



# Sino-Indian Relations after the BRICS Summit

**Oliver Scanlan**

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At the BRICS summit in Xiamen this week, relations between Indian Prime Minister Narendra Modi and Chinese president Xi Jinping **appeared** to be cordial, with both leaders trying to put the recent stand off on the Doklam/Donglang plateau behind them. The ten week military confrontation appeared **bizarre** to external commentators. Chinese road construction in an area claimed by both China and India's ally Bhutan, but controlled by China, was halted after Indian troops intervened in defence of the latter's claims in mid-June. The incident has been **described** as the most serious confrontation between the two rising powers in thirty years, with bellicose rhetoric from both Indian and Chinese commentators inflaming the situation further.

Despite the welcome de-escalation of the situation, Sino-Indian relations are not yet out of the woods. The underlying strategic context makes confidence-building extremely difficult. A great deal of **commentary** has focused on unresolved borders and the proximity of Doklam to the Siliguri Corridor, the "chicken neck" linking peninsula India to its northeastern states which at its narrowest point is only 22 km wide. These are important points, but secondary to the fact that the pursuit of energy security by both countries has enmeshed them in a cycle of mutual, negative threat perceptions that to some extent resemble the conditions that led to their 1962 border war.

This situation poses huge risks in absolute terms, but could yet offer substantial opportunities to smaller countries along India's frontiers, including Myanmar, Bangladesh, Maldives and Sri Lanka. Equally, it bodes ill for the region's minorities, as the international human rights framework is once again subordinated to the strategic objectives of competing regional powers.

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## Energy insecurity

The Chinese quest for energy security has been operationalised in the One Belt One Road initiative, a vast infrastructure drive to expand supply lines directly overland through western Asia, as well as via the Indian Ocean. This is largely driven by the fact that up to 80% of China's energy imports transit the narrow and congested Malacca Straights. The sub-text is that the US Seventh Fleet, based at Yokosuka Japan, remains the most potent military force in the Western Pacific, more than capable of blockading the straits in the event of conflict, and successive American administrations have made no secret of their plans to contain China's expansion in the region.

Two core components that are relevant here are the construction or expansion of Chinese port facilities in Djibouti, Pakistan, Sri Lanka and Burma, and the intensification of overland links from Pakistan to China via disputed territory in Kashmir and the Karakorum highway to Kashgar in China's Xinjiang province. On its own, this China–Pakistan Economic Corridor (CPEC) would be a major irritant for India, incorporating as it does \$46 billion of urgently needed investment for its South Asian competitor. When combined with additional investment in port facilities, China's "string of pearls" from the Bay of Bengal to the Horn of Africa, the perception among Indian planners is that Beijing is actively trying to encircle India strategically as part of a bid for regional dominance. Part of the problem is that although explicitly military infrastructure is only planned for Djibouti, deep water ports like Hambantota in Sri Lanka, Gwadar in Pakistan, or Kyaukpyu in Myanmar are inherently "dual use" in that they can host naval vessels.

For its part, India's increasingly close ties to the United States are viewed with alarm in Beijing. Once again, energy has been an imperative consideration for

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this strategic choice by New Delhi, moving away from a decades old policy of non-alignment in pursuit of a civil nuclear energy agreement with the US. Initially agreed in 2005, it permits civil nuclear co-operation between the two countries despite India being both a nuclear weapons power and a non-signatory to the 1970 Non-Proliferation Treaty. This required a special Act of Congress, passed in 2008.

Critics argue that the main result of this agreement has been to free up India's indigenous uranium supplies for weapons production, without impacting the growth of its civil power programme. Following Narendra Modi's assumption of the Prime Minister's office in 2014, ties between India and the US have further strengthened, including the signing of a bilateral Logistics Exchange Memorandum of Agreement (LEMOA) in 2016 that permits the countries' two militaries to use the others' facilities for repair and supply. Both navies already share a logistics base in Singapore, on the Malacca Straights.

The result has been increasing concerns in China that India is moving ever closer to full integration with the US alliance system in Asia. Indian naval drills with Japan and Singapore this summer will have bolstered this perception, as will President Trump's recent endorsement of Indian influence in Afghanistan, gained at Pakistan's expense.

There are striking parallels here with the situation that led to the 1962 border war. Prime Minister Jawaharlal Nehru had instigated a "forward" policy of frontier defence in a context where borders were highly disputed, including the Aksai Chin region to which India's claims are parlous at best. These problems were compounded by poor levels of communication between Nehru and Chinese Premier Zhou Enlai. As a result, Mao Zedong viewed India's actions, together with its support for the Dalai Lama, as a targeted campaign to

undermine China's sovereignty and territorial integrity in collusion with the West, and decided to respond with massive force. Mao was wrong about India's strategic goals, **demonstrating** how this kind of vicious circle of negative threat perceptions can lead to disastrous outcomes.

## **Winners and losers**

In discussions of rising powers and the emerging multipolar order, little consideration is given to the spaces this will open up for smaller countries to play one power off against another when pursuing their own strategic objectives. Such opportunities will be a regular feature of geopolitics in South and Southeast Asia for as long as India and China continue shadow boxing across their entire line of frontier.

A good example is Sri Lanka's final assault on the Liberation Tigers of Tamil Eelam (LTTE) in 2009. India abandoned its long-standing "hands off" approach to provide armaments, military training and naval and intelligence support to the Rajapaksa government. This was in defiance of the trenchant opposition of the Tamil Nadu state government and India's own Tamil minority. India's concern with Sri Lanka's strengthening ties with China was a key factor in this **volte face**.

Myanmar has historically played a judicious hand in its dealings with foreign powers, carefully balancing one power against **another**. There is every reason to assume that current or future governments will continue this strategic approach, with their position strengthened by significant oil and gas reserves. Prime Minister Modi will be visiting Myanmar immediately after the BRICS summit. India's substantial investment in a **proposed** India-Myanmar-Thailand transport corridor, including investment in Sittwe port, as well as a new

agreement on maritime co-operation, and counter-insurgency will be prominent agenda items. Indian government sources are keen to emphasise the infrastructure project as the belated implementation of the “Look East” policy, an alternative to the “One Belt One Road” initiative, offering better terms than the Chinese, who are demanding a 70% stake in the control of Kyaukpyu port in exchange for their investment.

Bangladesh appears to offer an example of Indian gains at the expense of China. In February 2016 Bangladesh announced the cancellation of plans to build a deep-water port at Sonadia, near Chittagong, with Chinese support. India, on the other hand, is now viewed as the lead candidate for the development of Parya port, in the same region, and has agreed to extend a \$4.5 billion line of credit to Bangladesh for infrastructure development. This comes in the wake of a final resolution over disputed enclaves in 2015, assurances of an agreement on water-sharing regarding the Teesta river and Indian diplomatic support during the Bangladesh election controversy in 2014.

There is a question over whether this strengthening of Indo-Bangladesh ties could survive the election of the current opposition Bangladesh National Party – Jamaat-i-Islami coalition to government in Dhaka, considering its strong ties to Pakistan and avowed political Islamic programme. As it stands, however, Dhaka has gained a great deal from its dealings with New Delhi, and this at least partially as a result from a careful navigation of relations between the latter and Beijing.

Party political considerations also loom large in the Maldives, with exiled former President and current opposition leader Mohamed Nasheed an outspoken critic of the current governments intensifying economic ties to China and

support for the “One Belt One Road” initiative. Nasheed has pledged to **cancel** all current Chinese projects if elected.

Meanwhile the losers in this equation are likely to be minority populations; regional action on human rights in the middle of a bidding war between China and India for strategic and political support seems ever more improbable. This was true in the case of the Tamil population in Sri Lanka in 2009, where both China and India blocked any UN response on the **issue**. This is now happening again in the case of the Rohingyas, where Modi has emphasised India’s full **support** for the Myanmar government and China has helped to **stifle action** at the UN Security Council.

## **After the Summit**

In the long term, a strong relationship between India and China is essential for global security. Quite apart from removing a standing threat of major conflict between two major nuclear powers through misunderstanding or misadventure, co-operation between New Delhi and Beijing is crucial for the long-term development of the region, addressing climate change at the global level and ensuring the viability of major international institutions including the G20.

Closer to home, UK strategy calls for much stronger trade relationships with both countries, an outcome threatened by heightened Indo-Chinese bilateral tensions. There are therefore strong mutual interests in transforming this cycle of negative threat perceptions. More than individual border issues, or the persistent **trade deficit** India runs with China, this must involve the forging of a solid consensus, including the United States and Russia, as to how energy security can be assured for both Asian giants without inflaming strategic tensions between them. This, in turn, should provide further impetus to India,

China and the BRICS' New Development Bank to invest more in domestic renewable energy production.

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Image credit: [Narendra Modi/Wikimedia](#)

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