# China and South Asia: A Historical Review

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## Introduction

The rise of a great power, by nature, changes the balance of power in the international system. China's military ambitions, the strength of its culture, and its market of a billion people, have captivated the global imagination. Against this backdrop, any meaningful discussion of China's role in South Asia requires an understanding of its relations with the Indian subcontinent as a whole. Any projection of that role in the next decade necessitates an understanding of how the Chinese have been involved in their dealings with the Indian subcontinent in the past and how that relationship has evolved till the present juncture. The thrust of any future analysis can, thus, be extrapolated. China borders South Asia and with India alone it shares a border of almost 3,500 km. At present, an undercurrent of uneasiness exists between India and China, as they continue their ascent up the global hierarchy. China today may be India's largest trading partner, but this has done little to assuage their concerns regarding each other's intentions. A review of history could help in putting issues in perspective.

## Early Contacts

Chinese contacts with India go far back to the Kushan period. About 200 BCE, the Yueh-chi moved westward, displaced the Greek Kingdoms of Bactria in northern Afghanistan and set up the Kushan Dynasty. During the Han period (206 BCE - 221 CE), control of Central Asia permitted contact with West Asia across the great steppes, deserts, and mountains. The trade routes were along the northern and southern edges of the Tarim River Basin, skirting the Taklamakan Desert before

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crossing the Pamirs into West Asia. Contact through the Indian Ocean existed between the Roman Empire and India while some seaborne trade also flowed eastward along the Malay Peninsula to South China. Over time, Canton emerged as the centre of oceanic commerce with South and West Asia.

Buddhism is the main cultural link between the peoples of East and South Asia though it has contrasting histories in India and China. For Buddha (563-483 BCE), attainment of truth came through the "Middle Way", between the extremes of self-indulgence and self- mortification. The essence of his ideas is enshrined in the Four Noble Truths and the way is through the Eight-fold Path. After a long oral tradition, Buddhism developed a large body of sacred literature originally written in Pali (preserved in Sri Lanka) and Sanskrit (preserved largely through translations into Chinese and Tibetan). The Buddhist canon, known as the *Tripitakas* (three baskets) is traditionally divided into the *Vinayas* (or disciplines) for monastic life; the *Sutras* (or discourses) which constitute major teachings, and finally the *Abhidharmas* or scholastic elaborations of the teachings. It is an extensive body of literature; the Chinese *Tripitakas*, for instance, consist of more than 1,600 works. By the 3rd century BCE, Buddhism had spread throughout India under the patronage of Emperor Asoka (274-237 BCE) and also spread to Sri Lanka. Subsequently, Indian traders and travellers carried it by sea to Southeast Asia and Southern China.

Buddhism spread northwards to Gandhara (now Afghanistan) in the reign of Emperor Kanishka (73- 103 CE) who ruled over north India and the Tarim Basin, and became an ardent patron of Buddhism. From there it spread to northern China. Several centuries later, Buddhism spread to Tibet and to Mongolia in a later form which contained a large element of Hinduism. The resultant Lamaism and theocratic society it produced in Tibet and Mongolia bears little resemblance to the original teachings of the Buddha.

In its Mahayana form, Buddhism appealed to China with its stimulating ideas. Buddhism is a universal faith and, except for the Taoist sects, it was the first organised religion the Chinese had ever known. It had noble literature, beautiful religious art, and aesthetically satisfying ceremonials with the appeal of a powerful monastic life in a troubled age, and the promise of personal salvation. The whole epoch from the 4th to the 8th century may be called the Buddhist age of Chinese history. In fact, it was the Buddhist age of history, since more than half the world's population comprised, at that time, followers of the Indian religion. It spread over the whole of the Asian continent except for Siberia and the Middle East, thereby giving this region a degree of cultural unity that has not been matched since. The

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writings of Fa Xian, a Chinese Buddhist monk, who travelled to Nepal, India, and Sri Lanka to acquire Buddhist scriptures between 399 and 412 CE are an excellent account of early Buddhism, and the geography and history of numerous countries along the Silk Route at the turn of the 5th century. Later, Xuanzang's work, the Great Tang Records on the Western Regions, is the longest and most detailed account of the countries of Central and South Asia that has been bestowed upon posterity by a Chinese Buddhist pilgrim. It described in great detail the interaction between China and India in the early Tang period.

Buddhism began to decline in India by the 6th century; and by the 15th, it had virtually disappeared. It was wiped out in Central Asia by the middle of the 9th century with the arrival of Islam. Consequently, the Hinayana of southeastern and Mahayana of East Asia began to drift apart. In China, its fading was a reflection of the fact that a revived Chinese Empire had overcome the barbarian challenge. The incorporation of the barbarian invaders into a new and greater empire ushered in a spectacular phase of Chinese history. Buddhism was gradually absorbed into the mainstream of Chinese culture, and those features which were incompatible with the prevailing social system were neutralised. In the long run, China changed Buddhism much more than Buddhism changed China.

Despite the political and economic disruptions that occurred during the Six Dynasties' period (220-607 CE), China made steady technological advances under the early Tang period. With Indian inspiration, astronomy and mathematics made great strides while Indian medical knowledge, combined with Taoist alchemy, made considerable headway through Buddhist monks. The earlier inventions of paper, porcelain, and the watermill were greatly developed. Gunpowder also came to be used (not in warfare, but for making fireworks). Tea, introduced from Southeast Asia, was valued first for its medicinal use and as a stimulant for meditation. Coal, which was in use in China from the 4th century, fascinated Marco Polo in the 13th century. In art, especially sculpture, Buddhist influence was strong. In fact, the Buddhist demand for religious images made this a great age of Chinese sculpture.

## Trade Contacts

The growth in foreign trade during the late Tang and Sung eras is an indication of the commercial expansion of the time. The land trade (through camel caravans) with Central Asia during the Tang era saw a vast exchange of goods between the Chinese and their immediate nomadic neighbours. The Sung imported horses for their cavalry from the Tibetans, Turks, Mongols, and Tungus which they paid for with Chinese silk and other goods. Maritime trade with India and the Near East had existed since the Han period, but in the 8th century, it grew exponentially. The entry of Europeans into this lucrative trade along the southern littoral region of Asia in the early 16th century marked the beginnings of the oceanic phase of Western history and contributed to the subsequent industrial revolution in Europe.

There were several causes for the growth of commerce. First, there was a gradual improvement in navigation. By CE 1119, the magnetic compass was in use before it was introduced in Europe by the Arabs. Second, was the rise of Islam. Initially, Chinese trade was in the hands of the Persians and Arabs, both new converts to Islam. China's unprecedented prosperity under the Tang and Sung rulers attracted traders to its ports and created a demand for Chinese goods from Japan to East Africa. Oceanic commerce changed the orientation of China to the outside world. In ancient times, the land frontiers of the northwest had been China's front door. With the growth of sea trade, the eastern and southern coasts gradually became the chief areas of contact with the outside world.

In their long and ancient history, the Chinese have not been a great seafaring nation. Apart from trade under the Southern Song (CE 1127-1279), which was mostly confined to a few ports and the lower Yangtse, and the early decades of the 15th century under the Ming (1368-1644), China's history has known no major naval activity. Overseas trade was limited to certain official ports, where customs duties could be collected. This was an important source of government revenue. The bulk of overseas trade flowed through Canton during the late Tang and Northern Song periods. Under the Southern Song, Ghuanzhou, situated near the tea and porcelain producing areas in Fujian, became the leading port.

Under Kublai Khan (1215-94), land expeditions were launched against Vietnam and Burma, while the Khan's envoys travelled by sea to Ceylon and South India. In the 1280s, ten states of southern India (on both the Coromandel and Malabar coasts) were reported to have sent tribute to China by way of Ghuanzhou in Fujian, besides Sumatra as well as the Malay Peninsula. The tributes ended by the 15th century.

Naval expeditions commenced during the reign of Emperor Yung Le. Chinese armadas sailed across the Indian Ocean almost a century-and-a-half before the Portuguese reached Calicut in 1498. From the Ming to the Qing was a logical progression, especially in the context of overseas commerce with South Asia. Trade with India proved to be the cutting edge of the commercial, financial and industrial expansion of Europe, with Great Britain in the lead. It represented the growing world order of international economy. Alongside the East India Company's own trade and ships, 'country' trade was also conducted by private ships which had been granted charters to sail from India to China. Those engaged in the 'country' trade were mostly Englishmen doing business in India but they also included some Indians and Parsees. The 'country' trade accounted for around 30 per cent of the total British trade at Canton between 1764 and 1800. The East India Company also allowed some 'private' trade, permitting its ships' officers to carry specified amounts of gold and goods, supposedly to compensate for their meagre salaries. The private traders, through agency houses in India, flourished after the Company lost its trade monopoly in 1823. After about 1817, three-fourths of British imports at Canton were provided by these agency houses that performed a multiplicity of functions: providing an outlet for Indian produce and remitting profits to India; financing the Company's purchase of China's tea which was profitably taxed by the British government in London; and offering a channel through which the Company in India could remit surplus revenues from India, via Canton, to meet payments due in England.

By the late 18th century, a flourishing 'triangular' trade had developed among Canton, India, and England. Chinese exports to India comprised nankeen, cloth, alum, camphor, pepper, vermillion, sugar, sugar candy, drugs, and chinaware. China's imports from India included raw cotton, ivory, sandalwood, silver, and opium. Private traders, the dominant element in this trade, concentrated on opium when its smoking spread widely in China. A major role in opium smuggling was also played by Chinese agents. Their boats would take delivery from the foreigners at the receiving ships and distribution inside China was done along the routes of inland trade. From 30,000 chests in the 1830s, the opium traffic reached a peak of 87,000 chests in 1858-60. This boost was, however, followed by a sharp decline. The trade was a triangular operation with Indian opium for China, Chinese tea for Britain, and the British Raj for India. By involving China, India lessened the burden of its "remorseless colonial tribute" while China remained a sub-colony of the Raj.

## National Contacts

By the 1930s, the colonial era passed its high noon. With the October 1911 revolution, and the emergence of the Kuomintang, the Chinese were able to assert, however weakly, their national independence, while in South Asia in general, and in India in particular, the Raj began its decline. Symptomatic of close India-China ties was the growing friendliness Nehru and the Indian National Congress expressed towards China and its people in the 1930s when it was struggling against the Japanese. The Kotnis medical mission left an indelible imprint on the Chinese mind. During his visit to China, in August 1939, Nehru spoke eloquently of the imperishable links which bound the two peoples together. He saw himself as a harmoniser, bringing closer these two ancients in history and civilisation who had found rebirth and youthful vitality again. He also adumbrated upon an "Eastern Federation of China and India" and of other Eastern countries. Nehru was both astonished and grateful for the desire of the Chinese people for a close and friendly union with the people of India.

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Similar sentiments were echoed by Dr S Radhakrishnan during his visit to Chungking in May 1941. The scholar-statesman talked of "our civilisations possessing a common cultural and spiritual background with an identity of ideals of happy life and friendship." On the political plane, Dr Radhakrishnan referred to the relationship affording "a unique example of good neighbourly behaviour." In retrospect, these paeans were mere idealism which continued in the mid-Fifties with the chorus of "*Hindi Chini bhai bhai*" orchestrated by *Panchsheel* and the Bandung spirit.

It was in Bandung in 1955 that China forged, what has proved in retrospect, an adversarial rather than a friendly relationship with India. Zhou En-lai assured Mohammad Ali Bogra, then prime minister of Pakistan, that there was "no conceivable clash of interests which could imperil friendly relations between their two countries," implying that this was "not true" of relations between India and China. The contours of the future Chinese relationship with South Asia were, thus, established.

The events leading to, and the aftermath of, the 1962 armed conflict underline the immense shock it administered and the damage it caused to ties between India and China. It is not intended to cover the details of the conflict

here. Nevertheless, it is cogent to mention that Nehru's refusal to accept Zhou's suggestions for a solution cannot be simplistically attributed to his intransigence or to a decision taken in the early 1950s not to address the boundary question. Until early 1960, Nehru was open to negotiation and compromise on Aksai Chin, which was presumably the core Chinese interest. He was, however, unwilling to treat the entire boundary as negotiable. This position stemmed from long-standing apprehensions about China's territorial ambitions. Here China's unyielding insistence that it had controlled the area for the last two centuries queered the pitch. Beijing's handling of the issue, in the aftermath of the Dalai Lama's flight to India, only seemed to bolster these concerns and convinced Delhi that the Chinese were not trustworthy.

The historiography of the Sino-Indian War of 1962 has passed through three distinct stages. The earliest accounts portrayed India as the victim of Chinese betrayal and expansionism while Prime Minister Jawaharlal Nehru was credulous and insufficiently alert to Chinese adventurism. In 1970, Neville Maxwell published *India's China War*, which blamed Nehru for arrogance and obduracy in the face of Chinese efforts to seek a negotiated solution. Maxwell, however, over-reached in attempting to prove that the Indian government viewed the issue in the same terms as he saw it later. Maxwell interpreted Indian decision-making and actions almost as Beijing would have viewed them. The third stage can be traced to the publication of Steven Hoffmann's account, *India and the China Crisis*, in 1990. Drawing on extensive interviews, Hoffmann provided an important corrective by enunciating the Indian perceptions more closely.

A quarter century elapsed before relations between India and China were restored to a modicum of normalcy. Throughout the Bangladesh War, in 1971, the Chinese ranted against India — Zhou En-lai proclaiming that India had "picked up a rock that it would drop on its own toe" — but its role on the ground wasn't threatening, unlike in 1965. A major reason for this was the Indo-Soviet treaty and the Soviet Union's private warnings to China. Moreover, China was not only conscious of India's growing military strength but also worried that its own People's Liberation Army was deeply embroiled in the Cultural Revolution.

In February 1979, Atal Bihari Vajpayee, then external affairs minister and later prime minister, became the first high-ranking Indian to visit China since 1954. His hosts greeted him with cordiality but he had to cut short his sojourn because China invaded Vietnam when Vajpayee was still on Chinese soil. 1987 witnessed renewed tensions in the wake of the Chinese intrusion into the Sumdorong Chu Valley in the eastern sector. A listless decade passed till the conclusion of

a cultural exchange agreement in May 1988 which was followed by visits to China by leaders of India's ruling as well as opposition parties, for an exchange of views with their counterparts in the Communist Party of China hierarchy. This process culminated in the visit of Prime Minister Rajiv Gandhi to Beijing in December 1988, which was a seminal event. The initiative was no doubt New Delhi's but the Chinese had indicated their intentions as far back as 1981, when they extended an invitation to Prime Minister Indira Gandhi.

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During his three-day sojourn in Beijing, Rajiv Gandhi confabulated with Chinese leaders, including Premier Li Peng, elder statesman Deng Xiaoping, and Party General Secretary, Zhao Ziyang. Deng averred that "starting with your visit we will restore our relations as friends." The Chinese leader's exhortations to "forget the past and look forward to the future" were clearly pronounced. This suggested a new beginning in relations between the two countries.

Along with agreements on civil aviation; cooperation in science and technology; and a three-year bilateral cultural exchange programme, it was agreed to maintain peace and tranquillity along the border largely by strengthening existing mechanisms. Two joint working groups were set up – one on the border, and another on economic relations, trade, and science and technology, with the Indian and Chinese foreign secretaries as co-chairmen. The group was entrusted with the task of making concrete recommendations for an overall solution of the boundary question within a definite time-frame.

After Rajiv Gandhi's visit, a momentum of a high-level dialogue between the two neighbours has been maintained. The Chinese Prime Minister, Li Peng, visited New Delhi in December 1991; Indian President R Venkataraman visited China in June 1992; and Prime Minister P V Narashimha Rao returned his Chinese counterpart's visit in September 1993. Apart from the top leaders, there has been a flurry of exchanges at the lower level embracing all shades of the political spectrum, agronomists, demographers, family planners, and scholars.

No serious student of the India-China relationship would question the significance of fostering friendly, cordial and harmonious relations between the two peoples. China today is an important power and is rapidly emerging as a powerful actor, in and outside the UN. Its growing economic clout, burgeoning

armed strength, and political stability, despite the near eclipse of international Communism, make it singularly important. However, all relationships, be they among individuals or nations, rest on cool and objective appreciation of each other's needs and sensibilities. Moreover, all relationships evolve, and are in a constant state of flux and review in the light of new experiences, and changing situations. Thus, "special" relationships or "*bhai bhai,*" or now "buy buy" phenomena are mere emotional euphoria.

## Sticky Issues

In the context of India's expanding ties with Beijing, some disturbing trends that may derail the process need to be mentioned. First, the ongoing, near-interminable negotiations between Bhutan and the China over their 570-km-long border. It is suspected that the small Himalayan Kingdom may be coaxed or cajoled into conceding principles of delimitation that may later be invoked against New Delhi. Second, the regime in neighbouring Myanmar has continuously received military and diplomatic support from China. Apart from being treated as a political pariah by the international community, a disturbing aspect is that Myanmar has served as a safe sanctuary, training ground and conduit for widespread armed insurgency in the entire northeast in general, and the border states of Nagaland, Manipur, Mizoram, and Tripura, in particular. The Chinese are assisting Myanmar by building new naval facilities at the Haing Gyi Island which may lead to acquiring fuelling rights for their ships. Conjointly with Beijing's sale of modern missile boats to Bangladesh, and its close ties with Pakistan with the construction of the Karakoram Highway and the development of Gwadar Port, Chinese presence, direct as well as by proxy, on India's eastern as well as western flanks looms large.

The events in Tibet also do not lend themselves to confidence-building between New Delhi and Beijing. The harsh truth is that there has been a violent, endemic rebellion in that land signifying alienation from the great motherland. Chinese governance, it would appear, leaves a lot to be desired. Beijing's hypersensitivities about Tibet are too well-known to need reiteration, while New Delhi, for its part, has been only too willing to respond by promising time and again to eschew all "anti-Chinese activities" by the near-helpless Tibetan refugees. It is nobody's case that Tibet be declared independent. But a genuine measure of autonomy for Tibet within the broad parameters of the Dalai Lama's proposals may help reduce tensions. If it is followed by a gradual demilitarisation of Tibet, it would facilitate the process of maintaining peace and tranquillity

on the Himalayan frontier. It would indeed be unfortunate if a settlement on Tibet is not reached. The incumbent Dalai Lama, an enlightened and charismatic leader of his people, with no overt hostility towards China, will be a tower of strength in sealing an agreement with Beijing which will enjoy credibility abroad, and almost total acceptability in Tibet itself. His passing away would create a vacuum that may be hard to fill.

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China's ties with Islamabad present another hurdle. Even as China wants India to be responsive to its concerns on Tibet and the Tibetans, New Delhi should be bold enough to underline its mounting fears over Pakistan's intrusive role in its internal affairs. With Beijing exercising a modicum of restraint over its allies in Islamabad, New Delhi would feel reassured about its sensitivity to a reciprocal obligation.

## Other Recent Trends

The manner in which Beijing resolved its long-estranged relationship with Hanoi merits discussion. The two countries had a border war in 1979 based on China wanting to teach Vietnam a lesson. Apart from this, is the dispute over the Spratly group of islands in the South China Sea which Vietnam claims, along with Taiwan, the Philippines, Malaysia, and Brunei. Beijing has expressed its willingness for joint development of the archipelago but gives no indication of compromising its sovereign claims. These could pose a serious threat to regional peace and security; as they did in 1989 when Beijing used *force majeure* to push Hanoi out of a Spratly Reef.

In the wake of the 1979 border skirmishes with Hanoi, cross-border shelling had continued for almost a decade, until the reduction of tensions and the reestablishment of diplomatic ties in 1991. This was followed by Prime Minister Li Peng's visit in December 1992, the first by an incumbent prime minister of China in 21 years. In August 1993, talks held in Beijing covered the conflicting border claims, apart from the dispute over waters in the Tonkin Gulf. Contentious issues were cast aside and the emphasis shifted to "a peaceful and steady boundary" which has helped the two countries concentrate on economic development.

In September 1993, an "Agreement on the Maintenance of Peace and Tranquillity along the Line of Actual Control in the China-India Border Areas"

following the visit of the Prime Minister PV Narashimha Rao to China marks another watershed. Apart from the two sides reiterating their commitment to peacefully resolve the boundary question, there is a promise not to use, much less threaten to use, force in settling issues. In 1996, a further agreement on "Confidence-building Measures in the Military Field along the LAC" was signed by both sides during Chairman Jiang Zemin's visit to India. The confidence-building measures include the reduction of military forces along the border, and prior intimation of army exercises. Adequate measures exist to avoid air intrusions into each other's territory. In addition, a new outlet for border trade has been opened at Nathu La, in Sikkim.

The India-China border has, in fact, enjoyed a reasonable measure of peace and tranquillity, despite differences in perception on the alignment of the Line of Actual Control (LAC). Stress on economic ties, and their strengthening, could improve the overall climate of the South Asian Association of Regional Cooperation (SAARC) region. Regarding Pakistan, it appears that once the India-China friendship strengthens, tensions with Islamabad would decline and be contained automatically. The road to the future would appear to lie in mutual trade and joint ventures for they provide the acid test of enhanced cooperation. A border settlement will enhance India's as well as China's security and ease the burden of maintaining a sizeable military presence in the mountain areas.

Prime Minister Manmohan Singh's visit to China, in 2008, saw the two countries declaring they were partners and not rivals, and there was enough space for both to grow together and their simultaneous rise would contribute to both peace and prosperity in Asia and beyond. Five major nations of the world—China, India, Russia, Japan and Indonesia—are in Asia. Little wonder then that the centre of gravity of the international system is shifting to this continent. India and China need to develop their relations amicably based on this reality. That notion has even produced a new word, "Chindia", to convey the combined effect of the elephant and the dragon.

In South Asia, China's relations with Pakistan are excellent; with the smaller countries—Nepal, Bangladesh, Sri Lanka, Bhutan, and the Maldives—these vary from good to very good. Projecting into the future, Beijing's improved ties with India are indicative of its emphasis on a peaceful environment so as to forge ahead with its goals of rapid growth and modernisation of its economy. The 1962 China-India War, wresting the Paracel Islands from South Vietnam in 1974, and some of the Spratly Reefs from Hanoi in 1988, do give cause for concern. Beijing is perceived to keep its options open and leave its possible adversaries guessing.

China's present strategy with India appears to be to keep the substantive issues of dispute in abeyance in a bid to promote cooperation in areas not in contention. This is a pragmatic and eminently sensible approach. The Japanese stance to bind China in an intimate web of economic cooperation is more than welcomed by the latter in the hope that a many-sided, long-lasting basis of economic cooperation will lead to a networked cooperative security. In the event, it is imperative that India and China cooperate, pool resources and technologies, and reduce their dependence on the North. A pragmatic approach is to face issues as they arise. Ad hoc reactive solutions to deep-seated, intractable problems, or romantic notions, either about harmony or hostility, do not help. History cannot offer pre-tested remedies. The past teaches by analogy, not by maxim, as no two situations bear an exact parallel, much less a comparison. Each generation must judge for itself what is comparable.

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The world is changing under the influence of forces which no single government can control. It is confronted with political awakening on a scale that has no parallel in recorded history. With the significant redistribution of economic as well as political power, China's role in South Asia in the coming years presents challenges no less than opportunities that are quite out of the ordinary.

## Summation

The Chinese heartland is the territory between the Yellow River and the Yangtse Kiang with a 90 per cent Han population. The contours of present day China emerged by 1279 CE, less four peripheral states, Manchuria, Inner Mongolia, Xinjiang and Tibet, which were annexed in the 18th and 19th centuries. China and India, Asia's two great civilisational states, are also the world's most populous, accounting between them for a third of humanity. Though both nations are nuclear armed and developing blue water navies, fundamentally, China does not accept India as a member of the nuclear club but treats it as a gatecrasher. South Asia is China's soft underbelly, as two of its troubled provinces, Xinjiang and Tibet, lie in its proximity. It also contains two nuclear powers, one of which is perceived as inimical to Chinese interests. South Asia provides the shortest sea route to China's landlocked western provinces and lies astride the vital sea lanes

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from oil rich West Asia to China's seaports. Peace in this region is, therefore, vital to China's interests. The 225,000-member People's Liberation Army (PLA) Navy operates up to 10 nuclear-powered submarines and as many as 60 diesel-electric vessels, more than any other Asian country. China's second-generation, nuclear-powered Jin and Shang class submarines are considered just a notch below cutting-edge US and Russian craft.

China's recognition of the importance of the seas stems from the historic reality that its "century of humiliation" was caused by the Western nations that came "via the sea." Its quest for great nationhood passes through the waters of the Indian Ocean. Thus, China's major maritime worry is India, which occupies a central position astride the Indian Ocean. Nearly 50 years have already passed since the 1962 border war, but the shadow of that war still influences Sino-India relations and the scars of that conflict are yet to heal. Both countries are guilty of misinterpreting history to further their claims. The long-standing boundary issue between the two countries has defied a satisfactory solution and is a constraint in collaboration on larger global issues. Negotiations have failed to resolve the disputed border and border, incidents have intensified recently.

China and India have a long history of friendly interaction and a fine tradition of learning from each other. There is a need for a new and more realistic approach to India's relations with China. For decades, India's leaders and diplomats have been defensive, apologetic and even obsequious when speaking about China, which has never hesitated to speak disparagingly about India in the capitals its leaders visit. Apart from transferring nuclear weapons technology and arming Pakistan, it has continuously encouraged anti-Indian sentiments in South Asia and spared no effort to exclude India from a seat in the UN Security Council, and in the emerging economic and security architecture of East and Southeast Asia.

China's messages to India are a contradictory mix of acrimonious language, on the one hand, and amicable appeals for concentrating on the "positive" features of the relationship, on the other. At the global level, the rhetoric is on cooperation. They have worked together on climate change, global trade negotiations and in demanding a restructuring of global financial institutions. At the bilateral

level, however, the story is markedly different. The pendulum of India-China relations now swings on the status of Arunachal Pradesh. It began prior to the November 2006 visit of Chairman Hu Jintao when the Chinese ambassador to India averred that the status of Arunachal Pradesh was still an unresolved issue between the two countries. A recent visit by the Dalai Lama to Arunachal Pradesh was stridently denounced by Beijing, which also tried unsuccessfully to block an Asian Development Bank aid project there. The issue continues to be a sore point. India has signalled that it will not countenance China's territorial claims on Arunachal Pradesh and the absurd practice of issuing a separate category of visas for residents of Jammu and Kashmir.

India has objected to China's aid projects in Pakistan-occupied Kashmir even as it sits in illegal occupation of Indian territory there. India has also objected to China sending thousands of unskilled workers to implement projects for which it has been awarded contracts in India, misusing the provision of "business visas." More significantly, India has publicly expressed concern about the growing security ties between China and Pakistan. The suggestion by the Chinese to the US Pacific Fleet commander that the Indian Ocean should be recognised as a Chinese sphere of influence has raised hackles in New Delhi. China's lack of support for the US-India civilian nuclear energy cooperation pact, which it tried to block at the Nuclear Suppliers Group, and its obstructionist stance in bringing the terror masterminds of the November 2008 attacks in Mumbai to justice, has further strained ties. The construction of a port at Gwadar, in Balochistan, and continuing supply of military equipment technology to Pakistan, when seen in conjunction with Chinese actions in Myanmar, Bangladesh and Sri Lanka, reinforce the spectre of a strategic encirclement of India. China spent $200 million on the first phase of construction of the deepwater port of Gwadar for which it has got "sovereign guarantees to the port's facilities" from Islamabad. China's *entente cordiale* with Pakistan remains important to Beijing.

China is now displaying a new assertiveness in its relations with the outside world. It is manifested on issues of its maritime and land boundaries with countries like Japan, Vietnam, India, the Philippines, Malaysia and Indonesia. The absence of democratic freedoms and the inability to respect the sentiments of non-Han minorities like the Buddhist Tibetans and Muslim Uighurs in Xingjiang are not worthy of a country with pretensions of being an emerging superpower. Both Beijing and New Delhi desire still further improvements in bilateral relations but have been stymied by a paucity of parallel interests and by continuing tensions over the territorial issue and China's role in South

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Asia where it is steadily extending its reach with its growing economic and strategic influence in the region, in a manner bordering on the predatory. The volume of China's trade with all South Asian nations is increasing year to year. Its bilateral trade with India alone accounted for $38 billion in 2008, and is set to grow to $65 billion in 2010. Except for India, Beijing has trade surpluses with all other nations in the region. China showers these nations with low cost financial capital to help their struggling development sector. The largest beneficiaries of this economic aid are Pakistan, Sri Lanka, Bangladesh and Nepal.

Over the past decade, the relationship of China and South Asia has significantly changed. China has become a major external player in regional issues with its relationships enlarged, deepened and reorganised. India's challenge remains formidable. While, it has not yet achieved the economic and political profile that China enjoys regionally and globally, it is increasingly bracketed with China as a rising and emerging power, even a global superpower. India has to carry forward its more assertive and long-overdue policies on China. The dialogue between them has gone through many vicissitudes to no avail. At sea, China is failing to acknowledge legitimate Indian interests in its own immediate region. The prospect of competition for maritime dominance in the Indian Ocean is growing as China rapidly develops powerful blue water naval forces and builds its presence in South Asia.

India also has concerns about the impact of climate change and other human interactions on the several cross-border rivers between China's Tibet Autonomous Region and northern India. The ecology of the Himalayan glaciers is under threat and could adversely affect the livelihood and safety of millions of Indian and Chinese citizens. Can India and China remain as partners as they have declared or is a clash of interests inevitable? India and China will always be rivals. But rivals need not be enemies and neighbours need not be confrontational. They share interests ranging from the promotion of energy security to combating *jihadi* terrorism and piracy. A pragmatic approach to the resolution of deep-seated, if intractable problems, is the need of the times. How India and China manage their relations as both countries emerge as major powers would not only have an impact on their interests but also on Asia and the world as a whole.