With the world riveted by Chinese aggressiveness against Japan and Southeast Asian states in recent months, one country has not been surprised: India. After all, New Delhi has been grappling with the challenge of China’s rapid rise for some time now. Bilateral ties between China and India nosedived so dramatically in 2009 that Indian strategists were even predicting “the year of the Chinese attack on India”; it was suggested that China would attack India by 2012 primarily to divert attention from its growing domestic troubles. This suggestion received widespread coverage in the Indian media, which was more interested in sensationalizing the issue than interrogating the claims.

Meanwhile, the official Chinese media picked up the story and gave it another spin. It argued that while a Chinese attack on India is highly unlikely, a conflict between the two neighbors could occur in one scenario: an aggressive Indian policy toward China about their border dispute, forcing China to take military action. The Chinese media went on to speculate that the “China will attack India” line might just be a pretext for India to deploy more troops to the border areas.

RHETORIC AND REALITY

This curious exchange reflects an uneasiness that exists between the two Asian giants, as they continue their ascent in the global inter-state hierarchy. Even as they sign loftily worded documents year after year, the distrust between the two is actually growing at an alarming rate. True, economic cooperation and bilateral political as well as socio-cultural exchanges are at an all time high; China is India’s largest trading partner. Yet this cooperation has done little to assuage each country’s concerns about the other’s intentions. The two sides are locked in a classic security dilemma, where any action taken by one is immediately interpreted by the other as a threat to its interests.

At the global level, the rhetoric is all about cooperation, and indeed the two sides have worked together on climate change, global trade negotiations and demanding a restructuring of global financial institutions in view of the global economy’s shifting center of gravity. At the bilateral level, however, mounting tensions reached an impasse last year, when China took its territorial dispute with India all the way to the Asian Development Bank. There China blocked India’s application for a loan that included money for development projects in the Indian state of Arunachal Pradesh, which China continues to claim as part of its own territory. Also, the suggestion by the Chinese to the U.S. Pacific fleet commander last year that the Indian Ocean should be recognized as a Chinese sphere of influence has raised hackles in New Delhi. China’s lack of support for the U.S.-India civilian nuclear energy cooperation pact, which it tried to block at the Nuclear Suppliers Group (NSG), and its obstructionist stance about bringing the terror masterminds of the November 2008 Mumbai attacks to justice have further strained ties.

Sino-Indian frictions are growing, and the potential for conflict remains high. Alarm is rising in India because of frequent and strident Chinese claims about the Line of Actual Control in Arunachal Pradesh and Sikkim, where Indians have complained of a dramatic rise in Chinese intrusions into Indian territory over the last few years, most along the border in Arunachal Pradesh, which China refers to as “Southern Tibet.” China has upped the ante on the border issue. It has been regularly protesting against the Indian prime minister’s visit to Arunachal Pradesh, asserting its claims over the territory. What has caught most observers of Sino-Indian ties by surprise, however, is the Beijing’s vehemence in contesting recent Indian administrative and political action in the state—even denying visas to Indian citizens of Arunachal Pradesh.
The recent rounds of boundary negotiations have been a disappointing failure, with a growing perception in India that China is less willing to adhere to earlier political understandings about how to address the boundary dispute. Even the rhetoric has degenerated to the point that a Chinese analyst connected to China’s Ministry of National Defense claimed, in an article last year, that China could “dismember the so-called ‘Indian Union’ with one little move” into as many as 30 states.

A NEW ASSERTIVENESS

The possibility of an intimate U.S.-India military relationship has generated fears of encirclement in Beijing. India’s position astride China’s key maritime shipping lanes has made the prospect of a Washington-Delhi axis particularly worrisome.

Pakistan, of course, has always been a crucial foreign policy asset for China, but with India’s rise and U.S.-India rapprochement, its role in China’s grand strategy is bound to grow even further. Not surprisingly, recent revelations about China’s shift away from a three-decades’ old cautious approach on Jammu and Kashmir, its increasing military presence in Pakistan, planning infrastructure linking Xinjiang and Gwadar, issuing stapled visas to residents of Jammu and Kashmir and supplying nuclear reactors to Pakistan, all confirm a new intensity behind China’s old strategy of using Pakistan to secure its interests in the region. China has gone even further than Pakistan in defining the Kashmir issue. While Pakistan insists that Kashmir is a disputed territory, recent Chinese positions have made it clear that Beijing believes Pakistan occupied Kashmir (PoK) is Pakistani territory with India’s Kashmir state is the only part of the province that is disputed. Pakistan seems to have ceased responsibility for the Gilgit-Baltistan area of PoK to China as the reported presence of 7,000-10,000 PLA troops there. The real concern for India, however, is the number of projects that China has undertaken in these areas and that footprint is likely to increase much larger.

Though Indian political leadership continues to believe that Beijing is not a short-term threat to India but needs to be watched over the long-term, Indian defense officials have increasingly been warning bluntly about the growing disparity between the two Asian powers. The Indian naval chief has warned that India neither has “the capability nor the intention to match China force for force” in military terms, while the former Indian air chief has suggested that China posed more of a threat to India than Pakistan.

China’s economic transformation has given it the capability to emerge as a major military power, spending as much as $65 billion a year on its defense forces. China’s military may or may not be able to take on the United States in the next few years, it will surely become the most dominant force in Asia. As a consequence of its growing capabilities, China has started asserting its military profile more significantly than before. In 2009, Chinese vessels tackled Somali pirates in the Middle East, the first time Chinese vessels operated outside Asia. Beijing is also considering sending combat troops abroad in support of United Nations peacekeeping efforts. Chinese military officers are openly talking of building the world’s strongest military and displacing the United States as global hegemon, by means of a war if need be. This might be a bit premature, as the U.S. military still remains far more advanced than China’s, which does not yet possess the capability to challenge the United States far from Chinese shores. It’s China’s neighbors, however, who are bearing the brunt of China’s new assertiveness.

China’s sustained military build-up will continue over the next few years and will pose a challenge to Indian military planners as the Indian military’s modernization program is fast losing momentum. India needs to urgently review its defense preparedness vis-à-vis China. As the policy paralysis post-Mumbai has revealed, it seems to have lost even its conventional superiority over Pakistan. The real challenge for India, however, lies in China’s rise as a military power. India is speeding up its defense procurement but the process remains mired in bureaucratese and lacks any sense of strategic direction. Between 2010 and 2016, India is expected to spend $112 billion on capital defense acquisitions in what is being described as “one of the largest procurement cycles in the world.” The Indian Army is raising two new specialized infantry mountain divisions (35,000 soldiers) and an artillery brigade for Arunachal Pradesh, designed to redress the imbalance on the Sino-Indian border. It is also revising its conventional war-fighting doctrine that is aimed at deterring—as opposed to dissuading—China, though its meaning in operational terms remains far from clear. The Indian military is currently refining a “two-front war” doctrine to fend off Pakistan and China simultaneously.²

According to an estimate by the Indian government’s own China Study Group, China now possesses the capability to move more than 10,000 troops to the Indian border in twenty to twenty-five days compared to three to six months a decade back. This is possible because of China’s efficient border management, and it has forced India into constructing border roads urgently. By engaging in repeated, though controlled, provocations, the Chinese military is carefully probing how far it can push India. The new military restiveness on the Sino-Indian border does not bode well for India as the military balance along the long and contested border is rapidly altering in Beijing’s favor. It is not without reason that China has upgraded its military and civilian infrastructure in Xinjiang and Tibet. As a consequence, Tibet has become a militarized zone.

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CHINA’S POWER PROJECTION

China’s enhanced military prowess is leading to an assertion of its interests more forcefully, more often than not, adversely affecting Indian interests. As China becomes more reliant on imported oil for its rapidly growing industrial economy, it will develop and exercise military power projection capabilities to protect the shipping that transports oil from the Persian Gulf to China. The capability to project power would require access to advanced naval bases along the sea lines of communication and forces capable of gaining and sustaining naval and air superiority.

China is acquiring naval facilities along the crucial choke points in the Indian Ocean not only to serve its economic interests but also to enhance its strategic regional presence. There is evidence to suggest that China is comprehensively building up its maritime power in all dimensions. Its growing reliance on bases across the Indian Ocean region is a response to its perceived vulnerability, given the logistical constraints that it faces due to the distance of the Indian Ocean waters from its own area of operation. Yet, China is consolidating power over the South China Sea and the Indian Ocean with an eye on India. This power consolidation was expressed in an oft-cited secret memorandum issued by the director of the General Logistic Department of the PLA: “We can no longer accept the Indian Ocean as only an ocean of the Indians … We are taking armed conflicts in the region into account.”

China deployed its Jin class submarines in 2008 at a submarine base near Sanya in the southern tip of Hainan Island in South China Sea, raising alarm in India as the base is merely 1,200 nautical miles from the Malacca Strait. The base will be its closest access point to the Indian Ocean. The base also has an underground facility that can hide submarine movement. The concentration of strategic naval forces at Sanya will further propel China towards a consolidating its control over the surrounding Indian Ocean region. The presence of access tunnels on the mouth of the deep water base is particularly troubling for India. This is because of the strategic implications, allowing China to interdict shipping at the three crucial choke points in the Indian Ocean. The choice of Hainan is poor, but no alternatives exist as other places are hemmed in by islands. So China’s chief maritime nuclear base is also currently her southernmost point. She would want the waters around clear so that, among other things, no one can track her submarines.

As the ability of China’s navy to project power in the Indian Ocean region grows, India is likely to feel even more vulnerable despite enjoying distinct geographical advantages in the area. China’s presence there is troubling as it restricts India’s freedom to maneuver in the region. Of particular note is China’s so-called “string of pearls” strategy that has significantly expanded its strategic depth in India’s backyard.

This strategy of bases and diplomatic ties includes the Gwadar port in Pakistan, naval outposts in Burma, electronic intelligence gathering facilities on islands in the Bay of Bengal, funding construction of a canal across the Kra Isthmus in Thailand, a military agreement with Cambodia and building up of forces in the South China Sea. Some of these claims are exaggerated, as has been the case with the Chinese naval presence in Burma. The Indian government, for example, had to concede in 2005 that reports of China turning Coco Islands in Burma into a naval base were incorrect and that there were indeed no naval bases there. Yet the Chinese thrust into the Indian Ocean is gradually becoming more pronounced. The Chinese may not have a naval base in Burma but they are involved in the upgrading of infrastructure in the Coco Islands and may be providing some limited technical assistance to Burma. Given that almost 80 percent of China’s oil passes through the Strait of Malacca, it is reluctant to rely on U.S. naval power for unhindered access to energy. Consequently, it has decided to build up its naval power at choke points along the sea routes from the Persian Gulf to the South China Sea. China is also courting other states in South Asia by building container ports in Bangladesh at Chittagong and in Sri Lanka at Hambantota. Consolidating its access to the Indian Ocean, China has signed an agreement with Sri Lanka to finance the development of the Hambantota Development Zone, which includes a container port, a bunker system, and an oil refinery. It is possible that the China’s construction of these ports and facilities around India’s periphery can be explained away on purely economic and commercial grounds, but India views it as a policy of containment.

China’s involvement in constructing the deep-sea port of Gwadar has attracted significant attention due to its strategic location—about 70 kilometers from the Iranian border and 400 kilometers east of the Strait of Hormuz, a major oil supply route. Some suggest that it will provide China with a “listening post” from where it can “monitor U.S. naval activity in the Persian Gulf, Indian activity in the Arabian Sea, and future U.S.-Indian maritime cooperation in the Indian Ocean.”

4 The term “string of pearls” was first used in a report titled “Energy Futures in Asia” that was commissioned by the US Department of Defense’s Office of net Assessment from defense contractor, Booz-Allen-Hamilton. For details, see David Walgreen, “China in the Indian Ocean Region: Lessons in PRC Grand Strategy,” Comparative Strategy, Vol. 25, No. 2 (January 2006), pp. 55-73.
5 Ziad Haider, “Oil Fuels Beijing’s new Power Game,” Yale Global Online, available at http://yaleglobal.yale.edu/content/oil-fuels-beijings-new-power-game
Pakistan's naval capabilities do not, on their own, pose any challenge to India, the combinations of Chinese and Pakistani naval forces can indeed be formidable for India to counter.

China’s aspirations to achieve naval domination of Indian Ocean remain a bit far-fetched in the short to medium term. China would certainly like to play a greater role in the region, and protect and advance its interests, especially Chinese commerce, as well as counter India. But given the immense geographical advantages that Indian enjoys in the Indian Ocean, China will have great difficulty in exerting as much sway in the Indian Ocean as India can. But China’s assertion of its naval prowess is raising vexing issues regarding the role of Indian naval power in the Indian Ocean. The Indian and Chinese navies are growing and acquiring the capability to operate at long distances. Maritime friction is likely to grow as the Indian Navy tries to expand its footprint in the South China Sea and the Western Pacific, even as the Chinese Navy increases its presence in the Indian Ocean.

INDIA PLAYS CATCH UP

The Indian Navy is aiming for a total fleet of 140-145 vessels over the next decade, built around two carrier battle groups: Admiral Gorshkov which will now be handed over to India only by 2013 and the indigenous carrier, the 37,500-tonne STOBAR Air Defense Ship likely to be completed by 2015. India's ambition to equip its navy with two or more aircraft carriers over the next decade, as well as this decision to launch its first indigenous nuclear submarine in 2009, is seen as crucial for power projection and to achieve a semblance of strategic autonomy. India’s emerging capability to put a carrier task force as far as the South China Sea and the Persian Gulf has given boost to Indian Navy’s blue-water aspirations and India hopes to induct a third aircraft carrier by 2017, ensuring that the Indian Navy has two operational carriers at any given point. The deployment of the Jin class submarine at Hainan by China will also force India to speed up its indigenous nuclear submarine project that has been in the making for more than a decade now with the Indian Navy, rather ambitiously, aiming at the induction of five indigenous Advanced Technology Vehicle (ATV) nuclear submarines. A submarine-based nuclear arsenal is considered critical by Indian strategists to retain a second-strike capability. While a focus on augmenting its platforms, systems and weapons is clearly visible in the Indian Navy, concomitant changes in doctrine and organization have been relatively slow to come by.

India is using its naval forces to advance its diplomatic initiatives overseas and in particular towards shaping the strategic environment in and around the Indian Ocean. Indian interests converge with those of the United States in the Indian Ocean region and it is trying to use the present upswing in U.S.-India ties to create a more favorable strategic environment for itself in the region despite its historical sensitivities to the presence of U.S. forces in the Indian Ocean. The United States has also recognized the importance of India’s role in the region, viewing it as crucial in maintaining peace and stability in the Indian Ocean and its vast periphery. The U.S. and Indian navies have stepped up their joint exercises and the United States has sold India the USS Trenton (renamed INS Jalashwa), the first of its class to be inducted into the Indian Navy. The United States would like India to join its Container Security Initiative (CSI) and Proliferation Security Initiative (PSI) but India remains reluctant. PSI is viewed as a U.S.-led initiative outside the United Nations mandate while the CSI would result in the presence of U.S. inspectors in Indian ports, making it politically radioactive. However, India has indicated that it would be willing to join the U.S.-proposed 1,000-ship navy effort to combat illegal activities on the high seas, given the informal nature of the arrangement. India is seen as a balancer in the Asia-Pacific where the U.S. influence has waned relatively even as China’s has risen. India’s ties with Japan have also assumed a new dynamic with some even mooting a “concert of democracies” proposal involving the democratic states of the Asia-Pacific working towards their common goals of a stable Asia-Pacific region. While such a proposal has little chance of evolving into anything concrete in the near term, especially given China's sensitivities, India’s decision to develop natural gas with Japan in the Andaman Sea and recent military exercises involving United States, Japan, India and Australia does give a sense of India’s emerging priorities.

India’s “Look East” policy, originally aimed at strengthening economic ties with its Southeast Asian neighborhood, has now led to naval exercises with Singapore, Thailand, and Indonesia. The member states of the Association of South-East Asian Nations (ASEAN) have joined the Indian Navy in policing the Indian Ocean region to check piracy, trafficking and other threats to sea-lanes. India has also accelerated its naval engagement with a number of Persian Gulf states, making port calls and conducting exercises with the navies of Kuwait, Oman, Bahrain, Saudi Arabia, Qatar, United Arab Emirates, and Djibouti. It has also engaged with the navies of other major powers in the region such as the United States, the United Kingdom, and France. To more effectively counter Chinese presence in the Indian Ocean and to protect its trade routes, India will have to seek access to the Vietnamese, Taiwanese, and Japanese ports for the forward deployment of its naval assets. India is already emerging as an exclusive “defense service provider” for smaller states with growing economies that seek to strengthen their military capabilities in South-east Asia and West Asia—such as Vietnam, Indonesia, Malaysia, Singapore, Qatar, and Oman, providing it access to ports along the Arabian coast, Indian Ocean, and South China Sea.

THE NUCLEAR DYNAMIC

China remains the only major power that refuses to discuss nuclear issues with India for fear of implying a de facto recognition of India’s status as a nuclear power. It continues to insist on the sanctity of the UN resolution 1172 which calls for India (and Pakistan) to give up its nuclear weapons program and join the Nuclear Non-Proliferation Treaty (NPT) as a non-
China’s ambitions about developing its border areas contrast with Sikkim’s Nathu La and subsequently extend this to Nyingchi, tightening China’s grip on Tibet. China’s ambition is to use infrastructure to coerce Bhutan into settling its boundary issue with China. China’s transportation modernization plans across its northern border are aimed at forcing Bhutan to settle its border issue with China and risk scuttling the deal until the last minute. It made its displeasure with the nuclear pact clear by asking India to sign the NPT and dismantle its nuclear weapons. Since the U.S.-India deal is in many ways a recognition of India’s rising global profile, China, not surprisingly, was not happy with the outcome and quickly declared that it would be selling new nuclear reactors to Pakistan. This was a not so subtle message to the United States that if Washington decided to play favorites, China also retained the same right.

Beijing viewed the nuclear deal through the lens of global balance of power and was perturbed about the U.S. desire to build India as a balancer in the region. China was opposed to an exemption to India from the NSG guidelines, even threatening to walk out of the NSG proceedings at Vienna in 2008 in its attempts to derail negotiations at the eleventh hour. The Chinese leadership refused to receive the Indian Prime Minister’s call during the crisis. Only when the other states were persuaded by the United States to support the deal and China realized that it would be last state standing, did it back off from its obstructionist stance. China’s actions regarding the nuclear pact have conveyed to India that even as India tries hard to break out of the straitjacket of being a South Asian power by forging a strategic partnership with the United States, China will do its utmost to contain India by building up its neighboring adversaries.

To counter the U.S.-India nuclear pact, China has decided to allow its state entities to supply two new nuclear reactors to Pakistan. Chinese authorities have confirmed that the state-owned China National Nuclear Cooperation has signed an agreement with Pakistan for two new nuclear reactors at the Chashma site—Chashma III and Chashma IV—in addition to the two it is already working on in Pakistan. This action of China will be in clear violation of the NSG guidelines that forbid nuclear transfers to countries not signatories to the NPT or adhere to comprehensive international safeguards on their nuclear program. China has suggested that “there are compelling political reasons concerning the stability of South Asia to justify the exports,” echoing Pakistan’s oft-repeated complaint that U.S.-India nuclear pact has upset regional stability by assisting India’s strategic program. Unlike the much debated U.S.-India nuclear pact, the Sino-Pakistani agreement is mired in secrecy, with Beijing even ready to short-circuit the NSG process. Disregarding Indian and global concerns, China has contended that the sale of two new reactors is “grandfathered” from before it joined the NSG in 2004 and, therefore, an exemption from the NSG is not required. The decision to supply reactors to Pakistan, a non-signatory to the NPT and with a record of dealing with North Korea, Iran and Libya, reflects China’s growing diplomatic confidence and underscores its view of Pakistan as a prized South Asian strategic power.

BORDER TENSIONS

China has vigorously asserted its old claims along the border with India and has combined it with aggressive patrolling. Violating the 1993 India-China agreement on peace and tranquility on the Line of Actual Control, Chinese troops have been engaging Indian troops in verbal abuses, asking them to leave their own territory. Even as India considered the Sikkim border issue settled, repeated Chinese incursions in the Finger Area in northern Sikkim, in the past few years, are aimed at opening a fresh front against India. Beijing is also determined to put the historically undisputed border with Sikkim back in contestation. Concerns are growing about covert Chinese intrusions into the Indian territory to strengthen its claims on the disputed border areas. Chinese forces regularly intrude into Bhutanese territory at the tri-junction with India and destroy Indian Army posts. These incursions are strategic as they are precarious close to India’s “chicken-neck”—the Siliguri corridor which links the north-east passage. Chinese intrusions into the non-delineated parts of Bhutan’s northern border with Tibet are also aimed at forcing Bhutan to settle its boundary issue with China.

In addition, China’s rapid expansion and modernization of its transport infrastructure across the border is forcing India to respond though India remains decades behind. The build-up of infrastructure in Tibet should have rung alarm bells in Delhi years ago. China’s transportation modernization plans across the Himalayas had been evident for decades. Yet India was lackadaisical demonstrating little sense of urgency to this issue of critical national security. Improved infrastructure helped China to rapidly deploy troops in Tibet when the riots broke out in 2008. The railway link between Beijing and Lhasa further tightens China’s grip on Tibet. China’s ambition is to extend the Beijing-Lhasa rail line to Yatung just a few miles from Sikkim’s Nathu La and subsequently extend this to Nyingchi, north of Arunachal Pradesh, at the tri-junction with Myanmar. China’s ambitions about developing its border areas contrast vividly with India’s tentative stance on infrastructure.

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China’s transformation of the transport infrastructure in Yunnan, Tibet and Xinjiang—the provinces that border South Asia—and its decision to build road and rail networks across the borders of these areas, has changed or revolutionized geopolitics in India’s vicinity. India is struggling to cope with the decay in its border infrastructure. Only recently has it started building several tactically important roads along the China border in the eastern and western sectors.

A FORMIDABLE CHALLENGE

India’s challenge remains formidable. While it has not yet achieved the economic and political profile that China enjoys regionally and globally, India is increasingly bracketed with China as a rising or emerging power—or even a global superpower. Indian elites, who have been obsessed with Pakistan for more than 60 years, suddenly have found a new object of fascination. India’s main security concern now is not the increasingly decrepit state of Pakistan but an ever more assertive China. This shift is viewed inside India as one that can facilitate better strategic planning.

India’s defeat at Chinese hands in 1962 shaped the Indian elite’s perceptions of China, and they are unlikely to alter them in the near future. China is, thus, viewed by India as a growing, aggressive nationalistic power whose ambitions will undoubtedly reshape the contours of the regional and global balance of power with deleterious consequences for Indian interests.

China’s recent hardening toward India could well be a function of its own internal vulnerabilities, but that no consolation to Indian policymakers who must respond to an Indian public that increasingly wants its country to assert itself in the region and beyond. India is gearing up belatedly to respond with its own diplomatic and military overtures, setting the stage for a Sino-Indian strategic rivalry. Both India and China have a vested interest in stabilizing their relationship by seeking out issues where their interests converge. However, pursuing mutually desirable interests does not produce inevitably satisfactory solutions to strategic problems. A troubled history coupled with the structural uncertainties engendered by their simultaneous rise is propelling the two Asian giants into a trajectory that they might find difficult to navigate in the coming years. Sino-Indian ties have entered turbulent times, and they are likely to remain there for the foreseeable future.