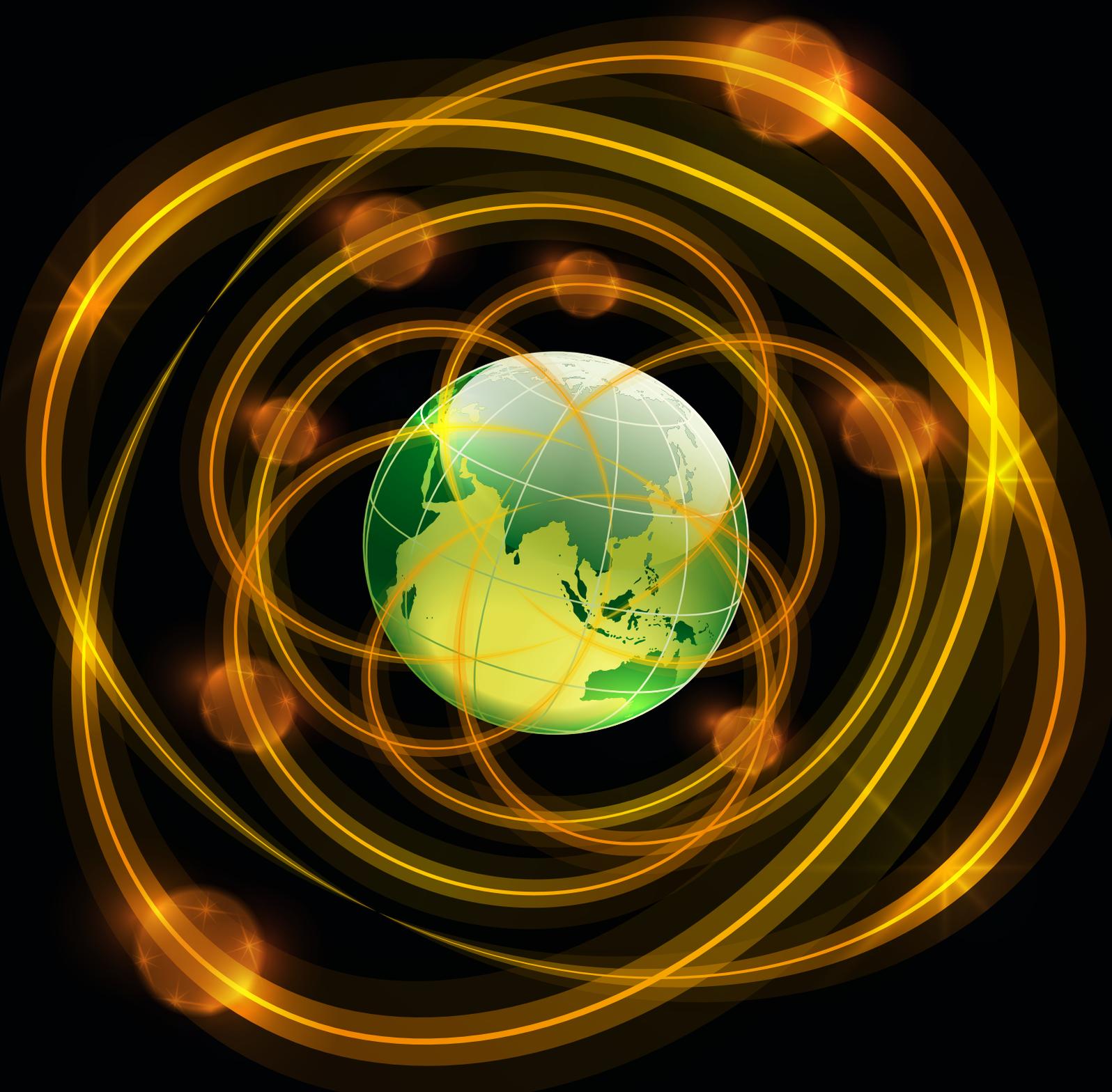


POLICY BRIEF

India and China: *Nuclear Rivalry in the Making?*



**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

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Executive Summary

The central question raised in this policy brief is: is there (or is there not) a Sino-Indian nuclear rivalry in the making? A comparative study of five nuclear dyads shows that there are discernible patterns in the making of nuclear rivalries. Particularly germane here is that nuclear rivalries have histories of pre-nuclear material and ideational tensions and that these are always exacerbated in the early years after the emergence of hostile nuclear dyads.

The India-China case shows key characteristics of the emergence of a nuclear rivalry. These include:

- A border dispute that has produced a war (1962); several crises and confrontations thereafter (1967, 1987, 2013); and continuing tensions along an undefined Line of Actual Control (LAC);
- Ideological/ideational differences, competition as models for other developing states, balance of power politics and the pressures generated by nationalism.

But there are strong mitigating factors:

- Unlike nuclear rivals, India and China have engaged in unprecedented economic cooperation (trade and investment);
- Both have exercised caution in balancing games and have avoided alliance or alliance-like relationships that could sharply raise tensions; and
- The relationship has not exhibited specifically nuclear-related tensions, especially the shadow of preventive and pre-emptive war.

Nonetheless, though the prospect of a nuclear rivalry is dim, there are strategic risks that both sides need to address in order to minimize the chances of a rapid downturn in their strategic relationship.

The rise of China has been viewed as a threat by the strategic community in India in numerous ways, but chiefly from the standpoint of border tensions and maritime competition. In comparison, relatively little attention has been paid to the nuclear dimension, though it is well-known that India's nuclear programme has of late focused on deterring China. In particular, the development of longer-range missiles like the Agni-V and the Agni-VI and the quest for the sea leg of the nuclear "triad" has been propelled by this concern. Are India and China on the verge of a Cold-War type nuclear rivalry, with all that the term implies – sustained tension, threats and counter-threats, arms racing, and crises? There are certainly grounds for believing so. A comparative perspective on nuclear rivalries is instructive in this context.



India successfully flight-tested Agni-V (A-5) from Wheeler's Island, in Odisha on April 19, 2012.

Source: Press Information Bureau, Government of India, <http://pib.nic.in/newsite/photo.aspx>

Nuclear Rivalries

Thus far, there have been five major nuclear rivalries: U.S.-Soviet Union, U.S.-China, Soviet Union-China, U.S.-North Korea, and India-Pakistan. The spectre of nuclear conflict and the prospect of mass death and suffering have appeared in each of them. That an actual nuclear war has not occurred thus far is by no means a source of comfort.

A nuclear rivalry – a strategic rivalry between two nuclear-armed states – bears certain typical characteristics in its

early phase. First, it is always an extension of a pre-nuclear rivalry. In every one of the cases mentioned, tensions existed well before the onset of a nuclear rivalry, for instance, U.S.-Soviet tensions in the Pacific during the 19th century, which were exacerbated by the Bolshevik Revolution in 1917, and India-Pakistan conflict over Kashmir. Second, the tensions of the pre-nuclear phase have both material and ideational dimensions. On the material side, contests over territory are a common feature. The Cold War was very much a territorial conflict since its central feature was competition for control over territory in Europe, Asia and elsewhere. The third dimension is ideational. Cultural and ideological differences invariably add to tensions and produce mutually hostile images. The Cold War was on both sides viewed as a clash of ideologies as well as of West with East, Soviet and Chinese attitudes were not far different, and Indian and Pakistani tensions were embedded in the bloody conflict of Partition, when untold numbers were killed in mass violence between Muslims and Hindus.

The onset of nuclear rivalry has sharply aggravated tensions in each case. One reason for this is the presence of three kinds of incentives. First, for rivals who are close to attaining a nuclear weapons capability, the state that already possesses nuclear weapons has an incentive to launch a *preventive war* to forestall that eventuality. Whether such a strike is actually planned or not, there is an awareness of the possibility of it occurring on both sides. American leaders certainly thought seriously about it with regards to preventing China and later North Korea from going nuclear. On the other hand, though there is no evidence that India, Israel or the U.S. contemplated a strike against Pakistan when it was on the threshold of nuclear capability, Islamabad was deeply fearful of just such an attack.

Second, once a nuclear rivalry is in place, there is a similar temptation for the stronger of the two to launch a *pre-emptive strike* against its weaker adversary and wipe out the latter's fledgling capabilities. Soviet leaders contemplated

such an action in 1969, when skirmishes broke out between their forces along their disputed border. Again, even if a “surgical strike” is not actually contemplated, the weaker side cannot know if its enemy will do so or not. In turn, the weaker power has an incentive to get in the first blow before its forces are largely or entirely destroyed by a surprise attack, so it may be tempted to pre-empt the other, thus producing a mutually reinforcing set of incentives that leads to high levels of tension from time to time.

Third, tensions are often heightened by what is known as the “stability/instability paradox” – a situation wherein the existence of a kind of stability at the nuclear level (because nuclear powers cannot risk nuclear war) allows conflict at lower levels. Knowing that the other side cannot risk going to war for fear of inviting nuclear retaliation, a dissatisfied nuclear power has an incentive to initiate low-level conflict. This kind of stratagem – a proxy war involving non-state actors – was adopted by the U.S. against the Soviet Union in Afghanistan and has been used by Pakistan against India in Kashmir. Another manifestation of the paradox is the occurrence of marginal combat between the two sides, most notably in the Sino-Soviet and Indo-Pakistani cases (1969 and 1999 respectively), though less-known incidents have occurred in other rivalries as well.

The consequence of the tensions arising from these dynamics is frequently the occurrence of crises, which bring nuclear rivals to the edge of the precipice. The U.S. and the Soviet Union were involved in serious confrontations in Berlin (1961) and Cuba (1962), American and Chinese forces engaged in air-to-air and ground-to-air combat during the Vietnam War in the mid-1960s, Soviet-Chinese fighting lasted for several months in 1969, U.S.-North Korean tensions came to boiling point in 1994, and India and Pakistan experienced two major crises in 1999 and 2001-02.

If these symptoms have been exhibited by all nuclear rivalries that have occurred thus far, can we expect something similar from a future India-China nuclear rivalry?

India and China: Familiar Symptoms

The India-China relationship carries many of the characteristics of nuclear rivalries. Most evidently, there is a long-standing pre-nuclear rivalry between the two countries. On the material side, the two countries have a historic border dispute that stretches over four thousand kilometres. The dispute produced a short but intense war in 1962, followed by crises in 1967 and 1986-87. The fallout was a balance-of-power politics that kept tensions simmering, with China building close relations with Pakistan and India leaning on the Soviet Union till the end of the Cold War. On the ideational side, despite a common history of colonial exploitation, the two countries have been separated by political ideology: earlier, India’s leftist democracy versus China’s revolutionary socialism, more recently India’s liberal-democratic capitalism versus China’s authoritarian capitalism. In the early post-colonial era, the two competed as rival models for newly independent states in Asia and Africa. Today, though China is far ahead in economic terms, the old sense of rivalry remains (though felt more strongly in India). And, of course, the two countries are culturally very different, each with its own powerful historical-cultural tradition. All of these factors have added to the sense of distance and tension between the two countries. The common elements, such as Buddhism and the colonial experience, have not formed any sort of bond between them.

During the early phase of Indian nuclearisation (the bomb was covertly readied circa 1989), Beijing joined Washington in putting India under pressure to cap and roll back its nascent nuclear capability. In response, India – after a false start in 1995 – broke out of the constraints sought to be imposed by this pressure and carried out a series of tests in the summer of 1998. At the time, New Delhi pointed to China as a primary cause of its decision to test, which led to the deterioration of India-China relations. India and the U.S. then moved closer to each other, which further aggravated India-China relations. The current strategic landscape has developed along similar lines.

Tension Builds Up

There are four major sources of tension between India and China that appear to be rising and have the potential to generate conflict:

- *The border dispute:* The tussle over their long border of over 4,000 kilometres remains alive and troubling. The problem is compounded by the lack of a stable dividing line between Indian and Chinese troops. The so-called “Line of Actual Control” (LAC) has never been formally jointly identified. This has resulted in periodic low-level frictions, with each side claiming that the other has occupied chunks of its territory. While small incidents of this kind have been commonplace, a significant confrontation occurred in April 2013, when India claimed that Chinese troops had occupied land 19 kilometres inside the Indian side of the LAC. China objected to the construction of bunkers by the Indian Army to the south of the area of confrontation.¹ Following a confrontation in which the two forces stood a mere 100 metres apart, the crisis receded as negotiators met and arrived at an understanding. Though the problem was resolved, it could happen again and could escalate rapidly, as was the case with the Sino-Soviet clashes of 1969. What began then as a small skirmish involving a handful of soldiers on a disputed island quickly spiralled into a major build-up and sporadic fighting along much of their long border over several months. A similar scenario along the India-China border is not inconceivable if negotiations were to fail at an early stage.
- *Domestic politics:* In different ways, domestic political uncertainties have the potential to exacerbate tensions. For China, the border with India is its weak underbelly, for the dispute centres on the Tibetan border. While India officially recognises Chinese sovereignty over Tibet, Chinese anxieties are compounded by tensions relating to Tibet: (a) Tibet’s spiritual leader, the Dalai Lama, who is based in India, is unquestionably the fount of a movement that asserts Tibet’s separate identity, which is viewed with great anxiety in Beijing.

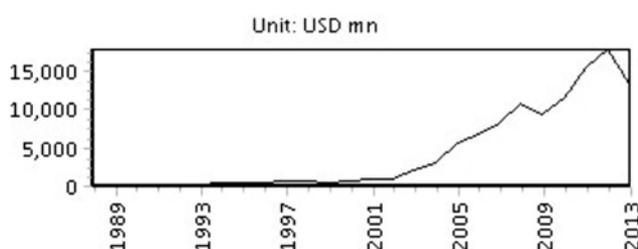
(b) Tibetan separatism has strengthened over the last several years and has been characterised by episodes of violence. In 2008, with the Beijing Olympics approaching, violence broke out in Tibet and elsewhere, while Chinese embassies in more than a dozen countries were attacked by protestors. (c) Since 2011, a large number of incidents of self-immolation by Tibetans, including Buddhist monks and nuns, has set Beijing on edge. In combination with other sources of domestic unrest, this has had an unsettling effect at a juncture when the transition to a new leadership under Xi Jinping is yet to be consolidated. Beijing’s consequent shift to a tough line on several territorial disputes has been evident. On the Indian side, the coalition government of Manmohan Singh has been buffeted by a slowing economy, a currency crisis, rampant corruption, the reluctance of allies to go along with several foreign and domestic policy measures, and a general sense of policy paralysis. With elections approaching (due latest by 2014), the government has been adopting a “strong approach” on issues involving conflict of interest with other states. This has led to a virtual freeze in relations with Pakistan and a keenness not to be seen as backing down vis-à-vis China on the border issue. In short, the domestic political landscape on both sides is not conducive to compromise on issues of international friction. In the event of a major destabilisation on the border, the leaderships will be hard put to adopt a mollifying approach.

- *Balance of power politics:* The end of the Cold War marked a transition in the global power structure, which had its repercussions on southern Asia. The India-China relationship, as noted above, experienced a new abrasiveness over India’s growing nuclear capabilities. The power equations that emerged saw India and China on opposite sides. Between 2005 and 2008, the United States pushed for and achieved a nuclear deal that allowed the Nuclear Suppliers Group (NSG) to permit trade in civilian nuclear materials with India. Though China was a party to the deal, it was a reluctant

¹ “India Destroyed Bunkers in Chumar to Resolve Ladakh Row,” Defence News, 8 May 2013 <http://www.defencenews.in/defence-news-internal.asp?get=new&id=1554> (accessed 29 August 2013).

one. From Beijing's point of view, it symbolized a strategic India-U.S. partnership that was aimed at containing China and preventing it from attaining its rightful place in the sun. From India's perspective, this was a useful hedging strategy that offset both the loss of its Soviet card and China's continuing support for Pakistan. Geopolitically, the rise of China, and to a lesser extent, India, meant that an overlap of their widening strategic horizons was inevitable. China began to expand its presence among India's neighbours, raising concerns about a "string of pearls" or potential bases in Pakistan, Sri Lanka, Bangladesh and Myanmar. India responded by building strategic partnerships with the U.S., Singapore, Japan and South Korea, among others. China's strategic interests – propelled by its maritime interests – inevitably tuned to the Indian Ocean, while India began to dip its toes in the South China Sea by way of exercises with regional navies and an oil exploration venture off the Vietnamese shore. Balance of power politics rarely has the effect of engendering the kind of stability that the concept of "balance" implies, but tends instead to promote competitive strategies that produce rising tension. This was the case during the Cold War. Might the same be said of the India-China relationship tomorrow? Should we expect – not too far down the road – a politics of shrill rhetoric, arms racing, competition for influence in third countries, and periodic crises? It would seem so, but that is not the whole story.

Figure 1: India's Annual Export to China, 1988-2013

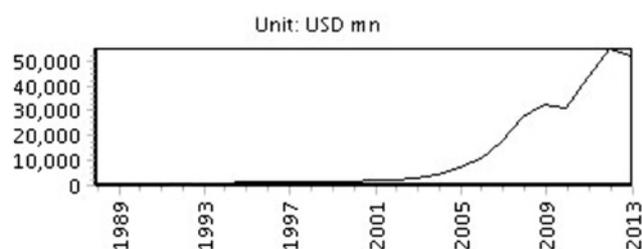


Mitigating Factors

The picture emerging from the discussion above is a partial one. While aggravating factors towards tension are certainly present, there is another side to the picture.

- *Growing economic relations:* Every one of the nuclear rivalries identified above was characterised by low levels of trade and other forms of economic interaction. The most dramatic illustration is the Sino-Soviet case, where the relationship was very strong during the 1950s. Once the Sino-Soviet split occurred in 1960, economic relations collapsed and, by the time the nuclear rivalry between the two countries emerged, China had very little to do with the Soviet Union.² In every other case, low levels of economic interaction persisted (or have persisted), which meant the two sides had or have very little stake in each other's well-being. This is patently not the case in India-China relations. Indeed, the emergence of a nuclear-strategic relationship between them coincides with accelerated growth of economic relations. Sino-Indian trade has risen from a mere US\$ 133.5 million in 1988 to US\$ 65.8 billion in 2013 (see Figure 1 and 2). Similarly, Chinese foreign direct investment has grown exponentially from US\$ 0.15 million in 2003 to US\$ 180.08 million in 2011 (see Figure 3). Tensions notwithstanding, India is seeking much higher FDI inflows from China.³ True, there is an element of competition between them over resources, particularly hydrocarbons, but that is not of a magnitude that invites strategic rivalry.

Figure 2: India's Annual Import from China, 1988-2013

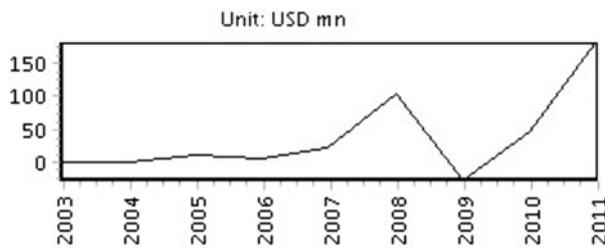


Source: India, Ministry of Commerce and Industry, via CEIC database, last updated 21 August 2013

² Oleg Hoeffding, "Sino-Soviet Economic Relations, 1959-1962," *Annals of the American Academy of Political and Social Science*, Vol. 349, (September 1963), pp. 94-105.

³ Ronojoy Banerjee, "Govt looks to attract FDI in roads from China; seeks MoU," *Moneycontrol.com*, 26 August 2013.

Figure 3: China's Foreign Direct Investment in India, 2003-2011



Source: China, Ministry of Commerce, via CEIC database, last updated 13 September 2012

- Caution in balancing games:* Balance of power politics unquestionably produces tensions. In the India-China relationship, it has certainly done so. Yet, it must be acknowledged that the nature of balancing games in the present age is very different from what it was in the Cold War era. For one, alliances are no longer critical in the way that they were. Rather, the name of the game is “strategic partnerships,” which are an altogether different phenomenon. These involve arms transfers, military-to-military cooperation, strategic dialogue, coordination of responses to events on the strategic landscape, and in most cases, a general sense of political understanding. They do not involve commitments to mobilise for war against an identified

adversary, though they do implicitly leave space for such eventualities. Nor do they involve the use of strategic proxies (whether state or non-state) against a common enemy. Indian and Chinese strategic behaviour reflects the absence of alliance – or even alliance-like – behaviour. India has developed a close cooperative relationship with the U.S., but this does not involve guaranteed access for American naval vessels to Indian ports. Nor is there a willingness to allow a high level of inter-operability between the armed forces of the two sides. China, similarly, has kept a certain distance from its “all-weather friend,” Pakistan, notably on Kashmir. Despite a number of hiccups, New Delhi and Beijing have persisted with border talks, been on the same side on global trade and environmental issues, come together to build global institutions such as BRICS (Brazil, Russia, India, China, and South Africa), initiated strategic dialogues on economic and politico-military issues, and launched – cautiously – joint military exercises. These are not characteristics one would expect to find in a serious strategic rivalry. The expectation of intense maritime competition, while not without basis, is exaggerated. Indian fears of Chinese ships roiling the waters of the Indian Ocean fail to take into account the fact that the



Indian Defence Secretary Shashikant Sharma with the Vice Chairman of China's Central Military Commission, General Xu Qiliang in a meeting during the third India-China Annual Defence Dialogue, in Beijing on January 14, 2013.

Source: <http://pib.nic.in/release/phsmall.asp?phid=44655>

PLA Navy is largely bottled up in East Asia, where it must contend with the Japanese and American navies. India's capacity to exercise military influence east of Malacca is very limited: it simply does not have the hardware that will provide it with strategic reach, nor will it in the foreseeable future. It is one thing to make a splash in distant waters, quite another to shape the strategic seascape there. In any case, sea denial today is much easier to exercise than sea control.

- *The absence of nuclear tensions:* One symptom of nuclear rivalries that has *not* been present – “the dog that did not bark” – is specifically nuclear tensions. As observed earlier, the early phase of a nuclear rivalry is characterised by one or more of three major sources of tension: an incentive for preventive war, incentives for pre-emptive war, and the generation of low-level conflict arising from the stability/instability paradox. All three have been missing in the India-China relationship. The Chinese did try to bottle up India's embryonic nuclear capability through diplomatic efforts, but never went beyond that. Significantly, while Indian strategists often stress the need to develop capabilities to respond to a surprise first strike, there has been no actual talk of a real risk emanating from China (Pakistan is another matter). Similarly, the argument for “second-strike capability” stems from general principles and not from any sense that there is an imminent threat from China. Finally, though an element of the stability/instability paradox does appear in the periodic military frictions over the LAC, there has been no sense in the public discourse that these confrontations have a nuclear element to them (which, again, is far from the case where India-Pakistan relations are concerned). What is remarkable is that, while Chinese nuclear weapons doubtlessly target Indian assets and vice versa (though Indian capabilities are much more limited), nuclear weapons hardly enter into the discourse except at the planning and development levels. This could change, of course, which is why it is not a good idea to be overly confident that all will continue to be well indefinitely.

Some Risks

The analysis above makes it clear that, while significant sources of tension exist, India and China are not likely to enter into a nuclear rivalry. The operative word is “likely,” for there can be no certainty that things will not go wrong. On the one hand, the presence of nuclear weapons produces unprecedented caution between powers with antagonistic interests. Nuclear powers have never fought a full-scale war. On the other hand, nuclear powers have engaged in marginal conflict that has carried the potential to escalate into war. Some possible sources of a future crisis with the possibility of escalation include (i) a major Tibetan uprising that morphs into a border confrontation between India and China, (ii) a serious economic crisis in either or both countries that leads to the externalisation of their troubles and starts them down a slippery slope of mutual accusations, brinkmanship and fighting, (iii) an incident on the LAC that spins out of control owing to miscommunication and misjudgement, and (iv) a naval confrontation that leads to combat and brings a wider military response from both sides. Many other possibilities exist.

Given these risks, it is incumbent on the leaderships of the two countries not only to persist with current cooperative efforts but to develop a greater sense of confidence in each other through a range of military and military-related agreements. These could include (i) an early definition of the LAC and the establishment of a demilitarised zone, even a relatively narrow one, along it, (ii) an agreement on avoiding incidents at sea, (iii) an agreement to enhance naval diplomacy in the form of mutual visits and case-by-case fuelling and victualing, (iv) and the initiation of a broad dialogue on nuclear doctrine and posture, on which there is much similarity between them. These efforts will lessen the likelihood of a severe disruption in relations and diminish the scope for the onset of a nuclear rivalry.

Author's Biography

Rajesh Basrur is Professor of International Relations, Coordinator of the South Asia Programme, and Coordinator of the MSc International Relations Programme at the S. Rajaratnam School of International Studies, Nanyang Technological University, Singapore. He has obtained MA and MPhil in History (Delhi) and MA and PhD in Political Science (Bombay). Previously, he was Director, Centre for Global Studies, Mumbai (2000-2006), and taught History and Politics at the University of Mumbai (1978-2000). He has engaged in advanced research at the University of Hull (2011, 2009), Stanford University (2002-2003), Sandia National Laboratories (2002), the Brookings Institution (2001-2002), the Henry L. Stimson Center (2001), the University of Illinois at Urbana-Champaign (1995-96), and Simon Fraser University (1994).

His work focuses on South Asian politics, global nuclear weapons issues, and international relations theory. He has authored four books, including *South Asia's Cold War* (Routledge, 2008) and *Minimum Deterrence and India's Nuclear Security* (Stanford, 2006). He has also edited six books, including *Challenges to Democracy in India* (Oxford, 2009). He has published over 75 research papers in *Contemporary South Asia*, *India Review*, *Journal of Peace Research* and other journals and edited volumes. He is currently writing a book on the domestic politics of India's foreign policy for Georgetown University Press.

About the Project on Strategic Stability in the 21st Century Asia

Since June 2012, this project by the Institute of Defence and Strategic Studies (IDSS is a constituent unit of RSIS) has been engaged in identifying and analysing the key sources of strategic stability and instability in contemporary Asia. We sought to augment the prevailing understanding of how forces that stabilise Asia can be strengthened, and how forces that destabilise Asia (or have the potential for doing so) can be managed, and their adverse effects mitigated or contained.

The project addresses three key research concerns: First, examine major power relations in Asia. Second, analyse interstate dynamics within the maritime domain. And finally evaluate the impact of new and emerging military technologies in Asia. To that end, we organised three workshops during January-February 2013. We also commissioned a number of policy briefs, research papers, monographs, and edited volumes on critical security issues that have the potential to affect the security order in Asia over this decade.

The project is funded through a grant from the Chicago based John D. and Catherine T. MacArthur Foundation.

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The S. Rajaratnam School of International Studies (RSIS) is a professional graduate School of International affairs at the Nanyang Technological University, Singapore. RSIS' mission is to develop a community of scholars and policy analysts at the forefront of security studies and international affairs. Its core functions are research, graduate teaching and networking. It produces cutting-edge research on Asia Pacific Security, Multilateralism and Regionalism, Conflict Studies, Non-Traditional Security, International Political Economy, and Country and Area Studies. RSIS' activities are aimed at assisting policymakers to develop comprehensive approaches to strategic thinking on issues related to security and stability in the Asia Pacific.

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