

MANAGING CHINA: COMPETITIVE ENGAGEMENT, WITH INDIAN CHARACTERISTICS

TANVI MADAN

FEBRUARY 2020

EXECUTIVE SUMMARY

This paper explores India's ties with China, outlining how they have evolved over the course of Prime Minister Narendra Modi's years in office. It lays out the elements of cooperation, competition, and potentially conflict in the Sino-Indian relationship, as well as the leverage the two countries potentially hold over each other. The paper also examines the approach that Delhi has developed to manage its China relationship — one that can be characterized as “competitive engagement with Indian characteristics.” The paper details how and why India is simultaneously engaging with Beijing, where that is feasible, and competing with China, alone and in partnership with others. Finally, the paper considers what could cause India to reevaluate its approach to China either toward greater accommodation or greater competition.

The paper argues that India's recent “reset” has thus far been limited, consisting of greater high-level interaction, efforts to improve economic and people-to-people ties, and the restarting of boundary and military dialogues. However, the persisting boundary dispute, China's support for Pakistan, concerns about China's increasing activities and influence in South Asia and the Indian Ocean region through the Belt and Road Initiative and beyond, and an unbalanced economic relationship have ensured that the Sino-Indian relationship remains a fundamentally competitive one. In response, at home India is trying to enhance its military, nuclear, space, and technological capabilities, as well as its infrastructure. Abroad, it is establishing or enhancing partnerships in India's extended neighborhood, as well as with like-minded

major powers — including Australia, France, Japan, Russia, and the United States — that can help balance China, and build India's and the region's capabilities.

In this context, India has largely approved of the Trump administration's more competitive view of China, even as it does not have similar concerns about China as an ideological challenge and despite Delhi's discomfort with certain elements of Washington's approach toward Beijing. Their broad strategic convergence on China has laid the basis for U.S.-India cooperation across a range of sectors, particularly in the diplomatic, defense, and security spheres, as well as incentivized the two sides to manage or downplay their differences.

This convergence could unravel if there is a major Indian reorientation on China, but the paper argues that is unlikely. Nonetheless, an Indian reevaluation toward greater accommodation of China could conceivably occur as a result of domestic political or economic developments in India, doubts about America's role and commitment in the region and vis-à-vis India, or a sustained Chinese strategy to reassure India or assuage its concerns.

INTRODUCTION

In October 2019, Chinese leader Xi Jinping and Indian prime minister Narendra Modi were pictured hand in hand in the southern Indian seaside temple town of Mamallapuram, near Chennai. Behind them loomed a large boulder, precariously poised atop an incline. In many ways, the photo is an apt reflection of the state of the China-India relationship. Over the last few years, Delhi and Beijing have sought to engage with each other and stabilize relations, but major

challenges continue to loom across the spectrum of the relationship. And while India's relationship with China continues to involve elements of cooperation, this remains a largely competitive, and even potentially conflictual, relationship.

More than a year before they met near Chennai, Modi and Xi held their first "informal" summit in Wuhan in April 2018. A number of observers saw that summit as designed to "reset" the relationship.¹ That raised questions about whether India was moving from competition to engagement with China — and sparked concern among some at home and abroad (including in the U.S.) that Delhi would go soft on China.² However, as this paper will show, that misunderstands both what the "Wuhan spirit" and the "Chennai connect" represent, as well as the broader Indian perception of and approach toward China.

Wuhan did not signify a major pivot. Rather, it was one step in a process to stabilize the China-India relationship after a period of heightened tension. That process has reset the tone and temperature of the relationship, but thus far has not fundamentally changed its strategic — and competitive — dynamics.

Over the last few years, as the good, bad and ugly elements of the China-India relationship have played out, they have elicited from Delhi an approach that can be described as competitive engagement, with Indian characteristics.

In this context, the Modi government has largely approved of the Trump administration's more competitive view of China, even as it does not have similar concerns about China as an ideological challenge and despite Delhi's discomfort with certain elements of Washington's approach toward India's largest neighbor. Convergence on China has indeed laid the basis for U.S.-India cooperation across a range of sectors, but particularly in the diplomatic, defense, and security spheres. But a change in the Indian view of its China challenge or of American ability or willingness to be helpful in that regard could cause Delhi to reevaluate its relations with either or both countries.

This paper starts by outlining developments in the China-India relationship over the last few years. It then lays out the drivers behind India's engagement

with China and the elements of cooperation in the relationship. The paper then goes on to examine the persisting differences as Delhi perceives them, and the reasons India continues to see China as a competitor. Subsequently, it outlines Delhi's competitive approach, focusing on India's partnerships — particularly with the United States. Finally, the paper considers what could cause an Indian reevaluation of or reorientation toward China.

FROM DOKLAM TO ASTANA TO XIAMEN TO WUHAN TO MAMALLAPURAM

When Modi and his Bharatiya Janata Party (BJP) came to power in 2014, some in China thought the new prime minister would "inject new vitality" into the relationship, given that he had made it clear in his previous avatar as a chief minister (the equivalent of a U.S. state governor) of Gujarat that he wanted to do business with Beijing.³ There were expectations that Modi would be like Deng Xiaoping, focusing on internal strengthening and economic development,⁴ objectives which China — an infrastructure development and manufacturing powerhouse — could help him achieve.⁵ There was even hope that he would "steer...away from a tilt toward the U.S." and limit deepening cooperation with China's neighbors like Japan.⁶ Some in China even expected that, as someone from the right, Modi could be India's Richard Nixon and achieve a breakthrough in resolving the border dispute. Foreign Minister Wang Yi publicly declared that the Sino-Indian relationship stood at "a new starting point."⁷ And Delhi reciprocated the optimism, with the Indian national security advisor speaking of the possibility of the relationship taking an "orbital jump."⁸

It soon became clear, however, that the two sides could not leap over the obstacles that had dogged the relationship in the past. While Delhi and Beijing increased the frequency of their engagement, India looked askance at what it saw as a unilateral attempt to change the status quo at the disputed boundary in September 2014 (even as Modi was rolling out the red carpet for Xi in his home state), and at China's deepening relationship with Pakistan through the China-Pakistan Economic Corridor (CPEC) that Xi endorsed in April 2015. China, for its part, was unhappy

with the U.S.-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region (January 2015) and the incorporation of Japan as a regular participant in the annual U.S.-India maritime exercise (revealed in July 2015).

What followed were two years of strain in the Sino-Indian relationship, with various dialogues being put on hold, and the tone and temperature of the relationship heating up. It culminated in the Doklam crisis during which the two countries' militaries faced off in the Bhutan-China-India tri-border area (June-August 2017).

The two years after that crisis have involved attempts by the two countries to turn the temperature down. The mantra of this period — one that has joined the lexicon of China-Indianisms — has been a phrase first mentioned when the two leaders met at the Shanghai Cooperation Organization summit in Astana in June 2017: that “it was important that differences should not become disputes and that in fact if they were handled well, they may even be opportunities.”⁹

The sustained summer face-off in some ways led to the “reset” that followed. It reminded both sides of the potential for escalation. And it demonstrated that dialogue mechanisms designed over the years to ensure that the countries and militaries did not get to that point were not functioning effectively.

Arguably neither side wanted a conflagration. From India's perspective, a conflict with China could complicate the path to its domestic objectives, particularly economic growth. In addition, Modi was going into election season, which meant he could not back down, but at the same time, it also incentivized his government to resolve the unpredictable situation. The leadership might have been willing to take the chance of escalation with Pakistan, but a crisis with China was another matter and much more of a wild card. Moreover, while partners like the U.S. had been helpful during the faceoff, Delhi would not have wanted to depend on the decisions or mood of a Trump administration whose China approach they considered unpredictable and uncertain. Finally, stabilizing the relationship with Beijing could once again create the space and opportunity to engage China in the economic space — for the benefit of the Indian economy — and cooperate with it in the multilateral sphere.

In fall 2017, Delhi also felt Beijing was motivated to reach out to India, as well as to third countries like Japan. It was a sensitive time for China domestically, both politically and economically. Xi was heading into the 19th Party Congress. The “Mar-a-Lago spirit” in China-U.S. relations had dissipated, as had hopes for an understanding over trade or North Korea. By September 2017, Washington was publicly calling out Chinese strategic and economic behavior, and advocating for a coalition of democracies — Australia, India, Japan, and the U.S. — to tackle it.

If Beijing reconciled with Delhi, it could limit any spillover effect on the BRICS summit in Xiamen scheduled for September and designed to showcase China's partnerships and Xi's global leadership ahead of the Party Congress — and eliminate the possibility that India would decline to participate. It could also reduce Delhi's activism in opposing Chinese initiatives like the Belt and Road Initiative (BRI). And it could potentially shape India's decisions vis-à-vis its partnerships with the U.S., Japan, Australia, and others in ways that were favorable to China.

This confluence of conditions and motivations on both sides laid the ground for the Wuhan and Mamallapuram summits. The idea behind the meetings was to allow for direct communications between the two leaders, and then for their “consensus” to flow down to various levels of government and serve as strategic guidance.

And over the last two-plus years, China and India have succeeded in keeping differences from becoming disputes. But those divergences have remained and major opportunities have been limited. Despite the renewed emphasis on engagement, there has been more continuity than change in the Indian view of and approach toward China since 2008. And that approach has been primarily characterized by strategic competition.

COMPETITIVE ENGAGEMENT, WITH INDIAN CHARACTERISTICS

Given the cooperative and competitive dynamics in the relationship, India's approach to managing China, which has had mixed success, has involved two

broad elements. The first element is engaging with Beijing where that is feasible. The second element is continuing to compete with China, alone and in partnership with others.

This approach is designed to stabilize the relationship, to take advantage of it where possible, to incentivize certain kinds of Chinese behavior and deter others, and to prepare for the scenario of Beijing breaking bad. It is also designed to expand India's leverage, recognizing various Chinese points of leverage vis-à-vis India.



China might not worry much about India in and of itself given the gap in the two countries' relative capabilities, but the U.S.-India partnership does give it pause.

India's sources of leverage include its market, to which China and its companies want access. Another is the presence of Tibetan leaders and refugees in India. A third is Delhi's ability to complicate Beijing's interests — and exploit its vulnerabilities — in the Indian Ocean. A fourth is India's partnerships — especially, but not only, with the United States. After all, China might not worry much about India in and of itself given the gap in the two countries' relative capabilities, but the U.S.-India partnership does give it pause.

China's points of leverage include its ability to pressure India on the boundary. It can also complicate India's internal security situation (particularly in India's northeast as it did in the past), and Delhi's regional options given Beijing's expanding ties with India's territorial and maritime neighbors. Furthermore, China can use its relationship with Pakistan as a tool to pressure — or reassure — India. Beijing can also be helpful or harmful to Indian interests in key international bodies, especially the U.N. Security Council. Finally, while China's ability to use economic coercion with India is relatively limited because of their still limited investment relationship, there are areas Beijing could target — for instance, India's pharmaceutical sector, which is fairly dependent on imports of active

ingredients from China.¹⁰ On the flip side, Beijing could use economic concessions or persuasion with India — for example, by offering market access in certain sectors.

Engaging...

There are multiple reasons why India has sought to engage China and seek stability. One, as mentioned above, keeping the China relationship stable is important for domestic reasons. A peaceful periphery would allow India to focus on its socio-economic objectives at home, particularly economic growth, job creation, and social service provision. It could also mean India not having to divert expenditure from development to defense, and could buy time to build up Indian military capabilities.

Second, Modi still hopes that India's economy can benefit from China's. He sees Chinese strengths particularly in the infrastructure and manufacturing sectors as attractive.¹¹ Moreover, from this perspective, Chinese companies can bring much needed investment, which has been limited till recently. The Chinese market is also potentially attractive for Indian goods and services, particularly certain agricultural products, pharmaceuticals, information technology-related services, and movies — areas where India believes its farmers, firms, and filmmakers have a comparative advantage.

Third, Delhi has believed that engagement could potentially incentivize Beijing to respect Indian sensitivities or offer it opportunities. As a result of China's membership in various international institutions and its relationships with India's neighbors, Delhi is well aware that China has the ability to affect India's interests and options — negatively or positively. For instance, in the past Delhi has hoped that a positive relationship with China might persuade it to use its leverage with Islamabad to shape Pakistan's behavior in a way that might benefit India.

A fourth set of reasons to engage China involves India's relationship with other countries. Lacking the ability to do so alone, India has sought to ensure a favorable balance of power in the region (and enhance its own capabilities) through a portfolio of partnerships, including with Japan, Russia, and the United States. However, India does not like to be dependent on other

countries and believes that its need for these countries vis-à-vis its China problem gives those powers leverage over India. Easing its China problem could reduce India's dependence on these partners.

One reason that India does not like depending on other powers is that it is uncertain about their reliability. And that belief has contributed to India's desire to seek a more stable equilibrium with China. For it is aware that its fellow balancers — each of whom has deeper economic ties and a longer history of engagement with Beijing — have also been seeking to engage China even as their relationships with it have become more competitive. Beijing after all, did not just reach out to Delhi in fall 2017, but also to Tokyo and Canberra. Moreover, India remains uncertain

about U.S. President Donald Trump's approach toward China and India. In addition, India's other traditional balancing partner, Russia, has been growing closer to China. Delhi cannot afford to be in a position where other countries have stabilized their relationships with Beijing, while it remains the odd man out.

Thus, over the last two years, India has sought to get the engagement part of its China approach back on track. And, for the reasons mentioned above, China has played ball. This engagement approach has included an increase in the number of visits exchanged by senior policymakers, the revival of a number of dialogue mechanisms that had been put on hold, as well as improved communication between the two countries' defense officials and personnel.

CHINA-INDIA DIALOGUE MECHANISMS

Resumed dialogues & initiatives

- special representatives' talks on the boundary question
- strategic economic dialogue
- disarmament and nonproliferation dialogue
- maritime security dialogue
- trans-border rivers dialogue
- defense and security dialogue
- annual military exercise (HAND-IN-HAND)
- High-level mechanism on cultural and people-to-people exchanges
- Russia-India-China trilateral dialogue

New initiatives

- high-level economic and trade dialogue
- joint working group on education
- drug regulation dialogue
- familiarization visits by senior Indian diplomats to China
- Indian Navy participation in China's International Fleet Review
- Chinese People's Liberation Army Navy participation in Indian Ocean Naval Symposium anniversary celebrations in India

Beyond reviving dialogue, India has also tempered its tone toward China. For example, while it maintains its opposition to BRI, it does not express it as starkly or frequently in public as it did before. Delhi has also agreed to work with Beijing on joint projects in the region outside the ambit of BRI. A cooperative economic initiative has not materialized yet, but joint programs for training Afghan diplomats and police officers did emerge from this decision.¹²

Even at regional summits, Indian policymakers' rhetoric about or alluding to China has been more tempered. Modi's speech at the Shangri-La Dialogue in Singapore in June 2018 on India's approach to the Indo-Pacific used more careful language than it might have contained a year before.¹³ Moreover, it talked of India's vision of an Indo-Pacific that was not just free and open, but also inclusive — in order to address not just Association of Southeast Asian Nations (ASEAN) countries' concerns about where they fit, but also to signal China that it too had a role if it played by the rules.

Delhi has also generally avoided what China would consider obvious provocations. The Indian government has become more careful about its participation in Tibet-related events. Unlike in 2014, Modi did not invite Lobsang Sangay, the leader of the Central Tibetan Administration (the unrecognized Tibetan "government in exile," based in Dharamshala in northern India), to his government's swearing-in ceremony in 2019. The prime minister has not met publicly with the Dalai Lama since he took office. And during Xi's visit to southern India, Tibetan protestors were kept at bay.¹⁴ Thus far, the Indian government has also avoided commenting on developments in Xinjiang and Hong Kong. And on Taiwan, the state-run airline Air India acquiesced to Chinese demands to change its listing from "Taipei, Taiwan" — though it did not go as far as Beijing wanted, changing the listing to "Chinese Taipei" rather than "Taiwan, China."¹⁵

China, in turn, has taken some steps that India has been seeking. It lifted its longstanding hold on the designation of Jaish-e-Mohammed (JeM) leader Masood Azhar as a terrorist in the U.N. Security Council 1267 sanctions regime committee — a hold placed in support of Pakistan, where Azhar is based.¹⁶ It also allowed Pakistan to be placed on the "grey list" of the

Financial Action Task Force (FATF) for taking insufficient action against terrorist financing and money laundering, which subjects the country to financial restrictions and potentially punitive action. In the first case, the step was seen as being taken under pressure; in the second, as a result of persuasion that involved U.S. and Indian backing for China's vice-chairmanship of FATF.¹⁷

There has also been some movement on the bilateral economic front. After a few years where trade had seemed to stall, it picked up recently. In 2017-18, trade in goods witnessed a 25% jump though the trade deficit also increased. Between 2016-17 and 2018-19, the deficit did drop as a percentage of India's total trade deficit from 47% to 29% in 2018-19.¹⁸ The stock of Chinese investment in India has also grown, going from negligible amounts to estimates of over \$12 billion (plus pledges worth \$16 billion).¹⁹

Over the last two years, China has shown some willingness to address the trade imbalance problem, paving the way for some additional exports of Indian agricultural and marine products. It has also granted licenses to an Indian pharmaceutical company, and allowed it to participate in public hospitals' procurement program for certain generic drugs.²⁰ Observers have seen the latter as driven by domestic demand in China. They do, however, see the shift — albeit still only a slight one — in China's broader willingness as motivated by the China-U.S. trade war, as well as Beijing's desire to expand the Chinese economic footprint in India. The Modi government has said that it would welcome Chinese investment, but has also signaled that this would require greater reciprocity.

On its part, India's central bank has given the Bank of China a license to open a branch in Mumbai. Ahead of the Mamallapuram summit, India's telecommunication department also allowed Huawei to participate in and showcase its 5G capability at the India Mobile Congress, and it more recently permitted the company to participate in the 5G trials.²¹ And the Indian Embassy in Beijing has been facilitating investment and tourism roadshows since progress in these two areas is seen as helping address the imbalance in economic ties. To enable greater economic engagement (as well as travel for tourists and students), connectivity between the two countries has also improved with new air routes — though it remains limited.

Another recent priority for the two countries has been increasing links between their civil societies and media — a recognition that public opinion on both sides (and lack of understanding, if not trust) can limit policymakers' space and options vis-à-vis the other country. A number of the 70 steps Delhi and Beijing have announced as part of the celebration of 70 years of China-India ties are indeed focused on this objective.²² In 2018, they also established a China-India high-level mechanism on cultural and people-to-people exchanges.

The public diplomacy front has seen Beijing allow the resumption of the pilgrimage for Indians through the Nathu La mountain pass to Tibet's Mount Kailash and Lake Mansarovar, considered to be holy sites, which was suspended during the Doklam crisis.²³ It has also seen the Chinese ambassador engage more frequently with and in the media.²⁴ India, for its part, has emphasized the cultural links between the two countries.

These last two years have also witnessed Sino-Indian engagement beyond the bilateral sphere. The Russia-India-China trilateral resumed in December 2017 after a planned April meeting did not materialize, reportedly because of Chinese disapproval of a visit by the Dalai Lama to Arunachal Pradesh, which China claims (Beijing denied that was the reason).²⁵ Moreover, the trilateral has been elevated to the leader level, with meetings on the sidelines of at least two multilateral summits (where leader-level meetings of the India-Japan-U.S. trilateral also took place). India has also continued to participate in organizations where China played a founding role, such as the Shanghai Cooperation Organization and the Asian Infrastructure Investment Bank (AIIB).

Competing...

But even as elements of engagement have been visible over the last few years, none of India's fundamental differences with China have been resolved, and some Indian concerns have indeed grown.

These differences include the boundary dispute, which has involved at least three major incidents since Xi came to power in 2012 (before Doklam, there was an incident in April 2013 and then again in September

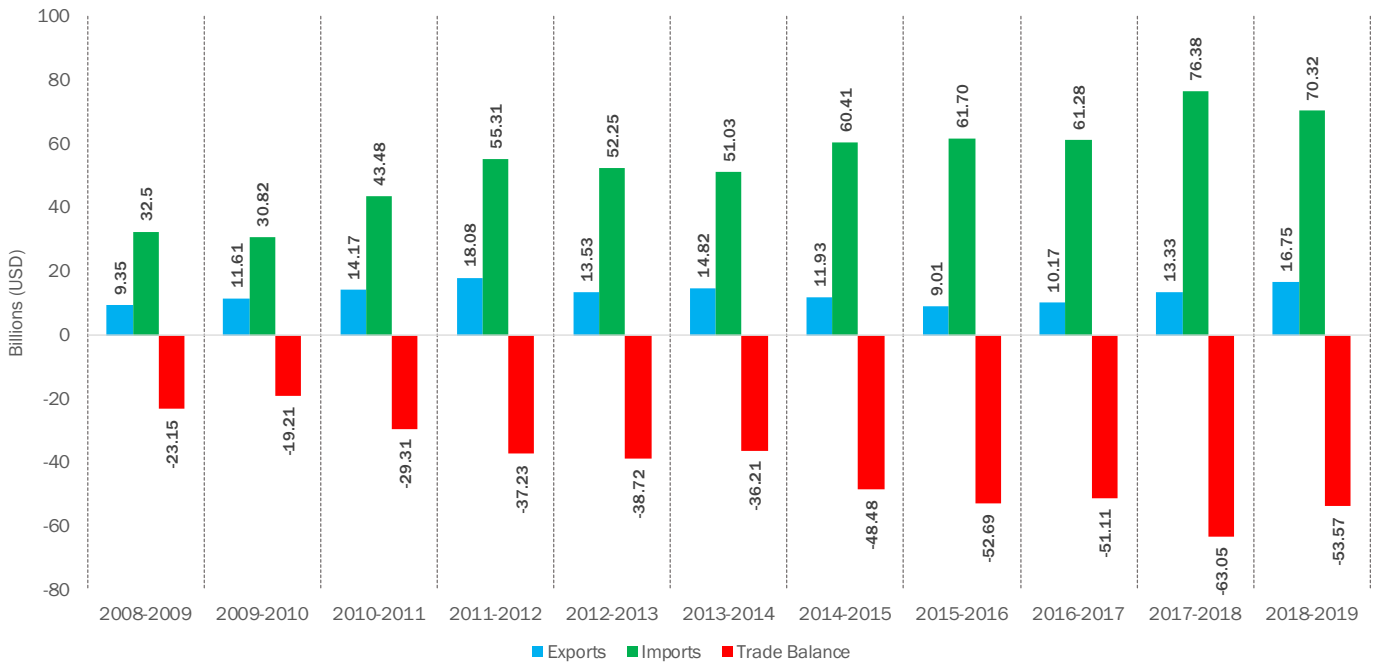
2014). While the two sides have talked of an early settlement, there has been little sign that they are moving toward one. Beijing did not take up Modi's suggestion of resuming the process to clarify the Line of Actual Control that divides the two countries. Delhi has dismissed the Chinese idea of a code of conduct in part due to the concern that it would limit India from upgrading its infrastructure and capabilities near the boundary, as China has already done.²⁶

Related to this is the issue of Tibet. The presence of the Dalai Lama and Tibetan refugees in India continues to be a source of concern and suspicion in China. And the two countries have different views of how the succession to the 14th Dalai Lama, now 84 years old, should play out. A few months ago, a Chinese official publicly asserted to visiting Indian journalists that the Dalai Lama's reincarnation would require Beijing's concurrence, and no role for other countries.²⁷

Another bilateral area of difference is the sharing of the waters of the Brahmaputra River, which flows from China into India's politically and geopolitically sensitive northeast (include territory that Beijing claims) and then Bangladesh. While China and India have a mechanism in place to manage these differences, Indian concerns about Chinese dam construction, potential river diversion, and erosion of its usage rights remain. Moreover, Beijing's suspension of hydrological data-sharing during the Doklam crisis would not have done much to reassure Delhi that China would not use this leverage to try to influence Indian behavior in the future as well.²⁸

There had been some hope that growing economic ties would alleviate some of these strategic differences. But economic links have indeed added to the friction. India's trade deficit with China has persisted — it still constitutes one-third of India's total. (See Figure 1). There are also complaints about lack of reciprocity, i.e. Chinese companies investing in and seeking market access in India without China offering the same opportunity to Indian companies. Adding to those are concerns about intellectual property theft, forced technology transfer, Beijing's influence over Chinese companies active in India, and the potential use of economic coercion for strategic and political ends.

FIGURE 1: INDIA'S TRADE WITH CHINA



Source: Indian Ministry of Commerce and Industry²⁹

Then there is China’s strategic relationship with Indian rival Pakistan, which has deepened in part thanks to CPEC. But even beyond that long-standing partnership, Delhi has watched warily as China’s political, economic, and military ties with India’s other territorial and maritime neighbors have grown. It is concerned about the impact of those ties on its neighbors’ political and economic landscapes, and particularly on their strategic choices that have implications for India. There is a sense that Beijing has not respected India’s redlines and is creating the space for — if not encouraging — these countries to do the same.

These concerns — and the fact that some CPEC projects are in territory that India claims — have led to Indian opposition to BRI. Before and after the first Belt and Road Forum (BRF), Delhi has asserted that connectivity projects must be based on “respect for sovereignty and territorial integrity, consultation, good governance, transparency, viability and sustainability,” and should not lead to debt burdens or strategic competition. Delhi’s concerns that the Chinese initiative does not meet these standards led it to decline an invitation to the first BRF publicly even as most other major powers

sent representatives.³⁰ A related worry is that China’s expanding presence in India’s territorial and maritime neighbors is coming with expanding strategic and political influence in those countries in ways that could jeopardize Indian interests.

China’s forays into India’s maritime neighborhood have particularly added to Delhi’s anxieties. The Indian navy chief has emphasized the need to ensure “safe, secure seas,” “freedom of navigation,” and a “rules-based order” in the Indian Ocean region.³¹ India recognizes that a China that has global interests will seek a global presence. But it worries about the implications for its own interests, particularly given China’s expanding presence and its behavior elsewhere that suggests that Beijing is not a rule-follower. Delhi has watched warily what it has seen as China’s unilateral attempts to change the status quo whether in the South China Sea or at the Bhutan-China-India tri-border area, or with its declaration of an air defense identification zone in the East China Sea.³² And it has worried about the reliability of Chinese assurances about its expanded interests, with the Indian foreign secretary pointing out to parliamentarians that, “a number of steps, that

the Chinese hitherto had said they would not do, are being done,” including establishing bases and sending forces abroad.³³

Globally, Delhi has seen little to change its view that China is seeking to limit India’s space and prevent its rise. Beijing has continued to resist Indian membership of the United Nations Security Council (UNSC), as well as the Nuclear Suppliers Group (NSG).

Beyond the lack of resolution of these differences, over the last few months, signs of friction in the China-India relationship have returned – they are indeed reflective of those persisting divergences.

A crucial subject of strain has been China’s backing of Pakistan in the aftermath of the JeM attack on Indian soldiers in Kashmir in February 2019 and the subsequent Indian Air Force strike in Pakistan, as well as after the Indian decision to change the status of Jammu and Kashmir (J&K) in August 2019. In both cases, from India’s perspective, China gave Pakistan cover and/or support. In the more recent instance, Delhi, which asserted that its J&K decision was an internal matter, saw a number of Chinese steps as unhelpful, if not worse. While urging India and Pakistan to exercise restraint, Chinese foreign ministry officials including Foreign Minister Wang criticized Delhi particularly for unilaterally changing the status quo by separating the region of Ladakh from J&K and making both centrally-governed union territories.³⁴ According to Indian claims, Ladakh includes Aksai Chin, territory that Beijing also claims (and holds).

Spurred by Pakistan, China then pushed for a closed-door meeting of the UNSC on the situation in Kashmir in mid-August. After the meeting the Chinese permanent representative emerged to say that the members had expressed “serious concern” about the “very tense” and “dangerous” situation, including on human rights. He said that the “unilateral” Indian step had “challenged China’s sovereign interests and violated bilateral agreements on maintaining peace and stability in the border area.” The Indian permanent representative retorted that his Chinese counterpart was inaccurately presenting China’s views as those of the international community.³⁵

Beijing has subsequently continued to raise the Kashmir issue, including via Wang’s speech at the 2019 U.N. General Assembly.³⁶ India responded that it was Beijing that had been changing the status quo through the “illegal” CPEC in territory that India claims.³⁷ Delhi said the Chinese side did not raise Kashmir during Xi’s visit. But when Delhi officially established the union territories of Jammu and Kashmir and of Ladakh later in October, China’s foreign ministry deplored the step, calling it “illegal.”³⁸ India retorted with a reiteration of its territorial claims and stated, “We do not expect other countries including China to comment on matters which are internal to India just as India refrains from commenting on internal issues of other countries.” This was both a dismissal and a reminder of India’s silence on Xinjiang and Hong Kong.³⁹

Whether or not China wanted to come out in support of Pakistan – or whether it was dragged into it out of obligation and a need to protect its growing interests there – the end result has been that it has reminded Indians of a critical source of divergence with China. Beijing’s backing of Pakistan at FATF has also not helped the China-India dynamic. Indian observers see China as insulating Pakistan from further punitive action even if Islamabad makes insufficient progress on countering terrorism financing – indeed, a Chinese official declared that under no circumstances would Pakistan be moved from the grey list to the black list.⁴⁰

Whether in response to that support or as part of its two-track competitive approach (more on that below), India has taken some steps recently that would at the very least annoy China. Ahead of Xi’s visit in October, its army conducted a large military exercise (Him Vijay or Mountain Victory) in Arunachal Pradesh, a state that China claims.⁴¹ Defense sources claimed the two were not linked, but India is well aware of China’s sensitivities on the subject – it routinely objects to even Indian ministerial visits to the state. Reports indicate that Chinese officials brought up the exercise with the Indian foreign secretary when he visited Beijing ahead of Xi’s visit.⁴²

Meanwhile, in October the U.S. ambassador to India visited Arunachal Pradesh. The U.S. assistant secretary of state for South and Central Asian affairs stated that the trip was in part a demonstration of “U.S. support for

Indian sovereignty” (the U.S. recognizes the McMahon Line and thus, de facto, India’s claims). The state government, run by Modi’s BJP, in turn, declared the ambassador the chief guest for the Tawang Festival.⁴³

Neither that visit nor the U.S. government’s recent engagements with Tibetan leaders in India could have taken place without the acquiescence of the Indian government. In October, U.S. Ambassador at Large for International Religious Freedom Sam Brownback visited the Dalai Lama in Dharamshala. And then in November, the U.S. ambassador hosted Sangay at the embassy.⁴⁴



While Indian officials believe there is strategic case to join the RCEP trade agreement, particularly vis-à-vis ASEAN, Australia, and Japan, they believe the economic case is insufficient.

Other areas of the China-India relationship have also seen setbacks. India declined to join the Beijing-backed Regional Comprehensive Economic Partnership (RCEP) — a free trade deal under negotiation by the 10 ASEAN countries, Australia, China, Japan, New Zealand, and South Korea — with the Indian home minister citing the protection of India from “any adverse effects that Chinese interests could have caused” as the reason.⁴⁵ While officials believe there is strategic case to join the trade agreement, particularly vis-à-vis ASEAN, Australia, and Japan, they believe the economic case is insufficient. Delhi is concerned about a surge of imports that could adversely affect its farmers, small businesses and manufacturers, the demands and deadlines being placed on India to open up its market, and insufficient market access concessions in sectors where Indian firms and goods have a comparative advantage.⁴⁶ Indian officials hoped that the Modi-Xi discussions would persuade the Chinese leader to make sufficient concessions to facilitate India’s membership of RCEP. But those expectations were apparently not met.⁴⁷

On the defense front, it has become clear that cooperation has limits or at least a long way to go. Asked recently why China was not invited to India’s multilateral maritime exercise MILAN, when more than 40 other countries were, the Indian navy chief recently responded, “we have called the people that we think are like minded.” He also acknowledged that the navy recently asked a Chinese research vessel to leave India’s exclusive economic zone in the Andaman Sea because it had neither notified India nor taken its permission.⁴⁸

India is not just keeping an eye on Chinese maritime inroads, but also technological ones. The government’s concern has shown up in warnings to its military not to use Chinese equipment, as well as in reports that it is looking into default browsers and apps on Chinese phones. It is also showing up in the debate on whether to allow Huawei to participate in a potential 5G network. While some Indian telecom companies and ministries have argued for its inclusion, particularly on cost grounds, many foreign and security policymakers and experts have long expressed concern about the company and its links to the Chinese state amid broader concerns about critical data protection. A reported Chinese warning about “reverse sanctions” if India kept the company out would have done nothing to allay their anxieties.⁴⁹ The Indian foreign secretary recently asserted that “simply going with technologies because it is the cheapest... is not the wise course of action” and that ideally India would develop its own capacities and capabilities.⁵⁰ Beyond 5G, Indian policymakers and experts are also watching the Chinese development of other defense and potential dual-use technologies—including some in collaboration with Russia.

Delhi also has concerns about Chinese public diplomacy efforts. They have shown up in its reported requirement that Indian universities and academic institutions get prior approval from the home affairs and external affairs ministries for all agreements with Chinese counterparts.⁵¹

All these persisting concerns have caused India to maintain a two-track competitive approach to China, involving internal and external balancing. The former has included trying to enhance India’s military, nuclear, space, and technological capabilities, as well as its

infrastructure, albeit not always successfully. The latter has meant establishing or enhancing partnerships in India's extended neighborhood, as well as with like-minded major powers that can help balance China. The greater attention to India's South and Southeast Asian, as well as Indian Ocean, neighbors has involved increased diplomatic presence and exchanges (both bilateral and regional), defense and economic diplomacy, and capacity building, as well as improved connectivity.⁵² India's major power engagement is detailed below.

WITH A LITTLE HELP FROM ITS FRIENDS

Even as it has engaged with China over these last two years, India has doubled down on its partnerships with a number of like-minded balancing powers that also have concerns about China's capabilities, intentions, and/or actions. These partnerships can (1) help enhance India's capabilities across the board, which is crucial given the widening China-India gap, (2) contribute to capacity-building in the Indo-Pacific region, (3) help shape Chinese behavior and a favorable balance of power in the region, and (4) serve as leverage for India with China.

This set of partnerships involves the United States and its allies Australia, France, and Japan (and to some extent the United Kingdom and South Korea), as well

as Russia. Over the last two years, India has deepened each of these relationships, particularly in the defense and security sphere. It is engaging with these countries bilaterally, trilaterally, and even quadrilaterally (in the case of Australia, Japan, and the U.S.) And it is cooperating and coordinating with these partners in third countries, as well as regional and global institutions. India's efforts with these countries have been focused on acquiring defense equipment and technology, increasing maritime domain awareness and information sharing, improving interoperability, facilitating regional capacity-building and connectivity, and expanding India's reach.

It is from this perspective that India keeps a close eye on these partners' relationships with China. As far as U.S. relations with China are concerned, India has taken a Goldilocks' view: it does not want them to be too warm or too cold. A too-cozy Sino-U.S. relationship (a "G-2") would freeze India out, impinge on Indian interests, and eliminate one of Washington's key rationales for a stronger relationship with India. An icy China-U.S. relationship that could lead to crisis or conflict, on the other hand, could destabilize the region and force India to make choices it is not ready to make. (Washington has a similar Goldilocks' view of Sino-Indian relations; when they're "just right," they incentivize Delhi to move closer to the U.S. while not requiring choices or commitments from the American side).

RECENT INDIAN DEFENSE AND SECURITY COOPERATION WITH AUSTRALIA AND JAPAN

With Australia

- 2+2 dialogue at foreign and defense secretaries' level established
- Maritime exercise AUSINDEX 2019 included observers from the U.S. and New Zealand
- Indian air force and navy participation in Australia's multilateral exercises
- Australian participation in Indian exercises MILAN and MEDEX
- India sent observers to Australia-U.S. exercise Talisman Sabre
- Negotiating logistics support agreement
- Australia, India, and Indonesia established a trilateral dialogue and a maritime security workshop, and jointly hosted the East Asia Summit Conference on Maritime Security Cooperation
- Visits exchanged by defense ministers and service chiefs

With Japan

- 2+2 dialogue upgraded to ministerial level
- New bilateral air force and army exercises
- Held bilateral navy exercise for the first time in five years
- Japan sent observers to U.S.-India air force exercise Cope India
- Negotiating logistics support agreement
- Undertaking joint research on unmanned ground vehicles and robotics technologies
- India-Japan-U.S. trilateral upgraded to ministerial level

With both

- Australia-India-Japan trilateral established
- Bilateral discussions on critical technologies

It is in this context that India has welcomed what it sees as the change from the Obama (and even Bush) administration's more sanguine view of China to the Trump administration's more competitive one.

It does have concerns about some aspects of the American approach. Like many of Washington's Asian and European allies, India would have liked to have seen a more collective or collaborative approach toward China; instead it has found itself at the receiving end of some of the trade measures the administration has taken.

But overall, it believes that when the U.S. sees China as more of a competitor than a partner, that is beneficial to India for strategic and tactical reasons. It creates space for India with both Washington and Beijing. Washington assigns India a critical role in its strategy as a counterbalance or contrast to China, which facilitates cooperation — particularly in the defense and security space. And in the Trump administration's

case, this has been encapsulated in its Free and Open Indo-Pacific concept, which envisions India as a crucial “democratic anchor” in the region.⁵³ Another benefit, most Indian policymakers believe, is that China takes India more seriously when the U.S. does.

In the last two years alone, India has taken a number of steps with the U.S. The two countries established a ministerial-level annual 2+2 defense and diplomatic dialogue in 2018, which also meets more frequently at the working level. They have finally moved forward on a series of foundational agreements that will facilitate greater interoperability and technology transfer, as well as enhance India's ability to operate further afield. They have:

- operationalized the Logistics Exchange Memorandum of Agreement (LEMOA),
- implemented the Helicopter Operations from Ships other Than Aircraft Carriers (HOSTAC) program,

- signed the Communications Compatibility and Security Agreement (COMCASA),
- signed the Industrial Security Annex that will facilitate greater cooperation between their defense industries,
- reinvigorated negotiations for the Basic Exchange and Cooperation Agreement that could enable geospatial intelligence sharing.

Moreover, they are enabling greater information sharing through an Indian liaison at U.S. Naval Forces Central Command, and soon an American one at the Indian Information Fusion Centre.

In addition, the U.S. and India militaries continue to undertake various exercises. In the aftermath of Doklam, they revived their air force exercise (Cope India), now including Japan as an observer. They also started a new exercise, Tiger Triumph, that involves multiple services from their armed forces, with the first edition taking place in the Bay of Bengal in November 2019. Their coast guards conducted a joint exercise there in August 2019 as well. In addition, the Indian navy joined USAFRICOM's multi-country Cutlass Express exercise for the first time (and is expected to participate again in the U.S. multilateral Rim of the Pacific or RIMPAC maritime exercise). Furthermore, U.S. observers were present while Australia and India conducted their largest-ever naval exercise in 2019. And the two countries also undertook a group sail with Japan and Philippines in the South China Sea in May 2019.

The relationship with the U.S. has also helped India enhance its military capabilities. Over these past few years, India has incorporated various American equipment into its arsenal, including Apache and Chinook helicopters, C-17 and C-130 transport aircraft, P-8I maritime reconnaissance aircraft, and M-777 howitzers. It is expected to purchase Sig Sauer assault rifles for its troops on the boundary with China, as well as multi-role helicopters and gun systems for its navy. The U.S. has also approved the sale of armed drones to India, and is seeking to sell fighter aircraft to the Indian navy and air force, as well as a missile defense system that would cover Delhi.

In addition, the two countries have continued to work with Japan. They upgraded their trilateral dialogue to the leader level in 2018 (Modi labeled it JAI, or

“victory” in Hindi) and their annual joint maritime exercise Malabar has increased in complexity. In fall 2017, India also agreed to revive the quadrilateral involving Australia, Japan, and the United States, despite Beijing's past protest about its formation and continued Chinese concerns about its agenda. “The Quad” meets regularly twice a year at the working level and has now also met at the ministerial level. Moreover, recently, the four countries undertook a tabletop counterterrorism exercise in India, with their cyber experts meeting separately on the sidelines of a multilateral summit.

India also sees the U.S. as helpful at crucial moments and in various international forums, often where it is going up against China. Washington provided assistance to Delhi during the Sino-Indian stand-off at the Bhutan-China-India tri-border area in 2017 and during India-Pakistan tension following the February 2019 terrorist attack in Kashmir. In the latter case, as well as after India changed the constitutional status of J&K, this included American — and French — assistance at the UNSC while Beijing backed Islamabad. The U.S. has also played a key role in getting Pakistan grey-listed at FATF and Masood Azhar designated as a terrorist, and has advocated for Indian membership of the NSG. In each case, Washington — and, sometimes, even Delhi — has found a way to highlight the contrast the American and Chinese positions.⁵⁴

REORIENTATION?

India's perception of and relations with China have shaped its view of the United States as well as a number of key American allies and partners in the Indo-Pacific. It is not an exaggeration to say that India's concern about China's capabilities, intentions, and actions has been a critical driver of its partnership with the U.S. over the last two decades.

What could cause an Indian reevaluation or reorientation with China, which, in turn, would have implications for the India-U.S. relationship? What might lead India to adopt a less competitive approach toward China, and perhaps one more accommodating of Chinese interests and sensitivities?

An Indian reorientation is less likely than those by other countries. For one, Delhi's view of China as a challenge has pre-dated those of many other major powers and

has remained fairly consistent since the late 1950s. Second, there is deep mistrust toward China among both policymakers and the Indian public. A spring 2019 Pew Research Center poll indicated that only 23% of Indians surveyed had a favorable view of China — globally, only the Japanese had a less favorable view. Moreover, China’s favorability rating in India has on average been on a downward trajectory since late 2013/early 2014, when it stood at 35%.⁵⁵

Nonetheless, there are some factors that could cause an Indian reevaluation.

One would be internal developments in India that could cause Delhi to want to avoid confrontation or competition with Beijing. This could involve a stalling or significant slowdown of the Indian economy that could (a) require Delhi to focus at home and avoid confrontations or commitments abroad and/or (b) leave Delhi fewer resources to expend on defense as opposed to development, potentially limiting its ability and willingness to resist Chinese actions or lessening its resolve. In the past, this “guns vs. butter” debate has shaped how India has viewed and approached China.⁵⁶

The internal developments could also involve political or social policies in India that might open it up to criticism — and pressure — from the U.S. and other democratic partners, such as the restrictions the Modi government has imposed in Kashmir, or the citizenship amendment act that has raised concerns in conjunction with a potential national register of citizens. Beijing or Moscow are unlikely to express similar concerns about illiberalism or human rights violations, which could lead Delhi to gravitate towards them. Indeed, those countries might even offer India support. Recently an article in the Chinese Communist Party newspaper the *People’s Daily*, for instance, backed India’s internet shutdowns on security grounds, even as many in the West criticized it.⁵⁷ (Thus far, however, these developments have not opened the door for China significantly, since criticism from the executive branches of Western governments has remained relatively limited — in some cases precisely because of their concerns about China and the role for India they envision in response).

A second factor that could cause an Indian reevaluation vis-à-vis China — related to the internal ones — could involve a deterioration in U.S.-India relations, or doubts in Delhi about American willingness or ability to play the balancing role in Asia that India seeks. Among other things, this could result from a China-U.S. deal (a G-2) that could eliminate or reduce the U.S. need or incentive to partner with India. Or it could result from a U.S. move toward retrenchment in Asia. Or it could stem from reduced American interest in India because Washington gets disillusioned with India’s economic performance, its military ability, its social stability, or its capacity to serve as a successful democratic contrast to China. In any of these eventualities, if India does not have the ability to tackle a China challenge on its own or with other partners, it could lead Delhi to seek an accommodation with Beijing.

A third factor that could change India’s calculus could be a Chinese decision — perhaps as a result of a larger strategic rethink — to move the India relationship to a more positive plane. This is unlikely to succeed through tactics that Beijing has traditionally employed — i.e. trying to emphasize “Asia for Asians” or trying to convince Indians that there are no real Sino-Indian differences, just ones that result from American propaganda and efforts.

An effective Chinese strategy to change the India relationship fundamentally would need to involve two elements: (1) reducing Indian threat perception of China, and/or (2) increasing Indian uncertainty about the U.S. and particularly Washington’s willingness and ability to play an effective balancing role in Asia.

China could alter India’s perception of it by finding ways to reassure policymakers and the public about its intentions. On the boundary dispute, this would require no major incident for the next few years to start with, but more broadly it would require a settlement.

Today, however, a boundary settlement would be insufficient since Sino-Indian competition has become more expansive. Thus it would require a series of other steps to assuage Indian concerns. For one, Beijing would have to find ways to chip away at the idea that it seeks to slow or prevent India’s rise. That means supporting Indian membership of the NSG and UNSC,

or at least withholding its veto. More broadly, it would call for a reevaluation of China's relationship with Pakistan and reprioritizing fellow Asian giant India over its long-standing ally Pakistan. Steps short of that could include Beijing reverting back to a more neutral position on Kashmir.

Other steps that could demonstrate that Beijing respects India's sensitivities would involve altering its approach in India's neighborhood. It would mean respecting Indian redlines, and resisting getting involved in domestic politics, particularly actively encouraging parties or leaders less friendly to India as it has done in the past, for instance, Mahinda Rajapaksa in Sri Lanka, Abdulla Yameen in the Maldives, or Khadga Prasad Sharma Oli in Nepal. It would also require greater transparency in terms of projects, increased openness about maritime deployments, and potentially collaboration on maritime security (the two countries have talked in the past about cooperation on humanitarian assistance and disaster relief, energy security, anti-piracy, and evacuation operations).

Changing Indians' views of Chinese intentions would also require Beijing to alter its approach in the economic realm, including seriously addressing the trade imbalance, as well as market access and other problems facing Indian companies seeking to do business in China. Beijing would also have to encourage Chinese investment in India that focuses on priority sectors for the Indian government (e.g. infrastructure and manufacturing) or offer financing on attractive terms. And it would need to refrain from using those economic ties to force India's hands on particular issues.

China would also need to change its approach in the Indo-Pacific, particularly by reducing or eliminating its assertiveness toward India's partners like Japan, Singapore, and Vietnam. This could achieve one of two objectives: reassure India about Chinese intentions in Asia, or make those countries less likely to be an active part of a balancing coalition and reduce India's partnership options.

A successful Chinese effort to change Delhi's calculus would also require shaping India's views of its capabilities. That could mean either reassuring India through limiting its build-up near the boundary

or its deployments in the Indian Ocean region. Or it could mean conveying that the capabilities gap is so large that Indian resistance is futile — that for India to keep up would require too much defense spending and diversion from development spending. (Indeed, this gap is partly responsible for the current sense of hesitation or caution in India, and has driven the “reset.”)

Each of these steps would be quite difficult, if not impossible, for Beijing to take. Even a decision that would seem relatively easy — with limited costs for the China-Pakistan relationship — like withdrawing its hold on the designation of a terrorist took years for Beijing. By the time it took this step, it did not get China much credit in India, where observers put it down to resulting from pressure from Delhi and its friends.⁵⁸

There's also the question of why Beijing has not taken these steps thus far. Beyond the limits that its partnership with Pakistan has posed, perhaps Beijing is convinced that it cannot assuage India's concerns. Or perhaps it believes that pressure on India would work better than persuasion. Or maybe it has not felt the urgency to really reset the relationship.

What could cause Beijing to decide that it needed to take such steps? Perhaps a sense of a growing threat from the U.S. and its allies and partners, and a desire to take India out of the balancing game.

Beyond trying to reassure India, the other element of a Chinese strategy to change India's calculus would be easier and involve shaping Indian views of the U.S. in two ways.

First, Beijing could make Delhi doubt Washington's commitment to a rules-based order (by portraying the U.S. as a bigger disruptor than China), to its allies and partners in the region, and particularly to India. It could do the latter by creating or using a crisis with India at a time or in a situation where it would be difficult for U.S. to support India — and then highlight that American hesitation.

Second, China could increase Indian concerns that the U.S. is infringing on Delhi's strategic autonomy. It could encourage the view that Washington is using India as a frontline state versus China, argue that the U.S. is forcing a choice that could hinder India (e.g.

in the technology space), and assert that the U.S. is taking steps that are hurting Indian interests (e.g. Iran sanctions).

Crucial for both elements of a Chinese strategy to spur an Indian reevaluation would be to create and nurture constituencies in India — ones that would gain from better Sino-Indian relations and have something to lose if they deteriorated. This would require Beijing to develop a network in the private sector and at the state level, and to shape public opinion through media, civil society, and educational institutions.

It is important to note that an India reevaluation in the other direction could also take place — it could decide to move from competitive engagement to outright competition. What could drive this? More than anything else, Chinese actions seen as violating or seriously infringing on India's core sensitivities or an overtly hostile act.

CONCLUSION

There continues to be robust debate about China and the approach to take toward it both within and outside government in India. Even within the ruling BJP, some see China as India's primary challenge — whether from the security or the economic perspective — while others argue for a better relationship with China from a cultural perspective (as fellow ancient civilizations), an economic perspective, an Asia-for-Asians angle, or a sovereignty perspective.

More broadly, within and outside government, the debate in India involves questions like (1) how much of a challenge is China? (2) can India incentivize China to be more accommodating? (3) what is the right mix of engagement and competition? (4) is India doing enough to build its own capabilities? and (5) is India moving too fast or too slow in building partnerships?⁵⁹

But, overall, for the last decade at least, there has been a fairly consistent official Indian view of and approach toward China — one that has led to a deepening relationship not just with the United States, but also with its allies and partners such as Australia, France, and Japan. How far those partnerships go will depend not just on Delhi, but also on the actions of Beijing and Washington.

REFERENCES

- 1 Indrani Bagchi, "India, China try to reset ties ahead of Modi's SCO trip," *The Times of India*, March 4, 2018, <https://timesofindia.indiatimes.com/india/India-China-try-to-reset-ties-ahead-of-Modis-SCO-trip/articleshow/63152866.cms>.
- 2 Ashis Ray, "Can Modi withstand a Chinese onslaught after kowtowing to Xi Jinping?," *National Herald*, August 3, 2018, <https://www.nationalheraldindia.com/india/can-narendra-modi-withstand-a-chinese-onslaught-after-kowtowing-to-xi-jinping>; Aakriti Bachhawat, "Has India blinked?" *The Strategist*, April 26, 2018, <https://www.aspistrategist.org.au/india-blinked-first/>; Atman Trivedi, "One year on, should India rethink its reset with China?" *War on the Rocks*, April 17, 2019, <https://warontherocks.com/2019/04/one-year-on-should-india-rethink-its-reset-with-china/>.
- 3 Jiang Jie, "Xi expected to visit India by year-end," *Global Times*, June 9, 2014, <http://www.globaltimes.cn/content/864530.shtml>.
- 4 Interviews, Beijing, summer 2016.
- 5 Yang Jingjie, "Modi likely to be pragmatic toward China," *Global Times*, May 14, 2014, <http://www.globaltimes.cn/content/860166.shtml>; Pu Zhendong, "Beijing, New Delhi poised for closer ties," *China Daily*, June 4, 2014, http://www.chinadaily.com.cn/cndy/2014-06/04/content_17560513.htm.
- 6 Liu Zongyi, "Modi victory could cause disquiet in West," *Global Times*, May 6, 2014, <http://www.globaltimes.cn/content/858538.shtml>.
- 7 Pu Zhendong, "FM delivers message of unity to India's Modi," *China Daily*, June 10, 2014, http://www.chinadaily.com.cn/world/2014-06/10/content_17577029.htm.
- 8 Atul Aneja, "China-India ties poised for an 'orbital jump,' says Doval," *The Hindu*, September 9, 2014, <http://www.thehindu.com/news/national/chinaindia-ties-poised-for-an-orbital-jump-says-national-security-adviser-ajit-doval/article6395047.ece>.
- 9 Then-Indian Foreign Secretary Subrahmanyam Jaishankar, quoted in Elizabeth Roche and Shrey Jain, "Modi-Xi meeting in Astana: PM calls for respecting each other's core concerns," *Mint*, June 9, 2017, <https://www.livemint.com/Politics/li1uWldxHRg32p8sdsHnTK/ModiXi-meeting-in-Astana-PM-calls-for-respecting-each-oth.html>.
- 10 This is something the Indian government has flagged as a concern. See Press Trust of India, "Dependence on imported APIs is worrisome: Nirmala Sitharaman," *The Economic Times*, February 5, 2016, <https://economictimes.indiatimes.com/news/economy/foreign-trade/dependence-on-imported-apis-is-worrisome-nirmala-sitharaman/articleshow/50865195.cms>.
- 11 Ananth Krishnan, "Modi courts Chinese investment, showcasing the 'Gujarat model,'" *The Hindu*, November 9, 2011, <https://www.thehindu.com/news/international/modi-courts-chinese-investment-showcasing-the-gujarat-model/article2612458.ece>; Atul Aneja, "China-India ties poised for an 'orbital jump,' says Doval."
- 12 Acquino Vimal, "Remarks at Opening Ceremony of the Second leg of the 2nd India-China Capacity Building Programme for Afghan Diplomats," (speech, Beijing, December 5, 2019), <https://www.eoibeijing.gov.in/pdf/Remarks%20at%202nd%20india%20china%20afghan%20diplomat%20training%20dec%202019.pdf>.
- 13 Narendra Modi, "Prime Minister's Keynote Address at Shangri La Dialogue," (speech, Singapore, June 1, 2018), <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>.

- 14 Lokpria Vasudevan, "Modi-Xi Jinping meet: 5 Tibetans protesting outside China President's hotel taken into custody," *India Today*, October 11, 2019, <https://www.indiatoday.in/india/story/modi-xi-jinping-meet-tibetans-protesting-hotel-taken-into-custody-1608238-2019-10-11>.
- 15 Ananth Krishnan, "Air India buckles to China's pressure, removes 'Taiwan' from website," *India Today*, July 4, 2018, <https://www.indiatoday.in/india/story/air-india-buckles-to-china-s-pressure-removes-taiwan-from-website-1277403-2018-07-04>.
- 16 Press Trust of India, "China lifts technical hold on listing Masood Azhar as global terrorist," *The Hindu Business Line*, May 1, 2019, <https://www.thehindubusinessline.com/news/china-lifts-technical-hold-on-listing-masood-azhar-as-global-terrorist/article27002967.ece>.
- 17 Kay Johnson and Drazen Jorgic, "Global watchdog to put Pakistan back on terrorist financing watchlist: sources," *Reuters*, February 23, 2018, <https://www.reuters.com/article/us-pakistan-militants-financing/global-watchdog-to-put-pakistan-back-on-terrorist-financing-watchlist-sources-idUSKCN1G70X7>; Pranab Dhal Samanta, "Pakistan on FATF's grey list: How India convinced China & Pak shot itself in the foot," *ThePrint*, February 23, 2018, <https://theprint.in/defence/pakistan-fatfs-grey-list-india-convinced-china-pak-shot-foot/37751/>.
- 18 Figures from Indian Ministry of Commerce and Industry's Export Import Data Bank: "Export Import Data Bank Version 7.1 – Tradestat," Government of India, Ministry of Commerce & Industry, Department of Commerce, <https://commerce-app.gov.in/eidb/>.
- 19 Estimates are from Ananth Krishnan, "Following the Money: China Inc's Growing Stake in India-China Relations" (New Delhi: The Brookings Institution India Center, forthcoming).
- 20 Di Ning, Liu Denghui, Liang Zhen, and Han Wei, "Dr Reddy's Is First Indian Drugmaker Accepted by China Pilot Program," *Caixin Global*, September 25, 2019, <https://www.caixinglobal.com/2019-09-25/dr-reddys-is-first-indian-drugmaker-accepted-by-china-pilot-program-101465752.html>.
- 21 "Huawei to present 5G use case at India Mobile Congress," *The Hindu*, October 10, 2019, <https://www.thehindu.com/business/Industry/huawei-to-present-5g-use-case-at-india-mobile-congress/article29634481.ece>; "India allows Huawei to participate in 5G trials," *The Economic Times*, December 31, 2019, <https://economictimes.indiatimes.com/industry/telecom/telecom-news/govt-will-give-5g-spectrum-for-trials-to-all-players-prasad/articleshow/73033442.cms>.
- 22 "Activities to Celebrate the 70th Anniversary of the Establishment of Diplomatic Relations between India and China," Government of India, Ministry of External Affairs, November 22, 2019, <https://www.mea.gov.in/press-releases.htm?dtl/32090/Activities+to+Celebrate+the+70th+Anniversary+of+the+Establishment+of+Diplomatic+Relations+between+India+and+China>.
- 23 Anirban Bhaumik, "Post-Doklam, Indian pilgrims start Kailash Mansarovar Yatra," *Deccan Herald*, June 11, 2018, <https://www.deccanherald.com/national/year-after-doklam-face-indian-pilgrims-start-travelling-kailash-mansarovar-china-674435>.
- 24 Jabin T. Jacob, "Reading Between Chinese Lines," *Money Control*, September 13, 2019, <https://www.moneycontrol.com/news/india/policy-reading-between-chinese-lines-4432641.html>.
- 25 Press Trust of India, "Dalai Lama not the reason for foreign minister declining to attend RIC meet in India: China," *The New Indian Express*, May 5, 2017, <https://www.newindianexpress.com/world/2017/may/05/dalai-lama-not-the-reason-for-foreign-minister-declining-to-attend-ric-meet-in-india-china-1601440.html>.

- 26 Ananth Krishnan, “It took China just three weeks since PM Modi’s visit to snub his efforts to clarify the LAC. The neighbours now face yet another stalemate in resolving the boundary issue,” *India Today*, June 11, 2015, <https://www.indiatoday.in/magazine/the-big-story/story/20150622-china-india-lac-modi-visit-xi-jinping-border-dispute-819865-2015-06-11>; Manoj Joshi, “The Wuhan summit and the India–China border dispute,” (New Delhi: Observer Research Foundation, June 26, 2018), <https://www.orfonline.org/research/41880-the-wuhan-summit-and-the-india-china-border-dispute/>.
- 27 Press Trust of India, “Next Dalai Lama must be chosen within China; India should not intervene: Chinese authorities,” *The Economic Times*, July 14, 2019, <https://economictimes.indiatimes.com/news/politics-and-nation/next-dalai-lama-must-be-chosen-within-china-india-should-not-intervene-chinese-authorities/articleshow/70215668.cms>.
- 28 Nilanthi Samaranayake, Satu Limaye, and Joel Wuthnow, “Water Resource Competition in the Brahmaputra River Basin: China, India, and Bangladesh,” (Arlington, VA: CNA, May 2016), https://www.cna.org/cna_files/pdf/CNA-Brahmaputra-Study-2016.pdf; Navin Singh Khadka, “China and India water ‘dispute’ after border stand-off,” BBC News, September 18, 2017, <https://www.bbc.com/news/world-asia-41303082>.
- 29 “Export Import Data Bank Version 7.1 – Tradestat,” Government of India, Ministry of Commerce & Industry, Department of Commerce.
- 30 Narendra Modi, “Prime Minister’s Keynote Address at Shangri La Dialogue”; “Official Spokesperson’s response to a query on participation of India in OBOR/BRI Forum,” Government of India, Ministry of External Affairs, May 13, 2017, <https://mea.gov.in/media-briefings.htm?dtl/28463/Official+Spokespersons+response+to+a+query+on+participation+of+India+in+OBORBRI+Forum>.
- 31 See Navy Chief Admiral Karambir Singh’s remarks at the December 3, 2019 Navy Day Press Conference, via NationalDefense, “Navy Chief Admiral Karambir Singh’s Smart Answers To Media’s Tough Questions | China Special Part 2,” YouTube, December 3, 2019, <https://youtu.be/aoHkOqnnj4M>.
- 32 Arvind Gupta, “Chinese ADIZ in East China Sea: Posers for India,” Institute for Defence Studies and Analyses, December 2, 2013, https://idsa.in/idsacomments/ChineseADIZinEastChinaSeaPosersforIndia_agupta_021213; Dipanjan Roy Chaudhury, “India to resist curbs on navigation & flight in South China Sea,” *The Economic Times*, July 12, 2018, <https://economictimes.indiatimes.com/news/defence/india-to-resist-curbs-on-navigation-flight-in-south-china-sea/articleshow/48930379.cms>.
- 33 Foreign Secretary Vijay Gokhale’s testimony to Parliamentary Committee on External Affairs, February 16, 2018. See “Ministry of External Affairs, Demand for Grants (2018-19), Twenty First Report,” Committee on External Affairs (2017-18), Sixteenth Lok Sabha (New Delhi: Lok Sabha Secretariat, March 2018), 65, http://164.100.47.193/lsscommittee/External%20Affairs/16_External_Affairs_21.pdf.
- 34 “Foreign Ministry Spokesperson Hua Chunying’s Remarks on the Indian Government’s Announcement of the Establishment of the Ladakh Union Territory,” Ministry of Foreign Affairs of the People’s Republic of China, August 6, 2019, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2535_665405/t1686549.shtml; “Foreign Ministry Spokesperson Hua Chunying’s Remarks on the Current Situation in Jammu Kashmir,” Ministry of Foreign Affairs of the People’s Republic of China, August 5, 2019, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2535_665405/t1686548.shtml; “India vows charter amendment won’t change Kashmir’s Line of Control” *Global Times*, August 12, 2019, <http://www.globaltimes.cn/content/1161231.shtml>.
- 35 See Pakistan Tehreek-e-Insaf (@PTIofficial), Twitter, August 16, 2019, <https://twitter.com/PTIofficial/status/1162410345471905793?s=20>; “Kashmir internal matter, Pak misleading world, China’s view not global: India at UNSC,” *India Today*, August 6, 2019, <https://www.indiatoday.in/india/story/kashmir-internal-matter-pakistan-misleading-world-india-at-unsc-meet-1581600-2019-08-16>.

- 36 Asian News International, "China, Pak only countries to raise Kashmir at UNHRC; Indian delegation meets its chiefs," *The Times of India*, September 12, 2019, <https://timesofindia.indiatimes.com/india/china-pak-only-countries-to-raise-kashmir-at-unhrc-indian-delegation-meets-its-chief/articleshow/71100160.cms>; Wang Yi, "China Today: A Proud Member of the Global Community," (speech, New York, September 27, 2019), https://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1703219.shtml.
- 37 "Official Spokesperson's response to a query regarding a reference made by Chinese Foreign Minister to Jammu & Kashmir and Ladakh in his address at the UNGA," Government of India, Ministry of External Affairs, September 28, 2019, https://www.mea.gov.in/response-to-queries.htm?dtl/31881/Official_Spokespersons_response_to_a_query_regarding_a_reference_made_by_Chinese_Foreign_Minister_to_Jammu_amp_Kashmir_and_Ladakh_in_his_address_at_th.
- 38 "Foreign Ministry Spokesperson Geng Shuang's Regular Press Conference," Ministry of Foreign Affairs of the People's Republic of China, October 31, 2019, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1712371.shtml.
- 39 "Transcript of Media Briefing by the Official Spokesperson," Government of India, Ministry of External Affairs, October 31, 2019, https://www.mea.gov.in/media-briefings.htm?dtl/31993/Transcript_of_Media_Briefing_by_the_Official_Spokesperson_October_31_2019.
- 40 "China denounces FATF members for pursuing political agenda against Pakistan," *The Express Tribune*, October 29, 2019, <https://tribune.com.pk/story/2089153/3-china-denounces-fatf-members-pursuing-political-agenda-pakistan/>.
- 41 "Ahead of Modi-Xi Meet, Indian Army's Biggest Mountain Combat Exercise in Arunachal Pradesh Irks China," *News 18*, October 11, 2019, <https://www.news18.com/news/india/ahead-of-modi-xi-meet-indian-armys-biggest-mountain-combat-exercise-in-arunachal-pradesh-irks-china-2334731.html>.
- 42 Press Trust of India, "Exercise Him-Vijay not linked to Chinese Prez Xi's visit: Defence sources," *Business Standard*, October 5, 2019, https://www.business-standard.com/article/pti-stories/exercise-him-vijay-not-linked-to-chinese-prez-xi-s-visit-defence-sources-119100500626_1.html.
- 43 D.K. Singh and Snehash Alex Philip, "It was US ambassador Juster who wanted to take part in Tawang festival, Arunachal CM says," *ThePrint*, October 31, 2019, <https://theprint.in/diplomacy/it-was-us-ambassador-juster-who-wanted-to-take-part-in-tawang-festival-arunachal-cm-says/313877/>.
- 44 Press Trust of India, "US Diplomat On Religious Freedom Meets Dalai Lama At Dharamshala," *NDTV*, October 29, 2019, <https://www.ndtv.com/india-news/sam-brownback-us-diplomat-on-religious-freedom-meets-dalai-lama-at-dharamshala-himachal-pradesh-2123833>; Ken Juster (@USAmblndia), Twitter, November 8, 2019, <https://twitter.com/USAmblndia/status/1192818698563866624?s=20>.
- 45 Amit Shah, "By saying no to RCEP, PM Narendra Modi has kept India first," *The Economic Times*, November 13, 2019, <https://economictimes.indiatimes.com/news/economy/foreign-trade/view-by-saying-no-to-rcep-pm-modi-has-kept-india-first/articleshow/72028437.cms>.
- 46 "India decides to opt out of RCEP, says key concerns not addressed," *The Economic Times*, November 5, 2019, <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-decides-to-opt-out-of-rcep-says-key-concerns-not-addressed/articleshow/71896848.cms>.
- 47 Ashok Malik, "Informal meets are more pointed," *Hindustan Times*, October 13, 2019, <https://www.hindustantimes.com/columns/informal-meets-are-more-pointed/story-cjlpn6UYsFAq2ejSvFeOp0.html>; Indrani Bagchi, "China may look like the winner, but India had its reasons to walk out of RCEP," *The Times of India*, November 5, 2019, <https://timesofindia.indiatimes.com/india/by-walking-out-of-rcep-has-india-dealt-itself-out-of-asia/articleshow/71911659.cms>.

- 48 Navy Chief Admiral Karambir Singh's remarks at the December 3, 2019 Navy Day Press Conference.
- 49 Sanjeev Miglani and Neha Dasgupta, "China warns India of 'reverse sanctions' if Huawei is blocked: sources," Reuters, August 6, 2019, <https://www.reuters.com/article/us-huawei-india-exclusive/exclusive-china-warns-india-of-reverse-sanctions-if-huawei-is-blocked-sources-idUSKCN1UW1FF>.
- 50 Vijay Gokhale on panel "Coalitions and Consensus: In Defense of Values that Matter" at Raisina Dialogue, New Delhi, January 16, 2020. Video available at <https://youtu.be/gotKrQTVKQ4>.
- 51 Prashant K. Nanda, "India restricts academic collaboration with China," *Mint*, October 2, 2019, <https://www.livemint.com/news/india/india-restricts-academic-collaboration-with-china-11570016119383.html>.
- 52 See Dhruva Jaishankar, "Act East: India in the Indo-Pacific," (New Delhi: The Brookings Institution India Center, October 24, 2019), <https://www.brookings.edu/research/acting-east-india-in-the-indo-pacific/>; and Constantino Xavier, "Bridging the Bay of Bengal: Toward a Stronger BIMSTEC" (New Delhi: Carnegie India, February 22, 2018), <https://carnegieindia.org/2018/02/22/bridging-bay-of-bengal-toward-stronger-bimstec-pub-75610>.
- 53 For more details of the administration's Free and Open Indo-Pacific concept, see Rex W. Tillerson, "Secretary of State's Remarks on 'Defining Our Relationship With India for the Next Century'," (speech, Washington, DC, October 18, 2017), <https://www.state.gov/remarks-on-defining-our-relationship-with-india-for-the-next-century/>; and "Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region," (Washington, DC: U.S. Department of Defense, June 1, 2019), <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>. For U.S.-India convergences and divergences in the Indo-Pacific, see Tanvi Madan, "The U.S., India and the Indo-Pacific," *Seminar* 715 (March 2019), http://www.india-seminar.com/2019/715/715_tanvi_madan.htm, and Tanvi Madan, "India, the US and the Free and Open Indo-Pacific: Confluence over the Two Seas?" in "Trump and Modi: Prospects for US-India Burden Sharing" (San Francisco and Singapore: The Asia Foundation and Institute of South Asian Studies, June 2019), 57-64, <https://asiafoundation.org/wp-content/uploads/2019/06/Trump-Modi-US-India-Relations-June-2019-Publication.pdf>.
- 54 Saeed Shah and Ian Talley, "With U.S. Push, Pakistan Placed on Terror Finance List," *The Wall Street Journal*, February 23, 2018, <https://www.wsj.com/articles/with-u-s-push-pakistan-placed-on-terror-finance-list-1519401064>.
- 55 Laura Silver, Kat Devlin, and Christine Huang, "China's Economic Growth Mostly Welcomed in Emerging Markets, but Neighbors Wary of Its Influence," Pew Research Center, December 5, 2019, <https://www.pewresearch.org/global/2019/12/05/chinas-economic-growth-mostly-welcomed-in-emerging-markets-but-neighbors-wary-of-its-influence/>.
- 56 See Tanvi Madan, *Fateful Triangle: How China U.S.-India Relations During the Cold War* (Washington, DC: Brookings Institution Press, 2020).
- 57 Qing Qiu, "India's internet shutdown shows normal practice for sovereign countries," *People's Daily Online*, December 17, 2019, <http://en.people.cn/n3/2019/1217/c90000-9641267.html>.
- 58 Naman Bhatt and Madhu Parki, "How China was cornered on Masood Azhar," May 31, 2019, Observer Research Foundation, <https://www.orfonline.org/research/how-china-was-cornered-on-masood-azhar-51462/>.
- 59 The broad contours of this debate are evident in Rajesh Rajagopalan, "Evasive balancing: India's unviable Indo-Pacific strategy," *International Affairs* 96, No. 1 (January 2020): 75-93, <https://academic.oup.com/ia/article/96/1/75/5697517>; and Zorawar Daulet Singh, "Rethinking India's Approach to China's Belt and Road Initiative," *Economic and Political Weekly* 54, No. 26-27 (June 29, 2019), <https://www.epw.in/journal/2019/26-27/strategic-affairs/rethinking-indias-approach-chinas-belt-and-road.html>.

ABOUT THE AUTHOR

Tanvi Madan is a senior fellow in the Project on International Order and Strategy in the Foreign Policy program, and director of The India Project at the Brookings Institution in Washington, DC. Madan's work explores India's role in the world and its foreign policy, focusing in particular on India's relations with China and the United States. She also researches the intersection between Indian energy policies and its foreign and security policies. She is the author of the book *Fateful Triangle: How China Shaped US-India Relations during the Cold War* (Brookings Institution Press, 2020).

ACKNOWLEDGEMENTS

Ted Reinert edited this paper, and Rachel Slattery provided layout.

The Brookings Institution is a nonprofit organization devoted to independent research and policy solutions. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations for policymakers and the public. The conclusions and recommendations of any Brookings publication are solely those of its author(s), and do not reflect the views of the Institution, its management, or its other scholars.