

## **Chapter- 5**

### **Conclusion**

The 21<sup>st</sup> century is Asian century and India – China has become the two largest developing countries of the world. However, it was just two decades ago, when the two countries re-established their diplomatic ties in 1980s. Which were broken due to the 1962 India China war. Since then, the two nations have committed themselves that the bilateral problems like border issue would never become the restrain factor in their mutual ties. Consequently, many important agreements and Memorandum of Understanding on trade, border issue, science and technology have been signed during the bilateral visits.

In India China political relations, border issue and the issue of China Pak relations and its implications for India China relations are comparatively more important to examine. On border issue, both countries have conducting a number of talks 8 during 1981-87; 15 Joint working Group meeting during till Jan 2012. The creation of the “working Mechanism on Consultation and Coordination on India-China border affairs”, in the 15<sup>th</sup> meeting of the special representative of India and China in January 2012, seems a good step to taken to resolve this issue. This adds to the exiting plethora of framework, mechanism and documents. While on the one hand the agreement indicates resolving the boundary question at an early date, Article- V mentions that proposed working mechanism will not discuss the resolution of boundary question or affect the special representative mechanism.

The proposed mechanism indicates the spirit of the agreements September 1993, November 1996 and April 2005 and the protocol between the two sides, which are always debatable and lack clarity in public acceptance. Also, none of the agreements or protocols has been successful in pursuing the boundary negotiation to an upper level.

But these protocols have elaborated the fact that nothing can be do without cooperation at this issue and this would be required political will on both sides to bring both for claims (Aksai Chin for India, Arunachal Pradesh for China) and conflicting LACs (Line of Actual Control) claims into one single process of negotiations rather than the sequential approach of unilaterally establishing LACs and then bargaining.

As mentioned in the 2005 agreement that the two countries should intend to strictly respect and observe the LAC. It, simultaneously, making mutual adjustment on the ground based on differing LACs. This presumes some strategic trust because, it would being sensitive to other side's security perceptions and tactical requirements.

As China has become the largest arms supplier to Pakistan, it is definitely a cause of concern for India. However, since 1970, China has been regularly supplied the nuclear and missile technology to Pakistan. Pakistan has also received help from China in terms of raw materials, equipments and training. This has enabled Pakistan to develop the Shaheen 2 (missile) on its own. The Gauri is the only missile in the Pakistani to develop arsenal employing liquid propellants. This missile is based on the technology of No Dong missile of North Korea. Recently, Pakistan has fielded a nuclear tipped tactical missile called Nasr.

The missile has a range of 60 km and is said to be battle field weapon system. India targets within 300 km of the border are within the range of Ghaznavi: Shaheen -2 covers practically all of India. Pakistan ballistic missiles are road mobile and this provides them both envision and second strike capabilities.

Although, China has regularly been providing military assistance to Pakistan, there are various strategic commercial, and foreign policy rationale behind Chinese missile exports and assistance to Pakistan. While this strategic relationship initially grew out of the mutual needs of China and Pakistan in countering the Soviet Union and Indian security threats,

respectively, it continues to serve the two countries national security interests in the post Cold war era. Pakistan relies on China as a trusted ally in dealing with India from a position of military weakness; Beijing value its close ties with Islamabad both to extend its influence to South Asia and to balance against India.

Recently, China began bidding for major infrastructure projects in Pakistan occupied Kashmir (POK), focusing on road construction, dam building hydropower, railways and mega – power projects.

While on the one hand, it would enable China to make direct access to the Middle East energy resources and connecting Xinjiang to the Tibet Autonomous Region (TAR). On the other hand, it would create confusion over Indian defence establishment particularly on two ways. Firstly, it makes the India China border problem more troublesome. Secondly, India may have to face a stiff challenge from both Pakistan and Chinese army at a time. Therefore, India needs to a good preparation to confront this situation.

As per Chinese strategy, the construction of ports and infrastructure development in Gwadar in Pakistan, Hambantota in Sri Lanka, Sittwe in Myanmar and Chittagong in Bangladesh all these efforts show that China wants to encircle India.

This ‘string of peals’ strategy may serve as a double edged sword for China: while on the one hand, it enhance the Chinese influence in South Asian region; on the other hand China may have the direct access to the natural resource in Indian Ocean region. Meanwhile, India needs to examine its foreign policy and create friendly relations with neighboring countries.

Chinese modernization of the PLA ground force, navy and air force is also a cause of concern for India. However, with the help of new missile and nuclear technology China can make easily target the main cities of India. For India, it is a high time to check its military strength

and modernize its military capabilities. As Indian ballistic missile programme came into being in the mid 1980s with the announcement of the Integrated Guided Missile Development Programme.

Consequently, India has developed the surface to surface missile Prithvi, the anti-tank missile Akash, which are operational in process. Although, India exports missile and nuclear technology from Soviet Union and other countries but it is important for India to develop its indigenous missile and nuclear technology.

In addition, India is developing Agni -5 ballistic missile which will have a range of 5000 km. This effort is an example of indigenous development effort with no technology input received from other countries.

For India, the defence budget is also major requirement. No wonder that Chinese defence spending has risen by 200 percent in the last decade to reach \$119 billion in 2010 compared to Indian defence budget \$36 billion. On the one hand, India is today one of the world's largest importers of defence equipment and in the next five years it is likely to spend around \$ 50 billion on imports. Its indigenous purchase ratio is barely 30 per cent. On the other hand, China is not only nearly self-reliant, but is also meets a substantial portion of its defence expenditure through the export of arms and other defence hardware. So, allotment of more money is required for defence and this is to be viewed as an integral part of Indian national planning.

On water issue, India needs to develop a mutual mechanism with china to ensure that Chinese dams and infrastructure developments on the Brahmaputra River would never affect the downstream water flow in India.

On April 11, 2005 India and China signed a Memorandum of Understanding (MOU) on provision of hydrological information of the Sutlej LangqenZangbo River in flood season by China to India. In response to concern expressed by the Indian side on Parcechu incident (2005) which had resulted in flash floods in the Sutlej and causing extensive damage in India. The Chinese side agreed to take measures for controlled release of accumulated water of landslide dam on the river Pareechu, as soon as conditions permit.

As India is a downstream riparian country, it cannot legally question Chinese upstream projects. Again, on water issue there is no comprehensive agreement between India and China. But it is important for India to draw China into a dialogue on water issue and consistently raise hydrological concerns at bilateral meeting.

At economic level, India- China economic engagement has been growing steadily since the re-establishment of their diplomatic ties in 1976. In 1980, when Deng Xiaoping strongly consolidated his position, China opened her economy. After that in 1990, due to the negative balance of payment India also adopted the new economic policy. Since then, India-China bilateral trade has been increased expected during 1998-99 following the Indian nuclear tests, reaching \$ billion in 2002, and \$ 69 billion in 2011.

Although, the target set for 2015 is 100 billions, which seems quite achievable in due time. But some economic problems negative trade balance and Chinese cheap market products have been also creating obstacles in their bilateral trade relations.

The policy makers in both nations have recognized the problems and are struggling to create a harmonious society (in case of China) and inclusive growth (in case of India). However, the establishment of India China strategic Economic dialogue during the visit of Chinese Premier Wen Jiabao to India in 2010 is aimed at improving macro, economic policy coordination. Promoting exchanges on economic issues, and exchange India- China economic cooperation.

The first Dialogue had been successfully held at Beijing in September 2011. The 2<sup>nd</sup> India China strategic economic dialogue took place in New Delhi on 26 November 2012. During this meeting, the two sides discussed a wide range of topics including greater cooperation at the global level, strengthening communication on macroeconomic policies, and promoting bilateral cooperation in the financial and infrastructure. The proposals and recommendations made by the five working groups were considered during the 2<sup>nd</sup> dialogue and directions given for their future activities.

We can reach the initial conclusion that India and China, rather than having different development trajectories, might simply have different starting dates, with Chinese reforms preceding those in India by a number of year and finally converging. For India, if it succeeds in providing better infrastructure, including reliable power, more flexible labor laws and an efficient bureaucracy, it is entirely possible that it will become more competitive. These institutional changes would allow India to accelerate its economic growth in an equitable manner during the next round of economic reforms. Again, Indian and Chinese leadership should shade away the mentality of distrust and the ego of personality crisis, so that, they could join hands to take the responsibility of ensuring a peaceful and harmonious environment for the economic and social benefit of their people.