

## **China-India Relations: How Different Perceptions Shape the Future**

Zheng Haiqi

### **Summary**

*China-India relations are at a crossroads. Changing dynamics indicate that border disputes are likely to be part of the new normal which will create difficulties in restoring the bilateral relations to a normal level. The formation of competitive relations has mainly contributed to the difference in perceptions between China and India in terms of border issues and the countries' broader strategic designs. These conflicting visions may hinder their efforts to reach a potential consensus and bring about progress in their relationship. To prevent bilateral relations from getting out of control, both sides must recognise and communicate their respective interests and expectations moving forward.*

### **Introduction**

Following the violent face-off at the Galwan Valley in the middle of 2020, China and India have been progressively de-escalating along the Line of Actual Control (LAC). Both sides reached a five-point consensus on easing border tensions in September 2020, which called for continuing communications through existing mechanisms and implementing new confidence-building measures. Despite this, mistrust has caused tensions and disputes. The Indian government has banned direct investment and hundreds of apps from China, which triggered additional confrontation in the economic and security fields. The good news finally came in February 2021, when China and India agreed to disengage in eastern Ladakh, ending the nine month-long dispute. However, in reviewing a similar border standoff in Doklam in 2017 and the nature of recurring disputes, China-India relationship may now be “truly at a crossroads”.<sup>1</sup>

### **India's Perspective on the Bilateral Relations**

India holds the position that bilateral cooperation can only flourish through resolving the border issue and maintaining peace there. As India's External Affairs Minister, S Jaishankar, stated in a recent speech, border peace and tranquillity are the basis for developing relations in other domains.<sup>2</sup> Even at the beginning of disengagement, Foreign Secretary Harsh Vardhan Shringla said that China and India cannot have a normal bilateral relationship if there is no peace and tranquillity in the border areas.<sup>3</sup> These statements are made against the

---

<sup>1</sup> Ministry of External Affairs, Government of India, 'Keynote Address by External Affairs Minister at the 13<sup>th</sup> All India Conference of China Studies, 28 January 2021. <https://www.mea.gov.in/Speeches-Statements.htm?dtl/33419/Keynote+Address+by+External+Affairs+Minister+at+the+13th+All+India+Conference+of+China+Studies>.

<sup>2</sup> Ibid.

<sup>3</sup> 'India, China cannot have 'normal' relationship if there is 'transgression' in border areas: Shringla', *The Economic Times*, 17 February 2021. <https://economictimes.indiatimes.com/news/politics-and-nation/india->

backdrop of recent skirmishes that were triggered by rapid infrastructure development across the border. However, India's emphasis on resolving the border dispute as a precursor for bilateral relations is a step back from the progress made since 1988, following then Prime Minister Rajiv Gandhi's historic visit to China. During his visit, both sides agreed that resolving the border dispute might take time, and hence they did not want to hinder the possibility of cooperation due to the inability to immediately resolve issues along the border. It was agreed that they would explore a relationship in areas such as trade, despite other differences. This policy continued in subsequent administrations, even during certain periods of the Narendra Modi administration. However, the new policy preference means that the border dispute will incite full-scale competition.

There is also the structural issue of the India-China border dispute. For India, China is its main strategic rival. Since independence, India has consistently been pursuing great power status in the international community. As its economy grows, New Delhi seeks more institutional power and wants to be regarded as a regional leader. However, with China emerging more rapidly and powerfully, and with Beijing's expanding role in South Asia, India's leadership is continuously being challenged in the subcontinent. India believes it is being thwarted by China which will exert pressure on it by relying on its superior strength. As the gap between China and India continues to widen, border issues have become more prominent, leading to escalations. In response, India has strived to rely on its own capabilities or cooperate with extra-regional great powers to counter China. As Professor C Raja Mohan argued, Delhi is preparing to stand up to the China challenge with or without American support in the definitive moment of its national evolution.<sup>4</sup>

Moreover, India has begun to reduce economic reliance on China and even pursue economic decoupling from it. According to data from India's Ministry of Commerce and Industry, China regained its position as India's top trade partner in 2020.<sup>5</sup> Economic cooperation has been one of the most important pillars in their bilateral relations. However, the outbreak of the COVID-19 pandemic exposed India's vulnerability in supply chains, especially when exports from China decreased because of the pandemic and the Modi administration's investment prohibition.<sup>6</sup> Thus, India wants more economic independence and corresponding power. Modi has put forward *Atmanirbhar Bharat* (Self-reliant India) and build up the Supply Chain Resilience Initiative with Japan and Australia, a clear message that India hopes to capitalise on the opportunity to move away from China. The strengthening of self-reliance and cooperating with exporting countries other than China may empower India to respond to the crisis in the international economic system.

---

[china-cannot-have-normal-relationship-if-there-is-transgression-in-border-areas-shringla/articleshow/81076433.cms?from=mdr](https://www.thehindu.com/news-international/china-cannot-have-normal-relationship-if-there-is-transgression-in-border-areas-shringla/articleshow/81076433.cms?from=mdr).

<sup>4</sup> C Raja Mohan, 'The COVID New (Ab)Normal: India's China Challenge and the American Alignment', Asia Society, 28 September 2020. <https://asiasociety.org/policy-institute/covid-new-abnormal-indias-china-challenge-and-american-alignment>.

<sup>5</sup> 'How China regained its place as India's top trading partner', *Times of India*, 24 February 2021. <https://timesofindia.indiatimes.com/business/india-business/how-china-regained-its-place-as-indias-top-trading-partner/articleshow/81185792.cms>.

<sup>6</sup> Between January and November 2020, China exported about \$59 billion worth of products to India, down 13%. See 'China's exports to India down 13% in first 11 months', *Global Times*, 7 December 2020. <https://www.globaltimes.cn/content/1209186.shtml>.

## China's Perspective on the Bilateral Relations

China usually uses the phrase 'Dragon and Elephant Can Dance Together' to describe the relations between the two Asian great powers, indicating the desire to coexist and build an Asian century with India. As one of China's most important bilateral partnerships, the 70 years of cooperation between the two countries has played a crucial role in its foreign policy agenda and neighbourhood diplomacy. Even with enduring interests and longstanding disagreements, China has always regarded India as a reliable trade partner and wants to maintain steady economic and trade cooperation.

Economic relations aside, other fields of cooperation are relatively weak. China believes that the political trust that peaked at the Wuhan Summit cannot be sustained. Currently, there is a serious lack of mutual trust between them. In the security field, China sees limited space for cooperation.

In terms of border issues, China holds a different opinion from that of India. It believes that these should not be linked with broader bilateral relations as they are historical problems that take a long time to reach a consensus. Prioritising such issues hinder the chances for cooperation and gaining from possible benefits. Thus, China proposes to set aside the border dispute and invest more in enhancing bilateral relations in areas of mutual interest. In doing so, China hopes that relations will mature and eventually bring a settlement to the disputes at no cost. Even while unveiling details about the Galwan Valley to its domestic public, Chinese officials refrained from using the term "India" and instead used "foreign military" to refer to Indian troops to avoid implying India as the direct enemy. In a phone call with his counterpart, Foreign Minister Wang Yi stated that border disputes are not the whole story of China-India relations, and they should be put at a proper place in the overall picture.<sup>7</sup>

However, China does have concerns over the crisis with India beyond the border disputes. At present, what China really worries about is India's strategic cooperation with the United States (US). For China, its foremost strategic rival is the US and regional adversaries such as Japan. China firmly believes that India will not stand on its own as a strategic rival but will always align with other powers. In the past, for instance, India had built a strategic partnership with Britain and the Soviet Union to realise its strategic security interests. China now believes it may need to confront an India allied with the US. Moreover, much of the scholarly literature on India nowadays focuses on its relationship with US.<sup>8</sup> However, contrary to India's expectations, New Delhi remains a secondary concern for China even as an American ally. China's unwillingness to view India on its own terms may have led New

---

<sup>7</sup> Ministry of Foreign Affairs of People's Republic of China, 'Wang Yi Speaks with Indian Foreign Minister Jaishankar on the Phone', 26 February 2021. [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1856910.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1856910.shtml).

<sup>8</sup> Hu Shisheng and Wang Jue, 'Behavioral Logic of India's Tough Diplomacy toward China', *Contemporary International Relations*, No. 7, 2020; Lou Chunhao, 'The Changes of India's China Policy and China's Response', *Contemporary International Relations*, No. 11, 2020; and Feng Chuanlu, 'Recent Border Situation between China and India and the Trend of Bilateral Relations,' *Indian Ocean Economic and Political Review*, No. 6, 2020.

Delhi to perceive Beijing [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1856910.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1856910.shtml) not treating it with the respect and consideration it deserves.

## Impact of Different Perceptions on China-India Relations

In the short term, border disputes will become the new normal for China and India. Due to different priorities, the two countries will invest in different approaches and will find it difficult to decide what aspect is the most important to move the relations forward. Given the importance of the border issue, India is more likely to demand that China reduces its unilateral transgression and slows down the infrastructure build-up. But India may not rush to reach a new agreement as Modi tries to arouse nationalism and project a strongman image, which is a useful tool to gain domestic support. It would be more likely that China will demand that India commits itself to common interests, which include resuming political and trade exchanges to normal as soon as possible. At the same time, Beijing is determined to keep border areas steady and protect its sovereignty, which implies that its defence-related investments along the border will not be deterred or slow down.

The difference in the countries' strategic consensus will generate different policy preferences. China-India relations are a no-zero-sum game between a great power and a sub-power, while India believes it is a zero-sum game between two great powers,<sup>9</sup> or that there is "asymmetry in the China-Indian strategic rivalry".<sup>10</sup> The different strategic design may impact their foreign policies. China insists that India's aggression is closely related to the deterioration of China-US relations. It is generally believed among the Chinese public that India is trying to get China involved in a two-front war by standing with the US to contain it and benefitting from the great power rivalry. The most powerful evidence is in Jaishankar's recent book, *The India Way*, where he states that China has gained economic growth and favourable geopolitical balance through forging a united front against the USSR in the Cold War, which is especially instructive for India.<sup>11</sup>

Although China recognises India's dominance in South Asia to some extent, Beijing is cautious of India's 'Act East' policy and the latter's strategic alignment with the US. Similarly, India has concerns regarding China's dominance in the Indo-Pacific, especially in the Indian Ocean. Considering China's expanding role in the region, India will cooperate with the Quadrilateral states actively to improve interoperability and obtain more strategic support. China may regard India's behaviours as containment and respond strongly to it. With growing competition between the two countries, the possibility of regional division is increasing, and regional states may have to choose sides, which is not conducive to peace and stability.

Despite these differences, China and India do share a similar perception – the desire to avoid a military war, at least for the time being. What is inspiring in Chinese and Indian senior officials' speeches is that both sides express mutual respect, sensitivity and an

---

<sup>9</sup> Ye Hailin, 'Self Recognition, Relationship Cognition and Strategic Interactions: An Analysis on the Escalation of the China-India Border Dispute from the Perspective of Game Theory,' *World Economics and Politics*, No. 11, 2020.

<sup>10</sup> Manjeet S Pardesi, "Explaining the asymmetry in the Sino-Indian Strategic Rivalry", *Australian Journal of International Affairs*. Published online on 24 February 2021.

<sup>11</sup> S Jaishankar, *The India Way: Strategies for An Uncertain World*, Harper Collins, 2020, pp. 80-81.

interest to admit to the importance of maintaining peace and tranquillity in the border region. This signals that China-India relations are not the same as China-US relations; the latter is characterised by total strategic rivalry and potentially even a new Cold War. Both China and India are wise enough to not launch a war. As nuclear powers, war between China and India will involve high economic costs and lead to unintentional consequences. As President Xi Jinping said, China-India relations are standing at a new starting point and face new opportunities; it is thus important to develop bilateral relations and to elevate them to a higher level.<sup>12</sup>

## Measures to Improve the Bilateral Relations

As emerging states on the world stage, the stability of the China-India relationship is closely related to the well-being of the regional order and the international system. For better bilateral relations, China and India should bridge their differences. The most important thing now is for both leaders to organise a summit after the pandemic focusing on border issues and easing the tensions within a certain timeframe. Both the Wuhan and Chennai summits provide a good precedent for crisis management. The disengagement along the border and India's approval of some China's investment show that neither state wants enduring competition. For specific trade and maritime issues, the China-India Plus dialogue is an effective platform to reach a consensus. In general, political trust and economic cooperation should become the 'ballast stone' (*ya cang shi*) of bilateral relations.

In order to avoid direct confrontations, both sides should adjust their perceptions of the other. India needs to put bilateral relations first and set aside territorial disagreements temporarily. With the ongoing challenge posed by the pandemic and economic recession, it is essential to repair China-India relations and promote economic recovery. The two states can then explore settling the border issues. Besides, India should not be promoting investment models or even institutional competition in the region but rather turn to the regional states' immediate economic demands. Also, India needs to focus more on "autonomy" rather than "strategy", reducing the stimulus of US-India cooperation on China.

Correspondingly, China should adapt to the changing dynamics of India's foreign policy. When dealing with the South Asian countries, prudence will be an important principle, which means refraining from triggering fear in India. Equally important, China should correctly position and formulate a comprehensive policy towards India. Beijing can deepen cooperation with Delhi on global issues in international institutions, such as counterterrorism and climate change. These measures may hopefully offer the possibility of setting their relations in the right direction.

.....

Mr Zheng Haiqi is a PhD Candidate in the School of International Studies, Renmin University, China, and a Visiting Scholar at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore. He can be contacted at [zheng.haiqi@nus.edu.sg](mailto:zheng.haiqi@nus.edu.sg). The author bears full responsibility for the facts cited and opinions expressed in this paper.

---

<sup>12</sup> 'Xi says China-India relations at new starting point', *Xinhua Net*, 1 April 2020. [http://www.xinhuanet.com/english/2020-04/01/c\\_138938921.htm](http://www.xinhuanet.com/english/2020-04/01/c_138938921.htm).