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Sino-Indian Himalayan Misadventures: What Now for Regional Geopolitics?

By Nazia Hussain

SYNOPSIS

As bilateral relations deteriorate between the nuclear-armed neighbours, ramifications of the Sino-Indian border dispute resonate in the wider Indo-Pacific. New Delhi's influence with South Asian neighbours is waning and would do well to reassess its foreign policy choices.

COMMENTARY

TENSIONS ALONG the disputed Sino-Indian border have flared yet again, following a brief hiatus after one of the deadliest border clashes earlier this year in the Galwan Valley — an area between Indian-controlled Ladakh and Chinese-controlled Aksai Chin. At least 20 Indian soldiers were killed while Beijing has declined to confirm [casualties](#) on its side.

Despite five rounds of [Corps Commander-level](#) talks since the Galwan Valley clashes in June to discuss disengagement between the two armies along the Line of Actual Control (LAC), both Beijing and New Delhi have instead sent reinforcements to the area. With a high-altitude volatile and increasingly militarised border, it therefore came as no surprise when recent [reports](#) emerged of a fresh row between the nuclear-armed neighbours accusing each other of trying to seize territory across the disputed Himalayan border.

Fresh Spate of High-altitude Tension

The latest stand-off took place in the south bank of the Pangong Tso — a glacier lake that stretches from Tibet to Ladakh. An Indian army [statement](#) alleged that China had carried out “provocative military movements” in the border area and Indian troops pre-empted PLA activity on the Pangong Tso Lake.

Rejecting the accusations, China's PLA regional command alleged that India was “seriously violating China's territorial sovereignty”. Relations further deteriorated as the two countries contended that shots had been fired by the other side along the disputed border for the first time in 45 years, violating a 1996 [no-fire agreement](#).

Although talks between defence ministers of the two countries proved inconclusive, their foreign ministers meeting struck a different note. The [joint statement](#) called for de-escalation and disengagement of troops along the disputed LAC and urged for new Confidence Building Measures. There was however no mention of restoration of status quo ante and no signs of disengagement has been reported as yet.

Impact on Bilateral Economic Relations

Bilateral relations sink to a low as Chinese state media accused the Modi government of stoking nationalist fervour and trying to decouple economically from China. India [banned](#) 118 Chinese apps citing national security risks. Furthermore, New Delhi has also announced stringent rules on Chinese investments — around 50 [investment proposals](#) involving Chinese companies are being reviewed under a new screening policy.

The state of Bihar has [cancelled](#) a contract for a \$390 million bridge over the Ganges River due to the involvement of Chinese companies while Maharashtra has frozen three Chinese investments, including the planned purchase of a General Motors plant there by privately run Great Wall Motor. Coupled with tougher scrutiny of shipments from China, [reports](#) suggest the apparent goal is to freeze Chinese companies out of India's public sector entirely.

Economic considerations aside, a sore point for China was the Indian Army's deployment of a predominantly ethnic Tibetan Special Frontier Force, which prompted Chinese [state media](#) to accuse India of playing the Tibet card.

Wider Geopolitical Implications

As Sino-Indian tensions escalate, smaller South Asian countries have displayed a muted response. Their reluctance to choose sides is not unexpected as India has been the traditional power in South Asia while China has increasingly made its presence felt in the region through its Belt and Road Initiative (BRI). Beijing has poured an estimated US\$100 billion into [infrastructure projects](#) in Afghanistan, Bangladesh, the Maldives, Pakistan, Nepal and Sri Lanka.

What concerns New Delhi is the fact that the heightened border tensions and China's rapid inroads into South Asia comes at a time when the Modi government's Neighbourhood First policy is not going as hoped despite starting out on a good note back in 2014. A series of policy choices has strained India's relations with its neighbours.

Nepal has condemned India's [unilateral](#) act of building a Himalayan link road in a disputed territory which falls at a strategic three-way junction with Tibet and China. Relations with Bangladesh turned frosty over the Modi government's decision to set

in motion the National Register of Citizens — an exercise aimed at weeding out [illegal immigration](#) from Bangladesh.

New Delhi's already strained relations with Islamabad deteriorated with the decision to [revoke](#) the special status of the disputed state of Jammu and Kashmir. Meanwhile, Sri Lanka and Maldives are involved in China's BRI.

India's best bet to reclaim the neighbourhood narrative would be to engage with its neighbours in a way that does not reek of 'big brother' arrogance if New Delhi is to hope for some show of support from its neighbours in a confrontation with China. The COVID-19 pandemic provides India an opportunity to salvage its Neighbourhood First policy.

Prime Minister Modi [reactivated](#) the defunct South Asian Association for Regional Cooperation (SAARC) and announced a COVID-19 Emergency Fund. While New Delhi's active role in composing a regional response to the pandemic had been lauded by regional leaders, this is likely issue-based cooperation and does not necessarily mean South Asian states are coalescing around India's sphere of influence.

Expanding the Quad?

Bolstering sub-regional cooperation would provide New Delhi an opportunity to effectively engage with its neighbours and deliver on the promises of regional infrastructure projects.

India should work towards ensuring that sub-regional groupings like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Bangladesh-Bhutan-India-Nepal (BBIN) initiative can maintain their recently gained momentum. For instance, the BBIN Motor Vehicles Agreement for extensive [multi-modal connectivity](#) will be crucial in addressing COVID-induced economic vulnerabilities in the BBIN sub-region.

Moreover, as far as neighbourhood relations go, New Delhi should stop pursuing a reactionary foreign policy based on China's regional manoeuvres and be more proactive in engaging its neighbours. India rushed its foreign secretary to Dhaka following an announcement that Bangladesh will soon be receiving nearly US\$1 billion from China for a management and [restoration project](#) on the Teesta river. Sharing of the Teesta waters has been a contentious issue between Bangladesh and India.

The border clashes will likely strengthen New Delhi's resolve to overhaul its commitment to the Quad which is seen as a balancing tool vis-à-vis Chinese assertiveness. Signalling a change in Indian strategic calculus, New Delhi is reportedly planning to invite Australia to join the other Quad members – Japan and the United States – for its [annual](#) Malabar exercises after initially refusing to do so despite Canberra's willingness.

The Sino-India border dispute may be raging on in the remote Himalayan frontiers, but its spillover into the wider geopolitics of the Indo-Pacific region is only just emerging.

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