

## Background

- China and India have a long history of trade and cultural exchange, dating back at least to the early first millennium A.D., when contact along the emerging Silk Road led to an exchange of items and ideas between South Asia and China.
- Following the independence of India in 1947 and the establishment of the People's Republic of China in 1949, both states emerged as leaders in the developing world as “non-aligned” signatories of the Five Principles of Peaceful Coexistence, or Panchsheel, in 1954.
- Frictions over territorial boundaries in Aksai Chin, along Indian Kashmir and China's Xinjiang province, and Arunachal Pradesh, along India's northeast and China's southern Tibet, led to deterioration in relations. Skirmishes erupted into full-scale war in 1962, leading to an extended freeze in relations.
- Prime Minister Rajiv Gandhi's visit to Beijing in 1988, the first visit by an Indian prime minister since his grandfather Nehru visited in 1955, served as a modern turning point in the bilateral relationship, as the two countries sought to stabilize their strategic relations with the end of the Cold War approaching.
- India's nuclear test in 1998 was justified as a response not only to Pakistan but also to a prospective “China threat” (although India quickly ceased public use of this justification).
- In January 2005, China and India took part in their first bilateral Strategic Dialogue, which was followed by the signing of the “India-China Strategic and Cooperative Partnership for Peace and Prosperity.”

## Current Situation

- Both countries are struggling to define their role in the world, given their economic growth and newfound influence on global affairs. Each harbors great power ambition and seeks to preserve a position of dominant political influence in its respective neighborhood. Both promote the notion of a multipolar world in which they each serve as major players in the international system alongside the United States, and both display enormous sensitivity on the maintenance of their sovereign independence against the influence of outsiders, a lasting residue of their colonial experiences.
  - As the world's largest developing countries, China and India share a number of interests. Chief among them is a focus on domestic development and economic reform, as both countries are experiencing a period of exceptional economic growth and are struggling with ensuing complex social challenges. India has increasingly looked to China as an economic model to emulate, especially given its achievements in poverty reduction, urban development, and attraction of international investment.
- China's strategic interest in India stems from its desire to
  - Maintain a peaceful international environment, particularly through stable relations with bordering nations;
  - Prevent the formation of anti-China blocs, particularly led by the United States;
  - Develop new markets, investment opportunities, and resources to fuel its economic growth.
- China has viewed India largely as an economic opportunity, although in recent years it has begun to take notice of the implications of India's rise, particularly India's growing political and potentially strategic relations with the United States and Japan.

## Current Situation

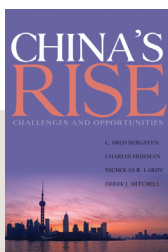
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- India and China have some competing strategic interests in the Indian Ocean.
  - Beijing has been wary of New Delhi's attempts to extend its influence in the region through its "Look East" policy and opposed India's entry into the East Asia Summit.
  - China and India regularly compete for access to Burma's natural resources.
  - The Indian Navy and the Navy of the People's Liberation Army have both increased their presence in the Indian Ocean as expanding economic interests have necessitated the protection of vital sea-lanes. India is concerned about China's so-called string of pearls, a series of ports and other strategic outposts along these trade routes that India perceives as being designed to limit its sphere of influence.
  - Many Chinese have viewed the U.S. attention to developing strategic relations with India since 2001 as an attempt to contain or at least balance against China. Growing U.S.-India military-to-military cooperation, most notably in the Indian Ocean, has emerged as a particular source of concern in Beijing, given China's growing dependence on oil imports transiting those waters.
- China and India both seek constructive relations with China to reduce tensions along their common border and allow for focus on their internal development. To that end, they have deemphasized their differences, set aside their border dispute, and promoted greater exchanges.
  - Nonetheless, India remains wary of China, and historical memory, particularly of the 1962 war, as well as lack of resolution of the border issue, continue to stoke suspicions in New Delhi toward its neighbor.

- China's relationship with Pakistan also serves to rile India, which is resentful and suspicious over continued arms sales and other elements of this 45-year historical partnership. In recent years, however, China has adopted a more balanced approach toward its relationship with Pakistan and India, fueled by Beijing's desire to maintain amicable relations with all states along its periphery and its recognition of India's growing economic and strategic importance.

## Implications

- The persistent, underlying mistrust that remains between India and China will constrain the relationship for years to come, despite easing of tensions, greater engagement, and warmer public interaction.
- China and India recognize the inexorable reality of the other's increasing involvement in its neighborhood and are quietly balancing the prospects for cooperation and competition in their relationship without letting residual suspicions, tensions, or mistrust derail their mutual desire to test the possibilities of political and economic engagement in years ahead.
- Unless India is the clear aggressor, China is unlikely to support Pakistan automatically in any future India-Pakistan conflict, as China's focus on internal development and maintaining a stable periphery will lead Beijing to place its primary emphasis on stopping any hostilities or unrest along its border.
- New Delhi will have no interest to ally with Washington in any active strategy to contain or oppose China's rise absent extraordinary provocation from Beijing. India will maintain its strategic independence to pursue a multilayered approach combining both cooperation and competition with China that serves its own unique political, economic, and security interests.



FOR FURTHER INFORMATION:  
 SEE CHAPTER 10: "CHINA AND THE WORLD" IN *CHINA'S RISE: CHALLENGES AND OPPORTUNITIES*  
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