

INDIA
CHINA
US
TRIANGLE

A 'SOFT' BALANCE OF POWER SYSTEM
IN THE MAKING

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**India-China-U.S. Triangle:
A 'Soft' Balance of Power System in the Making**

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Executive Summary

The United States is the only superpower in the world today. It is also the most important power in Asia. At the same time, China and India are rising Asian powers. Each has a population of over a billion people, nuclear weapons, and is among the fastest growing economies in the world. Relations among these three countries will, to a large extent, influence the course of events within Asia in the 21st century. This paper will explore some aspects of the India – China – U.S. triangle and identify the broad direction in which relations appear to be moving.

India – U.S. relations have witnessed a remarkable turnaround in the last two years. For over 50 years, the two countries shared “prickly” relations and were considered “estranged” democracies. However, they now appear to have achieved a partnership based on common values, as well as mutual interests. The India visit of President Bill Clinton in March 2000 was a major turning point in this regard. The Bush Administration’s determination to make a “fundamental difference” in the relationship sustained this process. The events of September 11 and their aftermath have further succeeded in providing new strategic glue to bring the two countries even closer together. As a result, the last six months have witnessed an unprecedented high-level engagement between the two countries. Sanctions against India have been lifted and an ambitious agenda for future cooperation unveiled. Military to military relations have resumed in a big way. Collaboration in the field of counter terrorism has also acquired new dimensions.

Traditionally, Pakistan has been among the principal obstacles to good India – U.S. relations. Early Indian misgivings over the post September 11th revival of the U.S. – Pakistan relationship have been largely overcome with the U.S. coming down upon Pakistan harder than ever before to end its support for militancy. Consequently, President Musharraf announced that Pakistan will change and that no Pakistani group will engage in terrorism in the name of Kashmir. Similarly, the U.S. has rebuffed Pakistan’s attempts to bring it in as a mediator in the Kashmir dispute. Instead, the U.S. has taken the position that a solution can be found only through bilateral dialogue between the two countries.

With a growing congruence of interests across a range of issues between the United States and India, prospects for the future look bright. The war against terrorism is “well begun but only begun.” A host of challenges confront India and the United States, both of whom are likely to remain targets of extremist forces. Within Asia, there is an arc of instability stretching from Central Asia through the Gulf, and South East and North East Asia, where there is potential for India and the United States to work together. U.S. plans to go ahead with missile defense and increasing economic linkages are also likely to strengthen India – U.S. relations. Thus, the relationship stands today on the verge of a take off. While uncertainties, such as continuing India and Pakistan tensions and political change within India, still affect the relationship, the larger trend appears unlikely to alter.

China views this rapid improvement in India – U.S. relations with concern. A number of reports have appeared in the Chinese media, particularly from May through September 2001, noting this development and wondering if this new dynamic is targeted at China. These articles, in particular, have observed the rise of India and the benefits that could accrue to the United States through a strategic relationship with India. The subtext in many of these articles has in fact been whether India will do a “China” on China, i.e. whether it will forge a tacit alliance with the United States in the same manner China did in the early seventies against the Soviet Union. In China’s perception, India, by virtue of its geo-political situation, naval capabilities, unresolved bilateral disputes and history of hostility with China, is an ideal country for the United States to have on its side in the eventuality of any conflict.

China’s concern over a U.S. – India alliance must be seen in the larger context of China’s deep-rooted fears with regard to the United States. China is fully aware that U.S. – China relations remain fragile and that issues such as Taiwan and human rights are not going to simply disappear. While U.S. policy towards China is one of combining engagement with containment and “keeping the powder dry”, China has few illusions about the relationship. It is convinced that the ultimate U.S. goal is to “westernize, split and weaken” China. Even the policy of engagement is seen as a strategy to achieve a peaceful evolution of the Communist political system. China’s larger and long-term strategy towards the United States is therefore “keep calm, lie low, hide your capacities and bide your time”. China recognizes that it is not in a position to challenge the United States at present and instead should concentrate on building its comprehensive national strength. The events of September 11 and their aftermath have contributed to a radical deterioration in the strategic environment around China and enhanced its fears of encirclement. Moreover, the U.S.’ plan to go ahead with its missile defense program is seen as a measure which leaves it with the difficult choice of either accepting the neutralization of its threat towards Taiwan as well as deterrence vis a vis the United States or engaging in a costly arms race which might lead it to unravel like the Soviet Union.

In recent years, there has been within China a fundamental reassessment of India and its importance. The factors which have contributed to this reassessment are a) India’s nuclear tests b) India’s success in multidirectional diplomacy, including in particular with the United States c) China’s need for India to be a partner in the building of a multi - polar world d) the decline of Pakistan as an asset and e) India’s recent economic success. Diplomatic relations between India and China has seen a flurry of activity in the past year. Despite heightened tensions and military mobilization by the armed forces of India and Pakistan, Premier Zhu Rongji visited India in January 2002 and reaffirmed China’s desire for friendship. China has also made a significant shift in its position on the question of Kashmir and moved from a pro-Pakistan stance to one of neutrality.

The Indian Government has welcomed these gestures on the part of China and assured it of India’s commitment to an improved relationship. However, there remain several core bilateral issues between India and China which are yet to be resolved. For example, a) China still does not recognize the accession into India by the former princely

state of Sikkim in 1975, b) there is continuing Chinese missile proliferation to Pakistan, c) the two countries are yet to complete the task of arriving at an agreed Line of Actual Control in border areas and d) China's has remained unwilling to come out in support of India's candidature for the U.N. Security Council. The failure of China to make progress on the above issues has resulted in many Indian analysts describing Chinese actions as an effort to lull India into complacency even as it takes steps to encircle India and undermine its security. Therefore, while the overall India – China relationship is on a path of improvement, a number of difficulties still remain to be addressed.

India has always seen a close U.S. – China relationship with misgiving and suspected that it might adversely affect her interests. This is because the pattern of prior 'triangular' dynamics saw the United States and China colluding against India. For example, there was a virtual entente between the United States and China during the 1971 India-Pakistan War, with the United States encouraging China to open a second front against India. Similarly, the United States chose to ignore Chinese nuclear and missile supply to Pakistan in the eighties because both were allies in battling the Soviets in Afghanistan. Further, as recent as in 1998, the two countries adopted a Joint Communiqué condemning Indian nuclear tests and using language that was seen in India as a U.S. attempt to confer upon China a supervisory role in South Asia. The improved relations India enjoys with both the United States and China today reduces the reasons for concern on India's part. India, however, will remain watchful of the U.S. – China relationship.

In conclusion, the U.S. – India partnership is unlikely to turn into any kind of formal alliance in coming years. Such an alliance is not in the interests of either. Besides, both India and the United States each have substantive interests vis-à-vis China which they would not like to jeopardize. What is more likely is the emergence of a 'soft balance of power' system among the three countries, in which each seeks to maneuver the maximum diplomatic space for itself and works to improve relations on both fronts without entering into formal alliances. Collaboration between two against the third is likely only on an issue-by-issue basis. For example, both India and the United States seek to end Chinese missile proliferation to Pakistan. Similarly, India and China may come together in pursuit of their common goal of a multi – polar world. On the other hand, a conflict between India and Pakistan might witness the United States and China joining hands against India.

Such a 'soft' balance of power system will not, however, be static and can shift from a "soft" system to a "hard" system or a "concert" between the three countries. Based on trends in the trilateral relationship outlined above, the critical determinant in the above process is likely to be Chinese policies and action. Hostile action on the part of China could turn the relationship into a "hard" system of formal alliances. In contrast, Chinese willingness to work with the U.S. and India on issues such as proliferation to Pakistan could ensure that it turns into a concert.

In view of the above scenario, India's goal should be to work towards a virtuous cycle of improving relations with both the U.S. and China. To encourage this outcome,

India, more than anything else, needs to jump start economic growth and revamp governance. It must continue to strengthen relations with the U.S. on all fronts and encourage the U.S. to sustain its engagement with South Asia. Finally, it must reassure China that improving India – U.S. relations are not directed at it even as it presses China to address core differences in bilateral relations on a priority basis.

Introduction

One of the defining characteristics of the contemporary international political system is the dominance of the United States in the world, and its overwhelming lead over all other nations in terms of all the important indices of power. The terrorist attacks of September 11th on the U.S. revealed the enormity of the threat that exists to the security of the U.S. However, its ability to mobilize a global coalition against terror and wage a successful military campaign in Afghanistan has underlined the extent to which it can influence events even in distant parts of the world. The United States, despite its geographical distance from the region, remains the single most important power in Asia.

A similar reality within Asia is the rise of China and India – giant neighbors, both of whom are countries with populations of over a billion people, nuclear weapons, and the fastest growing economies in the world.

In many ways, ‘rising’ is a word inadequate to describe the realities of modern day China. It has already propelled itself into the ranks of the leading nations of the world by accomplishing a remarkable economic and social transformation in the last twenty years. China, by virtue of its nuclear and conventional military capabilities, sustained high economic growth, status as a permanent member of the U.N. Security Council, regime stability and embodiment of an alternate political model to the ‘West’, is seen by many as the only possible challenger to the U.S. in the global power stakes of the future.

India, too, in the last few years has witnessed a period of unprecedented resurgence. With economic growth rates averaging 6 percent through the nineties, India also became a nuclear weapons power in 1998. It has since then embarked on a major all-round diplomatic offensive, forging closer ties than ever before to the United States, without diluting its traditional friendship with Russia or its commitment to improved relations with China. Demonstrating a high degree of dexterity, India has shed the ideological blinkers of its non-aligned past and replaced it with a pragmatic ‘national interest’ based approach. Consequently, it is actively reaching out and building linkages not just to its immediate neighborhood of South Asia but also Central Asia, the Gulf, and East Asia, which it now identifies as its “strategic frontiers”¹.

Clearly, the interrelationships between India, China and the United States will be an important factor determining the course of events within Asia in the 21st Century.² How these three powers interact and manage their relations with each other will also to a large extent influence the future of peace and security within the region.

This paper seeks to explore some aspects of the India – China – U.S. triangle and identify the broad direction in which relations between these three countries appear to be moving. Starting with a discussion of the remarkable turn around in India – U.S. relations over the last two years, the paper points out that September 11 and its aftermath have provided new strategic glue bringing the countries even closer together. The paper draws attention to concern within China that this improvement in India – U.S. relations is targeted at it and discusses how this concern needs to be seen in the context of deep -

rooted fears within China of the U.S. and its long term intentions. It further points out that the post September 11 deterioration in China's strategic situation and U.S plans for a missile defense system fuel Chinese suspicions in the above regard.

The paper then proceeds to discuss a fundamental reassessment in China's policy towards India that has occurred in the last few years as well as Indian perceptions of U.S. - China relations. The paper concludes that India and the U.S. are unlikely to enter into any formal alliance against Beijing. Both countries have substantive interests with respect to China that they would not like to damage. Instead, what is likely to emerge between the three is a "soft balance of power" system³ in which each country seeks to maneuver the maximum diplomatic space for itself vis-à-vis the other two countries, without entering into any formal alliances. At the same time, by virtue of the fact that the India – China – U.S. triangle is today at a stage where India -U.S. relations appear set for rapid improvement while U.S. – China relations remain fragile and core differences between India and China are still to be addressed, future Chinese policies and actions will be the key factor in determining whether the system will turn from a "soft" system to a "hard" system of formal alliances or alternately a 'concert' between the three powers. The paper further argues that India's goal should be the initiation of a 'virtuous cycle' of improving relations with both the U.S. and China.

India – U.S. Relations: From estrangement to convergence

India -- U.S. relations began on a good note. During the days of the Second World War, India was a subject that figured in many discussions between President Franklin D. Roosevelt and British Prime Minister Winston Churchill.⁴ Roosevelt was supportive of the demands of Indian nationalism and pressed Churchill hard to grant India de facto independence. He recognized that it was illogical for the Allies to claim they were fighting a war for freedom from fascism even as the same freedom was denied to people in the colonies.⁵ At birth, the leaders of India drew directly from U.S. political experience and incorporated into their new Constitution key principles such as a federal system, the separation of powers and an independent judiciary that would act as the guardian of the rights of citizens as well as of the Constitution. The U.S. Bill of Rights was, along with the Universal Declaration on Human Rights, used as the first draft of the chapter on Fundamental Rights in the Indian Constitution by the Constituent Assembly.⁶

Despite the good beginning and many shared values, the first fifty years of India - U.S. relations quickly drifted into a state of “estrangement”. Describing the use of the term “estrangement” to characterize India -- U.S. relations during the first fifty years, Senator Daniel Patrick Moynihan says the term “nicely captures the sense on both sides that affection has not been returned, or has somehow lapsed, or has found new outlets.”⁷ A number of factors contributed to this estrangement. India became independent in 1947 just as the Cold War started gathering steam. The United States and the U.S.S.R. were busily engaged in building military alliances against each other and initiating an arms race. As a newly independent, developing country, India’s reaction was to stay away from the power politics of both alliances and to forge a third path of Non Alignment. The fact that India, a democracy, chose not to join the West in its crusade against communism offended the U.S. deeply. India’s policy of non-alignment was called “immoral” by the then U.S. Secretary of State John Foster Dulles.⁸ This division was further augmented by Pakistan joining the U.S. as a formal ally in the Central Treaty Organization (CENTO). As a result, the United States tended to balance its support and commitment for India as a democracy with its national interests as perceived through the prism of Pakistan, an ally.

The sixties and seventies saw the United States progressively drifting away from India while the Soviet Union offered India political, military and economic support. India – U.S. relations hit rock bottom in 1971 during the war with Pakistan over the liberation of Bangladesh. A virtual entente emerged between the United States, China and Pakistan against India. The United States sent its Seventh Fleet into the Bay of Bengal in what was seen by India as a blatant act of nuclear blackmail, and encouraged China to open a second front against India.

The end of the Cold War, the collapse of the Soviet Union and the launching of an economic liberalization program in India in the early nineties brought a new tone and content to the relationship. However, the relationship still remained hostage to differences between the two sides over India’s quest for a nuclear deterrent. The conduct of nuclear tests and the announcement of a program of weaponization by India in May 1998 led to yet another low point in the relationship. The United States joined hands with

China to rally the world against India and to call for a roll - back of its nuclear program.⁹ The United States further went on to impose military, economic, and scientific and technological sanctions against India.

The commencement of a series of intense discussions between the two sides at the level of Indian Foreign Minister Jaswant Singh and U.S. Deputy Secretary of State Strobe Talbott over the next two years resulted in a slow normalization of the relationship. The Kargil conflict of 1999 between India and Pakistan further provided the United States with an opportunity to play a positive role in the subcontinent by calling for a withdrawal of Pakistani infiltrators from across the Line of Control in Kashmir.¹⁰ The United States reaped considerable goodwill within India as a result. In the meantime, Pakistan lurched into further instability with General Pervez Musharraf taking power in a military coup in November 1999.

The Clinton Visit – A turning point

The visit to India by President Bill Clinton in March 2000 can be described as the first major turning point in India – U.S. relations in recent times. This visit, the first by a U.S. President to India in almost 22 years¹¹, marked a major change in U.S. policy.

From the Indian perspective, the fact that the visit was taking place after the unpleasantness of the May 1998 nuclear tests was itself a major achievement. Further, the U.S. admitted it had neglected India for over two decades.¹² It also expressed willingness to end the situation wherein the entire relationship was held hostage to differences on the nuclear question. Finally, by undertaking a five day visit to India and only a transit halt of a few hours in Pakistan (the main purpose of which was to address the Pakistani public and call for a return to democracy), the United States made it clear that its priority within South Asia would be relations with India. The United States accepted that India, the largest democracy in the world and a potentially important economic partner could not be equated with Pakistan - a country one seventh the size of India and bedeviled by serious economic problems as well as chronic political instability.

The United States too saw the visit as an important milestone. Despite unhappiness over India's nuclear weapons program, the United States realized that isolating India was not in its interest. It was much better to engage India and build influence through a strong relationship. The impressive economic growth India maintained during the nineties of around 6 percent, its dynamic IT industry, with close links to the IT sector in the United States, and the fact that the United States had become both the largest investor and trading partner in India, also created a clear economic imperative for putting relations onto a new footing.¹³ Finally, the Indian American community (with significant economic stakes in both countries and a vested interest in bringing the two together) also played an important role in U.S. calculations¹⁴.

Bush Administration – Making a “fundamental difference”

Since the inauguration of President Bush, the new Administration took office with a determination to make a fundamental difference in its relations with India.¹⁵ During the course of the visit of Indian Foreign Minister Jaswant Singh to the United States in April 2001, the United States made clear to India its determination to sustain and strengthen the efforts initiated by the previous Administration.

The United States around the same time also announced its plans for developing a missile defense system through a speech made by President Bush on May 1, 2001. U.S. National Security Advisor Condoleeza Rice, in an exceptional gesture, spoke to Foreign Minister Singh on the telephone and briefed India on its missile defense policy. After the speech, India extended a welcome to certain elements in President Bush’s statement, such as the offer of unilateral reductions in the U.S.’ nuclear arsenal, the call for a new strategic structure to replace the Mutually Assured Destruction doctrine of the Cold War days and the offer to consult all the countries concerned about the program. The United States then dispatched Deputy Secretary of State Richard Armitage to visit India along with Japan and ROK for further consultations on the subject, marking the first time the U.S. was according India the status of an important partner in Asia on strategic issues.

Post-September 11 – New strategic glue

It was in this context of rapidly improving India – U.S. relations that the tragedy of September 11 occurred. To assess the impact on India – U.S. relations of September 11 and its aftermath, it is necessary to list some of the important developments of the last six months relevant to the discussion.

These are:

- Pakistan, under U.S. pressure, was forced to give up its policy of support for the Taliban and join the global coalition against terrorism.
- As a result of U.S. action in Afghanistan, the Taliban regime was removed from power and a new interim administration installed in its place. Al-Qaeda terrorist training camps in Afghanistan have also been destroyed.
- Terrorists attacked the Legislative Assembly of the Indian State of Jammu and Kashmir in Srinagar on October 1, 2001
- An attack was launched by terrorists on the Indian Parliament on December 13, 2001
- Two Pakistan based terrorist organizations- Lashkar-e-Toiba and Jaish-e-Mohammed were identified by India as responsible for the attack on the Indian Parliament
- The U.S. Government placed both the above two groups on the list of terrorist organizations.
- India ordered the forward deployment of its armed forces on the borders with Pakistan and demanded that Pakistan take effective measures to end cross - border infiltration by terrorists from within Pakistan as well as

Pakistan occupied Kashmir. India also demanded that Pakistan should return to India for prosecution 20 criminals and terrorists who are in its territory.

- Pakistan also decided to forward deploy its forces on the Indian border resulting in an eyeball to eyeball situation.
- Following intense diplomacy by the U.S., President Musharraf delivered on January 12, 2002 a landmark speech¹⁶ calling for change within Pakistan. He called for an end to militancy and said no organization within Pakistan would be allowed to engage in terrorism in the name of Kashmir.
- Wall Street Journal correspondent Daniel Pearl was tragically kidnapped and murdered in Pakistan by persons belonging to the Jaish-e-Mohammed (mentioned above). Pakistani police arrested Sheikh Omar Sayeed, a militant released from an Indian prison in 1999 in exchange for passengers of an Indian Airlines plane hijacked to Afghanistan, as the prime suspect in the case. There have since been extensive reports in the media on possible connections between the Pakistan's intelligence agencies and the militants involved in the above crime.¹⁷

A review of India – U.S. relations in the context of the above events indicates that despite the U.S.' re-engagement with Pakistan, the post-September 11 scenario has provided new strategic glue to bring India and the United States closer than ever before.

The following factors deserve note:

1) There has been unprecedented high-level political engagement between India and the United States.

Within the short period of the last six months, Indian Prime Minister Vajpayee, Home Minister (and number two in the ruling coalition) L.K. Advani, Foreign Minister Jaswant Singh, National Security Advisor Brajesh Mishra and Defense Minister George Fernandes have visited the United States and interacted with President Bush and other senior officials, as well as members of Congress. Similarly, Secretary of State Colin Powell has visited India twice already and so has Defense Secretary Donald Rumsfeld. Indian and U.S. leaders have also remained in close touch with one another through letters and telephone conversations. In the process, mutual understanding and trust between the leadership of the two countries has grown considerably.

2) An ambitious agenda for future cooperation has been unveiled

Sanctions imposed against India by the U.S. have been withdrawn resulting in the elimination of one of the biggest irritants in the relationship. Consequently, during the visit of Prime Minister Vajpayee, India and the United States unveiled an ambitious agenda for cooperation covering regular consultations on Afghanistan (the first round has since been held in December 2001), exchanges on the establishment of a new strategic framework, discussions

on stimulating bilateral high technology commerce, increasing cooperation in the fields of civilian nuclear safety and space, and broadening the economic dialogue to cover areas such as energy, environment, and health. Both countries have also decided to work much more closely in countering threats such as the spread of weapons of mass destruction, narcotic trafficking, and piracy.

3) Burgeoning security relationship

Defense relations between the two countries, which had been frozen following India's nuclear tests, have resumed in a big way. The two sides have declared the goal of creating a comprehensive, deep and mutually beneficial defense relationship based on shared strategic interests in Asia and beyond. A Defense Policy Group established between the two countries met in December 2001 and decided:

- to initiate combined special operations training, small unit ground/air exercises, and training exercises between U.S. marines and corresponding Indian forces;
- to establish a security cooperation group to manage the defense supply relationship;
- to discuss bilateral ties in the field of defense production and research, military planning, tri-service doctrine and tri -service institutions .¹⁸

The Commander in Chief of the U.S. Pacific Command, Admiral Dennis Blair and the Chairman of the U.S. Joint Chief of Staffs, Richard Myers, have both visited India recently (the second visit by a Chairman of U.S. Joint Chief of Staffs within a year). The Indian Joint Chief of Staffs, General S. Padmanabhan is expected to visit the United States shortly. The United States has announced the clearance of 20 licenses involving sales of defense equipment to India. It has also given Israel the go ahead to sell Phalcon advance warning systems to India. Indian and U.S. naval ships have held a joint search and rescue exercise in the Arabian Sea. U.S. ships engaged in operations in Afghanistan have been using logistical and other support facilities at Indian ports. According to reports in the Indian media, a proposal for joint patrolling by Indian and U.S. naval ships of the Malacca Straits is under consideration by the Indian Government.¹⁹

4) Collaboration in the field of counter terrorism

Even before the events of September 11, the United States and India had set up a Working Group on Counter Terrorism, to coordinate and initiate joint efforts to address the challenge posed by terrorism. These efforts have now received a new impetus with both sides deciding to launch a Cyber -terrorism initiative and agreeing that the U.S. Federal Bureau of Investigation (FBI) and Indian Central Bureau of Investigation (CBI) will share information on terrorists in each other's databases. The U.S. has also offered to make available to India

specialized equipment and technology to strengthen border management and surveillance aimed at preventing infiltration of terrorists from within Pakistan.²⁰

5) Pakistan factor

In the initial phases of the campaign against terrorism, there was significant disquiet in India over the renewal of close relations between the United States and Pakistan. There was concern over whether this would mean the resumption of a major flow of arms to Pakistan. Some in India also expressed the fear that the United States, because of their reliance on Pakistani assistance in the campaign in Afghanistan, would ignore Pakistan's continuing support for terrorism directed against India.

Not only have these fears proved to be without basis, but to the contrary, U.S. efforts have resulted in President Musharraf promising to address what has till now been India's most important security concern – namely, the use of terrorism as a tool of national policy by Pakistan.²¹ (India is however still awaiting evidence that cross – border infiltration has stopped and wants President Musharraf to back his words with deeds). Furthermore, even while showering praise on President Musharraf for the support he has extended to the campaign against terrorism, the U.S. has repeatedly taken the position that Pakistan should do more to address militancy within the country and the concerns of India.²² The United States has also thus far deflected Pakistani requests for a major military supply relationship. While smaller transactions, especially those involving spare parts are moving forward, the United States has refused to re-open the case of the F-16 fighter planes, primarily of use to Pakistan in a confrontation with India (delivery was stopped in 1990, and Pakistan received a refund in 1998).

6) Kashmir

Kashmir, one of the critical disputes which divide India and Pakistan, has traditionally been yet another cause of significant misgivings within India towards the United States. Popular perception in India for several decades has been that the United States is keen to involve itself in the dispute and mediate a solution between the two countries, a step India has always opposed.

This perception has, however, now started to change. During the Kargil conflict²³, the United States made it clear to Pakistan that it would not support such adventurism and put pressure on Prime Minister Nawaz Sharif, forcing him to order a pullback of the Pakistani forces sent across the Line of Control.²⁴ Similarly, following the December 13 attack on the Indian Parliament, the United States has come down harder than ever before on Pakistani sponsorship of violence and terror within Kashmir and the rest of India.²⁵

Finally, the United States has clearly rebuffed Pakistan's attempts to drag it into the dispute as a mediator. The United States has made it plain to Pakistan that in its view a solution to the Kashmir dispute can be found only by India and

Pakistan sitting down together and attempting to resolve issues amongst themselves (which is essentially the Indian position).²⁶

Prospects for the Future

Examining the prospects for India – U.S. relations in the context of the growing congruence of interests outlined above, the future of the relationship appears very bright.

1) War against terrorism “well begun but only begun”

As stated by President Bush in his State of the Union address, the war against terrorism is well begun, but only begun.²⁷ India and the United States are today among the foremost targets of terrorism in the world. While significant victory has been achieved with the overthrow of the Taleban and the destruction of Al-Qaeda bases in Afghanistan, there still remain huge tasks ahead. For example, the whereabouts of Osama Bin Laden and Taliban Chief Mullah Omar are still unknown. There are reports of Al-Qaeda sleeper cells in over 60 countries including the United States. There are indications that terrorists have sought to build crude nuclear bombs and obtain biological and chemical weapons.²⁸ Considerable work remains to be done in the area of bringing together law enforcement agencies of the world and shutting down financial networks that support terrorist organizations. All these issues are likely to top the agenda of the international community in the coming years. In all these efforts, the United States and India have common interests.

2) Arc of instability

There is an arc of instability stretching from Central Asia through the Gulf, to South East Asia and North East Asia. A number of common concerns and interests bind India and the United States in all these regions.

For example, in Afghanistan, both countries would like to see the present interim administration stabilize and a democratic system of government, representative of all communities, emerge. Both countries would like to make sure that such a system guarantees respect for human rights, particularly of women and minorities. Both would like to make sure that neighbors are supportive of the new regime and do not meddle in its internal politics. Both can contribute a great deal to the reconstruction of Afghanistan. India has already announced the grant of a million tons of wheat to Afghanistan, as well as the revival of the Indira Gandhi Hospital for Children in Kabul. In a variety of fields of social endeavor such as education, health infrastructure, vocational training, and small industries, India has expertise that would be relevant and appropriate to Afghanistan.

In Central Asia, many of the countries are politically unstable, economically underdeveloped and threatened by forces of Islamic extremism and

militancy. India and the United States share a mutual interest in seeing peace and stability in the region. Both also have a common interest in ensuring that the energy resources of the region are developed and brought to the international market. In the Persian Gulf, there are many countries, who despite being allies of the United States, have been among the principal financial sponsors of Islamic groups worldwide. Both India and the United States face the same dilemma with regard to these countries. They are both critically dependent on the oil resources of this region. India also has over three million expatriates living and working in the Gulf countries. Yet both India and the United States would like to see an end to the support for militancy that has emanated from the region.

India and the United States would both like to ensure that there is free flow of energy from the Gulf and that the sea-lanes of the Indian Ocean are secure and free of piracy. Both have an interest in the stability of the Philippines and Indonesia, which are in India's immediate neighborhood and have witnessed high levels of terrorism in recent times.

Finally, India and the United States share a common interest in seeking an end to nuclear and missile proliferation to Pakistan from China and North Korea.

3) Transition of Pakistan into a moderate Islamic society

India and the United States share a vital interest in ensuring that President Musharraf backs his words with action and that his speech of January 12 is translated into reality.

There is a seamless continuum between the forces of terror that target India and those that target the United States. Many of these forces continue to operate out of Pakistan. It is now well known that some Pakistani nuclear scientists have been in contact with the Al-Qaeda and that there are elements in Pakistan's army and intelligence services that are supportive of the forces of militancy.²⁹ As long as terrorism and militancy flourish and survive in Pakistan, there will remain a serious risk that these forces will target the United States again. In fact, the kidnapping and murder of the Wall Street Journal correspondent Daniel Pearl established this point beyond doubt.³⁰ An end to terrorism and militancy in Pakistan is as much in the interest of the United States as that of India. Both need to sustain their pressure on President Musharraf to take action against such groups.

4) Economic interests

When the U.S. – India rapprochement began in the late nineties, economics was the main driving force. Today, in comparison to progress made in other fields, economics appears to be the weak link. However, the importance of this factor and the role it can play in bringing the two countries closer together cannot be underestimated.

While the progress of economic reforms within India has been slow, there is consensus across the political spectrum that a further opening up of the economy and integration with world markets is the way ahead for India. There is also growing realization within India of the tremendous achievements China has made through its policies of liberalization. As reforms gather steam, the private sector in the United States and India -- with the Indian American community playing an important 'bridging' role -- will automatically seek out opportunities that bring the two countries closer together.

Though this process will predominantly be driven by the private sector, the two Governments will have an important role to play in creating a suitable facilitating environment for business and industry. As seen from the recent WTO Ministerial meet in Qatar, this may not always be an easy process. Differences will remain on multilateral economic issues between India and the United States and sometimes may even be publicly and vigorously articulated. However, the fact that this takes place in a new atmosphere of growing understanding on political and security matters is certain to have a beneficial impact. Differences are likely to be managed and contained in a manner that will not affect the overall relationship. (Perhaps the time has come for a greater systematic and institutionalized informal exchange on some of the issues which separate India and the United States, and for increased emphasis on bilateral solutions to differences as opposed to the crossing of swords in multilateral forums).

6) Missile Defense

Traditionally, proliferation issues have been a major stumbling block in the relationship. However, ongoing U.S. efforts to develop a missile defense system may yet provide a new basis for cooperation between the two countries. While the United States has its own reasons and concerns that have led it to develop the program of missile defense, India believes it too faces a serious threat from missiles in its neighborhood, and that there is a serious risk of these weapons falling into the hands of terrorist elements in the region. As an issue that is likely to dominate the proliferation debate in the coming years, missile defense thus provides an opportunity for India and the United States to be on the same side. In this regard, it would be also worth considering whether India could be a useful partner of the United States in the development of missile defense technology on the model of Japan, especially as India has highly skilled workers and low costs. At a time when relations in the field of defense and high technology are being revived, such cooperation would be an excellent opportunity to closely integrate the relevant sectors of the two countries.

Possible Uncertainties in the Relationship

The arguments made above should not lead to an impression that U.S. – India relations are completely out of the woods and that there are no difficulties ahead.

Certainly, there are bound to be issues where India and the United States do not see eye to eye. What are some of the issues that may pose difficulties in the future?

1) Pakistan, Kashmir and terrorism

Nothing affects Indian public consciousness more than issues related to Pakistan and terrorism. These are viewed as the principal security threats to the nation. India, while appreciative of the positions adopted by the U.S. government on these issues, will continue to closely watch U.S. policies and action to see if current positions will be sustained or whether there will be any falling back. India will also insist, as it did during the visit to Washington by Prime Minister Vajpayee, that while its policy is one of restraint, it will, in the ultimate analysis, act as its national interests demand. Similarly, the United States will be looking for India to move towards an early de-escalation of the situation on the border and a resumption of the dialogue process with Pakistan. The understanding that the United States has shown so far to India's concerns is to a large extent predicated on the policy of restraint India has followed. Any change in that policy may result in adverse effects on the relationship.

2) Political change in India and the absence of a consensus within the U.S. foreign policy establishment on India

American scholars see the Congress Party as the party that carries the mantle of the Nehruvian legacy, and a political formation that was primarily responsible for the U.S. – India estrangement of the last fifty years. There are concerns within the United States as to whether a future non-BJP political administration in India will be equally supportive of U.S. – India relations.

Similarly, within the United States, large sections of the foreign policy establishment are still to fully catch up with the improvement in the relationship. India continues to be seen primarily within a sub-continental frame of reference and few have articulated a vision of U.S. – India relations envisaging India as an important partner of the United States in Asia and the world. While most analysts are positive about the future of India – U.S. relations, the vast majority of literature on U.S. foreign policy either ignores India or sees it as neither friend nor foe, an ambivalent attitude which is essentially a carry-over from the days of the Cold War. There is also skepticism about whether attitudes within India towards the United States have genuinely changed. Indian motives and actions with regard to Kashmir also remain suspect in the eyes of many, particularly South Asia analysts. Moreover, India is yet to make a significant dent in the consciousness of U.S. media.

3) Expectations that overtake reality

The rapid turn around in U.S. – India relations carries with it the risk of expectations rising far beyond reality in both countries. U.S. analysts caution that

despite the improvement in the overall atmosphere and the political commitment to expanded relations, the United States may not be in a position to transfer dual - use technology and certain types of defense equipment to India. Cooperation in the nuclear and missile field will also be limited by restrictions placed upon the United States on account of the Non Proliferation Treaty (NPT), domestic non - proliferation laws, and U.S. commitments under the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group. On the Indian side, there is a risk that India's slow moving bureaucratic machinery may not be able to keep pace with the enthusiasm generated within various agencies of the U.S. government for a rapid expansion of contacts. Moreover, differences between the two countries on issues related to India's nuclear weapons and missile program have not completely vanished and may re-emerge, if not handled carefully by both sides.

4) Pax Americana

Finally, there is the question of whether India, especially as its economic and military strength grows, will be comfortable in the long run within a Pax Americana. U.S. unilateralism often causes anguish even to the closest of its allies like the E.U. and Japan. While no major conflict of interest appears to be on the horizon, it is impossible to imagine that the relationship will remain completely free of differences. It must be noted in this regard that beyond the issues of terrorism and Afghanistan, the United States and India are still to forge any major partnership in the multilateral arena.

All the above are important issues which both countries need to address as they proceed with the task of improving bilateral relations. It is essential, however, to recognize the fact that a new resurgent India, much more confident and self assured than any time before, is today conducting its foreign policy on the basis of a pragmatic assessment of its national interests. Following in the footsteps of China, India is discovering that it pays to be pragmatic in foreign policy making and to liberalize its economy. There is within India a determination to look to the future and move India down the path of economic growth, prosperity and great power status. There is also recognition that this goal cannot be attained without a close relationship with the United States. As a democracy, it is certainly possible that the next elections may bring to power a new political leadership in India. This is however unlikely to result in any fundamental shift in policies towards the United States. This is because the present approach of friendship and partnership with the United States is rooted in India's national interests. As long as U.S. policies are supportive of India and contribute to advancing India's domestic and international goals, India would be more than willing to work in partnership with the United States on all issues.

The Chinese View of Improving India -- U.S. Relations

It has been argued by a number of U.S. scholars that China is indifferent to India, and that it looks upon India with disdain and contempt. While there may be individuals in China who express such views, that is not the general impression that can be gathered from a reading of the Chinese media. A sampling of reports given below from the Chinese press during the period May – September 2001 indicate that China not only takes India seriously but is also extremely concerned about rapidly improving India – U.S. relations.

Reports in the Chinese Media

*People's Daily (May 14, 2001)*³¹

(Delhi Correspondent commenting on the visit to India by U.S. Deputy Secretary of State Armitage)

“The top level in the U.S. understand that India fully deserves the title of number one power in the Indian ocean region, whether in terms of size of territory, population resources, science and technology capability and military and economic strength and also has a far from negligible influence in the international arena. In the long term, the rise of India is a matter of time. For the United States therefore playing the ‘Indian card’ will bring it marked repayment in various fields such as political, security, economic and science and technology.”

*People's Daily, May 21, 2001*³²

(Washington dispatch)

“Steadily warming India – U.S. relations have resulted in widespread attention to the geo-politics of Asia. It is difficult to predict whether or not India will become a strategic ally of the U.S. or of China but the sudden attractiveness of India will sooner or later alter the regional balance of power between the three countries.”

*China Daily (June 25, 2001)*³³

(Article by Professor Yang Yunzhong of the Jinan Military Academy)

“The rapid development of U.S. – India relations will exert profound influence on the political and security environment of the Asia – Pacific region and the world. During the Cold War, the U.S. and India were antagonists. But the U.S. has adjusted that relationship and made nice with India. The U.S. now views India as a leading player in South Asian affairs and a rising world power, not just a source of regional problems. Both economically and militarily, India is gathering momentum and this provides the U.S. more diplomatic and strategic angles to play in the region. Among the benefits for the U.S. is the fostering of an anti - China stronghold, southwest of China”.

*The Outlook magazine (June 5, 2001)*³⁴

(Article by Xinhua correspondent in Delhi published in magazine believed to reflect official views)

“Although both India and the United States have indicated that the development of India – U.S. relations was not aimed at any third country, being India’s adjacent neighbor and being regarded by the U.S. as its potential adversary of the 21st century, China should still be on the alert against any changes in its peripheral security environment. It is obvious that the drastic warming up of India- U.S. relations is not something that can simply be interpreted as a need in the development of bilateral relations, as this occurred when the U.S. created a series of troubles for China from human rights disputes to arms sales to Taiwan and at the same time, took the initiative in improving relations with India.”

*Journal of Strategy and Management (June 2001)*³⁵

(Article titled “Global Geopolitics and India’s Future Security”)

- “In the new century, who is the next target after China? If China collapses, it can only be India.
- India and the United States, a maritime hegemonic power, cannot have a solid and mature partnership. Essentially, they are competitors in geopolitical strategy with absolutely no common ground.
- If the British dismembered the north - western part of India, the United States will probably separate the southern part.
- If India does not participate in the containment of China, China’s development will lighten U.S. strategic pressure on India. India can win a relatively long period of time for peaceful development and particularly for increasing its strength in the Indian Ocean. If India forms a strategic partnership with Russia and China, it will win even more time and opportunities for development. If India joins forces with the United States to contain China, the future years of the 21st century will not belong to India.
- If China emerges victorious against the challenges from the United States, India will continue to maintain her diplomatic environment and economic development and will be courted by many powers. Otherwise it will be the last one of the dominoes to fall in the path of the West, after the former Soviet Union and China”

*Ban Yue tan (June 2001)*³⁶

(Article titled “Why India panders to the U.S.” in China’s largest circulated general readership weekly)

“The U.S. has sought to use India break up the Russian proposal for strategic cooperation between Russia, China and India. 2/5^{ths} of the world’s population lives in these three countries. If they all cooperate,

such an effort can critically endanger U.S. domination of the world strategic structure”

Liberation Army Daily (August 22, 2001)³⁷

(Article titled “Behind the warming of India – U.S. military relations”, published in the official newspaper of the People’s Liberation Army)

“Analysts point out that U.S.A.’s joining hands with India has come out of consideration of its long term South Asia strategy. Firstly, the South Asia region, with Central Asia to its north, Middle East to its west, and dominating the Indian Ocean to the south indeed occupies an important geo-strategic position. U.S. establishment of close military relations with India will help U.S. armed forces conduct exercises and training in the Indian Ocean. This will improve operational capabilities of U.S. forces in the region, widen American influence and obtain important strategic advantages. Also, India and the U.S. have identical positions on the Taleban issue and Indo – U.S. military cooperation can play a role in solving the Afghan problem. Then again, India and Pakistan are nuclear powers. The U.S. on the one hand fears both countries would grab the guns and start shooting, and on the other hand is wary about further up-gradation of India’s nuclear weapons to form into globally effective deterrents. The U.S. drawing closer to India would also remove reasons for closeness between India and Russia.

Global Times (August 31, 2001)³⁸

(Article titled “Indian army to equip itself with nuclear warheads” published in a subsidiary of the People’s Daily)

- “For some time now, several high level Indian officials have suffered from what is described by the Indian media as ‘China anxiety’.
- According to an Indian expert, India’s program of nuclear weapons development is at a primary stage. India will not be able to catch up with China for a long time. However the strategic superiority of China vis-à-vis India will also not continue for long. With the development of Agni – II missiles, China will gradually lose the advantages that natural defensive conditions such as the Himalayas and the Tibetan plateau provide it. These barriers will lose their formidableness in front of India’s missiles.
- Objectively, speaking the instigation of some western countries is among the principal causes for this ‘China anxiety’ within India. Not long back a U.S. newspaper published reports about China exporting large quantities of missiles to Pakistan. This created a big negative impact within India. Indian media conducted an opinion poll and the result was over 85% of people polled said India must actively join the missile defense program of the U.S. with a view to defending itself from China”

As reflections in an officially controlled media, these articles provide a good barometer for judging the extent and level of concern within Chinese governmental circles over the rise of India, as well as rapidly improving India – U.S. relations.

Equally interesting is the fact that between the lines, the key question these articles pose is whether India will do a “China” on China. That is to say, just as China and the United States successfully put aside a history of hostility and ideological differences in the early 70’s to forge a ‘tacit alliance’ against the Soviet Union, will India and the United States, who have had a difficult and prickly relationship for the last fifty years, find common ground by uniting against China? Is the United States trying to play India off against China? And, is India emulating China’s own example by displaying unprecedented pragmatism and diplomatic dexterity by aligning itself with the United States to obvious mutual benefit?

India – U.S. Alliance: Not in China’s interest

Evidently, India and the United States moving into some kind of a formal alliance is among the last things China would like to see happen. Extrapolating from writings in the Chinese media, it appears that in China’s perception, such an alliance, if it materializes, is likely to result in the following detrimental effects to China’s security:

- Military bases in India will enable the United States to better project force in China’s periphery.
- India’s geographical location astride the principal sea lanes of the Indian Ocean will allow the United States to stop or disrupt energy supplies to China if such an eventuality should arise.
- A growing U.S. – India convergence might lead to new pressures on China with regard to Tibet as well as Xinjiang.
- India’s industrial and technological capabilities can provide the United States with useful logistical support.
- The lack of any significant economic stake in good relations with China combined with a history of hostility and armed conflict makes India a more willing U.S. partner than most others in the region.
- Any flare-up on the India-China border at a time of tensions across the Straits can lead to China being forced to divide its attention between two fronts.

Based on the above, a worst - case scenario for China can be sketched out as follows :

- India continues to steadily grow in economic strength, military capabilities and diplomatic stature. It becomes a formal ally of the United States.
- India finds for itself a comfortable niche within a grand containment strategy of China implemented by the United States.
- The United States legitimizes India’s nuclear capabilities and India acquires first and second strike capabilities vis-à-vis China.

- A ring of hostile arrangements encircle China, with the United States as the hub and India, Taiwan and Japan as the principal spokes. The United States helps all the three develop theatre missile defense.
- India offers to host U.S. military bases.
- The United States establishes a permanent presence in Pakistan and extends its sway over Central Asia.
- China continues to face disaffection within Tibet and Xinjiang. The demise of the Dalai Lama propels the Tibetan movement towards violence.
- The situation in Xinjiang progressively deteriorates with the Uigurs turning towards nationalism instead of religion as their motivating ideology, and in turn receiving the support of the international community.
- India accepts the inevitability of a world dominated by Pax Americana and gives up any attempt to challenge U.S. domination of the world. In return for political, economic and military support, it aligns itself with the United States and becomes as strong an ally as the U.K., Japan or Israel.

China's Fears of the United States

China's fear of a U.S. – India alliance, as discussed above, is probably best understood in the context China's long term assessment of the nature of its relations with the United States, the deterioration in the strategic environment surrounding China following the events of September 11, and U.S. determination to move ahead with missile defense.

China's Long-Term Assessment of the United States

The working visit by President Bush to Beijing in February 2002 can be said to have completed the process of bringing a sense of normalcy to the U.S. – China relationship after the deep trough into which it had fallen in the aftermath of the EP 3 plane incident.³⁹ China's relationship with the United States is its single most important relationship. For the United States too, the China relationship is extremely important irrespective of whether China is seen as a strategic partner or competitor. China's status as a member of the U.N. Security Council, a nuclear weapons power and a regional power with significant influence in Asia is something the United States cannot ignore. Moreover, the economic links forged between the two countries in the last two decades (bilateral trade of around US \$ 74.4 billion in 2000 and U.S. contractual investment in China of around US \$ 63. 41 billion by end May 2001⁴⁰) provide a strong foundation to the relationship. Both sides benefit from these economic links and neither would like to see a deterioration in the relationship which would undermine these benefits. Moreover, this economic stake in each other is likely to expand significantly with China's recent entry into the World Trade Organization (WTO). Further, it is expected that the forthcoming leadership transition, China's pre-occupation with dealing with the domestic consequences of the WTO accession, its hosting of the Olympics in 2008, and the growing economic integration between Taiwan and the Mainland, will together deter any adventurism on the part of China and bring stability to the relationship.

None of the above considerations have, however, put to rest the debate within the United States over the future of China and the approach the United States needs to adopt in dealing with China over the long term. U.S. opinion can be broadly divided into two camps - the advocates of "engagement" and the proponents of "containment". According to the advocates of engagement, the United States should engage China actively. The 'China threat' should not be articulated in a manner that turns it into a self - fulfilling prophecy. China is changing and at this stage, no one can predict with certainty what the China of the future is likely to look like or whether it will challenge U.S. interests. The best policy option for the United States is therefore to bandwagon China, integrate it with the international community and align it so closely to the United States that it will not challenge U.S. interests in the future.⁴¹ The proponents of containment on the other hand, argue that strategic competition is already underway.⁴² They believe that the combination of growing Chinese power, China's effort to expand its influence and the unwillingness of the United States to give way before China has created the pre-conditions for a struggle for the mastery of Asia. The United States and China will continue some form of economic relationship, maintain diplomatic ties, and will not openly be at war with each

other. However, flows of trade and investment will increasingly be distorted by strategic considerations, there will be much more open military competition combined with a political contest waged throughout the Asia – Pacific region and beyond. According to this school of thought, during the Cold War, the U.S.S.R. was only a military threat to the United States. It did not count for much in the global economy. The United States is now faced with a more formidable challenger who combines military and economic capabilities. As China grows and integrates with the world economy, it will become more and more capable of resisting U.S. pressure. Its interests will naturally conflict with those of the United States until finally China will seek to throw the United States out of Asia, and declare a new Monroe Doctrine.⁴³

Buffeted by these views from two sides, U.S. policy towards China has swung back and forth and finally converged around the middle. The current approach therefore seeks to combine engagement with containment and can be summed up as one which aims to “keep the powder dry.” That is to say, the United States must engage China but even as it does so, it must prepare itself for the eventuality of a future conflict.⁴⁴

On China’s part, however, there are fewer illusions regarding the United States. China is firmly convinced that the United States constitutes the biggest and most serious security threat to its interests.⁴⁵ The predominant view in China is that the primary goal of the West, led by the United States, is to “westernize, split and weaken” China.⁴⁶ Many in China also recognize the fact that even the ‘engagers’ within the United States would like to see China evolve towards a politically pluralistic democratic system. The difference between those who advocate engagement and containment in the United States is therefore only one of strategy and not goals.⁴⁷

From China’s perspective, the United States is clearly a hegemon bent upon global domination⁴⁸ and its plans for missile defense confirm China’s worst suspicions in this regard. To the Chinese, missile defense is a quest on the part of the United States to ensure absolute security for itself and ensure that no challenger ever arises in the horizon. Moreover, with a rising tide of ultra – nationalism, the popular view within China is that the United States is out to prevent China from attaining its rightful place within the world order.⁴⁹ It must be mentioned in this regard that China, as a result of its spectacular economic progress in the last decade, has been extraordinarily successful in co-opting its elite intelligentsia. There is within society an absence of any significant demand for political pluralism or democracy. In the place of debate over the nature of Chinese society and the need for change that was witnessed in the late eighties, what is rampant is strong sentiments of nationalism, particularly amongst the best educated and most prosperous in society. Unlike in the pre-1989 period, when elites pressurized the Government to move towards more openness and transparency, today the calls in China are for the Government to stand up to the U.S. and adopt more aggressive postures of defiance.

Despite all these misgivings, as well as public pressure, China has deliberately sought to maintain good relations with the United States. This is because the leadership realizes that China stands to benefit enormously from such relations. Reflecting Chinese

pragmatism at its best, the leadership has adopted Deng Xiaoping's advice in the immediate aftermath of the Soviet collapse - "*Be calm, keep a low profile, hide your capacities and bide your time*"⁵⁰ as the guiding principle of their approach towards the U.S.

Impact of the Events of September 11 on China's Strategic Situation

Even before September 11, analysts in China were more or less convinced that the United States was seeking to implement a strategy of encirclement around it. U.S. actions -- such as increased sales of arms to Taiwan, removal of ambiguity on the question of U.S. support for Taiwan in the event of a conflict, strengthening of relations with traditional allies such as Japan and ROK and with new partners like India, talk of institutionalized security talks between the United States, Australia, Japan and ROK (in the Chinese eyes, a mini NATO in Asia), the shift of U.S. strategic focus to the Asia Pacific -- were all seen as diverse elements of a comprehensive strategy of containment.⁵¹ Post September 11, China sees the United States as having strengthened this encirclement and tightened the noose.

To some extent, the events of September 11 have worked to China's advantage. China was confronted with Islamic extremism within Xinjiang. By joining the coalition against terror, it has created a new basis for working in partnership with the United States. Similarly, the campaign against terrorism has diverted attention within the United States away from the strategic challenge from China and other contentious issues such as human rights. However, while terrorism and Islamic militancy are a threat to China, it perceives the United States as the bigger threat. As far as China is concerned, terrorism and disaffection amongst the Uigurs are essentially internal problems with some external manifestations. So far, China has managed the problem fairly well through a combination of domestic control, tighter borders and effective diplomacy with its Central Asian neighbors. The threat from the United States, however, is something that China cannot easily contain.

Today, the campaign in Afghanistan has brought U.S. military forces into China's backyard. While previously China had to contend with a direct U.S. military presence only in the east, the United States is now operating out of military bases in Pakistan, Uzbekistan and Kyrgyzstan. Moreover, it is unclear how long the United States will maintain its forces in the region. The internal situation in Afghanistan continues to remain unstable and this provides the United States with a valid reason to continue its presence. The oil resources in Central Asia act as additional temptation for the United States to prolong its stay. Additionally, Kyrgyzstan, which is domestically economically underdeveloped, militarily weak, and challenged by extremist forces might very well welcome a long term U.S. presence within the country as the best guarantor of its future stability. In this context, media reports of the United States building facilities, such as air conditioned barracks, that indicate preparations for long term stay must appear very ominous to the Chinese.

Furthermore, as a result of this crisis, China's historical rival, Japan, has for the first time broken out of its post World War II constitutional restraints and assumed a new, albeit limited, security role. China's fear is that this move will encourage an already strong right wing within Japan to push for even more changes to the pacifist Constitution and that once Japan adopts such a security role, it cannot be turned back from further steps in this direction. Similarly, Russia has given the United States a free hand to operate out of Central Asia and appears to be moving closer and closer to the West. Pakistan, China's most dependable ally has become vitally dependent on the United States for political, economic and military support. The United States in the meantime has achieved what most people would have thought impossible till the recent past, namely, a simultaneous improvement in relations with both Pakistan and India.

China's concerns do not end here. As a result of U.S. action, the Taliban and Al-Qaeda forces have clearly scattered throughout the region and are now attempting to regroup and find new bases. This increases the threat to China's western periphery. The United States however has sought to tie China's hands through continuing pressure in the name of human rights. During his visit to Shanghai in October 2001, President Bush made it publicly clear that the United States will not accept China using the campaign against terror to crack down on its minorities. The United States has refused to hand over to China Uighur militants captured in Afghanistan. The annual human rights report of the State Department has also accused China of using the war in Afghanistan to legitimize a crackdown against Uighurs in Xinjiang province.⁵²

Missile Defense: Eroding China's deterrence

The issue of missile defense also has grave implications for China. The U.S. program on missile defense has the potential of eroding China's deterrence vis-à-vis the United States and neutralizing its threat to Taiwan.

The U.S. government has been at pains to argue to China and the world that the missile defense program is not aimed at China or Russia and is meant to deal with the

threat from “rogue states” such as the Democratic People’s Republic of Korea and Iraq. There have also been indications given to the Chinese that the United States may be willing to countenance a modest increase in China’s ICBMs in response to the missile defense.

The Chinese however are well aware that this is a slippery slope to follow. Once missile defense technology is developed and put in place, the United States will be in a position to raise the nuclear threshold when it pleases. China would be left with no option but to accept the reality that its deterrence has been eroded or engage in a costly arms race to keep pace with the United States raising the threshold from time to time. China’s economy may not be able to sustain such an arms race and it might fall into the same trap the Soviet Union fell into. Moreover, in return for a deal on missile defense, the United States is asking for transparency on the part of China with regard to its arsenal and capabilities. Any such transparency, which China would provide in the face of the overwhelmingly superior capabilities of the United States, would only help the United States further neutralize its deterrence.

Secondly, the United States has refused to guarantee that missile defense technology will not be transferred to Taiwan. If missile defense were transferred, it would neutralize China’s missile threat to Taiwan and encourage the forces of independence there. Further, the U.S. approach is to use the threat of transfer of missile defense technology as a bargaining chip with China in negotiations concerning China’s missile forces on the coast opposite Taiwan. China is likely to be stuck with a situation of having its missile forces reduced on account of U.S. diplomatic pressure. At the same time, it still faces a situation of missile defense technology being passed on to Taiwan stage-by-stage or piece-by-piece over a period of time.

China seeks a dialogue with the United States on missile defense. This is with the hope that it can at least delay or limit the U.S. system. China realizes that in the ultimate analysis it can only put the best face on a bad situation. Unless a future U.S. Administration decides to roll back the program, as happened with Ronald Reagan’s Star Wars proposal, missile defense will remain a major bone of contention as well as a source of mistrust and suspicion between the two countries.

A Fragile Relationship

In conclusion, despite the return to normalcy and the strong economic underpinning to the China – U.S. relationship, it remains inherently fragile. While U.S. – China relations outwardly appear to be normal, beneath the surface there is a great deal of suspicion and mistrust. China recognizes the fact that issues like Taiwan and human rights are not just going to go away. The more Taiwan consolidates its democracy, the more support it will get from the United States. Similarly, unless there is a fundamental change in the Chinese political system, it is unlikely that U.S. pressure on the human rights front will cease. The reason there is no major crisis in the relationship at present is because China has adopted a deliberate strategy of not responding to provocation and maintaining a low profile. However, this is clearly a short term strategy on the part of

China and one geared to enabling it build its economy and comprehensive national strength as fast as possible, until such a time it is strong enough to confront the United States. Moreover, this policy is being accompanied a major build up of military strength, as seen in the increase in defense spending of 17.7 % in the 2002 budget⁵³ and preparations by China to respond to missile defense.⁵⁴ Finally, there is the danger that the more China maintains a low profile, the more the United States might be tempted to push the envelope. All told, the relationship between China and the United States remains fragile and the expectation on both sides is for a bumpy road ahead with lots of ups and downs.⁵⁵

India – China Relations: Discovering the importance of India

In the context of the discussions above, it would be useful to take a look at India-China relations. If the Chinese could script a scenario for India – China relations in the coming years, it would be as follows:

- India continues its slow rise in economic and military strength but is far from becoming a match for China.
- Pakistan continues to tie down India within the South Asian framework. Its proxy war continues in Kashmir but stays short of risking a real war which might end in either a nuclear conflagration, defeat, and the dismantling of Pakistan, or the entry of the United States into the region as a permanent peacemaker.
- China continues its policy of active support to the Pakistani military establishment, particularly in the field of nuclear and missile technology. India accepts this status quo.
- The United States struggles to perform a difficult balancing act between India and Pakistan, satisfying neither.
- Political forces unfriendly to the United States come to power within India. India asserts the independence of its foreign policy and starts to raise its voice against Pax Americana.
- China, Russia and India form an entente and seek to rally the rest of the world against domination by the United States and the West. Together they lead the challenge for the establishment of a multi polar world in the UN and all other international forums.
- India and China revert to a new phase of ‘hindi-chini bhai-bhai’⁵⁶ which drowns out all talk within India of a “China threat”.
- Progress is made in arriving at a boundary settlement. India makes substantial territorial concessions and acknowledges its “mistaken policy” of the past that led to the conflict of 1962.
- China eventually recognizes the integration of Sikkim within the Indian Union.
- China and India bring their economies closer together through rail and road corridors linking China’s provinces of Sichuan and Yunnan with India’s northeast, increased border trade through Tibet and air corridors linking Xinjiang with North India. India recognizes the advantages that accrue to it from a close economic alignment with China.

Assessments of India – China relations in western academic circles tend to be simplistic and do not render full justice to the complexity of the India - China equation. Most of all, they fail to take note of the fact that China has in recent years made a fundamental reassessment of the importance and significance of India.

A Reassessment of India Within China

There are six factors which have led to this reassessment:

1) Indian nuclear tests – a wake up call for China

India's nuclear tests were for China, just as for the United States, a big wake up call. Suddenly, China realized that it could not afford to ignore India any more. Not only were India's nuclear weapons an element it would need to include in its own security calculus, but India had also made it clear to the world that a deterioration in its security environment would meet with a response. By conducting the tests, India further brought the international spotlight on China's nuclear and missile proliferation to Pakistan. China could no longer continue its policy of using Pakistan to counterbalance India, even as it pretended that India was no threat to it.

The nuclear tests and the rhetoric that surrounded them within India, also led China to recognize that there is significant hostility towards it amongst influential sections of opinion within India. It could not afford to let such hostility flourish unchecked. However detrimental to its security or disagreeable India's actions might have been, it had to move beyond the tests and look at the future. It could not afford to isolate India or maintain a 'cold war'.

The chill in India-China relations that followed the nuclear tests was therefore an extremely brief episode. A little more than a year after the tests, Foreign Minister Jaswant Singh was in Beijing and the two countries began the process of repairing relations. And if President Clinton's visit of March 2000 marked the turning point for a significant upswing in India-U.S. relations, by the end of May 2000, President K.R. Narayanan was in China and the two countries were celebrating the fiftieth anniversary of the establishment of diplomatic ties. By then, the nuclear tests had already vanished from the public rhetoric in China.

2) India's success in multi-directional diplomacy, including in particular with the United States

Equally important in influencing a change in China's attitude was India's success in what the Chinese media called "multi-directional diplomacy". It did not take long for the vigilant Chinese to note that there was a new dynamism in Indian foreign policy, and India was rapidly developing the diplomatic skills of a major power.

For example, it was noted that India acted with great restraint during the Kargil crisis of 1999 and as a result, gained considerable international goodwill. India actively worked to assuage and moderate U.S. antagonism in the aftermath

of the nuclear tests and succeeded in arriving at a new understanding with the United States.

Japan and the EU also put behind them the unhappy period following India's nuclear tests and proceeded with normalizing the relationship. The EU initiated a dialogue at the Summit level and the Japanese Prime Minister paid a visit to India. In the meantime, India's 'Look East' policy had begun acquiring new dimensions with the launch of fresh multilateral arrangements in China's backyard such as BIMST - EC (Economic Cooperation between Bangladesh, India, Myanmar, Sri Lanka and Thailand) and the Ganga-Mekong initiative (aimed at expanding cultural and economic linkages between Thailand, Vietnam, Kampuchea and Laos and India). India also changed its approach towards the military regime in Myanmar and initiated an active engagement of the regime in political as well as economic spheres, including through support for infrastructure projects. ASEAN in the meantime decided to hold an annual summit with India on the lines of ASEAN plus three.

Moreover, India announced the building of a new tri-service military base on its Andaman Islands located at the mouth of the Malacca Straits. The Indian Navy was also expanding its profile in the South China Sea through ship visits and joint exercises.

Even on the difficult issue of relations with Pakistan, and the issue of Kashmir, India displayed unusual initiative. The Indian Prime Minister's visit to Lahore in February 1999, and the adoption of the Lahore Declaration, the declaration of unilateral ceasefires within Kashmir, efforts to engage the militant groups in a dialogue, the willingness to engage President Musharraf at the Agra Summit in July 2001, all implied for China that India's foreign policy was developing in a manner that posed unusual challenges as well as opportunities. The rise of India and its implications for China needed to be assessed in a cool headed and pragmatic manner and more than anything else, the new India needed to be engaged.

3) China's quest for a multi – polar world

NATO action in Kosovo and the bombing of the Chinese Embassy in Belgrade generated in the Chinese mind intense disillusionment with the United States, and prompted a renewed search for allies who would stand up to what it perceived as U.S. hegemony. The Kosovo crisis reaffirmed to China its relative isolation in the world, especially on issues involving the U.S. At the same time, China discovered that on issues such as the need to uphold the principle of state sovereignty, its views were virtually identical with those of Russia and India. With no coordination whatsoever, Russia, India and China adopted the same position within the UN on the crisis. This resulted in a new found enthusiasm within China for the idea of a trilateral dialogue between the three countries

proposed by former Russian Prime Minister Primakov in 1998. (At that time, China had cold shouldered the idea.)

Following the bombing of the Chinese Embassy in Belgrade, India was seen as among the few countries which had the political will to stand up to the United States, and as a natural ally for China in the building of a multi-polar world, by virtue of its size, strength and history. China gained a new appreciation for India's strong sense of independence and non-aligned foreign policy.

4) *Pakistan – a declining asset*

Since the early 1960's, supporting Pakistan has been a low cost way for China to contain India. China has transferred nuclear as well as missile technology to Pakistan with the deliberate intent of keeping India bottled up within a South Asian framework. However, the progressive 'Talibanization' of Pakistan, and encouragement provided to extremist elements in Xinjiang province by Islamic forces, resulted in China seeing Pakistan as a declining asset. Post September 11, Pakistan's new relationship with the United States and the possibility that U.S. bases in Pakistan may become permanent has also added fresh complications to the China – Pakistan relationship.

The most important manifestation of a shift in China's policy towards Pakistan has been its distancing from a pro-Pakistan position on the Kashmir issue. From a time when China echoed Pakistan's calls for self-determination by the Kashmiris, China has swung to a position of neutrality and talks today about the need for the dispute to be resolved bilaterally through peaceful means. China now describes both India and Pakistan as two friendly neighbors, and has also made it clear that it does not support Pakistan's efforts to internationalize the Kashmir issue or bring in the United States as a mediator. No doubt, there has also been a great deal of self-interest involved in this shift in position. China has concerns over how an acceptance of the principle of self-determination would affect its own concerns with regard to Tibet or Xinjiang. It also realizes that a victory for the forces of terrorism and fundamentalism in Kashmir may result in a spiraling of tensions within its own boundaries. Finally, any conflict which may occur between India and Pakistan as a result of tensions over Kashmir, or the entry of the United States into the dispute as a mediator, may result in the United States establishing a permanent military presence in the area.

The most recent evidence of the turn around in Chinese policy on Pakistan was the visit to India by Premier Zhu Rongji in January 2002. The visit assumes importance in view of the following:

a) The visit took place at a time when India and Pakistan were locked in an eyeball-to- eyeball confrontation on the borders and thus constituted in itself a strong message to Pakistan.

- b) China made it clear during the visit that it was not party to India- Pakistan tensions. As far as it was concerned, both were friendly neighbors.
- c) By initiating cooperation with India in the field of counter terrorism at a time when India had mobilized forces on the Pakistani border in support of the demand that Pakistan end its support for cross border terrorism, China made it clear that its sympathies were not with Pakistan on this issue.

(At the same time, China in its traditional style, sought to balance the visit of Premier Zhu Rongji to India with the wining and dining in Beijing at exactly the same time of General Muhammed Aziz Khan, the number two man in the Pakistani military. Moreover, President Musharraf also paid two visits to Beijing in quick succession).⁵⁷

5) India's economic growth

Finally, the success of the Indian economy in maintaining a relatively high growth rate of an average of 6 percent in the last decade, its remarkable success in the development and export of software and the potential that its one billion strong market offers to China are developments which have not escaped the Chinese. Over the past few years, there is no other country that has put together as many official delegations to study the success of India's software industry. Further, at a time when the Chinese economy is suffering from over - production and excess capacity, the huge consumer goods hungry market of India located next door is seen as an opportunity too good to be missed by pragmatic China

The India – China Diplomatic Calendar – A flurry of activity

The practical consequence of the above reassessment has been an unprecedented flurry of activity on the diplomatic front between India and China.

Within the short span of a year, the number two in the Chinese hierarchy, NPC Chairman Li Peng and the number three, Premier Zhu Rongji both have paid visits to India. Both visits marked a deliberate departure from the previous practice of clubbing visits to India with those to Pakistan. The Li Peng visit was undertaken at the initiative of the Chinese side, despite the fact that it was actually the turn of the Speaker of the Indian Parliament to visit China. During both visits, the Chinese leaders went out of their way in private as well as public to stress the importance China attaches to friendly relations with India, and that the commonalities far outweigh the differences between the two countries.

During 2001, India and China held the second round of a Security Dialogue which discussed among other things, Chinese nuclear and missile proliferation to Pakistan. India's Air Force Chief and Eastern Army Commander visited China. Chinese naval ships made port calls on India. Politburo Member and Party Secretary of China's richest province, Guangdong, visited India leading a high power business delegation. The Indian Human Resources Minister (who is also a leading light of the ruling party), the Power Minister and Tourism Minister visited China. If the events of September 11 had not intervened, Foreign Minister Jaswant Singh and the Indian Speaker would have also

visited China last year. Now it is likely that these visits will take place in the coming months. A return visit to China by Prime Minister Vajpayee is also on the cards for 2002.

A Hot Peace?

Does the above reflect nothing but a 'hot peace', i.e., a situation where relations appear from the outside to be friendly and peaceful but in reality, conceal entrenched mistrust and efforts to subvert and undermine each other. Critics of China in India as well as outside point out that so far China's emphasis has been exclusively on improving the atmospherics of the relationship. Differences between India and China on what can be described as 'core issues' remain exactly where they were, with China showing little inclination to shift from entrenched old positions. It is also argued that China is seeking to lull India into complacency through these atmospherics, even as it takes steps to encircle India using Pakistan, Myanmar and other countries of South Asia.⁵⁸

Core Differences – Critical yardstick for measuring progress in the relationship

Clearly, as far as India is concerned, an improvement in atmospherics and the exchange of high level visits is in itself not enough. Progress on key issues of difference in the bilateral relationship will remain the critical test of a genuine and qualitative improvement. However, the reassessment by China of the importance of India and its effort to step up bilateral contacts is a most welcome change. India has therefore responded positively to these overtures and reciprocated in full measure.

At the same time, India has sought to press China to move forward on issues such as:

- China's refusal to formally recognize the merger of Sikkim with India in 1975.
- The need to end Chinese proliferation of nuclear and missile technology, as well as materials and equipment, to Pakistan.
- Implementation of the decision taken in 1993 through treaty to clarify and confirm the Line of Actual Control (seen by India as the most important Confidence Building Measure between the two countries).
- Support for India's candidature to the UN Security Council.

Thus, while the India-China relationship has shown a trend of improvement, core differences remain unresolved and, as a result, strong undercurrents of mistrust and suspicion persist between the two countries.

Indian Perceptions of the U.S. – China Relationship

A brief word may be in order on how India views U.S.-China relations. India has always seen close U.S. – China relations with misgiving and feared that they might adversely affect her interests. This is because there is a history of the United States and China colluding against India, and such collusion has in the past seriously undermined India's security. Some of these prior instances are:

1. 1971 India – Pakistan War for the liberation of Bangladesh

Over 30 years have passed since the 1971 India – Pakistan War for the liberation of Bangladesh. However, the U.S. action of sending the Seventh Fleet into the Bay of Bengal to threaten India as well as the U.S.- China collusion of the period remain seared in Indian memories. In India's perception, the 1971 war was imposed on her. She was responding to a situation created as a result of a military dictator in Pakistan refusing to accept the popular mandate of the people in the first ever free elections in the country, a consequent nationalist uprising in then East Pakistan, a genocide by Pakistani forces and a flow of over 10 million refugees into India. In the United States, there was amongst public opinion and in the Congress, significant sympathy and support for India. However, the then U.S. Secretary of State, Henry Kissinger, ignored these sentiments and instead saw Indian action as an effort to “*punish Pakistan for being a friend of China and a friend of the U.S.*”⁵⁹ Calling upon the Chinese to join hands with the United States in seeking the “*maximum intimidation of Indians,*”⁶⁰ he went to the extent of encouraging China to open a second front with India and provided the assurance that the United States would checkmate the Soviets if they sought to involve themselves in the crisis. To quote Kissinger's words to the then Chinese Ambassador to the U.N. Huang Hua, “The President wants you to know that it's of course up to the People's Republic to decide its own course of action in this situation, but if the People's Republic *were to consider the situation on the Indian subcontinent a threat to its security, and if it took measures to protect its security, the U.S. would oppose the efforts of others to interfere with the People's Republic*”.⁶¹ As back up to the above encouragement, the U.S. was prepared to even provide the Chinese with satellite pictures on the disposition of Soviet forces⁶². It also kept China in the picture on the veiled threats it was issuing to the Soviets, the movement of the U.S. Seventh Fleet into the Indian Ocean, and U.S. efforts to encourage middle eastern governments to provide American arms to Pakistan (in violation of U.S. laws).⁶³ According to William Burr, the editor of the Kissinger Transcripts:

- “With the U.S. public generally supporting India and the cause of Bangladeshi independence, Nixon and Kissinger secretly and deceptively tilted policy towards Pakistan, in part because of President Yahya Khan's important role in facilitating communications with Beijing during 1970 and 1971.”
- “Moreover, Nixon and Kissinger saw India as a Soviet proxy and believed incorrectly that Indian Prime Minister Indira Gandhi aimed to destroy West Pakistan in order to humiliate the government that had helped to forge U.S. – China relations”.

- “Nixon and Kissinger sought to demonstrate their reliability to the Chinese as a prelude to Nixon’s talks with Zhou and Mao.”⁶⁴

Today blame for much of the above is rightly cast on the Kissinger – Nixon duo. Nevertheless, it remains in the Indian mind as a classic example of the extent to which a U.S. Administration might go to sacrifice the interests of India at the altar of perceived larger interests with China, even when there was within the United States significant resistance to such policies. Not to mention that the then leadership of the United States had no qualms whatsoever in throwing its principles and commitment to democracy to the winds while ganging up with communist China and military-run Pakistan against democratic India.

Some of China’s views on India and the 1971 war as recorded in the Kissinger Transcripts also deserve mention.⁶⁵ Huang Hua is reported in the above records as describing Indian action as “the creation of a new edition of Manchukuo -- Bangladesh”⁶⁶ and “this is a step to encircle China”⁶⁷ It is also recorded that in a conversation between Kissinger and Prime Minister Zhou Enlai, the latter describes sympathies in the U.S. Congress towards India as reflection of “the national character of the Americans to be taken in by those who seem kind and mild”.⁶⁸ Similarly, in an exchange between Chairman Mao Zedong and Kissinger, Chairman Mao describes Indian philosophy as “just a bunch of empty words.” He goes on to mock Gandhi for spinning “his own wool and drinking goat’s milk” and “inducing the Indian people to non-resistance.” In Chairman’s Mao’s words, “India did not win independence. If it did not attach itself to Britain, it attaches itself to the Soviet Union.”⁶⁹

2. *India’s quest for nuclear deterrence*

This is an issue which has in the past brought the United States and China together against India, though the motivations for the two countries have been different. China’s concern has been the threat to its security from India’s nuclear program. For the United States, its non-proliferation policies were the reason. Most invidious for India in this regard was the Joint Communiqué issued by the United States and China during President Clinton’s visit to Beijing in June 1998, condemning Indian nuclear tests.⁷⁰ Public opinion within India was strongly critical of the United States for its failure to recognize the complexity of India’s security environment, as well as its apparent willingness to confer upon China an oversight role in South Asia. Indian opinion was equally critical of China for its double standard in being unwilling to accept in India’s case the very same reasons China had articulated when it developed its bomb in 1964. China was more than happy to play along with the United States and attempt to take the moral high ground vis-à-vis India in 1998. In fact, it even kept up its hostility towards India on this score much after other P-5 members had come to terms with the reality of India’s weapons, and sought to lead the charge against India in international forums.

3. Chinese nuclear and missile proliferation to Pakistan

In India's perception, the United States was guilty by omission of ignoring China's actions in actively building up Pakistan's nuclear deterrent against India through the eighties, because both China and Pakistan were U.S. allies in fighting the Soviet Union in Afghanistan. For India, this was yet another instance of India's security being undermined because the United States perceived its interests vis-à-vis Pakistan and China as more important. (More recently, however, the United States has significantly stepped up pressure on China to end its proliferation to Pakistan and made Chinese missile proliferation an important part of the overall U.S.-China bilateral agenda).

In short, there persists within India the impression that both when U.S. – China relations are at their height and when they are in decline, both countries try to find common cause by “ganging-up” against India. The recent improvement in India's relations with the United States as well as China reduces the cause for such concern on India's part. India, however, is likely to remain watchful of the U.S. - China relationship, especially in view of its “roller –coaster” nature.

Conclusion

To sum up, India – U.S relations have moved from “estrangement” to “convergence”. India – China relations are on a definite path of improvement. There do, however, remain major differences between India and China, which still need to be resolved. U.S – China relations have a strong economic underpinning, and the United States will continue to engage China. However, the relationship is likely to remain fragile because of the intractable nature of the differences between the two sides over issues such as Taiwan, human rights, and missile defense, as well as fears on both sides of a looming structural conflict.

India - U.S. Alliance Unlikely

Based on the analysis above, it can be contended that a formal alliance between the United States and India against Beijing is unlikely and does not suit the interests of either. The following factors lend substance to this argument:

1. The United States and India both have substantive interests vis-à-vis China. For India, geography itself mandates friendly relations with China. As a close neighbor, India cannot afford to have a hostile and resentful China on its borders. It has therefore little to gain by entering into an anti – China alliance.
2. It is unlikely that the United States will seek to actively alienate China, which is a major power in the world. The United States is aware that a hostile China could detrimentally affect U.S. interests in many ways. It would also not like to jeopardize its substantive economic interests in China.
3. India – U.S. relations stand on their own and do not require a China card to sustain them. The relationship is driven by shared values, congruence of interests across a range of issues and growing strategic, economic, and cultural and personal bonds between the two countries.
4. The United States is unlikely to be willing to underwrite the costs of guaranteeing Indian security. It would also be foolish for India to entrust her security to a superpower with global interests. For the United States, India and her concerns will always remain only one among many factors that go into policy making towards China and other issues.
5. If at all India and the United States should have entered into an alliance, it was during the India – China conflict of 1962. At that time, India asked for and obtained arms and equipment from the United States. However, for a variety of reasons, the relationship did not get translated into a formal alliance.⁷¹ There is much less reason to initiate such an alliance now.
6. As a developing country, India’s priority is economic development. It needs to conserve all its energy and strength to address the challenges of economic and social development within the country. Attaining higher rates of economic growth and sustaining them for a decade or more on the Chinese model will bring better dividends for India than an alliance with the United States.
7. India has always attached the highest value to maintaining the independence of her foreign policy making and sovereignty. It is extremely unlikely that

India will sacrifice that independence now that it is much stronger economically, militarily and politically.

8. India has in the past consistently avoided becoming part of a U.S. or western agenda towards China. For example, even after the border conflict of 1962, India continued to support China's membership to the UN in place of Taiwan. Similarly, India has never raised the issue of Tibet or human rights in China in the U.N. and other international forums. It has also consistently voted in support of China within the U.N. Commission on Human Rights.⁷²
9. Both within the United States and India, there are significant sections of opinion that believe that China is a "threat" to the interests of the two countries. Both countries also have sections of opinion that advocate close engagement. This debate is essentially inconclusive and its results will depend to a large extent on China's policies and actions in the future.

A Soft Balance of Power System

Rather than a formal India – U.S alliance against Beijing as is feared within China, the coming years will in all probability see the emergence of a 'soft' balance of power system between the three countries.

A classical balance of power system envisages an international order wherein two nations join together to contain a rising power that threatens to disrupt the status quo (e.g. the United States and India against China or the United States and China against India) or when the weaker countries band together to contain the hegemon or the most powerful nation (e.g. India and China against the United States).

A soft balance of power system involving three countries can be envisaged as one in which each country tries to be the balancer, promoting its own interests by building relations with both countries, even as it engages in selective collaboration with one or the other on an issue by issue basis. In such a system, none of the countries would enter into any formal alliances with the others. Each country tries to expand relations with the other two countries on the basis of shared interests. At the same time, where interests converge and two countries find themselves on the same side, they do not hesitate to work together to advance their common interests vis-à-vis the third.

In the India-China-U.S. context, this would mean that the general trend would be one where each of the three maneuvers for maximum diplomatic gain for themselves vis-à-vis the other two powers. All three would maintain good relations with the others and not enter into any alliance or entente with each other. However, India and the United States will collaborate on issues where they share common interests vis-à-vis China, for example, on Chinese missile and nuclear proliferation to Pakistan. Similarly, India and China, as emerging powers and the largest developing countries in the world, might join hands on issues where they have interests in common, for example, on environmental issues, and on the building of a multi-polar world. India and China may proceed to initiate a trilateral dialogue with Russia on various global issues with a view to identifying common ground between the three countries. The United States and China

have cooperated in the past on issues pertaining to India – Pakistan relations and can be expected to continue to do so. A conflict between India and Pakistan might see them join hands once again against India as has happened in the past.

In the above context, two points need to be made. Firstly, this system is unlikely to be a static one. Based on the evolving international situation and the state of bilateral relations between the three countries, the system can change from a “soft” system to a “hard” system of formal alliances, or a “concert” where all three countries share common interests and seek to advance these through joint and coordinated action. Secondly, based on the current situation where India - U.S. relations are improving at a much faster pace than China’s relations with the other two countries, the key determinant of such a change will be China’s policies and actions.

For example, any hostile action by China might be the catalyst which moves the system from a “soft” to a “hard” balance of power system, in which the United States and India enter into a formal alliance against China. In contrast, a willingness on the part of China to be a positive factor with regard to Pakistan, to end nuclear and missile proliferation and to work with India and the United States in leading Pakistan onto the path of turning into a moderate Islamic society (which is also in China’s interests) might well be the motivating force for the initiation of a concert between the three countries.

Recommendations for a ‘Virtuous Cycle’

The India–China–U.S. triangle is thus poised at an interesting juncture. The arguments above make it evident that none of the three countries actively seek rivalry or confrontation. They all have an interest in maintaining good relations with one another.

Under these circumstances, India should avoid perceiving the triangular relationship purely in terms of balance of power. Its goal should be to work towards the initiation of a virtuous cycle of improving relations with both the United States and China. The following recommendations are therefore addressed to India with a view to encourage such an outcome:

1. Focus on the economy and governance

Today India is at a point where her goal of great power status is no longer a distant dream; it is a concrete and achievable target. Today, India enjoys unprecedented space and room for diplomatic maneuver. Its relations with the United States are at an all time high, and those with China on a definite path of improvement. India’s objective should therefore be to consolidate these gains and improve her attractiveness as a partner to both the United States and China, by forging strong economic foundations to these relationships.

The key to the above task lies in jump-starting domestic economic growth and improving the quality of governance within the country. India needs to urgently focus all its energy on the task of economic development. It needs to prioritize infrastructure building within the country, create a business friendly environment and address the pressing issues of poverty and illiteracy. Doing so will not only enable India raise the quality of life of its people but also provide her with the economic wherewithal for great power status. Today, economic development and growth are not just a domestic imperative but also a foreign policy and security priority. India must also recognize that existing systems of governance within the country must be revamped and redesigned so as to permit the emergence of continuity, accountability, specialization, initiative and efficiency if any of her goals in the diplomatic or domestic fields are to materialize. The remarkable economic and social transformation China has accomplished in the last two decades provides proof that India too can achieve the same. Contrary to popular notions, India’s democracy and its commitment to a free and open society are not obstacles in this path. What is needed are forward looking policies in economic reform and governance, combined with the political will to push them through in the face of opposition from vested interests.⁷³

2. Strengthen relations with the United States on all fronts and encourage the United States to sustain its engagement with South Asia.

India’s relations with the United States have improved dramatically. But, this improvement is only few years old and started from a low base, considering fifty years of difficult relations. There are also several uncertainties in the relationship which would

require deft handling by both sides if they are not to result in a set back for the relationship as a whole. Overall, India needs to shed remaining hesitations and move full steam ahead in forging a strong, close and wide ranging relationship with the United States. The United States too, needs to get rid of its ambivalence towards India, the tendency to view the relationship purely within a South Asian framework, and see her as a partner in Asia and the world.

India must also encourage the United States to sustain its engagement with South Asia. A relationship with India offers the United States an opportunity to combine principles with national interests. India deserves to be a priority in U.S. foreign policy, both by virtue of being the largest democracy in the world and a society which shares common values, as well as because it is a rising power in Asia and potentially a useful partner in confronting the formidable challenges that a complex and turbulent region pose. India is not a threat to the security of the United States in any manner, and the possibility of any major conflict of interests between the two countries is unlikely. To the contrary, the two countries stand shoulder to shoulder in the war against terrorism. Similarly, the United States also needs to sustain and strengthen its present engagement with Pakistan. The forces, which attacked the United States on September 11, have their roots in Pakistan. These forces continue to target the United States and there remains a clear and present threat of more such attacks in the future. It is directly in the interests of the United States to ensure that Pakistan is led away from the path of support for militancy and terror. The United States has declared that any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime⁷⁴. President Bush has said, “so long as terrorist camps operate, so long as nations harbor terrorists, freedom is at risk. If terror camps are left intact and terror states left unchecked, the sense of security would be false and temporary.”⁷⁵ These statements apply to Pakistan more than to any other country. Just as in the case of India, both the interests and principles of the United States demand that it sustains its engagement with Pakistan, and leads it away from supporting militancy and terrorism.

3. Reassure China and at the same time, continue to press her to make speedy progress in addressing core bilateral differences.

India needs to continue to attach the highest importance to her relations with China. It must expand its diplomatic as well as economic engagement with China, especially at senior levels of Government. Among other things, these exchanges should be used to reassure China that improving India – U.S. relations are not aimed at it, and that India – China relations stand on their own. India has never been, and will never be, part of anyone else’s agenda against China.

At the same time, India needs to continue to press China to make speedy progress in addressing core issues of difference in bilateral relations. India must point out that it is China’s failure to address these issues which has resulted in fears of a “China threat” being articulated by some sections of opinion within India. China needs to place these issues on the top of its agenda and address them with a sense of urgency. While Chinese leaders have repeatedly asserted China’s willingness to strengthen friendship with India,

statements alone will not suffice to build trust and confidence. In the ultimate analysis, the people of India will judge China on the basis of its actions. If China continues to build-up Pakistan as a counter-balance to India, persists in transferring nuclear and missile technology, refuses to recognize the reality of Sikkim's integration with India after 27 years, and drags its feet on the implementation of important confidence building measures, such as arriving at a mutually agreed Line of Control, it is only natural that suspicions will persist in India with regard to China's long term intentions. While there is logic in the Chinese perception that India and China are both natural allies in the pursuit of a multi-polar world, India will also have to ask itself whether the actions of China contribute to the emergence of India as one of the poles in a multi-polar world, or whether China is seeking to contain and limit India.

¹The concept of "strategic frontiers" (as different from geographical boundaries) has been best articulated by India's Foreign Minister, Jaswant Singh, in his book Defending India, Macmillan Publishers, 1999

² This is not to discount the importance of Russia and Japan, who will be the other two powers who will significantly influence the course of events in Asia. However, for the purpose of this study, focus is being restricted to India, China and the United States.

³ The author is indebted to Prof. T.V. Paul of McGill University, Montreal, for having coined this term.

⁴ See discussion in the chapter on Roosevelt in Dennis Kux's India and the United States: Estranged Democracies, National Defense University Press Publications, 1992

⁵ The United States was also motivated by the very practical need to obtain the full support of the Indian people in the war effort. However, because of the U.S. need to accord priority to the war effort, British intransigence and disappointment over the Indian national movement's failure to declare support to the allies (in the absence of a clear guarantee that India would attain freedom), U.S. efforts remained unsuccessful.

⁶ See citation from B. Shiva Rao, Framing of India's Constitution, Vol. II, contained in Para 8 of the tenth to fourteenth report submitted by India to the Committee on Elimination of Racial Discrimination. (<http://www.unhcr.ch/tbs/doc.nsf/c12563e7005d936d4125611e00445ea9/a035833a480e4514802565530037bf7e>) India was among the few developing countries that participated in the drafting of the UDHR in 1947/48 by the newly established UN Commission on Human Rights. Its representative, Dr. Hansa Mehta, along with Eleanor Roosevelt (who chaired the Commission), were the only women involved in the drafting process.

⁷ Dennis Kux, India and the United States: Estranged Democracies, Pg XVIII

⁸ *New York Times* report of June 10, 1956, cited in Dennis Kux, India and the U.S.: Estranged Democracies, pg. 128

⁹ Text of Sino – U.S. Joint Presidential statement on South Asia at <http://www.china-embassy.org/eng/7098.html>

¹⁰ <http://www.cnn.com/WORLD/asiapcf/9906/16/india.pakistan.02/index.html#1>

¹¹ President Jimmy Carter visited India in 1978.

¹² Opening statement by President Clinton in the Joint Press Conference held in Delhi, March 21, 2000. Full text available in *Visit of the U.S. President to India*; publication issued by External Publicity Division, Ministry of External Affairs, Government of India.

¹³ India was identified by the Clinton Administration as one of the ten big energy markets in the world as well.

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- ¹⁴ See *Unfinished Passage: India, Indian Americans and the U.S. Congress* by Robert Hathaway in the *Washington Quarterly*, Spring 2001(24:2 pp. 21-34) for an excellent article on the growing role played by the Indian American community in U.S. politics.
- ¹⁵ Remarks by U.S. President Bush and Prime Minister Vajpayee at the White House, November 9, 2001 available at http://www.indianembassy.org/indusrel/2001/vajpayee_bush_nov_9_01.htm
- ¹⁶ <http://www.forisb.org/CE-019.html>
- ¹⁷ “*Kidnapped reporter is dead*”, *Washington Post*, February 22, 2002
- ¹⁸ Joint statement issued after Third Meeting of the India – U.S. Defense Policy Group available at <http://meadev.nic.in/speeches/def-jtstmt-indo-us.htm>
- ¹⁹ *The Tribune*, February 4, 2002 (<http://www.tribuneindia.com/2002/20020204/main5.htm>)
- ²⁰ Press Statement on the Working Group meeting at http://www.indianembassy.org/press_release/2002/jan/22.htm
- ²¹ “No organization will be allowed to indulge in terrorism in the name of Kashmir”, President Musharraf’s statement available at <http://www.forisb.org/CE-019.html>
- ²² http://news.bbc.co.uk/hi/english/world/americas/newsid_1743000/1743326.stm
- ²³ In April 1999, India discovered that Pakistani infiltrators had occupied strategic mountaintops in the Kargil District of the Indian side of the Line of Control (LOC). India responded with a powerful assault to re-take the heights, resulting in a conflict which lasted for almost 3 months, until international pressure forced Pakistan to withdraw the infiltrators.
- ²⁴ <http://www.cnn.com/WORLD/asiapcf/9907/04/kashmir.04/>
- ²⁵ http://timesofindia.indiatimes.com/articleshow.asp?art_id=1048998&sType=1
- ²⁶ <http://www.cnn.com/2002/WORLD/asiapcf/south/01/15/pakistan.powell/index.html> and http://timesofindia.indiatimes.com/articleshow.asp?art_id=1040140&sType=1
- ²⁷ www.whitehouse.gov/news/releases/2002/01
- ²⁸ “*Fears prompt U.S. to beef up nuclear terror detection*”, *Washington Post*, March 3, 2002
- ²⁹ “*Pakistani Scientist who met Bin laden.*” Ibid
- ³⁰ “*Kidnapped reporter is dead*”, *Washington Post*. February 22, 2002
- ³¹ Article by India based reporter Qian Feng “*Behind the warming up of India – U.S. relations*”; FBIS – CHI-2001-0514 May 14, 2001.
- ³² Article titled “*Warming India- U.S. relations*”; author’s own translation
- ³³ “*U.S. – India Alliance to be influential*”, English language China Daily June 25, 2001
- ³⁴ FBIS –CHI-2001-0605
- ³⁵ Article by Zhang Wenmu, pgs 43-52, *Journal of Strategy and Management*; author’s own translation
- ³⁶ Article by Fu Xiaoqiang, Banyue tan No. 10, 2001; Author’s own translation
- ³⁷ Author’s own translation
- ³⁸ Author’s own translation
- ³⁹ A U.S. EP 3 navy patrol aircraft, while on a surveillance mission over the South China Sea, collided with a Chinese fighter jet on April 1, 2001. The Chinese jet crashed into the sea, killing the pilot, while the U.S. plane was forced to make an emergency landing in the Hainan province of China. This incident resulted in a major row between the United States and China.
- ⁴⁰ <http://www.chinacommercial.org/>
- ⁴¹ Articulated by Professor Henry Harding of George Washington University, in conversation with the author on October 22, 2001.
- ⁴² See “*Struggle for Mastery in Asia*”, by Aaron L. Friedberg in *Commentary*, November 2000
- ⁴³ John J Mearsheimer, *The Tragedy of Great Power Politics*, W.W. Norton and Co. Inc. 2001
- ⁴⁴ See Michael D. Swaine and Ashley J. Tellis, *Interpreting China’s Grand Strategy*, Rand 2000
- ⁴⁵ “*Beauty and the Beast: Chinese perceptions of the U.S.*”, by Wang Jisi. *The Washington Quarterly*, March 22, 2001.
- ⁴⁶ Ibid. Also see Xinhua report quoting President Jiang Zemin as having said in an address on January 14, 2000, “the intense strategic plot by the U.S. led western countries to westernize and split-up China, is employing every stratagem...to influence us”. Cited in BBC summary of world broadcasts, April 8, 2000.
- ⁴⁷ See an excellent article, “*A House United: Beijing’s view of Washington*” by Paul Heer in *Foreign Affairs*, July/August 2000. He argues that Chinese leaders may argue about how best to deal with Washington, but they all agree on the nature of the challenge.

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- ⁴⁸ Peace benefits and undermining peace hurts both sides: Commentary in People's Daily English website, June 01, 2001 (<http://english.peopledaily.com.cn/200106/01>)
- ⁴⁹ Ibid. 45
- ⁵⁰ PRC's new strategy to deal with present international situation, Article by Liu Jianfei of the CPC Party School in Liaowang weekly, FBIS-CHI-2001-0530
- ⁵¹ Peoples Daily on new U.S. Asia strategy, containment of China; FBIS-CHI_2001-0518
- ⁵² "*Some war allies show poor rights records*", report in *Washington Post* March 5, 2002
- ⁵³ "*Increased defense spending understandable*", at <http://www.china.org.cn/english/8663.htm>
- ⁵⁴ "*China plays waiting game with the U.S.*", article by Willy Wo Lap Lam on CNN website, February 13, 2002 (<http://asia.cnn.com/2002/WORLD/asiapcf/east/02/12/willy.column/>)
- ⁵⁵ Sino – U.S relations: feeble but tenacious , commentary in People's Daily English website, June 6, 2001 (<http://English.peopledaily.com.cn/200106/05>) and China's state security strategy considered from the perspective of U.S. strategic trend: analysis from People's Daily English website May 16, 2001 (<http://english.people.com.cn/200105/16>)
- ⁵⁶ A slogan, which in Hindi means Indians and Chinese are brothers. During the brief honeymoon between India and China in the mid fifties, this slogan was very popular in India.
- ⁵⁷ "*Top Pak military commander arrives in China for consultations*", January 14, 2002 (<http://www.hindustantimes.com>)
- ⁵⁸ "*China seeks to stem India's budding military ties with the U.S.*" IHT January 19, 2002
- ⁵⁹ William Burr, *The Kissinger Transcripts*, The National Security Archive, 1999. Pg 54
- ⁶⁰ Ibid, pg 52
- ⁶¹ Ibid, pg 51
- ⁶² Ibid, pg. 50
- ⁶³ Ibid, pg 47
- ⁶⁴ Ibid, pg 47 and 15
- ⁶⁵ Besides, U.S. records highlight U.S. role rather than that of China for which there is very little information available from Chinese sources.
- ⁶⁶ Manchukuo was the name of the puppet regime set up by the Japanese in the northeast of China in 1932.
- ⁶⁷ Ibid, Pg 53
- ⁶⁸ Ibid, pg. 208
- ⁶⁹ Ibid, pg.195
- ⁷⁰ <http://www.china-embassy.org/eng/7098.html>
- ⁷¹ According to Prof. John Garver of the Georgia Institute of Technology, a number of reasons were responsible for such an alliance not materializing. For example, differing Indian and U.S. perspectives on the USSR, Indian perception of USSR and the USA as roughly morally equivalent powers, India's non-alignment, leftist ideologies of the Indian political elite, the diversion of U.S attention to the war in Vietnam, role played by Pakistan as a wounded friend and ally of the U.S. and the 1965 India – Pakistan war resulting in a sense of U.S. frustration and disengagement from South Asia. (Private communication with author).
- ⁷² This policy is however controversial within India and there are many who criticize this approach as departing from India's principles and commitment to human rights. In the late fifties, there were strong demands in the Indian Parliament that India should take the cause of Tibet to the U.N.
- ⁷³ The rapid progress achieved by China in the economic and social fields in comparison to India is to a large extent the result of China's different political system. However, the Chinese success must be also attributed to its efforts in decentralizing decision making to lower levels of government, providing local officials with adequate financial powers as well as autonomy, the adoption of target based, result oriented approaches, building of world class infrastructure across the country, strenuous efforts to upgrade the skills of the political and bureaucratic elite and introduction of systems of governance that instill a spirit of competition, encourage the rise of younger officials, reward performance and punish incompetence.
- ⁷⁴ Address to Joint Session of Congress by President Bush on September 20, 2001, text available at www.whitehouse.gov/news/releases
- ⁷⁵ State of the Union Address, January 29, 2002- text available at www.whitehouse.gov/news/releases