

# Policy Forum 08-009: Sino-Indian Relations: The Four Disconnects

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# Sino-Indian Relations: The Four Disconnects

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Sino-Indian Relations: The Four Disconnects

By Satu Limaye

CONTENTS

[I. Introduction](#)

[II. Article by Satu Limaye](#)

[III. Nautilus invites your responses](#)

## I. Introduction

Satu Limaye, Director of the East-West Center in Washington, writes, "Despite frozen relations from 1958 until 1988, the slow thaw in relations over the past two decades indicates that both India and China, increasingly preoccupied with economic and social development at home and much more pressing security challenges nearer to home, have decided to seek mutual gains, minimize

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differences and prepare for the future in a fluid Asia-Pacific."

The views expressed in this article are those of the author and do not necessarily reflect the official policy or position of the Nautilus Institute. Readers should note that Nautilus seeks a diversity of views and opinions on contentious topics in order to identify common ground.

## **II. Article by Satu Limaye**

- "Sino-Indian Relations: The Four Disconnects"

By Satu Limaye

Indian Prime Minister Manmohan Singh's visit this week to Beijing is another step in the glacial movement of Sino-Indian relations that have been frozen since India was defeated in a border war in 1962. In the past decade or so, both sides have re-engaged with each other - exchanging high-level visits, marking important anniversaries, opening trade and travel, and holding talks on a range of issues. But the relationship is characterized by four disconnects that will continue to constrain relations.

The first disconnect is that though both India and China have fast-growing economies and increasingly far-flung and activist foreign policies, China is ahead of India on nearly every important measure of social and economic development and its leverage, relevance, and role in geostrategic issues exceeds that of India. There are many reasons for this state of affairs, and there are some cases - particularly economic development - contested, but they do not change the fact that China's economic and political rise as well as its regional and global relations makes it more important to India than vice versa.

The situation is becoming less asymmetrical - with India's growth rates picking up and its "Look East" and pro-U.S. policies beginning to pay some dividends. But for the foreseeable future, Sino-Indian relations will be characterized by China being more important, including to India, than vice versa. Under the best of circumstances, managing relations under such an asymmetry is grating to the weaker state and all the more so when that state has equal regional and global ambitions to that of the stronger power and a historical grievance to boot.

The second disconnect is that China is a recognized nuclear weapons state (NWS) and India is not; and India, for reasons of interest, ideology, and identity refuses to accept this asymmetry vis-à-vis China or other nuclear weapons states. This asymmetry has particular resonance in the bilateral Sino-Indian relationship because when India conducted its nuclear weapons tests in 1998 (and declared itself a nuclear weapons power), one reason it gave was the threat from China.

Unsurprisingly, India's nuclear tests, and more precisely the given reasons for them, derailed a process of Sino-Indian rapprochement begun a decade earlier. A folksy exchange ensued, with China's then ambassador to Delhi, Zhou Gang, advising India "it is up to the doer to undo the knot" and India's then foreign minister, Jaswant Singh, retorting with a Rajasthani proverb that "it takes two to undo a knot."

The subsequent decade has seen Indian and Chinese leaders offer carefully crafted formulations reiterating that each does not see a threat from the other. Of course, the very use of such formulations reflects China's success at securing a "climb-down" from India's reference to the China threat in conducting its nuclear test; China had not labeled India a threat motivating its military or nuclear capabilities.

Today, on the nuclear question, the immediate issue for New Delhi and Beijing is whether the latter

will impede or support approval in the Nuclear Suppliers Group (NSG) for civilian nuclear cooperation with India. A joint statement issued between the two sides during the recent visit says only that "the two sides pledge to promote bilateral cooperation in civil nuclear energy, consistent with their respective international commitments..." Based on the comments of Prime Minister Singh, however, it seems that China will not "obstruct" NSG cooperation with India.

A third disconnect between India and China is the border and territorial dispute. The disconnect is essentially three-fold. First, China, victor in the 1962 border war, is in no rush to settle the dispute while India, the defeated party in that war, seeks an early, favorable settlement. China sees the dispute, in Jiang Zemin's 2000 characterization, as a problem "left over *by* history." India, using former President Narayanan's words, sees it as one that should not be "left over *for* history."

Second, China seeks bilateral relations with India on a broader basis rather than on the border basis essentially kicking the dispute down the road while getting on with other elements of relations. Third, India has emphasized an approach to settlement based on "ground realities" while China emphasizes "guiding principles." As a negotiating approach, the latter provides more room to determine if principles are being followed and the former argues for exchanges of maps and acceptance of certain "facts."

Over the past half decade India and China have signed agreements on "political parameters" and "guiding principles" as well as created a Special Representatives mechanism to move the process forward. But these cannot work because India has already accepted, *de facto* as well as more formally, that overall Sino-Indian relations must move forward alongside rather than following a settlement of border and territorial disputes and it accepts that political relations and principles will guide the process. These are essentially agreements in line with the Chinese approach. That the issue shows up as number 18 in the 20 point joint statement signed by the two sides this week suggests where the issue will remain in relations for the foreseeable future.

A fourth disconnect is economic relations. Sino-Indian trade has grown rapidly over the past decade. During Singh's visit, the two sides agreed to increase bilateral trade from \$40 billion by the year 2010 to \$60 billion. China is now India's second largest trading partner - and likely to overtake the U.S. in India within the next year or two. And economic and commercial relations have been identified as the "core component" of the so-called Sino-Indian Strategic and Cooperative Partnership. Joint ventures between Indian and Chinese firms and some cross-investment are also occurring though at low levels.

Prime Minister Singh was frank about the Indian perception of difficulties in a speech on economic relations in Beijing. He noted that the "rising deficit" in India's trade required India's businesses "to vigorously pursue opportunities for expanding non-traditional items of export" while China could match with "greater market access for Indian goods." There has been much hand-wringing in India that it exports natural resources and raw materials to China's booming manufacturing industries while India buys the value-added products as its manufacturing industries grow only slowly. Meanwhile, Singh pledged to pursue further discussions on a completed feasibility study of an India-China Regional Trading Arrangement. However, important Indian businessmen and groups have rejected such an arrangement with China.

These disconnects must be overcome for Sino-Indian relations to progress. On the positive side, despite frozen relations from 1958 until 1988, the slow thaw in relations over the past two decades indicates that both India and China, increasingly preoccupied with economic and social development at home and much more pressing security challenges nearer to home, have decided to seek mutual gains, minimize differences and prepare for the future in a fluid Asia-Pacific. And they are doing so together as well as, for example, through a trilateral meeting with Russia. Two such meetings were

held this past year. But the recent implosion in India-Russia relations and the uphill climb in Sino-Indian ties suggest that anxiety about a Sino-Indian much less Sino-Indian-Russian axis threatening U.S. interests is unwarranted.

Harold Issacs noted decades ago in *Scratches on Our Mind: American Views of China and India* the ever-shifting views among Americans about the two countries. In this new era our views of China and India are again changing as a result of realities and policies regarding the two countries themselves - and now how they interact with each other.

### **III. Nautilus invites your responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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[Return to top](#)

[back to top](#)

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