Implications for Sino-India relations

By L. Venkateshwaran

The nuclear deal signed in March 2006 signifies the furious pace at which the India-United States relations have proceeded since 2005. As the dust settles on George Bush's visit to India, there is a grudging admittance in Beijing that New Delhi has finally learnt to play the global power game. There is also a growing concern at India's newly aggressive foreign policy.

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With the U.S. anxious to find new allies in the post-9/11 world, China fears that India is gaining far too much from the U.S. China believes that India is playing the U.S. against it, and extracting several concessions in the process. The numerous agreements signed between the two countries signals that the U.S. is equally enthusiastic in engaging a growing power like India. This would severely constrain the ambitions of China, which is poised to challenge U.S. dominance in Asia. Hence what are the implications of burgeoning Indo-U.S. relations on Sino-India rapprochement? What would be China's strategy in the aftermath of the Indo-U.S. nuclear agreement?

Since 2001, warming economic relations between India and China has led to a momentum in trade that has grown to $19 billion and an average annual growth rate of over 30 per cent in 2005. China has offered to sign a free trade agreement with India; if this goes through and trade continues to grow at current rates, China would overtake the U.S. (despite the momentum in Indo-U.S. relations) to become India's largest trading partner by 2007.

Yet, both countries have also begun to compete over the purchase of energy fields in many areas of the world. In recent times multilateral forums have been the platforms for the two to engage in a cat and mouse game to go one-up. India's entry into the Shanghai Cooperation Organisation (SCO) as an observer was neutralised by China's entry as an observer into South Asian Association for Regional Cooperation (SAARC). Interestingly, India responded by supporting the U.S.' move to seek observer status in SAARC. Further, China will have to now abandon its successful policy of containing India's focus regionally in the wake of the U.S. actively engaging India.

In the immediate future, China will look to compete with the U.S. for India's attention. It will seek to play a more proactive role in the border dispute. The two countries are showing enthusiasm to decide on the 'Tawang (in Arunachal Pradesh) to remain with India and Aksai Chin (a portion of Jammu and Kashmir which is under Chinese control) to remain with China' formula to resolve the dispute. From the Chinese point of view, the border dispute has to be put on the
backburner or resolved expeditiously to meet the objective of engaging India in a direct dialogue.

Simultaneously, China will continue to push for closer ties with Pakistan even as it remains neutral towards Indo-Pak conflicts. There will be closer interaction at the political and economic level and the arms supply to Pakistan will continue. China, though, will also look to play down the intensity of its relations with Pakistan. While Pakistan is desperate to sign its own nuclear deal, China will closely watch Indo-U.S. engagements in the region before signing the deal with Pakistan.

If Indo-U.S. relations continue to flourish, China will fall back on its long-term strategy of propping up Pakistan against India. It will also look for alternative prop-ups among India’s neighbours in the South Asian region. In Nepal, it might consider giving tacit support to the Maoists as India’s influence has grown considerably there with democracy being reinstated recently. It will also look to play a proactive role in Bangladesh considering tensions in that country have been rising against India.

The writer is Research Assistant, Institute of Peace and Conflict Studies, New Delhi.