 29 August 1939, as mentioned in *ibid*, p. 249.

A closer inspection of their relations since 1949 will show that relations between these two giants of Asia went through three phases. The 1950's may be characterized as a period of friendship based on the five principles of peaceful coexistence; the 1960's as a period of hostility; and the 1970's as a period in which efforts were made to normalize the ties.

i) The 1950s as the period of friendship

This was the period which could be characterized as the period of friendly relations marked by amicability between Beijing and New Delhi. It was a brief period of honey-moon between them, when the slogan *Hindi-Chini Bhai Bhai* (the Indians and the Chinese are brothers) became popular. Relations between these two powers began flowering during this period because Nehru equated India's independence and the Chinese Revolution as parallel. Nehru also conceived India and China as cooperating leaders of post-colonial Asia.¹⁰ The other underlying premises, on the basis of which Sino-Indian relations developed, included: i) India's perception that China should reciprocate India's gestures of friendship because Sino-Indian amity was in the best interests of both countries; ii) that both geographically belonged to the Third World of developing nations; iii) that both were harassed by the imperialist powers; iv) that both needed to forge a common united front to oppose superpower domination; v) that both could gain from each other's strength and potential; and vi) that their hostility would not serve the real interests of either.

Factors that led to the creation of an atmosphere of goodwill between the two could be argued as: India's support to China for its seat in the United Nations when China was ostracized in the international community; its allowing the Chinese Army a free passage through its territory in 1950-51 to occupy and annex Tibet; its consistent support to China to pursue Beijing's 'one China' policy; and its refusal to sign the Japanese Peace

10. Charles Heimsath and Surjit Mansingh, *Diplomatic History of Modern India*, (New Delhi, Allied 1971), pp. 184-201; Bhabani Sen Gupta, *The Fulcrum of Asia: Relations Among China, India, Pakistan, and the USSR*, (New York, Pegasus 1970), pp. 304-5.

Treaty of 1951, much to the satisfaction of China, for the Treaty was designed by the United States to use Japan as a counterweight to contain communism in Asia.

On the whole, the period was marked by exchange of visits by officials from both India and China and signing of agreements on matters of trade, commerce, and culture. Of them, the trade treaty of 1954 between them was notable. The treaty was also important for enshrining the Five Principles of Peaceful Coexistence (*Panch Shila*) on which their relations were based.

ii) The 1960s as the period of hostility

In actuality, the basic assumption on which their relations were based was so fragile that the period of mutual cordial relationship proved to be shortlived. According to the Indian source, Beijing acted treacherously when it first violated the *Panch Shila's* first principle 'mutual respect for each other's territorial integrity' by China's occupation of Aksai Chin and many border passes such as, Sipki and Borahoti and outposts like Longju during the period between 1950 and 1959.¹¹ With the Chinese government's claim of thousands of square miles of Indian territory and with its raising of the issue of unsettled border between the two countries within a few weeks of Zhou Enlai's visit to India,¹² the hostility between China and India began surfacing fast.

The hostility kept boiling between the two as both continued to project a strong no-compromise attitude toward each other on matter of resolving the territorial problems. Rigidity and inflexibility were the tactics that both sides followed as their line of policy. Divergence in opinions and outlooks between them on matters of juridical principles, historical records, and even the methods of delimiting borders, came on the surface in the 1960s in their interpretation on the issues mentioned above.

11. Pannalal Dhar, *India, Her Neighbours And Foreign Policy*, (Deep and Deep Publications, New Delhi 1991), P. 60.

12. S. S. Bindra, *India And Her Neighbours: A Study of Political, Economic And Cultural Relations And Interactions*, (Deep and Deep Publications, New Delhi 1984), Chapter 2, p. 100.

By 1962, acting on the assumption that the Chinese would not wage a war against India over the barren frontier territory, Nehru suddenly adopted an assertive policy of forward patrolling along the disputed border. Consequently, local clashes between Chinese and Indian forces intensified. Grippled with internal crises induced by Great Leap Forward, and fearing that China's external enemies, Taiwan and the United States, were launching offensive against China, Mao Zedong adopted a tough line toward India and launched an ideological onslaught on Nehru. Lastly, on October 20, 1962, the People's Liberation Army (PLA) launched an attack down the Himalayan ridge lines against Indian forces who were not adequately prepared for such an onslaught.¹³ In the war China won a resounding victory against India, which proved very humiliating for the latter. Since then the Indian defense planners began to conceive China to be the main threat to the security of India. Following the war, both sides fell apart and sharp differences of perception arose on almost all matters relating to regional and global politics. Thus, two giants of Asia became locked in the tug of Cold War. As a result, mutual distrust, tensions, rivalry and competition became a daily routine of their relations.

In the light of these developments it is relevant to assess the factors leading to the breakdown of Sino-Indian relations.

First, the basic assumption of Nehru that India and China would be cooperating leaders of post-colonial Asia because both the Chinese Revolution and Indian independence were parallel expressions of resurgent Asian nationalism, proved to be illusive. It seemed that Nehru could not visualize that the Chinese would not give India a status of equal co-partner. According to an Indian source, India was portrayed as a part of China's traditional tributary sphere in Asia, with cultural and trade links going back into history but subordinated under an overall overlord-subject relationship.¹⁴

13. For Chinese calculations, see Allen S. Whiting, *China's Calculus of Deterrence*. (Ann Arbor, University of Michigan Press), 1975.

14. K. P. Gupta, "Sino-Indian Relations," in *Quest* a bimonthly of inquiry, criticism and ideas (Vol. 86, January/February, 1974), p. 10. The most prominent reappraisal on this issue was Wei Yuang's *Hai-Kuo t'u-Chin* ("Illustrated Treatise on the Maritime Kingdoms") first published in 1844.

Second, because of such negative image-perception, both India and China developed their separate visions of respective roles in Asia and the world. They intended to establish separately their individual status, prestige, and position in the international community. China, under the leadership of Mao Zedong, projected China as the model of Third World Revolution, which was capable of providing symbolic leadership to the oppressed peoples against the dominant powers. By contrast, India, under Nehru, championed the policy of nonalignment, who conceived India to be the ultimate leader of Afro-Asian nations. Thus, their own self-images became conflicting and mutually incompatible. When conflicts surfaced in 1960s, they were complicated and sharpened by political issues and by the idiosyncracies of both the leaders. These basic divergence of views and conflicting interests kept these two powers apart until both sides showed willingness to normalize their relations.

iii) The 1970s as the period to normalize the ties

The process of normalization began in 1975 when Mrs. Indira Gandhi, the late Indian Prime Minister, decided to restore normal diplomatic relations with China. The Chinese government reciprocated the gesture by formally posting an Ambassador in New Delhi in 1976. After the Janata Party of India came to power in March 1977, Moraji Desai, the Prime Minister of India and Atal Behari Vajpayee, the External Affairs Minister of India, in their first press conference expressed the intention of the Indian government to strengthen India's relations with its neighbours.¹⁵ The Indian government gave top priority to normalize its relations with China. The Chinese also reciprocated and showed interest in removing misunderstanding between them.¹⁶ With A. B. Vajpayee's visit to China in February 1979, the five principles of peaceful coexistence were revived and reaffirmed as the basis of bilateral relations and as the foundation for a settlement of the boundary question. Thus, once again, the two Asian giants, which broke their relations following the 1962 war, came to the negotiating table aiming at restoring their past ties.

15. S. S. Bindra. *op. cit.*, pp. 127.

16. *Ibid.*, p. 128. In March 1978, two delegations from China visited India, and in exchange, India also sent to China a cultural delegation and a trade mission. *Ibid.*

b) Territorial Problems

China and India have a common land frontier of 3,400 kilometres that includes the 200 kilometres boundary of the previously sovereign Himalayan kingdom of Sikkim along with the Tibet region of China. Issues that are in conflict between the both parties include the contemporary validity of historical treaties, the meaning on the ground of line of actual control (LAC) or administrative jurisdiction, the status of Tibet as an international entity in 1914, rights of easement in international law, and the application of the watershed principle in areas of several mountain chains at the eastern and western extremes of the main Himalayan range.¹⁷ The disputed territories can be divided into three sectors: (i) Eastern Sector: (ii) Central Sector: (iii) Western Sector--with each sector representing a different historical background.

i) Eastern Sector

This sector comprises the territory of the North East Frontier Agency (NEFA) under Assam, which later became the union territory of Arunachal Pradesh and which of late was given the status of a full state of India. The Chinese side claims that this chunk measuring 90,000 square kilometres territory comprising "Monyual, Loyual and lower Tsayual . . . are all parts of Tibet region."¹⁸ The rationale that the Chinese put forward about their claim of this vast area was the traditional customary boundary that runs along the southern foot of the Himalayas. Hence they argue that the 1,120 kilometres (700-mile) long McMahon line is illegal.¹⁹ By contrast, the Indian side turns down this claim of the Chinese arguing that "even if they [the Chinese] prove the McMahon line invalid, India will still be left with a

17. For details see, Neville Maxwell, *India's China War*, (Garden City, New York, Doubleday, 1972), pp. 3-57.

18. Premier Zhou Enlai's letter to the leaders of Asian and African Countries on the Sino-Indian Boundary Question dated November 15, 1962 in *The Sino-Indian Boundary Question* (Foreign Language Press, Peking, 1962), p. 8.

19. *Ibid.* See also, Alastair Lamb, *The China-India Border: The Origins of the Disputed Boundaries*, (London, Oxford University Press, 1964); and *Idem*, *The MacMahon Line: A Study in the Relations Between India, China, and Tibet, 1904-1914*, 2 vols. (London, Routledge and Kegan Paul, 1966).

boundary in the Eastern Sector very similar to it (present line of actual control) using the crest watershed principle."²⁰ During 1959-62, when hostilities clouded their relations, both sides charged each other with armed intrusion and occupation of such places as Longju, Khinzamane, Tamadan Thag La ridge, and Che Dong which India refers to as Dhola post. At present, almost all these areas are shown as Chinese territories.

ii) Central Sector

The Central Sector of the Indian-Chinese border, 640 kilometres in length, extends from the tri-junction of west Nepal, Tibet and India to the south-eastern corner of Indian held Jammu and Kashmir. The frontier between Tibet and Uttar Pradesh is also the watershed between the rivers Sutlej on the one hand, and the Ganga (the Kali, Alakanada and Jadhong) on the other. The high Himalayan range with passes at a height of about 17,000 feet lies 40 kilometres south of the watershed. The Chinese confess that the border line runs along the Himalayas in this sector and asserts that in this sector the disputed area is little over 2,000 square kilometres. The Nilang-Jadhang, Bara Hoti, Laphal and Sangcha Malla areas are claimed by the Chinese as part of Tibet while, by contrast, the Indians claim those are situated on their side of the watershed.²¹ It should be remembered that the article IV of the Sino-Indian Treaty of 1954 recognized the existence of certain passes like, the Shipki, Manas, Niti, Kungri-Bingri, Darma, and Lipu-Lekh.²²

China claims that apart from long ago inheriting from British imperialism the encroachment on Sang and Tsungsha, India [has] further

20. D. K. Banerjee Lt. Col., *Sino-Indian Border Dispute* (Intellectual House, New Delhi, 1985), p. 46; See also, T. S. Murty, *India-China Boundary: India's Options* (ABC Publishing House, New Delhi, 1987); T. S. Murty, *Paths of Peace: Studies on the Sino-Indian Border Dispute*, (ABC Publishing House, New Delhi, 1983).

21. The Nilang-Jadhang area is a 65 square miles area north of the Himalayan range but south of the watershed. Bara Hoti is a small area of about 1.5 square mile lying between the highest range of the Himalayas and its main watershed. Laphal and Sangcha Malla are southeast of Bara Hoti.

22. D. K. Banerjee Lt. Col. *op. cit.*, p. 47.

encroached on Chuva, Chuje, Shipki pass, Puling Samdo, Sangcha and Laphal after 1954.²³ The Chinese believe that though the boundary in the Central Sector is relatively close to the delineations on the Chinese map as given in some previous understandings, a number of areas which have always belonged to China were included in India. At a later stage when China and India signed a trade agreement in 1954, the Chinese unofficially allowed traders and pilgrims to travel through certain passes. It is believed that the question of ownership of the passes was left to be decided at a later stage by the two sides.²⁴

iii) Western Sector

The boundary between the Indian-held Kashmir and the Chinese provinces of Sinkiang and Tibet is known as the Western Sector which comprises 1,600 kilometres. The Chinese claim that border in this sector follows the Karakoram range, while the Indians claim it follows the Kuenlun range. Moreover, the Indians point out that it was only "during the 1960 talks, [that] the Chinese categorically asserted that Aksai Chin, Lingzi Tang and Chang Chemo valley lying north of the Karakoram range and south of the Kuenlun, had always formed part of Sinkiang."²⁵ India thinks that China has outmanoeuvred it by secretly building a road through Aksai Chin (from Yarkand to Gartok) as a link between Sinkiang and Tibet. To elaborate the Indian position, Nehru said in Rajya Sabha on August 31, 1959 that "the Aksai Chin area has a general elevation of 17,000 ft. The entire Ladakh area including Aksai Chin became a part of the Jammu and Kashmir state as a result of a treaty signed in 1842 on behalf of Maharaja Ulab Gulab Singh on the one side and Lama Guru Sahib of Lhasa [on the other]."²⁶ As a result, the Indians claim that "China is in occupation of 38,000 square kilometres in the Kashmir sector in the West [Aksai Chin]."²⁷

23. *The Sino-Indian Boundary Question, op. cit.*, p. 13.

24. Neville Maxwell, *India's China War*, (Pelican Books, Harmondsworth, 1972), p. 78.

25. D. K. Banerjee Lt. Col. *op. cit.*, p. 54.

26. Sahdev Vohra, "Nehru and Aksai-Chin," *Mainstream* (New Delhi), January 10, 1987.

27. *Holiday* (Dhaka), September 12, 1986.

The Chinese, on the other hand, do not consider Aksai Chin as Indian territory. They argue that the area had always belonged to them. In addition the Chinese allege that India had established a total of 43 strong points encroaching on Chinese territory in the western sector of the border.²⁸

Unmistakably, the existing territorial problems between China and India were the core issues that remained at the heart of their relations. By any standard, they act like a barometre of political pressures between the two. Seen through the prism of India, territorial problems remained central to any normalization of relations between them. Consequently, even following the restoration of the ties, little progress was achieved in their bilateral relations. A qualitative change in India's line of policy *vis-a-vis* China on territorial problems was brought about by the Indian side when the Indian government stopped linking the territorial issues as a precondition to have any dialogue with Beijing following the Rajiv Gandhi's December 1988 visit to China. This change in approach, however, does not imply downplaying the gravity of the territorial problems, for any full-blown relationship between India and China calls for a satisfactory solution to the existing territorial problems between them. Understandably, the existing territorial problems, unless judiciously and pragmatically handled, may, any time, cloud their bilateral relations.

II. FACTORS THAT LED TO THE NORMALIZATION OF RELATIONS

How a state perceives another state is a crucial factor in international relations, for image-perception is an important variable which helps a state to formulate its foreign policy. The preceding discussion, among others, shows that India's perceptions about China were based on faulty assumptions. When India could realize its flawed assumptions about China, conflict arose between them. Now that these two powers have mended their fences, does it mean that there has come decisive changes in their mutual image-perceptions? This section attempts to answer this question.

²⁸ *The Sino-Indian Boundary Question, op. cit.*, p. 21.

a) Changes in perceptions

In the early sixties, Liu Shao Chi was said to have enunciated a policy of 'three reconciliations and one reduction' - reconciliation with imperialism, revisionism and reactionaries and reduction of support to revolutionary movements. Deng Xiaoping eventually tailored the Chinese foreign policy toward that direction.

Following Deng's adoption of this line of policy, one may note that significant qualitative changes have occurred not only in the mutual perceptions of these two giants but also in respective self-image.

Since then the Chinese perception of Indian state underwent changes in three stages.²⁹ In the fifties and sixties the Chinese treated India as a pseudo-independent state. In the seventies too, the Indian state was not perceived as the Indian state *per se*, rather as a bourgeois state [a running dog of imperialism and the like]. In the eighties, India was accorded the Chinese recognition as an independent decision-making centre. In addition, China accepted the fact that India was not dependent on any big power. This change in perception about India was a sharp departure from the earlier line of policy on the part of China. This influenced their bilateral relations positively by creating an atmosphere for a dialogue to normalize their relations.

By contrast, New Delhi's perception of Beijing is not based on the Chinese assumptions; rather, it is based on the black and white perception of a friend or enemy.³⁰ On the basis of this perception, one may note that the early fifties were marked by an euphoria of Sino-Indian friendship--a perception which went through changes in subsequent years and eventually a negative perception about China replaced the positive one when India began to see China through the lense of hostility. It was the period when India viewed China as a partner of Washington-Islamabad axis. New Delhi deemed that the axis was aimed at encircling it and containing its influence in the region.

29. "Proceedings of the Seminar on Search for a China Policy." mimeographed, School of International Studies, Jawaharlal Nehru University. (New Delhi, January, 1989), pp. 52- 53.

30. *Ibid.*

According to an Indian analyst, both these perceptions were unrealistic, despite the fact that both denote the recognition of Chinese power.³¹ He opines that during the Nehru era, Sino- Indian relations were related to an international distribution of power. Seen from this perspective, their relations were primarily a function of world politics and secondarily of bilateral relations. In the post-Nehru era, the emphasis was reversed; the relations became primarily the fact of bilateral relations and only secondarily a matter of world politics.³² This reversed trend induced them to engage in an exercise of reassessing their relations. The process of reassessment was further accelerated because of changing pattern of global politics which brought the two superpowers on a common platform of increased understanding and cooperation qualitatively different from their past history. Consequently, the previous pattern of conflictual relations between China and India began losing its relevance. This gave added impetus to gear policies of China and India toward reconciliation and upgrading their relations.

Another notable change in the perception of the Chinese mind that can be deciphered is the conclusion of Deng Xiaoping and his associates that the Sino-Indian confrontation was one among many *dysfunctional* antagonisms and conflicts inherited from the Maoist period that inhibited the rational pursuit of China's national interest. The Chinese leaders have now come to a realization that China has so far accomplished nothing in South Asia.³³ It is argued that its alliance with Pakistan, its inroads in Nepal and Bhutan, its links with Bangladesh and Sri Lanka have not prevented India from asserting its dominant position in the region. The Chinese have also awakened to the realization that China's hostility *vis-a-vis* India, instead of weakening India, has helped New Delhi to transform it into a major conventional military power whose forces deployed along the Himalayan border are likely to be a match for Chinese forces in Tibet.³⁴

31. *Ibid.*, p. 54.

32. *Ibid.*

33. Surjit Mansingh and Steven I Levine, "China and India: Moving Beyond Confrontation." *Problems of Communism*, (Vol. XXXVIII, Nos. 2-3, March-June, 1989), p. 39.

34. *Ibid.*

Indeed such a realization of the Chinese about China's India policy has helped to change its image-perception about India. The official Chinese view since 1980s no longer refers India as a "hegemonic" power in South Asia. This is a very fundamental departure from the earlier line of Chinese foreign policy which used to refer India a hegemonic power in South Asia. This crucial departure on the part of China has been possible due to delinking of its relationship with India from its overall "anti-hegemony" posture by the post-Mao leadership. By the early eighties China abandoned its thesis of "Indian hegemonism" as being a component of "Soviet hegemonism", and accepted India's independent status and role.³⁵ New Delhi, which had been seeking an independent status and role since its inception but which was thwarted by China, now found the Chinese abandonment of its thesis "Indian hegemonism", as a positive sign of basic and fundamental change in China's perception about it. Consequently, India welcomed this change by reciprocating that paved the way toward improved relations between them, which, in turn, aided by changing international environ.

b) Changes in International Environ

One may notice that changing global environment, especially between 1976 and 1988, had its profound impact on Sino-Indian relations in that it greatly contributed to create a climate of cooperation between China and India as it also did in the global and regional levels by signalling the end of the previous pattern of conflictual relations among states.

Following the year 1949, China charted out a line of foreign policy which came to be known as the policy of 'lean-to-one-side' meaning a tilt toward the ex-Soviet Union. In the subsequent years China went through the "Cultural Revolution" which isolated it from the rest of the world.

Following the realization of their past blunders committed and mistakes made during the period of Cultural Revolution, the Chinese leaders enunciated a new policy of alignment in the early seventies, and consequently began developing a sort of working relations with the United

35. Sujit Dutta, "Sino-Indian Relations: Prospects and Trends," *Strategic Analysis*, August 1990, p. 504.

States. The United States, which was regarded as the adversary-number-one in the fifties and sixties, now became a "strategic ally" of China, while the ex-Soviet Union, which was China's number-one-friend in the fifties, now became in the image-perception of China a "social imperialist", a "revisionist", and its chief adversary. This trend in the Chinese foreign policy continued until the 1980s when the Chinese leaders brought about another remarkable shift in Chinese foreign policy. A closer look will, however, reveal that a number of factors inspired the Chinese leaders to change their policies in the eighties and beyond, bringing India and China to come closer to each other.

First, the "Hu Yaobang factor". The rise of Hu Yaobang to power in June 1981 was yet another hallmark of the Chinese foreign policy, for he had inaugurated an "independent foreign policy". Incidentally, China always projected to the world community that what Beijing aspired for was an "independent foreign policy" without de-coupling itself from the Third World. Wang Bignan, a foreign affairs specialist, in a January 1983 radio broadcast noted the distinguished features of the independent foreign policy of China. For example, it was stressed that China does "not dance to any other country's tune,"³⁶ and hence "China is partial to neither side". These changes, in turn, led it to follow an "equi-distance" foreign policy *vis-a-vis* the two superpowers. This independent line of policy was motivated by its claim to enhance its self-image as a Third World power among the Third World countries. How far Beijing has succeeded in attaining this particular objective of its foreign policy calls for a separate analysis. What is apparent is the fact that the adoption of an independent foreign policy led the top brass of the Chinese leaders to modify their long-nourished superpowers' images. Their long-nurtured images that the ex-Soviet Union was a "socialist imperialism" and American capitalism eventually would hear the sound of its death-knell because of its own inherent in-built contradictions

36. As quoted in Sarah-Ann Smith, "China's Third World Policy as a Counterpoint to the First and Second Worlds," in Lillian Craig Harris and *et. al.* (eds.), *China And The Third World: Champion or Challenger?*, (Auburn House Publishing Company, Dover, Massachusetts, 1986), p. 60.

lost its relevance following the adoption of an independent foreign policy. Consequently, since the early eighties, the Chinese decision-makers no longer hold such views about the superpowers. Their changed perceptions are now: the ex- Soviet Union is a socialist power, [until the collapse of socialism in Russia] and American capitalism has markedly proved to be progressive. Such a qualitative shift in the Chinese foreign policy has paved the way for a Sino-Soviet *rapprochement* which had its positive fallout on smoothing the process of Sino-Indian relations in turn.

Second, the "Gorbachev phenomenon". Mikhail Gorbachev's rise to power in Kremlin is a turning point not only for the history of the ex-Soviet Union, but possibly, also, for the history of the post-World War II international relations. However, Gorbachev did not perceive the world politics from the perspective of zero- sum game and the domino theory. As a result of this changed perspective, the global environ became more flexible for increased diplomatic dialogues, cooperation, and understanding between the superpowers on the one hand, and between China and the superpowers on the other. China became successful to influence Moscow to remove "three obstacles" as preconditions for a Sino-Soviet *rapprochement*. These three obstacles included: (a) withdrawal of Soviet forces from Afghanistan, (b) reduction of the level of Soviet troops amassed in Mongolia and border facing China, and (c) making Vietnam agree to withdraw its troops from Kampuchea on acceptable terms by pressuring it to sit for negotiation. It is a turning point for the post World War II international system in the sense that the rise of "Gorbachev factor" and the consequential shifts that have taken place in Moscow's foreign policy following it, and the rise of a new democratic order in the entire East Europe with the demise of communism there along with Gorbachev's advocacy for a "Common House in Europe", have eroded the very *raison detre* of confrontation between two hostile power blocs.

Third, China's changed perception about the superpowers' policy of detente. In the past, China always had reservations about superpowers' agreements on strategic arms control and it would look down upon such

agreements as "collusion" and unequal. Now in the changed context, China has appreciated agreements on arms control between superpowers, and in fact, it has welcomed Intermediate Nuclear Force treaty concluded between the two superpowers. That, in turn, also brought about a corresponding shift in the Chinese foreign policy as a result of which China accepted the fact that the conflictual climate of East-West relations has largely mellowed. The change led the Chinese leaders to replace the Mao's doctrine of "inevitability of war" with cooperation and stability. Thus, the old concept what is good for the world is not necessarily good for China was now replaced by the concept what is good for the world is also good for China too.

Hence, in the eighties a new wave of Cold War that swept the horizon of international relations with a diminishing sign of any resolution of conflicts in Afghanistan, Kampuchea, Nicaragua, South Africa, the Middle East, took a different direction when "Gorbachev factor" decisively changed not only the climate of superpowers' relations but also altered the nature and context of ex-Soviets relationship with West Europe, China, Japan, and the Third World countries. Accords over Afghanistan, Angola, the Gulf, and remarkable progress achieved toward resolution of Kampuchean conflict initiated a new phase of global detente among concerned powers despite the fact that other bones of contention remain unresolved. These radical changes both at global and regional levels brought about improvement in bilateral relations among Washington-Moscow, Moscow-Beijing, New Delhi-Beijing, Beijing-Hanoi, Tokyo-Moscow, Washington-Hanoi, and Western European countries. Such a trend was unprecedented in the post- World War II international system.

The breakdown of the post-1945 international system as a result of the rise of "Gorbachev factor" and the decisive shifts in the Chinese foreign policy, that followed from this phenomenon, rendered the previous contour of India's and China's foreign policies irrelevant.

Sino-Indian relations are no longer hostage to Sino-Soviet hostility as they were in the last years of the Brezhnev era. The normalization of

relations between the ex-Soviet Union and China not only has removed the key external hurdles to Sino-Indian conflict resolution, but actually pushes India in that direction. While Gorbachev has taken pains to reassure Gandhi that the Soviet Union remains a reliable friend of India--and there is no reason to doubt that this assurance has been backed up in concrete terms³⁷ he has also openly encouraged New Delhi to improve its relations with Beijing. During his November 1988 visit to India, for instance, the Soviet leader referred explicitly to the common interests of the three states.³⁸ Thus, an accommodation between them became the order of the day, which naturally led both China and India to compromise on mutually acceptable issues to foster and upgrade their bilateral ties in the changed context.

c) Economic factor

The preceding analysis raises a significant query: If, putting aside the territorial issue, India and China are to upgrade their ties, then which one is the most substantive area where relations can flower? Answer appears to be the economic front. For sure, nowadays it is an acceptable fact that economic cooperation builds the most durable ties among nations. Evidently, being bogged down with the territorial problems, one often becomes oblivious of the economic dimension of Sino-Indian relations.

Given the current domestic and international environs, the most pragmatic course for India and China is to adopt the interdependency and not the non-dependency approach towards each other. In the changed context of global politics both seem to have accepted this fact. China is today pursuing its policy of *kaifang* (open door) inviting multinationals for joint collaboration on a large-scale. It will be to the mutual economic benefit for both India and China to invite multinationals from each other country to establish joint collaboration to their respective countries. Given the geographical proximity the two countries enjoy, the involvement of cost

37. See, Dilip Mukerjee, "India and the Soviet Union," *The Washington Quarterly* (Washington D. C., Spring 1986), pp. 109- 22.

38. *Far Eastern Economic Review*, December 1, 1988, p. 38.

in establishing joint collaboration will be less. In addition, the availability of cheap labour in both countries is a positive factor to establish joint collaboration. A joint India-China venture for the extraction and processing of bauxite in Orissa was initiated in August 1992, the first of its kind. Work is proceeding on it, and plans for a similar joint venture in steel production and coal mining are under discussion. They are a clear indication that despite numerous problems, India and China have recognized the economic factor as an important variable to upgrade their overall ties.

Added to the preceding analysis, trade, which boosts the economic cooperation between the countries, merits some highlights. Although the conventional studies on Sino-Indian trade relations highlight the competitive and conflict elements in their trade, opinion divides among the Indian scholars. Refuting the allegation, an Indian scholar has argued that a comparison of the direction of India's exports with that of China and also of the respective commodity composition of Sino-Indian exports would reveal that the conflict element in their trade is minimal.³⁹ One may argue that it is a significant revelation which might have given a strong economic incentive to both India and China to improve their economic relations further. Progress made in Sino-Indian trade and economic cooperation indicates that both sides reckon this factor as important in order to solidify their economic ties.

III. PROGRESS

Since the normalization of diplomatic relations between China and India in 1976 at ambassadorial level, both countries held as many as eight rounds of talks on territorial problems. Furthermore, seven ministerial meetings on territorial problems also took place following the establishment of Joint Working Committee (JWC) in the wake of Rajiv's visit to China in December 1988. Following these talks and meetings what trends and progress one can observe between the two countries' bilateral relations?

39. For details, Shri Prakash, "Economic Dimensions of the Sino-Indian Relationship", *Occasional Paper Series*, Serial No. 2, 1993, Jamia Millia Islamia, Academy of Third World Studies, Jamianagar, New Delhi, pp. 5-39.

A thorough screening of Sino-Indian relations during the period 1976-85 will show, that although sporadic efforts were made by both countries to improve their bilateral relations, their relations had not gathered enough momentum.

Relations between the two received a setback during 1986-87. On June 2, 1986, the Chinese Vice Foreign Minister in a 90-minute interview asserted that "the eastern sector is the biggest dispute area and key to the overall solution."⁴⁰ He hinted that a mutual re-adjustment and concessions could lead to a settlement in this sector. New Delhi was particularly very critical about the word "concessions" and therefore, construed it to be a "twist" on the Chinese part who meant by this "to jolt the Indian side to prepare itself psychologically to make concessions."⁴¹

Relations received further setback following the Sumdorong Chu vally incident. India alleged that the Chinese troops had intruded into Indian territory of Arunachal Pradesh at Sumdorong Chu valley in mid June 1986. Naturally enough, progress if any, was impossible due to the prevalent uncongenial atmosphere. A marked deterioration in their bilateral relations was evident following the incident. Indian Minister of State for External Affairs, K. P. Narayanan alleged in the Rajya Sabha on August 6, 1986, that the Chinese had intruded in Indian territory and had built a helipad.⁴² This, of course, was not acknowledged by China. Rather, it accused New Delhi for violating the line of actual control(LAC). Because of the incident their border talks experienced a nosedive. This clearly exposed the very fragile nature of their normalization process. No untoward incident, however, further took place because of timely diffusion of tension by the both sides. Rajiv Gandhi maintained in the Parliament that China was not thinking in terms of attacking India: "I do not think there is a China-Pakistan-US axis against [India] ... we must overcome the phobia about Sino-Pakistan collusion."⁴³ The Chinese Vice-Premier during his visit to

40. Suner Kaul, "Eastern Sector is Biggest Dispute: China," *The Indian Express* (New Delhi), June 3, 1986.

41. Cecil Victor, "Sino-Indian Border—New Twist," *The Patriot* (New Delhi), June 10, 1986.

42. Kashi Ram Sharma, "What are the Chinese upto?," *The Hindustan Times* (New Delhi), September 15, 1986.

43. *The Times of India* (New Delhi), June 18, 1987.

Calcutta denied rumours about the massing of Chinese troops in the border region and gave assurances that there was no need for any apprehension about possible untoward incidents.⁴⁴ The Indian External Affairs Minister, N. D. Tiwari's stopover in Beijing on his way back from a Non-aligned Foreign Ministers' Conference on South-South cooperation on 9 June, 1987 in Pyongyang, was a wise attempt on India's part. His timely stopover gave India an opportunity to suggest China that since the pending settlement of the territorial problems would take time, bilateral relations in other fields should be expanded. This led them to hold the eight round of talks in New Delhi in November 1987.

But Rajiv's visit to China in 1988 opened a new horizon in Sino-Indian relations, thereby creating avenues to overcome existing problems of the past decades between the two countries. The joint press communique that was issued⁴⁵ at the conclusion of Gandhi's visit demonstrated that both sides discarded their old positions and agreed to other's central demands. While India had accepted China's suggestion that friendly bilateral relations could be expanded through a range of exchanges without linking them with the territorial problems, China had agreed to a time-frame for reaching a fair and reasonable settlement of the territorial problems through peaceful and mutually acceptable means.

During Rajiv Gandhi's visit, the two governments signed two agreements. One on cooperation in the field of Science and Technology, and the other relating to Civil Air Transport and the Executive Programme for the years 1988, 1989, and 1990. Now, a direct air link between Beijing and New Delhi has been set up and direct dial telephone facilities between major cities of the two countries have been established. The agreements⁴⁶ that both sides concluded were classified into nine specific sections: i) Culture and

44. G. W. Chowdhury, "China's Policy Toward South Asia," *Asian Perspectives*, (Vol. 14. No. 2. Fall-Winter 1990), p. 151.

45. Prime Minister Rajiv Gandhi, "India-China Joint Press Communique," *Statements on Foreign Policy* (External Publicity Division, Ministry of External Affairs, New Delhi, October-December 1989), pp. 62-64.

46. "India-China Cultural Exchange Programme," Office Memorandum, Department of Culture, ICR Division (Ministry of Human Resource Development, New Delhi, 1989), pp. 2-6.

Arts; ii) Cultural Heritage and Archaeology; iii) Education; iv) Broadcasting; v) Films and Television; vi) Press; vii) Books and Publications; viii) Sports; and xi) Social Sciences. As part of the current programme, a three-member Chinese delegation led by Li Zhenli, Deputy Division of Chief of Overseas Studies, paid a visit to different universities and academic institutions of India in October 1990. The delegation announced that the number of Chinese students who come to India every year would be increased from twelve to fifteen. China also sent the Nanchang Puppet Troupe of Sichuang to take part in the India International Puppetry Festival held in September 1990. During the same year, China also sent the Guangdong Modern Dance Troupe to participate in India's International Dance Festival in December 1990.⁴⁷

The six-day official visit to China in February 1991 by the Indian Foreign Minister, V. C. Shukla, of Chandra Sekhar's government, was another important step to further improve the bilateral relations between China and India. He had talks with, amongst others, his Chinese counterpart, Qian Qichen, and the Chinese Premier, Li Peng. During the talks of February 2, the two countries agreed to resume border trade which had been cut off since the India-China war of 1962. The Foreign Minister's visit was immediately followed by another official visit of the Indian Commerce Minister, Dr. Subramanian Swamy. At the concluding day of the visit, the Indian Commerce Minister and the Chinese Minister of Foreign Economic Relations and Trade, Li Lanqing, signed a protocol on the opening of Garbyang, an Indian town near Uttar Pradesh-Tibet border, as a new transit point for Sino- Indian border trade.⁴⁸ Both sides further agreed to open consulates in Bombay and Shanghai, and to initiate another round

47. Fuller information is available in the two publications brought out by Veena Sikri Director General, Indian Council for Cultural Relations in collaboration with the Sangeet Natak Akademi, New Delhi, namely, *Indian International Puppetry Festival*, September 1990 and *Indian International Dance Festival*, December 1990.

48. *Keesing's: Record of World Events 1991* (Vol. 37, No. 2 January-December) Longman, London, p. 38006. A substance of the Chandra Sekhar government's China policy can be seen from Chandra Sekhar's interview with Ravi Vellor, *Asiaweek*, February 8, 1991, p. 47.

of meetings of the JWC on the territorial problems, before June 1991. However, India acquired in the Commerce Minister's words, "the China option for petroleum product imports." With the exchange of the draft agreement on border trade, the Indian Commerce Minister told Indian journalists that "one more remnant of 1962 has been removed."⁴⁹ He also expressed the hope that the trade between India and China could be increased from the current annual value of 150 US million dollars to 1 billion US dollars within three to four years.⁵⁰

Another breakthrough was achieved in Sino-Indian relations with the six-day official visit to India by the Chinese Prime Minister Li Peng after long interval of 31 years. During the first round of talks the Prime Ministers of the two countries, Li Peng and P. V. Narasimha Rao reiterated that border issue would not hamper Sino-Indian relations. It is interesting to note that at the end of Rajiv Gandhi's 1988 China visit, the two countries had issued only a joint press statement but at the end of Li Peng's December 1991 India visit, both sides upgraded the status of the document.⁵¹ The highlights of the visits were the signing of three agreements between the two countries. First, the trade protocol was signed by the Indian Commerce Minister, P. Chidambaram and his counterpart, Li Lanqing, Minister of Foreign Trade and Economic Relations.

Second, signing of an agreement to reopen consulates at Bombay and Shanghai. The agreement was signed by the Indian Foreign Minister, Madhavsingh Solanki and his Chinese counterpart, Qian Qichen.

Third, signing of a memorandum of understanding for bilateral cooperation in space research and technology. This was signed by Professor U. R. Rao, Chairman, Space Commission of India and Liu Jiyuan, China's Vice-Minister for aerospace.

49. "China Agrees to Supply Oil, *The Statesman* (New Delhi), February 7, 1991, p. 7.

50. For more information see, "Swamy hopes for \$1 billion India-China trade," *The Economic Times* (New Delhi), February 6, 1991, p. 7, and "India, China to diversify Trade, *The Statesman* (New Delhi), February 9, 1991, p. 6. Also see, *Keesing's: Record of World Events 1991 op. cit.*, p. 38683.

51. *The Times of India*, (New Delhi), December 13, 1991.

A welcome feature of the trade protocol signed between the two countries during Li Peng's visit was that both sides agreed to encourage direct trade between them.⁵² Furthermore, they also agreed to promote exchange of delegations in specific areas and encourage their traders and trading organizations to promote bilateral trade through various forms of trade and cooperation.⁵³ Another feature of the trade protocol was the fixation of new trade areas. It was agreed by both sides that border trade would be established at Pulan in the Tibet autonomous region of China and Gunji in the Pithoragarh district of Uttar Pradesh.⁵⁴

Table-1 and the subsequent discussion show in brief the trade and economic cooperation between India and China.

Table-1
Sino-Indian Trade
(Value in Rs. Million)

Year	India's Exports to China	India's Imports from China	Total Trade turnover	Balance of trade in India's favour
1977-78	19.3	6.3	25.6	+ 13.0
1978-79	241.9	11.7	253.6	+ 230.2
1979-80	204.3	261.9	466.2	- 576
1980-81	236.3	819.9	1056.2	- 5836
1981-82	526.8	782.6	1309.4	- 2558
1982-83	121.6	1050.2	1171.8	- 9286
1983-84	57.2	757.9	815.1	- 7007
1984-85	63.3	665.5	728.8	- 6022
1985-86	292	1419.6	1711.6	- 1127.6
1986-87	143.3	1733.4	1876.7	- 590.1
1987-88	337.3	1593.1	1930.4	- 1255.8
1988-89	644	1324	1969	- 679
1989-90	391	658	1049	- 267
1990-91	327	556	663	- 229
1991-92	1162	526	1688	+ 636
April - August 1992	934	708	1642	+ 226

Source : DGCI&S, Calcutta, adapted from Shri Prakash, *op. cit.*, pp. 36-37.

52. *Ibid.* December 14, 1991.

53. *Ibid.*

54. *Ibid.*

If we analyse the data tabulated in Table-1, we find that during the 1980s there has been a substantial increase in the value and hence volume of Sino-Indian trade. Taking five yearly periods we get the following comparative results

	Period	Average Annual Value of Sino-Indian Trade (Rs. Million.)	% +/- Compared to previous period
1)	1977/78 to 1981/82	622.2	—
2)	1981/82 to 1984/85	1016.2	+ 63.3%
3)	1985/86 to 1989/90	1707.3	+ 68%
4)	1987/88 to 1991/92	1504	- 12%

Compared with the 5 years between 1977 and 1981 there has been a rise of almost 300% in the value of Sino-Indian trade during the period 1985 to 1990. Although there has been a marginal decline in the two years after 1990, still the average annual value of Sino-Indian trade during 1987/88 till 1991/92 was 142% more than it was during 1977/78 to 1981/82. It has also to be noted, that except in 1991-92 during the entire period after 1979-80 India had a substantial deficit each year in its trade with China. Subject to fluctuations, India's imports have grown at a fast rate particularly since 1985/86 while the rate of growth of export has been both slower and unstable. It is obvious that India needs to make a greater effort at increasing its exports to China.

At present the range of goods which are being traded between India and China is quite limited. The major item of exports from India are iron ore, chrome ore, other unmanufactured and processed minerals, engineering goods, oil seeds, tobacco, dyes/intermediaries etc. India's imports from China mainly are raw silk, cooking coal, crude minerals, organic and inorganic chemicals, textile yarns, fabrics and made up articles, pearls, precious and semi precious stones, pulses, and electrical machinery. Considering the decline in the value of Sino-Indian trade for the last three years, China and India have taken several steps to try and increase their trade with each other as well as other forms of economic cooperation.

The Annual Trade protocol signed by India and China in Beijing on 4/5 January 1993 has expanded the list of commodities to be sold between India and China. The items to be exported from India to China in 1993 include 1.3 to 1.8 million tons of iron ore, 85000-120,000 tons of Chrome ore, tobacco, soybean deoiled cakes, tea worth US dollar 0.5 - 1 million, coffee beans, cotton, rice, spices, bulk drugs/drug intermediates and other pharmaceuticals, oil field chemicals, dyes and dye intermediates, agro-chemicals including pesticides, chemical fibre, power generation equipment including boilers, wire ropes, track equipment machinery, signalling equipment and spare parts for railway rolling stock, oil field equipment, electronic components and computer software, textile machinery transportation systems such as commercial vehicles, instruments including process control equipments, telecommunication equipment, other engineering products like pharmaceutical machinery, pollution control equipment, automobile components, photocopiers, plywood, jewels and processed diamonds, synthetic fibre and yarn. The 1993 Trade Protocol has also increased the number of commodities which India will import from China. These now include 2000-2500 tons of raw silk, US dollar 5-6 million worth of pulses, spices and resin, light industrial products, stationary, metals and minerals like mercury and antimony, 100,000 tons of cooking coal, chemicals, dyestuffs, about US dollars 4-5 million worth of petroleum and petro-chemical products, tyres and tubes, US dollar 4 million worth fresh water cultivated pearls, engineering products including power station and oil drilling equipment, some pharmaceuticals, pig iron and newsprint.

Another notable aspect of Peng's visit was that it was during his India visit that the Prime Ministers of both the countries took a meaningful step towards developing a dependable mechanism to facilitate confidence-building.⁵⁵ Prime Ministers of both the countries agreed to invest the JWC at the level of foreign secretaries with more responsibilities. Under these, the JWC was given power to review and initiate proposals for solving the

55. *Ibid.*

border issue. This marked the beginning of a serious exercise in preparing the ground for narrowing down the difference on the border issue.⁵⁶ The role of the JWC, however, has been redefined by the two Prime Ministers, and the two foreign secretaries are being advised to seek a political directive, if and when they get stuck on any matter.⁵⁷ A new feature of the redefined JWC was the role given to the army commanders who would meet often to firm up peace on the border. It was agreed by both sides that in carrying out Sino-Indian border talks, the JWC would play the key role.⁵⁸

On the whole, expressing happiness that both countries were engaged in removing differences, Li Peng stated that they had taken "a major step in the right direction."⁵⁹

Another important landmark of the two countries' bilateral relations is the Indian Prime Minister Rao's four-day visit to China in September 1993, which gave a fillip to further upgrade their relations. During the visit four agreements were signed between India and China.

The first agreement, which is considered a landmark by the both sides and which was signed on 7 September, 1993, is related to border issue of the two countries. The major agreements, related to border issue, were the following:

- Accord on the Maintenance of Peace and Tranquility along the Line of Actual Control (LAC) at the Rao-Li summit in September 1993, and the setting up in December of the expert group--comprising experts from the military and the Foreign Ministry--under the aegis of the JWC to complete the task of full delineation of the LAC;
- agreement to settle the territorial problem peacefully and not to change the present *status quo* or the line of actual control;
- regular meetings between military commanders near Bumla in the Eastern sector, and Spanggur in the Western sector in June and October every year;

56. *Ibid.*

57. *Ibid.*

58. *Ibid.*

59. *Ibid.* and also December 16, 1991.

- direct telephone links between the two sides at these two points;
- talks to draw up principles under which troop cutbacks could be made along the border areas;
- talks on an agreement to inform each other on all significant military exercises in the two sectors;⁶⁰

The second agreement was related to trade. Under the agreement both sides agreed to open up more border trade points. The third agreement was related to broadcast and television cooperation, and the fourth one was related to environmental cooperation.

The Chinese English weekly *Beijing Review* commented that: "the relationship between China and India, the world's two most populous nations, has been pushed to a higher stage following the signing of four agreements."⁶¹

Furthermore, in November 1993, the Chinese Ministry of Culture and the Indian Ministry of Human Resource Development (MHRD) jointly signed a protocol in Beijing on holding the Indian Cultural Festival in China. Accordingly, since May 1994, the curtain has lifted on the two-month [first such a large-scale foreign cultural festival] Indian Cultural Festival in the cities of Beijing, Tianjin, Nanjing, Shanghai, Yangzhou, Wuxi, Suzhou, Guangzhou, Kunming, Chengdu, Xian, Harbin, Daqing, Changchun, Qiqihar, and Dalian. Seven Indian groups with 130 members, including a government cultural delegation have participated in the festival. It is worth reflecting the comments made in this regard by the *Beijing Review*: "Broad and age-old Sino-Indian cultural exchanges have seen a new boom over recent years. The Indian Cultural Festival, starting in China this May, [1994] sets a new milestone in the saga of cultural links between China and India."⁶²

60. Sujit Dutta, "India-China Relations in the Post-Cold War Era," *Strategic Analysis* (Vol. XVI, No.11, February 1994), p. 1425; Calling the September 1993 agreement between India and China a landmark agreement, an Indian analyst further argued that the Agreement was the first major conventional arms control agreement between two Asian states without any role played by third countries. For details see, Jasit Singh, "Future of Sino- Indian Relations," *Strategic Analysis* (Vol.XVI, No.12, March 1994), p. 1515.

61. *Beijing Review*, September 20-26, 1993, p. 6.

62. Feng Jing, "Sino-Indian Cultural Exchange Thrives," in *Ibid.*, July, 4-10, 1994, p. 13.

IV. PROSPECTS

A critical scrutiny of the prospects of Sino-Indian relations may help one to reveal that there are elements of both optimism and pessimism regarding the same.

Judged from the realities of the nineties, one may be tempted to sound more optimistic than pessimistic about the prospects of Sino-Indian relations. Two important variables: a) changes in their mutual perceptions, and b) changes in international environs that led them to accelerate their normalization process are strong positive elements that make one optimistic about the prospects of Sino-Indian relations. Now there has come a qualitative shift in Chinese policy *vis-a-vis* the smaller countries of South Asia, a shift which has, in turn, heightened the prospects of their bilateral relations.

China, which used to club together the smaller countries of the region to contain India's influence in the region, has now counselled the smaller countries of the region to settle the contentious issues with New Delhi bilaterally and peacefully. Because of this shift in Beijing's policy, it has refrained both from indulging in anti-New Delhi propaganda and has also refrained from capitalizing on endemic conflicts with India's smaller neighbouring countries to offset India's influence in the region. Earlier, before these shifts in China's policy towards the region, it had repeatedly warned New Delhi that any intervention in Nepal would be regarded as *casus belli* by China.⁶³ When the crisis actually erupted, the Chinese government adopted rather a cautious policy and, it did not come to support Nepal as was possibly expected by Kathmandu. Instead what Nepal received from China was the counselling of Premier Li Peng to resolve the contentious issues with New Delhi peacefully and amicably. China also made sure that there was no second convoy of Chinese trucks carrying arms and weapons to Nepal.⁶⁴

63. Noor A. Husain, "Indian Regional Foreign Policy: Strategic and Security Dimensions." *Strategic Studies*, (Vol. VIII, No. 1, Autumn 1984), p. 48

64. A. K. M. Abdus Sabur "Changing Global Scenario—Implications for Inter-State Relations in South Asia." Paper presented at a Seminar, "The Changing Global Scenario: Challenges and Opportunities for Bangladesh", BISS, Dhaka, June 10, 1989, p. 16.

Likewise, China showed its unwillingness to make any formulation hostile to India on the issue of India-Sri Lanka accord when Sri Lankan President Premadasa visited China.⁶⁵ Even about Pakistan and Afghanistan, China did not adopt any policy that might hurt India's sentiments. On the contrary, on Siachin Glacier issue, Chinese media had either maintained a studied silence or expressed the hope that both New Delhi and Islamabad would settle the score bilaterally and peacefully. Similarly, China made it clear that Bangladesh could not expect Chinese support on the river waters issue when ex-President of Bangladesh, Ershad visited China in March 1989.⁶⁶

Plainly, the instances, cited above, give emphatic pointers that China wants to keep its fingers off from the contentious issues between India and its smaller neighbouring countries. Thus, China will not risk favouring the smaller neighbouring countries of India at the cost of Beijing's relations with New Delhi, which will jeopardize its relations with India. These are the positive elements that make one feel optimistic about the prospects of Sino-Indian relations.

By contrast, the negative element that is likely to impede the prospects of their relations include the territorial problems. In the context of the changed circumstances, still the territorial problems remain a key variable which is likely to affect the momentum of their relations as it did in 1987 on the issues of Sumdorong Chu valley and the statehood to Arunachal Pradesh. Happy trend is that China has accepted India's declaration of Arunachal Pradesh as New Delhi's dominion following the negotiations despite the fact that it had disturbed their fifth round of border talks. The continuation of further rounds of talks demonstrates that both sides have developed crisis management process to resolve the knotty issues. That does not, however, imply that in near future incidents of this kind would not erupt thereby, affecting their relations.

65. *The Times of India (New Delhi)*, January 5, 1989, p. 4.

66. *Ibid.*,

It is worth mentioning that despite the process of normalization between India and China had begun even much earlier compared to the normalization process started between the ex-Soviet Union and China, India and China could not come to an agreement about territorial issues. By contrast, the ex-Soviet Union and China have signed an agreement on the eastern sector of their border issue. Significantly, the eight rounds of border talks and the seven rounds of JWC meetings between China and India could not show any sign of optimism about resolving the territorial problems between the two countries. While the Chinese side is willing to accept the legal validity of the MacMahon line in the Eastern Sector provided India surrenders the Aksai Chin area in the Western Sector to China, the Indian side so far has remained as rigid and inflexible as it had been on the issue following the 1962 war. Should one make a critical scrutiny about the Indian government's attitude, it would testify that despite the recent shifts in Chinese policy, India's policy has remained anchored at the Nehruvian plank. It appears that the way Nehru conceived India's China policy, the successive Indian governments, in the aftermath of the Nehru government, have conceived India's China policy from the same framework. The following quote from Nehru reflects the very framework used by Nehru to formulate India's China policy:

I have always thought that it is important, even essential, that these two countries of Asia, India and China, should have friendly and, as far as possible, cooperative relations. It would be a tragedy not only for India, and possibly for China, but for Asia and the whole world, if they develop some kind of permanent hostility. . . . Friendship cannot exist between the weak and the strong, between a country that is trying to bully and the other which agrees to be bullied. It is only when people are more or less equal and when they respect each other, that they can be friends. That is true of nations also. We did work for the friendship of India and China despite all that has happened and is happening, we shall continue to work for it. That does not mean that we should surrender anything that we consider right and that we should hand over bits of territory to China to please them. That is not the way to be friends with anybody or to maintain our dignity or self respect.⁶⁷

67. Jawaharlal Nehru, *India's Foreign Policy* (New Delhi, 1974). p. 344.

What the above citation clearly shows is Nehru's approach-- 'combining firmness with flexibility, restraint with accommodation' *vis-a-vis* China. Following the Nehru government, the successive governments of India appear to have followed the same approach and thus have not risked to come out of the Neruhvian plank of policy. Hence, competition and rivalry will continue between these two Asian giants as far as the leadership of Asia is concerned, thereby affecting the prospects of Sino- Indian relations.

The nuclear issue is still another sticking point. It has two dimensions: bilateral and multilateral.

Viewed from the bilateral dimension, the China factor weighs heavily on Indian security considerations. New Delhi's own nuclear development owes a great deal to the imbalance in the Sino-Indian nuclear capability and the perceived threat posed by the Sino-Pak military ties. India is very much willing to discuss nuclear disarmament questions bilaterally with China. Beijing, by contrast, holds the view that its nuclear programme is not for discussion with non-nuclear weapon powers. "Given this continued inflexibility in China's position," argues an Indian strategic analyst, "India has to keep an open mind and retain its options. Indeed its vital security concerns can accept nothing else."⁶⁸

Seen from the multilateral dimension, one sees that India is quite sensitive to China's increased cooperation with Pakistan on Islamabad's nuclear plant. During Peng's December 1991 India visit, discussions took place between the foreign ministers of the two countries, Qian Qichen and Madhavsingh Solanki, on issues like the nuclear non-proliferation treaty (NPT) and nuclear-weapons-free zone (NWFZ) in South Asia. They became the burning topics in the wake of Pakistan's proposal to declare South Asia a NWFZ. New Delhi has scoffed at on both NPT and NWFZ issues consistently and vehemently thus far. But, China keeps supporting the idea of NWFZ in South Asia. To India, the idea of NWFZ in South Asia and its endorsement by China is a clever ploy to perpetuate Chinese nuclear

68. D. Banerjee, "Meaning of China's 40th Nuclear Test," *The Times of India* (New Delhi), June 17, 1994, p. 6.

monopoly in the region aiming at denying the nuclear option to India. New Delhi opposes a NWFZ in South Asia simply because it would place restraints on its own nuclear programme. Furthermore, the strong evidence of Pakistan's continued efforts to acquire nuclear weapons capability allegedly with China's help, further exacerbates tension and mutual distrust between India and China. The Indian defense planners argue that Pakistan's desire to get an extended deterrence from China further complicates the security climate of the region.⁶⁹

It is worth noting that in the Indian news media it is reported following Peng's 1991 visit to India, that Pakistan and China will sign an agreement in Beijing on December 31, 1991 under which China will supply Pakistan a nuclear plant of 300 megawatt and will also provide nuclear technology.⁷⁰ Later, Nawaz Sharif, the then Prime Minister of Pakistan, in an interview with Jean Pierre Clerc, special correspondent of *Le Monde*, confirmed the signing of the agreement between Pakistan and India.⁷¹ Arguably, it was very much against the interests of New Delhi which had always been unhappy on this issue. Furthermore, the sale of M-11 ballistic missiles to Pakistan has generated grave concern for India which views this move of China as a further step to proliferate nuclear weapons in the region. The acts of Beijing show that it remains committed to its policy to provide Pakistan nuclear facilities at the cost of New Delhi's displeasure.

Patently, there exists a strategic asymmetry between the two, and as long as it exists, it is likely to cloud Sino-Indian relations negatively affecting the prospects of their relations.

Another sticking point that merits attention is Tibet. India had accepted the Chinese authority over the region since Nehru's premiership--a line of

69. R. R. Subramanian, "The Nuclear Factor in South Asian Security," *Strategic Analysis*, (Vol. VIII, No. 9, December, 1984), pp. 823-33.

70. See, *The Sunday Times* (New Delhi), December 29, 1991, p. 1; and *Ibid.*, December 15, 1991, p. 1. It is worth noting here that a recent hot topic between India and China is China's known transfer of intermediate range ballistic missiles (IRBMs) to Saudi Arabia and Pakistan in the eighties, with probable transfer of long-range missile technology to Pakistan and others in West Asia. For details see, Surjit Mansingh, "Sino-Pak Ties May Benefit India," in *The Times of India* (New Delhi), December 13, 1991, p. 8.

71. *Dawn* (Karachi), January, 1992.

policy from which New Delhi has not deviated thus far. And during the late Rajiv Gandhi's December 1988 China visit and the Chinese Premier Li Peng's return visit to India on December 12, 1991, the Indian government has reaffirmed its stance on the Tibet issue in the joint communique signed between India and China.⁷² But this has not removed Chinese worries. Although China has more or less managed to keep the lid in Tibet, the possibility of a more powerful manifestation of Tibetan national sentiment cannot be ruled out. The Chinese fear such an upsurge could generate a wave of popular sympathy in India, particularly if Beijing feels compelled to use force on a wide scale to maintain its control. China realizes this would create a dilemma for the Indian government which has already been criticized by Tibetan groups in India, as well as by opposition parties, for exhibiting a callous indifference to the principle of freedom and human rights in its pursuit of the power game with China.⁷³ Opposition forces have also criticized Rao's stance on Tibet asserting that the Indian government has "given away too much" during the talks with the Chinese Premier Li Peng, on issues like Tibet and Kashmir.⁷⁴

Finally, there is a structural constraint which may slow down the pace of Sino-Indian relations. This seems more true in case of India than China. India has a quasi-federal system of government with multiparty and vocal parliamentarians, and large mass media. It is accountable to its people for its acts. China, on the other hand, being a communist country, is still a closed society. And hence, it is less accountable to its people. Even if the Indian government decides to offer any "concession" to China, it cannot put it into effect without public and oppositions' consent. So, no party in India or coalition government can afford to act in a way that will prove national suicidal.

72. *Keesing's: Records of World Events 1991*, op. cit., p. 38683.

73. The *Indian Express* (New Delhi), December, 1988 and The *Sunday Times of India* (New Delhi), December 22, 1991. Dalai Lama is of the opinion " . . . I got the impression that the Chinese had deliberately created a trap for India . . . they [Chinese] deliberately created fear by concocting information of a "definite threat" to the Chinese premier from the Tibetan community in India." He also thinks that whatever agreement India may reach with China will be neither effective nor long lasting. *Ibid.*, p. 13.

74. The *Times of India* (New Delhi), December 18, 1991, p. 18.

CONCLUSION

Sino-Indian relations blossomed fast during the Nehru era, which also witnessed sharp deterioration in their bilateral ties. During the post-Nehru period, although the necessity to restore ties was felt both in Beijing and New Delhi, they were very cautious and slow in mending their fences. With the changes in global politics following the demise of the Soviet Union and the end of the Cold War, there also came marked changes in the mutual perceptions of both China and India leading to the speedy normalization of relations. But it is difficult to say if the developments in Sino-Indian relations during the late 1980s and early 1990s were really the change of their heart. Currently, both countries appear better poised than before to pursue a more constructive relationship between them.

On the other hand, clearly there are some knotty issues between India and China, which may cloud their relations. It seems improbable that they will resort to force to settle their disputes in the changed equation of global power politics. It will sound fatuous should one deem that they would depart radically from their position on the outstanding issues. As both are equally averse to make any concession to each other particularly on the question of territorial disputes, they may accept them as the *fait accompli* in the absence of a real breakthrough. Thus, trends show that both sides will prefer to maintain a *status quo* on the territorial problems, while simultaneously favouring incremental improvement of relations in other fields in tandem with the tempo of both global and domestic environs. And it appears that economic interests between the two will act, among others, as contributing factor to upgrade their ties. As was in the past it is national interest that will remain the key variable in shaping the future course of Sino-Indian relations.