

RSIS Commentary is the platform to provide timely and, where appropriate, policy-relevant commentary and analysis of topical issues and contemporary developments. The views of the authors are their own and do not represent the official position of the S. Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS and due recognition to the author(s) and RSIS. Please email: RSISPublications@ntu.edu.sg for feedback to the Editor RSIS Commentaries, Mr Yang Razali Kassim.

Sino-Indian border dispute: Better left dormant

By Santosh Sharma Poudel & Stefanie Kam

Synopsis

The border dispute between China and India has come to the fore once again even as bilateral trade between them has increased exponentially. The border dispute highlights the growing strategic competition and lack of trust between them. But it is better left dormant while both governments focus on more immediate issues.

Commentary

Beijing recently unveiled an official map which showed the whole disputed area with India on both sides of Line of Actual Control (LAC) in Ladakh and Arunachal Pradesh, as Chinese territory. This has raised important questions about China's intentions and strategic direction. At the same time, the new Indian government under Prime Minister Narendra Modi has vowed to establish dozens of additional outposts and encourage settlement close to the LAC by investing in infrastructure. India's government is also mulling providing military training to locals in border areas to improve overall vigilance and security apparatus.

Strategic competition

India and China are geographically proximate countries, which makes it impossible for them to ignore each other. A sense of strategic competition can be seen between them, and the border dispute has provided a clearer avenue for this. China has spent billions of dollars on infrastructure development in its Western front. While the rationale is economic, India believes such road and rail network, which now reaches close to the Indian borders, would provide Chinese military with strategic capability to easily move troops and weapons. On its part India sees its own investment in improving security along the border as a decision long overdue. China however was not impressed when the head of the exiled Tibetan government in India was invited to PM Modi's swearing-in ceremony.

Strategic competition has also manifested itself regionally and globally. Regionally, China has increased bilateral trade relations with countries like Bangladesh, Sri Lanka and Pakistan, and recently expanded its navy's operational deployments in the Indian Ocean. India has also taken an interest in the South China Sea, where China has staked territorial claims.

Also, Prime Minister Modi holds Japan in high regard. (His first overseas trip as PM after neighbouring Bhutan is to Japan), and is looking to court further investment from Japan, China's archrival. Observers are watching China's approach to relations with India, as Japan has also made overtures to bolster ties with New Delhi. Globally, the talk of forming a stronger democratic diamond comprising the US, Japan, India and Australia has gained more currency. Hence, strategic competition exists between the two nations, at regional and global levels.

Flourishing trade and domestic priorities

Trade between China and India has been increasing exponentially. According to the Indian Department of Commerce China became India's largest trading partner in 2012, with trade exceeding USD73 billion and trade balance of USD37 billion in China's favor. While China sees India as a major market for manufactured goods, India views China as a source of investment and market for services. Indian Prime Minister Modi has toured China several times as Chief Minister of Gujarat and noted the infrastructure development in China over the years.

Given India's economic woes in the last few years, PM Modi fought the elections on the platform of development and economic growth. He has promised to revamp the ailing infrastructure and increase FDI to spur economic growth. In this respect, improving economic relations with China would be crucial. Increased trade would not only help Indian economy but also secure Chinese know-how and investment capability in building infrastructures which can be crucial to overcome infrastructure bottleneck in India. For this, India hardly needs a new dispute with China.

Meanwhile, China is involved in a bitter territorial dispute in East and South China Sea, where the tension has been boiling. It needs to spend considerable military and political resources to address the tension in its maritime dispute. Thus, igniting a dormant frontier territorial dispute with India would not help China's case either.

Border dispute better left dormant

While there is strategic competition, and India has lagged behind China in securing the border in disputed areas, the border dispute is better left dormant for both countries. India needs China to help bring back the era of high economic growth. Meanwhile, China hardly needs another active border dispute. Therefore, both countries' interests would be better served if tensions along the border are downplayed and handled prudently, and neither side uses the border dispute as a tactical pressure point against the other side, or put a nationalistic tinge to it.

This, however, does not mean 'not doing anything'. As the economies of China and India grow, the demand for energy and resources also will increase, and this increases the areas where these two countries have to interact constantly. To this end, joint infrastructure development closer to the border will not only aid security, but will also increase domestic GDP and the connectivity of China and India. This will spur positive economic relations between the two countries.

Both nations should not fall into the security dilemma trap. In this case, the border dispute is better left dormant, with due respect given to Line of Actual Control. That would help both governments to focus on issues of more immediate importance.

Santosh Sharma Poudel is a PhD candidate at S. Rajaratnam School of International Studies. Stefanie Kam is an Associate Research Fellow at International Center for Political Violence and Terrorism Research, S. Rajaratnam School of International Studies.
