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Panel III: China and India's Neighbours

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Panel III: China and India's Neighbours

Chair: Prashant Kumar Singh, Associate Fellow at the East Asia Centre, Institute for Defence Studies and Analyses (IDSA).

First speaker: Jayadeva Ranade (Centre for China Analysis and Strategy).

Second speaker: Jean-Luc Racine (CNRS/Asia Centre)

Discussant: Jean-François Huchet (Inalco)

The concept of China and India's "neighbours" is no longer restricted to countries in Southeast and South Asia, but also involves now countries in the Middle East and even beyond. However, **Jayadeva Ranade** focused his intervention on the Nepal and Pakistan cases, regarded as the two major zones of tensions between China and India.

China-Nepal relations

From October 2013, China has adopted a new foreign "peripheral diplomacy" to initiate a "charm offensive" towards strategic neighbours. Henceforth, China is not only promising economic benefits to its regional partners (through large money inflows and infrastructure projects) but also offers security advice and protection (through military help and presence). Since then, China has been perceived as both a friend and an enemy by India and its neighbours.

If India has been historically the most influential neighbour of Nepal, China has also started to have an increasing imprint in the region since 2000. India had nothing to object to China's presence as long as it was limited to monitoring activities, in order to prevent Tibetan refugees from taking Nepal as a platform for activism. However, China-Nepal relations have taken a new turn since Prachanda came to power in 2008, giving clear signs of a pro-China orientation. India has felt particularly concerned about the establishment of proactive military exchanges between the Chinese PLA and the Nepalese Army, in line with growing interactions between the Chinese Public Security and the Nepalese police. Worries came to a head when Nepalese police started to suppress the Dalai Lama's birthday celebrations and arrested Tibetan and Nepalese civilians. The US\$ 3 billion project in Buddha's birthplace Lumbini has given India even more cause for concern. Beyond its symbolic stake, the project incorporates more pervasive aspects, such as the deployment of Chinese military engineers in the area or the establishment of a Chinese-financed and staffed Tibetan Buddhist monastery that will provide free religious instruction, food and accommodation for all monks from the region. Along Nepal's border with India, 35 Chinese Study Centres are already forming a symbolic "border belt", while Beijing offers to allocate plots of land to various Tibetan Buddhist high lamas and sects.

Recently, Chinese investments have been under question in Nepal and the cancellation of Xi Jinping's visit to Kathmandu due to take place in October 2016

has been interpreted as a political setback to China-Nepal bilateral relations. However, in view of all the investments Beijing has already made in Nepal, Beijing is just applying a formal pressure on Nepal in order to better make its way in the region later on.

From the Indian perspective, China's growing influence in Nepal is worrisome, but India still holds a lot of historical and cultural advantages. Many Nepalese enjoy a status equivalent to Indian citizenship, get married, work and have assets in India, while many Nepalese who served in the Indian army retire in Nepal and receive Indian pension there. Conversely, Indian visitors to Nepal are major contributors to Nepali's economy. These long-term people-to-people connections will not disappear overnight just because of China's new influence. Still, India will definitely keep a close eye on China-Nepal relations, especially in Lumbini where the fierce control of the Nepalese army over the Tibetan community seems to be dictated from afar by the Chinese authorities.

China-Pakistan relations

China's foreign policy takes a different shape in Pakistan, where it has always been inclined to support anti-India positions. China's military and nuclear assistance has been continuously increasing over the last ten years, so as to outstrip US military investments in Pakistan. Significantly, since about 2010, the number of military personnel sent for training to PLA establishments in China exceeds the number of those going to the US.

But Xi Jinping's public announcement during his visit to Islamabad in April 2015 of the China-Pakistan Economic Corridor project (CPEC) has given India more reasons to worry. Beyond officialising a "fusion of China and Pakistan common interests", it has triggered significant changes in the regional diplomatic environment. First, Chinese important investments through the CPEC has granted Pakistan a *de facto* legitimacy in Gilgit Baltistan, in North Kashmir, thus dispelling all ambiguities over China's position about Pakistan's occupation in these areas. Second, the deployment of joint patrols along the borders of the Xinjiang-Uyghur Autonomous Region with Pakistan-occupied Kashmir is a forced bending of the borders in Kashmir, disregarding all India's objections. Third, the Chinese authorities have asked to deploy their own private army in Pakistan to protect their facilities and citizens, but for India this means a new potential hotbed of tension in its neighbourhood, which could result in military confrontation.

Beijing's new bold foreign policy in Pakistan is motivated by economic, diplomatic and strategic interests. On the one hand, China wants to maintain stability in Pakistan's internal environment and prevent extremist Islamists, often coming from Afghanistan, from using Pakistan as a platform to perform terrorist acts in the Xinjiang-Uyghur Autonomous region. On the other hand, China has definitely some special interests especially in Gwadar, and that is attested by the new Chinese caution not to collide with Pakistan in its diplomatic statements, and by Beijing's effort to dampen Islamabad impatience about the implementation of the CPEC (through some "social grants" like projects of a Friendship Hospital,

or a water treatment plant in Gwadar). To conclude on the future of China-Pakistan relations, Jayadeva Ranade raised some doubts about whether or not the CPEC will settle a sustainable relation between both countries. Indeed, voices within Pakistan are starting to argue that the CPEC will not benefit the Pakistani economy. Instead, this could increase the level of Pakistan's debt. As a result, tensions and public dissatisfactions have increased, which in turn tends to destabilize the project.

Jean-Luc Racine suggested that the border issue between India and China is a key to understand all the ambiguities surrounding India-China bilateral relations.

It was not before the beginning of the 20th century that the concept of a delineated border between China and India replaced the concept of a blurred frontier between the two countries. Since then, the borders have been a subject of continuous controversies and unilateral redefinitions, associated with complex questions of national sovereignty (China over Tibet) and cultural influence (India in the Arunachal Pradesh region). However, after the visit of India's Prime Minister Rajiv Gandhi's to China in 1988, long after the Sino-Indian war of 1962, the normalization of bilateral diplomatic relations has been delinked from the resolution of the boundary dispute. It is not clear whether today's stalemate is a result of a *de facto* compromise between China and India, or the expression of unbending power relations.

Tibet is one of the core issues for Beijing, since China's sovereignty on Tibet determines the relations with India, Nepal and Bhutan, countries that traditionally did not have common border with China. In 2003, Indian Prime Minister A.B. Vajpayee officially recognized Tibet Autonomous Region as "part of China". However, as noted by Indian analyst Brahma Chellaney, India has stopped to make direct reference to Tibet being part of China since 2010, after China hardened its visa policy for residents of Arunachal Pradesh and Jammu and Kashmir.

Regarding the Indian-Pakistani conflict over Kashmir, China has always kept the question undetermined, adjudicating on the reopening of bilateral negotiations in an indefinite future. However, Beijing's new military and economic relation with Pakistan seems to suggest Islamabad to undertake a tougher policy in Kashmir, under the umbrella of China's "all weather friendship".

Since the improvement of relations in the late 1980s, China and India have engaged a slow process of negotiation, which has resulted in a common definition of "Political parameters and guiding principles for the settlement of the boundary question", which did not help however to solve the issue. Since then, China is proposing a "code of conduct" along the border, while India asks for an exchange of maps for clarifying the Line of Actual Control, (LAC). But even if the Chinese Foreign Ministry declared in April 2016 that China and India should "meet each other halfway", Beijing has never agreed to the Indian request, and appears to prefer border peace and control over a comprehensive negotiation over the dispute.

To move beyond what he calls the "Blame Game", the author Divyesh Anand urges both countries to "forget history". A more practical solution may appear to have China and India agreeing to keep whatever territory they actually hold (Aksai Chin to China and Arunachal Pradesh to India), but there are two major obstacles to such an hypothetical agreement. First, it implies that China would yield Tawang (located in Arunachal Pradesh), the site of an important Tibetan monastery. Second, one may ask whether India can solve the border issue with China without settling the general problem of Kashmir with Pakistan, as the western segment of the border dispute with China runs into both India- and Pakistan-administered Kashmir

To conclude, both countries are trying in *theory* to solve the border issue, but there is no willingness to push things beyond the controlling of the border, and limiting the occasional border incidents along the LAC. Keeping open the territorial dispute gives Beijing some leeway to put pressure on India, if New Delhi challenges China's sovereignty in Tibet. For India however, it remains essential to prevent military conflict and to preserve expanding bilateral economic engagements, especially in view of the growing economic and military asymmetry between the two countries. At the same time, New Delhi's fear that Beijing will no longer be sensitive to India's core interests, leads India to find ways to balance China's might, on the larger diplomatic front involving particularly the US and Japan, as well as on the military front, reinforcing the Army presence along the Himalayan border, and defining a doctrine planning for an hypothetical conflict with both Pakistan and China.



Discussion

Jean-François Huchet introduced the discussion by stressing the new eagerness of Xi Jinping's government to play an important role in Asia and around the world, departing from the previous low-profile policy. But if China is certainly earning a geopolitical and economic influence from its considerable amounts of foreign investments, it is not sure that China is able to undertake the role of a "superpower" and to influence every political development in its neighborhood (the Burma democratic process for instance).

Regarding the Sino-indian border issue, **Jayadeva Ranade** thinks that owing to the growing asymmetry between the two countries, China is trying to buy time in order to better negotiate and protect its own interests. This is separated from the case of Kashmir, Gilgit and Baltistan, where since April 2016 China has been exerting more pressure on Pakistan to solve the border issue. The strengthening of China-Pakistan relation is aimed at emboldening Pakistan and making India acquiesce to Pakistan's territorial pretentions.

Jean-Luc Racine added that the border issue is not a perfect barometer of the India-China relationship, since the conflict at the border is relatively controlled. Thus, broader diplomatic issues and partnerships on different matters remain quite separated from the border dispute, which remains however a good example of how differences are managed between the two countries.

Srikanth Kondapalli : The border talks began in 1981. Then, India claimed that it wanted to solve the issue as soon as possible. In contrast, China stated that it will be solved *ultimately*, by the “next generation”. This might be a proof of the then balance of power between the two countries, a balance that has since then changed dramatically.

This report has been prepared by Margot de Groot van Emden, Junior Fellow at Asia Centre.