



## Indo-China Relations (2010-15): Problems and Prospects

### KEYWORDS

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**ABSTRACT** India and China are two biggest economies in Asia. Though they have similar interests throughout their history, there are misunderstandings and controversies between these countries. There is increase in trade and commercial relations, cultural links, frequent strategic talks, counter-terrorism operations, etc, still there are misunderstandings between India and China due to border disputes. Both the countries are holding talks frequently, still these issues are not solved. The paper throws light on the prospects of bilateral relations and also analyzed the disputes and challenges faced by both these countries in maintaining continuous strategic relationship.

### Introduction:

When the historical background of both India and China are analyzed, it is noted that both have more or less of same nature. During 1950s both the nations were ended imperial rule and established republics. Despite the fact that India was one of the first few countries, which recognized the People's Republic of China, the bilateral relationship saw a number of downs than ups. The history of initial years of India-China relations more particularly during 1949 – 1958 depicts an era of friendliness. Both India and China were able to reach to a consensus and signed the Panchsheel Agreement, which basically dealt with Trade and Intercourse between India and Tibet region of China in Beijing. Panchsheel became the guiding principles of India-China bilateral relationship. The animosity and hostilities grew during the decade of 1959 - 1976, which saw the bad patch in the relationship during the war in 1962. The best possible assumptions – Hindi-Chinni bhai bhai period got changed into Hindi-Chinni bye bye period<sup>1</sup>.

There was similar economic growth of both the nations from 1950 to 1978 that is 3.8% to 4.0% per annum. Further, both the nations are facing problem of population explosion. Though the main occupations of the both the nations is agriculture, after 1978, both the nations emphasized industrial progress. In December 1988, the then Indian Prime Minister Rajiv Gandhi visited China and emphasized for the bilateral relations at different issues. The five day visit proved to be of great significance because both the nations agreed to promote bilateral cooperation on a number of areas including science and technology, civil aviation and cultural exchanges. Later in 1991, Chinese Premier Li Peng visited India and made bilateral cooperation agreement in Restoration of Consulate General in Bombay and Shanghai, Memorandum on the Restoration, of Border Trade, India – China Trade Protocol for the year 1992 and Scientific and Technological Cooperation in Outer Space for the Peaceful use by the aviation ministries of India and China<sup>2</sup>.

After nuclear tests in India, though China criticized, later visits of Indian Minister for Foreign Affairs, Mr. Jaswant Singh and the then, Prime Minister, Atal Behari Vajpayee in opened many ways of bilateral cooperation. As a result, the trade through Nathu La at Sikkim has begun.

### Bilateral Cooperation (2010-15):

Chinese Premier Wen Jiabao visited India from 15-17,

December 2010 as per the invitation of the then Indian Prime Minister, Manmohan Singh. He was visited along with more than 400 Chinese business leaders, who were interested to extend their business deals with Indian companies. In April 2011, at the BRICS Summit held at Sanya, Hainan, China, both the countries have made agreement to restore defence cooperation and China had hinted that it may reverse its policy of administering stapled visas to the residents of Jammu and Kashmir. This practice was later stopped. Consequently, the defence ties were resumed between both the countries and joint militancy exercises were also expected.

In 2012, at BRICS Summit held at New Delhi, the Chinese President Hu Jintao emphasized the India-China friendship by China's unswerving policy and deepen strategic cooperation and highlighted common development of both the nations. Apart from these developments, the border dispute related issues were also during the Summit. India's test of a missile capable of carrying a nuclear warhead to Beijing called for the two countries to "cherish the hard-earned momentum of cooperation". In response to defence ties, the Chinese agreed to withdraw their troops in exchange for an Indian agreement to demolish several 'live-in-bunkers', 250 kms to the south in the disputed Chumar sector. As part of trade and industrial relations, Chinese Premier Li Kegang made his first visit to India on 18th May 2013 so as to extend cement trade relations and formulate border dispute solutions.

Terrorism is major challenge faced by both the nations and to counter this problem, the Indian army and Chinese army were launched 'hand-in-hand' joint military operations at Kunming, Belgaum and Chengdu so as to counter terrorism. In 2013, the new leader Xi Jinping emphasized to maintain strategic communication so as to harness each other's comparative strengths and expanding win-win strategies for both the nations. The trade relations, cultural relations, mutual understanding, etc between these nations are emphasized.

Trade statistics as summarized by Wikipedia<sup>3</sup> (2015) revealed that Chinese imports from India amounted to \$16.4 billion or 0.8% of its overall imports, and 4.2% of India's overall exports in 2014. The 10 major commodities exported from India to the China were:

1. Cotton: \$3.2 billion
2. Gems, precious metals, coins: \$2.5 billion
3. Copper: \$2.3 billion

4. Ores, slag, ash: \$1.3 billion
5. Organic chemicals: \$1.1 billion
6. Salt, sulphur, stone, cement: \$958.7 million
7. Machines, engines, pumps: \$639.7million
8. Plastics: \$499.7 million
9. Electronic equipment: \$440 million
10. Raw hides excluding furskins: \$432.7 million

Chinese exports to India amounted to \$58.4 billion or 2.3% of its overall exports, and 12.6% of India's overall imports in 2014. The 10 major commodities exported from the China to India were:

1. Electronic equipment: \$16 billion
2. Machines, engines, pumps: \$9.8 billion
3. Organic chemicals: \$6.3 billion
4. Fertilizers: \$2.7 billion
5. Iron and steel: \$2.3 billion
6. Plastics: \$1.7 billion
7. Iron or steel products: \$1.4 billion
8. Gems, precious metals, coins: \$1.3 billion
9. Ships, boats: \$1.3 billion
10. Medical, technical equipment: \$1.2 billion

As part of cultural cooperation, in December 2010, the two countries signed a Cultural Exchange Programme (CEP) providing for greater people to people cooperation in various fields. During the visit of President Hu Jintao to India in March, it was decided to celebrate 2012 as 'The Year of Friendship and Co-operation'. In 2012, the Mission facilitated the signing of an agreement between the Central Board of Secondary Education [CBSE] with Han-Ban for teaching of Chinese in Indian schools. In 2012, while a 100 member Indian youth delegation visited China in June, a 100 member Chinese youth delegation visited India in February and then again in November, 2012.

The year of 2015 was full of hope for both India and China, as the Indian Prime Minister Narendra Modi visited China. He interacted with 21 CEOs of leading Chinese companies and over 40 prominent Indian CEOs attended the Business Forum along with their counterparts from China. The 26 business understandings worth over US\$ 22 billion signed at the Forum covered such varied sectors as industrial parks, renewable energy, thermal energy, telecommunication, steel, capital goods, IT and media. There was, moreover, an action-oriented accord on broad-basing the bilateral partnership, as could be seen from the range of agreements signed and in the establishment of new dialogue mechanisms, such as the one between the DRC and the NITI Aayog and the Think Tanks' Forum, besides a bilateral consultative mechanism on WTO negotiations. Three new institutions were launched in partnership, the Centre for Gandhian and Indian Studies in Shanghai, Yoga College in Kunming, and National Institute for Skill Development and Entrepreneurship in Ahmedabad.

#### Challenges to Bilateral Relations (2010-2015):

The territorial dispute is major challenge which has become major obstacle to good bilateral relations, which is not solved so far though there are series of discussions between officials at various levels. The 4,056 km border between India and China, one of the longest interstate borders in the world, remains unresolved. These nations were failed to find suitable solution to settle border dispute though they are spending huge resources in stabilizing borders, including in the financial, military, para-military and diplomatic issues. Tibet is major issue between two nations. Though, India has stated that Tibet is a part of China, the recent self-immolation cases in the region and protests in Tibet adds to the uncertainty in the trans-Himalayan belt. The democratic experiment among the Tibetan Diaspora could well bring out ideological tensions between India and China in the future.

While the 'stapled visas' issue appears to have been resolved, yet China's investments in infrastructure and the reported troop presence in Pakistan Occupied Kashmir (POK), brings back the Kashmir issue in the bilateral relations<sup>4</sup>.

In April 2013, tensions erupted between India and China over their Himalayan border. India accused Chinese troops of having crossed the Line of Actual Control (LAC) by setting up camp in Indian territory. In response, Indian forces set up their own camp 300 meters opposite the Chinese facility. After bilateral discussions, these troops were withdrawn by respective nations. There are frequent tensions between these two countries due to unsettled border disputes.

The Indian President Pranab Mukherjee visited Arunachal Pradesh and in his speech he emphasized that it is an 'integral important part of India', which generated an angry response from China. The Chinese are recognized Arunachal Pradesh as 'South Tibet'. Hence, there is controversy on the issue of Arunachal Pradesh between these nations. In September 2014, the Indo-China relationship took a sting as troops of the People's Liberation Army (PLA) have entered two kilometers inside the Line of Actual Control (LAC) in Chumar Sector. Later, V.K. Singh emphasized for 'convergence of views' on the threat of terrorism emanating from Pakistan.

During his visit to China, Indian Prime Minister Narendra Modi persuaded the Chinese leadership to restart discussions on the clarification of the Line of Actual Control (LAC) through the exchange of maps. The rationale for India's demand was that, pending a final settlement of the border question, LAC clarification would help ease border tensions. But the Chinese leadership was not enthusiastic about India's proposal. This mismatch in desired outcomes was the main obstacle in the recent border talks, and it showed once again India and China's contrasting approaches to border negotiations at large.

Indians have always followed a policy of defence, whereas China has always followed a policy of aggression. It does not hesitate to use military force to meet political gains. In fact, the then Chinese Premier Zhou Enlai went on to say that the only reason why China went on to war with India was to 'teach India a lesson'<sup>5</sup>.

#### Concluding Remarks:

To sum up, China and India are biggest economies in Asia with similar areas of interests on development. For this purpose, both of these countries were already extended their cooperation in education, defence exercises, trade and commercial relations, cultural relations, counter-terrorism, etc. But, there are border disputes and attitudes of China towards Pakistan. Though, there were many rounds of discussions at various levels, still these tensions were not reduced. The reasons are aggressive attitudes of the China and defence nature of India. If the border disputes are solved in future, then both of them will have strong partnership in the Asia.

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