



India, China and the Nathu La Understanding Beijing's Larger Strategy towards the Region



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Sikkim is of immense importance to both India and China. This brief attempts to answer two specific questions: What is China's larger game plan vis-a-vis Nathu La? What has been Beijing's strategy on the Chinese side across the Nathu La?

The issue of Sikkim's sovereignty has always been a bone of contention between the two countries. After Vajpayee's visit to China in 2003, both countries agreed to resume trade through Nathu La. The significance of this step lay in China's implicit recognition of Sikkim's merger with India - a fact that Beijing had consistently refused to accept earlier. On 23 June 2003, Vajpayee and Wen Jiabao signed the declaration of principles for relations and comprehensive cooperation between the China and India (Xinhua 2003) including the memorandum on expanding border trade that provided for the formal reopening of Nathu La as a border trade pass between Indian and China.

Reopening of the Nathu La was the most significant confidence building measure in India-China relations. What are the larger objectives and strategies of China towards this region?

I CHINESE FOREIGN POLICY IN THE REGION: BEIJING'S OBJECTIVES

The modern Chinese foreign policy was formulated by Mao; Tibet was a 'palm consisting

This brief is a part of a series on Nathu La within the larger IPCS project on improving connectivity between India and China. Also see the IPCS Task Force report titled "Trans Himalayan Trade and Development 2020: Looking Beyond Nathu La."

of five fingers policy' namely, Ladakh, Nepal, Sikkim, Bhutan and Arunachal Pradesh. This illustrates that Sikkim constitutes an important element in Chinese foreign policy. The five fingers policy was meant to serve as a new buffer zone between India and China after the 'old buffer (Tibet) came under China's sovereign control in 1951.

China often calls its Asian neighbours as 'periphery countries' (zhoubian guojia). It wants to maintain cordial relations with the periphery for its own national security. Since the third plenary session of Eleventh CCP Central Committee (where the central task of party was shifted from class struggle to economic construction), China has shifted its focus to its periphery. Deng Xiaoping and other reformist leaders were determined to stop the domestic political turmoil and created a favorable international environment for economic modernization. The reformist leaders in Beijing made a deliberated effort to devise an integrated regional policy known as '*zhoubian zhengce*' (periphery policy) or '*mulin zhengce*' (good neighbourly policy) to cope with the changes that challenged China's understanding of its relations with neighbouring countries.

It is apparent that the periphery policy is guided by economic modernization (Suisheng, 2004). China adjusted its periphery policy to create a favourable periphery to ensure smooth functioning of its modernization programme. This has played an important role in materializing the objectives of China's peripheral strategy, besides determining the direction of Chinese foreign policy. It has facilitated the national strategic goals to maintain security and territorial integrity, to create stable

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periphery, and to build up friendly neighbouring relations by implementing the guideline of always doing good to your neighbours and making your neighbour partner.

China has placed emphasis on the development of 'periphery policy' / 'good neighbourly' relations and partnership with border countries in order to prevent external threats from exacerbating internal friction. Adopting these policies China wants to ensure that its modernization programme runs efficiently. Further, the economic modernization had brought development in its eastern periphery of China compared to its west. Thus to lessen the economic gap between the eastern and western regions, China launched its Western Development Strategy (WDS). The western region involves six provinces, five autonomous regions and Chongqing municipality, accounting for more than 70 percent of the Chinese mainland's area and habitat of 75 percent of the country's ethnic minority population. Due to this strategy, the combined gross domestic product of the western region reached 6.69 trillion RMB in 2009, four times more than the 1.67 trillion RMB in 2000 (Xinhua, 2010).

In 2003, China invested about 200 billion RMB (USD24.3 billion) in infrastructure projects in the western region, occupying 55.2 percent of the country's total annual investment in the region. Eight key projects were completed, including three road construction projects, an airport extension in Shaanxi province and four west-east electricity transmission projects. Another significant project is China's west-east natural gas pipeline project, starting from Tarim of the Xinjiang Uygur Autonomous Region to Shanghai (China Daily, 2004). The strategy is supported by a series of preferential policies for the development of the western regions, including more investment, preferential tax rates and flexible policies. The 12th five year plan for western development under the National Development and Reform Commission specified seven objectives including growth rates of economy and income of urban and rural residents in west China are higher than

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average level of the country. The WDS was aimed to accomplish overall requirements of comprehensive economic strengths, people's living standard and ecological environment to a new level by 2020 (Xinhua, 2010).

DECIPHERING CHINESE STRATEGY

In terms of policy calculations regarding Nathu La, analysts point to a multi-pronged, long-term Chinese strategy. Even as eastern China's 14,000 km-long coastline has participated in an economic boom, the western region, with its 3500 km of land frontiers, has not reaped the benefits of the boom. According to Prof. Mahendra Lama, "the major driving force for China to open its border for more trade and investment is the need to bring its own periphery provinces, mainly the western region, into the national mainstream." The WDS has brought both domestic and foreign investment to Tibet. Beijing's calculation also revolves around its broader strategy vis-à-vis Tibet. The fact that Nathu la opened on 6 July, which also happened to be both the Dalai Lama's birthday and 'World Tibet Day' reinstates the importance of the region in China's foreign policy.

As a part of this policy, China is planning to build a 256 km extension of the 1956 km Golmud -Lhasa railroad to the Nepal border by 2014. Today Golmud has major natural gas extraction and shipping facilities, and Israeli firms have been hired to enhance irrigation and farming in the desert that surrounds the city. The first extension of this line is being planned westwards to Shigatse (second biggest town of Tibet). It also borders India, Nepal and Bhutan. Further extensions of the line are likely to link Shigatse to Zhangmu, and Shigatse with Yadong (near Nathu La). The extension of this line has strategic ramification for

India as Shigaste is close to India. It is a major trading town near the India-China border. It is situated at the mouth of the Chumbi valley and is connected to the Indian state of Sikkim via the Nathu La .

China has further unveiled its plans to extend the Chinese National Rail Network to the border with India. After the opening of Nathu La, Sun Yuxi, the then Chinese Ambassador in India informed the media that China plans to extend its railway linking Beijing to Tibet to a newly opened border point in India's northeast and possibly link it to India's east coast. The next major extension under planning by the Chinese is to link Lhasa with Nyingchi in the east. The railway extension has got a huge grant under China's Western development region strategy. Once operationalised, it will change the logistics, demography and military complexion of the Tibetan plateau. The rail extension will reach the outskirts of Katmandu. This will bring China close to Nepal and help cross the Himalayas and establish its influence up to the foothills bordering India (Arya, 2011).

China's relation with Bhutan is also a part of its WDS. The rail network will further strengthen China's foothold in Bhutan. The rail network will help Bhutan to connect to various nations in the world and foster Bhutan's economic relation especially with China.

In this regard, Nepal fits into China's South Asia strategy. To gain strategic access into South Asia, it has constructed the "Friendship Highway" from Lhasa to Kathmandu. China is making an endeavour to develop infrastructure and connectivity between the two countries.

Recently, China has launched a plan to flood Tibetan towns with foreign tourists to divert the locals' attention from rebel monks and political groups involved in anti-government agitations and demonstrations. The move involves a stupendous USD 4.8 billion tourism project in Lhasa, Tibet's capital city. It is also linking Lhasa, connected to only one foreign destination of Kathmandu, by air to several Asian countries. China is trying to attract Indian and other foreign tourists visiting Nepal to crossover and see the charms of Tibet. The tourism project includes a theme park, commercial district and residential area, the city's vice mayor Ma Xinming was quoted as saying by the state media. The government also intends to create a "living museum" for Tibetan culture and create new destinations to relieve the pressure of tourists on Lhasa's old city". The move reveals the government's determination to enlarge the tourism industry to involve Tibetan youngsters in

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business and keep them away from politics. China is also keen to demonstrate the efforts it has made to develop the Tibetan region as a means to counter the campaign by the pro-Dalai Lama group (Dasgupta, 2012). The southern province of Guangdong announced plans to invest (USD 63.5 million) in Tibet's tourism industry.

II CHINA'S STRATEGY TOWARDS TIBET, NEPAL AND BHUTAN: WHAT DOES IT MEAN?

Infrastructure development vis-a-vis Nathu La will extend their reach beyond the national borders. Nathu La will help China in connecting to Kolkata, the closet warm water port to Lhasa. China is extending the Kunming highway to Bangkok and is developing road links to Yadong. Kunming-Bangkok highway can be connected to the Asia Highway 13 reaching Phnom Penh in Cambodia and Ho Chi Minh City in Vietnam. A fully equipped route across Nathu La has the prospect to change the trade in this sector of Asia, mainly because the distance from Kolkata to Lhasa through this route is less than 1200 km. Besides, China also seeks to reconstruct the World War II vintage Stilwell road.

Trade through Nathu La is in the interest of people from both sides of the border and would bring economic prosperity. However, the small traders may face competition from the bigger market competition, the market in the region would be flooded with cheap Chinese goods and void the potential of the indigenous market (Mishra).

The benefit of opening Nathu La is not only for economic prosperity. Perhaps the strategic and political relationship must be considered as well (Mishra). The aforementioned railway network, which will bring China closer to the Indian doorstep. Chumbi Valley is located at the tri – junction of India-China-Bhutan. The region is close to India's 'chicken's-neck': the Siliguri Corridor

which links the Northeast passage. The Siliguri Corridor connects the rest of India with the Northeast, and Nepal with Bhutan. Chumbi Valley is of equal strategic significance to China because of its shared border with Tibet and Sikkim. Any development in the Chumbi Valley that alters the status quo in Beijing's favour will have serious bearings on India.

III CONCLUSION

Amid improving Chinese infrastructure in the region for some time now, India has been indifferent demonstrating little sense of urgency on the issue.

The infrastructure facilities at the Sherathang are inadequate as compared to Rinchengang. Also there are no accommodations for Chinese traders at the Sherathang trade mart. The bureaucratic hurdles further delay the disbursement of funds for the region.

The infrastructure facilities at the local, regional and also at the cross-border level are not adequate. The roads in Gangtok are not all-weather roads and are incapable of carrying a high volume of trade. The construction of double lanes on the Jawaharlal Nehru Marg from Gangtok to Nathu La was initiated in 2007 by the Border Road Organization, but not much construction has taken place since. This road needs to be upgraded and another road link can be added to the existing road. Linking of roads from the western and north western regions of Sikkim with Gangtok will further improve connectivity. An adequate number of hotels with facilities on these roads should be considered.

On the Tibet side, China is much ahead in this sector. It has built up a four-lane all-weather roads connecting Lhasa with Gangtok that is 425 km southeast from the Tibet capital. By paying emphasis on the western region, the Chinese government is trying to avoid any possible restlessness in the region. The railway link between Beijing and Lhasa will further tighten China's grip on Tibet.

To Conclude, New Delhi has to revise its frontier policy and security arrangements. Changing geopolitics of the region might have serious ramifications for Indian Security. China's WDS has eventually brought sound and fast development

for the whole nation. But a similar trend has not been noticed vis-a- vis India's Look East Policy. There are windows of opportunity in the region for both countries to cooperate on. The Union Government of India should conduct joint meetings with representatives from the army, business community and the government of Sikkim to explore the vistas of opportunity that lie in the region.

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