

**“China’s Strategic Forays in South Asia: Contextualising India’s Concerns”**

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By

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## CERTIFICATE

I declare that the thesis/dissertation entitled “China’s Strategic Forays in South Asia: Contextualising India’s Concerns” has been prepared by me under the guidance of Dr. Bawa Singh, Assistant Professor, Centre for South and Central Asian Studies, School of Global Relations, Central University of Punjab, Bathinda. No part of this thesis/ dissertation has formed the basis for the award of any degree or fellowship previously.

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## ABSTRACT

“China’s Strategic Forays in South Asia: Contextualising India’s Concerns”

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### Abstract

*China’s terrific rise and all-round development in almost all fields have provided her an identity in the International system as one of the great power. China’s focus has now changed and the older views are giving way to wider engagement in adjoining areas. China shares borders with many south Asian countries like India, Nepal, Pakistan and Bhutan. Therefore, within the Chinese foreign policy, South Asia is becoming an important element. South Asia’s increasing strategic importance has resulted in the increasing Chinese involvement in the region. The compelling factors for China to have an increased engagement in South Asia involve; to sustain the fast growing economy by securing the resources in these countries; Containment of India’s rise to become a global power so that it may not affect China’s rise; to maintain territorial integrity. In order to achieve these objectives, China is cultivating relations with the countries in South Asia by giving much needed economic assistance, infrastructure building, arms and ammunition transfers and in some countries nuclear weapon technology transfers as well especially to Pakistan. The countries with which China is increasingly involved rival to India in one way or the other. Therefore, it is obvious that such engagement will automatically harm India’s interests in many ways in these countries. China in order to secure the energy needs has started to pursue a strategy called ‘String of Pearls’*

*through which China is building port facilities in the littoral states of Indian Ocean through which most of the crude oil is imported by China. These states include Pakistan, Sri Lanka, Myanmar, and Bangladesh. By the way, such a strategy has lead to the encirclement of India, which may be a potential danger in future. India fears that China, who has a long pending unresolved border dispute with her, could use such port facilities for military purpose in future. Thus has created concerns for India. India needs to search better policy options to cautiously counter such a strategy of China, in order to retain greater consistency in her economy, and to maintain territorial integrity.*

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## LIST OF ABBREVIATIONS

Sr. No	Abbreviations	Full Form
1.	AEW	Airborne Early Warning
2.	ALGs	Advanced Landing Grounds
3.	APCs	Armoured Personnel Carriers
4.	APTECH	Applied Pavement Technology
5.	ASBM	Anti-Ship Ballistic Missile
6.	ASCM	Anti-Ship Cruise Missile
7.	ASCON	Army Static Switched Communication Network
8.	ASW	Anti-Surface Warfare
9.	AWACS	Air Borne Warning And Control Systems
10.	AWACS	Airborne Early Warning And Control System
11.	AWAN	Army Wide Area Network
12.	BAIC	Beijing Automotive Industry Corporation
13.	BIT	Bilateral Investment Treaties
14.	BRICS	Brazil, Russia, India, China And South Africa
15.	CBMs	Confidence-Building Measures
16.	CENTO	Central Treaty Organization
17.	CPAFFC	Chinese People's Association For Friendship With Foreign Countries
18.	CPC	Communist Party Of China
19.	CTBT	Comprehensive Test Ban Treaty
20.	DOS	Defense Of Space
21.	DRDO	Defense Research And Development Organization
22.	ELINTS	Electronic Intelligence
23.	EPC	Engineering, Procurement And Construction Portal
24.	FAC	Fast Attack Crafts
25.	FARP	Field Artillery Rationalization Plan
26.	FORTAN	Fortress Commander-Andaman And Nicobar Islands
27.	FTA	Free Trade Agreement
28.	GDP	Gross Domestic Product
29.	GON	Government of Nepal

30.	HEU	Highly Enriched Uranium
31.	HRD	Human Resource Development
32.	IAF	Indian Air Force
33.	IBEF	India Brand Equity Foundation
34.	ICBM	Intercontinental Ballistic Missile
35.	INIA	Ibrahim Nasir International Airport
36.	INS	Indian Naval Service
37.	IOR	Indian Ocean Region
38.	IPKF	Indian Peace Keeping Force
39.	ISRO	Indian Space Research Organisation
40.	IT	Information Technology
41.	IW	Information Warfare
42.	JEG	Joint Economic Group
43.	JWG	Joint Working Group
44.	LAC	Line Of Actual Control
45.	LACM	Land-Attack Cruise Missile
46.	LLLWR	Low Level Light Weight Radars
47.	LOC	Line Of Credit
48.	LTTE	Liberation Tigers Of Tamil Eelam
49.	MACL	Maldives Airports Company Limited
50.	MIRV	Multiple Independently Targetable Re-Entry Vehicle
51.	MNDF	Maldives National Defense Force
52.	MNDF	Maldives National Defence Force
53.	MoUS	Memorandums Of Understanding
54.	MRBM	Medium-Range Ballistic Missile
55.	NBC	Nuclear Biological And Chemical
56.	NCW	Ascendancy Of Network Centric Warfare
57.	NIIT	National Institute Of Information Technology
58.	NPT	Nuclear Non-Proliferation Treaty
59.	NR	Nepal Rupees
60.	NSG	Nuclear Suppliers Group
61.	OPV	Offshore Patrol Vessels

62.	OTH	Over-The-Horizon
63.	PLA	People's Liberation Army
64.	POK	Pakistan Occupied Kashmir
65.	PRC	Peoples Republic Of China
66.	PSLV	Polar Satellite Launch Vehicle
67.	PWR	Pressurized Water Reactor
68.	QTR	Qinghai-Tibet Railway
69.	RAW	Research And Analysis Wing
70.	SAARC	South Asian Association for Regional Cooperation
71.	SDSC	Satish Dhawan Space Centre
72.	SEATO	South East Asia Treaty Organisation
73.	SED	Strategic And Economic Dialogue
74.	SIGINTS	Signalling Intelligence
75.	SLOC	Sea Lines Of Communications
76.	SRBM	Short-Range Ballistic Missiles
77.	TAR	Tibet Autonomous Region
78.	TAR	Tibet Autonomous Region
79.	TCS	Tata Consultancy Services
80.	UAVs	Unmanned Aerial Vehicles
81.	UNGA	United Nations General Assembly
82.	UNSC	United Nations Security Council
83.	USA	United States of America

## **CHAPTER 1**

### **INTRODUCTION**

China and India has historical and civilization bounds. However, soon after the end of colonialism, except for a brief period, the relationship between India and China was not on the even keel. Many controversial issues became the cause of discontent and disagreement between both the countries. With the introduction of liberalization, economies of both the countries are moving on high trajectories. Both countries appeared on the regional and global level. China consider India as a rival and competitor who can challenge China's power in the future, and wanted to pre-occupy India by entangling her with its regional problems so that it can moor India at the regional level only. In order to achieve this, China has made outreach in South Asia by extending optimum economic and strategic aid to the India's neighbouring countries.

India is not sharing good terms with its neighbouring countries. India's relations with almost all its neighbours are fractured in one way or the other. India has fought four wars with Pakistan. Kashmir and cross-border terrorism issues are the main irritants of the bilateral relationship between India and Pakistan. Ethnic conflicts in Sri Lanka have also strained the Indo-Sri Lankan relations. Similarly, India-Bangladesh relations have also remained off the track most of the time except for a brief period due to many controversial issues such as boundary issue, Ganga water sharing and Moore Island issue. Concerning Nepal, no doubt, these two have signed Peace and Friendship Treaty in 1950 but repeatedly Nepal has raised many questions on the terms and conditions of this treaty. After the end of monarchy, Nepal showed much interest towards China rather than India. All the neighbouring countries have a kind of fear in their mind regarding the geostrategic dominance of India in the region. Exploiting such a feeling of India's neighbours, China is coming closer and making its entry possible in these countries in order to contain India geopolitically and geo-strategically.

## **1.1 India's Dominance and Neighbourly Perception**

India occupies a unique position in the South Asian region. By virtue of its size, location and economic potential, India assumes a natural leadership role in the region. However, the dominant presence of India with capability for global leadership has been a source of apprehension for the neighbouring countries. India has a natural leadership position for herself in the region, while her South Asian neighbours accused her of exercising hegemony. India's involvement with regard to the liberation movement of Bangladesh in 1971, the ethnic crisis in Sri Lanka, attempted military coup in Maldives in 1988, big brotherly attitude with Nepal are cited as illustrations of India's dominance in region. In fact, India never claimed dominant status for her. India's relations with her South Asian neighbours are characterised by numerous bilateral contentions. India favours a bilateral dialogue for addressing these concerns, while the neighbours demand a multilateral regional approach. India fears that the neighbours would gang-up against her and demand unrealistic concessions while the neighbours suspect that India seeks to take undue advantage of the weak bargaining capacity of each state in a bilateral dialogue. Thus, neighbours view Indian bilateralism as an instrument of coercive diplomacy. Keeping such a perception about India, its neighbours repeatedly played China card against India to gain concessions from India. China always responded positively whenever they felt the need of economic and strategic assistance.

China's relations with India dramatically collapsed in late 1950s, except having brief time cordiality thereafter. Territorial disputes figured prominently in the beginning of 1950s and the accumulation of rivalry lead an open war in 1962-a consequence of territorial dispute. It created a long lasting insecurity complex towards each other, which is still evident. India has continued to claim China-held Aksai Chin (around 38,000 sq. km, as well as the 5,200 sq km ceded by Pakistan to China in 1963); and China continues to reiterate its claims to the India-held Northeast Frontier Agency (around 96,000 sq. km), consolidated by India as the state of Arunachal Pradesh in 1987 (Khanna, 2007).

However, some confidence building measures have been put in place, and agreed upon in 1993, 1996 and 2005 to normalize the bilateral relations by both the countries but these efforts did not fructify in any way. Even the bilateral relations became more critical during the recent years with frequent incursions by Chinese troops in our Northern part. During 2007–08 and most recently in the month of May 2013, Chinese troop ‘incursions’ were noticeable across the disputed frontier, where no agreed Lines of Actual Control exist. China not only militarising and modernizing its defence forces but it is also providing strategic help to South Asian countries to stand-up against India (Scott, 2010).

## **1.2 China's Interests in South Asia**

China has huge strategic interests and security concerns in South Asian region, as this region is adjacent to China with full geopolitical competitions. The countries such as Pakistan, Nepal, Sri Lanka, Bangladesh, Myanmar and Maldives are considered as conduits by which China can fulfill its geostrategic and economic interest. In addition, Indian Ocean region has an important place in Chinese strategic approach towards South Asia. South Asian region is characterised by instability and underdevelopment and China is taking advantage by assisting them in infrastructure development, giving financial help for major infrastructure projects and exploitation of their natural resources.

India also does not lag behind in helping these countries but China has an edge over India due to its huge cash reserves, large quota of infrastructure building professionals. Unlike India, China has no contentious issues with the region, which could affect its bilateral relations with these countries. These factors have turned the geostrategic landscape in favour of China. In the recent years, China’s foreign policy has been focusing on South Asia to achieve both long-term as well as short-term strategic objectives, which can be, substantiated by its bilateral relations with Pakistan, India, Bangladesh, Myanmar, Sri Lanka, and Nepal.

Strong strategic interests that arise from its perceived need for a second front to keep India preoccupied to prevent a military conflict drive China's relations with Pakistan. China has invested heavily across Pakistan. China's most controversial investments are its big infrastructure projects. These tend to further China's strategic interests, but have provoked local anger and raised tensions with India. India has voiced "deep concern" over China's cooperation with Pakistan in the Gwadar Port<sup>1</sup>. Indian Defence Minister A. K. Antony said, *"In one sentence, it is a matter of concern for us, my answer is very straightforward and simple.* The development has fuelled anger and heightened Indian anxiety about China's growing presence in the Indian Ocean. Simultaneously, it has also been helping Pakistan in repairing and upgrading the Karakoram Highway and has promised to help in the construction of other roads. In addition, the plan for the construction of a railway line from Xinjiang through Gilgit-Baltistan has been undertaken (Abbas, 2013). India is anxious about these transport links running through Gilgit- Baltistan (a politically sensitive area that forms part of the disputed Kashmir region); diverting Chinese trade that would otherwise pass through India. The priority given by China to infrastructure projects in Gilgit-Baltistan area are meant to enable Pakistan to protect this area from any future Indian threat, and give the Pakistani armed forces the capability to pose a credible threat to India. This would serve China's strategic objective too, with the potential to transport the People's Liberation Army (PLA) to the Indian Ocean. Pakistan allowed some 11,000 soldiers of the People's Liberation Army into Pakistan's Himalayan region of Gilgit and Baltistan to supposedly work on new projects, including a railroad, an upgraded highway, dams and secret tunnels, that raised concerns that those strategic borderlands could come under the Chinese sway. The predominantly Shiite Gilgit and Baltistan are in Kashmir, where the borders of China, India and Pakistan converge (Chellaney, 2011).

Immediately after Osama Bin Laden's killing, Pakistani Prime Minister Yousaf Raza Gilani travelled to Beijing. The accompanying defence minister, Ahmed Mukhtar, reported that whatever requests for assistance the Pakistani side made, the Chinese government was more than happy to oblige, including agreeing to take over operation

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<sup>1</sup> Gwadar port is situated at a strategic location of the Arabian Sea and the mouth of the Persian Gulf. It is only about 400 kilometres away from the Strait of Hormuz, a key global oil supply route.

of the strategically positioned port of Gwadar on the Arabian Sea. Beijing also decided to gift Pakistan 50 JF-17 fighter jets. Pakistan wants to help the Chinese navy counterbalance India's naval forces; China's aim is to have important naval presence in the Indian Ocean. It thus needs Gwadar to plug its main weakness — the absence of a naval anchor in the region. China's plan also is to make Gwadar a major energy hub transporting Gulf and African oil by pipeline to the Chinese heartland via Pakistan-held Kashmir and Xinjiang. Such piped oil would not only cut freight costs and supply time but also lower China's reliance on shipping lanes through the Malacca and Taiwan Straits. Significantly, as China's involvement in strategic projects in Pakistan has grown, it has openly started needling India on Kashmir, one-fifth of which is under Chinese occupation. It has used the visa issue and other innovative ways to question India's sovereignty over Indian-controlled Kashmir. It also has shortened the length of the Himalayan border it claims to share with India by taking away the 1,597-km line separating Indian Kashmir from the Chinese-held Kashmir part (Chellaney, 2011).

From 31 October to 2 November 2012, China and Pakistan held their fifth round of strategic dialogue in Beijing. Foreign Minister Yang Jiechi met with Pakistan's Foreign Secretary Jalil Abbas Jilani who attended the dialogue. Vice Foreign Minister Fu Ying also held talks with Jalil Abbas Jilani. Both sides made positive comments on the development of China-Pakistan strategic cooperative partnership, pledging to remain committed to promoting the mutually beneficial cooperation between the two countries in various fields. The Chinese side vowed to continue to support Pakistan's efforts to safeguard national independence, sovereignty and territorial integrity, and support Pakistan to achieve social stability and economic development. Pakistan reaffirmed that it firmly supports China on issues involving its core and major interests and understands China's position on issues such as the South China Sea and the Diaoyu Islands. The two sides also exchanged in-depth views on international and regional issues of common concern.<sup>2</sup>

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After Pakistan, importance of Nepal to China's strategic thinkers and planners arises not only because of its potential for being used against India in times of peace as well as war, but also because of its potential to India for being used to create instability in Tibet. In China's consideration, Nepal can be a double-edged sword. To strengthen Nepal for being used against India, Chinese have been trying to extend their road and rail network from Tibet to Nepal and to develop close relations with the Maoists headed by Prachanda and their cadres. In 2012, the Chinese prime minister visited Nepal for the first time in over a decade and announced a large increase in Chinese assistance. China has expanded its diplomatic and military delegations in Kathmandu and is promoting people-to-people exchanges and building China study centres across Nepal. India is deeply concerned about China's growing influence in Nepal and seeks to limit this by meddling in Nepali politics and through acts of reprisal when China–Nepal relations become too close. UCPN (Maoist) chairperson Pushpa Kamal Dahl in a visit to China had sought China's effective support for economic prosperity and stability in Nepal. Chinese experts on Nepal have said that China's investment would be centered on Nepal and other neighbouring countries for the next 10 years. Chinese experts described the visit as the beginning of a new chapter in Nepal-China relations. During his meeting with Chinese President Xi Jinping at the Great Hall of the People in Beijing on April 2013, Dahal had requested the Chinese leader to focus into Nepal "as only a prosperous Nepal can effectively further one-China policy and that would help in addressing China's security concern on Tibet". According to Prof Wang Hong-wei of the Institute of Asia-Pacific Studies, the talks between President Xi and Dahal were held in a very friendly manner and "I see this visit as one of strategic importance". Chinese investments in Nepal contribute to China–India tensions, with resulting consequences for stability in Nepal. For example, in 2008 plans were announced for a rail link from Tibet to Nepal. Although this rail link would undoubtedly benefit Nepal's economy, India is deeply concerned about it. Not only would it reduce Nepal's dependence on Indian ports and on Indian energy supplies, it could also provide a new gateway for Chinese goods into South Asia. However, India's greatest fear is that this rail link would allow the PLA quick access to its borders.

Sri Lanka also in recent years becomes the scene for Chinese diplomacy especially during the LTTE twist between India and Sri Lanka. More than 50% of the funding received by Sri Lanka from abroad for construction and development projects, since President Mahinda Rajapaksa came to power, has come from China. China has been assisting Sri Lanka in modernising the port of Hambantota, to include oil refinery facilities to ensure energy supplies from Middle East, with PRC providing 85% of the finance, the Mathala international airport at Hambantota, a new container terminal in Colombo and the Colombo Katunayake Expressway (Devonshire, 2013). It has also agreed to help in the modernisation of the railways. China has emerged as an alternative voice, as witnessed by its military supplies agreement, drawn up in 2007 with Sri Lanka, which was a significant factor enabling the Sri Lankan Government to achieve military victory over the Tamil Tigers in 2009. China's economic assistance multiplied by five in 2007, reaching just over US \$1,000m.

For China, Bangladesh is a doorway into India's turbulent northeastern region, including the Indian state of Arunachal Pradesh, to which China lays territorial claims. More importantly, Bangladesh is believed to be causing a seismic demographic shift in another northeastern state, Assam, where Indian leaders claim some 20 million Bangladeshis have moved in. Indian officials fear the emergence of Assam as the second Muslim-majority state within the Indian union, after the state of Jammu and Kashmir. Above all, China prizes Bangladesh for its immense natural gas reserves (60 trillion cubic feet). Bangladesh's geographic proximity with Myanmar makes these reserves accessible to China. India's access to Myanmar's gas reserves also hinges on Dhaka's willingness to allow a passage for laying a gas pipeline – a fact not lost on Beijing.

Sheikh Hasina also reportedly discussed with the Chinese plans for linking Yunnan with Bangladesh through Myanmar by a modern road. If the Chinese company finds oil or gas in Bangladesh it is only a question of time before the Chinese production facilities in Bangladesh are connected with those in the Arakan area of Myanmar so that oil and gas from Bangladesh can flow directly to Yunnan through the pipeline connecting Arakan with Yunnan now being constructed. There has also been

talk of a Chinese-aided railway line from Yunnan to Bangladesh via Myanmar (Raman, 2012b).

It is instructive to look at the incipient Chinese interest in the Maldives, which has emerged as a favourite destination for Chinese tourists. China has been helping the Maldives in the fields of house construction and modernising some aspects of its banking infrastructure such as the installation and operation of automatic teller machines for the benefit of foreign tourists (Raman, 2012a). India has to closely monitor the evolution of its interest in the Maldives.

Now moving towards Indian Ocean, Indian Ocean is becoming a major battlefield between India and China. China deployed its Jin class submarines in 2008 at a submarine base near Sanya in the southern tip of Hainan island (Pant, 2011), raising alarm in India as the base is merely 1200 nautical miles from the Malacca Strait and is its closest access point to the Indian Ocean. The base also has an underground facility that can hide the movement of submarines, making them difficult to detect. The concentration of strategic naval forces at Sanya could propel China towards a consolidation of 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, as it will have strategic implications in the Indian Ocean region, allowing China to interdict shipping at the three crucial chokepoints in the Indian Ocean – Bab el Mandeb, the Strait of Hormuz, and the Strait of Malacca. More noteworthy is what has been termed as China's "string of pearls" strategy that has significantly expanded China's strategic depth in India's backyard. The paramount interest of China is to secure energy security as its energy use has more than doubled over the past two decades. In 2003, foreign supplies accounted for more than 30 per cent of total Chinese oil consumption, prompting fears in Beijing that any disruption to energy shipments would act as a brake on the nation's economic development. Further, the governing elites of China have three overarching concerns: regime survival, territorial integrity, and domestic stability. China is aware that these objectives can be, met by maintaining a strong economy. To sustain economic growth, China must rely increasingly upon external sources of energy and raw materials. SLOCs are vitally

important because most of China's foreign trade is conducted by sea, and China has had little success in developing reliable oil or gas pipelines from Russia or Central Asia. Since energy provides the foundation of the economy, China's economic policy depends on the success of its energy policy. Securing SLOCs for energy and raw materials supports China's energy policy and is the principal motivation behind the "String of Pearls" strategy in Indian Ocean that has created huge concerns in Indian camp. This "string of pearls" consists of port and airfield construction projects, diplomatic ties, and force modernization. These pearls range from the coast of mainland China to the recently upgraded military facilities on Hainan Island, China's southernmost territory. They extend through the South China Sea to the Strait of Malacca, over to the Indian Ocean and along the coast of the Arabian Sea and Persian Gulf. They include an airstrip on Woody Island in the Paracel archipelago east of Vietnam, a container shipping facility in Chittagong, Bangladesh, a deep-water port in Sittwe, Myanmar, Hambantota port in Sri Lanka, and a potential naval base in Gwadar, Pakistan.

### **1.3 Statement of the problem**

China is making strong forays in the South Asian countries in order to make strong strategic outreach to contain India in the region itself in order to realize its leadership goals. The study analyses Chinese methods, policies and growing relations with the South Asian countries to materialize the strategic gains in the region. Further, the issues such as security threats, vulnerability of economic gains and decreasing influence of India in neighbouring countries have been examined in the study. Finally, the study focuses on China's increasing involvement in the region in different sectors, through different ways and means.

### **1.4 Objectives**

1. To assess the strategic dominance of India, neighbourly perception and bilateral irritants between India and its neighbours.

2. To assess the divergence between India and China in South Asia and convergence of Chinese interest with the South Asian countries fear.
3. To analyse the imperatives, which have driven China's strategic involvement in South Asia.
4. To analyse India's concerns arising out of China's strategic involvement in South Asia.

### **1.5 Hypothesis**

China has sought to gain strategic advantage over India in South Asia by providing military, economic and infrastructure support to keep India confined to the sub-continent and to secure energy resources for its fast growing economy by progressively making India's neighbours dependent on China largely.

### **1.6 Scope**

This study concentrates on analyzing the strategic relationships between South Asian countries and China and its impact on India. As China is increasingly engaged in strengthening relations with India's neighbours in all aspects like strategic, economic and political which in turn have lessened the scope of India in its neighbourhood. This study provides a detailed discussion of the China's economic assistance, defence, cooperation, strategic infrastructure buildup in south Asian Countries particularly Pakistan, Bangladesh, and Nepal that have concerned India a lot.

### **1.7 Methodology**

The descriptive and analytical methodology has been used for this research. The data for the research has been mainly collected from the primary and secondary sources. Primary and secondary sources will comprise of papers available in embassies, published interviews of leaders, foreign policy documents, official statements, joint communiqué, annual reports of external and defence ministries of the

respective countries newspapers, books, journals, articles, dissertations, biographies and internet sources.

## CHAPTER 2

### REVIEW OF LITERATURE

Since the occupation of Tibet by China in 1950 and particularly after the military aggression on India by China in 1962, strategic analysts have raised concerns for India and for the whole of South Asian region. A lot of literature has been continuously developed regarding the relations being cultivated by China with the region. As the region's most of the countries are conflict ridden and poor and are hungry of economic development. China took the advantage of the situation to serve its own motives by investing in infrastructure development and assisting in other sectors as well, to win over the loyalty and make its foothold in these countries. China apprehensive about the capability of its historic rival India, financed India's arch-rival Pakistan both economically and militarily to contain India and keep Xinjiang province integrated, where China believes that extremists in the province has been receiving training in Pakistan. Similar is the case to boost relations with Nepal to maintain tranquility in Tibet region. Also, Myanmar, Bangladesh, Sri Lanka and Maldives are not let unfettered by China in this context. China is helping these countries in exploiting natural resources, assisting in development infrastructural projects and modernising ports especially in Bangladesh and Sri Lanka. The experts, analysts and authors have taken these developments of China in South Asian region and their consequences for the region.

**Scott** in his article, "*South Asia in China's Strategic Calculus*" (2010) argues that military relations and strategically guided policies have dominated China's ties with the region. Apart from East Asia, China is now making way to other wider areas adjoining its borders? Within China's "periphery Diplomacy," South Asia, the Indian subcontinent, is becoming an important element in China's strategic calculus, bringing with it a 'growing presence 'for the PRC in South Asia. He argues that the growing Chinese interest and involvement in South Asia reflects three strategic imperatives. First, India's own rise affects and complicates China's own great power rise. Second, growing energy considerations are pulling China in, through and past South Asia. Third, concerns over Islamist-jihadist infiltration into Chinese Xinjiang from Afghanistan

and Pakistan. He further argues that foreign hostile powers intervention in South Asian region forced China to forge relations with Pakistan. For example, Indo-Soviet treaty of friendship and cooperation in 1971. The fear of Indo-Soviet alliance to contain China and subsequent Soviet intervention in Afghanistan in 1979 led Beijing to fortify its relations with Pakistan. Also post 9/11 U.S presence in Pakistan and developing military relationship between India and US during 2005 and 2006 particularly concerns China.

**Kapila** in his paper, "*South Asia and China's Policy Record*" published on 4 Jan. 2002, mentions "China's single point Agenda" in South Asia. He argues that China has followed a single point agenda in the last 50 years or so. China intruded into South Asia in 1950 itself by its military occupation of Tibet. China's focus has been to strategically and politically destabilise India and thereby prevent its emergence as a major power. In order to counter India's rise in South Asia, China actively played "balance of power" politics, choosing Pakistan as a strategic ally in South Asia. China has relentlessly built up Pakistan's military since 1960s and provided Armed Forces military hardware inventories. China has been credited of building a failing state like Pakistan into a nuclear weapons and nuclear missile state.

**Malik** in the article, "*South Asia In China's Foreign Relations*," published in Pacific Review, Volume 13, Feb.2001, argues that Beijing's South Asia policy is tied to China's military security concerns *vis-a-vis* that of India and territorial disputes. Chinese leaders regularly visit Nepal, Bangladesh and Sri Lanka to demonstrate a continuing determination to remain involved in South Asia and to reassure China's friends that improvement in Sino- Indian relations would not be at their cost. Beijing insists on the resolution of bilateral problems and disputes in accordance with the Five Principles of Peaceful Coexistence and remains critical of India's coercive diplomacy to guard its security interests. Beijing's entente cordiale with Pakistan continues to flourish, underpinned by nuclear and missile co-operation. New Delhi continues to keep a close eye on the political and strategic relations between China and India's neighbours. Current strategic and economic trends indicate that South Asia's importance in China's national security calculus is likely to increase in the 21<sup>st</sup>



century. A Sino– Indian rivalry in Southern Asia and the northern Indian Ocean may well be a dominant feature of future Asian geopolitics. Historic rivalries and their strategic cultures suggest that a fair amount of tension between these continent-sized neighbours, which also happen to be the world's two most populous nations, is inevitable. In international status stakes, it is China, with which India wants to achieve parity. India and China share similar aspirations towards status and influence, with China further advanced towards their achievement than India. And this inevitably introduces a more competitive aspect into Sino–Indian relationship. In addition to the traditional disputes and frictions, the nuclear/missile issue has now emerged as a very significant source of disagreement and contention between the two Asian giants. The Chinese know India is the only Asian country determined to resist China's pre-eminence in Asia by developing the full spectrum of economic and military capabilities. It is safe to conclude that China's foreign and defence policy initiatives will continue to be designed to reduce India to the status of a sub-regional power by increasing Chinese influence and leverage in the South Asian region.

**Ahmad** in one of the article," *Emerging Chinese Threats in Indian Context: Need for India to Review Security Strategy*,"(2012) argues that China is creating areas of influence in South Asia. Its interest in South Asia is purely strategic with India in mind. The export of technological and creation of infrastructure in India's neighbourhood is largely military oriented. China is singularly responsible for making Pakistan a stand-alone nuclear power besides continuously arming it with conventional weapons to India's discomfiture. China also provides conventional weapons to Bangladesh, Nepal, and Sri Lanka. This has been a cause of security concern for India. China is known to have provided direct assistance to Pakistan for its nuclear weapons programme, including nuclear warhead designs and enough HEU (highly enriched uranium) for at least two Nuclear Bombs. China has transferred M-9 and M-11 nuclear-capable ballistic missiles and has facilitated the transfer of Taepo Dong and No Dong ballistic missiles from North Korea to Pakistan. China and Pakistan have jointly developed a fighter aircraft – JF-17 Thunder/ FC-1 Fierce – and a main battle tank – Al Khalid, besides other military hardware like anti-tank missiles. As part of its "string of pearls" strategy in the Indian Ocean, China has built a port for Pakistan at

Gwadar on the Makran Coast. This port could be upgraded to a naval base for Chinese naval vessels with minimum effort. China stated objectives in its Sixth National Defence White Paper 2008 are clear that its aims at developing strategic missile and space based assets and of rapidly enhancing its blue water navy to conduct operations in distant waters, and the systematic upgrading of infrastructure, reconnaissance and surveillance, quick response and operational capabilities in the border areas.

**Awasthy** in his book, "*China-South Asia Political Relation*," (2013) says that China's increasing demand for energy and its growing dependence on imported petroleum have made Beijing increasingly concerned with ensuring the uninterrupted flow of oil at reasonable prices. To ensure continuous oil supplies from Middle East and North and East Africa, which mainly passes through Indian Ocean, China is trying to get access to the various bases in Indian Ocean littoral like Gwadar (Pakistan), Hambantota (Sri Lanka), Chittagong (Bangladesh) and Kayaukpyu. If PLA-N could obtain the bases on the Indian Ocean littoral, and link those bases to China by robust road and rail lines, India's geographic advantages would be substantially to the PLA-N's advantage. China also seeks to expand military ties with Pakistan, Bangladesh, and Myanmar and are heavy customers for Chinese military equipment. Exchange of intelligence between China and Pakistan and Myanmar is routine, with Yangon providing important listening posts at several points in the Bay of Bengal/Strait of Malacca area.

**Sahoo** in his paper, "*China's growing presence in India's neighbourhood*" published in "*East Asia Forum*" on Feb. 5, 2010, argues that China has been taking an increasingly active interest in South Asian countries over the past few years, seeking to rally friendship and support in order to surpass India's dominance in the region. When the South Asia Association for Regional Cooperation (SAARC) was formed in 1985, they expected leadership from India, but India has yet to assume this role. Now China, India's main political rival, is entering its neighbouring markets more aggressively through both trade and investment.

China has been improving its trade and investment relations with South Asian countries through treaties and bilateral cooperation. China and Pakistan signed a Free Trade Agreement (FTA) in 2006, as well as numerous other agreements and Memorandums of Understanding (MOUs), including Bilateral Investment Treaties (BIT) to increase mutual trade and investment. Pakistan provides China with cheap raw materials and the use of Pakistani ports in return, for access to Chinese markets, through preferential treatment under the FTA.

China provides duty-free access to a list of Bangladeshi products under the Asia-Pacific Trade Agreement, and Bangladesh has offered oil exploration rights to China at Barakpuria. China has also gained naval access to the Bangladeshi Chittagong port, which will bring China closer to Myanmar oil fields and the seas around India. China has offered Sri Lanka funds in the form of Aid and Preferential Credit for various developmental purposes. In turn, Colombo has allocated a block in the Mannar basin for Chinese oil exploration. On the southern coast of Hambantota, China has begun developing port and bunker facilities, as well as an oil tank farm and this China's increasing presence in the Indian Ocean could threaten Indo-Lankan relations, especially if there is any military cooperation between the two.

**Palit and Palit** in a paper, "*Strategic influence of Soft Power :Inferences for India from Chinese Engagement of South and South East Asia*" published in a journal *ICRIER Policy Series No 3*, August 2003 argues that South Asia is steadily emerging as a strategic priority for China. Much of the region's importance, from a Chinese perspective, is on account of India's overwhelming presence. China's efforts to engage the smaller countries of the South Asian region are evident from its establishing a Confucius Institute in Nepal in June 2007, development assistance in hydropower, and tourism, China Study Centre in Jhapa (east Nepal) for helping local entrepreneurs to do business with China. The Confucius Institute at the University of Kelaniya in Sri Lanka is another example of education, primarily promotion of the Chinese language. Assistance to Pakistan in energy, physical infrastructure and mining projects, railway development in particular is progressing with active Chinese support following the agreement signed in 2007 between Pakistan Railways and Dong Fang Electric

Supply Corporation for linking Havellian and Khunjerab which will provide faster access to China to energy-rich Central Asia and Persian Gulf countries.

### **Knowledge Gap**

However, much of the available literature regarding India's concerns due to the China's involvement in South Asia highlights the threat perception of war and vulnerability to National security and territorial integrity of India from China due to China's increasing military capability. Important issues such as China's engagement with South Asian countries regarding the construction of strategic infrastructure projects such as roads and railway routes along India's borders as well as China's strategic infrastructure construction along the China Tibet border received lukewarm response in the available literature. Further, China's increasing trade relations and controlling of investments in Pakistan, Sri Lanka, Nepal, Bangladesh, and Maldives has been touched lightly although such involvement of China reduces the dependence of these countries on India and affects the India's bilateral prospect with her neighbours.

## CHAPTER 3

### STRATEGIC DOMINANCE OF INDIA IN SOUTH ASIA: NEIGHBOURLY PERCEPTION

India is one of the ancient civilizations in the world. It has achieved multifaceted socio economic and politico-strategic progress since its independence. India holds a strategic position in South Asia. In terms of geography, it is the biggest country in the region. Because of central location, it is sharing border with all the countries of the South Asia. Relatively, it has achieved remarkable progress in many areas such as agriculture, industry, science and technology, nuclear technology, education, military modernization and economic development led by the hi-tech manufacturing and information technologies sector. After the introduction of economic reforms, it has become one of the best destinations for significant and growing international investments and multinational participation.

In the South Asian region, the population of India stands at 1.27 billion<sup>3</sup> and is the major economy with projected GDP of \$2 trillion for the year 2013,<sup>4</sup> which is far greater than any other country of the region. India's population and GDP are more than the combined population and GDP of all other South Asian countries. Comparatively, the population and GDP of Pakistan (second biggest country in South Asia) is 183 million and \$258 billion<sup>5</sup> respectively and that of Bangladesh is close to 160 million<sup>6</sup> and GDP of \$116.4 billion<sup>7</sup> respectively. India succeeded in achieving far higher economic growth rates over the past decade than its neighbors. Geography has always played a positive role in India's economic development like favorable location, suitable climate, fertile lands and water availability. Geography always has remained an important feature of powerful countries and it is true with India. K. M. Pannikar said,

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<sup>3</sup> Available at <http://www.worldpopulationstatistics.com/india-population-2013/>. Accessed on 08-09-2013.

<sup>4</sup> Available at [http://www.business-standard.com/article/economy-policy/india-to-be-2-trn-economy-by-fy13-end-112060102018\\_1.html](http://www.business-standard.com/article/economy-policy/india-to-be-2-trn-economy-by-fy13-end-112060102018_1.html) Accessed on 08-09-2013.

<sup>5</sup> Available at <http://stratrisk.com/geostrat/10907>. Accessed on 08-09-2013

<sup>6</sup> Available at <http://bangladesh-information24.blogspot.in/2013/01/population-of-bangladesh.html>. Accessed on 08-09-2013

<sup>7</sup> Available at <http://www.worldbank.org/en/country/bangladesh>. Accessed on 08-09-2013.

“Geography constitutes the permanent basis of every nation’s history”. It is because of geography that countries like Nepal and Bhutan had become dependent on India, and can hardly survive economically without its cooperation. Similarly, Pakistan and Bangladesh too are dependent on India for water supply. India is the only country that shares its borders with all other South Asian countries including China. Neighboring countries such as Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and Burma are not at par with India, be it in their size, population, economic development, military strength, science and technology, or the largest pool of technical and skilled manpower in the world.

Until the end of Cold war, the concept of economic development entirely belonged to Europe, but the end of the Cold War brought a shift in economic development from Europe to Asia. Many Asian economies are on higher trajectories and the 21<sup>st</sup> century is called as Asian century. Chinese economy has become one of the fast developing economies of Asia whereas many other Asian economies are also moving in such a direction. Similarly, after the introduction of economic reforms in 1990s, Indian economy is also on higher trajectory. Many scholars have predicted that it is only Indian economy, which could challenge Chinese geopolitical and other stakes as an economic power in the coming century. Indian economy is galloping, riding on the wave of information technology and well-educated work force.

### **3.1 India’s Defence Modernisation**

Predicting the serious strategic challenges in its neighborhood, Indian defense policy makers are strongly in favour of its defense modernization. Indian defense modernization is taking place at very high speed in order to ensure that India will be the undisputed military power in the region. According to former deputy chief of the army staff of planning and systems, General J.P. Singh, “the critical capabilities that are being enhanced to meet challenges across the spectrum include battlefield transparency, battlefield management systems, and night-fighting capability. These also include enhanced firepower, including terminally guided munitions, integrated

maneuver capability to include self- propelled artillery, quick reaction surface- to- air missiles, the latest assault engineer equipment, tactical control systems, integral combat aviation support and network centricity (Kanwal, 2012).

Indian Military Doctrine issued in 2004<sup>8</sup>, highlighted how the future wars will be fought. The future wars will emerge at short notice, being of short duration and being fought at high tempo and intensity, Non-linear conduct of operations, Deeper and wider combat zones due to increased reach of integral firepower and surveillance resources, including space-based systems. Future war tactic involve added emphasis on the all-arms concept and need for increased joint man ship between the land, naval and air forces, Enhanced reliance on a variety of surveillance systems and greater availability of information contributing to increased transparency of the battlefield. Improved accuracy, lethality and standoff capability of weapons leading to, greater destructive capability, Ascendancy of Network Centric Warfare (NCW), Information warfare (IW) under the glare of media.

With personnel strength of 1.1 million<sup>9</sup> and 9.6 lakh reserved troops-6 regional commands, a training command, 13 corps, and 38 divisions (Kanwal, 2012), the Indian Army has kept the nation together through various crisis including four wars since independence, Pakistan's proxy war in J & K and insurgencies in many of the north eastern states. Indian armed forces have drawn up elaborate plans for modernizing and qualitatively upgrading their capabilities for future combat, including the ability to secure the sea-lanes of communication and project power in India's area of strategic interest.

India is rapidly enhancing its defense expenditure and acquisition of advanced weapon systems to translate its growing economic strength into effective military power. It has short and long-term plans for acquisition of weapons. India is one of the

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<sup>8</sup> Indian Military Doctrine published first on October 22,2004 by the Head Quarters Army Command , Shimla. Available at [http://www.nti.org/media/pdfs/8\\_11.pdf?\\_id=1317928499](http://www.nti.org/media/pdfs/8_11.pdf?_id=1317928499). Accessed on 09-09-2013.

<sup>9</sup> Available at <http://defenceforumindia.com/forum/indian-army/18552-indian-army-today-2011-tomorrow-2020-a.html>. Accessed on 09-09-2013

biggest spenders on defense with an annual budget of over US\$ 35 billion for the year 2012-13 and US\$ 37 billion for the year 2013-14, which represents a growth of 5.3%(Cowshish, 2013). In order to update and modernize its defense inventory, India has decided to spend US\$ 15.8 billion in 2013-14, which was \$ 12.7 billion in 2012-13. India is currently the world's largest importer of weapons; it crossed China in terms of defense spending between 2006 and 2010 with the long-term plan to spend approximately \$ 80 billion in defense acquisitions for the period of 2010-15 (Ari and Lombardo, 2011). According to the report of Confederation of Indian Industries on "Prospects of Global Defense Export Industry in Indian Defense Market", India is spending extravagantly on all three services. The Army is spending US\$ 42.4 billion, US\$ 24.8 billion by the Air Force and US\$ 12.8 billion by the Navy for their respective acquisitions (Hali, 2013).

A chapter in Ministry of Defense Report 2010-2011 highlights the "Arms/ Services Modernization initiatives" mentioned below

"Artillery is an important organ of Indian army. In order to make it more modernized under the Field Artillery Rationalization Plan (FARP), which was designed in 1999, is now being implemented with the introduction of two thousand one hundred and eighty four guns and 100 guns would be inducted every year under US\$ 8 billion plan. The focus for procurement of Artillery equipment has primarily been the enhancement of surveillance capability. Procurement of the Telescopic Mast for Lorros and Heron UAV is at an advanced stage. Procurement of various other weapons and equipment such as the Pinaka Multi Barrel Rocket Launcher System, 155SP Gun (Wheeled) and 155mm Ultra Light Howitzer, 155mm Towed Gun, Smerch Multi Launcher Rocket System and Vehicle Platform for GRAD BM 21 MBRL is also in progress.

The Corps of Army Air Defence has taken massive leaps in the up gradation process of its guns and surface to air missiles. The Akash Missile System is being procured along with three-dimensional tactical controls and low-level eight Radars augmenting the Army Air Defense. In the Army Engineers Corps, new contracts have



been signed for the procurement of modern technologies, which include Reaction Team Boats for high altitude missions, Trawls for tank T-72 and Engineers to operate in a Nuclear Biological and Chemical (NBC) environment has been enhanced with the signing of contracts for Recce Vehicles, RPL Dosimeter MK II and Reader Personal Dosimeter. The Signals Corps has also undertaken a number of major steps in consolidating the various networks of the Indian Army. The up gradation of Army Static Switched Communication Network (ASCON) and Army Wide Area Network (AWAN) is in progress to incorporate the latest technological changes and further extend the reach of these Procurement of Defense Communication Network, a prestigious Tri-Service project, is at an advanced stage. Night vision equipments are being purchased with the latest guns and simulators for training for armored corps. The contract to equip the T-72 tanks with night vision has been finalized by the military headquarters, while the gunnery simulators for the T-72 and the T-90 tanks are still underway and will be concluded soon”.

The Infantry within the army is also being revamped and are being given a new look, foot soldiers are going to be equipped with a wide variety of new weapons and the special forces are going to be allotted “Bullet Proof Jackets and Ballistic Helmets for counter insurgency operations; Hand Grenades and Ballistic Shields for Ghatak Platoons etc.”(Hali, 2013b) The Futuristic Infantry Soldier as a System (F-INSAS) is a modernization plan developed by the Indian army to revolutionize its 465 infantry and paramilitary battalions with the state of the art modern weapons and equipments. This plan will be implemented between 2012 -2020 for which deals are already in progress. F-INSAS is aimed at giving the Indian army a complete facelift. The next generation of ATGW should be in service by 2015<sup>10</sup>, which will enable the army infantry to become a modern and lethal force. Soldiers will also be equipped with night vision anti aircraft guided missiles and by 2020 Indian ground forces will be equipped with all the necessary modern requirements.

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<sup>10</sup> Indian Defense Forum, “Indian Army Year-2020” by Gen. S. Padmanabhan, available at <http://defenceforumindia.com/forum/foreign-relations/5310-indian-army-year-2020-gen-s-padmanabhan.html>. Accessed on 10-09-2013.

### 3.2 Air Force Modernization

Indian Air Force is the 4<sup>th</sup> best one in the world. The Indian Air Force (IAF) has completed the Platinum Jubilee of dedicated service to the nation which is a modern, technology-intensive force distinguished by its commitment to excellence and professionalism<sup>11</sup>. In the face of emerging challenges, IAF is keeping pace with the demands of contemporary advancements and it continues to modernize in a phased manner. Presently, it stands as a credible air power counted amongst the fore-most professional services in the world. The Indian air force is on its way to provide the strategic outreach that India needs as a growing regional power and to project power where necessary in order to defend vital national interests. According to Kapil Kak, a retired air vice marshal and senior defense analyst, although there is a gap between vision and capability with regard to shaping India's strategic neighborhood, forward movement is now visible. In his view, the modernization plans of the air force are aimed at achieving the objectives that include air dominance and control of the air, deterrence by denial and punishment, long-range offensive reach-penetration, precision, persistence, and parallelity-in simultaneous operations at the tactical, operational, and strategic levels. The plan also involves strategic airlift capability for power projection through both hard and soft power, such as humanitarian assistance and disaster relief operations and diaspora evacuation. Further, building the capacity for coercion, acquisition of force enablers and multipliers and related combat-support systems, including networking for tri-service command and control are also the firm objectives. Capability of conducting cyber space and information operations and indigenization of future capabilities for design and development are also aimed to achieve (Kanwal, 2012)

Indian Air force presently has 34 squadrons but the plans are to increase the number to 42 squadrons by 2022.<sup>12</sup> Indian Air Force is advancing towards becoming a formidable force in the coming decade. Contracts worth several billion US\$ expected

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<sup>11</sup> Available at <http://www.firstpost.com/topic/organization/jaguar-indian-air-force-band-regales-on-the-occasion-of-platinum-ju-video-17wXtwVfog-2555-59.html>. Accessed on 10-09-2013.

<sup>12</sup> Available at <http://www.isn.ethz.ch/Digital-Library/Articles/Detail/?id=157423>. Accessed on 10-09-2013.

to be signed during 2013-14. Earlier in 2013, the Air Force had planned to sign a 15-20 billion contract for 126 French Rafale fighters early in 2014, but recently the plan was further delayed for the next fiscal year due to budgetary constraints due to lack of money in the assigned budget.<sup>13</sup> India is also developing a fifth-generation fighter jointly with Russia and aims to fly it in 2015<sup>14</sup>. In addition, it has already selected the prospective suppliers for at least three more big contracts – 22 Boeing AH-64D Apache Longbow attack helicopters (US\$1.2 billion); 15 Boeing CH-47F Chinook heavy lift helicopters (US\$1.4 billion); and six Airbus A330 Multi Role Tanker Transport (US\$1.0 billion) – which should be signed in the near future (Chandramohan, 2013). Tejas light combat aircraft (120), jet trainers, a fleet of 5<sup>th</sup> generation aircrafts, Air Borne warning and Control Systems (AWACS), etc. are all a part of up gradation process which has been estimated at \$30.5 billion (Sammadar, Mehra, and Behra). New fighter-bombers include a fleet of 272 Sukhoi-30 MKIs, half of which have already been built and inducted and, AEW aircrafts are being acquired from Israel as well as being developed indigenously.<sup>15</sup> Fifteen Low Level Light Weight Radars (LLLWR), are also being purchased from Israel. India has also acquired 6 C-130J Super Hercules aircraft for its Special Forces and will likely order six more from United States. C-17 Globe master heavy-lift aircrafts are also likely to be acquired shortly, which will take India's defence cooperation with the United States to a new level. Although a contract has been signed with Swiss firm for 75 Pilatus PC-7 basic trainer aircraft. In the rotary-wing category, the indigenously manufactured Dhruv utility helicopter has entered service. The air force is also in the process of acquiring medium-lift transport helicopters and attack helicopters of brand new quality.

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<sup>13</sup> Available at <http://www.ndtv.com/article/india/india-delays-rafale-fighter-jet-deal-after-exhausting-capital-budget-480120>.

<sup>14</sup> Available at <https://ktwop.wordpress.com/tag/indian-mrca-competition/>. Accessed on 10-09-2013.

<sup>15</sup> Available at [http://www.spacewar.com/reports/India\\_eyes\\_more\\_Kazan\\_Mi-17\\_V5\\_helicopters\\_999.html](http://www.spacewar.com/reports/India_eyes_more_Kazan_Mi-17_V5_helicopters_999.html). Accessed on 28-08 2013.

### 3.3 Indian Naval Modernization

India Navy is playing a crucial role in safeguarding the nation against maritime threats. The Indian navy is endeavoring to project power through “Reach, Multiplied by sustainability” across its “Legitimate (AOI) areas of interests.”<sup>16</sup> It has shown remarkable performance during the Indo-Pak conflicts. India has a very long coastline that makes its unity and integrity vulnerable to maritime threats. In order to check maritime threats, India is modernizing its naval capabilities with intense efforts since 1980s. This modernization has invited lot of criticism not only from Pakistan instead many other neighbouring countries. With the introduction of economic reforms, Indian economy gained momentum and the importance of sea routes in the overall economic development was realized. In order to maintain the security of sea-lanes of communications, which are backbones of any emerging economy, Indian Navy has started their important role to play. At the same time, some external powers are making strong strategic foray in South Asia along with maritime terrorism, which are really posing maritime threat to Indian security. In such a scenario, modernization of Indian Navy becomes crucial in order to meet these strategic challenges as well as leadership aspirations of India.

Indian naval modernization has started since 1980s. Previously Andaman and Nicobar has Fortress Commander-Andaman and Nicobar Islands (FORTAN), which was converted into a joint Andaman and Nicobar Command in 2001 in order to safeguard India's strategic interests in Southeast Asia and the Strait of Malacca by enhancing deployment of Navy.<sup>17</sup> This command includes 13 navy ships, Trinkat-class patrol vessel, Mk.3 LCU vessels, Polnochny-C/D class amphibious warfare vessels. It also includes SDB Mk.3 large patrol craft, Do-228-101 maritime patrol craft, operating from airfields at Port Blair, Car Nicobar, Campbell Bay and Diglipur maintain

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<sup>16</sup> Indian Military Strategic Thinking and Doctrine. Available at <http://www.opinion-maker.org/2012/03/indian-military-strategic-thinking-and-doctrine/>. Accessed on 27-08-2013.

<sup>17</sup> Available at <http://ids.nic.in/webabhiids/brief.html>. Accessed on 27-08-2013.

surveillance over the sea areas and approaches<sup>18</sup>. In order to give more outreach to Indian Navy, a naval air station-INS Baaz, was commissioned on July 31, 2012 by the Admiral Nirmal Kumar Verma (Kumar, 2012). The naval air station has amphibious platforms, offshore patrol vessels (OPV) and fast attack crafts (FAC). It is the first air station in the Nicobar Islands, situated on the Great Nicobar Island in the remotest and southern-most part of the Andaman and Nicobar Islands and lies very close to the Six Degree Channel, a vital choke point. The commissioning of the air station will facilitate positioning of maritime reconnaissance aircraft and helicopters of ANC and facilitate the Civil Administration to operate regular intra-island sorties. The Naval air station will provide requisite logistic, communication and administrative support for various aircraft undertaking surveillance, patrolling missions and maritime air operations (National maritime foundation). The strategically located INS Baaz will enable India to extend its reach in the eastern Indian Ocean region. Considering the strategic issues like nuclearisation and string of pearls in the Indian Ocean Region, the Indian Navy proposed to station a nuclear submarine and a landing deck platform at the islands in the near future.<sup>19</sup>

With this defence buildup, Indian navy has been committed and undertaken a major naval modernization program since 2002, overall aiming of upgrading its military in a 15-year timeframe. The Indian government has allocated US\$ 40 billion to spend for the period 2008-2013. Under this plan of up-gradation and modernization, Indian Navy intends to make the Indian Navy the third-largest fleet in the world while currently at fifth position with 171 vessels and around 250 aircrafts<sup>20</sup>. Under this modernization scheme, nuclear submarine and aircraft carrier, INS Vikramaditya have been inducted in Indian Navy.<sup>21</sup> The Vikramaditya has the capacity to carry 16 MiG-29K aircraft. Two

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<sup>18</sup> Bharat Rakshak, "Andaman and Nicobar Command" available at <http://www.bharat-rakshak.com/NAVY/Today/Commands/67-Andaman-And-Nicobar-Command.html>. Accessed on 27-08-2013.

<sup>19</sup> Available at <http://www.defencenews.in/defence-news-internal.aspx?id=FWHuKUNYT3Y> Accessed on 27-08-2013.

<sup>20</sup> Jakarta Post, "Indian Naval Modernisation Programme" available at <http://www.thejakartapost.com/news/2011/05/23/india%E2%80%99s-naval-modernization-program.html> accessed on 29-08-2013.

<sup>21</sup> Defence News, "India's Naval Massive Modernisation Programme" available at <http://www.defencenews.in/defence-news-internal.aspx?id=9j9WG8xlbY> accessed on 29-08-2013.

others locally built aircraft carriers- the first, INS Vikrant, is likely to enter by 2014 and the second carrier is expected to join Indian Navy in 2017 which will carry 29 MiG-29K aircraft.<sup>22</sup> These aircraft carriers would essentially make India a true blue-water navy and consolidate its force projection capability over a far greater portion of the Indian Ocean. The first indigenously built nuclear submarine, INS Arihant was launched in 2009, and commissioned in late 2011. The induction of these ships and submarines enhanced nuclear triad, a capability currently only possessed by the United States, China and Russia. Apart from these ships and submarines, India signed a contract with the Pipavav Shipyard to build five patrol vessels in 2010. Also, Indian Navy has built three multi-role, stealth-featured Shivalik-class frigates, with the first of these, INS Shivalik, being commissioned in April 2010.<sup>23</sup> Three Russian-built Talwar-class frigates have also been acquired, with the first, INS Teg on April 27, 2012, reportedly based in Kochi while the second, The Tarkash, arrived at its homeport of Mumbai on December 30, 2012.<sup>24</sup> In order to give more outreach to Indian Navy, The Indian Government, has established bases or listening stations in many of the Indian Ocean islands.<sup>25</sup>

The navy is setting up operational turnaround bases, forward-operating bases, and naval air enclaves with a view to enhancing India's surveillance efforts in the Indian Ocean region. The navy plans to expand to a fleet of 150 ships in the next ten to fifteen years, with 50 warships now under construction and 100 new vessels in the acquisition pipeline. There are also plans for the increase in naval aviation fleet like Boeing 737 P-8I maritime reconnaissance aircraft have begun to be inducted, and 5

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<sup>22</sup> Naval-Technology.com, "Vikrant class ,India" available at <http://www.naval-technology.com/projects/vikrantclassaircraft/> accessed on 24-08-2013

<sup>23</sup> India's indigenous stealth frigate INS Shivalik to be commissioned today. (2010, April 29). *The Economics Times*, Mumbai. Retrieved from [http://articles.economictimes.indiatimes.com/2010-04-29/news/27630775\\_1\\_ins-shivalik-naval-design-shivalik-class](http://articles.economictimes.indiatimes.com/2010-04-29/news/27630775_1_ins-shivalik-naval-design-shivalik-class)

<sup>24</sup> Available at <http://osimint.com/2013/07/09/india-receives-last-talwar-class-frigate-from-russia/> accessed on 24-08-2013.

<sup>25</sup> Among the most significant of these was the establishment of a listening post in northern Madagascar in 2007, giving India a naval position near southern Africa and the sea lines of communication from that area. India has also sent a naval patrol vessel, along with a Dornier-228 maritime reconnaissance aircraft to the Seychelles, reportedly to control piracy in the region.

additional Kamov Ka-31 AEW helicopters will be added to the existing fleet of 11 helicopters (Bajwa, 2013). Other landing ships and additional capabilities for amphibious warfare are being rapidly developed. As a result of these efforts, the Indian Navy is on the mission of acquiring the capabilities necessary to join key strategic partners such as the U.S. Navy in safeguarding the sea lanes of communication in the northern Indian Ocean and ensuring unfettered freedom of the seas for trade and commerce. India is planning, to enhance its naval fleet by adding, scorpene submarines, aircraft carriers, air borne fighter aircraft, and effectively bolstered its army aviation wing, which is equipped with a massive fleet of combat and noncombat helicopters.

### **3.4 Science and Technology**

India has achieved world-class excellence in a number of science-intensive sectors such as nuclear power, satellite communications and defence. Since nearly half of R&D spending is incurred in these sectors, the government has been concerned to enhance the development from these investments as well as encourage technology transfers between these research centers and between the centers and the wider industry. India has made significant progress in various spheres of science and technology over the years and can now take pride in having a strong network of S&T institutions, trained work force and an innovative knowledge base. India has the third largest scientific and technical manpower in the world; 162 universities award 4,000 doctorates and 35,000 post-graduate degrees and the Council of Scientific and Industrial Research runs 40 research laboratories that have made some significant achievements.<sup>26</sup> The government has initiated multibillion-dollar investments to kick start research, education, and innovation over the next five years. In early 2013, government announced an ambitious science, technology, and innovation funding protocol: in the next five years, double its investment in science and technology and, by 2020, drive India's output of scientific publications to be among the top five nations globally (Sandhu, 2013b). India has also made remarkable strides in achieving 98 per

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<sup>26</sup> Embassy of India. Available at [http://embassyofindiaukraine.in/ukraine.php?key\\_s=19](http://embassyofindiaukraine.in/ukraine.php?key_s=19) accessed on 06-09-2013.

cent indigenization in launch vehicle technology and 60-70 per cent in satellite technology, according to M Y S Prasad, Director, Satish Dhawan Space Centre SHAR at Sriharikota (Sarma, 2013).

India seeks to improve its global scientific reputation. According to Prof. C. N. Rao chairman of the Science Advisory Council to the Prime Minister, the government is going to inject \$5 billion into science and technology over the next five years (Sandhu, 2013a). This doubles the investment from 1% to 2% of GDP. This increase in funding is aimed at creating jobs, educating technical leaders, and improving the quality of science in this country of 1.2 billion people. India has achieved remarkable competence in a number of scientific and high technology areas. In the area of nuclear science and technology, it has developed competence in atomic weaponry, nuclear power generation and the use of nuclear science in medicine. India has successfully designed, built and launched its communication satellite systems. Its strength in software design and IT is well known. The IT industry turned a shining sector. The industry has contributed considerably to changing India's image from a slow developing economy to a global player in providing excellent technology solutions. According to IBEF (India Brand Equity Foundation) figures, the Indian IT industry is set to touch \$225 billion by 2020 (Cherian, 2013). Industry experts and NASSCOM say that the Indian IT workforce will touch 30 million by 2020, becoming the highest sector employer. This will be coupled with steady increase in pay in a sector already offering a high base. NASSCOM expects the IT services sector in India to grow by 13-14 % in 2013-14 and to touch US \$225 billion by 2020 (Lazio S., 2011).

India has advanced in nuclear technology with production of source materials. The prime objective of its use is for peaceful purposes as power generation, applications in agriculture, medicine, industry, research and other areas. The country has acquired the expertise of complete nuclear cycle- from exploration and mining to power generation and waste management. Accelerators and research and power reactors are now designed and built indigenously. The sophisticated variable energy cyclotron at Calcutta and a medium energy heavy ion accelerator 'pelletron' set up recently at Mumbai are national research facilities in the frontier areas of science. India



has also embarked on a program of nuclear power generation. Currently eight nuclear stations are producing 8 billion kilowatt of electricity. Four more nuclear power stations are planned. The peaceful nuclear program also includes producing radioisotopes for use in agriculture, medicine, industry and research ("India : Science & Technology," 2013).

The credit for research, development and operationalization of space systems in the areas of satellite communications, remote sensing for resource survey, environmental monitoring, meteorological services etc, goes to Defense Research and Development Organization (DRDO). Defense of Space (DOS) is also the prime agency for the Physical Research Laboratory, which conducts research in the areas of space science, and the National Remote Sensing Agency, which deploys modern remote sensing techniques for natural resource surveys and provides operational services to user agencies. India is the only third world country to develop its own remote sensing satellite. With the placement of 800 kg Remote Sensing Satellite IRS-P2 by Polar Satellite Launch Vehicle in the intended orbit, India joined a select group of six nations on October 15, 1994.<sup>27</sup> The successfully launched INSAT satellites provide vital services for telecommunication, television, meteorology, disaster warning and distress detection. The remote-sensing satellites, launched in 1988 and 1991, have already become the mainstays of the natural resource management system of the country. The Indian space program was boosted when ISRO's Polar Satellite Launch vehicle (PSLV)-C7 successfully launched four satellites into high polar orbit from Satish Dhawan Space Centre (SDSC), Sriharikota on January 10, 2007 (Sharma, 2009). The spectacular development in the space technology by India attracted the worldwide attention and demand, with leasing agreements for marketing of IRS data and supply of space hardware and services.

In the field of missile launch technology, India is among the five top nations of the world. DRDO's project for building indigenous missiles has been more successful

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<sup>27</sup> Essay on Club or Society. (2011). *Techno-Blog*. Retrieved from <http://dsft345.wordpress.com/page/159/>

than other projects. Integrated Guided Missile Program (IGMP) that began in 1983 with modest progress has rendered invaluable service (Sagan, 2002). Ranges of strategic and tactical missiles were delivered to the army. The ballistic missiles include the Prithvi (range of 350 kilometres); its naval version, Dhanush; the underwater-launched ballistic missiles, and the Agni series with ranges between 1,000 and 5,000 kilometers. The latest in this series is the Agni V, that will enter operational service as a canisterised, road-mobile missile that can deliver nuclear warheads to targets across south, southeast, central and west Asia, China, most of Europe and large parts of Africa (Shukla A., 2013). On January 20, 2014, India successfully test fired its nuclear-capable long-range strategic missile with a range of 4000 kilometers from the launch complex-4 of the ITR at Wheeler Island Odisha. Simultaneously, development has begun on Agni V's successor, the Agni VI. This intercontinental ballistic missile (ICBM), with a range of over 6,000 kilometres, will carry a massive three-tonne payload (current Agni payloads weigh one tonne) (Gupta, 2014). This will consist of several multiple, independently targetable re-entry vehicles (MIRVs) each one capable of being aimed at a different target. Each warhead - termed maneuverable reentry vehicle (MARV) - will perform evasive maneuvers as it hurtles down towards its target, making it difficult for enemy air defense system to shoot it down. India's ballistic missile program has spun off a range of subsidiary missiles. These include the Shaurya, a hybrid missile that has both ballistic and cruise missile profiles, and which is a twin of the indigenous submarine-launched K-15 nuclear-tipped missile. It also involves the Prahar, which has a programmable path and the Nirbhay cruise missile that has just entered the testing phase. There is also an anti-ballistic missile program, which features two types of interceptor missiles for destroying incoming enemy ballistic missiles before they can do any damage. These include an exo-atmospheric interceptor, which intercepts enemy missiles at altitudes up to 150 kilometers: and an endo-atmospheric interceptor that intercepts at 30 kilometers and below (Shukla, 2013).

### 3.5 India and its Neighbours: Fading Relations

Since the independence and partition of India and Pakistan in 1947, the relations between the two countries have been marred by political tensions, hostility and mutual distrust. The root contention that led the two countries to go for four wars (1947-48), (1965), (1999) in the past is the issue of then princely state Jammu and Kashmir and have been involved in numerous armed skirmishes and military standoffs. Yet unfortunately, the dispute remains unresolved. The fourth war of 1971 resulted in the secession of East Pakistan (now Bangladesh). The prevailing tension includes the ten months of massive force mobilization in 2002 that created an environment of a nuclear war in the region. Although the two countries have remained committed to the agenda of peace as is evident from the speech of Nehru on August 15, 1947, “I want to say to all nations of the world, including our neighbor country that we stand for peace and friendship for them” (Ritthy, 2011). The creator of Pakistan M.A. Jinnah has also said that, “We want to live peacefully and maintain cordial friendly relations with our immediate neighbor and with the world at large.”<sup>28</sup> However, these speeches did not produce any positive results and on October 22, 1947, attack was launched by Pakistan sponsored tribal’s in the state of Jammu and Kashmir. India was compelled through repeated requests by the Maharaja of J and K for military help to enter the valley in order to repulse the invaders. Subsequently the Instrument of Accession was signed by the Maharaja. Since the Maharaja finalized the accession, Pakistan refused to accept and termed the accession, “a fraud perpetrated on the people of Kashmir by its cowardly ruler with the aggressive help of the Govt. of India” (Hamdani, 2011). V.P Dutt expressed, “For Pakistan it is the axiomatic that the Muslim Majority area should become a part of the Islamic Republic; for India her entire secular system and way of life and thinking appeared to be at stake” (Khanna, 2007). Kashmir dispute continuously haunted India-Pakistan relations since 1947.

The Cold War geopolitics heightened tension in South Asian countries particularly India and Pakistan, in order to fulfill their vested interests. For this Pakistan was induced to join military alliances such as SEATO and CENTO. Pakistan not only

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<sup>28</sup> Available at <http://www.nazariapak.info/Quaid-e-Azam/Jinnah-vision.php> accessed on 08-09-2013

got strategic support but it also got lot of modern and sophisticated arms and ammunition, which further heightened security challenges not only for India but for the entire region. Pakistan also tried to befriend Soviet Union in the early 1960's, and overreacted by trying to deviate its interests from India but could not get success. Having failed in its plan, Pakistan sought friendship from China. Out of this situation, China got the chance to come closer to Pakistan as India and China were not sharing good terms soon after their independence. China started supporting Pakistan economically and militarily.

USA and Chinese military and economic aid and debacle of India in 1962, bolstered Pakistan to venture into war with India again in April 1965. Its two divisions of army crossed the border and clashed with India, claiming 3500 square miles in the Rann of Kutch area situated on Gujrat-Sindh border. The dispute was referred to a tribunal. The award of tribunal allotted 90 % area to India while 300 square miles went to Pakistan. On September 1, 1965, Pakistan crossed the international border and launched a formal attack on India. Anticipating a heavy massive attack by Pakistan, India counter attacked on September 5, 1965 in three sectors. A resolution was adopted on September 20, 1965 and Pakistan was forced to accept cease-fire, which became effective on 23 September 1965 (Khanna, 2007).

From January 3 to 10, 1966, a meeting was held at Tashkent at the initiative of Soviet Prime Minister Alexi Kosygin, to formalize peace between India and Pakistan. After strenuous efforts, Shastri and Ayoub signed the Tashkent Declaration on January 10, 1966. The nine point Declaration contained the resolve by India and Pakistan to restore normal and peaceful relations between themselves and to promote friendly relations among its people. While Indian people welcomed the Declaration but there was lot of criticism of the Declaration as surrender to Indian demands and Soviet pressures. Pakistan kept on arming itself and making violent anti-India propaganda. India continued hard to implement its provisions but the efforts for friendship, cooperation and understanding did not bear fruits. The India-Pakistan relations reached an all time low in 1971 with the emergence of crisis in East Pakistan resulting in a civil war in that country. There was an exodus of millions of people from East

Pakistan to India, and finally a war took place between India and Pakistan in December 1971, leading to the defeat of Pakistan and its disintegration resulting in the creation of independent state of Bangladesh (Prahbakar, 2003).

A number of attempts were made to improve the relation between the two countries through negotiations and summits like the Shimla Summit (July 1972), the Lahore Summit (February 1999) and the Agra Summit (2001) (Asbeck, 2009). Siachen conflict in early 1980s and due to intensification of insurgency in Jammu and Kashmir by Pakistan from 1989 onwards further heightened the enmity between both the countries. Another deathblow to already soured relations was India's nuclear tests of 1998 and Kargil war started by Pakistan in 1999 (Clary, 2012). Ceasefire agreement and the Delhi-Lahore Bus service in 2003 were successful attempts to soothe the tensions but these efforts were totally paralyzed by the attack on Indian Parliament in 2001 which brought the two nations on the brink of a nuclear war (Stiftung, 2008). The 2007 Samjhauta Express Bombings, which killed 68 civilians, was also a crucial point in Indo-Pak relations. The terrorist attack in Mumbai in 2008 also scared the possible future peace efforts (Haq, 2009). Furthermore, Pakistan continues the tradition of having its first hand in spoiling the relations until today. The 2003 Indo-Pak ceasefire that came into existence in November 2003 has been violated by Pakistan several times in the recent year. About 96 times ceasefire violations, highest in last eight years in 2013 are enough to justify this tradition. They targeted forward areas and civilian areas along the India-Pakistan border. There were 93 ceasefire violations in 2012, 51 times in 2011, 44 times in 2010, 28 violations reported in 2009, followed by 77 in 2008, 21 in 2007 and three in 2006.<sup>29</sup>

### **3.6 India- Bangladesh: Broken Relations**

The birth of Bangladesh was the outcome of the Indo-Pakistan war in December 1971 in which Lt. Gen. Niazi of Pakistan surrendered to Lt. Gen. J.S.

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<sup>29</sup> 96 ceasefire violations by Pakistan in 2013 , highest in 8 years Retrieved from [http://articles.timesofindia.indiatimes.com/2013-09-18/india/42182143\\_1\\_ceasefire-violations-pakistan-military-authorities-border-ceasefire](http://articles.timesofindia.indiatimes.com/2013-09-18/india/42182143_1_ceasefire-violations-pakistan-military-authorities-border-ceasefire)

Aurora of Indian army.<sup>30</sup> It was culmination of revolt of Bangladeshis against tyrannical Pakistani regime. Initial cordiality and crescendo of warmth did not last longer. The two countries shared cordial relations during Sheikh Mujib's presence. Sheikh Mujib and his Awami League party were the best friends of Indira Gandhi and her Congress party. The two countries signed the Treaty of Friendship and Peace on March 19, 1972. The treaty was concluded, "To give concrete expression to the similarity of views, ideals and interests." The Friendship treaty was followed by the conclusion of a comprehensive trade agreement on March 25, 1972, which provided for creation of a duty-free zone up to 16 km on both sides of border and the second part of the agreement provided for rupee trade up to 50 crores in a year (Poplin, 2013) .

Notwithstanding this initial crescendo of warmth, bilateral relations became tense soon after the assassination of Mujibur Rahman. Pakistan has also played its role in the worsening of the bilateral relations. The first strategy of Pakistan was the recognition of Bangladesh by Pakistan. The motive behind the recognition was to facilitate Pakistan-Bangladesh friendship, help pro-Pakistan elements in Bangladesh. Pakistan defined Bangladesh's subservient position and "India's new imperialist attitude" with regard to the agreement of 1975 on sharing of Ganga waters between India and Bangladesh. The anti- Awami League military, autocratic and pseudo-democratic governments in Bangladesh turned their attitude away from India (Kumar, 2007). By this time anti-Indianism was clearly visible in Bangladesh. Fundamentalism emerged and secularism became a victim in the new military regime commanded by Zia-ur-Rehman.

The conflicting issues between India and Bangladesh were very comprehensive covering operation of Farraka Barrage, maritime boundary, transit and transshipment, security concerns, bilateral trade, joint rivers and border issues etc. The operation of Farraka barrage from April 21, 1975 by India was to divert 40,000 cusecs of water in order to flush river Hoogly to save Calcutta port during the lean season. The problem is that if India withdraws 40,000 cusecs, Bangladesh receives only 15,000 cusecs

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<sup>30</sup> Available at [http://articles.timesofindia.indiatimes.com/2005-05-03/india/27851511\\_1\\_pakistani-forces-pakistan-air-force-indian-army](http://articles.timesofindia.indiatimes.com/2005-05-03/india/27851511_1_pakistani-forces-pakistan-air-force-indian-army) accessed on 13-09-2013

which is highly insufficient to meet its needs (Khan, 1996). There are serious concerns in Bangladesh regarding trade deficit with India and large volumes of informal imports from India across the land border, which avoid Bangladeshi import duties. The trade deficit with India is increasing at about 9.5% annually. The figures for 2011-12 show a trade balance in favour of India, of the magnitude of 3.2 billion dollars (Dubey, 2013). Bangladesh also complains of huge non-tariff barriers of Bangladeshi exports. These include imposition of state tax, countervailing duties. According to an annual report from the International Narcotics Control Board 2007, Bangladesh has become a prime transit route for trafficking heroin from Europe to South East Asia.<sup>31</sup> Except the initial stage, India and Bangladesh relations had been marred by many bilateral controversial issues. Even being the founder member of SAARC, and since 1985 SAARC itself had not been able to create harmony between both the countries.

### **3.7 India- Nepal: Napping Bilateral Relations**

Nepal and India due to their geographical proximity share many identities like historical, cultural, religious, civilizational and social bonds. Historically, Nepal was being ruled by Rana oligarchy till 1950 when there was a revolution in which the Nepalese people and King Tribhuvan participated, succeeding in overthrowing the Ranas and bringing democracy to the country (Roy, 2011). The conclusion of “Peace and Friendship Treaty” on July 31, 1950 was the initiative to strengthen the relations between India and Nepal. The Treaty provided that “neither govt. shall tolerate any threat to the security of the other by a foreign aggressor,” and the two countries promised to “consult each other and devise effective counter-measures” in case of any threat from a third country (Ranjitkar, 2010). The relationship was further cemented by the conclusion of a Treaty of Trade and Commerce signed on the same day. Nepal

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<sup>31</sup> “Bangladesh used as Heroin Trafficking Routes” available at <http://www.bnionline.net/index.php/news/narinjara/3719-bangladesh-used-as-heroin-trafficking-routes.html> retrieved on 07-09-2013.

was granted preferential economic treatment and same economic and educational opportunities for the citizens of Nepal in India.<sup>32</sup>

The difficult phase of Indo-Nepal relations began with the coming into power of King Mahendra in 1955. He was of pro-Chinese attitude and with the rise of Chinese power in Tibet, the situation for India-Nepal relations changed largely. Tensions came up when in 1970s Nepal pressed for amendments in the trade and transit treaty signed in 1961 and openly criticised Sikkim's 1975 merger with India to counter growing Chinese aggression, which it considered as part of Greater Nepal. However, India provided much more needed economic assistance to Nepal but the demands for withdrawal of Indian personnel from Northern check posts and its military liaison group in Kathmandu were made public. This happened soon after the visit of Foreign minister Dinesh Singh's visit in 1969. In 1975, King Birendra proposed that Nepal be recognized internationally as a zone of peace and China and Pakistan supported Nepal's proposal. The continuous demand for amendments in the Trade and Transit agreement by Nepal led to the segregation of Trade and Transit Treaties in 1978. At the time of renewal of these two treaties in 1988, Nepal refused to accept India's wishes, which caused India to call for a single Trade and Transit Treaty. Nepal reacted harshly which resulted in crisis in Indo-Nepal relations and economic relations blockade that lasted till 1990. India was dissatisfied with Nepal's acquisition of Chinese weaponry as it goes against the Treaty of 1950 (Mishra, 2004).

India-Nepal relations generally remained cordial since introduction of multiparty democracy in 1990. The relations dropped again in 2005 when King Gyanendra, a pro-Chinese, came to the throne. Maoist violence went on increasing and non-Maoist parties started movements for the restoration of democracy. The relations were normalized in 2006 when democracy was restored.

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<sup>32</sup> Available at <http://share.pdfonline.com/0271013d5bb9467db3a9bbb3b7e9e217/FINAL.pdf> accessed on 08-09-2013.



### 3.8 India-Sri Lanka: Souring Relations

India's relations with all its neighbors are strained and stressful. Each neighbor poses a consistent security threat to India. However, relations with Sri Lanka have remained cordial except few issues like Tamilian problem in Sri Lanka. In the 1980s, ethnic conflict accelerated between Sri Lankan Sinhalese in the South and Sri Lankan Tamils in the North. Tamil separatists were believed to have received funding, training and weaponry from the India and private sources (Manogaran, 1993). Growing Anti-Tamil violence in Colombo in 1983 prompted India to intervene in the conflict but could not control the fast deteriorating situation. India intervened directly by providing food supply and medicine in view of Sri Lankan government's economic blockade, to reclaim control over Jaffna region. In July 1987, Rajiv Gandhi and Jayawardene entered into a peace accord that assigned a certain degree of regional autonomy in the Tamil areas (Samarasinghe, 2003). Further, India sent a peace keeping force (IPKF) to neutralize the Tamil separatists, to establish order, new administrative bodies, hold elections and to repatriate Tamil refugees in India and Sri Lanka. The accord also prohibited the military use of Sri Lankan ports or broadcasting facilities by external powers. The Liberation Tigers of Tamil Eelam (LTTE), the most militant separatist group, refused to disarm, and Indian troops sustained heavy casualties while failing to destroy the LTTE. In June 1989, newly elected Sri Lankan president Ranasinghe Premadasa demanded the withdrawal of the IPKF. Despite the tensions between the two countries created by this request, New Delhi completed the withdrawal in March 1990.<sup>33</sup> Withdrawal of IPKF angered the LTTE and consequently, Rajiv Gandhi was assassinated on May 21, 1991 and the LTTE was alleged to be the perpetrator. As a result India declared the LTTE to be a terrorist outfit in 1992. A major issue of current concern is the issue of fishermen pending since 1984, but the two governments have not made sincere attempts to resolve it. Following the recent violent incident in 2011 in which two Indian fishermen were killed in two separate incidents, both the governments seem to have taken the issue seriously. The 3<sup>rd</sup> Meeting of the

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<sup>33</sup> India and Sri Lanka after the LTTE, Asia Report, Jun 2011 available at: <http://www.crisisgroup.org/en/regions/asia/south-asia/sri-lanka/206-india-and-sri-lanka-after-the-ltte.aspx>

India-Sri Lanka Joint Working Group on fisheries was organized on March 28-29, 2011 in Delhi after 5 years, where both sides reiterated the high priority given by their respective governments to issues of fishermen and their livelihood (Wedagedara, 2013).

Bilateral relations improved in the 1990s, as the govt. attempted to expand diplomatic, economic, cultural and scientific cooperation. There is growing relationship between the two countries with the commonality of the safety and security of their sea-lanes of communication. Trade between the two increased from a modest US\$ 658 million in 2000 to US\$ 3020 million in 2010.<sup>34</sup> In 2010, India emerged as the largest investor in Sri Lanka. The two countries are committed to continue dialogue on security and defense issues of relevance to their bilateral relationship. In October 2010, four Indian naval ships- INS Tir, INS Shardul, INS Tarangini and INS Varuna visited Sri Lanka on an invitation of Sri Lankan Navy and participated in a series of special training programmes.<sup>35</sup> India and Sri Lanka has agreed to finalise an agreement providing for comprehensive cooperation in Agriculture. India has acceded to Sri Lanka's request for in terms of technical assistance to the Ten Year Presidential Initiative to steer Sri Lanka towards a trilingual society by 2020, which includes teaching of Tamil language in Sri Lanka. A delegation from the Ministry of Human Resource Development visited Sri Lanka during 12-17 November and identified areas of cooperation (Sultana, 2011). The Central Institute of Indian Languages; Mysore is helping the Sri Lankans in this regard.

However, again in the recent past, bilateral relations became tense on account of changing dynamics of regional geopolitics. Chinese strategic presence and involvement in the up gradation of Hambantota port and many other multimillion-dollar projects is causing serious security concern for India. In post-LTTE period, Sri Lanka is trying to cooperate with both China and India with balance tilted in favour of China.

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<sup>34</sup> Impact of FTA on Bilateral Trade, High Commission of India available at <http://www.hcicolombo.org/page/display/79/48>

<sup>35</sup> Indian Naval Ships in Sri Lanka, The Hindu news available at <http://www.thehindu.com/todays-paper/tp-international/indian-naval-ships-in-sri-lanka/article822801.ece>. Accessed on 08-09-2013.

### 3.9 India's Relations with Bhutan and Myanmar

India's relations with Bhutan have remained cordial since the independence of India. The Treaty of Friendship 1949 between India and Bhutan had called for peace between the two nations and non-interference in each other's affairs. Bhutan was also agreed to be guided by India in its external and defence relations (Ramachandran, 2007). The period under consideration has witnessed the enhancement of multifaceted relationship between both the countries including military and economic and Bhutan has benefitted in many ways and in many areas by Indian economic aid.

Bhutan shared a long border with China and in order to protect its unity and integrity, Bhutan aspired for importing arms, which was restricted by Article VI of the Treaty of 1949. Notwithstanding, Bhutan repetitively articulated its aspiration to revise this treaty for its own independent defence and foreign policy<sup>36</sup>. Coincidentally, some other stands of Bhutan on international issues like joining United Nations in 1971, establishing diplomatic relations with Bangladesh in 1971-72 without India's approval partly soured the bilateral relations. At 1979, Havana Non-Aligned Summit, Bhutan took a different position on the Kampuchean issue, which was contrary to Indian stand, further fainted the bilateral relations.<sup>37</sup> The un-demarcated borders between the two countries have also been remained one of the important factors for uneasy bilateral relationship until 1984.

With the end of the monarchy in Bhutan in the year 2008, the new government had made efforts to normalize relationship with India on mutual trust and understanding. King of Bhutan Jigme Khesar Namgyel Wangchuk visited India in February in 2007, and this visit has provided an opportunity to discuss bilateral political and economic issues and other issues of mutual interest. Indian Prime Minister Manmohan Singh had honour to address to the first session of democratically elected Parliament of Bhutan on May 16-17 2008. During his address, he was committed to

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<sup>36</sup> Ibid.

<sup>37</sup> World Security Network, "India, Bhutan: No more unequal treaties" available at <http://www.worldsecuritynetwork.com/India/Ramachandran-Sudha/India-Bhutan-No-more-unequal-treaties>.

help out Bhutan to double the target of hydropower development in Bhutan to 10,000 MW for export to India by 2020 (*Annual Report 2008-09-Ministry of External Affairs*, 2009). Government of India provided assistance for the construction of first rail link between India and Bhutan. Establishment of prestigious Nehru-Wangchuk scholarships for Bhutanese students, Rupees 15 lakhs grant by Indian External Affairs Ministry in 2011, visit of Bhutan king to India as a Chief Guest on the 64<sup>th</sup> Republic Day Celebrations (January 2013) preceded by Salman Khurshid's visit to Bhutan (14-15 January 2013) are some major landmarks to boost bilateral relations (*Annual Report of Ministry of External Affairs*, 2013).

### **3.10 Maldives- Indian Marring Image**

Maldives is strategically located in Indian Ocean, which is lifeline of Indian economy. India was one of the first nations to extend diplomatic recognition to Maldives in 1965. Since 1980's, the bilateral relations moved forward without any odds. The two countries settled their maritime borders in 1976 and signed a trade agreement in 1981. Maldives is also a founding member of SAARC and one of the signatories of the South Asian Free Trade Agreement and the South Asian Economic Union. The relations between the two deepened from 1988 following the India's intervention to crush a coup directed against the Maldivian government by the Tamil militants of People's Liberation Organization of Tamil Ealam. India provided immediate military assistance under the code name "Operation Cactus" to Maldivian president Abdul Gayoom in restoring the government (Gupta, 2012). From 1988 onwards, India provided training and assistance to Maldives in the fields of security, health, Infrastructure development, Telecommunications, disaster relief, civil society development, civil aviation and labour resources .

The State Bank of India provided an aid of US \$ 500 million in the development program including island resorts, export of marine products and business enterprises of the country. India established the Indira Gandhi Memorial Hospital in Male, expanded telecommunications and air links and increased scholarships for Maldivian

students. India provided a disaster relief to the tune of 363.9 million rupees to Maldives when the country was affected by a Tsunami in December 2004. In 2008 following the presidential elections in Maldives, India donated electronic voting machines worth 15 million rupees (*Annual Report of Ministry of External Affairs*, 2013). In November 2009, Suzlon Energy of India signed a MoU to set up a 25 MW wind farm at an investment of US \$ 40 million in the Southern province of Maldives. In July 2010, the Bomidala Infrastructure of India signed an agreement for a 25 MW solar project in the upper southern province. India extended a credit facility of US \$ 100 million to Maldives during president Nasheed's visit to India in 2008. In 2010, the Export import Bank of India extended its first Line of Credit (LOC) to the Maldives worth 40 million US dollars for the construction of 500 housing units. During the visit of Indian Prime Minister Manmohan Singh in Male in 2011, a Standby Credit Facility to the tune of US \$100 million was extended to Maldives (Mullen, 2013). Defense minister A. K Antony inaugurated "SENAHIYA" the Maldives National Defense Force (MNDF) Hospital in Male during his visit from 15-17 September 2012, and laid the Foundation Stone for the MNDF Composite Training Centre. In April 2012, India-Maldives Joint Coast Guard Exercises 'DOSTI-XI' were broadened with the inclusion of Sri Lanka, held off the coast of Male. Also, the Joint Military Exercise-EKuverin-IV- between the armies of the two countries took place in Belgaun (India) in November 2012 (*Annual Report of Ministry of External Affairs*, 2013).

The relations between the two countries, which remained undisturbed, fell into crisis in 2012 with the change of Maldives Head of the State in which Mohammad Waheed Hassan ousted Mohammad Nasheed. India was informed only after the fact, and Prime Minister Manmohan Singh was disastrously advised to immediately endorse the new government. United States also backed the new government and China which stayed out of the political situation, has engaged with the new government strategically and economically to the tune of millions of dollars in deals. The relations experienced a strain when the new government throws away the GMR Air port contract besides the Maldivian president reiterated that the decision would not affect the bilateral relations. This resulted in the freezing of US \$ 25 million

commitment by India. In addition, construction and other infrastructural commitments faced uncertainty from Indian side. In totality, India recognized the new president Waheed, described the change as an internal matter despite Nasheed's claims as a coup against him, and promised to extend all possible support to Maldives (Haidar, 2013).

### **3.11 Perception of India's Neighbors**

India is holding a key strategic position in South Asia with regarding its economic, political and strategic perspective. Militarily, India is relatively in better position over the other South Asian countries. Same case goes with the economic perspective and its economy is very stronger in South Asia. It is endowed with rich mineral resources while also holding a strategic location in the Indian Ocean. It has also vast geographical features, mass population as well as a major pool of HRD. Because of this strength and while having many controversial issues with its neighbours, they perceived that it could work as a regional bully. Its smaller neighbors have repeatedly responded in similar ways in their bilateral engagements with India. So the perception of insecurity in relation to India have resulted in aggressive posturing by countries still struggling with issues related to the formation of national identity and state consolidation. Many of the issues such as territorial disputes, sharing of river waters and maritime resources, imbalances in trade are often considered as threat perceptions. These issues have largely shaped the general perception and the prevalent social and political narratives about India in much of its immediate neighborhood. As Defence Minister AK Antony said while Addressing the Seventh South Asia Conference on "India and South Asia: Exploring Regional Perceptions" at the Institute for Defence Studies and Analyses on 30 October, 2013, "India's natural predominance in the region due to its larger size and economy "is viewed with concern in some states". "Such concerns about Indian intentions are far from real and often misplaced. He further said, "We hope that the perception about India will change gradually, as we make earnest efforts to build trust and mutual confidence"<sup>38</sup>.

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<sup>38</sup> ("Ties with some neighbours problematic: Antony," 2013) Available at: [http://www.business-standard.com/article/news-ians/ties-with-some-neighbours-problematic-antony-113103000454\\_1.html](http://www.business-standard.com/article/news-ians/ties-with-some-neighbours-problematic-antony-113103000454_1.html)

The surrounding countries of India like Pakistan, Bangladesh, Sri Lanka, Burma, Nepal and Bhutan are not in any aspect at par with India. Natural resources in these countries also do not make them competitive. India dominates the whole South Asian region geographically, demographically and economically. By the virtue of its size, location and economic potential, India assumes a natural leadership role in the region. However, the dominant presence of India with capabilities for global leadership has been a source of apprehensions for the neighbouring countries. The fact for this dominant presence is that India shares common borders with almost all of its neighbours and none of them has common borders with each other as K. M Pannikar said, "It is because of rich geographical features of India, landlocked countries like Nepal and Bhutan can hardly survive economically without India's cooperation. Pakistan and Bangladesh also are dependent on India for water supply (Singh, 2009).

India possesses the leadership qualities and capabilities in the region, but her South Asian neighbors accused her of exercising hegemony. They perceive that India desires to elevate its status in international arena, which means India's desire, and claim for a permanent seat in UN Security Council. Another perception is that India poses a nuclear threat to South Asian region. This became clear when Pakistan's late President Zia-ul-Haq and Foreign Minister Yaqub Khan conveyed to India's other neighbors that Pakistan's acquiring of nuclear weapons capacity would guarantee the security of South Asian as well as Southeast Asian (Muslim) countries against any Indian threat. However, the fact is that the neighbours wanted both Pakistan and India to disown the acquisition of nuclear weapons capacity. One more perception is that India with its huge resources, technological and economic capacities desires to dominate and capture the economies of other South Asian countries. This was clearly visible in the refusal of Pakistan to establish trade relations with India. Bangladesh was also reluctant to allow transit facilities for Indian goods to Northeastern states of India or through its port of Chittagong. Also in Nepal for frequent controversies about bilateral trade and transit relations; and in Sri Lanka being cautious about Indian investment in its economy. India's involvement with regard to the liberation movement of Bangladesh in 1971, the ethnic crisis in Sri Lanka, attempted military coup in

Maldives in 1988, big brotherly attitude with Nepal, huge spending on military buildup, Civil Nuclear Deal with US are cited as illustrations of India's dominance in the region.

These countries look upon India as a threat that India would dominate their decision making power in international environment. India with all these resources and power is seen as an expansionist. The suspicion and dissatisfaction among India's neighbors spoiled the bilateral tone among these countries. These unfavourable situations were exploited by some external powers in general and China in particular. In addition, South Asian countries started searching for the alternative, which would ensure minimum possible security against India. At this point, China, which is India's archrival, finds an opportunity to get in and establish its footprints in India's neighborhood and China's presence in Indian neighborhood is always welcome. This serves China's objectives both strategically and economically. Strategically, China pursued the objective to contain India within the region and to strengthen itself by supporting and assisting India's neighbors. The situation has favored China because India has bilateral disputes with almost each of its neighbours. Economically, to exploit the resources of these countries and capture the major market for Chinese goods in India as well as in South Asian countries, which has turned a reality since last decade. China's tangible presence in South Asian region to meet their requirements has resulted in the waning of India's influence in its neighborhood. Moreover, India's neighbors feel very convenient to resort to Chinese card in order to keep a balance with India. China besides a member in the United Nations Security Council has often participated in discouraging India's development in military, or its permanent membership of the UNSC or in the Indo-Pak Wars or even the increasing friendly relations of India and US. China has always remained committed to provide millions of dollars whenever they meet an opportunity. Some of the initiatives taken by India's neighbors that clearly depict their deviation from India include

Taking away of the control of Male airport from Indian consortium and handing over the contract to China; signing of military agreement by Col. Nazim of Maldives and Chinese Defense Minister Liang Guanglie, with China more than \$ 3 million free



defense aid.<sup>39</sup> The fact that the Indian government tried to intercede, even threaten the Maldivian government, and failed, is an indicator of the loss in India's influence in this island nation. Maldives also reached out to US, which has been keen to set up a base on the southern atoll of Gan.<sup>40</sup> In Myanmar as pro-democracy leader Aung San Suu Kyi entered Parliament, India won no praise from Ms Suu Kyi, who made a point of visiting Europe and the U.S. before coming to New Delhi, and spoke of her "disappointment with India" for engaging with the military junta in the intervening years (Kaur, 2013). China has dominated the economy of Myanmar for the past decade, and now it is United States as it lifted sanctions. Concerning Sri Lanka, where India is largest investor and trading partner, the year 2012 saw a deep division in the relations as India voted against Sri Lanka at the U.N. Human Rights Council.<sup>41</sup> In contrast, China stood by backing Sri Lanka. In Nepal, India did not succeeded in helping the country in the government formation, writing of the constitution. Investments had fallen, India lost the bids for Kathmandu airport, and passport printing, while China bagged the country's biggest investment project, The West Seti Hydro Power Plant, meant to supply electricity to India (Dahiya & Behuria, 2012). Even Bhutan, a country with which India's relations have been untroubled, took initiatives out of India's shadow by standing for a U.N. Security Council seat on its own in 2012, a bid it lost. In Bangladesh, India's image is diminishing because India has not kept its promises on many occasions that are swap of land enclaves, Teesta agreement for water, not ratifying the 1974 treaty even after Bangladesh had ratified it.

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<sup>39</sup> In the neighbourhood, it's 'India fading', The Hindu, available at <http://www.thehindu.com/todays-paper/tp-opinion/in-the-neighbourhood-its-india-fading/article4267216.ece>. Accessed on 17-09-2013.

<sup>40</sup> Available at [http://strategicstudyindia.blogspot.in/2013\\_01\\_03\\_archive.html](http://strategicstudyindia.blogspot.in/2013_01_03_archive.html) accessed on 17-09-2013.

<sup>41</sup> The Hindu, "India votes for resolution against Sri Lanka" available at <http://www.thehindu.com/news/international/india-votes-for-resolution-against-sri-lanka/article3150059.ece> accessed on 17-09-2013.

## CHAPTER 4

### INDIA CHINA BILATERAL IRRITANTS: INSECURITY CALCULUS

China and India are world's oldest known civilizations and have co-existed in peace for centuries and cultural and economic relations between these two countries date back to ancient times. The Silk Road had served as a major trade route between both the countries. This route was also credited for facilitating the expansion of Buddhism from India to many parts of the world. After the establishment of People's Republic of China on 1<sup>st</sup> October 1949, India was the first non-communist country to establish an Embassy in Peoples Republic of China (PRC) and second non-communist country to accord recognition to it (Backus, 2002). On 1 April 1950, India became the first non-socialist bloc country, to establish diplomatic relations with the People's Republic of China. During the initial years, both the countries shared good terms. However, the initial crescendo lost its warmth soon after the Bandung Conference of 1955. Both the countries continued to aspire the leadership of region as well as beyond the region.

Contemporary relations between India and China have been marred by border disputes resulting in major military conflicts — the Sino-Indian War of 1962, the Chola incident in 1967, and the 1987 Sino-Indian skirmish.<sup>42</sup> Even diplomatic relations have remained fractured. Since late 1980s, the two countries have attempted to strengthen diplomatic and economic ties and achieved a little success. Presently, both economies are emerging at the global level and even it can be said that China has emerged as India's largest trading partner and the two countries have attempted to extend their strategic and military relations.<sup>43</sup> Notwithstanding, these growing economic and strategic ties, there are several bilateral irritants leaving indelible imprints on the existing ties. In addition to this, leadership aspirations to act at regional as well as global level among both the countries are also haunting the bilateral relationship. India

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<sup>42</sup> Available at <http://www.newindianexpress.com/magazine/Face-offs-post-1962/2013/09/15/article1782657.ece#.UvsBNmKSzS4> accessed on 07-10-2013.

<sup>43</sup> China's Emergence as India's Largest Trade Partner, available at <http://www.ipcs.org/article/china/chinas-emergence-as-indias-largest-trade-partner-2517.html>, accessed on 07-10-2013.

and China strategically and economically are emerging on the international scene. The 21<sup>st</sup> century is being recognized as Asian Century because of rising of these two economic giants. Competition is going between both the countries to expand their influence in the South Asian region as well as beyond. It is well known that some bilateral controversial issues between India and South Asian countries had provided China a fertile ground to expand its influence in South Asia.

Even before their independence, China had never accepted the British-negotiated boundary agreements with British. This particular case, despite improving economic relations in the present time, has not been able to see its solution. The communist government took over in 1949 and soon after this Chinese authority was established in Tibet, reasserted in Xinjiang, as well as Chinese forces penetrated into the northeastern parts of Ladakh. This was done in order to build a military road through the Aksai Chin plateau area (completed in 1956–57) to provide better communication between Xinjiang and western Tibet (Chansoria, 2011). These developments on the part of China embittered the bilateral relations. In order to normalize bilateral relations, Chinese Premier Zhou En lai visited India in June 1954. The prime point of the visit was the ratification of the Sino-Indian Agreement on Trade and Intercourse between Tibet and India, which was signed earlier in April, the same year (Das, 2011). Under this agreement, India gave up all the extraterritorial rights enjoyed in Tibet by the British Government of India and recognized that the Tibet was a region of China. The agreement laid down regulations for trade and intercourse across the border. It also specified trade agencies, markets and pilgrim routes across the border. Later, Prime Minister Nehru visited China in October 1954 where he took up the question of some maps in which he had shown some part of Indian Territory as Chinese territory. India made utmost efforts to maintain the friendly relations with China in the backdrop of which Zhou-En-Lai visited India for the second time in 1956. This visit was reciprocated with the return visit of India's Vice-President S. Radhakrishnan to China in 1957. The deteriorating situation in the border led Dalai Lama-spiritual leader of Tibet, to flee to India in 1959 and India provided refuge to him. This incident raised a wave of anger among Chinese authorities. The relations

reached the lowest point when Chinese forces crossed the McMahon Line<sup>44</sup>, which was recognized neither by Republic of China nor by its successors<sup>45</sup>. An open but brief war took place between the two in which India was humiliated. A truce with Chinese three-point proposal followed the war, according to which both the parties agreed to respect the Line of Actual Control and withdraw 20 kilometers from LAC.

These tense relations continued till late 1970's after that some efforts were taken by both sides to normalize relations and the first step in this direction was restoration of ambassadorial relations in August 1976. India appointed K.R. Narayanan, the distinguished diplomat, as Ambassador to China. Diplomatic relationship was followed by the visit of Atal Behari Vajpayee, the External Affairs Minister of India of the erstwhile Janata Government, in February 1979. The Chinese Foreign Minister Huang Hua paid a return visit to India in June 1981. During the visit of Prime Minister Rajiv Gandhi to China in 1988, both sides agreed to develop and expand bilateral relations. It was also agreed to establish a Joint Working Group (JWG) - to seek fair, reasonable and mutually acceptable solution on the boundary question - and a Joint Economic Group (JEG)<sup>46</sup>. Premier Li Peng had visited India in December 1991. Prime Minister Narasimha Rao visited China in September 1993. The Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control (LAC) in the India - China Border Area was signed during this visit. The agreement provided both sides to respect the status quo on the border, clarify the LAC where there are doubts and undertake CBMs.<sup>47</sup> A milestone in the military relationship between the two countries was achieved with the visit of Sharad Pawar, the then Defence Minister to China in July 1992. It was the first ever visit by a Defence

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<sup>44</sup> The McMahon Line is a line agreed to by Britain and Tibet as part of the Simla accord, a treaty signed in 1914. It is the effective boundary between China and India, although its legal status is disputed by the Chinese government.

<sup>45</sup> Available at: <http://www.grin.com/en/e-book/204647/cooperation-without-trust-india-china-relations-today>, accessed on 06-10-2013

<sup>46</sup> Available at: [http://www.indianembassy.org.cn/Sub\\_DynamicContent.aspx?MenuId=36&SubMenuId=0](http://www.indianembassy.org.cn/Sub_DynamicContent.aspx?MenuId=36&SubMenuId=0) accessed on 06-10-2013

<sup>47</sup> "India-China Bilateral Relations", Embassy of India, Beijing available at [http://www.indianembassy.org.cn/Sub\\_DynamicContent.aspx?MenuId=36&SubMenuId=0](http://www.indianembassy.org.cn/Sub_DynamicContent.aspx?MenuId=36&SubMenuId=0), accessed on 08-10-2013.

Minister of India to China (Das, 2013). During the visit, it was agreed to develop academic, military, scientific and technological exchanges between the two countries. It is also believed that during Indian Defence Minister Sharda Pawar's visit, the Chinese military leadership emphasized the importance of force reduction in the border region due to the prohibitive costs. This visit laid the ground for the signing of the Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border area on 7th September 1993, during the visit of the then Prime Minister P.V. Narashima Rao (Das, 2010). President R. Venkataraman paid, as first Head of State-level visit to China in 1992 and President Jiang Zemin visited India in November 1996. During his visit, four agreements signed during the visit included the one on CBMs in Military Field along the LAC covering adoption of concrete initiatives between the two militaries to enhance exchanges and to promote cooperation and trust.<sup>48</sup>

This growing relation was jolted by the nuclear tests by India conducted in 1998. Referring to India's nuclear tests, Chinese Foreign Ministry spokesperson Zhu Bangzao said that the government "expresses grave concern about India conducting nuclear tests." Zhu said, Indian nuclear testing "runs against international trend and is detrimental to the peace and stability of the South Asian region." On 13 May, the Chinese government stated that it was "shocked and strongly condemns" the Indian nuclear tests and called for the international community to "adopt a unified stand and strongly demand that India immediately stop development of nuclear weapons."<sup>49</sup> These reactions on the part of China negatively shaped the bilateral relations. In order to pacify with China, External Affairs Minister Jaswant Singh visited China in 1999 and both sides reiterated that neither country is a threat to each other. The officials from foreign ministries of both the countries held the first round of security dialogue in

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<sup>48</sup> "India-China Bilateral Relations", Embassy of India, Beijing available at [http://www.indianembassy.org.cn/Sub\\_DynamicContent.aspx?MenuId=36&SubMenuId=0](http://www.indianembassy.org.cn/Sub_DynamicContent.aspx?MenuId=36&SubMenuId=0), accessed on 08-10-2013.

<sup>49</sup> 'World Reaction to the Indian Nuclear Tests' available at [http://cns.miis.edu/archive/country\\_india/reaction.htm](http://cns.miis.edu/archive/country_india/reaction.htm), accessed on 08-10-2013

March 2000.<sup>50</sup> India and China concluded a broader trade protocol to add a border crossing between Sikkim and Tibet Autonomous Region. Prime Minister Vajpayee visited Beijing in 2003 and both sides issued a declaration defining principles for bilateral relations and comprehensive cooperation. Without repeating the history, India confirmed its recognition of the Tibetan Autonomous Region as an integral part of the PRC (Li, 2010). In the year April 2005, a joint statement was signed between premier Wen and Prime Minister Dr. Manmohan Singh for establishing a strategic and co-operative partnership for peace and prosperity. The cooperation also indicated to avoid confrontation and intensify economic interaction.<sup>51</sup>

Many high-level exchange visits took place between India and China to normalize their bilateral relations. In November 2006, Chinese President visited India and both sides issued a joint declaration containing a “Ten-pronged Strategy” to enhance cooperation in all areas (Bhasin, 2006). After the three years, Indian Prime Manmohan Singh, paid a visit to China in 2008 and during his visit, a joint document entitled “A Shared Vision for 21<sup>st</sup> Century of the Republic of India and People’s Republic of China” was issued, emphasizing on enhancing relations covering international and bilateral issues. Indian Prime minister also visited China in Oct, 2008 to participate in the 7<sup>th</sup> Asia-Europe Summit held in Beijing on 24th and 25 October. The President of India has also visited China from 26-31 May 2010 and along with the Chinese Vice President Xi Jinping, attended the reception to mark the 60<sup>th</sup> anniversary of diplomatic relations jointly organized by Chinese People’s Association for Friendship with Foreign Countries (CPAFFC) and the Embassy of India. Indian President’s visit was reciprocated by the visit of the Chinese Premier Wen Jiabao paid a three-day official visit to India from 15-17 December 2010. During his visit to India, six agreements were signed including cultural exchange, green technologies, media exchanges, hydrological data and banking. Also, during the visit, a bilateral trade

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<sup>50</sup> ‘India-China Relations’ available at <http://publishedforscholar.wordpress.com/2006/12/18/page/2/> accessed on 10-10-2013

<sup>51</sup> Sino-India relations in good shape: Chinese premier. (2006, June). *Rediff.com*. Retrieved from <http://www.rediff.com/news/2006/jun/26china.htm>

target of \$US 100 billion which is to be reached by 2015.<sup>52</sup> Indian National Security Advisor, Shri Shiv Shankar Menon visited Beijing as Special Envoy of PM in July 2010 and later visited in November to hold the 14th round of Special Representative talks on India-China boundary question on 29-30 November 2010. In 2012, several important bilateral dialogue mechanisms held their meetings. National Security Advisor met with Chinese State Councilor, Dai Bingguo for the 15<sup>th</sup> Round of the Special Representative Talks in New Delhi in January. At the conclusion of this round, the two countries reached a consensus to set-up the Working Mechanism for Consultation and Coordination on India-China Border Affairs; which has already met twice.<sup>53</sup> In December, National Security Advisor visited Beijing to hold an informal round of border talks. The Second Round of the Strategic and Economic Dialogue was held in Delhi in November 2012 ("India-China Political Relations," 2012). The Chairman of the National Development and Reform Commission of China, Zhang Ping co-chaired the Dialogue with Deputy Chairman Planning Commission. A strategic economic dialogue and CEO forum was established and 2011 was declared as year of "India-China Exchange". The two sides signed four Governments-to- Government and seven business related MoUs worth over US\$ 5.2 billion during this dialogue<sup>54</sup>. In August, the Chinese Commerce Minister Chen Deming travelled to India for the ninth Meeting of the Joint Economic Group. In September 2011, External affairs Minister met with Chinese Foreign Minister as part of BRICS (Brazil, Russia, India, China and South Africa) meeting on the sidelines of UNGA (United Nations General Assembly). Both ministers instituted dialogue mechanisms on issues relating to counter-terrorism, policy planning, security, water resources, judiciary, science and technology, audit, personnel, finance, labor etc. There was expansion of exchanges at the government levels, parliamentary and party levels. There are regular party-to-party exchanges between Communist Party of China (CPC) and political parties in India (Ratha & Mahapatra, 2012). India and China have stepped up functional cooperation in all

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<sup>52</sup> India-China Bilateral Relations. (2012), (January 2002). Retrieved from <http://www.mea.gov.in/Portal/ForeignRelation/China-January-2012.pdf>

<sup>53</sup> China, India Hold 15th Round of Special Representatives Talks on Border Issues in New Delhi," 2012 Available at: <http://www.mfa.gov.cn/ce/cedk/eng/TourChina/t897571.htm> accessed on 11-10-2013

<sup>54</sup> Available at: <http://www.docstoc.com/docs/160500876/China-January-2012> accessed on 11-10--2013

areas. The two foreign ministries have instituted dialogue mechanisms on issues relating to counter-terrorism, policy planning and security, besides strategic dialogue and regular consultations. There are also close cooperation in areas as diverse as water resources, judiciary, science & technology, audit, personnel, finance, labour etc.

External Affairs Minister, Shri Salman Khurshid, paid an official visit from 9-10 May 2013 and met with Premier Li Keqiang, State Councillor Yang Jiechi and Foreign Minister Wang Yi. He also met with his Chinese counter-part Wang Yi in Brunei on the sidelines of the ARF Foreign Ministers Meeting on 2 July 2013<sup>55</sup>. In return, Mr. Li Keqiang, Premier of the State Council of the People's Republic of China paid a State visit to India (Delhi-Mumbai) from May 19-21, 2013. During this visit, the two sides signed eight agreements and released a Joint Statement. The first meeting of the India-China CEO's Forum was also held during this visit. Raksha Mantri Shri A.K. Antony paid a three-day official visit to China from 4-7 July 2013. He held delegation level talks with his counterpart Gen. Chang Wanquan and also called on Premier Li Keqiang. A Joint Statement was also released during the visit on 6 July.<sup>56</sup>

India-China political relations are enhanced and strengthened by various mechanisms. China realizes that India has also risen as a strong power and will continue to grow. It has acquired its status in G-8 and G-20. Both have made some efforts to generate a positive atmosphere for the 15th round of negotiations on boundary dispute that began nearly a decade ago but have not flourished because of a series of diplomatic skirmishes in recent years. National Security advisor Shivshankar Menon showed up at the Chinese embassy in Delhi to underline the strong commitment of the UPA government to elevate the bilateral relationship with china.

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<sup>55</sup> India-China Relations, 2014 Available at:  
[http://www.mea.gov.in/Portal/ForeignRelation/China\\_January\\_2014.pdf](http://www.mea.gov.in/Portal/ForeignRelation/China_January_2014.pdf)

<sup>56</sup> Available at: <http://in.china-embassy.org/eng/xwfw/zqwx/P020130604001329762487.pdf>



#### **4.1 Bilateral Irritants**

Despite the fact that relations between the two countries at political, and economic level never ceased to grow- even more growth is recorded in terms of trade and commerce, but there persisted continuous misperceptions from both sides. Some external dynamics had left critical impact on bilateral relations, which include territorial dispute, nuclear support to Pakistan, strategic activities in POK, militarization of Tibet, military infrastructure along the Indian border were some of the important internal irritants, which are working against the cordial relations between India and China. Simultaneously, India's Look East Policy, Indo-US Nuclear Deal, Nuclear Proliferation were taken by China against her interest.

#### **4.2 Territorial Dispute**

This is the longest pending border dispute in the history of these two nations. The dispute relates mainly to McMohan Line in Northeast and Ladakh in North West. In the initial years of communist revolution, China had not raised any boundary question. When Chou-En-Lai visited India in 1956, he assured Nehru that McMohan Line was acceptable to him but India was shocked when Chou-En-Lai wrote a letter to Nehru on January 23, 1959 claiming thousands of square miles of Indian Territory. He argued that Sino-Indian boundary had "never formally delimited" and that the so-called "McMohan Line was a product of British Policy of aggression against the Tibet region of China." China considered the McMohan Line as illegal (Sali, 1998). The claim was raised at the time when Tibet had been fully integrated with China. Chinese troops had been posted all along the Sino-Indian border, and 110-mile long road had been constructed in Aksai Chin area. Tensions started mounting in the two countries and China started intrusions in the Indian Territory. The continued hostility and deterioration of relations resulted in a full-fledged war on 20 October 1962. China launched a pre-emptive offensive marking the start of the Sino-Indo border war. The war ended with China's victory and unilateral ceasefire on 22 November 1962. After the war Sino- India, relations remained frozen until the late 1970s.

**Figure 4.1**

**Current and Claimed borders of both China and India**



Source: The Economist, 2012

Despite various constraints, both sides made efforts to normalize bilateral relations. However, the efforts never fructified for one reason or the other. The countries restored ambassadorial relations in 1976 and India began to show willingness to resolve the border disputes through peaceful negotiations. Chinese incursions in Vietnam during 1979 especially at a time when India's then Foreign Minister Atal Behari Vajpayee was in Beijing had many negative repercussions on India–China relations. However, the attempt was made once again by the officials of both the countries to resolve the unsettled boundary issue. It could not reach to a bilateral consensus and did not yield the desired result (Kumar, 2010). In 1981, China's Vice Premier and Foreign Minister Huang Hua visited India, and this led to both countries making a decision to hold talks on border issues.<sup>57</sup> Despite the sixteen rounds of talks from 1981 to 2012, it became impossible for both the countries India and China to reach to a logical conclusion. At the 16<sup>th</sup> round of talks, which were

<sup>57</sup> Five sub-groups were set up in a number of fields including scientific, technological, cultural and economic during Huang Hua's visit. It was done mostly to improve the atmosphere and inculcate positive mindsets in both the countries so that the process of economic interaction and exchange can soften the process of bilateral relationships

meant for discussing border issue, the focus shifted from the actual process of negotiation to finding ways to strengthen mechanisms in place in order to ensure that incidents such as the April 15 incursion by Chinese troops in Depsang, in eastern Ladakh, do not recur.

Rajiv Gandhi's visit to China in December 1988, proved a very significant in bilateral relations. During this visit, the ongoing border talk between countries was raised to a higher level. The five-day visit proved to be of great significance because both the nations agreed to promote bilateral cooperation on a number of areas including science and technology, civil aviation and cultural exchanges. The hallmark of the visit was the creation of Joint Working Group (JWG) for resolving the boundary issue. The larger objective of the JWG was to articulate each other's concerns and analyze the options available before both the countries. At the same time, the objective was also to ensure the maintenance of peace and tranquility across the border during the negotiations process. Since the creation of JWG in the year 1988, 13 rounds of border talks have been organized so far (Kumar, 2010). However, unfortunately nothing concrete has happened in terms of resolving the border issue. The bilateral momentum has, however, been built but of no great significance and impact. What has happened in the last more than two decades that both the countries have been talking routinely not only on border issues but also exploring the mechanisms by which both economic and cultural engagement takes a robust shape and the bilateral relationship is given a broader base.

With frequent visits from leaders of both countries, bilateral relations improved throughout the early 1990s. In 1993, both countries signed an agreement to ensure peace along the LAC, and three years later, in December 1996, a further agreement was signed to establish confidence-building measures in the military field along the LAC. However, the flourishing bilateral relationship was strained when India conducted nuclear tests in 1998. Despite this setback, however, bilateral talks on border issues continued.

During the visit of then Prime Minister Vajpayee to China in June 2003, the two governments signed an agreement of which the significant was India's formal acceptance of the Chinese claims on Tibet. The agreement also include the opening of the Nathu-La for trade, as well as the start of meetings between special representatives of China and India on the Boundary Issue (Zhang & Li, 2013). 15th round of meeting between special representatives of China and India on the Boundary Issue was held on 16 January 2012 in New Delhi (Panda, 2011). State Councilor Dai Bingguo and Indian Special Representative, National Security Advisor Shivshankar Menon had an in-depth discussion on issues related to maintaining peace and tranquility in border areas of the two countries. Both sides expressed willingness to carry forward the process of framework negotiation under the agreement of political guidelines in resolving boundary questions, seeking fair and proper solutions acceptable to both sides. Until today, Sino-India border talks are ongoing, and no consensus has been achieved yet. During the rounds of talks up to some extent they pacified and are committed to resolve the issues through peaceful negotiations. However, no breakthrough on border disputes has been made through negotiations yet. The Sino-India border dispute is still the biggest obstacle to good and stable bilateral relations and poses a threat to regional and global peace and stability.

In recent years, there have been increasing media reports from both sides of intrusion along the border. Both countries have been beefing up their military presence along the border. On the one hand, China has established sophisticated military infrastructure in Tibet Autonomous Region ( TAR) adjoining India that include, five fully operational air bases, several helipads, an extensive rail network, thirty thousand miles of roads giving China ability to rapidly deploy 30 division of 15000 soldiers each day along the border<sup>58</sup>. Such developments of China has prompted India to enhance the security along the border. India has also upgraded its military presence near the eastern border. A five-year expansion plan to induct 90,000 more troops and deploy four more divisions in the eastern sector is underway. There are 120,000 Indian troops stationed in the eastern sector, supported by two Sukhoi-30 MKI squadrons from

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<sup>58</sup> Available at: <http://www.worldaffairsjournal.org/article/china-and-india-today-diplomats-jostle-militaries-prepare> accessed on 14-09-2013

Tezpur in Assam (Malik, 2012). Two more Sukhoi-30 MKI squadrons are in the process of being inducted into the air force structure in the eastern sector. In May 2013, right after Chinese Premier-Li Keqiang's visit to India, India decided to press ahead with the creation of a mountain strike corps along the China border. Indian Ministry of Finance has approved the proposal, signaling that India will not hold back on its military expansion effort (Goswami, 2013).

The threat to security of each other has generated a fierce competition for the military buildup of each country along the border which in turn has burdened the economy of each country. Both countries assign massive currency to the defence sector, leaving the other social developments to suffer.

#### **4.3 China-Pakistan Alliance**

Since Pakistan is India's staunch enemy right from its birth in 1947. Pakistan fought four wars with India and lost all of them with disgrace. Since then the unending rivalry has led Pakistan to frame counter strategies and alliances to be at par with India. China has always remained anxious of India's rising power both at regional as well as global level. In order to contain India at the local level, China kept India entangled at regional level. For that, China found it convenient to ally with Pakistan, India's archrival as well as posed double-sided challenge (East and West) to India. The Sino-Pakistan military alliance in particular, the nuclear and missile nexus has embittered the relations between India and China. India's ex-Foreign Minister Sinha attributed Beijing's nuclear assistance to Pakistan as the root cause of "deficit of trust" between the two countries (Ghoshal, 2013). China's nexus with Pakistan outweighs any advantages of a closer relationship with India because of Pakistan's vital importance to China's energy security by providing access to naval bases in Persian Gulf. It ensures military security by keeping India's military engaged on its western frontiers. Geopolitical importance lies in the location of Pakistan at the intersection of South Asia, Central Asia, and the Middle East. Pakistan helps to maintain national unity and territorial integrity of China by maintaining control over Tibet and Xinjiang. It

helps China to pursue maritime strategy in the Indian Ocean by operating in the port of Gwadar and as a staunch diplomatically in international forums, including the Islamic world. Pakistan is also a buyer and supplier of conventional and unconventional weaponry, and above all, as a powerful bargaining chip in China's relations with India and the United States. China's strategic proximity with Pakistan, nuclear weapons technology support, strategic activities in POK, Karakoram Corridor and latest infrastructure capacity building were some of the important serious concerns for India.

#### **4.4 Indian Maritime Security Challenge**

Both China and India face growing demand for energy resources to sustain their fast growing economies. Both countries do not have required resources and the dependence has created a fierce competition between the two to secure energy resources particularly oil and gas fields in Russia, Burma, Iran, Iraq, Sudan, Vietnam, and Libya. Competition between India and China has also intensified in Central and Southeast Asia as both views these regions as vital sources of natural resources and markets for their goods. China has an upper hand in the competition because of its huge cash reserves (about US\$ 32, 54,674 million) in 2011. Nearly 70 percent of China's trade is through the Strait of Malacca, the Indian Ocean, and the Suez Canal (Zubir, 2004). China has advanced its strategy to protect the Sea Lines of Communications (SLOC's) from Indian and American threat. China is now laying the groundwork for a naval presence along maritime chokepoints in the South China Sea, the Malacca Straits, the Indian Ocean, and the Strait of Hormuz in the Persian Gulf, through acquisition of naval bases in Cambodia, Burma, Bangladesh, Sri Lanka and Pakistan- a strategy popularly known as "String of Pearls."<sup>59</sup> Indian analysts consider this strategy as an encirclement of India by China thus straining the relations between the two.

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<sup>59</sup> **The String of Pearls** refers to the network of Chinese military and commercial facilities and relationships along its sea\_lines\_of\_communication, which extend from the Chinese\_mainland to Port Sudan.

In reaction, India has made defense cooperation with Iran, Oman, and Israel in the west while upgrading military ties with Burma, Singapore, the Maldives, Thailand, Vietnam, Taiwan, the Philippines, Australia, Japan, and United States in the east. India's new naval doctrine is to influence events around the Indian Ocean and beyond. As part of its "Look East" strategy, India has concluded over a dozen defense cooperation agreements in the last decade and the Indian Navy has been holding joint naval exercises with Japan and Southeast Asian countries at regular intervals. A new potentially divisive issue appears to be the ecological impact on the Indian subcontinent of Chinese plans to divert Tibet's rivers to irrigate China (Malik, 2004). China's proposal to divert the waters of rivers originating in Tibet, including the Tsangpo, to fulfill the demands of its drier northeastern region have been worrying India in recent times. China's plan to divert the Yarlung Tsangpo River will have a major bearing on the flow of the Brahmaputra's water, leading to a water crisis in India's northeastern region.

#### **4.5 Proliferation of Nuclear Weapons**

Geographically and demographically, China is the largest country. Also strategically and militarily, China is more powerful in Asia. Because of this, it is aspiring for regional as well as global leadership and to achieve this, defense capacity is considered as one of the best measure to achieve this. Consequently, the first nuclear test was conducted in 1964 and since then nuclear and missile proliferation has been growing exponentially. At the same time, China has provided nuclear weapons to Pakistan by citing Indian threats. On the one hand, it is expanding and improving its nuclear weapons and on the other hand, it wanted a complete rollback of India's nuclear weapons program and unconditionally participate in the Comprehensive Test Ban Treaty (CTBT) and the Nuclear Non-Proliferation Treaty (NPT) as a Non-Nuclear Weapons State. China has also consistently rejected India's proposals for bilateral nuclear confidence-building measures (CBMs).<sup>60</sup> What irks New Delhi most is that even as China demands India's denuclearization, Beijing continues

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<sup>60</sup> Available at: [http://www.fas.org/irp/nic/china\\_wmd.html](http://www.fas.org/irp/nic/china_wmd.html) accessed on 15-09-2013

to proliferate in violation of its legal commitments under the Non Proliferation Treaty. The offer of a second Chinese nuclear reactor to Pakistan despite growing international concern over Islamabad's troubling nuclear proliferation record is a case in point. Also, China has enormously helped Pakistan towards development of Ballistic Missile Program-Shaheen-1, 2 and Ghori-1, 2 (Malik, 2004). China has criticized angrily India's Agni-5 (5000 km range) nuclear capable missile testing in April 2012. These instances have created an atmosphere of mistrust between the two.

#### **4.6 Shelter to Tibetan Nationals and Dalai Lama**

When China occupied Tibet in 1950, India opposed the Chinese occupation. Soon India changed its stance and went for cooperation with China. Soon after, in 1954, the two countries signed an agreement in 1954 famously known as Panchsheel agreement and India accepted the Chinese suzerainty over Tibet. Suddenly, in November 1959, Chu-en-lai wrote a letter to Prime Minister Nehru in which he claimed thousands of miles of territory from India and declared MacMohan Line as a policy of British imperialism. By the time anti-China uprising was going on in Tibet. China brutally crushed the revolt and the spiritual leader Dalai Lama sought refuge in India along with his monk followers. India provided shelter to Dalai Lama and his followers. This action on the part of India generated anguish among Chinese government for India.

As long as fires of Tibetan nationalism burn in Tibet and a diaspora of over 100,000 Tibetans, mostly well educated and politically aware, with Dalai Lama providing a focus, shelter in India, China will view India with grave suspicions. There is no way by which India can succeed in removing such mistrust from the Chinese mind. While the resulting state of unease may not lead to a war as in 1962, it certainly blocks progress on the border settlement and withdrawal of territorial claims such as over Arunachal Pradesh and Aksai chin.



#### **4.7 India-US alliance**

China's core concern is maintaining its integrity, territorial or otherwise, while it moves dynamically forward to build up its economic, political and military strengths. It seems that its strongest challenges will emanate from the US, seen to be encircling it from all directions with the help of its allies in order to promote democratic system within China as well as to loosen its hold over Tibet and Xinjiang. The U.S.-India nuclear deal 2005, carved out an exception for India from American law prohibiting commerce in civil nuclear energy with a non-signatory of the Nuclear Non-Proliferation Treaty (NPT), became a very strong irritant between India and China. The last minute push of the Bush Administration to gain an unconditional exemption for nuclear commerce with India from the Nuclear Suppliers Group (NSG) exacerbated China's suspicions that closer U.S.-India friendship was aimed at containing China's rise. Between 2002 and 2010, India and the United States carried out fifty joint military exercises. Since 2008, India has signed arms deals with the United States worth \$8.2 billion (Frankel, 2011b). China's Ministry of Foreign Affairs pressed India for an explanation, even suggesting that an Asian NATO was in the offing. This exaggerated response coincided with a much more aggressive Chinese claim to the disputed northeast border along the McMahon Line and the Line of Actual Control (LAC). China wants to ensure that no lending hand is given to the US by India. It seeks to achieve this objective by keeping India off balance. It has developed Pakistan as its Israel against India, extending nuclear and missile technology, all directed 100% against India.

#### **4.8 China's Defense Forces Modernization: Concern for India**

China's growing military influence in South Asia and in the Indian Ocean region has exacerbated serious security concerns for India. China is twinkling as an influential actor in Asia having the ability to shape the power balance of Asia in future. China is consistently building its national power together with military capabilities, to boost its

greedy assertions. What is more fascinating about China is her double-digit growth in military budget for over two decades, which crossed \$100 billion mark in 2012-2013. China strengthens her strategy of military buildup, not only because of India's military modernization and existing capabilities, but also because of India- US collusion- which China thinks in the long run could challenge China's regional and global aspirations for pre-eminence (Wei, 2011). China's long-term, comprehensive military modernization is improving the PLA's capacity to conduct high-intensity, regional military operations, including— anti-access and area denial (A2AD) operations. The terms —anti-access and area denial refer to capabilities that could be employed to deter or counter adversary forces from deploying to, or operating within, a defined space.

The PLA is acquiring large numbers of highly accurate cruise missiles, many of which have ranges in excess of 185 km. This includes the domestically-produced, ground-launched DH-10 land-attack cruise missile (LACM); the domestically produced ground- and ship-launched YJ-62 anti-ship cruise missile (ASCM); the Russian SS-N-22/SUNBURN supersonic ASCM, which is fitted on China's SOVREMENNY-class DDGs acquired from Russia; and, the Russian SS-N-27B/SIZZLER supersonic ASCM on China's Russian-built, KIL0-class diesel-electric attack submarines. By December 2010, the PLA had deployed between 1,000 and 1,200 short-range ballistic missiles (SRBM) to units opposite Taiwan. To improve the lethality of this force, the PLA is introducing variants of missiles with improved ranges, accuracies, and payloads. China is developing an anti-ship ballistic missile (ASBM) based on a variant of the CSS-5 medium-range ballistic missile (MRBM). Known as the DF-21D, this missile is intended to provide the PLA the capability to attack large ships, including aircraft carriers, in the western Pacific Ocean. The DF-21D has a range exceeding 1,500 km and is armed with a maneuverable warhead. China is modernizing its nuclear forces by adding more survivable delivery systems. In recent years, the road mobile, solid propellant CSS-10 Mod 1 and CSS-10 Mod 2 (DF-31 and DF-31A) intercontinental-range ballistic missiles (ICBMs) have entered service. The CSS-10 Mod 2, with a range in excess of 11,200 km, can reach most locations within the continental United

States. China may also be developing a new road-mobile ICBM, possibly capable of carrying a multiple independently targetable re-entry vehicle (MIRV).

Since the 1990s, the PLA Navy has rapidly transformed from a large fleet of low-capability, single-mission platforms, to a leaner force equipped with more modern, multi-mission platforms. In contrast to the fleet just a decade ago, many PLA Navy combatants are equipped with advanced air-defense systems and modern ASCMs, with ranges in excess of 185 km. These capabilities not only increase the lethality of PLA Navy platforms, particularly in the area of anti-surface warfare (ASuW), but also enable them to operate beyond the range of land-based air defenses. The PLA Navy possesses some 75 principal surface combatants, more than 60 submarines, 55 medium and large amphibious ships, and roughly 85 missile-equipped small combatants.<sup>61</sup> The PLA has now completed construction of a major naval base at Yulin, on the southernmost tip of Hainan Island. The base is large enough to accommodate a mix of attack and ballistic missile submarines and advanced surface combatants, including aircraft carriers. Submarine tunnel facilities at the base could also enable deployments from this facility with reduced risk of detection.

**Table 4.1**  
**Military power of the People's Republic of China**

Type	2007	2008	2009	2010	2015	2020
Nuclear Ballistic Submarines	2	2	2	3	3-5	4-5
Nuclear Attack Submarines	5	5	6	6	6-8	6-9
Diesel Electric Submarines	53	54	54	54	57-62	59-64
Aircraft Carriers	0	0	0	0	1	1-2
Destroyers	25	29	27	25	28-32	30-34
Frigates	47	45	48	49	52-56	54-58
Corvettes	0	0	0	0	20-25	24-30
Amphibious Ships					53-55	50-55

<sup>61</sup> Warship Modernisation, available at <http://www.globalsecurity.org/military/world/china/plan-mod.htm> accessed on 17-10-2013.

Tank Landing Ships	25	26	27	27		
Medium Landing Ships	25	28	28	28		
Coastal Patrol (Missile)	41	45	70	85	85	85
Total					305-329	313-342

Source: Global Security.Org

China's aircraft carrier research and development program includes renovation of the ex-VARYAG, which began sea trials in 2011, although without aircraft. It will likely serve initially as a training and evaluation platform, and eventually offer a limited operational capability. China began construction of a fully indigenous carrier in 2011, which could achieve operational capability after 2015. China likely will build multiple aircraft carriers with support ships over the next decade. China currently has a land-based training program for carrier pilots; however, it will still take several additional years for China to achieve a minimal level of combat capability on an aircraft carrier.

The PLA Navy is improving its over-the-horizon (OTH) targeting capability with sky wave and surface wave OTH radars. In combination with early-warning aircraft, unmanned aerial vehicles (UAVs), and other surveillance and reconnaissance equipment, the sky wave OTH radar allows the PRC to carry out surveillance and reconnaissance over the western Pacific. The OTH radars can be used in conjunction with reconnaissance satellites to locate targets at great distances from the PRC, thereby supporting long-range precision strikes, including employment of ASBMs. China continues to produce a new class of nuclear-powered ballistic missile submarine (SSBN). JIN-class (Type 094) SSBNs will eventually carry the JL-2 submarine-launched ballistic missile with an estimated range of some 7,400 km. The JIN and the JL-2 will give the PLA Navy its first credible sea-based nuclear capability. In the field of air defence, in January 2011 flight test of China's next generation fighter prototype, the J-20, highlights China's ambition to produce a fighter aircraft that incorporates stealth

attributes, advanced avionics, and super-cruise capable engines over the next several years.<sup>62</sup>

China is upgrading its B-6 bomber fleet (originally adapted from the Soviet Tu-16) with a new, longer-range variant that will be armed with a new long-range cruise missile. The PLA Air Force has continued expanding its inventory of long-range, advanced SAM systems and now possesses one of the largest such forces in the world. Over the past five years, China has acquired multiple SA-20 PMU2 battalions, the most advanced SAM system Russia exports. It has also introduced the indigenously designed HQ-9. China's aviation industry is developing several types of airborne early warning and control system (AWACS) aircraft. These include the KJ-200, based on the Y-8 airframe, for AWACS as well as intelligence collection and maritime surveillance, and the KJ-2000, based on a modified Russian IL-76 airframe. (Cordesman et al., 2012)

Regarding ground forces, PLA has about 1.25 million ground force personnel approximately 400,000 of whom are based in the three military regions (MRs) opposite Taiwan. China continues to modernize its large ground force. Much of the observed upgrade activity has occurred in units with the potential to be involved in a Taiwan contingency. Examples of ground unit modernization include the Type 99 third-generation main battle tank, a new-generation amphibious assault vehicle, and a series of multiple rocket launch systems. In October 2010, the PLA conducted its first Group Army-level exercise, which it called —Mission Action (Shiming Xingdong). The primary participants from the Beijing, Lanzhou, and Chengdu Military Regions practiced maneuver, ground-air coordination, and long-distance mobilization via military and commercial assets as they transited between MRs. Given that these MRs are located along China's land borders, the exercise scenario was likely based on border conflict scenarios. In addition to providing large-scale mobility and joint experience, the exercise allowed PLA command staff to test their ability to plan and execute a large joint campaign while practicing communication between command

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<sup>62</sup>(*Military and Security Developments Involving the People's Republic of China*, 2011) Available at: [http://www.defense.gov/pubs/pdfs/2011\\_cmpr\\_final.pdf](http://www.defense.gov/pubs/pdfs/2011_cmpr_final.pdf)

elements across dispersed forces. This skill is critical to responding to crises along China's periphery. (Cordesman et al., 2012)

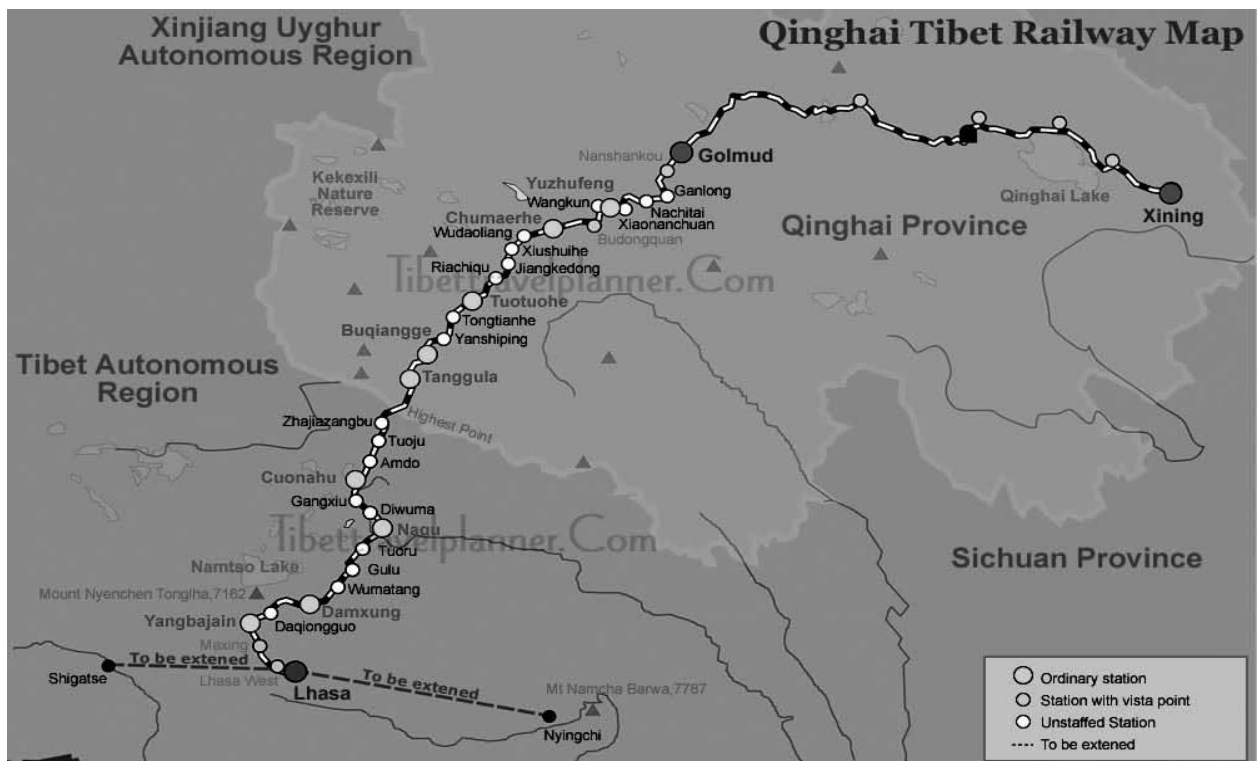
#### **4.9 Insecurity Calculus**

China's military modernisation along Indian borders has created serious concerns for India, as China is heavily involved in military infrastructure buildup along Indian borders in north and northeastern side of the country. Such a massive buildup has stimulated the Indian policy makers, defence analysts, who continuously reiterate that such speedy developments could be harmful to India in case of any misperception on any issue of the two countries. The Indian defense minister, A.K. Antony, recently informed the Indian Parliament about rapid developments being undertaken by China in Tibet, in terms of rail, road, airfield, and telecommunications infrastructure (Kanwal, 2011). China is also involved in similar developments in Nepal and most importantly in Gilgit-Baltistan region of Pakistan occupied Kashmir. The developments are implicitly termed as India centric by Indian security and military officials.

Tibet has assumed added importance in the China's strategic calculations in terms of military infrastructure buildup that include railways, roads, airfields and telecommunication links, which has deeply added to the concerns of India. The developments such as construction of rail links from Lanzhou to Kashi and onto Lhasa, that facilitate easy movement of strategic resources between the Chengdu and Lanzhou military regions bordering India. China constructed a railway line from Golmund to Lhasa known as Qinghai-Tibet Railway (QTR) at a staggering cost of \$ US \$4.2 billion and became operational on May 01, 2006 (Chansoria, 2011). Later on, China increased the capacity of Golmund-Lhasa rail line that will enable China to mobilize as many as twelve PLA divisions over a four-week period (Kanwal, 2011). China has also unveiled plans to extend the Chinese National Rail Network to the border with India. The railway line would likely reach the Tibetan town of Dromo near Nathu La and Sikkim. Further, up to US \$1.2 billion is expected to be invested in building new rail lines in the Tibetan region in the coming decade, including a line

extending west from Lhasa to Shigatse and another heading east from Lhasa along the Yarlung Tsangpo river (Brahmaputra) to Nyingchi (Kongpo). The line to Dromo/Yatun will be an extension of the Lhasa-Shigatse line. Significantly, the double guaging of the railway line from Lanzhou to Golmud will extend to the Lanzhou MR, greatly enhancing the Chinese operational logistic capacity. China has also created a network of roads in the Tibet region that strategically connect the border areas with India like Nepal, Bhutan, and Pakistan.

**Figure 4.2**  
**Extended Golmund-Lhasa Railway Route**



Source: [www.tibettravelplanner.com](http://www.tibettravelplanner.com)

In order to meet the challenges and complexities of force application on high-altitude terrain, the PLA is constructing hyperbaric Chambers to facilitate instant acclimatization of troops brought from lower regions. China is also building the first batch of oxygen-enriched troop barracks at Nagchu Military Sub-Command at a height of 4500 meters. Defence Minister A.K Antony acknowledged that China has developed

a 58,000-km road network and constructed five operational airfields Gonggar, Pangta, Linchi, Hoping, and Gar Gunsa.<sup>63</sup> This program of upgrading its airfields along with the development of advance landing grounds largely increases the potential of Chinese air forces in Tibet region. Construction of new airfields and the up gradation of Advanced Landing Grounds (ALGs) and helipads in and around the TAR (coupled with acquisition of new transport aircraft) is likely to enhance China's strategic airlift capability. China has also deployed rapid reaction forces along the India-Tibet region.<sup>64</sup> Some reports have confirmed that Chinese have located RRF's with special emphasis on each mountainous region and the nature of threat associated with it. Taking the account of such conditions, China has stationed one Motor Infantry Division in the Chengdu mountainous region and two Infantry Divisions with one Motor Infantry Division in the Lanzhou mountainous region as rapid reaction units with special reference to India. These groups have been trained to rapidly climb mountains and can swiftly adapt to extreme weather conditions (Allen et al., 1995). According to the Tibetan Government-in-Exile in Dharamsala, the estimated number of troops in Tibet stands at about 500,000 in the form of the People's Armed Police, the Chinese Frontier Guards and the Garrison Duty Forces. China is engaged in upgrading its net-centric warfare capability and has installed 58 very small aperture terminal satellite stations, and has spread its fibre-optic communications network. The reports are also that it has laid a fibre-optic network in all 55 counties of Tibet Autonomous Region (TAR) including border areas of Ali and Chamdo (Chansoria, 2011). Such connectivity will help in the battlefield command systems and turns the cyber warfare balance in PLA's pocket.

China has increased the level of military exercises in Tibet to get them prepared better. These sophisticated exercises display the Chinese capacities in field integrated command platforms. In November 2011 the PLA for the first time rehearsed capture of mountain passes in Tibet at heights over five thousand meters with the help of

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<sup>63</sup> 'Antony says India will match Chinese military infrastructure buildup' Defence Forum India available at <http://defenceforumindia.com/forum/china/27320-antony-says-india-match-chinese-military-infra-buildup.html> accessed on 21-10-2013.

<sup>64</sup> A small, but concentrated high-tech force perfectly suited for flexible use especially in the case of regional contingencies is termed as a Rapid Reaction Force (RRF).



armored and airborne troops in a live military exercise (Sahgal, 2012). The exercise also involved massed rocket and artillery fire that displayed a vertically launched joint-attack rocket and missile system for precision attacks equipped with terminal guidance sensors. In live firing drills, the PLA Air Force has been employing multirole, air superiority J-10 fighters in a ground-attack configuration using conventional and laser-guided bombs. These exercises define the seriousness of Chinese preparedness along the Indian border.

In the words of Brahma Chellaney, no country is going to be more affected by the Chinese plans and projects in Tibet than India. He stated that the Golmund-Lhasa railway line has augmented China's rapid military deployment capability against India, just when Beijing is becoming increasingly assertive in its claims on Indian territories.

## **CHAPTER 5**

### **CHINESE STRATEGIC FOOTHOLD IN SOUTH ASIA: CONCERN FOR INDIA**

Undoubtedly, there is an India angle to China's relations with South Asia. According to Srikanth Kondapalli, "it can be inferred that China seeks to strengthen 'against-India' regions in order to challenge India's supremacy in South Asia" (Aneja, 2006).

China has been taking an increasingly active interest in South Asian countries over the past years, seeking to rally friendship and support in order to surpass India's dominance in the region. In addition, China has huge strategic interests and security concerns in the south Asian region. Therefore, China needs an approach to, properly handle the relationship with South Asian countries as a whole in order to ensure its own strategic and security interests to handle relations with contiguous countries, maintain peace and tranquility along the borders, and strive to resolve the outstanding border dispute as soon as possible. Based on this understanding, the Chinese government is bound to take a prudent policy on the border issues.

#### **5.1 Chinese Foray in South Asia**

Taking into consideration the issues of strategic importance, China has provided added importance to this region in its foreign policy goals. In pursuit of such strategic aims, development assistance has been a key component of China's efforts to engage South Asian Countries which have been facing difficulties in addressing infrastructure deficits due to paucity of resources. China has responded positively to their needs and become a major player in infrastructure development in South Asia. In the process, it has also been able to consolidate its strategic objectives of developing economic links with South Asia (and probably into West Asia in future) and projecting a benign image across the region.

China has made inroads in the South Asian countries in recent years by taking advantage of their hunger for the development of their infrastructure and their

requirement of financial assistance for major infrastructure projects and for the exploitation of their natural resources. Now China, India's main political rival, is entering its neighboring markets more aggressively through both trade and investment, economic assistance popularly known as Soft Power.<sup>65</sup> Chinese economic engagement in South Asia has grown quickly in recent years. Trade expanded from approximately \$40 billion to \$85 billion from 2006 to 2011, bilateral investment grew even more quickly, rising from \$500 million in 2005 to \$2.8 billion in 2010. These increases create opportunities for growth and development as a wider variety of exports flow from China into the region, and as Chinese outward direct investment improves infrastructure and creates jobs (Brunjes et al. 2013). This involvement may hinder India's own engagement with these neighbors in terms of trade, investment and other bilateral issues. Thus, India may suffer easy economic losses in its neighborhood, which automatically may challenge India's regional dominance.

Among South Asian countries, China directly shares borders with India, Pakistan, Nepal, Bhutan, and Afghanistan. Bangladesh, Sri Lanka, Maldives are geographically distanced from China, with no territorial dispute. Mostly, China has no contentious issues with south Asian countries except India and a little with Nepal, while India has border dispute with many of its neighbors. India's contentious issues with its neighbors favored China to consolidate and strengthen its position in India's neighborhood. China's policy in South Asia involves mixture of strategic and opportunistic dimensions. While working cautiously to achieve long-term strategic objectives and consequently not missing short-term opportunities that come the way.

## **5.2 China-Pakistan Forever Friendship**

China has given highest priority to the relations with Pakistan keeping in mind the long-term strategic and economic objectives there. The diplomatic ties were established in 1951 and were not consistent until 1960. It was only after the 1962 war between India and China, the dynamics of relationship between China and Pakistan

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<sup>65</sup> Soft power is a concept developed by Joseph Nye of Harvard University to describe the ability to attract and co-opt rather than coerce, use force or give money as a means of persuasion

changed. During the war, US supported India, which was considered as a betrayal by Pakistan on the part of US. This souring of US-Pakistan relations gave opportunity to China to strengthen relations with Pakistan (Kemenade, 1965). Soon China and Pakistan signed two landmark agreements on trade and territory, and agreed to jointly construct the Karakoram Highway linking northern Pakistan to western China. Strategically, China believes that a military conflict with India could be prevented only by strong military capability in Tibet and a strong Pakistani military capability in the nuclear and conventional fields, which means keeping India entangled in two fronts-west and east. China is singularly responsible for making Pakistan a standalone nuclear power besides continuously arming it with conventional weapons to India's discomfiture. China is known to have provided direct assistance to Pakistan for its nuclear weapons program, including nuclear warhead designs and enough HEU (highly enriched uranium) for at least two nuclear bombs (Mian, 2012). China is increasingly controlling investment and major infrastructure projects in Pakistan, Sri Lanka, Nepal, Myanmar and Afghanistan. This has been a cause of security concern for India.

In 2011, China and Pakistan celebrated 'Friendship Year' and marked 60 years of diplomatic ties with high-profile state visits, multi-billion-dollar economic deals, the announcement of joint infrastructure projects and joint military exercises (Kabiraji, 2012). China is known to have provided assistance and transferred dual-use technology and materials for the development of nuclear weapons to Pakistan. The Beijing-Islamabad "proliferation nexus" began in the early 1980s, when China provided Pakistan with a tested blueprint of a 20-kiloton nuclear bomb, along with weapons-grade uranium for two bombs, neutron initiators and other materials. In the 1990s, the Chinese government transferred M-9 and M-11 ballistic missiles and components for the Shaheen family of intermediate range ballistic missiles. In the 1990s, China extended nuclear assistance to Pakistan, with the construction of a 40-Megawatt unsafeguarded thermal heavy water reactor at Khusab, to generate weapons grade plutonium. China also supplied the 300 MW pressurized water reactor (PWR) at Chashma that gave Pakistan the technological capacity to produce small, light and more powerful warheads that can be fitted to strategic 500-kilometer range cruise

missiles under production. This assistance to Pakistan was completely aimed at India. When China became a member of the NSG in 2004, it successfully claimed the right to build a second PWR at Chashma under the NSG's "grandfather" provisions by asserting that Chashma 2 was covered under the earlier nuclear agreement with Pakistan. The Chashma 2 nuclear power plant, adjacent to the Khusab site, will be able to produce enough plutonium for forty or fifty nuclear weapons a year.<sup>66</sup> China continued its support to Pakistan's nuclear capabilities as was evident in March 2010 when one of Beijing's state companies signed an agreement to supply Chashma 3 and 4, two PWRs of 320 MW capacity, arguing the sales were also "grandfathered" by the agreements to build Chashma 1 and 2. Nuclear experts rejected this rationale as a "blatant disregard of international guidelines (Frankel, 2011a). U.S. intelligence assessments in January 2011 concluded that, Pakistan has deployed nuclear weapons numbering 110, overtaking India and is now on course to become the fourth largest nuclear weapons state ahead of France (Frankel, 2011b). China expedited the delivery of 50 additional JF-17 fighter jets to Pakistan after the death of Osama bin Laden, assisted Pakistan in building its first indigenously built frigate a month later and in August 2011 launched a communications satellite for Pakistan. China has transferred M-9 and M-11 nuclear-capable ballistic missiles and has facilitated the transfer of Taepo Dong and No Dong ballistic missiles from North Korea to Pakistan. China and Pakistan have jointly developed a fighter aircraft – JF-17 Thunder/ FC-1 Fierce – and a main battle tank – Al Khalid, besides other military hardware like anti-tank missiles. The scope for joint production has also created unease in India's security establishment, as it is a cost-effective means of enhancing Pakistan's military capacity and capabilities. In January 2012, the Chinese Ambassador to Pakistan underscored the country's strategic importance by declaring it 'the fulcrum of Asia (Shaukat, 2013). Pakistan and China carry out military exercises every two years and have tested their capacity to conduct operations from a joint-command centre, including simulation of large-scale intelligence gathering by Chinese and Pakistani troops, and search-and-destroy missions. China has "guaranteed Pakistan's territorial

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<sup>66</sup> Khusab Plutonium Plant Can Produce 50 Bombs per Year," *Times of Kabul*, 6 October 2010, Available at <http://www.timesofkabul.com/?p=290>. Accessed on 07-10-2013.

integrity” and in the words of the leaders of the two countries, their friendship is “higher than the mountains and deeper than the oceans.

Sino-Pakistani economic relations are based, first, on economic development aimed at keeping Pakistan stable to avoid any fallout spilling into Xinjiang; and, second is to secure access to crucial maritime routes to secure China’s energy supplies through the Strait of Hormuz and the Persian Gulf and to get access to the energy resources in Pakistan particularly in Balochistan province. The latter would also allow China to diversify its energy routes by bypassing Indian and US influence in the Indian Ocean and the South China Sea. A third consideration is that investing in Pakistan also keeps perceived Indian ambitions in check, as Indian and US observers become more concerned about Chinese maritime ambitions regarding the ‘String of Pearls’ – a reference to ports in Pakistan, Sri Lanka, Bangladesh and Burma (Myanmar) that are available for China to use.

China is interested in Pakistan’s trade and energy corridor, from the Gwadar (in Balochistan) port of Pakistan to the Western regions of China, which would connect China with oil routes in Western Pakistan. Pakistan allowed some 7,000 to 11,000 Chinese troops to enter Pakistan-administered Kashmir, and the disputed Gilgit-Baltistan region to assist in the construction of a high-speed rail and road link from eastern China to the Chinese-built naval port of Gwadar in Baluchistan, east of the Persian Gulf.<sup>67</sup> This route is short, secure and can serve as an alternative to the sea route through the pirate prone Straits of Malacca, where China currently transports most of its crude oil imports. Financed mainly by low-cost loans from China’s Exim Bank, infrastructure projects to widen the Karakoram Highway and link roads, extend rail lines, construct bridges and hydropower dams and expand telecommunications coverage employ about 122 Chinese companies (Jain, 2010). Private sectors in both countries have made important joint ventures, including the economic zone in Pakistan between the Haier (China) and Ruba (Pakistan) groups. China’s engineering feat in constructing the highest railway in the world over the Karakoram mountains to Tibet,

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<sup>67</sup> Pak Handing over De-facto Control of Gilgit Region to China,” *Zee News*, 28 August 2010, Available at [http:// www.zeenews.com/news651367.html](http://www.zeenews.com/news651367.html). Accessed on 09-10-2013

and the construction of modern roads and high-speed rail links to Gwadar, with plans for pipelines carrying natural gas and oil, could serve the strategic interests of both Pakistan and China, connecting the Middle East, Pakistan, China and Central Asia into a 21st century version of the silk route. China is now building two major hydro projects in POK (\$ 1.5 billion) over the river Neelum.<sup>68</sup>

China's cumulative bilateral assistance to Pakistan between 2004 and 2009 totaled \$217 million (an average of \$36 million per year), and was often driven by disaster relief.<sup>69</sup> Among South Asian countries, Pakistan has been the major beneficiary of such assistance in energy, physical infrastructure and mining for projects taken up under the Pakistan-China Joint Five Year Economic and Trade Cooperation Plan. As of 2011, China provides financing to Pakistan in the form of grants, concessional loans, preferential buyer's credit, and export and buyer's credit, amounting to \$1.75 billion. The current level of Chinese development assistance to Pakistan is around US\$21 million.<sup>70</sup> Pakistan's railway development in particular is progressing with active Chinese support following the agreement signed in 2007 between Pakistan Railways and Dong Fang Electric Supply Corporation for linking Havellian and Khunjerab (Haide, 2007). Better rail connectivity within Pakistan works to China's strategic advantage by providing it faster access to energy-rich Central Asia and the Persian Gulf states. By 2010, it was estimated that the total Chinese investment in heavy engineering, power generation, mining, and telecommunications was around \$15 billion. It is estimated that around ten thousand Chinese experts, engineers and workers are engaged in 120 projects in Pakistan. The deepening of the China-Pakistan alliance in scores of bilateral accords, pacts and MOUs for cooperation in space, defense, technology, infrastructure and trade was on full display during Premier Wen Jiabao's December 2010 visit to Pakistan. Wen characterized the

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<sup>68</sup> An Overview of Emerging Chinese Security Threats in Indian Context, Available at: <http://asifahmed081.blogspot.in/2012/08/an-overview-of-emerging-chinese.html>

<sup>69</sup> Available at: <http://www.cgdev.org/section/initiatives/active/pakistan/numbers>. accessed on 09-10-2013

<sup>70</sup> Available at: [http://www.thaindian.com/newsportal/business/china-rains-aid-ahead-of-nepal-pms-visit\\_100181708.html](http://www.thaindian.com/newsportal/business/china-rains-aid-ahead-of-nepal-pms-visit_100181708.html) accessed on 11-10-2013

relationship as going beyond bilateral cooperation to exert influence on broader regional and international issues (Kronstedt, 2009).

### **5.3 China's Strategic Foothold in Bangladesh**

China and Bangladesh established diplomatic relations three decades ago. Despite the dynamic changes in both countries domestic politics as well as in international arena, the cooperation between the two has intensified and endured. China remained a reliable partner of Bangladesh and extended diplomatic, economic and military support to Bangladesh. Premier Wen Jiabao during his visit to Bangladesh in April 2005 said that China and Bangladesh was committed to establishing “a comprehensive and cooperative partnership of long-term friendship, equality and mutual benefits.” From the Bangladesh side too, it was reiterated in a similar spirit that Premier Wen's visit constituted “a renewal, a revival and a reaffirmation of a time-honoured friendship between the two countries.” China and Bangladesh have intensified their bilateral cooperation in areas such as trade, investment and infrastructure development. During Prime Minister Khaleda Zia's visit to China in 1995, important accords were signed concerning Chinese assistance in the development of gas and energy resources, and management of water resources (Kibria, 2006) . Also Prime Minister Begum Khaleda Zia's visit to China in December 2002 was a significant landmark in bilateral relations; three treaties and a Memorandum of Understanding were signed covering military, economic, and technological cooperation between the two countries (Aneja, 2006). Alongside, “strategic location, regional connectivity and worldwide access, growing local market and growth, proven export competitiveness, advantageous trading agreements, attractive business and investment climate, competitive cost base, fiscal and non-fiscal incentives and export processing zones” are important factors that attract Chinese investments to Bangladesh (Board of Investment, Bangladesh 2011). Until 2010, China's investments in Bangladesh are not noteworthy. Between 1977 and 2010, China invested only US\$ 250 million .However, in 2011 alone, it invested some US\$ 200 million (Islam, 2013) . It is also notable that China was the third-largest investor in Bangladesh after Saudi Arabia and South Korea in the year 2009-2010 recording 12 projects amounting US\$21 million. Most Chinese



projects in Bangladesh fall in either the infrastructure or the service sectors<sup>71</sup>. China has built six bridges in Bangladesh – the important 4.8 km-long Mukhterpur Bridge over the river Dhaleswari, built by China Road and Bridge Corporation, was inaugurated on February 2008 (Rashid, 2011). The agreement to build the 7th China-Bangladesh Friendship Bridge at Kajirtek in Madaripur was signed in January 2012 and the consultations are ongoing with regard to the 8th China-Bangladesh Friendship Bridge (Islam, 2013). China promised Bangladesh a 100 million Yuan, in addition to the previously sanctioned interest free 50 million Yuan for constructing the sixth Bangladesh-China friendship bridge on the river Dholesori. Chinese Foreign Minister Dr. Yang Jiechi visited Bangladesh in 2008 and offered Taka 6 million in free aid to Bangladesh's development and Taka 5 million in "token gift" to mark his visit<sup>72</sup>. In addition, China converted the \$24 million interest free loan, for the construction of an international conference centre at Dhaka, into a grant and pledged its support for Bangladesh's tourism and agriculture sectors. During talks, Bangladesh also expressed its support for the One-China policy (Ihtesham and Rahman, 2005). During Chinese Premier Wen Jibao's visit in April 2005, a 13-point Joint Communiqué on further strengthening of bilateral relations was signed, along with five agreements and two MoUs. China also offered to assist Bangladesh in water management, nuclear energy, trade and investment, training of security and defence personnel, as well as infrastructural development. The Joint Declaration agreed to promote development, multidimensional and multilevel trade, and economic cooperation, while also allowing the Joint Economic and Trade Commission to develop and expand potential bilateral trade. In addition, the two countries signed the Bangladesh China Cooperation Agreement on the Peaceful Usage of Nuclear Energy, whereby China would assist Bangladesh in the peaceful development of nuclear energy for power generation, medicinal and other developmental uses. The three MoUs signed between them addressed cooperation in the field of agriculture, digital telephone projects, and the management of the Barakpuria coalmine, highlighting China's contribution towards

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<sup>71</sup> Available at: <http://www.boi.gov.bd/index.php/investment-climate-info/fdi-in-bangladesh> (accessed on 12 June 2013).

<sup>72</sup> ("China's help sought for deep-sea port, road link," 2010) Available at: <http://archive.thedailystar.net/newDesign/news-details.php?nid=130836> accessed on 02-10-2013

infrastructural development in Bangladesh. The Greater Dhaka power project is also to be implemented with supplier's credit from China. Furthermore, the two countries agreed upon a direct air link between Beijing and Dhaka via Cumming and exchanged a letter on cooperation on the use of water resources.<sup>73</sup>

Bangladesh has been heavily depending on China for its defence requirements. In addition, China sees its foothold in Bangladesh as part of its quest to establish its power profile and as a means to challenge India. This quest leads China to play an active role for Bangladesh in providing military hardware and training of its armed forces. In 2002, China and Bangladesh signed an important defence agreement to meet Bangladesh's defence requirements. It provided a comprehensive framework for cooperation in training, maintenance and some areas of production. The agreement was perceived as an insurance policy for Bangladesh in the India specific context and another attempt by China to befriend India's immediate neighbor, having already done the same with Pakistan. It was also believed that China would get a strategic foothold on India's Eastern Flank in Bangladesh (Kapila, 2003). According to a report submitted by China to the UN Arms Transfer Register (for the first time in nearly ten years) in 2007, China appeared to have made significant arms sales to Bangladesh. These were said to have included, 65 large calibre artillery systems, 16 combat aircraft, and 114 missile and related equipment, rendering Bangladesh that year the prime purchaser of weapons made in China (Samantha, 2007). In March 2006, China donated police equipment to Bangladesh as part of the cooperative effort between the Home Affairs Ministry of Bangladesh and the Public Security Ministry of China.<sup>74</sup> Bangladesh has also bought 16 F-7 BG fighter planes from China.<sup>75</sup> Most of the tanks (T-59, T-62, T-69 and T-79), armoured personnel carriers (APCs), artillery pieces, small arms and personal weapons in the Bangladesh army are of Chinese origin. Plans are afoot to acquire 155mm PLZ-45/Type -88 (including transfer of

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<sup>73</sup>("Joint Communiqué between the Government of the People's Republic of Bangladesh and the Government of the People's Republic of China," 2005) Available at:

[http://www.mofa.gov.bd/press\\_release\\_1.htm](http://www.mofa.gov.bd/press_release_1.htm) accessed on 07-10-2013

<sup>74</sup> ("China donates police equipment to Bangladesh," 2006) Available at:

[http://english.people.com.cn/200603/23/eng20060323\\_252686.html](http://english.people.com.cn/200603/23/eng20060323_252686.html)

<sup>75</sup> ("Bangladesh procures fighter Aircraft from China," *People's Daily*, 5 April 2006) Available at: [http://www.ipcs.org/pdf\\_file/news\\_archive/apr\\_06\\_china.pdf](http://www.ipcs.org/pdf_file/news_archive/apr_06_china.pdf)

technology) and 122mm Type-96 as well as MBRLS from China (Rao, 2010). In May 2006, the Bangladesh Army Chief met with the Chinese Defence Minister Cao Gangchuan. General Cao stressed that “China and Bangladesh have forged good Cooperation and coordination on international issues and China will make joint efforts with Bangladesh to safeguard regional and world peace and stability<sup>76</sup>,” so that the friendly exchange and cooperation between the two armies could enhance the Bangladesh-China partnership. The importance China gives to Bangladesh in its military calculus is evident in the number of official visits to Bangladesh. There have been 84 visits to Bangladesh since 1974, as compared to 60 or 70 visits to India in the same time span. However, according to analyst Arnold Zeitlin, “It is common knowledge among diplomatic circles in Dhaka that the army is not happy with the quality of Chinese arms and it is equally well known that it cannot find other goods as cheap” (Zeitlin, 2005). Thus, while Bangladesh’s subcontinent-centric policies aimed at military cooperation and security enhancement have produced minimal results, Bangladesh has turned to China almost out of necessity and China is happy to respond and reassert its strategic presence in South Asia.

The Chinese wares with the Bangladesh Navy are truly wide-ranging. These raise questions on the scope, direction and intentions of Bangladesh navy. The Chinese platforms in its possession include the 053-H1 Jianghu I class frigates with 4x HY2 missiles, Huang Feng Class missile boats, Type-024 missile boats, Huchuan and P-4 class torpedo boats, Hainan class sub chasers, Shanghai class gun boats and Yuchin class LCUs (Rao, 2010). Bangladesh also set up a missile launch pad near the Chittagong Port with assistance from China. The maiden test was carried out on May 12, 2008 with active participation of Chinese experts. Land attack anti-ship cruise missile C-802A was test fired shortly afterwards from the frigate, BNS Osman near Kutubdia island in the Bay of Bengal. This missile is said to have a strike range of 120kms.

China values Bangladesh for its immense natural gas reserves where Bangladesh’s Geographical proximity to Myanmar makes these reserves accessible to

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<sup>76</sup> Available at: Chinese Defence Minister meets Bangladesh Army Chief of Staff,” *People’s Daily*, 16 May 2006

China through Pipelines. Dhaka has granted China exploration rights for developing its natural gas fields at Barakpuria, which hold an estimated reserve of 390 million tonnes over an area of 6.69 square kilometers. China has channeled massive investment towards the development of these gas fields that are some of the world's largest reserves of best quality bituminous coal, which is ash free and with little sulphur content (Niazi, 2006). The second unit of the Barakpuria Coal-Fired Power Plant Project, set up by the China National Machinery Import and Export Corporation (CMC), was completed by the end of 2006, which now provides reliable energy to the northwestern regions of Bangladesh, thereby playing an important role in the development of the Bangladesh economy. In December 2011, the Bangladeshi government awarded to local and Chinese joint venture firm Orion-Long King contracts to build three coal-fired power plants that will generate a total of 1,087,34 MW of electricity. The three coal-fired power plants will be constructed on a build, own and operate scheme. The consortium will build one 522 MW coal-fired power plant at Mawa in Munshiganj, plus two others in Chittagong and Khulna with a generation capacity of 282.67 MW each (Misa, 2012). Bangladesh has also offered China naval access to its prized Chittagong port, which was first offered to India but India could not make it in her favour.<sup>77</sup>

From the above discussion, it is quite clear that Bangladesh occupies an important strategic position for China as well as for India. In the event of a major Sino-Indian military conflict, China from Tibetan Chambi Valley could sever off the narrow Siliguri Corridor, which separates Nepal from Bangladesh only by a few miles. The fall of this vital Indian land Corridor could totally cut off India's resentful eastern states from the rest of the world. It thus seems natural that China would be interested in maintaining close relations with Bangladesh, keeping in mind its past record of antagonism with India. Infact, this strategic reason was one of the major reasons, why China developed a long-standing partnership with Pakistan. While Sino-Indian relations are much friendlier than before, relations between the two neighboring giants

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<sup>77</sup> Available at: <http://www.india-defence.com/reports/2076> ("China to build Chittagong naval base in Bangladesh," *India Defence*, 2006).

are likely to remain antagonistic in nature because of the outstanding unresolved bilateral issues. This reality creates an opportunity for both these countries to develop a strategic partnership and take the relationship to a new height.

#### **5.4 China Outfoxing India from Nepal**

China always supported Nepal's assertions of independence from India and continuously intensified anti-India propaganda in Nepal. China has significantly increased its engagement in Nepal since the signing of the CPA in 2006. China's engagement in Nepal takes a variety of forms: economic investment, trade, aid, infrastructural development, military assistance, diplomatic exchanges, as well as cultural and educational initiatives.

Nepal has always been important in China's South Asia policy. China's strategic objectives in Nepal include, to neutralize and eliminate Indian influence, secure China's borders by ensuring that the Tibetan refugee population is effectively curbed, and recover what it considers as one of its 'lost' territories seized by 'imperialists'. The Tibet factor is the foremost cause of interest of China in Nepal. In the beginning, the diplomatic relations between the two moved with great stability and speed. In the first phase (1955 to 1989) of the relations, China's motive was to create infrastructure in Nepal and to protect its territory from any other country. While at the first anniversary of Kathmandu-Lhasa road agreement, in October 1962, Chinese foreign minister Chen Yi said, "I assure His Majesty, King Mahendra, His Majesty government and the Nepalese people, that in any case any foreign forces attack Nepal, we Chinese people will stand on your side (Muni, 1989).

China made one more stride to end Nepal's dependence on India by planning new trade routes to Nepal knowing fully the geographical proximity of Nepal and India. China also encouraged Nepal to pursue equidistant policies with India and China. Until 1995, trade between China and Nepal was limited to 0.7 per cent. Since then, with the active policies of China, relations in all fields along with trade touched the heights. In

April 2009, a Memorandum of Understanding was signed between the governments of China and Nepal in order to promote trade and investment in areas of mutual interest. Trade relations between the two countries have grown fast since then, with China's share increasing from 11 percent of all trade with Nepal in 2009 to 19.4 percent in 2010 (Kolesnikova, 2013).

China has also dramatically increased its aid to Nepal in recent years. Based on official Government of Nepal (GoN) statistics, Chinese aid to Nepal increased from 10 million Nepal Rupees (NR) (US\$128,200) in fiscal year 2005/6 to NR 2.55 billion (US\$32.5 million) in 2010/11 (Campbell, et al. 2012). China had reportedly pledged loans and grants worth more than NR 10 billion (US\$127.4 million) by August 2011 (Ibid). This included a sizeable concessional loan of about 7 billion for the Trishuli hydro- power construction and US\$19 million for assistance to the Nepal Army. When a high ranking Chinese delegation visited Kathmandu in August 2011, they signed an additional US\$50 million economic and technical co-operation agreement, including a loan for a hydropower transmission line and US\$2.5 million to strengthen the capacities of the Nepal Police (Campbell et al., 2012). China now reportedly figures in the list of Nepal's top five development partners.

In the mid 1980's China resumed its highway construction activities in Nepal. In June 1984, it agreed to build a second trans-Himalayan highway, linking the city of Pokhara with the Xinjiang-Tibet highway. China has already instigated the construction of a rail network connecting Tibetan capital of Lhasa with the market town of Khasa on the Sino-Nepal border. The 770 km proposed Lhasa-Khasa rail link is an extension of the world's highest railway, which runs between Golmund, a city in China's Quinghai province and Lhasa. This is an immensely costly (US\$1.9 billion) and long-term project. The project planned to be completed by 2013, is expected to follow Lhasa- Kathmandu Friendship Highway route. The Chinese scheme of proposed rail link aimed at improving its transport infrastructure in isolated Himalayan region and is likely to strengthen Nepal's strategic and economic engagement with China and reduce its dependence on old traditional friend 'India' (Ramachandran, 2008). Chinese plans are not limited to railways but include the plans for six additional highways to link up with Nepal, the development of cross-border energy pipelines and

optical fibre. There is another Chinese proposal too to extend the Golmund-Lhasa line to Nyingchi, an important trading town north of the Indian state of Arunachal Pradesh, at the tri-junction with Myanmar. From Nyingchi this rail link is further scheduled to link up to Dali in Yunnan province. Extension of this rail link up to Dali will complete the circuit of the Chinese national rail network. Moreover, connecting it up with the existing western railway network will grant strategic as well as economic benefits to China. From Chinese Military point of view, this Lhasa- Nyingchi-Dali route is significant as it runs in an east-west direction almost parallel and quite close to the Arunachal border, means quick and easier deployment of military along the Sino-Indian border (Arya, 2008). Besides the construction of the railway connecting Lhasa to the Nepali border, China is involved in several other major transport projects in Nepal, such as the expansion of the Kathmandu ring road and the development of a dry port at Tatopani near the border with Tibet (Regmi, 2010). The two countries also signed and exchanged Letters of Exchange for a Chinese grant of Rs 547 million for the widening of Ring Road along with other mutually agreed projects<sup>78</sup>. It is said that the grant will be used to upgrade and widen the Gongabu-Jhamsikhel section of the Ring Road, in the first phase. A flyover and three pedestrian overpasses will also be built at Kalanki from the grant. China has also stated that it will support the construction of new Nepali border posts along the border. In addition, the sizeable loans in 2011 for the development of Nepal's hydropower signal China's intent to tap into this resource.

In 2005, China supplied arms to King Gyanendra. In September 2008, China invited the Nepalese defence minister Ram Bahadur Thapa as an observer to the military exercise 'Warrior 2008' and during his meeting with China's defence minister Liang Guanglie, China announced a military aid package of \$1.3 million to Nepal (Kumar, 2011). In December 2008, Lieutenant General Ma Xiaotan of the PLA pledged \$2.6 million in non-lethal military aid to Nepal during a visit. The growing relationship between the armies of China and Nepal was symbolised by the visit in March 2011 of General Chen Bingde, Chief of General Staff of the PLA – the highest-level military

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<sup>78</sup> Available at: <http://www.ekantipur.com/the-kathmandu-post/2011/02/28/money/sino-aid-presence-growing-in-nepal/218958.html>

visit from China to Nepal for over a decade. General Chen met with the Nepali Prime Minister and President, as well as with the Chief of Army Staff of the Nepalese Army (CoAS). He announced a military assistance package worth US\$17 million from the PLA to the Nepalese Army, with assurances of more support to come. This was followed by a reciprocal visit by the CoAS to Beijing in November 2011, when an initial agreement worth US\$7.7 million was signed between the two army chiefs (Pradhan, 2011). In August 2008, China handed over the Zhangmu-Kathmandu optical fibre cable project to Nepal. This 100 km of optical fibre cable is a new information superhighway, between China and Nepal. Moreover, Chinese contractors are now involved in the construction of the Melamchi Water Supply Project in Central Nepal to alleviate the water shortages in the capital, Kathmandu.

## **5. 5 China- A Reliable Partner of Sri Lanka**

Chinese efforts are on to build or enhance their strategic influence in Sri Lanka and are very actively involved in it. Sri Lanka's war against Tamil Tigers provided an opportunity for China to emerge as a reliable friend of Sri Lanka. During the war against LTTE, and when Sri Lanka was on the verge of victory, US-British attempted at the UN Security Council to get a ceasefire at the end of the war. At the time, China opposed foreign intervention in domestic conflicts and remained aloof. This provided freedom to Sri Lankan government to eradicate terrorism from its land. During the war, Beijing provided unconditional diplomatic, economic and military support to the Sri Lankan government, winning significant goodwill in Colombo. This created sympathy for China in Sri Lanka. Also, Sri Lankan President Mahinda Rajapakse had expressed his appreciation to the Chinese for their assistance in the economic and social development spheres. It was by the support of China in terms of arms sales, economic assistance that Sri Lanka was able to defeat LTTE especially after many western countries stopped selling weapons to Colombo due to human rights concerns.

China has emerged as the biggest donor of Sri Lanka. The Chinese assistance to Sri Lanka increased fivefold to nearly \$1 billion, by overtaking Japan in 2009



(Kumar, 2009). China's 2010 and 2011 annual investments were highest in Sri Lanka, where Chinese firms have completed, or are in the process of completing a number of large-scale projects. These projects span multiple sectors, including investments in transportation.<sup>79</sup> Many large projects have been conducted in Hambantota, the home province of President Rajapaksa. These projects include a 35,000-seat cricket stadium, a large convention center, a \$209 million international airport, and a \$1.5 billion deep seaport located on strategic sea-lanes. Most workers and materials for these projects come from China (Brunjes et al., 2013).

Over the years, the Chinese presence in Sri Lanka has increased so much so that there is no major infrastructure project in which the Chinese have not invested. It is estimated that China was Sri Lanka's biggest source of foreign funding in 2009, providing \$ 1.2 billion, or nearly triple the \$424 million given by the number two overseas lender, the Asian Development Bank (Das, 2010). The projects in which China has invested include an oil-storage facility, a Maththala airport, Colombo South Harbour Expansion project, the Narochcholai coal-fired power plant and Katunayake-Colombo Expressway. It is also rebuilding the main roads in the war-shattered north and east, and constructing a modern performance arts center. It has also sold diesel railway engines and earth moving equipments.

During the three-day visit of 30-member delegation in 2010, led by Chinese Vice-Premier Zhang Dejiang to Colombo, as many as six agreements were signed. The pacts cover highways development, enhanced cooperation in information technology and communications, development of maritime ports and the second phase of the Hambantota Port Development project and maintenance of the Bandaranaike Memorial International Conference Hall (Reddy, 2010). During the regime of President Rajapaksa, China and Sri Lanka have forged a comprehensive strategic relationship. During 'Eelam War IV', China liberally supplied requisite arms and ammunition to Sri Lankan troops to defeat the LTTE. China provided Jian-7 fighter

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<sup>79</sup> Available at: "China: 200 Million Finance by China for New Railway Project in Sri Lanka." March 5. <http://www.thefreelibrary.com/-a0321154879>

jets, antiaircraft guns, Type-85 heavy and Type-80 light machineguns, Type-56 rifles, 152mm howitzer, 81mm mortar shells, RPG-7 rockets and large quantities of ammunition (Manoharan, 2014).

Chinese plans for Sri Lanka should thus be treated as part of its larger strategy of building an encircled network of road and port connections in India's neighborhood, with an eye of strategic dominance over the IOR. The Indian threat perceptions have grown as China has become more active in South Asia specially the construction of Sri Lanka's southern port (Hambantota) which India fears that China will use against India in the future by PLA (Navy). India is worried that Sri Lanka is maintaining close links with China. The matter of concern for India is the possibility of dual-use mode of certain infrastructure projects. Like for instance, China is allowed to have storage and fuelling facilities at Hambantota, although India has also been offered to enjoy the same facilities. Similarly, the Colombo port that handles about 70 percent of India's shipping is being modernized with Chinese assistance. If China wishes, it can always turn these projects to India's disadvantage in a conflict situation.

## **5.6 China's Footsteps in Maldives**

China and Maldives established their diplomatic ties in October 14, 1972 but the ambassadorial level visits started in early 1960s. In 1981, the two countries initiated economic and technological cooperation and trade was carried out directly from 1982. Starting from 1985 Chinese companies began to enter the project-contracting market in Maldives. Since then, relations have gradually developed. China established its embassy in Maldives in 2011 that raised concerns among Indian security. As Maldives is strategically located southwest of India astride major sea-lanes in Indian Ocean Region. Indian officials said that Beijing has stepped up its "lobbying" to bag a couple or more of crucial development projects in the 1,190-island archipelago. Indian policy analysts referred to China's soft power rise throughout South Asia as a "creeping expansionism."

Trade between the two countries has gradually increased. In 2002, Sino-Maldives trade volume totaled \$US2.977 million, of which China's exports accounted

for \$US2.975 million and its imports \$US2000.<sup>80</sup> In 2010, bilateral trade between both countries reached \$US64 million, a reported increase of nearly 56 percent from 2009. Since 1972, China has provided Maldives with aid totaling RMB74.7875 million. Starting from 1985, Chinese companies began entering project-contracting market in Maldives. By the end of 2001, the accumulated volume for their contracted projects in Maldives had reached US\$46.37 million, with their turnover reaching US\$40 million (Ranasinghe, 2011b).

China has actively encouraged successful domestic enterprises to participate in the Maldives' infrastructure construction and other projects. Three agreements were signed on September 2, 2012, between the two Governments in the presence of then Maldivian President and Prime Minister Wen Jiabao, providing for Chinese assistance worth US \$ 500 million. These amounts included the grants under the annual economic and technical assistance program by the Chinese government, and a preferential loan of US \$ 150 million from the EXIM Bank of China for the construction of 1500 Housing Units Project in the Maldives. This is the largest economic and trade cooperation project since the two countries established diplomatic relations (Raman, 2012b). Indeed, in 2010 some 117 Maldivian expatriates were reportedly studying in China. China provided immediate assistance to the Maldives when the Indian Ocean Tsunami hit it in 2004. As the cultural exchanges and cooperation between the two countries have been steadily expanding in recent years, tourism has become an emerging area for the bilateral cooperation. More and more Chinese people see the Maldives as a favorable tourist destination. According to statistics from the Maldives government, the Maldives received nearly 120,000 Chinese tourists in 2010, marking that China has become its largest source country of foreign tourists.

China is actively encouraging its successful domestic companies to contribute to infrastructure building in the island state, by means of offering preferential loans. In 2012, during the visit of Maldives Defense Minister to China, he requested China for a soft loan of Rs 250 crore for an IT infrastructure project. This was not a surprise to

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<sup>80</sup>("Sino-Maldives relations," 2009) Available at: [http://www.chinadaily.com.cn/world/2009-08/19/content\\_8589136.htm](http://www.chinadaily.com.cn/world/2009-08/19/content_8589136.htm)

India, who provides security of this nation in a variety of ways because a possible Maldives-China tie up had been observed earlier, when Chinese companies signed two MoUs in mid-2011. The MOUs were signed between the Huawei Technologies (Lanka) Co. Ltd, China enterprise business group and the National Centre for Information Technologies, Maldives to develop the IT Infrastructure in Maldives under the 'Smart Maldives Project (Joshi, 2013). Commenting on such a development, the Research and Analysis Wing (RAW) has alerted that China can use listening devices to monitor/intercept any communication carried between India-Nepal and India-Maldives.<sup>81</sup>

The Chinese government had decided to provide 50 million Yuan (US\$8.2 million) in grant aid to the Maldives government for the implementation of developmental projects and the advancement of public services. Chinese ambassador Yu Hongyao called on Maldives President on November 3, 2013 and conveyed the Chinese government's decision (Robinson, 2013). China also pledged assistance to restore the damages caused by the fire incident at Dhiffushi School in Maldives. Underscoring the special relations the Maldives enjoys with China, President Yameen noted the on-going Chinese aided infrastructural development projects in the Maldives. In this regard, he expressed appreciation to the Chinese Government for the assistance and the cooperation the Government of Maldives continues to receive from the Government of China. Continuing in this regard, President expressed hopes for further strengthening the social, cultural and people-to-people ties between the two countries. In this regard, he explored the possibilities of increasing Chinese assistance in alleviating environmental challenges, providing clean drinking water and upgrading health services in the islands.<sup>82</sup>

China is interested in developing Ihavandhoo and Maarandhoo Islands, with transshipment ports among other things, as well as grabbing a piece of action in the

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<sup>81</sup> ("India wary of China's telecom forays in Nepal, Maldives," 2013). Available at: [http://articles.timesofindia.indiatimes.com/2013-01-27/india/36576703\\_1\\_nepal-telecom-chinese-telecom-companies-security-agencies](http://articles.timesofindia.indiatimes.com/2013-01-27/india/36576703_1_nepal-telecom-chinese-telecom-companies-security-agencies).

<sup>82</sup> ("China pledges assistance to restore the damages to Dhiffushi School," 2013) Available at: <http://www.maldivesembassy.cn/china-pledges-assistance-to-restore-the-damages-to-dhiffushi-school/> accessed on 15-12-2013

development of the country's second international airport at Hanimaadhoo. "The islands in question are located in the Haa Alif Atoll, situated in the north of Maldives. China wants a presence in these islands since they are the closest to India and Sri Lanka (Kanwar, 2012). The security agencies here have repeatedly been saying that the 'Marao Island' which was leased by Maldives to China in 1999 for maritime traffic management was also being used by the Chinese to monitor Indian and US warships in the Indian Ocean, and in future could be developed into a submarine base. China's main aim is to ensure the security of its sea-lanes facilitating its critically-needed energy imports. But the fact can't be denied that it also amounts to a virtual encircling of India, in what is called the "string-of-pearls" construct (Pandit, 2011).

On October 20, 2012 China's leader Li Changchun who is a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China, visited Maldives and held a meeting with Maldivian President Mohamed Waheed in Male. The two countries vowed to Li Wangchung said, "Saturday to make concerted efforts to push forward the bilateral cooperation to a higher level. Li said, "the purpose of my visit is to enhance the strategic mutual trust, consolidate traditional friendship and promote the bilateral cooperation in a bid to inject new vitality into the bilateral relations" (Lina, 2012). He said, China will continue to provide assistance to its capacity to help promote the Maldivian social and economic growth and support the country's infrastructure and human resource development. Further China and Maldives have started air links with each other. In 2013, the first flight of passengers from the Chinese city of Chongqing reached the Ibrahim Nasir International Airport last night. The chief guests were the Minister of Tourism, Arts and Culture Ahmed Adheeb, Minister of Defence and National Security Colonel (Rtd) Mohamed Nazim, the Chinese Ambassador to the Maldives Mr. Yu Hongyao, the Managing Director of Maldivian Abdul Haris, Ambassador at Large Abdul Azeez Yousuf and senior officials from Maldivian and the Maldives Airports Company Limited (MACL). Managing Director of Maldivian Abdul Haris said that the commencement of Maldivian's new route to China will strengthen the relationship between the two countries. It is a step towards bringing the two countries together. The aircrafts used

by Maldivian in the Male'-China route holds 14 business class seats, 18 economy premier seats and 120 economy class seats. Defence Minister Nazim also described the new connection to China is a step towards strengthening relations between the two countries, especially in the development of economic and tourism related bonds (Prabhakaran, 2013).

Fifth Round of Diplomatic Consultations between the Maldives and China was held on January 6, 2014 at the Ministry of Foreign Affairs. Ms. Fathimath Inaya, Deputy Minister of Foreign Affairs headed the Maldives delegation, and Mr. Liu Zhenmin, Vice Minister of Foreign Affairs of the People's Republic of China headed the Chinese delegation. During the meeting, discussions focused on ways of further enhancing cooperation between the two countries, in areas including tourism promotion, cultural exchanges, women and youth development, trade and investment, and human resource development. Maldives, China hold diplomatic talks on enhancing cooperation January 6, 2014 - 2 weeks 3 days ago<sup>83</sup>. Also the Chinese embassy in Maldives has opened a visa section in order to allow Maldivians to get Chinese visa directly from capital Male. Foreign Minister Dhunya Maumoon expressed her gratitude to the Chinese government for opening the visa section and noted the significance of the facility's role in furthering trade and investment between the two countries (Xinhua, 2014).

During the visit of Defence Minister Colonel (Retired) Mohamed Nazim on December 10, 2012 to China, signed a military aid agreement with Chinese National Defence Minister General Liang Guanglie. According to a press release by the Ministry of Defence and National Security, Defence Minister Nazim held talks with his Chinese counterpart on December 11, which focused on Chinese military assistance to develop the Maldivian military. The agreement to develop military ties and provide free Chinese aid to the Maldives National Defence Force (MNDF) was signed at the meeting. Maldives National Defence Force (MNDF) has revealed that the military agreement signed between Maldives and China would yield USD3.2 million in free aid.

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<sup>83</sup>("Maldives, China hold diplomatic talks on enhancing cooperation," 2014) Available at: <http://www.sun.mv/english/19052>

Defence Minister Nazim also met the Vice Chairman of the Chinese Central Military Commission, Xu Qiliang, and discussed strengthening Sino-Maldives military ties (Naish, 2012). Nazim's official visit to China followed the government's abrupt termination of a 25-year concession agreement with Indian infrastructure giant GMR to modernise and manage the Ibrahim Nasir International Airport (INIA). The move fuelled speculation in the Indian media of a Chinese role in the government's decision to void the agreement and evict the GMR-led consortium. Although the Maldives has publically ruled out any foreign hand in the entire airport fiasco but Waheed's coalition partner, the Adhaalath Party had tweeted that Maldives would rather give the airport contract to their 'friend', China. China already having a base in the Seychelles and growing proximity with Maldives would be a severe blow to future Indian power in the region.

## **5. 7 China's Maritime Strategy in the Indian Ocean**

Indian Ocean figures of immense strategic importance in the Chinese foreign policy as is evident from Chinese strong engagement with the region. It is a common sense to root out the causes, which gave a blowing push to China for their engagement with South Asia. Firstly, China's massive economic growth since last three decades, still consistent is the foremost cause of such engagement. China's economic growth is largely dependent on imported energy resources particularly oil resources from the countries of West Asia and Africa. About 80% of oil imports are transported to China through the Indian Ocean. Therefore, the security of the import routes in the Ocean becomes necessity of China. Secondly, Indian Ocean region countries are rich in marine resources like crude oil, fish, and other underground minerals like Aluminium, copper, uranium and other raw materials. China's state-owned companies have made substantial investments for offshore oil and gas exploration in many IOR countries like Kenya, Sudan (Block 13, Red Sea), Iran (South Pars and North Pars), Bangladesh (Barakpuria), Myanmar (off Rakhine coast and in Gulf of Martaban) and Sri Lanka (Puttalam-to-Hambantota coastal belt, Gulf of Mannar and Palk Strait) (Khurana, 2008). Besides the presence of natural resources, China is

aware that this region will prove a big market for China in the future. Therefore, China's growing dependence on maritime space and resources is reflected in the Chinese aspiration to expand its influence and to ultimately dominate the strategic environment of the Indian Ocean region.

China's policy of engagement is not only to support the economic objective but also China is strengthening its naval power in the region in order to provide a complete safety cover to overall policy. China is busy in building bases in overseas like Pakistan (Gwadar port), Bangladesh (Chittagong), Myanmar (Sittwe), and Sri Lanka (Hambantota). One of China's most prominent policy intellectuals while advocating for the creation of overseas bases. Shen Dingli, a professor at Fudan University in Shanghai, asserts, "It is wrong for us [China] to believe that we have no right to set up bases abroad." He argues, that it is not terrorism or piracy that is the real threat to China. The ability of other states to block China's trade routes poses the greatest threat. To prevent this from happening, China needs not only a blue-water navy but also "overseas military bases to cut the supply costs (Pant, 2011).

## **5.8 String of Pearls**

India and many countries in the west have raised apprehensions that China is following the policy of expansionism. The developments in the Indian Ocean have raised concerns among the Indian authorities that China is intending to undermine the regional status of India in the South Asian region. This became clear from a secret memorandum issued fifteen years ago 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 (Bodansky, 1995). No doubt, China reiterated the commercial purpose of the overseas bases but the fact cannot be denied that at times, China could use these bases for military purpose as well. Therefore, the core reality is that China is assisting the strategically located countries along the sea-lanes of communication in the Indian Ocean Region to build port facilities that can serve replenishment facilities and even bases for its naval



forces in the Indian Ocean. Such a sequence of developments has been termed by some experts as “String of Pearls”.

The phrase String of Pearl’s was first used by Booz-Allen-Hamilton, a defence contractor. This theory underlines China’s rising geopolitical influence with the help of very intelligent strategic move as China is establishing these pearls of military and economic power, thus enhancing its overall influence in these regions. It clearly highlights increasing Chinese influence in the Indian Ocean Region countries. In other words, it is a geopolitical strategy adopted by China, as foreign oil becomes a centre of gravity critical to China’s energy needs. This policy is an attempt by China to have an increased access to various parts and at the same time to developing special diplomatic relations with these countries. A question posed by the ‘String of Pearls’ is the uncertainty of whether China’s growing influence is in accordance with Beijing’s stated policy of development or China one day will make a bid for regional primacy. China gives the impression that it is interested in having a more powerful role to play on the global stage and thus evoking concerns in its neighbors especially India. The pearls extend from the mainland China through the littorals of the South China Sea, The Strait of Malacca, across the Indian Ocean and on to the littorals of the Arabian Sea and Persian Gulf. China is building strategic relationships and developing a capability to establish a forward presence along the sea lanes of communication (SLOC) that connect China to the Middle East. The rise of this strategy has not only shifted focus on China and its growing energy needs but also has brought into light those smaller nations in which China is trying to gain foothold and develop these pearls. Nations like Myanmar, Bangladesh, Pakistan, Sri Lanka and recently countries like Sudan, Egypt, and Nigeria, which are rich in energy resources have come to play a major role in the world’s energy needs. These nations are fast becoming the centre of the world’s energy playing field and are emerging as the strategic centers around which this game of energy security will be played out in the coming future. Hence, it becomes essential for fast developing economies like India, who need the share of this energy market to progress ahead in order to counter China’s strategy at the earliest. These nations need to evolve their own strategy if they do not want to be left behind

because not acting now may have a huge negative impact on their economies in the coming future.

### **5.9 Gwadar Pearl (Pakistan)**

Gwadar is a fishing village on the Arabian Sea coast in the Pakistani province of Balochistan. Balochistan shares borders with Afghanistan and Iran to the west - Gwadar is just 72 kilometers from the Iranian border. More important is Gwadar's proximity to the Persian Gulf. It is situated near the mouth of this strategic body of water, a major conduit for global oil supplies. It is located between three important regions-oil rich Middle East, Pakistan, and Central Asian region. As part of its "string of pearls" strategy in the Indian Ocean, China has built the port at Gwadar for Pakistan on the Makran Coast. China played a leading role in the finance and construction of this port investing \$1.6 billion in the project (Kardon, 2011), which includes construction of three multi-purpose ship berths. The Port Authority of Singapore operated it until 2011. Its attractiveness derives from its location as a deep, warm-water port, 250 miles from the Strait of Hormuz through which 40% of the world's oil supplies are transported (Haider, 2005). If utilised for purely economic ends, Gwadar port would provide greater energy security in oil shipping for China, posing little challenge to India's dominance of the IOR. However, the intuitive fear is that there is no clear distinction between economic and strategic motives, and that a gradual militarization of the port could allow China to affirm a significant naval presence in the IOR. In the event of a conflict, the usage of the port and adjacent airstrip as a base for air, surface and sub-surface fleets, can enable China to interdict Indian tankers and obstruct the delivery of essential supplies. Given China's geographical location, Gwadar presents access to the Indian Ocean through Pakistan, and a favorable alternative for the China-bound tankers to offload Persian Gulf oil without having to navigate through East Asian waters.

Seemingly, China has two main interests in the project. Firstly, it will increase western China's economic connectivity by providing a shorter access route to the sea.

On the one hand, it will prove very advantageous for China's westbound trade and facilitate development of its western regions and on the other hand, the proposed Gwadar–Xinjiang pipeline will ensure crude-oil imports from Iran and Africa (Ramachandran, 2005). Some reports indicated that Gwadar port already has a SIGINT facility. As an alternate port to Karachi and located faraway from Indian naval bases and airfields, Gwadar would make it difficult for the Indian Navy to impose a blockade on Chinese oil imports. It can therefore, be assumed that Pakistan will build naval facilities at Gwadar including repair yards, weapon and equipment stores, SIGINT/ELINT stations with or without Chinese help (Chellaney, 2011). There is a high probability of these facilities being made available for the use of Chinese naval forces, particularly if Sino-Pak bonds strengthen further. A modern port at Gwadar would enhance not only Pakistan's strategic power along its coastline with respect to India but also bring China close to the Arabian Sea.

**Figure 5.1**

**Map showing Gwadar port-Inset is view of the port**



Source: World Socialist Website

This will be a threat to the national security of India as Admiral Suresh Mehta said, “It has a serious strategic implication for India, being only 180 NM from the Exist of Strait of Hormuz, would enable Pakistan to take control over the world energy jugular and

interdiction of Indian tankers”.<sup>84</sup> It can serve as a potential Chinese naval anchor and provides Beijing with a listening post from where it can monitor U.S, India, and US-India maritime cooperation.

### **5.10 Hambantota (Sri-Lanka)**

China is also developing Hambantota port located at the southern tip of Sri Lanka, only six nautical miles from the arterial shipping route of the Indian Ocean. The Sri Lankan cabinet recently decided to award the contract to build a new deep-water container terminal in Colombo port to a consortium consisting of China Merchant Holdings International and Aitken Spence.<sup>85</sup> This project undertaken by the state-owned China Harbour Engineering Company and Sino Hydro Corporation joint venture. As it is a major project and expected that, it would be completed in the next 15 years as per the agreement signed between China and Sri Lanka in March 2007. Almost, the government of China finances 85% of the Hambantota.<sup>86</sup> China has already lent \$360m for the first phase of the project. Building Hambantota is estimated to have cost \$1 billion and it is being built in four phases over the period of fifteen years. The project envisages building of oil and gas terminals, berths and port facilities, like those at Gwadar in Pakistan. The port in Hambantota, deeper than the one at Colombo, is to be used as a refueling and docking station for the Sri Lankan Navy. Beijing offered \$200 million to Sri Lanka for the second phase of the Hambantota port. China's eagerness to participate in the Hambantota project is not just about economy but also linked to Sri Lanka's strategic location near strategic sea lines of communication. US

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<sup>84</sup> The Times of India, "Pak's new port has strategic implications for India: Navy chief" available at [http://articles.timesofindia.indiatimes.com/2008-01-22/india/27754065\\_1\\_gwadar-karakoram-highway-pearls.accessed](http://articles.timesofindia.indiatimes.com/2008-01-22/india/27754065_1_gwadar-karakoram-highway-pearls.accessed) on 21-11-2013.

<sup>85</sup> The Times of India, "China to build another port in Sri Lanka" available at [http://articles.timesofindia.indiatimes.com/2010-09-17/india/28271297\\_1\\_colombo-port-indian-ports-chinese-consortium](http://articles.timesofindia.indiatimes.com/2010-09-17/india/28271297_1_colombo-port-indian-ports-chinese-consortium) accessed on 22-11-2013.

<sup>86</sup> The Nation, "Hambantota Anchored" available at <http://www.nation.lk/2010/08/15/Hambantota.pdf.accessed> on 22-11-2013.

and Indian defense analysts have pointed out that Hambantota will be used as a possible logistical hub for future PLA Navy operations (Das, 2010).

Most of the Indian strategic thinkers considering that Hambantota would make no economic sense for Sri Lanka as well as not providing energy security for China. It clearly shows that China wanted to maintain its physical naval presence near India. The Chinese naval presence in the vicinity of India could monitor Indian naval maneuverability, nuclear and space establishments in south India. However, currently, there is no military component but agreement of development of Hambantota (2007) included development of a container port, a bunkering system, establishing of an oil refinery and setting up an airport and other facilities. These strategic establishments could prove dangerous for the Indian security in the future.

#### **5.11 Sittwe (Myanmar)**

After the death of U Nu, India and Myanmar are on the opposite track. Due to India's support for democratic movement, the military dictatorship drifted apart from India and came closer to China. China has been consistently assisting Myanmar to build new military facilities and upgrade existing ones. An example is the naval jetty project in Great Coco Island launched on November 4, 2002. China established a SIGINT intelligence gathering station on Great Coco Island in 1994 to monitor Indian naval activity in the Andaman and Nicobar Islands. The station is also said to allow China to monitor the movement of other navies and ships throughout the eastern Indian Ocean, especially in the crucial point in shipping routes between the Bay of Bengal and the Strait of Malacca. It may also be used to monitor activities at the launch site of the Indian Space Research Organization at Sriharikota and the Defence Research and Development Organization at Chandipur-on-sea (Selth, 2007). The Chinese Army is also building a maritime base on Little Coco Island. In April 2006, Myanmar approved the proposal to build a 1200-km oil pipeline from Sittwe/Kyaukphu to Kunming/Rili in China's Yunan province. This project is primarily funded by China. It is considered that it would reduce the sea-route distance by 1,820 nautical miles and

account for 10 per cent of China's oil flow through the Malacca Strait. Indian analysts view regarding the Sittwe is that, Chinese presence may allow it to interdict regional SLOCs. This shows that Myanmar is emerging as the largest threat to Indian strategic interests in South East Asia.

### **5.12 Chittagong (Bangladesh)**

This provides another staging point for the Chinese Navy to dock and refuel while on patrol in the Indian Ocean. According to a report presented to US Defense Secretary in 2005 by Booz-Allen-Hamilton, "Energy Futures in Asia" that China had been building a container port facility at Chittagong port in Bangladesh and seeking extensive naval and commercial access (Gertz, 2005) . However, the centerpiece of China's growing influence in Bangladesh is symbolised by its interest in modernising the Chittagong port, which handles around 92 per cent of the country's import-export trade, and in building a new deep-water port facility from scratch at Sonadia, located near Cox's Bazaar. Chittagong's strategic location serves as an important access point for Chinese commerce, as recently confirmed by Shanghai Institute for International Studies' South Asia director, Zhao Gancheng, who stated: 'Developing the port is a very important part of China's co-operation with Bangladesh, and China is aware of its strategic significance.' He added: 'While there is currently no oil pipeline running to Bangladesh, access to Chittagong will be of greater importance in the future when this infrastructure is put in place (Ranasinghe, 2011a). With the development of China's transportation of goods and energy in the Indian Ocean, China will certainly continue to attach more importance to this port.

Access to Chittagong Port, gives China a deep strategic outreach. This provides an opportunity to China to supplement its hold over Gwadar port in Pakistan and Hambatota in Sri Lanka. China's presence in Chittagong will help China to monitor Indian missile tests at Chandipur-at-sea near Balasore (on the Indian east coast). China can also monitor the naval activity in the Andaman and Nicobar Islands in the Bay of Bengal by inter-linking its electronic listening systems at Coco Island

(Myanmar) and the staging/ listening systems deployed on the Bangladesh soil. In return, Bangladesh could earn economic benefits through substantial transit fees. In addition, it could gain certain bargaining power against India. China and Bangladesh are developing road links between Kunming and Chittagong via Myanmar, and the air route connecting Kunming and Dhaka is already operational, providing great scope for boosting trade, business, and tourism between the two countries. China has also provided assistance for the construction of a water treatment plant in Dhaka and a sewage plant. The Barakpuria coalmine project and the greater Dhaka power project are also being implemented with supplier's side credit from China. To quote the Bangladesh Ambassador to China, Ashfaque Rahman, "The two countries have engaged bilaterally in intensive cooperation making China one of our most important partners in development. A large portion of our infrastructural development including roads and bridges, power plants and mining and industrial establishments were built with Chinese assistance and technology."<sup>87</sup>

### **5.13 Hainan islands**

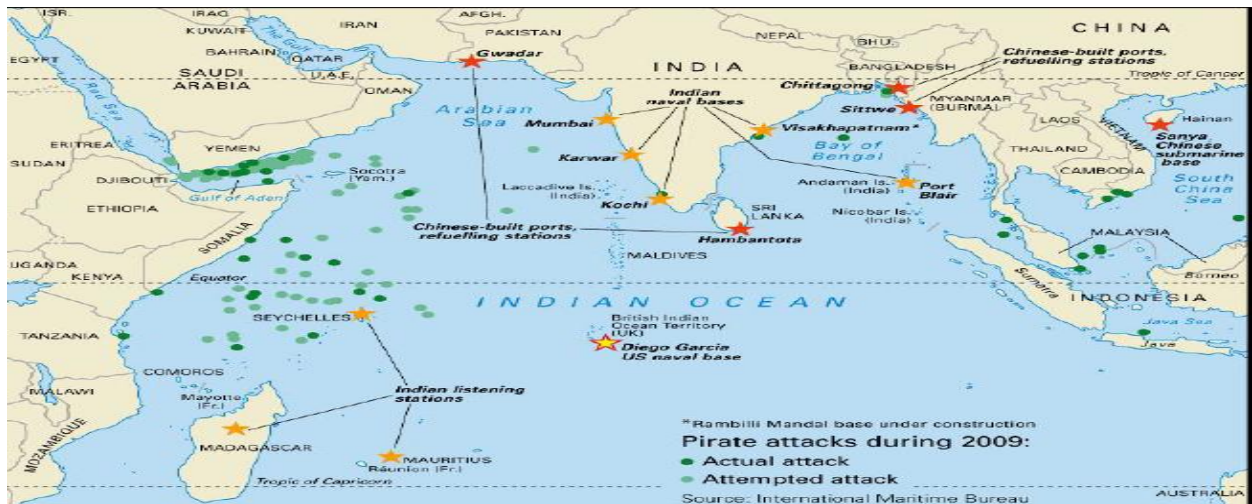
China's Hainan Island is the new pivot to the 'String of Pearls'. It has long been in development since 2002, for being an offshore naval access for naval-air power projection. These islands form the smallest province of PRC and are home to the PLAN strategic nuclear submarine naval harbour. China had been engaged in the buildup of Sanya naval base in Hainan Island by creating hardened naval shelters practice commonly seen in China and North Korea. The Sanya naval facility has a dozen naval hardened shelters. The engineered tunnels are of the height of about 60ft high carved into the hillside around the base creating caverns capable of hiding up to 20 nuclear submarines from spy satellites. The possible motivational factors behind this strategy, is Regime change, territorial integrity and domestic stability. Protection of sea lines of communications is another motivational factor behind this strategy (Prabhakaran, 2008).

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<sup>87</sup> Available at: <http://www.bjreview.com.cn/En-2005/05-12-e/12-world-5.htm>. accessed on 08-12-2013

Figure-5.2

### Map of String of Pearls



Source: International Maritime Bureau

#### 5.14 Implications for India

After Sino-India War, China is not only encircling India by supporting hostile countries militarily and economically but also took many measures to establish and upgrade strategic installations around India. China has established many ports, airstrips, SIGINTS, ELINTS, in the neighboring countries of India in the Arabian Sea and the Bay of Bengal including the Indian Ocean. China has advanced the argument to secure the SLOCs for the persistent supply of energy to its skyrocketing economy. But according to Indian strategic thinkers, this strategy has serious implications for Indian security. With these installations, it cannot only monitor the strategic maneuverability of India but also it can keep watch on activities of Indian defense installations like nuclear reactors etc. India's neighboring countries could also pose economic and security challenges by playing China card. Chinese economic and strategic assistance to neighboring countries, lessen their dependence on India and China could exploit this situation in fulfilling its hegemonic ambitions in South Asia. With hostile military or naval presence at its door, India has to spend more on its strategic preparedness, which is again a burden on its limited economic sources.



China has also constructed railway tracks and enhanced road connectivity along the Indian borders, which are the major pearls of Chinese strategy. These rail lines brought Chinese strategic moves to Sikkim and Arunachal Pradesh - two Indian states that figure prominently on the radar of Sino-Indian disputes. China claims 90,000 square kilometres of territory in the eastern Himalayas, roughly approximating to Arunachal Pradesh, and Chinese incursions are reported here frequently. Not only does Sikkim share borders with Nepal, Tibet and Bhutan but are also situated above the "Chicken's Neck"- the sliver of land that links India with its northeastern states. The extension of the railway to the Sino-Indian border at Sikkim and Arunachal could pose serious implications for India. With these connectivity's, spread of small arms, menace of drug trade across our borders, and support to insurgents not only heighten the threats for Indian economy but it would also pose threats for Indian unity and integrity.

Chinese naval access to the Indian Ocean, both from West and East and the Sino-Pak-Myanmar axis continue to be an area of great concern for India. In China's National security calculus, Myanmar now plays the same role in south Asia/ South East Asia that Pakistan plays in south/ south West Asia. China also has a foot hold in Sri-Lanka and that Beijing's new offshore defense strategies are aimed at building China as a great military power. These projections should be concerned by India in a long-term perspective.

Chinese influence in the areas bordering India would enable China to spread its influence and resume its support to rebel and insurgent groups in the Northeast. China has already established a foothold in Chittagong. A link-up between Myanmar and Bangladesh would bring the Chinese right on the India's doorstep and complete Chinese encirclement of India from the east. This is a matter of serious concern for India. Energy is very important for economic development and increasing industrialization of both the countries. As India has to face Chinese competitiveness in energy and the string of pearls theory would give advantages to China and it would have implications for Indian energy requirements/supply. India has an integrated energy policy but the geopolitical strategy seems to be missing. It is important for India

to have a geopolitical strategy on the lines of China's String of pearls to safeguard its interests.

China's intention in pursuing such a policy is to ensure safety to its SLOCs to have continuous energy supply. Consequently, it leads to the complete encirclement of India and thus creating difficulties for India as India is equally in dire need of energy resources to meet its increasing demands. China seems to fulfill dual ambitions in pursuing such a policy. On the one hand, it will give an upper edge to Chinese strategic naval posture and on the other hand, to contain India easily in case of any eventuality, keeping in view the underlying disputes.

Hence, it would be prudent to say that it is imperative that India should participate in shaping an emerging economic and security architecture in the region in close collaboration with all stakeholders, including China. This arrangement should be open, inclusive and loosely structured. There is enough space in the region and beyond for both India and China to be ascendant. As Mr. Shiv Shankar Menon said "My question is, therefore, if energy and trade flows and security are the issues, why not begin discussing collective security arrangements among the major powers concerned?"

## **CHAPTER- 6**

### **CONCLUSION AND RECOMMENDATIONS**

India has remained a dominant player in south Asia by means of natural attributes like big size, favourable geographical location, most populous, large pool of HRD, and abundant natural resources. In addition, higher GDP, larger foreign direct investments, large military, navy and air force and a proven nuclear weapon state are some other factors that support the India's status in the region of south Asia. Given these leadership qualities, India was to act accordingly in the region-to engage with its neighbours more effectively in political, economic, social, and cultural aspects. India on its part always made efforts to build trusted relationship with its neighbours, but the scene is largely converse on their part. No doubt, there prevail long lasting border dispute between India and Pakistan and some other odds between India and her other neighbours but India always put forth peaceful ways and means to, positively build the neighbourhood spirit. In contrast, India's neighbours adopted fully the India friendly attitude; instead, they created differences and raised doubts about India and its status. They always kept the notion that India is trying to implement its hegemony in the region. In order to check India's growing power, her neighbours reach out to external powers for help to provide some sort of balance between them and India. The better option at this point, which they prefer more, is China-India's archival.

Comparatively, most of the India's neighbours are poor, disturbed, corruption ridden, with fractured political system, disturbed democracy or are yet to achieve a democratic status fully. The instability factor in India's neighbourhood has contributed in hindering the breeding of pacific relations with India. In addition, these countries have poor infrastructure, less social development, less foreign direct investment and many others factors of poverty. These countries are thirsty of development and other assistance to grow in the present world. These are the factors where the course of relations between India and its neighbours changes and turns towards China. China always offers warm welcome to these countries and freely invests millions of dollars in such countries to quench their thirst, thus taking them away from India's shadow of influence and tighten its own grip. Further, China provided arms and ammunitions to

India's neighbours at times when they needed it voraciously to control violent situations. Arms transfers to Pakistan against India, to Sri Lanka against LTTE, to Bangladesh, to Nepal Maoists, and to Burma military junta. This sympathetic act created a benign image of China in these countries, thus the bond of relationship was strengthened.

The core of China's game plan is to confine India within the region so that it could not challenge China's rising power at the international level. Besides, China is interested to secure energy resources and market in these countries to support its fast growing economy. In addition, prevention of regime change and territorial integrity are also behind Chinese strategic involvement in the region. In pursuit, China has achieved much success in its plans and policies and has posed a serious challenge to India's national security and integrity. Not only on land, that China has created concerns for India but also China has reached out to the Indian Ocean Region-India's back yard, to further exacerbate the situation.

China has continuously strengthened Pakistan-India's staunch rival, to present a two front challenge to India. China- Pakistan symbiotic relationship always worried Indian authorities. China has foremost contribution in developing Pakistan's missile and nuclear capability besides transferring huge amounts of military hardware like tanks, artillery guns, aircrafts etc. Infrastructure projects of strategic importance like port of Gwadar and road construction in the Karakoram region, are mainly funded by China with supply of technical experts and engineers. In the same way, China has entered Bangladesh, Nepal, Sri Lanka by assisting these countries in the development of infrastructure, providing loans and giving aids. China is helping these countries in the construction of seaports, airports, roads, hospitals, government offices etc. China helped these countries to modernise military hardware at cheap rates that remains a concern for India. China is far ahead in military capability than India. China is modernizing its military capability in all the three services at a rapid speed since last decade with annual defence budget of 10% of the overall budget. China committed herself to the modernisation plan and achieved much success, which is clearly visible while India's most of the military modernisation plans are either delayed, cancelled or

fell prey of corruption. China has created a massive military buildup in the Tibet region- a region that makes China a direct neighbor of India that has increased India's security concerns. Thus the threat perception from China has lead India to spend overwhelmingly on defence preparedness. This defence over expenditure creates a burden on the economy and causes other necessary social developments to suffer. India's sour relationship with its neighbours and their unwillingness to cooperate with India, has provided opportunity to China to grab big infrastructural projects in these countries thereby keeping India bereft of economic gains in its immediate neighbourhood. China has also succeeded in securing energy exploration projects in south Asian region to secure raw materials for industrial growth. Bilateral trade of these countries with China is much voluminous than with India. There is less direct trade between India and its neighbours than indirect trade, which brings less gains to both. The direct trade figure for India and Pakistan is around \$2 billion while indirect trade is much higher usually via Dubai or Singapore. Further, China extends huge amounts of credits, loans, and grants for development purpose to these countries to keep India's image out of the scene.

China has made its presence in the India's back yard also. China is involved in securing bases in the countries located along the Indian Ocean littoral. The reason for such involvement is first economic as claimed by China, and then strategic as claimed by India and other countries. From the economic perspective, China is interested in securing the sea-lanes of communication from piracy, through which 85% of crude oil is imported to China from Middle East and African countries. China's heavy hand in the development of bases like Gwadar (Pakistan), Hambantota (Sri Lanka), Chittagong (Bangladesh), Sittwe (Myanmar), and China's greater presence there means China's greater access and control of the sea route in the India's back yard. These bases help China to bypass Malacca strait, which is vulnerable to piracy threats and external intervention and to reduce transport costs. In order to safeguard the sea routes from piracy, there is the need to station naval forces on these bases to ward off threats. Consequently, these bases lead a complete encirclement of India from the backside. Though China claims the commercial purpose of these bases but the fact cannot be denied, that China could use these bases as potential naval posts in case of any

conflict between India and China in the future. Moreover, China with advanced technology can also secure permission from these countries for marine resources exploration, in their territorial waters like fish, minerals and oil and natural gas. Thus is again a possibility of economic benefit to China and a cheap loss to India in future.

## **Recommendations**

### **6.1 Foreign policy reorientation**

India in its foreign policy India should follow an inclusive approach in dealing with its neighbors. The policies directed towards her neighbourhood should not be discriminatory so that they may feel scared. There should be no use of dual approach to deal with them that reduce the trust among her neighbours. India should persuade its neighbours to sit on the common table and sort out differences peacefully through negotiations and arbitration. India should make efforts to change the psyche of its neighbors who perceive India as a hegemon in the region through increased engagement in the fields of economic cooperation, cultural exchanges and social spheres, and ensure them that they are equally independent as India herself. India should take the side of its neighbours in international forums to gain their sympathy to avoid the possibility of exploitation of these countries at the hands of China. There should be less politics and more diplomacy between them so as to provide larger space to discuss issues of mutual importance openly and amicably.

India should reassess the policy of non-alignment in the emerging global order. The change for reorientation should be examined in view of future threats and challenges. Today China has threatened the countries like Vietnam, Japan, Philippines due to its assertiveness in regional affairs. Therefore, India should maintain a close relationship with these countries to secure a stable environment.

## **6.2 Greater Engagement**

In order to check the dominance of economic engagement in its neighbouring countries, India should engage herself more comprehensively with these countries. Attempts must be made to improve its bilateral relations with its neighbouring countries like Pakistan, Bangladesh and Nepal, to mitigate its vulnerability in the region. More information about the benefits of bilateral co-operation should be circulated to wipe out miscommunication, dispel suspicion and enhance mutual trust. India should offer greater incentives to its neighbours in order to produce economic gains for herself as well as its neighbours. In addition, it has to strengthen its ties with other major regional and global forums to maintain its sphere of influence.

## **6.3 Formidable Military Build-up**

India needs a sound military planning to defend the borders from both the eastern and western neighbours. Therefore it is important for India to have a force level on both the fronts which should deter both China and Pakistan. In such a context, India should use resources efficiently to move from a purely defensive to an offensive defensive one. In order to counter the 'String of Pearls Strategy', and to protect the sea-lanes of communication, India should maintain a strong and modernized naval fleet.

## **6.4 Minimize Corruption**

Indian authorities need to be more transparent and take firm decisions to implement its policies. Corruption should be minimized so that the defense acquisition and buildup plans should not be delayed.

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