



India-China Diplomacy: Reducing the Trust Deficit, 2014-15

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ABSTRACT

Despite being ancient civilizations both India and China had struggled to coexist and adjust as friendly countries after their independence. The 1962 war and the unresolved boundary issue had created deep trust deficit in their relationships. Both countries started to see each other as an adversary and a potential threat. This has continued for decades. The recent visit of President Xi which was reciprocated by Prime Minister Modi created a favourable atmosphere for bilateral relationship and reduced the trust deficit. Diplomacy played an important role in India-China relationship. Both countries are moving towards greater cooperation and have become concerned about each other's needs.

KEYWORDS

India, China, Visits, Agreements

Introduction

The May 2015 visit of Indian Prime Minister Narendra Modi to China was highly successful in not only strengthening the strategic alliance with China but also reducing the decades old trust deficit which India and China had incurred after the war in 1962. Prime Minister Modi's visit to China was a follow up to the visit of Chinese President Xi Jinping to India in September 2014. He was the first high profile dignitary to visit India after Narendra Modi's inaugural as Prime minister in May 2014.

India and China share a chequered history. Both the countries got independence by 1949. They began on a strong commitment of friendship, mutual cooperation, similar policies for development and eradication of poverty by socialist programmes, support to decolonization, eradication of apartheid and readiness to give leadership to the third world nations. The Panchsheel doctrine of peace and non-interference as propagated by Jawaharlal Nehru was accepted by both the countries. But the unresolved border question between India and China and the issue of Tibet took a heavy toll on friendship culminating into the war of 1962 in which India had to incur heavy casualties. India which had based its foreign policy on nonviolence and peace had never imagined that it would have to go to war with China. Therefore India-China relationship deteriorated and since 1962 India and China, could never have a cordial relationship. Trust deficit has persisted on bilateral relationship since 1962.

Rapprochement and its Limitations

The signs of thaw emerged when China in 1970 decided to end hostility with India and responded to India's overtures for improving relations. In a widely talked about incident of 1970, Chinese Communist Leader Mao Zedong at a traditional May Day function told Brajesh Mishra, the Indian Charge d'Affaires that "we cannot go on quarrelling like this. We must become friends again. We will become friends again" (Raman 2012). But so deep was the scar of 1962 that Mao's gesture did not bear results immediately. India-China relations were overshadowed by civil war in Pakistan and India's friendship treaty with Soviet Russia in 1970 (Hyer 2015, p. 56). It was only in 1976 that India and China re-establish their relationship at the ambassador level (Ibid). Boundary negotiation was restarted in September 1977 and the first high level talks in March 1978 resulted in an agreement to settle boundary through biannual negotiations (Ibid). This gave much needed boost to India-China diplomacy and paved a path for further negotiations.

The boundary question lingered on in the 1980's and no substantive progress was being made. To strengthen their relationship both India and China decided to give emphasis to

trade and commerce. So when India began its liberalization in 1991 trade between both countries gained momentum. But hardly could it dispel the trust deficit which had been enduring since 1962. As far as India is concerned the potential emergence of a superpower on its northern borders that invaded in the past, built up Pakistan as a military counterweight with transfers of nuclear-weapons and missile technologies and continues to hold captured Indian territories (including almost one-fifth of the original state of Jammu and Kashmir), is hardly a comforting thought (Chellany 2012). This Indian uneasiness has never been ameliorated by the Chinese side which has always forced India to take a cautious approach towards China.

According to M Taylor Fravel of Massachusetts Institute of Technology, China sees India as a growing power but it does not see India as an ally in the geopolitical sense as they are not security partners (Fried 2011). Due to the unresolved boundary question the Chinese military express concern about the potential for armed conflict with India (Ibid). China has always accused India of occupying Chinese territory. This has not gone down well with Indians and has made the Indian side excessively cautious of China's motives and strategic designs.

Continuation of Bilateral Ties

The bilateral ties between India and China kept on growing despite the trust deficit. Bilateral visits of political leaders increased, trade grew in volume, people to people contact increased. Several agreements were made which showed the inclination of both the nations to improve their relationship. Most notable were the 1993 Agreement on Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border Areas, signed by Prime Minister P V Narasimha Rao; the Declaration on Principles for Relations and Comprehensive Cooperation Between the Republic of India and the People's Republic of China by Prime Minister Atal Bihari Vajpayee in 2003; and the Border Defence Cooperation Agreement signed by Prime Minister Manmohan Singh in 2013 (Haidar 2015). India and China were adjusting to the increased globalized world by deepening cooperation on various issues.

The confidence of improving bilateral relationship culminated into India and China entering into a strategic cooperative partnership in 2005. Informing about the strategic cooperative partnership, the Chinese Foreign Ministry spokesperson, Kong Quan said that India and China reached a consensus on expanding "friendly and mutually-beneficial co-operations," after nearly 3 hours of talks between Premier Wen Jiabao and his Indian counterpart Manmohan Singh (Huanxin 2005). Then Prime Minister Manmohan Singh also declared that relation-

ship with China constitutes key component of India's foreign policy (Ibid). India had always wanted to forge a formidable partnership with China on a priority basis and this has been reciprocated by the Chinese. Therefore in September 2014 when President Xi Jinping came to India he said that "we plan to partner with each other to take our strategic and cooperative partnership of peace and prosperity to a higher plane" (Times of India 2015a).

Persisting Problems

When Prime Minister Modi was hosting President Xi in a lavish and opulence show of friendship in Ahmedabad, Gujrat, nearly one thousand Chinese troops had infiltrated into Indian territory in Chumar sector of Ladakh. This led Prime Minister Modi to caution the Chinese President Xi that it could adversely affect the bilateral relations (Times of India 2015b). As the military face-off continued, it was clear that the visit of the Chinese president, which held the promise of improving ties, may have in fact aggravated the trust deficit because of the Ladakh incursions which, the Indian government was pretty sure, that the time of infiltration was to coincide with the President Xi's visit (Ibid). After much coaxing by Indians, the Chinese troops went back to their original position.

There is a heavy deployment of troops by both the sides along the Line of Actual Control (LAC). While China has deployed close to 300,000 troops (13 full 'Border Defence Regiments') India has deployed around 120,000 troops in the Eastern Sector (Ananth 2014). Such large number of troop deployment along the border is indicative of the trust deficit which has roots in the unresolved boundary question.

China has also in recent times tried to irritate India by issuing staple visa to residents of Arunachal Pradesh. China has argued that since Arunachal Pradesh is a part of China, people of Arunachal Pradesh do not require visa to visit China. This has massively irritated India as India sees China's action as unlawful, unethical and provocative. India has tried to raise this issue of staple visa with China but without any success. China has even issued staple visa to people of Jammu and Kashmir, thereby aggravating the already existing trust deficit between both India and China.

Tibet has since 1950's become a contentious issue between India and China. As Tibet had declared independence from China in 1913, China invaded Tibet in 1950 to assert its sovereignty on it (Ibid). This was not approved by India but India did not take any military action. When Dalai Lama took refuge in India, he was not only welcomed but the Tibetans were allowed to set up their government in exile in Dharamsala of Himachal Pradesh. China has accused India of harbouring, aid and abetting the Tibetan population against China. China's accusation against India continues despite the fact that then Prime Minister Atal Bihari Vajpayee in 2003 on a visit to Beijing, recognized Tibet Autonomous region as an integral part of China. China wants India to expel Dalai Lama and the Tibetans, which India is not ready to do because India also see the Tibet issue as a humanitarian issue.

India is wary of China's design of encirclement by its Silk Route project. Dubbed as "string of pearls" the route, which China claims as an important trade corridor, extends from its naval base in Hainan Island (South China Sea) to Bagamayo in Tanzania, Africa, with several of the ports encircling mainland India (Ibid). These include Hambantota (Sri Lanka), Gwadar (Pakistan), Chittagong (Bangladesh) and Marao Atoll (Maldives) (Ibid). Though China projects its silk route project as trade and commerce enhancer, the recent docking of Submarine Changzheng-2 and warship Chang Xing Dao at Colombo port in 2014 has raised concern in India (Aneez and Sirilal 2014). China's maritime activity in India's backyard has forced India to remain vigilant of China's motives.

One of the core issues concerning India is the trade imbalance between India and China. The Indian Commerce and Industry Minister, Nirmala Sitharaman informed the Rajya Sabha (Up-

per House) that the trade deficit between India and China increased about 34 per cent to USD 48.43 billion in 2014-15 from USD 36.21 billion in the previous fiscal (PTI 2015a). The provisional figures of 2014-15 has shown that India's exports to China stood at USD 11.95 billion while imports were USD 60.39 billion (Ibid). India wants to improve the trade imbalance and has raised the issue with China but owing to China's efficiency in manufacturing goods, the issue keeps on lingering.

Building Trust

Despite the colossal problems of border demarcation, trade imbalance and difference in viewpoints both India and China have also increased their cooperation in trade, people to people contact and high level visits. This has led to assuage trust deficit and inculcate new bonhomie in bilateral relationship. When President Xi visited India in September 2014 both the countries resolved to enhance cooperation. Within hours of President Xi's arrival to India in Ahmedabad, India and China signed three pacts (TNN 2014). The pact included agreements between China Development Bank and Industrial Extension Bureau of Gujarat government for developing industrial parks in Gujrat; developing sister province between China's Guangdong province and Gujrat state; and, knowledge sharing on various issues like health, culture, science and technology, environment and education between Ahmedabad Municipal corporation and Guangzhou (Ibid).

Later in New Delhi India and China signed sixteen more agreements. Most notable were the Chinese agreeing to an alternate route for pilgrims of Kailash Mansarovar Yatra (in Tibet), cooperation in railways and five year trade and economic development plan (to reduce trade imbalance) (Ministry of External Affairs 2014). President Xi's visit to India was successful as both the countries found out that working together for mutual benefit was not difficult.

The warmth shown by India to President Xi's during his visit in 2014 was well reciprocated when Indian Prime Minister Narendra Modi visited China in May 2015. Breaking protocols President Xi received Prime Minister Modi in his hometown in Shaanxi province. On his arrival while Prime Minister Modi enjoyed a festive day accompanied by President Xi, people cheered at the two leaders wherever they went (Xiaokun 2015). Such respect and regard is a rare for any foreign dignitary in China.

Later the Chinese Prime Minister Li Keqiang after talks with Prime Minister Modi in Beijing said that "we just had in-depth talks and touched a wide range of topics, which we both expect to yield common ground and results. It is fair to say that we met expectations" (Xinhua 2015). On his part Prime Minister Modi said that "I discussed many issues with Premier Li, which will take our relations towards a positive direction. Our cooperation not only benefits the two countries, but also sends a positive signal to the world," (Ibid). The positive gesture emanating out from two leaders signals that the two countries have decided to deeper their cooperation not only in the area of bilateral relationship but also at the international arena.

During Prime Minister Modi's visit to China, both India and China signed twenty four treaties and MOUs aimed at boosting cooperation in areas including railways, aerospace, mineral exploitation, marine science and vocational education (Ibid). Both the countries agreed to set up consulates in China's Chengdu City and India's Chennai city; strengthen exchange in media, think tanks, education and tourism; and set up four pairs of sister cities including China's Chongqing and India's Chennai (Ibid). Indian firms like Bharti Airtel, Essar Oil and Reliance group of Anil Ambani also benefitted from loans by Chinese banks (Wilson 2015). Indian and the Chinese companies also signed pact to cooperate in solar energy sector (Ibid). The deepening of the trade ties and incorporation of new avenues in trade is a positive signal of building trust between India and China.

However for India, the issue of trade imbalance has been a tricky issue. The balance of trade tilts in China's favour forcing India to persuade China to give more market access to India. In a bid to address Indian concerns on market access in China, Prime Minister Narendra Modi and Chinese Premier Li Keqiang agreed to form a high-level task force that will look into the issue of trade imbalance and provide greater market access to India (Roy 2015). Giving a boost to economic partnership with China, Prime Minister Modi said that "bilateral cooperation was a very important part of our discussion. We have set a high level of ambition for our economic partnership. We see enormous bilateral opportunities and many similar challenges, like urbanisation" (Ibid). By advancing the economic relations both India and China are making efforts to deepen their bilateral relationship.

During his visit to China Prime Minister Modi went extra mile to inculcate trust between India and China. While addressing the students and faculty of the Tsinghua University in Beijing, Prime Minister Modi said that "we have decided to extend electronic tourist visas to Chinese nationals" (Narayan 2015). This announcement was a unilateral decision by India without China reciprocating it. Prime Minister Modi announced electronic tourist visa to China despite the opposition by India's Home Ministry and security agencies (Ibid). This year India has announced "Visit India Year" in China and the electronic visa to Chinese tourist shows India's resolve to deepen relationships with China. The electronic visa announcement has also been seen as a prelude to India's relaxing investment norms to China to attract large scale Chinese investors (Ibid). If people to people contact increase and trade become robust, the trust deficit between India and China can disappear.

Signs of Trust Deficit Reduction

During his visit to India in September 2014 President Xi Jinping wrote in an article that "China-India relations have become one of the most dynamic and promising bilateral relations in the 21st century" (Jinping 2014). President Xi's visit to India in 2014 created a positive environment between India and China despite both countries having different perceptions on several issues, especially the border. This visit was recipro-

cated by Indian Prime Minister Narendra Modi's visit to China in May 2015 which had a great impact on reducing trust deficit between India and China. When Zhang Dejiang, the Chairman of the standing Committee of People's National Congress of China and third in the hierarchy, led a Chinese parliamentary delegation to India in June 2015, said that "the visit of Chinese President Xi Jinping to India followed by Indian Prime Minister Narendra Modi's visit to China recently took the ties between the two countries on upward trajectory" (PTI 2015b). Both India and China seems to be fast shedding the past baggage of trust deficit by increasing cooperation.

Conclusion

India and China are great nations with rich history and culture. The problems of coexistence and adjustment in the global power politics had since 1962 generated trust deficit between both the countries. The recent reciprocal visits of President Xi and Prime Minister Modi has reduced the trust deficit. However, the relationship between the two regional powers is complex, with both looking for commercial advantages while mindful of core security concerns (Burke 2014). Therefore during Prime Minister Modi's visit the two sides came up with some non controversial "do-ables" taking into account their complementarities (Roche 2015). The list of agreements between India and China during Prime Minister Modi's visit to China provides a blue-print for stabilising the relationship and adding the critical mass necessary for a take off in relations in the future when the time comes (Ibid). Giving his opinion on Prime Minister's visit to China, the Indian Ambassador to China, Ashok K Kantha wrote that "a positive message has gone out, not only to the people of our two countries but also to the international community that our two countries are willing to take a strategic and long-term view of our relationship so as to contribute to Asia and the world" (Kantha 2015). The positive steps taken by both the countries and willingness to discuss controversial issues and increase cooperation in trade and other bilateral activities has greatly reduced trust deficit between both the countries.

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