



Foreign Policy of India towards China: Principles and Perspectives

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Abstract

There has been sweeping shifts and realignments in the dominion of international politics since the end of Cold War. The global power architecture is increasingly defined by the re-emergence of China and India on the international scene, in roles that are commensurate with their size, their dynamism and potential. This paper seeks to analyze the changing dynamics of India's foreign policy in the post-Cold War era especially in relation to China. The delimitation of the phase since the end of Cold War is important from the point of view that India drastically reoriented its China policy by adopting a more pragmatic foreign policy approach closely associated to the principles of Realism. The pace of strengthening the India's post-Cold War policy of cooperation towards China resulted in detente between China-India relations after 1996. However, this thaw in China-India relations was very short as both the states restarted their blame game after India detonated the two nuclear devices in May 1998 by citing China as a threat to her security. This hostile environment changed once again when the BJP led NDA government began making overtures towards China, and the two nations reached consensus on comprehensive bilateral cooperation in 2003 during Prime Minister Vajpayee's visit to China. Thereafter, the Congress led UPA government established a Strategic Partnership with China geared towards peace and prosperity, but at the same time promoted Nuclear Agreement and Joint Military exercises with the United States and further strengthened Strategic Cooperation with it. This paper attempts to look into the compulsions, principles and dynamics of India's foreign policy in the post-Cold War and the direction in which it is likely to evolve vis-à-vis its arch rival China. Descriptive-analytical methods have been adopted in this paper to analyze and present the facts with optimum level of objectivity.

Keywords: India, China, foreign policy, post-cold war, agreements.

Introduction

Nations exist in a particular environment and any change in the environment requires change in the behavior of the nations. Though the country's foreign policy is generally governed by numerous historical, political, economic, geographic, cultural, religious and other considerations, but the real motivation is always national interest¹. The desire to fulfill this national interest and the inability to achieve all the goals of foreign policy independently, gives rise to the configuration called 'interdependence of nations'². That is why every nation tries to establish bilateral and multilateral relations with other nations because in the contemporary globalised world, no nation can survive in isolation. Each nation adopts its own foreign policy which is a set of principles and a plan of action. It is with the help of this foreign policy that a nation formulates, adopts and attempts to achieve the goals of national interest in relation to other nations. It is for this reason that the behavior of each nation at the global level is always determined by its foreign policy which moulds itself in accordance with the changes in the external environment. Foreign policy can be defined as a synthesis of end and means. The end is the national interest of a state and the means are the power and capabilities³. Thus foreign policy consists of two elements: national objectives to be achieved and the means for achieving them. More generally,

foreign policy can be defined as the sum-total of the principles, interests and objectives which a state formulates in conducting its relations with other nations. All these activities are evolved by nations for influencing and changing the behavior of other nations and for adjusting their own activities to the international environment because in addition to the domestic factors, the international environment also plays an important role in foreign policy-making. The radical changes in foreign policy occur only when there is a fundamental change either at home or in the world. Like the coming of Deng Xiaoping in the late 1970s created fundamental changes in Chinese foreign policy, India's relations with the world have witnessed major modification over the last two decades. There were a lot of internal factors which necessitated India to reorient her foreign policy. The then prevailing economic and political order had withered away and externally the disintegration of former Soviet Union distanced all the old benchmarks that guided India's foreign policy. In such a highly changing environment both at home and abroad, India had to abandon many of the core beliefs of the old system to give way to new ones. It is into this backdrop that the present paper examines the origin, dynamics, limitations and the implications of India's new foreign policy strategy vis-à-vis China in the post Cold War era more particularly from mid-nineties onwards.

India's Foreign Policy: Principles and Dynamics

After India became independent in 1947, the Indian government had to chart-out its own foreign policy. Pandit Jawaharlal Nehru, the first Prime Minister as well as the first Foreign Minister of independent India, shaped the nation's foreign policy⁴. It was framed in an environment characterized by imperialism, bi-polar world, and racialism and in an uncertain world due to the proliferation of weapons of mass destruction. It was in this context that India adopted the policy of anti-imperialism, non-alignment, anti-racialism and championed the cause for peaceful and nuclear free world. Mainly, its foreign policy was based on the Five Principles of Peaceful Co-Existence (Panchsheel). The main principles of India's foreign policy were: Preservation of Territorial Integrity and freedom of Policy; Promotion of International Peace; Economic Development of Country and Freedom of dependent Peoples and Elimination of racial discrimination⁵. In the light of above of mentioned principles, the main objectives of India's foreign policy were: i. To protect India's core national interests, ii. To preserve the autonomy of decision-making process, iii. To give priority to the economic diplomacy, iv. To strengthen ties with neighbors through mutually beneficial cooperation, v. To work towards the goal of global disarmament, vi. To promote more equitable equation between the developed and developing countries.

Due to its unique and independent foreign policy, India was regarded as the leader of the third world countries. However, the radical changes all over the globe in the recent past especially after the collapse of bi-polar world have compelled India to review its established foreign policy principles and refashion them in the context of changing global scenario. During early and mid-nineties, the foreign policy of India confronted drastic changes both internal as well as external⁶. At the internal level, the era of coalition politics had began which affected Indian foreign policy-making in number of ways e.g., under the coalition governments, the foreign policy could not find adequate place on the priority basis. The frequent changes of government at the national level led to the adhocism in the foreign policymaking. The ideology of non-alignment which remained an important determinant of India's foreign policy during the Cold War era has also to be sacrificed. Moreover, in the early nineties, India's economy was in a bad shape which made India vulnerable to external pulls and pressures. Likewise, the external environment exposed the foreign policy of India to various challenges and external pressures. The most important change in the external environment which affected the India's foreign policy was the disintegration of Soviet Union due to which India lost the external source of strength of its foreign policy. The changing world power structure was another challenge to the foreign policy because hegemony emerged as a dominant feature of the newly emerged world order. Indeed, it was a serious challenge for India to frame her foreign policy in such a hegemonic world order. In addition, with a shift from geo-politics and geo-strategic to geo-economic, the economic dimension of international politics had become prominent with economic issues taking precedence over

political one's. This new economic system was more beneficial to the developed countries than to developing one's because the global economy and international monetary institutions such as IMF, World Bank and WTO were controlled by the former. In such a state of affairs, how India was able to persuade other developing countries like China, Brazil and many others to create a just and equitable economic order was indeed a big challenge before the policy makers in India. Thus, the changing domestic and external environment brought about visible change in India's foreign policy and thereby it devised various methods to meet these challenges. So far as India's China policy was concerned, it was held at various quarters that close and cooperative interaction with China would be beneficial not only for India's strategic interests but also for its economic development. In the following pages, an attempt has been made to analyze and examine how far India has been able to achieve that end with the help of instrument of its foreign policy. But before going into the details of India's foreign policy relating to China, it is pertinent here to have a brief and critical look, and point out, if any, the lacunas or limitations in India's China policy.

India's China Policy: A Critical Evaluation

Though India and China are the two ancient, largest and emerging super powers of the contemporary world, the main point is that both are also neighbors with fastest growing economies. In spite of the fact that both can cooperate in a number of ways but competition or even conflict in many other fields particularly strategic and territorial cannot be ruled-out. In this regard, how India is or has been able to preserve and promote its national interest without coming into direct conflict with her mighty and powerful neighbor (China) depends mainly upon the instrument of its foreign policy. According to the international structuralism or neo-realism, states always tend to respond to their structural condition and do their best to secure the national interests by meeting the challenge to their security⁷. India's foreign policy towards China has been unable to make a clear-cut response towards China that affects its security interests in a number of ways. It becomes clear from the fact that China has shown a remarkable consistency in its dealings with India where as India seems satisfactory only with one high level visit to another. Harsh V. Pant in his article puts forth the following three constraints that impede the development of a clear-cut China policy in India. The first important variable which he analyzes is the strategic culture. It plays an important role in determining state's behavior in the dominion international politics. Strategic culture consists of widely shared beliefs, world views, traditions, attitudes, symbols and identity in terms of self-representation of the nation and its proper role in the world politics⁸. Moreover, the way, a state's interests are conceptualized, defined and defended is influenced by its unique cultural experiences. Analyzing the observations made by Andrew Scobell, Pant argues that China's foreign policy is influenced not only by the elite understanding of China's own strategic tradition but also by their understanding of strategic cultures of other states. That is why Chinese continue to consider India unstable and militaristic power who always wants to

dominate its smaller neighbors and that is the major reason that China considers India as its rival and competitor not only at the regional level but in other parts of the world as well. On the other side, India has not revealed much leaning towards systematic and coherent foreign policy towards China. The natural corollary of such a state of affairs has been that India has been on the strategic defensive and hesitant to assert throughout its history. The second key impediment in the foreign policy making is the lack of institutionalization of foreign policy making in India. It is the natural corollary of the lack of strategic culture. To institutionalize the foreign policy making in India, an attempt was made by Bhartiya Janta Party (BJP) led National Democratic Alliance (NDA) government in the late 1990s by establishing a National Security Council (NSC) to study military, economic and political threats to the nation and to advise the government to meet these challenges in a manner that is deemed as appropriate, timely and effective⁹. However, it neglected the institutionalization of the NSC and building up its capabilities to play the supposed role. Thereafter, the Congress led UPA (United Progressive Alliance) government also tried to make NSC an effective and professional institution. However, like its predecessor government (NDA), it has also failed to make it work in a desired manner whereby NSC could anticipate national security threats and coordinates long term planning. Thus, so far as India's China policy is concerned, this lack of effective institutionalization of foreign policy making has made it difficult for India to assess the implications of a rising China on its immediate borders. The third important variable which Harsh Pant analyses in his article is the power and its pursuit in international politics. In this regard, though India is regarded as the rising power both militarily as well as economically but it still remains behind China in terms of capabilities.

It is with the help of these capabilities that China has achieved most of its strategic objectives *vis-à-vis* India. That is the main reason that China does not regard India as its serious rival in the security field because of its low opinion of Indian capabilities.

All the above mentioned limitations have in fact hampered the evolution of a long term China policy in India which has ultimately led to the confusion in Indian foreign policy making relating to China. It is reflected by the way India has dealt with China in the past few years. Though it seems overtly that Sino-Indian relations have improved a lot but it is not clear as to what strategic objectives India wants to achieve from this improvement. Thus, unless and until, India achieves higher economic growth rates, modernizes its military, enhances its power and capabilities, etc., its foreign policy regarding China will struggle to achieve the results it aspires or desires.

The Foreign Policy of India towards China: Post 1996 Period

The United Front Government and its China policy: The emergence of unipolar world with the disintegration of Soviet Union and the spectacular changes which brought it to the world

politics as discussed in the preceding pages had far reaching implications for India's foreign policy. These produced a new environment which forced India to reorient its foreign policy and thereby had to initiate a more realistic approach in its China policy. In addition to it, the process of economic reforms at home further strengthened this thinking among the policy makers in India. During early 1990s and especially after Prime Minister Rajiv Gandhi's and Prime Minister Narsimaha Rao's visit to China in 1988 and 1993 respectively, a number of Confidence and Security Building Measures (CSBM's), high level military and political exchanges, rising trade and cooperation in science and technology laid basis for more comprehensive relations between the two states. On the other side, some substantial shifts in China's South Asia policy were also discernable. According to an Indian analyst, some more noticeable examples of this shift were: i. First, the People's Republic of China has been notably mild in its reactions to India's stand on CTBT (Comprehensive Test Ban Treaty). ii. Second, China voted against Japan in support of India's bid for a non-permanent seat in the UN Security Council and iii. Its approach to the handling of territorial disputes was also different now, as witnessed in its stand on the Kashmir issue.

Although, there were still some differences over a number of issues, but there was also a growing recognition in both the states that improvement in the bilateral relations between the two major Asian states has wider implications not only for the people of these two largest states, but also for the rest of the world especially for the developing countries. It was with this realization the United Front Government initially under the Prime Ministership of Mr. H. D. Deve Gowda and then under the Prime Ministership of I.K. Gujral continued the policies of the previous government of engaging with China. As a Prime Minister, Mr. I.K. Gujral outlined a broader regional policy which came to be known as Gujral Doctrine¹⁰. The Doctrine implied that India was prepared to extend unilateral concessions to its smaller neighbors, because India realized that it could not fulfill its aspirations of becoming a global power as long as it was involved in the conflicts with its immediate neighbors. However, one of the most important and mighty neighbor, China could not be sidelined. Thus, it became the cherished goal of the United Front Government to cultivate friendly relation with all the neighboring countries more particularly with China for creating a peaceful and stable environment for the socio-economic progress and development of the country. In this direction, the visit of Chinese President Jiang Zemin to India in 1996 was an important event in the bi-lateral relations between the two states. During his India visit, both the states signed four important agreements to create peaceful environment at the border between the two states and also address each other's grievances. The four Agreements outlined and signed by India and China were¹¹: i. The Agreement of Confidence Building Measures (CBM's) in the field of military development along the Line of Actual Control (LAC) in the India-China border areas, ii. The Agreement concerning the maintenance of Consulate General of India in Hong Kong (Special

Administrative Region) of the People's Republic of China, iii. The Agreement on Cooperation for combating illicit trafficking in narcotic drugs and psychotropic substance, and iv. The Agreement on Maritime Transport.

Among these four Agreements, the Agreement on CBM's was an important one as it provided for a fair, reasonable and mutually acceptable settlement of the boundary question. Further, the importance of paying adequate attention to each other's concerns on vital issues affecting unity, territorial integrity and security were also underlined. The Agreement to work towards building a constructive and cooperative relationship into the 21st century while continuing to address outstanding differences was reaffirmed during high level political and official contacts. Thus, in a period of constant change in the political, economic and security environment both at the national and international level, there was a need for constant assessment of the emerging situation for safeguarding India's vital national interests. This fluctuating international order also offered many opportunities for India. It was the main policy of United Front Government to fully utilize these opportunities to advance India's national interests in a more dynamic manner.

However, it must be reiterated here that the United Front Government under the Prime Ministership of I.K. Gujral was a weak minority government which depended for its survival upon the outside support of the Congress party and it was not in a position to take any major decision on the foreign policy issues. It was for this reason that it basically continued the existing policies which were established by the Congress government under the Prime Ministership of Narsimha Rao.

The BJP Led NDA Government and its China Policy: Since the BJP was formed it has anticipated itself as a nationalist party that aspires the strong pursuit of India's national interest along with more assertive role for India in the international system. Nationalist tinge forms an integral of the BJP's foreign policy thinking. Nationalism in the context of foreign policy, essentially equates to an unequivocal emphasis on national security issues and territorial integrity¹². Thus, it can be argued that there is/are remarkable continuity in the BJP's foreign policy especially with regard to China. China on the other side, while pursued independent foreign policy of peace, perceived four major threats to its security. These were the US on the issue of Taiwan, Japan on the issue of Diaoyutai islands, Japan-U.S renewal of security treaty in 1997 and India on the issue of border dispute. Therefore, India was perceived as one of the prospective nations with which border conflict was possible. However, along with this strategy, China also perceived policy of improvement of relations with India. Here, it becomes clear that China's foreign policy with regard to India was based on both engagement and balance of power. This double strategy of China also compelled Indian policy makers under the NDA government to chart-out new course towards China along with continuation of policy of engagement.

After the fall of United Front Government in November 1997, the new parliamentary elections were held in February, 1998. BJP got the largest number of seats in parliament (182) but this fell far short of majority. On 20 March, 1998 BJP formed the coalition government with Mr. Atal Bihari Vajpayee as the Prime Minister. In April, 1999 the BJP led government fell once again leading to fresh elections in September. Again, the NDA, a new coalition led by the BJP gained majority to form the government with Atal Bihari Vajpayee as Prime Minister on October, 1999. As stated earlier, the BJP's emphasis on nationalism and national security in its foreign policy making, made the NDA government's foreign policy more realistic than idealistic. The reorientation of the Indian foreign policy during the early 1990s and at the beginning of the 21st century under the Vajpayee government, was response to the changes within the international system after the end of cold war. It was in this context that the NDA government conducted two rounds of nuclear tests on 13th and 14th May, 1998 respectively. Before nuclear tests, the relationship between China and India was proceeding in a right direction. However, with the conclusion of nuclear tests, China raised its concern by saying that the nuclear tests by India goes against the international trend and was detrimental to the peace and stability of the South Asian region. Prior to the conducting of 1998 nuclear tests, George Fernandez, the then Defense Minister of India declared that China is India's number one threat. The message he wanted to convey to the international community was that India had developed nuclear weapons in defense against China's arsenal. The relations between the two states further deteriorated when the Prime Minister Mr. Atal Bihari Vajpayee in a letter to US President Bill Clinton stated that we have an overt nuclear weapon state on our border, a state which committed armed aggression against Indian in 1962. Further, the country has materially helped another neighbor of our (Pakistan) to become a covert nuclear weapons state which has also committed three aggressions against us in the last 50 years¹³. China's reaction to this letter was harsh and strong which gave a further set back to the already deteriorating Sino-Indian relations. However, this bitterness in the bilateral relations between the two states was mitigated as India later on downplayed the significance of Vajpayee's letter and also George Fernandez's remarks about China being India's threat number one. The initiative was taken by India when it expressed its intention to enhance the bilateral friendly relations with China. On the other hand, China thought that it could not isolate India for long because India had withstood the pressure (international) and USA and other powers were softening their attitude towards India. Thus, the Sino-Indian relations once again came back on the track of normalization. The two sides officially resumed talks in February, 1999 after a gap of months. It was agreed by both the sides to resume the Eleventh Joint Working Group (JWG) meeting that was to be held in the second half of the 1998 but was postponed due to setbacks.

During the BJP led NDA government's tenure, one of the important aims of India's foreign policy was to settle the border

issue with China. In order to accelerate the talks on boundary issue, the Indian Foreign Minister Mr. Jaswant Singh visited China in 1999. He accelerated the pace of talks on the clarification of the Line of Actual Control (LAC). There was agreement on promoting Confidence Building Measures (CBM's) thereby initiating security dialogue and expanding economic and trade relations. During his China visit, he made it clear that India does not consider China as a threat to it. Thus, his China visit created a friendly atmosphere in the deteriorating relations which have developed after the post nuclear tests. China on its part also expressed its willingness and readiness to discuss any matter arising out of India's security concerns. Further during the Kargil War in May, 1999 between India and Pakistan, China adopted a neutral position which further normalized the relations between India and China. The nuclear tests by both India and Pakistan and thereafter, their conflict over Kargil proved to make the past two years – 1998 and 1999 very crucial years for India-China relations. The year 1998 was very difficult year for Sino-India relations. However, developments during the 1999 especially Kargil conflict provided an opportunity for India and China to mitigate the irritants in their bilateral relationship in the following year (2000). Thereafter, the President of India Mr. K.R. Narayan paid a visit to China on May, 2000. This was considered as an important visit because it was the first visit by a highest level leader since the May, 1998 tests and reciprocated Jaing Zemin's 1996 visit to India. During his visit, he met Chinese President Jaing Zemin and had a constructive discussion with him. Mr. Jiang Zemin outlined four steps to develop their bilateral relations with each other, these were¹⁴: i. Increase of mutual visits, ii. Expansion of trade and economic relations, iii. Strengthen cooperation and coordination in international affairs, iv. To remove the irritants in bilateral relations properly.

The two Presidents also agreed to enhance bilateral interaction and cooperation in many other fields. Sino-India relations further improved following Indian Prime Minister Atal Bihari Vajpayee's landmark visit to China in June, 2003. During his visit, Vajpayee met the new Chinese leadership. The Joint Declaration issued by both sides laid a roadmap to build a qualitatively new relationship and develop a long term cooperative partnership. During his China visit, twelve agreements were signed which were expected to make Sino-India relations more cordial and friendly. Important among them were: i. Agreement on political parameters and guiding principles for the settlement of the India-China Boundary dispute. ii. Report of the India-China Joint Study Group on Comprehensive Trade and Economic Cooperation. iii. Protocol on Modalities for the Implementation of CBM's in the Military Field along the LAC in the India-China Border Areas. iv. Memorandum of Understanding (MoU) on the Launch of India-China Financial Dialogue and v. Memorandum of Understanding (MoU) on provision of Hydrological Information of the Sutlej/Langgen river in the Flood Season by China to India and vi. MoU on Civil Aviation.

Besides, it was also decided that the Joint Study Group (JSG) should be established by both the states. This JSG was to find out areas where more and more economic cooperation is possible and thereby suggest ways and means which could enhance bilateral trade and encourage cooperation between the business communities of the two states. As per their rapidly growing economies, it was an important advancement in the economic field. Likewise, another important decision was taken to appoint a Special Representative from each side to explore the framework for a boundary settlement. The Indian National Security Advisor, Brajesh Mishra, and the Chinese Senior Vice-Minister, Dai Bingguo were appointed as Special Representatives charged with resolving the border issue¹⁵. The appointment of the two negotiators reflected a political will on the part of both sides to solve the boundary problem. The BJP led NDA Government showed more flexibility in its foreign policy when Prime Minister Atal Bihari Vajpayee recognized Tibet Autonomous Region (TAR) as an inalienable part of China. India was expecting that in return, China should also recognize Sikkim as an Indian State. However, despite this India's unilateral soft move, the Chinese did not recognize Sikkim as an integral part of India. This is the reason that BJP is still not very clear as for as its policy in dealing with China is concerned.

The Congress led United Progressive Alliance (UPA-I) Government and its China Policy: The Congress led UPA Government under the Prime Ministership of Dr. Manmohan Singh unlike the previous governments opted for a cautious foreign policy. The various issues relating to foreign policy were discussed while drafting the "National Common Minimum Programme" (NCMP) with the coalition partners even before the formation of government. The main aim was to evolve consensus on critical issues which were directly related to foreign policy issues. Thus, the foreign policy of UPA government was framed under the framework of NCMP which was more or less same as the policies of the previous government (BJP led NDA). The NCMP of the UPA government pledged to pursue an independent foreign policy and there was a commitment to promote multi-polarity in world politics and oppose all attempts at unilateralism. Like the foreign policy of its predecessor government, the foreign policy of UPA government was also steered by a sense of realism in response to the emerging global environment. The main aim was to build a diverse relationship with the rest of the world, based on the existing assessment of bilateral, regional and global geo-political and economic environment. Thus, the UPA-I Government formulated its foreign policy approach towards China on the basis of power politics and inconsonance with the existing global power relationships. In this direction, the signing of Nuclear Deal with United States in July, 2005 was a landmark event. The US recognized India as a nuclear power which was to get same benefits as other nuclear weapon states. The Indo-US cooperation was also enhanced in other fields like terrorism, economy, science and technology, etc. But on the other hand, these growing close relationships between India and

US were not allowed to hinder in any way the friendly relations with China. The bilateral relations were continued with the visit of India Chief of Army Staff (COAS) to China on December, 2004. His visit to China gave a boost to the growing military contacts between India and China. In order to enhance further the bilateral relationship between the two states, the Chinese Premier Wen Jiabao visited India in April, 2005. While speaking in India for the Sino-India cooperation in hi-tech industries, Wen stated that cooperation is just like two Pagodas (temples), one hardware and the other software. Combined we can take the leadership position in the world. He further stated that the 21st century will be an Asian century of IT industry. During his visit, the Chinese Premier formally recognized Sikkim as a part of India. Thus Sikkim ceased to be an issue in the Sino-Indian relations. In the Joint Statement, signed by Premier Wen Jiabao and Prime Minister Dr. Manmohan Singh, both sides agreed to establish a strategic and cooperative partnership for peace and prosperity¹⁶. For the resolution of border issue, an agreement was also signed which laid the guidelines for the settlement of border issue. It was further agreed that the border issue should not be allowed to affect the overall development of bi-lateral relations between the two states.

The main aim of Wen's visit to India was to promote trust and to give boost to the bilateral cooperation between the two states. It was also meant to convey India that bilateral ties with other regional states like Nepal, Bangladesh, Sri Lanka, Pakistan, etc. will continue even if it expands its ties with India. More importantly, China also wanted to send a message to the US that India and China could get along well despite their unresolved border issue. China was aware of the fact that India and the US share important democratic values and certain common strategic interests and there was possibility that the United States might enlist India as a counter weight to China¹⁷. On the other side, India has a lot of expectations from Wen Jiabao's visit to India. To begin with, India wanted that China should recognize Sikkim as an integral part of India which China ultimately did during Wen's India visit. India was also desirous of using the visit to seek more flexibility from China on border so that negotiations could move forward in a desirous manner. Moreover, India also wanted to convey to the United States that it should not assume that India would automatically participate in its balancing game. His visit was also meant to reaffirm the Sino-Indian views about the importance of a multi-polar world order. The visit enhanced the ongoing cooperation and good will between the two states. However, the real motivator behind the increasing intimacy between India and China was trade and commerce. Bilateral trade stood at \$ 13 billion in 2004, representing 1 percent of China's global trade and 9 percent of India's¹⁸. After Wen's visit, the trade relations improved substantially as the bilateral trade crossed 50 billion U.S. dollars in 2009. Further to create more friendly relations between India and China, it was decided during Wen's India visit to mark the 2006 as the "India-China Friendship Year"¹⁹. For the resolution of border issue, special representatives of both the sides held discussions in New Delhi

in March, 2006. The two special representatives held their discussions in a constructive and friendly atmosphere.

In order to promote cooperation in the defense field and reduce tension on the Sino-Indian border, the Indian Defense Minister Mr. Pranab Mukherjee visited China in May, 2006. During his visit, the two sides signed a Memorandum of understanding (MoU) on Defense Cooperation, established annual defense dialogue, formalized Joint Military exercises and training programmes, counter terrorism and called for study tours by senior and mid-level officials of each other's countries. All these CBM's in the security fields were reached out so that both the countries would be able to utilize their scarce resources for the overall development of their respective countries. India was also aware of the fact that China despite its being source of arms supply to Pakistan, was interested in building good relations with India. Asked if India and China could jostle for supremacy in future, Mr. Mukherjee agreed that China's economic strength is more compared with India's but the impression that they have outspread us in the region or on the world stage is not correct. They are playing their role and we are playing ours. Further, he said that world has enough space for both the state to flourish without collusion. So far as the economic relation was concerned, India was following a policy of closer economic engagement with China. The trade with China showed a rapid increase. It approached \$ 25 billion in 2006, making China India's second largest partner and India China's tenth largest partner. To give further boost to Sino-India relations, the China's president Hu Jintao visited India in November, 2006. Both the governments attached great importance to this visit because this was the first visit by a Chinese President to India since President Jiang Zemin's visit in 2006. The visit highlighted the resolve of both countries to work towards the consolidation and diversification of India-China relations. Moreover, in order to promote the sustainable socio-economic development of India and China and to further reinforce their strategic and cooperative partnership, the two sides issued a Joint Declaration containing the following ten pronged strategy. i. Ensuring Comprehensive Development of Bi-lateral Relations. ii. Consolidating Institutional Linkages and Dialogue Mechanism. iii. Strengthening Economic and Commercial Exchanges. iv. Increasing All-Round Mutually Beneficial Cooperation. v. Instilling Mutual Trust and Confidence through Defense Cooperation. vi. Ensuring early settlement of outstanding issues. vii. Encouraging Trans-border collaboration and Connectivity. viii. Boosting Cooperating in Science and Technology. ix. Nurturing People to People Exchanges and Stimulating Cultural ties. x. Intensifying collaboration on Regional and International Stage.

Thus, Hu Jintao's visit to India was an important milestone in the bilateral relations between China and India. The visit indicated that both sides wanted to keep the irritants aside and move forward to promote cordial relations with one another. The year 2006 was in fact an important year in the Sino-India bilateral relationship because it was celebrated as a "China-India

Friendship Year” and further witnessed the signing of MoU on Defense Cooperation which was a major step in bilateral relations. However, there were many apprehensions on both sides that the Indo-US nuclear deal, China’s continuing defense assistance to Pakistan and the changing East and South Asian landscape may retard the pace of their bilateral relationship²⁰. Though the above analysis is true to some extent but there was also greater willingness and convergence of interest to carry forward the bi-lateral relations between the two states. For resolving the border issue through consultations and peacefully, the Ninth Round of talks between the Special Representatives of India and China was held in New Delhi from January 16-18, 2007²¹. The special Representatives from both sides continued their deliberations on a framework for the boundary settlement on the basis of the Agreement on Political Parameters and Guiding Principles. It was also decided that unless and until, border issue was not resolved amicably and peacefully, both sides shall maintain peace and tranquility in the border areas in accordance with the agreements of 1993, 1996 and 2005. Furthermore, if the year 2006 was celebrated by both the states as 'Friendship Year' between India and China, the year 2007 was celebrated as the “India-China Year of Friendship through Tourism- 2007” by both the states. The main purpose of celebrating this special year was to introduce the peoples of both the states to each other’s cultural heritage and thereby enhance the cultural ties between the peoples of both the states. Moreover, the Great Wall of China and the Taj Mahal of India were adopted in the Joint Logo that commemorated the Friendship through Tourism Year- 2007.

On February 11, 2007 the Chinese Foreign Minister Mr. Li Zhao Xing paid an official visit to India at the invitation of the external Affairs Minister of India. The two Ministers then held extensive discussions covering bilateral, regional and international issues. Moreover, as both India and China were celebrating a “Friendship Year through Tourism- 2007” both sides decided that cooperation in Tourism and people to people exchanges would be intensified and for that purpose they decided to set up their respective tourism offices in each other’s countries during 2007. To add another feather in the Sino-India relations, President of the Indian National Congress and the Chairperson of UPA government Ms. Sonia Gandhi visited China on October, 2007. She was the first world leader to meet the newly elected Chinese leadership and renewing Sino-Indian friendship. Among the new leadership were Communist Party Secretary Yu Zhengsheng and President Hu Jintao as CPC General Secretary as they were elected and reelected to these posts respectively after the conclusion of 17th National Congress on October 22, 2007. Sonia held discussions with Chinese leadership on a wide range of issues both regional and global and more particularly the global trade negotiations and to work closely in WTO for securing the interests of developing countries were also discussed. Thus, Sonia’s China visit in 2007 renewed the friendly relationship that India had with China since Rajiv Gandhi’s visit in 1988. After Sonia Gandhi’s China visit in October, 2007, there were reports of Chinese intrusions

in the Arunachal Pradesh and Sikkim areas. The Indian Defense Minister A.K. Anthony while replying to the questions relating to these intrusions said, there was no intrusion either in Sikkim or in Arunachal Pradesh. However, he added that there might have been isolated incidents arising out of the differences of perception on territorial jurisdiction between two countries and such differences of perception would be resolved through discussions. Later on, the armed forces of two countries held a joint military exercise in the second half of December in order to understand each other. During the Chinese President Hu Jintao’s visit to India in 2006, he had invited Prime Minister Manmohan Singh to pay a return visit to China which was accepted by latter. Thus, the Prime Minister Manmohan Singh paid the visit to China on January 13-15, 2008. Dr. Manmohan Singh’s visit came at a time when the Sino-Indian relations were rapidly growing and was followed by Sonia Gandhi’s visit to China last October, 2007. While in China, he met Premier Wen Jiabao and President Hu Jintao. A Joint document entitled “A Shared Vision for the 21st Century of the People’s Republic China and the Republic of India” was issued during the visit which outlined common positions on a number of issues both bi-lateral as well as international²². It stressed that both sides will strive for strengthening ties while avoiding differences, such as border conflict from undermining the improving bilateral relationship. The Joint Statement also includes key issues like international relations, trade, energy, security relations and climate change²³. However, Prime Minister’s visit achieved little to resolve the most contentious issues like China’s support to Pakistan and the unresolved Sino-Indian border issue.

China’s military, nuclear, economic, political and diplomatic support to Pakistan is a major cause of concern for Indians. Likewise, border issue is the perpetual source of distress and suspicious among Indians. Though the special Representatives from both the sides held number of meetings till 2008 to find an amicable solution to the border issue but nothing forward progress was achieved except for holding one meeting after another. Moreover, Prime Minister’s visit to disputed territory of Arunachal Pradesh soon after returning from China was a clear signal to Beijing that the border issue is far from resolved. The question of Chinese claim on Arunachal Pradesh also figured in Lok Sabha on February 27, and the External Affairs Minister re-emphasized that Arunachal Pradesh is an integral part of India and the government has conveyed this fact to the Chinese side. The Chinese regarded the whole of Arunachal Pradesh as their own territory which they considered have been occupied by India illegally. However, despite these irritants in the bilateral relations, the cooperation in other fields continued throughout 2008. The army to army cooperation as a part of Annual Defense Dialogue (ADD), commenced between China and India in December, 2008. The Joint Defense on Sino-Indian Training exercises were code named “Hand-in-Hand 2008.” The Ex-Hand-in-Hand 2008 intended to increase and strengthen military to military relations between the two armed forces.

UPA-II and its China Policy: In 2009, the Congress led UPA-I government completed its five year tenure and fresh parliamentary elections were announced. The Congress party once again emerged as the largest political party and formed the government second time in coalition with other ally political parties. However, during the second term of UPA government, it did not like the first time spell outlined a Common Minimum Programme (CMP). Instead, it announced that it would take up those policy measures which it cannot complete in its first term in office. So far as the foreign policy was concerned, the government stated that it would adhere to the path taken by the UPA-I government²⁴. After coming into power, Mrs. Sonia Gandhi Chairperson of India's Congress led UPA government during a meeting with visiting Chinese State Councilor Dia Bingguo, said that there exists a very solid basis for developing friendly and cooperative relations between India and China²⁵. On this occasion, she also said that as the 60th anniversary of establishment of diplomatic relations between India and China is nearing, the peoples of both states should increase people-to-people contacts for enhancing cordial and friendly relations between two states. On the other side Dia Bingguo also conveyed special greeting from Chinese leaders to the UPA for winning a second term of government in the general elections in 2009. The strategic and cooperative partnership for peace and prosperity between the two states continued in 2009 with the close and high level exchanges. On June 15, 2009 President Hu Jintao met with Prime Minister Manmohan Singh on the sidelines of the Shanghai Cooperation Organization(SCO) Summit and the first BRIC (Brazil, Russia, India and China) Summit in Yekaterinburg (Russia)²⁶. Further, Chinese Premier Wen Jibao met with Prime Minister Manmohan Singh during the Summits of East Asian leaders in Hua Hin and the United Nations Climate Change Conference (UNCCC) on October 24 and December 18 respectively. It was thought by both sides during these meetings that good neighborly relations and mutual cooperation were necessary for the peace and stability not only in Asia but also in the whole world. Besides political contacts, the military, economic and cultural contacts continued throughout 2009. However, amidst these growing relations between the two states, the relations deteriorated from the mid-2009 over a range of issues like Chinese incursions into the Indian territory, China's claim of Arunachal Pradesh as being a part of South Tibet, China's issue of stapled visas to the residents of Jammu and Kashmir and China's highway construction in the Pakistan occupied Kashmir (PoK). For the encirclement of India, China has already built ports in the Indian periphery. The most important port which China have build around India are Gwadar in Pakistan, Marao in the Maldives, Hambantota in Srilanka, Sittwe in Myanmar, Chittagong in Bangladesh, and Coco Islands in Burma²⁷. Likewise, China attempted to block a \$2.9 billion loan to India from the Asian Development Bank (ADB) which was meant for Arunachal Pradesh for the apparent reasons. Alarmed by these moves, India started to build-up the roads and airfields on its borders with China. Further it deployed to the north-east two divisions of mountain units and a squadron of Sukhoi 30 MKI. With these

moves, the atmosphere on Sino-Indian border became very tense and recalled the days of 1962. However, regional, global and more importantly economic compulsions once again compelled both the states to soften their attitude towards each other, since both countries saw trade and economic contacts as the main factors in their bilateral relations. It was in this context that the Chinese Premier Wen Jiabao's visit to India on December, 2010 provided another opportunity for both the sides to rethink the current status of their relationship and reassess the vitality of the relationship both in the global and bilateral context. In the Joint Communiqué, the two sides reaffirmed their pledge to abide by the basic principles regarding the development of Sino-Indian relations specified in the Declaration of Principles for Relations and Comprehensive Cooperation between India and China in 2003, the Joint Statement of India and China in 2005, the India and China Joint Declaration of 2006 and Shared Vision for the 21st century of India and China of 2008²⁸. Further, they decided to develop strategic communication, expand cultural exchanges and broaden the Sino-Indian strategic and cooperative partnership for peace and prosperity on the basis of the five principles of Panchsheel. It was also decided to set a new bilateral trade target of \$100 billion by 2015.

While signing the Border Defense Cooperation Agreement (BDCA) on 23 October, 2013 between China and India, the Chinese Premier Li kequing said "China and India are two old civilizations. Our two peoples have the wisdom and our two governments have the ability to manage our disputes along the border so that it won't affect the overall interests of our bilateral relations." In the same time Indian Prime Minister Dr. Singh said " Premier Li and I have agreed that peace and tranquility on our borders must remain the foundation for growth of the India-China relationship, even as we move forward the negotiations toward a fair, reasonable and mutual acceptable settlement to the India-China boundary question²⁹." Here the question is to what extent economic cooperation can overshadow political issues in the future. It mainly depends on how rising China manages its economic diplomacy to counter the China threat theory and to what extent India maintains its independent foreign policy approach *vis-à-vis* China, without allowing itself to be part of any US containment strategy in the region³⁰.

It can be asserted that whether the BJP was in power or the Indian National Congress party, which has been at the core of the ruling UPA coalition since 2004 until 16 May 2014, relations with China have remained an important priority. This is most evident in looking at the trade relationship and observable in high-level mutual political visits and statements, accentuating the mutual importance of good bilateral relations³¹.

Conclusion

Thus, with an India-China emergent rapprochement that focused on economic and de-emphasizing their border issues have transcended bilateral issues and have acquired a global and

strategic perspective³². It is for this reason that there has been talk of '(Chindia)'. Therefore, while there are still some issues between India and China (most notably the border issue and Pakistan factor) both nations are experiencing an unparallel convergence of interests in the rapidly changing economic, political and strategic environment. It is within this perspective that India is re-focusing its foreign policy beyond these regional concerns to the global level, seeing its interests today as more globally economic and (to an extent) geo-strategic than a foreign policy focused primarily on neighbors would allow.

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