CHANGING SINO-INDIAN RELATIONS: IMPLICATIONS FOR SOUTH ASIA

Sudhir Singh

The Modi government which came into being in 2014 has taken a more proactive approach towards limiting China's influence in South Asia. Although relations with China are cordial, India realizes that China's behaviour in the international world is a cause for concern. Therefore, the Act East Policy has become the corner stone in Indian foreign policy considerations. In an effort to contain China, Modi has improved relations with ASEAN bilaterally as well as multilaterally and Australia. Further the Act East Policy has allowed India to encroach into China's immediate neighbourhood. For example, in the backdrop of a cautious Sino-Japanese relations, India-Japan bilateral relations has emerged as one of the most important relationship that ensures a multipolar Asia. Additionally, with the Indo Pacific becoming vogue, India has been co-opted by the United States against the backdrop of ever increasing Chinese presence as well as influence in the South Asian region. Sino-China relations has great impact on South Asia whereby bilateral relations are cordial but at the same time reflect a competitive streak. The responses from South Asian neighbours are varied in that some accept the Chinese influence, while others are restrained. For example, Pakistan has accepted China's investments as well as its role as a balancer against India despite its fragile economy and security status.

Keywords: China, India, Act East, Indo Pacific, China-Pakistan Economic Corridor

Introduction

The arrival of Prime Minister Modi of India in May 2014 propelled a new momentum in Indian foreign policy due to a gamut of reasons. It was the first government after the 1984 general elections which has had its own majority in the lower house of the Indian parliament namely the Lok Sabha. From 1984 to 2014, due to fragility in coalition politics, no government was able to take bold policy decisions on China in particular and overall foreign policy in general. However, since the end of the Cold War, Sino-Indian relations have witnessed scores of ups and downs. During the period of the Cold War, relations between the two largest Asian countries remained turbulent. The end of the Cold War however created new security architecture within Asia but Sino-Indian relations remained captive to historical baggage. One major development that took place in Indian foreign policy in the backdrop of the Cold War was improvement in Indo-Unites States (US) relations. China has become directly concerned with recent cementing of relations between the US and India. One reason for China's apprehension is the fact bilateral relations are aimed at containing China. It is interesting to mention here that during the Cold War period, India and US, for most part were unsettled partners. Seminal Indian strategic thinker, Kautilaya, stated that friendship and enmity are not sustainable in international relations and that the status keeps changing when

the balance of power shifts. He also opined that balancing in international relations alters when divergences and convergences of interests among nations arise.

India has emerged as an Asian power and wants to keep Asia multilateral. Japan, the ASEAN member countries, South Korea, the US and Australia share India's vision. China in contrast, prefers an Asia which is unipolar but is willing to work with the US to keep peace. China's rise with its increasing foreign reserves is capable of altering the existing security architecture of Asia. Its aggressive behaviour was reflected in its response to the July 2016 international tribunal's decision on South China Sea dispute which went against Beijing and in favour of the Philippines. China refused to accept the decision and instead caused chaos by trying to push claimants from ASEAN to choose sides. China is an important ally of Asia which is not only demographically the largest global continent but economically also has emerged as a significant global engine which is slated to possess more than half of global assets by 2050. In contrast, the US still has the largest defence budget and has significant presence in Asia. One can articulate that the US is willing to share power in Asia but not only with China but other countries as well.

In the post-Cold War scenario, history has become important in Indian policymaking. China's continued incursions across the Line of Actual Control (LAC) has cemented anti-China mind-set both in the ruling oligarchy as well as in the common masses. China remains opposed to India's membership in the Nuclear Suppliers Group (NSG) and this underlines the limitations of Sino-Indian relations despite Beijing supporting India in the BRICS (Brazil, Russia, India, China and South Africa) association, in third world cooperation, in the Shanghai Cooperation Organization (SCO) and the New International Economic Order (NIEO). Moreover, India perceives, Pakistan as the corner stone of China's South Asia policy. China continues to underline Pakistan's role as a balancer against India despite its declining and fragile economy and security status. The China Pakistan Economic Corridor (CPEC) which aims to connect the western Chinese city of Kashgar to the western Pakistani city of Gwadar has become signature *Belt and Road* project of President Xi Jinping of China. However, the implications are great for Pakistan if the project derails for some reason. There is increasing scrutiny in Pakistan and fears of CPEC becoming like another Hambantota for the state are on the rise.¹ According to Khurram Hussian,

People have long looked upon this project, which saddled Sri Lanka with debts so large that the country was forced to go to the Chinese asking for rescheduling some of the payments. The request was granted in a deal that saw China swap equity in the project for debt, effectively taking over the port and 15,000 acres of surrounding countryside on which to build an industrial zone. In effect, Sri Lanka had to cede control over strategic territory to China in return for debt relief. So naturally, many are now asking: might the same thing happen in Pakistan in the case of Gwadar?²

Even before the end of the Cold War, China adopted a policy of 'Encircling India' within South Asia. The CPEC which passes through hundreds of kilometres of the occupied Kashmir is in fact legally Indian territory and the Indian parliament passed a resolution to get

¹ Hambantota is a natural harbour of Sri-Lanka, developed by China, situated in the strategic midst of the Indian Ocean water highway. It is also the native town of former President Mahinda Rajpakse. Sri-Lanka had to repay the loans taken from China to construct this harbour and some nearby highway. Sri-Lanka failed to repay due to a weak fiscal situation. It was forced to give up the harbour and adjoining lands to China on a 99 years lease. This has become an example of China's new version of economic expansionism due to high rate of interest which is simply unusual in international borrowing. This example is often cited throughout Asia and Africa. ² Khurram Hussian, "Lessons of Hambantota," *Dawn*, 28 June 2018.

back every inch of this territory. In the post-Cold War scenario, particularly after the 9/11 terrorist incident, China has further upgraded its policies. To counter China, India began the Look East Policy which was launched by Prime Minister Narasimha Rao just after the end of the Cold War, when the state was at the crossroads on almost all major issues. The Look East Policy was initially intended to expand Indian interests in Southeast Asian region. In due process, it has emerged as a practical mechanism to contain China. With the passage of time, many new areas were added to the policy. Later, the East Asian region including Japan, and South Korea also became an integral part of the agenda of this new policy. This policy has had bi-partisan support. Due to this political consensus, which is rare in India, this policy has been the backbone of respective governments, be it the Congress led United Progressive Alliance (UPA) or the Bharatiya Janata Party (BJP) led National Democratic Alliance (NDA). It has given a new twist to our interests in the region as a result of the hard-earned policy consensus among rival political forces. India today has become a member of almost all prevailing platforms that includes Southeast Asia. For example, India features prominently in South Korea's New Southern Policy and Taiwan's New Southbound Policy. India and the Association of Southeast Asian Nations (ASEAN) have become closer in managing regional affairs. Interestingly, former Prime Minister Atal Behari Vajpayee however stated in 2002 in Singapore that India did not require any formal recognition by ASEAN or in the East Asian region. Thus, India, by virtue of its location and cultural convergences has remained an integral part of the East Asian region.

But ASEAN member countries have always demanded that India ensure its firm presence in the region by supporting the region on regional disputes as well as act as a balancing force against China. Due to a gamut of reasons best known to the UPA leadership, despite frequent requests, the Indian government did not respond positively, disappointing the ASEAN countries. The arrival of Modi in May 2014 saw a change in policy. Modi has become more proactive in the ASEAN region as well as with Japan and South Korea. Few years back, the then US Secretary of State, Hillary Clinton had suggested India not only to look East but act also East too. Consequently, Modi upgraded the *Look East Policy* into *Act East Policy*. During the last four years, Modi visited over 50 countries, including China. He is visible at every international platform and has become a global leader. The policy has been expanded from Myanmar to Australia. More importantly, the Prime Minister has taken a Himalayan step towards endorsing the Indo Pacific strategy which aims to contain China. In so doing, one can argue that Modi's foreign policy seems to make China its focal point.

So it was not surprising when Modi declared in his maiden appearance at the ASEAN-India summit platform in Myanmar in November 2014 that all disputant parties must adhere to relevant international laws in the South China Sea dispute. Despite China's displeasure, Modi stood firm in his stance as India perceives the South China Sea as an important sea lines of communication. Here it is important to mention that South China Sea connects the Indian Ocean to the Pacific Ocean and over half of global trade occurs through this route.

The South China Sea is also ruled by an international law known as UNCLOS (1982). In the backdrop of the July 2016 decision by the International Tribunal on South China Sea in favour of the Philippines, China openly declared that it is not going to accept the decision.³ It sparked anger among claimant countries within ASEAN towards China. ASEAN member countries were reminded once again that despite close trade relations with China, relations are fraught with Beijing. China's behaviour in the South China Sea has further complicated the security architecture of Asia.

³ Song Zhe, "No illegal verdict will ever resolve South China Sea disputes," *South China Sea Morning Post*, 13 July 2016, https://www.scmp.com/comment/insight-opinion/article/1989336/no-illegal-verdict-will-ever-resolve-south-china-sea.

Japan and China are traditional rivals and it can be expected that their relationship is set to escalate further given the prevailing security architecture in Asia. In the backdrop of a cautious Sino-Japanese relations, India- Japan bilateral relations has emerged as one of the most important relationship that ensures a multipolar Asia. Japan is also feeling the offensive Chinese heat despite having invested hugely in China. Therefore, in order to counter China in the region, India has begun to focus on Japan. Since the last few years, Sino-Japan relations have been strained. Consequently, declining Sino-Japan relations has in contrast boosted new lease of life in the Indo-Japan relations which has emerged as one of the most important relationships in the Asian security architecture. India's relationship with Japan has improved many folds since the last two decades. Since 2007, Japan and India have had very strategic relations and top leadership from both countries visit each other regularly. Modi has an excellent relationship with Japanese Prime Minister Shinzo Abe and both have met over 10 times till October 2018.

Meanwhile, India has upgraded its relations with Vietnam. Vietnam is strategically located in the South China Sea and in the late 1970s fought with China. As part of helping Vietnam against China and promoting a free and open Indo Pacific, Japan plans to send a large helicopter carrier to the South China Sea and Indian Ocean in order to bolster maritime security.⁴ This is imporant as Vietnam is one of the focal fulcrums of India's *Act East Policy*. Despite Chinese protests, since 1998, Vietnam has not only given access to important oil blocks to India in the disputed South China Sea but has allowed Indian ships to use strategically located naval bases. Deepening India-Vietnam relations has been further strengthened by frequent visits by top leadership from both countries as well as burgeoning bilateral trade. So it can be argued that Vietnam and Japan have emerged as the pivot of India's *Act East Policy*.

Besides Vietnam, Indonesia is also contesting sovereignty over its Natuna Island within the South China Sea. On top of that contestation the 'Malacca Dilemma' which faces part of Indonesia has given a jolt to China because a major portion of Chinese trade commutes through this narrow passage way. China could be denied of its energy needs if the Malacca Straits is hostage to hostile actors or man-made disasters. India and Indonesia are maritime neighbours as the Malacca Straits is close to India's Andaman naval command and both states are separated only by 90 nautical miles. In recent years, both counties have enhanced their joint naval patrols near the Malacca Straits. Therefore it is not surprising when in May 2018, for the first time Modi visited Indonesia. Roughly 40 km away of the Malacca Straits, Indonesia has a deep natural port known as Sabang. Indonesia has allowed India access to this port to India for its all-round development for trade infrastructure.⁵ Hence, the close relationship between India and Indonesia is a cause for concern for Chinese policymakers. The Chinese issued a veiled threat to India and Indonesia. It was as though the Chinese government is warning India that China will not tolerate any Indian naval activities near the Malacca Straits. Indian perceives such behaviour unwarranted from China.

India is a natural resident country of the Indian Ocean situated at its northern edge. The Indian navy has coordinated with the US and other like-minded states to prevent piracy in this important international waterway from where more than 55 per cent global trade commutes. India also respects other countries rights over the seas as per international norms. In contrast, Beijing's behaviour of reminding India that Indian Ocean is not the Indian lake is unacceptable when the Chinese claim to have the right to be active there. Similarly, at the same time the Chinese are trying to deny the same rights of access to India and ASEAN in

⁴ Kubo Nobuhiro , "Japanese helicopter carrier Kaga to embark on two-month tour of South China Sea and Indian Ocean," *Japan Times*, Tokyo, 4 July 2018.

⁵ Ankit Panda, "India Makes Moves at Indonesia's Strategic Sabang Port," *The Diplomat*, 17 July 2018, https://thediplomat.com/2018/07/india-makes-moves-at-indonesias-strategic-sabang-port/

the South China Sea. This hegemonic Chinese attitude has created under currents against China within India. ASEAN and East Asia.

There have a number of backlashes to the Chinese attitude. In Malaysia, Prime Minister Mahathir Mohammad has ordered a review of all Belt and Road connectivity projects. When Mahathir Mohammad visited Beijing in August 2018, he stated that Malaysia will reassess three Chinese backed projects, including a USD\$ 20 billion railway.⁶ The Malaysia government is of the opinion that these projects are not going to provide any expansion of trade and the high interest rate on the loans are detrimental for Malaysia's longtime growth.

Pakistan's premier, Imran Khan has vowed more transparency in CPEC amid fears of the country's ability to repay CPEC related Chinese loans. The same sentiment is prevailing in the Maldives, Sri Lanka, Cambodia and African countries. According to the Centre for the Global development, a U.S think tank found serious concerns about the sustainability of sovereign debts in eight countries receiving silk road funds. These countries include Pakistan, Djibouti, Maldives, Magnolia, Laos, Montenegro, Tajikistan and Kyrgyzstan. Interesting to mention that the cost of China-Laos railway project is USD \$ 6.7 billion which represents almost half Laos's country's GDP.⁷ In Dijbouti, the International Monetary Fund has warned that the Horn of African country faces a 'high risk of debt distress' as its public debt jumped from 50 per cent of GDP in 2014 to 85 per cent in 2016. Thus far, China has invested on multiple fronts in Africa.⁸

Myanmar is also extremely crucial for India-China competition. It is the only country which provides India land connectivity with ASEAN member countries. Myanmar is also sandwiched between India and China. Hence, a sort of Cold War rivalry is present between New Delhi and Beijing. It is a tri-junction relationship between India-China and ASEAN. Myanmar is the biggest country within ASEAN in terms of landmass and possesses huge untapped natural resources. Due to sustained military dominance and sanctions by western countries for decades, it received support from the Chinese. In lieu of that, the Chinese took over many strategic places in Myanmar to maximise their presence in the Bay of Bengal, mostly perceived to contain Indian influence. Change of regime and arrival of semi democratic regime in Myanmar has reversed many decisions on Chinese projects. Again the fear of a Chinese debt trap concerns the Myanmar government. This has given space for India to have more robust relations with the state.

In containing China, India has also forged a strong relationship with Australia. India's relations with Australia have further been emboldened with Modi visiting Australia in November 2014, a maiden prime ministerial visit of any Indian Prime Minister since former Prime Minister Rajiv Gandhi's visit in 1986. Australia appreciates India's potential role to play the balancer against China. Australia also believes that Asia must be multipolar therefore it is an integral part and parcel of the Arc of Democracy along with US, Japan, India and ASEAN. The Arc of Democracy is Shinzo Abe's idea during his first term of office (2006-2007) of bringing together Japan, India, ASEAN, Australia and South Korea. Unfortunately, the idea did not gain traction. With China's increase assertiveness, New Delhi is now supporting the Quadrilateral Security Dialogue involving defence cooperation between India, Australia, Japan and the US.⁹ Despite the high voltage trade relations with China, Australia is still keen to diversify its relations with India and the rest in the Dialogue to limit China's intentions in the region.

⁶ "China's trillion dollar OBOR project runs into debt jam," *Times of India*, New Delhi, 3 September 2018, p.14. ⁷ "China's trillion dollar OBOR project runs into debt jam," p.14.

⁸ "China's trillion dollar OBOR project runs into debt jam," p.14.

⁹ Todd Crowell, "Return of the Arc of Democracy," Asia Sentinel, 15 March 2016, https://www.asiasentinel.com/politics/return-arc-of-democracy/.

Apart from Australia, since the end of the Cold War, India-US relations have not only accelerated but is becoming significant. Such a policy has bipartisan support in India. Since President Clinton's 2000 visit, successive American presidents have visited India. President Obama came twice and became the chief guest at the 2015 India's Republic Day celebrations. Although America is powerful but it has been challenged by China repeatedly. Hence, since the Bush presidency, Washington began containing actively China. To a large extent, the US is courting India openly. Despite the on-going trade war with China, the Trump administration has so far not placed any exclusive tariffs on India. In addition, Washington has given the NSG waiver to India despite China's objections.

India-US strategic relations have deepened further with the US having agreed to defence deals worth \$ 15 billion since 2007.¹⁰ Maritime security has also deepened in recent years. Moreover, the two countries decided to hold tri-service amphibious exercises to supplement the flurry of war games they already hold annually, from the top notch naval Malabar (with Japan as the third participant) to the counter terror Vaijra Prahar and Yudh Abhyas exercises. This is the only second time India deployed assets and manpower for an exercise with a foreign navy, after the India war games with Russia in Vladivostok in 2017.¹¹ Further, the Americans introduced the concept of Indo-Pacific and have underlined the importance of India as an important partner in advancing the concept as well as containing China The deepening relationship of India, Japan and the US since a decade ago has definitely alarmed China. The Indo Pacific idea has not only given India and Japan asymmetrical mode to contain China while aligning with the US but also has provided an opportunity to the ASEAN countries to join. It is expected more states will join this new arrangement in the future. A Chinese government mouth piece, the *Global Times* asserted,

Does India really want to play the role that the US expects? Don't forget that this strategy has a strong military stance against China. At the very least, it is re-dividing Asia-Pacific with Cold War thinking....rather than falling victim to the US' purpose of containing China's rise, it is better for India to look to China for ways of self-development...what India can learn from China is that its ability to stand on its own feet will determine its place in Asia and the world.¹²

Chinese attitude is mainly due to the on-going trade war with the US. While President Trump is perceived to be unpredictable, yet he has facilitated the long awaited 2+2 between India and the US which took place on 6 September 2018 in New Delhi. The most important defence outcome was the signing of a Communications, Compatibility and Security Agreement (COMCASA). However, questions still remain about the strategy in enhancing the relations, especially given the scale of China's plans in South Asia. ¹³ The US also had meetings with Pakistan's top officials to improve relations with Islamabad against the backdrop of deepening Pakistan-China relations. It has to be said that the US under the Indo Pacific concept will find it difficult to convince its South Asian allies that the Trump administration is committed to developing as well as enhancing security in the region against China's much touted *Belt and Road* scheme. However, the COMCOSA afforded an

¹⁰ Rajat Pandit, "India-US strategic partnership set for new for new high with deals & drills," *Times of India*, New Delhi, 25 June 2018, p.8.

¹¹ Rajat Pandit, "India-US strategic partnership set for new for new high with deals & drills.

¹² Wang Wenwen, "Indo-Pacific strategy costs India development opportunity," *Global Times*, 1 July, 2018.

¹³ Andrew Hammond, "Comcasa is signed; India success gives US traction for Asia strategy, which must be scaled up to meet Chinese ambition," *Times of India*, 8 September 2018.

opportunity for India to demand defence trade be include as a "Make in India" component.¹⁴ While, China now has abandoned lying low and has chosen to adopt a more proactive role in global affairs,¹⁵ India, has discarded its nonaligned foreign policy and is embarking on a proactive stance. Prior discussions prove the Modi government has expanded its foreign policy considerations towards Southeast and East Asia as part of its immediate neighborhood, resulting in encroaching seriously into China's domain of influence.

Rising levels of nationalism and divergences of interests in Asia and the globe has further widened the gap of trust between India and China. In June till August 2017, the Chinese illegally entered Doklam, a Bhutanese territory. India positioned its army near to Doklam and after more than a two-month standoff, the Chinese and Indian army withdrew. The first ever withdrawal by the people's liberation Army (PLA) indicates that China is aware of India's willing to defend its interests by using military force. Other than that, strained relations between India and China include a variety of issues such as long-standing territorial, trade and other disputes. Basically both countries are facing the problem of trust deficit. Because the core interests of both countries are in opposition, the trust deficit has widened and set to sustain in coming decades.

This prevailing security architecture between India and China has promoted to act in favor of Pakistan. Pakistan has responded positively because the Trump administration has a negative perception of Pakistan's capabilities in fighting terrorism, especially where Afghanistan is concerned. India's economic growth is impressive in the last few years and the World Bank has predicted that for the next few years, it will be one of the fastest growing economies. Against this backdrop, China, can be argued will use and instigate Pakistan against India in South Asia. China is willing to fill the vacuum that the US has left. So its not surprising when China blocked India's move to declare Maulana Azhar as a global terrorist in the United Nations despite the fact that Beijing supposedly does not support terrorism. China aided Pakistan because it needs Islamabad's assistance in quelling the terror network in the western province of Xingjiang. It is almost like China has almost no option but to depend on Pakistan to contain India in South Asia in particular and in the larger terrorist network in general.

The discord in the Sino-Indian relationship is most evident in the unresolved territorial disputes of Aksai Chin and Arunachal Pradesh.¹⁶ When Tibetan spiritual guru, Dalai Lama visited Arunachal Pardesh in March 2017 on the invitation from the Indian government, the Chinese condemned it based on the area being a disputed territory. Similarly, the same reaction was seen when in October 2016, American Ambassador to India, Richard Verma visited the state. Thus far, after numerous meetings, hardly any progress has been made in resolving the conflict. Meanwhile, things have been relatively calm in 2018 as both states are concentrating on other more pressing issues.

Impact on South Asia

China's relations with especially Pakistan has prompted a more robust and pro-active Indian policy towards containing the Chinese. This means, India is also quietly courting Pakistan. Right from the adoption of the LPG process in 1990, Indians sustained a policy which aimed

¹⁴ Indrani Bagchi, "2+2 talks set strategic direction for Indo-US ties," *Times of India*, 9 September 2018.

¹⁵ Michael Pillsbury, "China Debates the Future Security Environment," Washington DC: National Defense University Press, 2000.

¹⁶ India claims 38,000 square km of territory in Aksai Chin that is administered by China. China claims 90,000 km of Arunachal Pradesh (originally the North East Frontier Agency) that was granted statehood by India in 1986 But skirmishes between both countries at Sumdurong Chu Valley took place the following year. China refuses recognition of the 1914 Shimla Accord that demarcates the China-India border.

at engaging Islamabad through economic means in order to convert Pakistan into a satellite state. For example, India unilaterally went its way out to grant *Most Favoured Nation Status* to Pakistan in 1996. Sadly, Pakistan has not reciprocated. For India, Pakistan would not be of use economically until Islamabad allows it to use its land routes to connect to Afghanistan and Central Asia. In return, India is willing to allow Pakistan to use Indian territories to reach some of the other neighbouring states. The worry for the Indian government is that the CEPC will keep Pakistan away from India' orbit. In India's perception, the CEPC will be a utter failure as it faces too many challenges ahead. Instability in Baluchistan is a major factor why the CPEC will be unsuccessful. Baluch groups are seeking independence from Pakistan and thus oppose the CPEC. Despite the huge deployment of the PLA and Pakistani military, Baluch groups have managed to kill some Chinese workers.

Nonetheless, if the CPEC becomes successful, it will reduce China's 'Malacca Dilemma' and ensure uninterrupted flow of energy supply. Since China is set to emerge as the main global energy consumer by 2023, this project will certainly help the Chinese to ensure diversity of their energy supply routes. At the same time, it will provide huge strategic leverage to China over India. To make the CPEC a success, right from Masood Azhar's issue to the NSG, the Chinese have shown their open preference towards Pakistan. During the September 2016 surgical strike in Pakistan, the Chinese tacitly supported Pakistan. The Chinese attitude towards Indo-Pak relations has shifted from neutrality to openly preferring Pakistan to India. In other South Asian countries as well, imprint of Sino-Indian rivalry is visibly increasing. China is already well placed in South Asia. In countries like Sri Lanka, Nepal, Maldives, Bangladesh and Bhutan, China is hyper active and controlling strategic assets and expanding its presence in the Indian Ocean region. However, these countries are always fearful that the *Belt and Road* projects are a debt trap. One can't assume that Chinese influence will eventually wane.

China is concerned of India's *Act East policy* and calls it as being borne out of a misguided 'fear of China,' which essential means New Delhi is assumed not to understand Beijing's strategic plans for the region.¹⁷ To China, India is the only rival in Asia. Modi's strategic calculations of supporting the Indo Pacific and his relations with Japan, ASEAN and Australia is testament to China's fear of being encircled. As a response to Modi's active foreign policy, Chinese behaviour towards Pakistan saw a marked change. Till 2013 China was neutral in Indo-Pak conflict but since the arrival of Modi, Beijing has taken direct steps to assist Pakistan to contain India within South Asia. The resurgent Chinese behaviour towards India is further validated by an eminent Pakistani strategic thinker Hoodbhoy who commented,

...the international situation has changed hugely from when the United States loomed large over Pakistan. US pressure after 9/11 forced Pakistan to end its support to the Taliban and LeT, albeit only formally. But today China — not America — is Pakistan's principal economic benefactor as well as its supplier of military hardware....China, in spite of its problematic Muslim Uighur movement, does not mind much the extra-state actors that keep India off balance in Kashmir. It has repeatedly vetoed India's efforts to get Maulana Masood Azhar onto a UN list of individual leaders linked to Al Qaeda. While China is a signatory to the BRICS declaration against militant groups allegedly harboured in Pakistan, for Pakistan to now give America the finger appears reasonably safe.¹⁸

 ¹⁷ Dai Bing, "India and China's great game in full swing", *China Internet Information Center*, October 22, 2010, http://www.china.org.cn/opinion/2010-10/22/content_21181802.htm. Accessed on January 8, 2011.
¹⁸ Pervez Hoodbhoy, "Mainstreaming Jihad; Why Now?," *Dawn*, 17 December 2017.

Yet, bilateral relations between Beijing and New Delhi has been cordial and top officials visit each other often. For example, Modi visited China last April 2018 for a summit level talk with Chinese President, Xi Jinping. Both leaders had six rounds of exclusive summit level talks. Xi Jinping sought to open a "new chapter" when he hosted Prime Minister Modi in the last week of April 2018 for a summit aimed at mending ties in the backdrop of the Doklam dispute. At the meeting Modi thanked Xi for meeting him twice outside Beijing, telling the Chinese leader:

With 40 percent of the world's population, India and China have a responsibility to fix the world's many problems, Modi said, adding that the meeting was a "great opportunity" to do so… Together your 'new era' dream and our 'new India' effort will be the right step for the benefit of the world." But neither leader directly mentioned the border row or other sources of tension in their remarks.¹⁹

Both leaders vowed to initiate new joint projects in Afghanistan. If it is implemented, it could be detrimental for Pakistani ambitions in Afghanistan because to date Islamabad has opposed any Indian role there. The question is how could China be involved with India in Afghanistan knowing full well when Pakistan opposes New Delhi's involvement. Given the trajectory of prevailing China-Pakistan relations, it seems quite impossible if China wants Pakistan's support. On the other hand, Pakistan might acquiesce. The preservation of Pakistan's security during the Soviet invasion of Afghanistan in 1979 was a major feature in China's Afghan policy since the two countries security is interlinked.²⁰ Furthermore, Pakistan needs China's assistance in developing its nuclear program. Pakistan has very little foreign reserves. In comparison, India has much more which has aided in making a huge imprint into the modernization of its armies and equipment's. As a result, Pakistan has opted to exploit Chinese apprehensions about India to cope with emerging challenges.

The main aim for Pakistan is to acquire the same nuclear and missile capability in order to counter India in any major conflicts. Additionally with the US being in a strategic rivalry with China, Washington has tried to build India into a major regional power of South-Asia. One main reason for this is to contain China. Right from President Bush till President Donald Trump, all successive American Presidents have followed this policy. Hence, Pakistan and China take the American approach seriously and are working together to restrict Indian influence in South Asia. Therefore, the Chinese opposition to India's membership of the NSG is a reflection of this particular mindset. Not surprisingly, Beijing China has contributed a great deal to the development of Pakistan's nuclear capabilities as a precaution against India's influence and hegemony in the region.²¹

Concluding Observations

In the near future, South Asia is bound to remain the epicenter of Sino-Indian rivalry. This prevailing power struggle in South Asia has a lasting impact on interactions between the region's members. In fact, it has prevented genuine regional cooperation under SAARC. It seems logical to conclude that the India factor has played a role in strengthening Sino–

¹⁹ "Xi Jinping meets Modi, eyes new chapter in China-India ties," *Dawn*, 27 April 2018.

²⁰ Fazal-ur-Rehman, "Pakistan's Relations with China," *Strategic Studies*, vol. 14, 1998, p.72.

²¹ Shahid M, Amin, "Pakistan's Foreign Policy: A Reappraisal." Oxford: Oxford University Press, 2000, p.78.

Pakistan relations. The deepening Pakistani and Chinese nexus is detrimental for Indian interests, influence and security in South Asia. It is one of the serious challenges for the Modi government. Therefore, it is not surprising that the Modi government has adopted competition, and cooperation policy to deal with China. But the growing Indo-US relations under the Indo Pacific framework has also augmented in bringing the China and Pakistan closer. China's relations with Pakistan will definitely continue to flourish as Islamabad is badly in need of assistance. India realizes this and has made efforts to improve relations not only with China but also Pakistan. But the reality is that for its own security and economic needs, China will continue to strengthen the Pakistani state. In so doing, China will be more influential in Pakistan thus limiting India's dominance in the region. The CPEC is China's way of containing Indian influence in the Indian Ocean Region(IOR). To counter China, India has sustained and aligned with important global and middle powers who have solid as well as competitive relations with China.

Though India and China are working on many multilateral platforms like BRICS, and the SCO, trust deficit prevails due to divergences of interests. This prevailing situation prevents genuine cooperation. Furthermore, unresolved bilateral border disputes have made the situation worse. In spite of numerous talks and meetings, there is no resolution on sight. Since the situation is at a stalemate, Indian's only course of action is to defend itself by aligning with foreign powers as well as accelerate the process of infrastructure development in the far-flung border areas.

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