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An Overview of Sino-Indian Relations in the Last 15 Years

Suchi Patel

Introduction to Asian Studies

December 6, 2023

Abstract

India and China are emerging as two of the most powerful countries in the world, threatening the dominance that Western nations have known for so long in recent history. With a rich and dynamic history behind both of these nations, there are many geopolitical factors at play when analyzing the nature of their relationship. Previous media that is widespread in news and magazines have often painted one as a villain and the other as heroic, depending on its political stances. Through analysis of peer-reviewed journals, economic data from the respective governments and the Observatory of Economic Complexity, along with cross-sectional analysis of blogs and magazines, this paper will give a holistic analysis of the state of Sino-Indian relations in the past 15-year period.

Introduction

How India and China manage their futures as emerging powers will critically shape international relations in this century. Both China and India have reached populations amounting to nearly 1.4 billion people respectively. These are the two most populous countries on earth, together making up nearly 40% of the human population. Therefore, their ascendance holds a high magnitude, as this may lead to a so-called “Asian century” in world affairs, putting an end to the Western dominance that has become commonplace for the last few centuries (Wang 2011). Both countries’ economic takeoffs have taken place simultaneously, yet their complex history still plays a role in weighing down their relationship to the present day. Through a brief overview of their historical background, analysis of their political and economic ties, and a look at the underlying border dispute, the powerful yet tense relationship between India and China can be understood in the contemporary international landscape.

Historical Context

As ancient Asian civilizations with long and rich histories, China and India have sown interdependence into their relationship early on. The Silk Road was a great example of this cooperation that mutually benefited both societies. The Silk Road was an ancient trade route established by the Chinese Han Dynasty, known as the first global trade route in world history, connecting China to Eurasia. It promoted strong economic and cultural ties between the Indian and Chinese civilizations. It linked the cities of Xi'an in China to Pataliputra in India. Along with the spread of items such as tea, spices, textiles, and porcelain, ideas were exchanged as well. Buddhism traveled from India to China circa 150 C.E. and has many Chinese followers to this day (Khanna 2007).

Their beginnings as modern states happened alongside each other after World War II, as India became independent from the British Raj in 1947 and China became the People's Republic of China (PRC) in 1949. Before 1962, India and China had centuries of peace and strong ties. Jawaharlal Nehru, the future prime minister of India, would write about how India supported the struggles of other Asians who were colonized. He was heavily in support of China's freedom from Japan's colonization, influencing the boycott of Japanese products, participating in freedom marches, and funding medical missions to aid China.

India was the second non-communist country to recognize the People's Republic of China (Jain 2004) and additionally supported China joining the Non-Aligned Movement, an alliance of new countries that did not take sides with either the United States or the Soviet Union during the years of the Cold War. Additionally, India displayed enthusiasm for China's membership in the United Nations, as Nehru did not share the Western belief that communism was a threat to the world. During these years, *Hindi Chini Bhai Bhai*, translating to "Indians

and Chinese are brothers”, was a popular slogan reflecting the blossoming relationship between the two nations (Khanna 2007). Despite events such as China’s military takeover of Tibet, which borders India, in 1950, historians mark this era of India-China relations as peaceful.

It was not until the 1962 Sino-Indian War that these relations withered. Before this, India did not harbor any fears of a direct military confrontation between the two countries, sharing common historical experiences, civilizational values, as well as similar socioeconomic conditions (Jain 2004). However, with China’s invasion into India between October 20, 1962, to November 20, 1962, it outnumbered the unprepared Indian troops. With a Chinese victory, it now had control of the Aksai Chin region, the northernmost part of the Indian subcontinent. With India suffering a huge loss and losing the territory to China, Nehru’s outlook on India now seemed too lax to Indian citizens and other politicians, contributing to the downfall of policies in favor of China. After this war, China also shifted its view of India, now giving a comprehensive review of their South Asian policies and beginning to form closer relations to other South Asian countries instead, especially India’s primary adversary, Pakistan (Kaura 2018).

Political Ties

As prime minister since 2014, Narendra Modi of the Bharatiya Janata Party (BJP) has brought many changes in India’s foreign policy, greatly affecting its relationship with China. The most dramatic shift the Modi administration established was the departure from equidistant policy (Jha 2017). Under that former foreign policy, the government of India historically remained equally distant from conflicting powers, avoiding the use of too many resources to support a single side. This allowed India to focus on domestic issues and generally remain non-

aligned, so it could allocate resources to development instead of militarization. This policy gave India a sense of agency and self-confidence in the global realm, as it would get to decide where, when, and how to get involved in conflicts. While this previous strategy showed India's prowess in soft power, under Modi, there have been many strides to establish India's hard power, in the form of military and weaponry. With an increased involvement and focus on this foreign policy, Modi and the BJP Party are pivoting India's role in the international landscape (Jha 2017).

Xi Jinping, the President of China since 2013 and the general secretary of the Chinese Communist Party (CCP), has also brought changes to China's foreign policy to adjust it to changing relations with India. Chinese diplomacy in the Xi Jinping era blends strategic objectives and economic incentives (Kaura 2018). Since Xi Jinping came into power, China's foreign policy became seen as more assertive and put China's progress at the forefront. Periphery diplomacy has become a cornerstone, as it has encouraged China to maintain good relations with neighboring countries, as it borders with 14 nations, to gain a strategic position in Asia, and to expand its global influence. Despite its conflicts with India, Taiwan, and other regional disputes, China has shown in other ways that it still values connection with its neighbors. Through projects like the Belt and Road Initiative, a plan to remaster the Silk Road in the modern global landscape, Xi Jinping desires to work with international nations by increasing trade incentives and transportation. However, through interdependence and cooperation, this would still ultimately benefit China.

Additionally, China's strategic partnership with Pakistan has been a continual point of contention for India, also undergoing border disputes with Pakistan. While the United States

and India's relations have strengthened, so have China's relations with Pakistan, deepening the global competition between all of these nations (Verma 2021).

When JeM/Jaish, a Pakistani terrorist organization, attacked the Indian Parliament in 2001, India went to the UN Security Council to ban and list Masood Azhar, the leader of this group, as a terrorist. China protected Pakistan from global condemnation and, as a member of the security council, refused to renounce Masood Azhar as a terrorist. When another attack on an Indian airbase occurred in February 2016, India again went to the security council to urge a ban on Masood Azhar for his involvement, and all the countries on the council agreed except for China. Even when other countries, such as the United States, France, and the United Kingdom pushed forward proposals in support of India's claim, China blocked all of them. These events showed China's staunch commitment to the power rivalry against India through the method of strengthening bonds with a conflicting country of India, Pakistan, even through the means of supporting terrorism. This has led to the 'all-weather partnership' that China has with Pakistan, as they are essentially uniting against their common enemy, India (Verma 2020).

The China-Pakistan relationship is a strategic partnership that is focused on balancing and containing the growing influence of India. Since India's rise poses a threat to China's dominance in Asia, China needs Pakistan, another South Asian country geographically and culturally close to India, in order to keep its power in check. In return, Pakistan receives China's assistance through trade and security, as it is still developing as a nation (Verma 2020).

India and China have competed on various occasions since their independence for influence in the dynamic global realm. China was not in support of India becoming a permanent member of the UN Security Council and was against India joining the Nuclear Suppliers Group. On the other hand, there have been instances that India has not supported

China. When China was pushing forth the Belt and Road Initiative, Xi Jinping's plan outlining a way that China could create a modern-day Silk Road with the building of new infrastructure across many countries, India not only refused to participate but also refused to endorse it. India feared that China's presence through the Belt and Road Initiative in the disputed region of Jammu and Kashmir, along with a high presence in the Indian Ocean, would give China too much footing in South Asia, threatening the dominance of India in this region. Over the past decade, India's moves to counter Chinese influence through various initiatives such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, Security And Growth for All in the Region, and Project Mausam. With these actions and India's political ties with Japan and the US, China believes that India has joined the US in its strategy to contain China (Verma 2021).

The rise in the popularity of TikTok, a Chinese social media video sharing application, was a significant source of contention in recent India-China relations. On June 29, 2020, India announced the blocking of 59 Chinese mobile applications. The most notable was TikTok, as it was the most popular and most downloaded app in India in the two years leading up to this ban. "India has the highest number of TikTok users in the world: approximately 30% of the global market of 611 million or so downloads" (Mandavia, 2020). The Indian Ministry of Electronics and Information Technology alleged that these applications were leaking data of its users and for the national security of India, it should be banned across the country. While India has censored apps before, this was the first time it was directed towards a specific country. This event shows that India felt its sovereignty was threatened by China, and with such a magnitude of Indians using the app, it could have a myriad of consequences (Mishra 2022). A month later, this also propelled President Donald Trump to issue an executive order to ban TikTok in the

United States because of the app's link with China and the alleged data leaks, jeopardizing America's national security. This dispute was similar to the US's reservation about the Chinese company Huawei's equipment in 5G networks, which again posed a threat to national security. This signifies the partnership the US has with India in seeing China as a growing threat and attempting to contain it.

Economic Ties

As both India and China are members of the BRICS, an economic collaboration with Brazil, Russia, and South Africa, they have put their rivalry aside in many instances. With other regional powers meeting to address global economic issues without the US and the EU, BRICS has become an informal institution of international organization (Verma 2021). Therefore, the peace they maintain with one another becomes crucial in yet another landscape, as the dynamics of this collaboration is also dependent on this.

Trade between India and China is complex. While being major trading partners, there is a major trade imbalance present in China's favor. According to the Observatory of Economic Complexity (OEC), In 2021, India exported \$23.1 Billion to China. Among the main products exported were iron ore (\$3.51B), refined petroleum (\$1.61B), and raw aluminum (\$1.26B). Exports from India to China at an annual rate of 16.6%, as it has increased from \$424 Million in 1995 to \$23.1 Billion in 2021. China exported \$94.1 Billion to India in 2021, with the main products being computers (\$6.34B), telephones (\$4.42B), and semiconductor devices (\$4.25B). Chinese exports have increased at an annual rate of 19.5%, from \$914 Million in 1995 to \$94.1 Billion in 2021. In 2021, neither country exported services to the other.

Over the past 15 years, there has been a rapid expansion of bilateral trade between India and China. India has emerged as one of China's largest trading goods partners. According to the Embassy of India in Beijing, from 2015 to 2022, India-China bilateral trade has grown by 90.14%. However, the trade deficit India has with China is the highest trade deficit India is running with any country. The embassy states that the widening of this deficit can be attributed to two causes: the narrow range of products that India exports to China and barriers in market access for agricultural products and competitive industries, such as pharmaceuticals and information technology. In the figure below, observe the difference between India's imports from China in comparison to its exports to China. Ultimately, this wide gap contributes to India's large trade imbalance with China, as it imports more than it exports.

Figure derived from the Embassy of India in Beijing

INDIA CHINA BILATERAL TRADE							
Year	India's Export to China	%Change	India's Import from China	%Change	Trade Deficit	Total Trade	%Change
2015	13.4	-18.39	58.26	7.42	44.86	71.66	1.42
2016	11.75	-12.29	59.43	2.01	47.68	71.18	-0.67
2017	16.34	39.11	68.1	14.59	51.76	84.44	18.63
2018	18.83	15.21	76.87	12.89	58.04	95.7	13.34
2019	17.97	-4.55	74.92	-2.54	56.95	92.9	-2.93
2020	20.87	16.15	66.78	-10.87	45.91	87.65	-5.64
2021	28.03	34.28	97.59	46.14	69.56	125.62	43.32
2022	17.49	-37.59	118.77	21.70	101.28	136.26	8.47

On a business to business level, there are many examples of these countries cooperating for the other country's businesses to thrive there, allowing both countries to be interdependent and strengthen their economies simultaneously. "The idea that these countries' ascent can occur only at everyone else's expense defies economic logic" (Khanna 2007). Khanna views the ascent of both countries with an abundance mindset – this is not a zero-sum game. He goes on to point out how China and India have vastly different economies and this allows them to bounce off each other well.

Mahindra & Mahindra, an Indian tractor company began taking business to China, with more efficient production strategies, along with gaining access to the large Chinese market. Khanna interviewed the CEO of Mahindra & Mahindra, Anand Mahindra, who stated, "We are breaking the myth that it is hard to make money in China or that cultural assimilation is difficult... The local disco in Nanchang now plays bhangra (a genre of Indian folk music), and the ex-chairman of the Chinese company sang songs from Indian movies at our first banquet" (Khanna 2007). Mahindra had only praise for the China branch of the company, harping on the many positive outcomes that arose from the tractor company's use of China's hard infrastructure and the exciting cultural integration. The Chinese government also aided in the flourishing of this company, providing many incentives for Chinese farmers to switch from trillers to tractor use to reduce the demand for petrol. In this way, Mahindra & Mahindra worked alongside China's Jiangling Tractor's FengShou brand to produce compact tractors **in India** that are well suited for farming in rural China.

In the same regard, Huawei, China's technology giant, has utilized India's prowess in soft infrastructure to maintain a competitive edge in the technology industry against Western companies. Employing many Indian engineers in Bangalore, Huawei has developed software

solutions and support systems. While the Indian government tried to prevent the set up of Huawei facilities in India, this has given many job opportunities to Indian workers while also promoting research and development for this company.

Border Dispute

The border dispute between India and China goes back before the war in 1962, to the 1950s, when Tibet was under China's rule yet still being influenced by the Indian government and culturally associating very closely with India. This tension bubbled into the war of 1962, which the Chinese labeled as a way to undermine Chinese rule and obtain Tibet (Garver 2006). In India's perspective, Prime Minister Jawaharlal Nehru wanted to create Tibet as a "buffer zone" between China and India. In fact, Chinese scholars attribute Nehru's support of Tibetan 'splittists' to the withering Sino-Indian relations preceding this war. China went on to win this war, however, the tension remained widely unresolved. "The border conflict sowed the seeds of antagonistic relations between the two countries" (Verma 2020). These roots have been shown in recent altercations between the two forces at the border.

After the 1962 Sino-Indian War and a Chinese victory of the territory, a demarcation between the two countries, named the Line of Actual Control (LAC), was set in place. While the Chinese forces acquired the 14,700 square miles of the Aksai Chin region after this war, this is still widely disputed by India. As a portion of the Kashmir region, the northernmost part of the India subcontinent, parts of Aksai Chin are still claimed by India as a part of the Ladakh region, which is also geographically close to this area. Thus, there are still many skirmishes along the LAC.

On June 15, 2020, there was a deadly clash **between** Chinese and Indians at the Ladakh side of the Line of Actual Control, in the Galwan Valley, following weeks of minor military confrontations. The Ladakh border is in the northernmost part of India, bordering China and its region of Tibet. This clash was a result of the strategic expansion of both countries, causing collision and friction in that area. 20 Indian soldiers and 45 Chinese soldiers died in this fight. It is stated that the PRC troops crossed the Line of Actual Control (LAC) into the Indian state of Jammu and Kashmir from the region of Aksai Chin. For many decades, China and India have not agreed on the placement of this border. However, with the rise of influence of both of these countries, this may reveal more about the power dynamics shifting in this region (Muzalevsky 2021). Now that both countries have evolved their economies and strengthened their political influences, the PRC and India are shifting focus onto reclamation of territory, which they were unable to focus on when they were weaker, developing nations. Now, both are pursuing strategic expansion policies focused on the disputed Ladakh region and deploying capabilities to shape their geopolitical environments and facilitate their ongoing rise as great powers (Muzalevsky 2021). Muzalevsky goes on to note that the border dispute represents a larger focal point, the broadening geopolitical influence and power of India and China.

On December 9th, 2022, Indian and Chinese forces clashed along the border once again, representing the unresolved tension between these nations in the present day. Miller states that the news coverage conducted in China on this dispute reflects ‘a critical misjudgment of the depth of India’s concerns about China and its strategic priorities’ (Miller 2023). Since the Line of Actual Control is not an international boundary and neither country agrees on its placement, the problem is complicated to address. Miller points out that many Chinese news articles have downplayed the dispute’s scale and intensity and tend to lay blame solely on India’s actions.

Through these examples, Miller claims that India views the border dispute as formative in shaping India's militarization after the 1960s, but for China, the dispute was seen as less consequential.

Both countries share a past of being exploited by foreign powers, and each desires to remedy this past (Muzalevsky 2021). As two of the world's oldest civilizations, both countries want to regain a status that befits their size, population, and heritage. In this regard, both countries want to reclaim territories they once controlled as a way of reconstitution and undoing the wrongs caused by the past imperialism of previous world powers.

Conclusion

The relationship between China and India is deeply interwoven, from long histories as ancient civilizations, to becoming independent states side by side. Although the border dispute and a competitive rivalry for global influence weighs their relationship, it is evident through their economics and political ties these past 15 years that they are interdependent. The emergence of India and China as global powers challenges the present world order of Western dominance and brings a new frontier with its own new challenges. A symbiotic environment between the two nations will not only help them mutually benefit but will also provide stability in the international system.

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