

# Mutual concern over US militarism brings China and India closer

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Chinese Premier Wen Jiabao's recent tour of South Asia on April 5-12 marked a further step in a still tentative rapprochement between China and India. The two countries, which fought a war in 1962, moved toward settling their border differences as well as opening up closer economic relations. Wen, who also visited Pakistan, Bangladesh and Sri Lanka, stressed his "most important visit" was to India where he spent the last four days of the eight-day tour.

Indian Prime Minister Manmohan Singh summed up New Delhi's enthusiasm for the visit when he welcomed Wen, declaring "India and China together reshape the world order". Wen, who was accompanied by a delegation of around 100 top Chinese officials and business leaders, met with other senior Indian politicians, including Congress Party leader Sonia Gandhi. At the conclusion, the two prime ministers issued 21-point joint statement listing 12 agreements, protocols and memoranda of understanding between their countries.

A settlement to the longrunning border dispute was high on the list. The complex issues include China's claims to Indian-controlled Arunachal Pradesh and Sikkim and India's counterclaims to Chinese-controlled Askai Chin, adjacent to the Ladakh region of Kashmir. Beijing has also been concerned about the activities of Tibetans, including the Dalai Lama, who live in exile in India.

During the visit, the two leaders agreed to a framework for resolving the border differences. In their joint statement, China agreed that Sikkim belonged to India. In return, New Delhi reiterated that Tibet was part of China and that Tibetan exiles would not be allowed to engage in anti-Chinese activities. The remaining differences would be settled through "friendly consultations".

On the economic front, the joint statement announced that trade between two countries would be increased to \$US20 billion by 2008—up from \$13 billion in 2004. The two leaders agreed to establish joint economic groups, mechanisms for trade and investment promotion, closer financial relations, improved IT cooperation and the enhancement of direct shipping and aviation links.

One key area involved oil and gas. The two sides agreed "to cooperate in the field of energy security and conservation" and to encourage agencies in the two countries to work together "in the survey and exploration of petroleum and natural gas resources in third countries". The agreement is significant as both countries are in competition for resources to meet their rapidly growing demands for energy.

Over the past decade, India and China have experienced high rates of economic growth as foreign capital has flooded in to take advantage of their huge reserves of cheap labour. Whereas China has become "the workshop of the world," India has transformed into the "office of the world," with foreign investors exploiting its supply of

cheap, educated, English-speaking technicians, computer programmers and office workers.

The Indian and Chinese ruling elites both have ambitions to play a more prominent international role, making them rivals, not only for markets and resources, but for influence in the Asian region. India and China, for instance, are each seeking to expand economic and political relations with the Association of South East Asian Nations (ASEAN) countries. China has longstanding relations with the military junta in Burma, which borders India and where New Delhi is trying to expand its presence.

The real question, however, is not so much what is leading to competition and possible conflict, but what is drawing the two countries together. While the ties are far from certain, there has been a marked warming in the relationship after decades of tension. Speaking to the press, Indian Foreign Secretary Shyam Saran declared: "India and China are partners, not rivals. We do not look upon each other as adversaries."

The joint statement hinted at the reasons. It noted each country's "important role in the process of promoting the establishment of a new international political and economic order" and that the "two sides are supportive of democratisation of international relations and multilateralism." Mentions of "multilateralism" and the UN's importance for global peace are oblique, but obvious references to Washington's unilateral and illegal invasion of Iraq.

The central factor pushing the two countries together is mutual concern over the consequences of unbridled US militarism. For China, the attempt to mend its fences with India is part of efforts to break out of what it fears is American encirclement. In the wake of the September 11 attacks on the US, the Bush administration occupied Afghanistan, established US military bases for the first time in Central Asia and sought to rebuild a military presence in South East Asia.

Washington has been strengthening economic and military ties with New Delhi as well, in part as a further measure against China. Over the past five years, the US and Indian militaries have engaged in intelligence sharing as well as joint exercises. Top-level meetings have taken place on a range of issues, including US plans for an anti-ballistic missile defence shield. The shift represented a break from previous Cold War relations when India had close ties with the Soviet Union, while rival Pakistan enjoyed the backing of the US and China. Beijing is clearly hoping to at least neutralise US influence in New Delhi.

China's relations with Pakistan and Bangladesh are also aimed at preventing any US encirclement. Beijing is building a deepwater port at Gwadar in Pakistan, strategically located near the Persian Gulf. The facility will be equipped with surveillance gear to monitor the

surrounding ocean and will be open for use by Chinese vessels, including naval ships. Beijing's involvement in the construction will help extend its naval reach to protect China's vital oil supplies from the Middle East. During Wen's visit, Bangladesh offered China access to its Chittagong port.

The reasons for India's decision to strengthen ties with China are not so obvious. Since US President Bill Clinton visited South Asia in 2000, focussing particularly on India, New Delhi has placed considerable store on its developing relations with Washington. Those links became closer under the Bush administration and particularly in the immediate aftermath of September 11, 2001. India fully backed the US toppling of the Taliban regime in Afghanistan, hoping that it would weaken rival Pakistan.

But New Delhi's calculations that the US would back India's own "war on terrorism"—against Pakistani-backed armed militants fighting to end Indian rule of Kashmir—proved not to be the case. While it did exert pressure on Pakistan to rein in Islamic fundamentalism, Washington was also concerned to keep Musharraf in power and on side. Having ended its support for the Taliban, Pakistan became an important component of US military efforts to combat armed opposition to the US occupation of Afghanistan.

The US-led invasion of Iraq in March 2003 fuelled fears in Indian ruling circles about the dangers of US unilateralism. New Delhi's criticisms of the war were limited but the government declined to send Indian troops to support the occupation. In the aftermath of the invasion, the Bharathiya Janatha Party (BJP)-led government, which had championed US-Indian relations, began to cautiously turn elsewhere.

Prime Minister Atal Behari Vajpayee travelled to Europe in 2003 and visited France and Germany, which had both been critical of the invasion. Writing in *Business Line*, one columnist noted at the time that the tour coming "after Iraq war, and the sweeping economic changes in Europe is both timely and crucial for India".

Vajpayee also made a trip to Beijing in 2003—the first by an Indian prime minister in decades. The visit was particularly noteworthy given the stance of his government just five years before. In 1998, Vajpayee defended India's decision to carry out nuclear tests in a letter to US President Clinton by referring to the threat to India posed by the Chinese nuclear arsenal. His defence minister George Fernandez went one step further, declaring China to be "India's number one enemy".

By 2003 that rhetoric had been shelved. During Vajpayee's visit, China raised the prospect of a triangular relationship between Russia, China and India. A Press Trust of India report cited a senior Chinese official as saying: "China, Russia and India share many common interests in promoting a democratic international relationship and safeguarding international security and stability..." Wen raised the issue again during his visit this month.

Sections of the Indian ruling elite responded positively to Vajpayee's initiative. The *Hindu* commented that Beijing and New Delhi could "through their combined leadership, impart a needed balance to global affairs". It went on to declare that a relationship with China was vital "at a time of unprecedented flux in international relations, rudely shaken by the American doctrine of pre-emption and war on Iraq".

The BJP-led government was defeated in last year's general election as a result of broad hostility to the impact of its economic restructuring program. The Congress Party, which dominated Indian politics for most of the post-war period, was closely associated with the so-called non-aligned movement and forged close relations with

the Soviet Union during the Cold War. It has nevertheless continued the relationship with the US established under Vajpayee.

Just last month, however, the visit by US Secretary of State Condoleezza Rice to New Delhi reinforced concerns in Indian ruling circles that the US pays scant regard to their interests. She bluntly expressed the Bush administration's opposition for proposals by India and Pakistan to build a gas pipeline from Iran. While Washington is seeking to maximise pressure on Iran, New Delhi has ties with Tehran and places considerable importance on the pipeline.

In an indirect rebuff to Rice, Indian petroleum minister Mani Shankar Aiyar recently announced that he had proposed to China the construction of "a pipeline that would begin in Iran's natural gas fields, cross Afghanistan, Pakistan, India and Myanmar; and end in Yunnan province in southwestern China". Aiyar plans to visit China later in the year to discuss the plan.

Of course, relations between China and India are not plain sailing. The two countries remain regional rivals and are seeking to use each other to further their own economic and strategic interests. On his visit, the Chinese prime minister did not give an unqualified commitment to support India's ambition for a permanent seat in the UN Security Council. And just before Wen's arrival, Indian Defence Minister Pranab Mukherjee warned that New Delhi had to keep an eye on the modernisation of China's armed forces.

By turning to China and other countries, India is clearly trying to lessen any dependency on Washington. Whether the Bush administration is prepared to allow New Delhi to engage in such a balancing act is another matter. Following Wen's trip to India, US State Department spokesman Richard Boucher dismissed as "pure speculation" comments that India-China relations would harm America. Behind the scenes, however, it is not difficult to imagine that the White House is far from happy that its plans to use India against China have suffered something of a setback.



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