

CHINA–INDIA RELATIONS IN EURASIA: HISTORICAL LEGACY AND THE CHANGING GLOBAL CONTEXT

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Abstract: The relationship between the People's Republic of China and the Republic of India has traditionally been seen in terms of the interaction of two different trends—cooperation and competition. At the same time, the positive or negative dynamics of China–Indian contacts have mostly been shaped by the extent to which the political leadership of China and India have been prepared at various times to be guided by pragmatic interests and the desire to overcome the legacy of the past. This set of problems includes long-standing territorial disputes, New Delhi's suspicions of the “all-weather strategic partnership” between Beijing and Islamabad, as well as the sensitive issues of Tibet and the Dalai Lama. Although the idea of *Chindia*, as a condominium of the global interests of the two Asian giants and a manifestation of their growing interdependence, is no longer relevant, this article argues that cooperation or confrontation between China and India should not be linked solely to historical matters, but should be viewed from a broader regional and international perspective.

Keywords: China; India; Eurasia; cooperation; competition; regional security complex

Introduction

The Asia-Pacific Region (APR) is a dynamically developing and densely populated part of Eurasia that is rightly considered the engine of the modern world economy. Bilateral relations between such influential powers as China and India are crucial to the region. They are also key in the global context, as they represent contacts between two of the largest countries in the world, both of which have rapidly growing economies and rich histories.

China–Indian relations today can be traced back to the late 1940s, when the two countries were established in their modern form. India was one of the first states to recognize the People's Republic of China, and does not recognize the Republic of China (Taiwan). Chinese paramount leader Deng Xiaoping once said that the “Asian Century” would only arrive when India and China become developed countries (Madhav, 2015). During a meeting with Narendra Modi in Chennai (October 12, 2019), Xi Jinping noted that “realizing a scenario where the dragon and the elephant dance together is the only correct choice for the two

countries.”¹ Regional stability depends on the evolution of relations between China and India, as do the prospects for Eurasian integration.

Theoretical framework and literature review

The regional security complex (RSC) theory developed by Barry Buzan and Ole Waever is relevant in the analysis of the engagement of China and India at both the regional and global levels.² Buzan argues that

all the states in the system are enmeshed in a global web of security interdependence [...] RSCs are about the relative intensity of inter-state security relations that lead to distinctive regional patterns shaped by both the distribution of power and historical relations of amity and enmity. (Buzan, 2003, p. 141)

From the point of view of regional security complex theory, China (as a great power) forms the RSC of Northeast Asia, while the key player in the South Asian RSC is India (Buzan & Waever, 2003). These complexes also make up a single East Asian RSC, in which relations between India and China come to the fore.

In this context, relations between India and China are undoubtedly unique, as they represent something of a mixed type of “amity and enmity” in international relations. For realists, states exist in an anarchist system in which they rely entirely on their capabilities. The key national interest of any state is survival. In turn, the struggle for power is an integral part of human nature (which is inevitably projected onto the struggle between states in the international arena) and is presented in two forms: competition and collaboration (Korab-Karpowicz, 2010). Relations of rivalry are formed as the consequence of the national interests’ clash, while cooperation is carried out when their interests overlap. Tien-sze Fang (2013) takes a similar combined approach to the analysis of China–Indian relations as a mixed type of international relations that incorporates elements of cooperation and competition.

A number of scholars have highlighted this unique feature of China–Indian relations. They argue that China’s behavior is consistent with a multidimensional model in which security is intrinsically tied to political and economic considerations in its relations with India (Freeman, 2017; Roy-Chaudhury, 2017). Thus, most researchers emphasize a certain blurring of the lines between the political and economic spheres, and this makes it difficult to develop a comprehensive concept of security (Freeman, 2017).

To elaborate on the issue, some observers offer the concept of *Chindia* to describe primarily economic relations between China and India, although this can be extended to other spheres as well if ties between the two countries continue develop (Mukherjee, 2017).

¹ Xi makes proposals on China–India ties as meeting with Modi Enters 2nd Day. XINHUANET.com, October 13, 2019. Available at: http://www.xinhuanet.com/english/2019-10/13/c_138467153.htm (last accessed December 2019).

² The concept of a regional security complex is defined as a “set of states whose major security perceptions and concerns are so interlinked that their national security problems cannot reasonably be analyzed or resolved apart from one another” (Buzan, 2003, p. 141).

In terms of cooperation, China and India have developed intensive economic relations (Roy-Chaudhury, 2017; Mukherjee, 2017). In addition, the two work closely at multilateral venues to represent the interests of the developing world (Ghosh, 2018) and cooperate actively in international forums and organizations (Roy-Chaudhury, 2017).

That being said, China and India have conflicting interests in certain areas, including border disputes and China's active policy in South Asia, which India regards as its own "back yard" (Mukherjee, 2017). There is a certain amount of political distrust between the two sides, which has a detrimental effect on bilateral ties (Mukherjee, 2017). Security issues and political mistrust mean that the "geo-political nature of the relationship now effectively challenges the geo-economic stability that had taken place" (Roy-Chaudhury, 2017, p.109). Despite all the problems in bilateral relations and the residual mistrust, China and India are careful to avoid conflicts and strive to improve political contacts (Joshi, 2018).

The interaction between the two countries, although never realized in the form of *Chindia*, has undoubtedly become more "global." This interaction is now defined by a broad and changing context (including the domestic situations in China and India), regional and global ambitions that often extend beyond the geographical boundaries of the Indian subcontinent, and the development of overlapping networks of partnerships.

With the expanding foreign policy activity of the two countries, their diplomatic interaction becomes increasingly complex and multidimensional. Finally, China-Indian relations, however complicated and acute the historical problems between the two countries may be, are not locked in a vacuum. Growing international turbulence, the emergence of new sources of instability, and attempts to erode the foundations of key international institutions all seriously affect the relations between the two countries.

This article is based on those studies that describe China-Indian relations as a combination of cooperation and competition. At the same time, the authors presume that the rise of China and India, as well as changes in the external environment, have a significant impact on the evolution of bilateral relations, resulting in changes in the balance of cooperation and rivalry. Below, we will analyze the elements of cooperation and competition in relations between China and India.

Increasing cooperation between China and India

Any analysis of the evolution of bilateral relations between China and India is incomplete without an analysis of the changes that are taking place in the political systems of the two countries. It is quite natural that China-Indian relations are dominated by "strong personalities," leaders whose charismatic and visionary styles set the course for their respective countries, embodying their national interests and their visions of the future. This, in turn, guides the development of bilateral relations. When Xi Jinping assumed the post of Secretary General of the Central Committee of the Communist Party of China (CPC) in 2012, he put forward the slogan of the "Chinese Dream" (Denisov, 2016, p. 71). The formula of the "great rejuvenation of the Chinese nation" was subsequently included in the Constitution of the CPC. Xi Jinping's "One Belt, One Road" initiative closely links

the implementation of China's foreign policy agenda with the achievement of balanced economic growth in the country under the conditions of a "new normality."³

India has also been demonstrating a newfangled foreign policy since the arrival of Narendra Modi. New Delhi has become more active, purposeful, and economically oriented on the international stage. The Prime Minister is responsible for galvanizing his cabinet to look for new drivers of economic growth, stimulate innovation and eliminate bureaucratic barriers. At the core of Modi's diplomacy is the careful building of relations with world centers of power, which can only be done by increasing the country's investment attractiveness. The Indian leadership considers the accumulation of economic potential as an essential factor in turning the country into one of the most important poles in today's world.

China and India recognize the importance of bilateral relations in the current international context. Approximately two thirds of all agreements and projects between India and China during the 65 years of official diplomatic contacts between the two have come in the past ten years (Uyanayev, 2014, p. 136). This shows that Sino-Indian relations are improving at a very fast pace.

China and India are increasingly working together on the multilateral front, seeking to promote the interests of developing countries by uniting their efforts. The most vivid example of such interaction is the ongoing Doha Round of trade talks, where China and India serve as key representatives of developing countries from the G20 (Ghosh, 2018). The two countries also cooperate on such international platforms as BRICS (Denisov et al., 2019) and in the trilateral Russia-India-China format. The Chinese and Indian heads of states meet regularly on the sidelines of G20 and SCO summits.

Beijing and New Delhi also collaborate in BASIC, a bloc of four large newly industrialized countries (Brazil, South Africa, India and China). The positions of China and India largely coincide on such issues as climate change, energy, and food security and the states also strive to jointly defend the interests of developing countries.⁴ They also actively cooperate within the Copenhagen and Paris climate change formats. "China backed India's successful candidacy for a non-permanent seat in the UN Security Council in 2011 and 2012" (Roy-Chaudhury, 2017). The countries also interact closely on the international stage, bringing interests of developing countries into the spotlight of the world community (Ghosh, 2018).

In January 2017, the People's Republic of China published a White Paper on "China's Policies on Asia-Pacific Security Cooperation." The third chapter of the document is devoted to cooperation with other leading players in the region, and India is among the first countries mentioned (after the United States and Russia). This speaks to the importance that

³ This term in internal Chinese documents means the transformation of the economic model, which is characterized by: (1) lower GDP growth; (2) a shift in emphasis from increasing exports to stimulating domestic demand; (3) the elimination of the imbalance in the development of coastal and inland regions; (4) the priority development of the hi-tech industry, the green economy, etc.

⁴ For further information, see the publication about China-India bilateral relations by the Ministry of Foreign Affairs of the People's Republic of China 中国同印度的关系 (China-India relations). Available at: https://www.fmprc.gov.cn/web/gjhdq_676201/gj_676203/yz_676205/1206_677220/sbgx_677224/ (last accessed December 2019).

Beijing attaches to its interaction with New Delhi: “since 2015, the China-India strategic and cooperative partnership for peace and prosperity has been further deepened [...] The two countries have held frequent exchanges of high-level visits, and enhanced political mutual trust.”⁵

On April 27, 2018, Narendra Modi paid an informal visit to Wuhan to meet with Xi Jinping. During the meeting, the President of the People’s Republic of China noted that he had met with the Prime Minister of India on a number of occasions over the previous three years: “We are two great countries that are developing greater cooperation [...] I hope that during this visit, we will be able to open a new page in the history of our relations.”

⁶ In addition to the informal meeting in Wuhan, the leaders of the two countries also met on the sidelines of the SCO summit in Qingdao (June 2018) and the BRICS summit in Johannesburg (July 2018). The fourth meeting of the heads of state took place during the G20 Summit in Buenos Aires (November-December 2018).

The second informal summit was held on October 11–12, 2019 in the Indian city of Chennai, where Narendra Modi and Xi Jinping “had an in-depth exchange of views in a friendly atmosphere on overarching, long-term and strategic issues of global and regional importance.”⁷ The two leaders agreed on extending the scope of positive bilateral relations, which should encompass more areas of mutually beneficial cooperation.⁸

When analyzing the cooperative aspect of China–India relations, it is vital to focus on burgeoning economic and trade relations. Following an unprecedented rise in bilateral trade, China has become India’s largest trade partner. Some scholars specifically note that India’s remarkable economic growth has been partly because of Chinese investments (Mukherjee, 2017). India also joined the Asian Infrastructure Investment Bank (AIIB) established at the initiative of China, becoming the second largest shareholder (Mishra, 2016; Callaghan & Hubbard, 2016; Roy-Chaudhury, 2017).

China-Indian cooperation in the economic sphere has intensified significantly. This can be seen from the dynamics of mutual trade: bilateral trade was approximately \$3 billion in 2000, \$58 billion in 2008, and \$95.7 billion in 2018 (See Graph 1).

Bilateral cooperation on regional security issues is one of the most vibrant components of China–Indian relations. An important point in strengthening bilateral cooperation and mutual trust is the interaction of Indian and Chinese armed forces. (Joshi, 2018). The sixth edition of the “Hand in Hand” joint training exercise was held in the Indian city of Pune in November 2016. One month earlier, one-day joint exercises on rescue and humanitarian missions were conducted in the disputed Ladakh area.

⁵ China’s policies on Asia-Pacific Security Cooperation, 11th January 2017. Available at: https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1429771.shtml (last accessed December 2019).

⁶ To get the original citation, follow the publication at Xinhua: 习近平会见印度总理莫迪. (Xi Jinping Meets with Indian Prime Minister Modi) April 27, 2018.). Available at: http://www.xinhuanet.com/politics/leaders/2018-04/27/c_1122755169.htm (last accessed December 2019).

⁷ Press release by Ministry of External Affairs. Government of India. 2nd India–China Informal Summit. October 12, 2019. Available at: <https://www.mea.gov.in/press-releases.htm?dtl/31938/2nd+IndiaChina+Informal+Summit> (last accessed December 2019).

⁸ To facilitate trade cooperation, Xi and Modi decided to establish a High-Level Economic and Trade Dialogue mechanism.

In addition, the 2017 White Paper on “China’s Policies on Asia-Pacific Security” paid particular attention to the issue of military and security cooperation with India. The document describes closer communication and increased exchanges between the armies of the two states, noting that eight rounds of defense and security consultation and six joint military anti-terrorism training exercises had been held as of 2017. The White Paper also mentions that the parties cooperate effectively on border protection, which ensures peace and stability in the region. Following the standoff in Doklam in 2017, the two countries managed to return to the negotiating table and seek a peaceful resolution. This resulted in improved security cooperation, including strengthening of counter-terrorism coordination efforts (Roy-Chaudhury, 2017).

Anti-terrorism cooperation is one of the most important aspects of China–Indian relations, reaching a new level as of late (Joshi, 2018). Thus, in November 2015, a joint statement on cooperation in the fight against international terrorism was published (Patranobis, 2015). Bilateral anti-terrorism cooperation received a new impetus after the accession of India and Pakistan to the SCO in 2017 (Denisov & Safranchuk, 2019). The issue of anti-terrorism cooperation was also raised during the Meeting of the Council of Foreign Ministers of SCO held in Beijing on April 24, 2018.⁹

Another significant move made by the two countries was the revival of the BCIM project during the meeting in June 2019 (Chaudhury, 2019). The 2800-km-long corridor between Bangladesh, China, India and Myanmar (BCIM)¹⁰ was originally intended to be an infrastructure project of the Belt and Road Initiative in 2013. However, Beijing dropped the project in 2019 as a gesture of goodwill to India, which has long accused China’s Belt and Road Initiative of violating its sovereignty. The move could lead to a fundamental change in India’s approach to the project, as the country had previously viewed the corridor as a trade facilitation project that would enable China to dominate the Asian market, rather than as a project contributing to the development of small countries (Karim, 2018).

China was also extremely cautious during the Indo–Pakistani military crisis in February 2019. Beijing did not bluntly support Pakistan on the issue, but instead acted as an intermediary, calling on both sides to “maintain self-restraint and focus on regional peace and stability” (Westcott, 2019). Another positive sign in bilateral relations was Beijing’s decision to abstain from its long-term position of blocking the UN Security Council from putting Masood Azhar on its Consolidated List, something that New Delhi had been demanding for some time.¹¹ For his part, Modi demonstrated India’s friendly attitude to China when he did not invite the political head of the Tibetan Government in Exile and a Taiwan representative to his second inauguration in 2019 (unlike his first inauguration in 2014) (Lidarev, 2019).

⁹ See also “India, China to work together on Counter-Terrorism, Climate Change.” Business Standard, April 22, 2018. Available at: https://www.business-standard.com/article/news-ani/india-china-to-work-together-on-counter-terrorism-climate-change-118042200436_1.html (last accessed December 2019).

¹⁰ A massive infrastructure project proposes to link Kunming with Kolkata, via Mandalay and Dhaka. It is noteworthy that the BCIM is the only trans-regional growth corridor that cuts through the remote north-eastern states of India and connects the region to neighboring countries.

¹¹ Masood Azhar, leader of the Pakistan-based terrorist organization Jaish-e-Mohammed.

China–Indian competition from the regional and global perspectives

Despite the positive trends in bilateral cooperation mentioned above, China–Indian relations are not devoid of rivalry and competition. In a historical perspective, the confrontation between the interests of China and India has mostly been associated with territorial claims, which center on the disputed territories of Aksai Chin and Arunachal Pradesh.¹²

The border issue did not change significantly following the Indo–China War of 1962: cross-border clashes continued, the sides continued to build their respective military infrastructures in the disputed areas, and mutual criticism was heard everywhere. Despite the fact that, at the official level, the political leadership of the two countries promotes the idea of close cooperation to resolve territorial disputes, tensions flared up once again in the summer of 2017 in connection with the events on the Doklam plateau, dealing a blow to the Border Defense Cooperation Agreement (October 2013) (Joshi, 2018). Moreover, during the conflict, the Ministry of Foreign Affairs of the People’s Republic of China accused India of violating the Five Principles of Peaceful Coexistence (Panchsheel).¹³

Indian government officials and the security community view the expansion of China in South Asia through the lens of the strategic rivalry, recognizing it as a threat to India’s hegemony in the region (Freeman, 2017). India is also wary of the attention that China pays to the South Asian Association for Regional Cooperation (SAARC), which India regards as a sphere of its interests (Mukherjee, 2017).

As things stand, the relations of cooperation and rivalry between China and India have gone beyond the border tensions at the North-East and South-Asian RSC and now have a direct impact on the entire Indo-Pacific region and the broader East Asian RSC. Given the increasingly important role that India now plays in multilateral formats that also include Australia, the United States, and Japan, we can speak of a change in the balance of power throughout the whole Asian super-security complex.

In many ways, this is the result of India being in a kind of transitional state. That is, the country continues to be a regional power, but is gradually accumulating resources of a great power. In recent years, more and more researchers have begun to refer to India as an “emerging great power” (Pröbsting, 2020).

For example, in 2018, Stratfor¹⁴ published a detailed study of India’s “Great Strategy” to become a global great power.¹⁵ Of course, India does not fully satisfy all the requirements right now, although it has sufficient potential to reach the required level over time.

¹² The first region is located in the western part of the border (India classifies it as part of Ladakh, Jammu and Kashmir), while the second is in the eastern part. Aksai Chin does not represent any economic benefit, as it is essentially a chain of glaciers in the middle of an uninhabited salt desert.

¹³ Foreign Ministry Spokesperson Geng Shuang’s Regular Press Conference on July 5, 2017. July 5, 2017. Available at: https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1475680.shtml (last accessed December 2019).

¹⁴ The Stratfor report “India struggles with its strategy for becoming a great power” available at: <https://worldview.stratfor.com/article/india-struggle-grand-strategy-great-power-china-pakistan-us> (last accessed December 2019).

¹⁵ Theoretically, a country with the status of modern great power is a state with a high degree of independence in conducting domestic and foreign policies and is able to ensure national interests and influence global and regional politics – all this in addition to having the traditional markers of a “great

In 2017, India's GDP growth exceeded that of China, amounting to 7.2% (compared to China's 6.8%). According to the World Bank, the respective figure for 2018 was 6.8% (compared to 6.5% for China).¹⁶ There are a number of reasons why India's performance improved to a greater degree over this period. To begin with, India embarked upon a path of economic growth that entails limited use of its own resources. China took the opposite route—increasing returns by maximizing the resources invested (Mourdoukoutas, 2018).

In the military sphere, India became the fourth largest country in the world in 2019 in terms of the combined strength of its armed forces.¹⁷ According to SIPRI, India was among the leading arms importers in 2012–2016, accounting for 13% of the global share (Fleurant, 2017). As of year-end 2017, India was fifth in the world in terms of total military expenditures, with 3.3% of the global total (Tian, 2017). The 2017 SIPRI report notes that India maintained its leading position as the world's largest arms importer, accounting for 12% of all transactions (Wezeman et al., 2018).¹⁸ A new report from 2019 states that India ceded its position as the biggest buyer of military equipment to Saudi Arabia, accounting for 9.5% of global share of major arms import (Wezeman et al., 2019).¹⁹

India's international affairs movements have also helped strengthen the country's positions on the way to becoming a great power. Its "Look East" policy, which was formulated after the end of the Cold War and is aimed at revising India's position in a changing world, was launched in 1991, when the term was first coined and later used in the Annual Report of the Ministry of External Affairs (1995–1996). The concept has been modified since Narendra Modi came to power and is now known as "Act East."

The development of the U.S.–Australia–India–Japan security group (a quadripartite strategic alliance, or QUAD) has become increasingly visible of late. It is worth noting that reports began to emerge in the second half of 2017 to the effect that work in this format had been stepped up, and that consultations had been resumed after a break.²⁰ It would seem that activity in this area has been reinvigorated as a result of the change in the U.S. foreign policy in Asia.

The Asia-Pacific Region was taken off the 2017 National Security Strategy of the United States.²¹ It was replaced by the new concept of the Indo-Pacific region, with an apparent emphasis on the increasing role of the Indian Ocean and India in U.S. foreign policy.

power" (such as large territory and population, military capabilities, abundant resources, etc.).

¹⁶ See the data by World Bank available at: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=IN-CN> (last accessed December 2019)

¹⁷ See the ranking by Global Firepower available at: <https://www.globalfirepower.com/countries-listing.asp>

¹⁸ The report also stresses that India's forefront positions in weapon imports were partly backed by U.S. attempts to restrain China's ascent. U.S. arms deliveries to India rose by 557% between 2008–2012 and 2013–2017 (Wezeman, 2018).

¹⁹ Although imports decreased by 24% between 2009–2013 and 2014–2018, this was due to delays in the supply of weapons manufactured under license from foreign suppliers, such as military aircraft ordered from Russia in 2001, and submarines ordered from France in 2008

²⁰ See for example Jaipragas, 2017.

²¹ For further information see the text of the National Security Strategy of the United States of America, December 2017. Available at: <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf> (last accessed December 2019).

Following the announcement of the Indo-Pacific Region concept, the Trump Administration started to intensify contacts with India, as evidenced by the visit of then Secretary of State Rex Tillerson to New Delhi in October 2017, during which he stated that the Trump Administration had decided to deepen relations with India to confront China. By focusing on the Indo-Pacific region, the United States is, in fact, elevating India's role as a new center of world politics and economics, thereby shifting the spotlight away from China, which was usually thought to play this role.

Bilateral relations between China and India are also complicated by the ongoing tensions in the China–India–Pakistan triangle. India perceives Pakistan as a “hotbed” of terrorist threats, and there have even been accusations against the Pakistani leadership regarding the targeted training of militants for terrorist acts and provocations in India.²² India is also concerned about Pakistan nuclear program (Micallef, 2017).

The actions of China in South Asia directly provoke indignation and concern in India, which, of course, considers the Indian Ocean its traditional zone of influence (Mukherjee, 2017; Freeman, 2017). In March 2017, statements appeared in the media about China possibly increasing its military budget from \$146 billion to over \$150 billion in connection with the plan to bolster its naval forces in the Indian and Pacific oceans, causing concern within the Indian leadership about China strengthening its positions in the region.²³ India considered the 2018 Maldives political crisis and the role of Chinese investments in that country, as well as the Hambantota port case (Sri Lanka) as Chinese encroachment into the Indian zone of influence.

China is also wary of India. In addition to deepening contacts with the countries of the region within the framework of Quadrilateral Security Dialogue, India seeks to strengthen cooperation with regional actors at the bilateral level. Thus, relations between India and Japan, which are reinforced by the fact that the prime ministers of the two countries (Narendra Modi and Shinzo Abe) enjoy a good rapport, are a cause for much concern in China (Perlez, 2015). The resumption of exercises in a bilateral format after a long period testifies to the intensification of military cooperation between the two countries in order to further deepen cooperation in maintaining stability and security in the region.²⁴

The Chinese media has written about India's aspirations to establish closer contacts with the countries of the region, which have recently begun to deepen ties with China. According to recent reports, India's interest in Bhutan increased dramatically after the elections. In the face of growing Chinese footprint in Bhutan, India has decided to give new impetus to its relations with this small country so as not to lose momentum.²⁵

²² See for example BBC reporting “Militants attack Indian Army Base in Kashmir ‘Killing 17.’” September 18, 2016. Available at: <https://www.bbc.com/news/world-asia-india-37399969> (last accessed December 2019).

²³ See, for example (Krishnan, 2017).

²⁴ The Japan–India Maritime Exercise (JIMEX-2018) was held in October 2018. It was the third such engagement in the history of Indo–Japanese bilateral relations, and the first for five years (Hall, 2017).

²⁵ See, for example: 中国身边这小国“变天” 印度高度警惕! (“This small country next to China has ‘changed greatly,’ India is Highly Vigilant!”). December 18, 2018. Available at: <https://3g.china.com/act/military/11132797/20180918/33929199.html> (last accessed December 2019).

It is worth noting that during the 2017 border standoff in Doklam, a breakdown in the public and institutional agendas in China–Indian relations was evident, with the two sides levelling accusations and allegations against one another in the press (even in official Chinese and Indian publications) against the backdrop of continuous closed-door diplomatic negotiations to eliminate the crisis. On the one hand, this situation demonstrates the inertia of the nationalist discourse inside the two countries, which sets the public to a zero-sum game. On the other hand, it presents excessive trust in the “interweaving” of economic interests and the substitution of a systematic rethinking of the entire complex of bilateral relations through “emergency diplomacy,” with emphasis on a deal under the formula “security concessions in exchange for the fruits of Chinese economic growth.”

From the Indian perspective, too much attention is paid to the idea of balancing, which (especially during the crisis period) distracts from the essence of bilateral relations, and sometimes causes only an increase in mutual distrust between Beijing and New Delhi. Attempts to mobilize international support against “Chinese aggression” largely accounted for the extremely sharp heat of the anti-Chinese campaign in the Indian press during the confrontation in Doklam.

Nevertheless, a compromise solution to the Sino–Indian confrontation on the Doklam plateau was found. This was largely thanks to the fact that, despite all the mistakes made when tensions were rising, the parties managed to realize the extremely negative military, political and economic consequences of the further escalation of the crisis.

Conclusion

Based on the above analysis, it is quite clear that China and India have a multifaceted relationship, one that ranges from cooperative relations on certain issues (the economy and the political sphere) to rivalry and competition relations on others (territorial disputes and struggle for regional influence). It is clear from recent events that countries are competing not only in the context of cross-border conflicts but also for the redistribution of spheres of influence in Asia.

Both countries still face conflicting historical views, primarily related to territorial claims. The settlement of long-standing disputes is unlikely to take place in the short-term. Therefore, it is likely that border incidents will continue to happen, which are often not even deliberate (like what happened in 2013). In the long run, however, provided that India’s economy continues to grow and bilateral economic contacts deepen, China and India will be able to achieve parity dynamics in trade turnover (See Graph 1) as well as in investment cooperation. In 2019, 1,000 companies from China were doing business in India, bringing in \$8 billion of private investments. As a result, about 200,000 new jobs were created, easing unemployment. Over two-thirds of Indian companies have been investing in China over the years.²⁶ Thus, for the sake of economic pragmatism, the two countries should be able to quickly move to compromise, just as they did in 1987, 2013, and 2017.

²⁶ For more details, see Sun Weidong, “If China and India speak in one voice, the world will listen.” *Business Standard*, November 29, 2019. Available at: <https://www.business-standard.com/article/current-affairs/if-china-and-india-speak-in-one-voice-the-world-will-listen-sun->

There is no doubt that the appearance of an “ascending great power” directly on the border cannot but provoke a response from China, which, against the background of relations that have been complicated by territorial disputes, seeks to further protect itself, in particular by establishing contacts with states that have traditionally focused on India. India, in turn, sees a threat not only in the linear growth of the military potential of China, but also in the Chinese “smart power” in the form of investments in the economies of its traditional partners: Sri Lanka, Bangladesh, Myanmar, Nepal, Bhutan, the Maldives etc.

Thus, the People’s Republic of China, from the Indian perspective, not only violates its strategic security, but also penetrates the South Asian RSC, in which India has traditionally played the leading role. If we use the classical theory of the “balance of power” promulgated by the school of political realism pioneered by Hans Morgenthau,²⁷ it turns out that China, through its actions to protect itself from the growing potential of the “rising great power,” (namely India) disturbs the regional balance of power, and in fact maneuvers itself into a security dilemma.

At the same time, in deepening contacts with Japan, India, in turn, crosses the border of the East Asian RSC, which is in the sphere of China’s priority interests, and thus creates prerequisites for threats to China’s security, which provokes Beijing to develop preventive measures. The situation is further aggravated by the actions of the United States, which, through its Indo-Pacific Initiative, has raised even greater suspicions among Chinese leaders of potential threats to China’s security.

The transformation of the system of international relations is becoming a test and a challenge primarily for major powers, and this factor increasingly determines the state of relations between Beijing and New Delhi. Obviously, India is trying to balance between China and the West, and given the deterioration of Sino–U.S. relations, Washington has additional motives to advance relations with New Delhi.

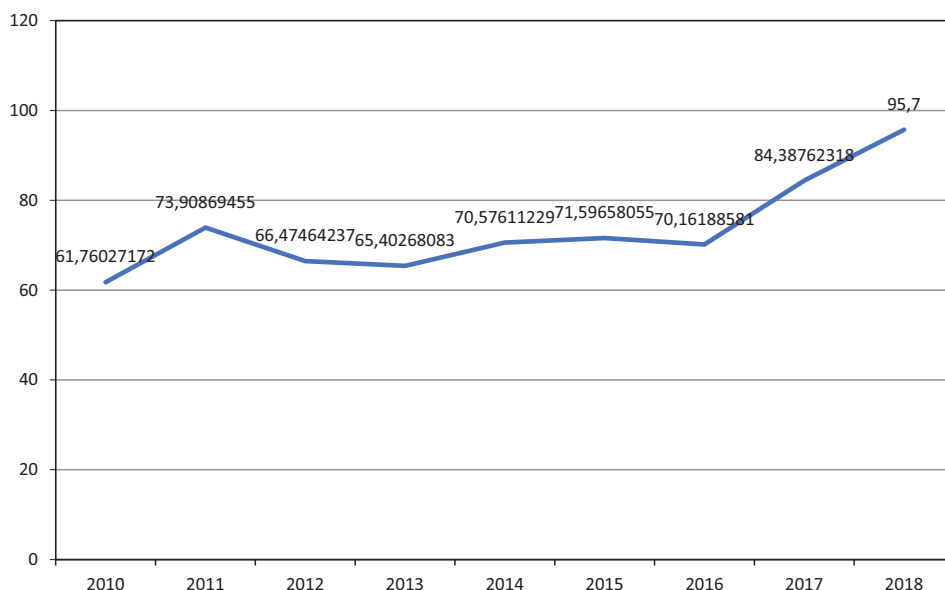
In order to promote convergence of national interests and prevent enmity, China and India closely cooperate on international platforms. In 2018, President Xi and Prime Minister Modi called for supporting multilateralism and free trade on many international occasions, one of which was the World Economic Forum in Davos.²⁸ Over the years, China and India have promoted shared principles in various organizations, including the International Monetary Fund (IMF) and World Trade Organization (WTO), and demonstrated their unanimity against the position of developed countries, which tend to be unfavorable to developing countries. In a joint WTO proposal, in 2017, Beijing and New Delhi called for the elimination of trade-distorting agricultural subsidies provided by developed countries. While both countries are suspicious of the rise of the other and are willing to restrain the other

weidong-119090700905_1.html (last accessed December 2019).

²⁷ The “balance of power” concept is described by Hans Morgenthau as “the aspiration for power on the part of several nations, each trying either to maintain or overthrow the status quo, leads of necessity to a configuration that is called the balance of power and to policies that aim at preserving it” (Morgenthau, 1955, p.155).

²⁸ For further information, see the Embassy of China in India Report Available at: http://in.chineseembassy.org/eng/embassy_news/t1610763.htm (last accessed December 2019).

Graph 1. China–India trade 2010–2018 (\$ bln.)



Source: Compiled by the authors on the basis of data available at: <https://comtrade.un.org/data>

side's excessive regional ambitions, their shared status as a major developing country can, to some extent, serve to reduce conflict potential.

India and China also take advantage of the potential of the India-China Plus Model, which implies their cooperation in third countries. The first step towards the implementation of this model was taken in 2018, when Afghanistan was selected as the first country where both countries will develop a partnership program. They commenced a joint training program for 10 Afghan diplomats. As Chinese Foreign Minister Wang Yi noted, The Joint Capacity Building Program “is a testament to the joint aspiration and endeavor of China and India [...] to contribute to regional peace and stability.”²⁹

While all of the undertakings between China and India mentioned above contribute positively to the elimination of mutual distrust, it is too early to determine any possibility of resolving common differences quickly. The border issue cannot be resolved overnight; it will take time and joint efforts to find a sustainable and mutually acceptable solution. Nonetheless, recent China-India joint projects could further increase the convergence of

²⁹ “India, China come together to train Afghan diplomats.” *The Economic Times*, October 15, 2018. Available at: <https://economictimes.indiatimes.com/news/politics-and-nation/india-china-come-together-to-train-afghan-diplomats/articleshow/66218568.cms> (last accessed December 2019).

interests and contribute to conflict prevention while also strengthening peace and security at the regional level, which would benefit both countries and the region as a whole.

Finally, it seems that both China and India are undoubtedly interested in maintaining regional stability, which will contribute to their economic development (Joshi, 2018). Consequently, in the context of sustainable economic development, countries can find the areas of convergence of national interests that, according to the theory of realism, will become the key to building relations of cooperation in Eurasia. Improving the national welfare of both countries and the standard of living for the population should be a priority of economic development in both China and India. Furthermore, by deepening trade, promoting economic and investment cooperation—countries will be able to lay a solid foundation for further enhancing the positive results of economic interaction and extending them to other areas of bilateral relations.

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