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## Research Paper

## SINO-INDIA RELATIONS: TRACING ROOTS TO CHINA'S STRENGTHS

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### ABSTRACT

*China-India relations are getting increasingly strained lately. India though an important member of the international community and a key power in South Asia has repeatedly stumbled over Chinese hurdles on its path to achieving greater role in global matters. Even at a regional level China is making persistent efforts to make inroads into India's neighborhood and is presenting a formidable challenge to India's internal security as well as its foreign policy. The source of this posturing lies in the advantageous position China finds itself in when compared to India in almost all spheres. The paper makes an attempt to analyze the key factors, decisions and events that have helped shape this difference in strength and influence between the two nations. Examining the present through the lens of history promises to reveal many of the secrets of Chinese prowess while also offering sound lessons for the future.*

**KEY WORDS:** India, China, Pakistan, Deng Xiaoping, foreign policy;

### 1. INTRODUCTION

China had been tightening its grip around India for quite some time now and the Doklam standoff has only made it tighter. It has dealt a jolt to Sino-India ties and exposed all claims of Sino-Indian cooperation in spite of territorial differences as a mere eyewash. The threatening tone adopted by People's Liberation Army (PLA) and the unilateral concessions demanded by China have sent ominous signals. They have shown that despite promoting the model of "cooperation in spite of disputes" China is willing to alter the status quo as per its convenience. In fact such a model perfectly complements its ambitions by allowing it to buy time to widen its already glaring gap even more and to an extent where it could subdue the regional competitors into accepting its suzerainty as the sole hegemon of the region. Of late China has been making it clear that it

would not allow India's rise as a global player to be an easy one. Be it through blocking India's NSG membership or protecting Masood Azhar in United Nations, China has used its clout and influence to squeeze India's diplomatic space and wherever possible club India with Pakistan. Now through the Doklam standoff the friction hitherto limited within the confines of international organizations has arrived right at India's eastern frontier in form of a military challenge to its security and prestige as a regional power in South Asia.

For a long time commentators and analysts have been arguing as to what could be the repercussions of this mismatch of capabilities and stature between two the Asian giants. Now that the repercussions have started to come to light, the academic circles are rife with explanations and speculations. From being a retribution for rebuffing President Xi's dream project,



the Belt and Road Initiative to testing India’s willingness to defend its allies, a number of factors or a combination of them could help explain this worrisome turn of events. Along with a keen analytical eye on the present developments the situation also demands a sincere introspection from a historical perspective. Until and unless the Indian leadership figures out where has it gone wrong or appreciate what the Chinese have done right we cannot expect to close the gap with China and this difference in strength and stature will continue to come to haunt us time and again, perhaps with even more severe consequences.

## 2. DENG XIAOPING’S LEGACY

The commendable transformation of China from the sick man of Asia to the next in line superpower cannot be understood without understanding the worldview of the man who made it all possible i.e. Deng Xiaoping. If Mao laid the political foundations of People’s Republic of China (PRC) it was Deng Xiaoping who wrote the script of China’s economic success story. A pragmatic patriot Deng harbored no delusions about China’s technological backwardness and lack of skilled human resource. As early as 1977 Deng is quoted as stating that “first of all we (the Chinese) must recognize

the huge gap between China and the rest of the world in the area of science and technology. We cannot fool anyone because you can’t visit our country without seeing how backward we are. We can only fool ourselves by saying that we are not backward.”<sup>1</sup>

Unlike Mao, who had argued that power flowed through the barrel of the gun, Deng who had witnessed the trauma brought about by the Great Leap Forward and the Cultural Revolution knew that force could help one gain power but it was a sound economy that sustained it. This prompted him to embark upon a reformative course for the Chinese economy, to make it more efficient and more integrated with global trade and commerce. His policies brought enhanced economic freedom, incentivized productivity and improved the standards of life for millions of Chinese. Deng’s pragmatic approach combined with western assistance through organizations like the World Bank turned China into the ‘development wonder’ it is today, second only to the United States of America in economic might (Table 1). It is this economic strength that underpins its carrot and stick foreign policy approach (Table 2). A policy that has started paying rich dividends particularly in the disputed South China Sea.<sup>2</sup>

**Table 1 – A Comparison of Development Indicators between for India, China and USA**

State	GDP per Capita in 2010 (US\$)	GDP per Capita in 2015 (US\$)	Life Expectancy in 2010 (years)	Life Expectancy in 2015 (years)	Urban Population in 2010 (%)	Urban Population in 2016 (%)	HDI Rank 2010	HDI Rank 2016
China	4524	8109	73.5	76.0	49.22	56.78	89	90
India	1341	1614	64.4	68.3	30.93	33.13	119	131
USA	48018	55717	79.6	79.2	80.78	81.78	4	10

- Source: GDP/Capita - UNCTAD database
- Source: Life Expectancy & HDI ranks - Human Development Reports, United Nations Development Programme (UNDP)
- Source: Percentage of Urban Population - World Bank Database

**Table 2 – A Comparison of economic indicators for India and China**

Indicators	China in 2010	India in 2010	China in 2015	India in 2015
GDP (Current) in US\$	6.06 trillion	1.65 trillion	11.15 trillion	2.11 trillion
Foreign Reserves (US\$)	2.84 trillion	279.05 billion	3.33 trillion	360.17 billion

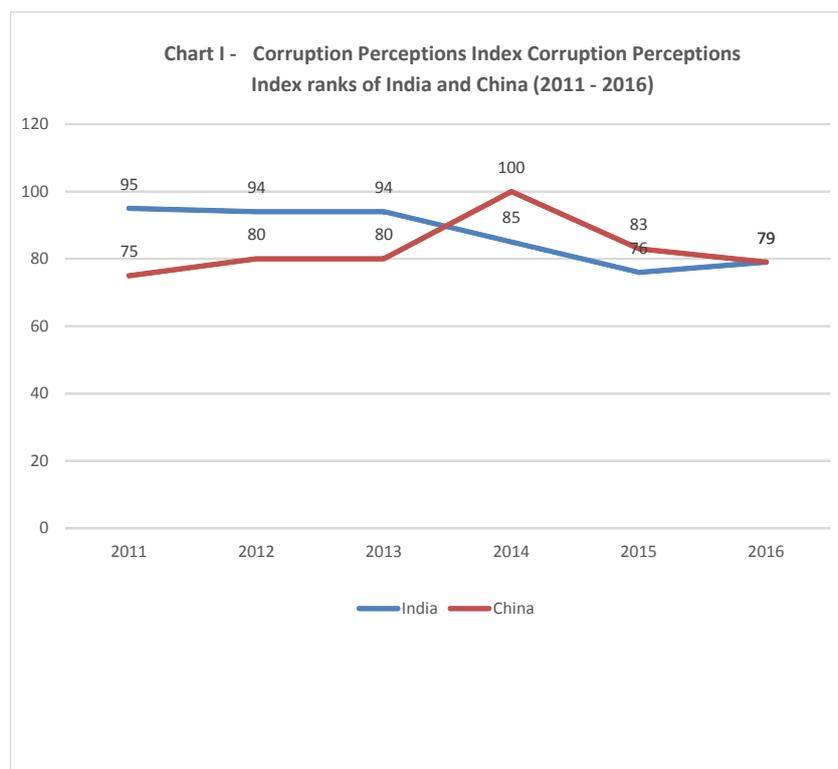
- Source GDP Current Source – UNCTAD Database
- Source Foreign Reserve - For China: State Administration for Foreign Exchange, For India: Half Yearly data published by the Reserve Bank of India

Deng Xiaoping's contribution to China's success story should not only be judged by the amendments he made to its economic structure, but also by his determination to preserve and uphold China's political structure. To perpetuate the rule of Communist Party of China was one of Deng Xiaoping's paramount concerns and in many ways was the driving force behind his economic reforms. In 1978, Deng enunciated his 'Four Cardinal Principles' which sought to defend the socialist path, the dictatorship of the proletariat, the leadership of the party and Marxism-Leninism and Mao Zedong Thought.<sup>3</sup> This clarified beyond doubt that reforms in the economic sector were not to serve as an excuse to disturb the political status quo. These principles have commanded adherence of the Chinese leadership ever since.

### 3. DIFFERENT POLITICAL STRUCTURES

The Single Party system of China provides a Chinese President much needed time and stability to carry forward the foreign policy agendas while fine

tuning them according to his individual worldview. Without having the need to expend much energy, time and resources in national or domestic election campaigns for his party or drafting populist policies and at times deferring the necessary ones to avoid electoral backlash, the top brass of the Chinese political leadership can better oversee the implementation of their domestic and international visions. This is not to be interpreted as an endorsement of one-party authoritarianism as the system has its own set of problems like gross disregard for human rights, absence of free speech, diminished public accountability, corruption nepotism etc. China has consistently performed poorly on the Corruption Perceptions Index published by Transparency International (Chart-I). Nor does it imply that democratic model of development is inferior to the authoritarian one in any manner. On the contrary it was rapid development in made in democratic countries like Japan, Singapore and Taiwan that acted as a source of inspiration for China in its early years of transformation.



Source: Corruption Perception Index, Transparency International

The merit or demerit is not in the system itself but in how it is made to function. Hence viewing the issue through the prism of a multi-party democracy competing against a single party authoritarian system is sure to fall short of answers as the world is abound with democracies that have progressed and developed at a phenomenal pace. Examining the functioning of 'the

Indianised democratic model' in particular could better explain the gaping Sino-India disparity. India is the largest democracy in the world and could have become a model democracy for other newly independent countries of the world. Instead after the end of 'One party dominance' in late 1960s the Indian democracy got mired in a range of internal difficulties that ranged

from the imposition of Emergency in 1975 to the debilitating effects of coalition politics in the 1990s. The Indian system has witnessed a continuous saga of horse trading where party/personal interests have taken precedence over national interest, delayed legislations on issues crucial for national development, delayed defence procurements owing to scandals, corruption and red-tapism etc. Leaving many veteran leaders like Jayaprakash Narayan disappointed by the manner in which the Indian democracy has conducted itself post-independence. He cautioning about the perils of a multiparty parliamentary democracy in India turning into an unrepresentative and self-serving demagoguery which for the sake of electoral outbidding would not hesitate to sacrifice the good of the country, forsaking the real and long term interest of the electors for their own immediate interests<sup>4</sup>.

A similar sentiment is expressed by Singapore's legendary leader, Lee Kuan Yew, who keenly observed India's post-independence development and recalls with a hint of lament that how in his early years he wished that the democratic India should have an edge over communist China but by the 1980s was forced to be "realistic" as more than the system of governance it was factors like national ethos that shaped the outcome.<sup>5</sup>

India has been successful in sustaining democracy against all odds but has failed to come up with a tested and viable model of rapid economic development. On the other hand the Chinese have managed to capture the world's imagination through their stunning rise and ability to deliver. Their deft foreign policy has allowed them to export not just goods and services but their developmental model as well, to places as far as Africa and Latin America.

#### 4. THE PAKISTAN FACTOR

The presence of a hostile neighbor on its western frontier in form of Pakistan has further exacerbated India's difficulties while providing China with a natural ally in the region. Pakistan is also aware of this convergence of interest and the potential gains of being a Chinese ally. Having witnessed the Chinese gaining the upper hand over India in 1962, Pakistan wasted no time in cementing its alliance with the Chinese by ceding to them a part of Kashmir's disputed territory in 1963. China through clause 6 of the Boundary Agreement (1963) acknowledges the disputed status of the ceded territory and affirms its commitment to renegotiate the agreement in case the settlement of the Kashmir dispute favours India. In the event of Pakistan

gaining the same territory the provisions of this agreement would be maintained and remain unchanged.<sup>6</sup>

A lot has changed since then. China's global and regional ambitions have grown exponentially and so has Pakistan's strategic importance for China. An explicit manifestation of this is the Belt and Road Initiative of which the China Pakistan Economic Corridor (CPEC) is a crucial part. The significance of this \$46 billion project goes much beyond economics and trade. By providing China access to the port of Gwadar, it can provide the quickest availability of energy resources from the Middle East by avoiding the Malacca straits and the South China Sea<sup>7</sup> thus providing an effective solution to China's 'Malacca Dilemma'. In other words China cannot afford the failure of CPEC. But so crucial a project has got mired in controversy and diplomatic tug-of-war as it passes through Gilgit-Baltistan in Pakistan Occupied Kashmir. This has raised considerably China's stake in the Kashmir dispute. China has already shown its willingness to mediate and engage the international community in an issue that India has always declared to be a bilateral one.<sup>8</sup> Such tactics are only expected to become more frequent as China assumes a greater role in the region and in global affairs.

Pakistan's utility to China's designs does not end with regional ambitions but extends far beyond that. Many a times when India has tried to take its place among global powers, China has tried to diminish its stature to a regional player, representing South Asia, by clubbing it with Pakistan. Apart from helping maintain a balance of power in the region and within the concerned organization the strategy not only entrenches Pakistan even more firmly in the Chinese camp (and away from the U.S. sphere of influence) but also keeps India bogged in regional geopolitics.

#### 5. A STRONG INTERNATIONAL FOOTPRINT

Modern day China has come a long way from the impoverished and underdeveloped China that Deng Xiaoping inherited. It is well integrated into the globalized trade regime and is a major export destination for many countries across continents (Table 3). The same liberal world order of the capitalist west which Mao vehemently opposed has helped Deng's China climb up the ladders of prosperity and become a global force to reckon with. One cannot help notice the irony of the fact that a system based on American vision and values has helped the Communist Party of China hold to power for so long. History has presented the Chinese leadership various opportunities to change the course

of destiny and they have been astute enough to grasp them. Be it Nixon-Mao meeting of 1972, creation of the first Special Economic Zone at Shenzhen in 1980 under Deng Xiaoping or president Xi choosing to be the first Chinese Head of State to address the World Economic Forum at Davos in 2017, all these events reflect the ability of those at helm of China's rise to adjust the sails according to global winds without ever abandoning the ship. Had China clung to ideology, hostility and the myth of a self-sufficient closed communist economy it would have either perished like the Soviet Union or become a much larger threat to regional and international peace than North Korea is today. Instead China opted

for integration with the global order and has been going from strength to strength ever since. Today China is a key member of many of the most influential bodies of global governance which includes permanent membership to UN Security Council, Nuclear Suppliers Group, WTO and IMF. As an accolade to China's central role in global trade the IMF added Chinese Renminbi to the basket of currencies that constitute the Special Drawing Right.<sup>9</sup> When one compares this to India's share of influence in global governance, it has largely remained limited or marginal relative to that of China even though India was a founding member of many of these organizations.

**Table -3 Countries having China as a top trading partner**

Country Name	Top Trading Partner 1	Exports in Million US\$ 2015	Top Trading Partner 2	Exports in Million US\$ 2015
CHILE	China	16671	USA	8262
BRAZIL	China	35608	USA	24216
ARGENTINA	Brazil	10081	China	5174
SOUTH AFRICA	China	5803	USA	5248
CANADA	USA	313592	China	15824
RUSSIA	Netherlands	40198	China	28335
PAKISTAN	USA	3662	China	1935
SINGAPORE	China	47708	China, Hong Kong SAR	39666
SAUDI ARABIA	China	26878	USA	19909
IRAQ	China	10941	India	9516

Source - UNCTAD Database

China's well placed position as an established key player in global economy and governance marks the fourth pillar to the relative edge it possess over India. A tactful use of its strengths vis-à-vis India has so far allowed it to effectively curtail the ambitions of its western neighbor. The only way India could free itself from this quadrilateral of inconvenience is by covering the gap that exists between it and China. This will take time and would require turning our potential into capacity through sincerity, reform, resolution, patience and deftness on the part of the leadership and masses alike. Deng Xiaoping has already shown that these goals are very much achievable.

## 6. CONCLUSION

An analysis of the present Sino-India disparity from a historical perspective reveals that many of the things that appear to be the virtues and strengths of the Chinese model are in reality a reflection of India's historical lag, inefficiencies and shortcomings. Both countries started making reforms at different times in the past (China in late 1970s and India in early 1990s) but their approach to reform varied considerably. For the Communist Party of China making a qualitative difference to the lives of its citizens was a dire necessity

on which its survival depended and hence it learnt from and adopted many of the virtues and efficiencies of the capitalist system in spite of its communist origins. The multi-party democracy India on the other hand after falling victim to the inefficiencies and the insufficiency of the public sector in 1990s did adopt the same economic model as China's but did not exploit its potential to generate wealth, jobs and foreign reserves to the fullest. A stronger economy, skilled human resource would have translated into a better international and regional standing that would have put India in a better position to effectively tackle the challenges emanating from its two nuclear powered neighbors. Fortunately it is never too late to learn a lesson from history and Doklam standoff presents one such unique opportunity to do so. Chinese high handedness, threats of force, arm-twisting and pressure tactics have cleared beyond doubt their intentions and has presented a worldview where a subdued Asia is their stepping stone to global prominence. To believe that these threats can be tackled through enhanced military preparedness alone would be playing into Chinese hands. As the Cold War years have shown that in a battle between two powers with similar ambitions, economic

development, trade and diplomacy are no less potent than the possession of nuclear capability. The Doklam standoff might be over in sometime but the battle of prestige and nerves it has triggered is not likely pass anytime soon. The future decisions, policies and moves of the Indian leadership should be aimed at winning this war more than any other.

## END NOTES

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