# An Analysis of Contemporary US-China-India Relations

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ANNEMARIE DETLEF, JUL 7 2012

In the era after the Cold War, relations between the United States, China and India have changed significantly. A new asymmetric triangular formation, currently dominated by the US, characterizes contemporary strategic relations. With the economic and military rise of China and India, both countries have become considerably strong regional powers that shift the unipolar position of the US. Whereas the significance of China's rise – especially in relation to the US – finds wide recognition already, the significance of India for the triangle becomes more and more acknowledged. Considering the fact that the US aims to pursue its balance-of-power-strategy in Asia, it increasingly ties up with India in order to counterbalance China's powerful rise. According to Under-Secretary of State *William Burns*: "Never has there been a moment when India and America mattered more to one another. And never has there been a moment when partnership between India and America mattered more to the rest of the globe" (Turkish Weekly, 2011).

This strategic analysis aims to explore the consolidating and diverging forces within the US-Sino-India triangle. Especially in order to better understand Sino-US relations explored throughout the course, it is crucial to add the parameter of India as it plays an important strategic role. This paper analyses the triangular relationship in reference to three themes: firstly nuclear proliferation, secondly militarization, and thirdly the international political and financial economy.

While in the 1990s China and the US had built a strategic relationship to ensure India's and Pakistan's accession to the nuclear proliferation treaty (NPT) and comprehensive test ban treaty (CTBT), the US has drastically changed its policy towards a multi-centered Asia approach. In recent years, nonproliferation has been replaced by economic and military cooperation on the US-India agenda. This clearly reflects on the balance of power strategy against China.

In regard to militarization, both China and India are increasing their military expenditures in relation to the US. With the Taiwan straits, the Sino-Indian border disputes and recent escalations with the Philippines over the nine-dashed line in the South China Sea amongst others, there is potential for military confrontation in Asia. Generally speaking, the US aims to form an alliance with Japan, India and the affected South East Asian countries like the Philippines to counter-balance China's growing military muscle.

While US predominance in military terms is well-established, current trends in the international political economy favor the economic development of China and India. Within the BRICS framework, both countries aim to institutionalize their cooperation. The US imperative is clearly to maintain power within the global financial system, the long-term trajectory however seems to favor China and India as new rising powers. Close economic ties between India and China seem to undermine the realist argument of possible military confrontation.

Before examining the three themes of nuclear proliferation, militarization, and the three countries' position in the international political economy in greater detail, the first section aims to outline some general themes about the triangular relationship. Firstly, the US-China-India triangle is characterized as *weak**[1]*** (Garver, 2002). Bilateral issues between two countries of the triangle only indirectly affect the third party. Those issues can be summarized as the following: the Sino-US relations are affected by human rights, missile defense and Taiwan; the US-India relations by economic and military cooperation and counter-terrorism; and the Sino-India relations by the border dispute and China's military cooperation with Pakistan. All issues just indirectly affect the third country – the triangle is therefore

weak.

Secondly, the triangular relationship between the US, China and India are *asymmetric* in two ways (Garver, 2002). The first asymmetry exists, because the US is the only superpower within the triangle and has therefore much more economic and military leverage at the current stage. Both India and China are more concerned about a possible alignment of the other with the US. According to the Shanghai Institute for International Studies, "both China and India take their ties with the US as the most important relation in external affairs" (Shanghai Institute for International Studies, 2008). There is thus an asymmetric power relation. The second asymmetry exists, because both China and the US are far more concerned about their mutual relation in political, economic, and social terms – US-India and Sino-India relations are both shallower. Though the US currently seems to strengthen its ties with India, concerns about the Sino-US relations far outweigh the latter.

Having examined some general themes regarding US-Sino-India relations, the following focuses on the issue of nuclear proliferation. The accession of India to the NPT has been on top of the international agenda for the US. In the late 1990s however, the US shifts its foreign policy imperative towards a balance of power approach to counterweigh the rise of China. Very recently, the US even sought nuclear trade (nuclear reactors etc.) with India and therefore clearly changed its policy perceptions. Both China and India find themselves within the asymmetric power triangle, trying to ensure the other party would not align with the US.

After the Sino-US decision to ensure India's and Pakistan's compliance with the Nonproliferation Treaty (NPT) and Comprehensive Test Ban Treaty (CTBT) in 1996, "the first clear instances of the new post-Cold War triangularity occurred" (Garver, 2002). In order to oppose India's possession of nuclear weapons, China and the US formed an alliance. It was in both countries' strategic interest to ensure India's accession to the NPT. India however refused to sign any international treaties on arms control until today (International Panel on Fissile Materials, 2009).

In 1996, India's reaction towards the Sino-US alignment over nonproliferation was highly negative. New Delhi asserted that by not being allowed to possess nuclear weapons, it was automatically downgraded to a second rank country, while both the US and China were classified 'first rank' (Kronstadt, Kerr, Martin, & Vaughn, 2011). Due to India's high concerns over this classification and the Sino-US alignment, the US began to rethink Sino-US relations within the triangular framework for the first time. Because of India's nervousness, the US revised its strategic alliance with China. The Sino-US alignment against India in the 1990s can therefore be seen as the first major event, in which the triangular relation of the three countries were shaped by the issue of nuclear proliferation and India's concerns about a possible Sino-US alignment.

Because of India's reaction, the US increasingly aimed to pursue a balance of power strategy to create a multi-centered Asia: "The U.S. must keep a watchful eye on the trend lines in Sino-Indian relations and factor these into its overall strategies in the broader Asia region" (Reuters UK, 2011). Because it is vital for the US interest to support a strong India that has the power to oppose China on its own, the India parameter is very important for Sino-US relations. However, within US Congress there was diverging opinion whether nonproliferation or cooperation with India was more important (Washington Post, 1998). Whereas some Congress members focused on the importance of nonproliferation, thus an America that opposes India, others emphasized India as a counterbalance to China[2].

The party in power in the Indian National Congress similarly determines Indian foreign policy decisions in regard to nuclear proliferation and issues that arose from the triangular formation. Before 1998 the *Nehruvian* legislation sought closer cooperation with China. The legacy of former Prime Minister *Nehru* clearly envisioned a long-term liaison with China to challenge the existing liberal world order (Deshingar, 1998). However, when the conservative Hindu nationalist Bharatiya Janata Party (BJP) with Prime Minister *Vajpayee* came into power in 1998, the Indian foreign policy imperative shifted from Sino-Indian rapprochement towards a realization of India's own security interests in South Asia (Kronstadt, Kerr, Martin, & Vaughn, 2011). This shift was accompanied by the Indian *'Look East Policy'* – a strategic regional policy seeking for economic and military cooperation, primarily with ASEAN (Association of Southeast Asian Nations) countries (Asia Times, 2003).

The Look East Policy was furthermore intended to secure India's position in South Asia against China (Garver,

2002). Trying to convince the US for a strategic partnership, India used an anti-China discourse to justify its nuclear proliferation to the US. Prime Minister *Vajpayee* wrote to President *Clinton* in May 1998: "We have an overt nuclear weapon state on our borders, a state which committed armed aggression against India in 1962 (…), an atmosphere of distrust persists (…)" (New York Times, 1998). Moreover he said that China's assistance for Pakistan's military activity would leave India with no other choice. *Vajpayee* therefore stated that nuclear proliferation in India would be for deterrence purposes only and to limit the leverage of its powerful neighbor: China.

The Chinese reaction to India's attempt to narrate common India-US aims in an anti-China discourse was clear. In Beijing, the Chinese government asserted that in order to improve its ties with the West, India would misapply the inexistent 'China threat' (Hongwei, 1999). Because nuclear war between the two countries would be utterly unlikely, China called upon India not to use Beijing "as the reason for its plans for realizing nuclear weapons" (Hongwei, 1999). Here the triangular asymmetry mentioned earlier becomes clear: both countries are afraid of an alignment of the other with the US. India and China both try to move the US away from the other country.

In the late 1990s, the priority on the US agenda shifted towards a multi-centered Asia approach. Though the NPT remained an important issue for the US, the imperative to counterbalance China increasingly outweighed nonproliferation. From the Clinton administration onwards, the US progressively tries to move away from the issue of NPT, emphasizing positive bilateral cooperation through economic trade and assistance to India's democratization. Both administrations, *Bush* and *Obama*, continue with this policy. In 2008, the US even initiated a program of nuclear trade (nuclear reactors etc.) between India and the US. Critics of this policy argued: "the deal fundamentally reverses half a century of U.S. nonproliferation efforts, undermines attempts to prevent states like Iran and North Korea from acquiring nuclear weapons, and potentially contributes to a nuclear arms race in Asia" (Council on Foreign Relations, 2010). There is thus still diverging opinion on the India question on the congressional level.

Altogether the theme of nuclear proliferation is an important tension of the US-Sino-India triangle. In the mid-1990s it caused the first instances of the post Cold-War triangle between the three countries. Power asymmetries within the triangle determine the bid of both India and China for alignment with the US. In light of the powerful rise of China however, the US long-term foreign policy imperative clearly favors India in order to outbalance China. Washington has thus clearly revised its initial alliance with China over the NPT and CTBT. Though India's non-accession to the NPT still remains an important issue on the international agenda, the US increasingly tries to refocus bilateral relations with India on themes such as economic and political cooperation.

Having examined the effects of nuclear nonproliferation on US-Sino-India relations, the second important theme in the triangular relationship is militarization. Because of China's increasing military re-assertion, many Asian countries currently seem to seek an alliance with the US to counterbalance China's rise. This includes small East Asian states affected by recent escalations over the nine-dotted line, such as the Philippines or Malaysia, but most importantly bigger states such as Japan and India. In accordance with this argument, Taiwan seems to play an important role in the near future as ally of the US.

Official numbers prove that the US maintains a clear winning margin in military spending (CIA World Factbook, 2011). With $711 billion military expenditure in 2011, the US roughly spends five times as much as China (estimated: $143 billion) and about sixteen times as much as India ($46 billion) (Stockholm International Peace Research Insititute, 2011). The current superiority of the US military thus remains unchallenged. However, with an increase of 11.2% in the annual military spending, China tries to assert itself militarily (BBC News, 2012)[3]. Similarly to the US, India's long-term military spending increase is about 56 %.

While quantitative analysis of military expenditure alone is not accurate indicator for the likelihood of war, it nevertheless indicates the new military assertiveness of the two rising powers – especially China. However, there are a number of problems arising from China's military muscle flexing. Because China's neighbors increasingly become nervous, there is potential benefit for Washington to make use of the perceived 'China threat'. According to *Mearsheimer's* realist analysis: "Most of China's neighbors – including India, Japan, Singapore, South Korea, Russia, and Vietnam – will join the United States to contain China's power" (Mearsheimer, 2006). This means that China's militarization might therefore, in accordance with the US balance-of-power strategy, be a significant push-

factor of many East Asian states plus India and Japan towards the US.

For example, a recent escalation occurred between China and the Philippines over the nine-dotted line. As a result, Manila considered reinforcing US military presence. Both China and the Philippines claim sovereignty over some small resource-rich islands in the South China Sea. According to Reuters, the claim over the nine-dashed line is "one of the biggest potential flashpoints in the Asia-Pacific region" (Reuters UK, 2012) as it affects virtually all countries in the South China Sea including Vietnam, Malaysia, Taiwan, the Philippines, and Brunei. Consequently, the Philippines seek to reaffirm their mutual security relation[4] with the US (New York Times, 2012). This case shows the problems that might evolve from China's military re-assertiveness – small states in South East Asia are likely to ally with the US to mutually contain China.

According to current trends, this mutual alliance with the US against China is also likely to be sought by bigger states such as Japan and most importantly the third country in the triangular relationship: India. With the ongoing border disputes over the McMahon line in Arunachal Pradesh, the deployment of Chinese military forces in the disputed Kashmir region, and Chinese concern over India's militarization, there is potential for military conflict between India and China (Institute of Peace and Conflict Studies, 2009). From a realist point of view, India's rationale is to seek an alliance with the US to mutually counterbalance China's increasingly powerful military assertiveness. According to the Asian Times, there have indeed been many efforts from the US and India to jointly improve India's ballistic missile defense (Asia Times, 2009). Though these efforts can be interpreted as shallow military cooperation at the current stage, they reflect on an increasing US-India alignment against China in the triangle. Though China's official rhetoric in regard to militarization stresses "peaceful intentions" (Chansoria, 2010), its neighbors and India in particular are likely to feel threatened due to the numerous disputes mentioned above.

Another issue that ties in with this argument is the continuingly unresolved Taiwan question. Taiwan has been an important geostrategic partner for the US throughout the era of the Cold War and the containment of contender states. According to *Bruce Cumings*, the US geopolitical interests determined the successful development of Taiwan to a considerable extent (Cumings, 2004). Whereas China still claims the 'One-China'-solution (Kissinger, 2011), Taiwan is very likely to tie in with other Asian countries to form a closer alliance with the US.

Altogether the issue of militarization determines a trend of 'all against China' – the India-US alliance plus other Asian states seek to contain China's military re-assertion. Potentially escalating conflicts with China over the border disputes, Taiwan, China's military aid to Pakistan in Kashmir and the nine-dashed line just to name the most important ones, determine the perceived threat of other Asian countries. The US clearly benefits from this. In the future it will be interesting to see if China has the ability to balance out military power and a careful rise without making its neighbors too nervous.

While the former themes, nuclear proliferation and militarization, seem to divide China and India, the last theme examined in this analysis – trends in the international political economy – bring the two states closer together. Sharing the status of 'developing country', China and India both find themselves in a comparable position to increasingly challenge the economic dominance of the now-developed countries. In fact it is economic trade, which has initiated both countries to look beyond security issues and foster a level of cooperation. In contrast to the realist view, the argument in this analysis is that from a Kantian perspective India and China are unlikely to get into war with each other precisely because of important economic relations. The US becomes increasingly recognized as 'declining power' in relation to the Asian 'rising powers' of China and India. Its asymmetric position as superpower is therefore likely to shift in the long-term future. This section examines the issues of the US-Sino-Indian relation in regard to international trade.

According to the Chinese newspaper 'People's Daily', "Trade volume between China and India grew 20-fold from 2.9 billion U.S. dollars in 2000 to 61.7 billion dollars in 2010". (People's Daily, 2012). This means that intra-trade relations between China and India are significantly high. In consideration of those strong economic ties, the realist argument of the likelihood of war examined in the sections of militarization and nuclear proliferation seems to be undermined. Though there are indeed severe issues, especially the border disputes in the Himalaya, economic cooperation makes Chinese and Indian government leaders think beyond political problems. People's Daily adds that

"the two countries have set a target of 100 billion dollars in bilateral trade by 2015" (People's Daily, 2012), which would make them each other's most important trading partner.

Those economic ties become furthermore increasingly institutionalized within the BRICS framework. A valid critique of Western media is that there are significant differences between the BRICS countries and that their interests are very diverging. According an Opinion blog in the New York Times: "aside from impressive growth over the past decade and an individual desire for a greater say in the institutions of global economic governance, these disparate countries have little in common" (New York Times, 2012). However, the intra-trade and economic relations are increasing vastly. This means that South-South trade seems to be the long-term alternative trading partner to the declining US.

In total numbers, also the Sino-*US* trade volume has increased over the last decade. In 2011, Chinese imports to the US are worth $400 billion (US-China Business Council, 2012). The US trade deficit amounts up to $296 billion, which makes it "the highest ever trade deficit seen in bilateral trade" (Economy Watch, 2010). Though it goes beyond the scope of this paper to examine the implications of this debt relation, it clearly portrays the rationale of China to expand South-South trade and to become less reliable on the US.

In regard to the current US position and the argument that its power is in constant decline, the question arises whether China and India will challenge the existing liberal world order. The argument made here is that though the long-term trajectory favors India and China, there will be no significant changes in the world order (Ikenberry, 2008). According to *John Ikenberry*, there is no evidence for any other organizational logic: firstly, because both countries gain significantly from the existing system and secondly, because of current security and economic interdependence. It seems to be very unlikely that two countries that rise *because* of an existing world order might utterly revolutionize it after. The most likely change that will occur in the international system is a redistribution of power, beginning with the simple redistribution of voting rights. Those changes can be best understood as *synthesis* of Chinese and Indian ideas and the *existing* system rather than a 'Copernican Revolution' of the liberal world order.

In conclusion, the US-Sino-India triangle is one of the most important strategic relationship of contemporary foreign affairs. Whereas nuclear proliferation and militarization created an US-Indian alignment to contain the rising power of China, the increasing economic ties between China and India might foster cooperation between the two Asian regional powers. The argument of this analysis is that this economic cooperation outweighs the likelihood of realist war. Furthermore, in the future the asymmetry of US power in relation to China and India might diminish, economically as well as militarily. The descent of US power will consequently open up new doors for the ascent of a new global power, possibly China. The question whether there will be a complete re-organization of world order resulting from China's ascent, however, is rather unlikely.

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[1] For example, in comparison to the Cold War US-Sino-Russia triangle, the issues affecting the US-Sino-India relations are less directly affecting the third party. During the Cold War there was the constant threat of hot and cold military confrontation between the US, Russia, and China. (Zongyi, 2008)

[2] Though this strategic analysis uses a realist perspective to US-Sino-India relations, it is important to consider that there is no *single* voice of countries on foreign policy issues. The opinion of US all Congress members does not always correspond with the actual foreign policy decisions, which has to be taken into consideration. Similarly in India: there is an important shift in foreign policy towards a prioritization of India's regional security interests in 1998, when the BJP comes into power. However, for clarity purposes this paper uses the realist perspective on the strategic debate and therefore refers to a country-level analysis.

[3] Note that the numbers used in the BBC News article refer to the official numbers published by the Chinese government ("above 100 billion dollars") – the estimated numbers by the Stockholm International Peace Research Institute are likely to be more accurate. The actual increase in military spending might therefore be even higher than 11.2 %

[4] Firstly formulated in the 1951 US-Philippines Mutual Defense Treaty (Asia Times, 2012)

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*Written by: Annemarie Detlef*
*Written at: Hult International Business School*
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