• China’s policies: Based on perceptions of national interests.

• China’s policy of no-first use (NFU), of nuclear weapons.

• Nuclear arsenal strength: Depends on Regional and Global developments.

• Risks of nuclear conflicts.

• Need to formulate measures, to promote transparency.
CHINA

Geographical and geo-strategic location and importance:

The People’s Republic of China (PRC) is the largest country in Asia and the third largest in the World. It has a total area of 9,562,904 Sq Km. China’s territory extends about 5000 Km from East to West and 5500 Km from North to South.

The coastline of China stretches a distance of 14,500 Km from Yalu River Estuary in the North-East to the Gulf of Tonkin in the South. The coastline includes three major peninsulas. The Liaodong and Shandong Peninsulas in the North project into the Yellow Sea. The Laizbon Peninsula in the South extends to the South China Sea. China’s territory includes over 5000 islands and reefs forming an arc that follows the curvature of the Chinese coastline. China has seven major ports.

China has a land frontier with Russia, Mongolia, Kazakhstan, Uzbekistan, Tajikistan, Afghanistan, POK, India, Nepal, Bhutan, Mayanmar, Laos, Vietnam, and North Korea totalling approximately 21,000 Km. The land frontier with India is Approximately 3440 Km.

China has more than 890,000 Km of roads. She has constructed and improved a large number of roads close to its land borders. Karakoram Highway via Khunjareb Pass links China and Pakistan.
through POK. China has systematically been improving road communications along Sino-Indian Border.

China has more than 50,000 Km of railway network today. Prior to 1949, the rail network was only 20,000 Km. Chinese are in the process of electrifying their railway network.

China has 149 domestic air routes linking more than 80 cities and covering over 150,000 Km. She also has 13 air routes to other countries.

**Government:**

<table>
<thead>
<tr>
<th><strong>Form of Government</strong></th>
<th>Led by the Communist party</th>
</tr>
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<tbody>
<tr>
<td><strong>Head of State</strong></td>
<td>President (<em>Elected by the legislature to five-year term</em>)</td>
</tr>
<tr>
<td><strong>Head of Government</strong></td>
<td>Premier (<em>Elected by the National People's Congress</em>)</td>
</tr>
<tr>
<td><strong>Legislature</strong></td>
<td>Unicameral legislature, National People’s congress</td>
</tr>
<tr>
<td><strong>Voting Qualifications</strong></td>
<td>Universal suffrage for all citizens aged 18 and over</td>
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<tr>
<td><strong>Highest Court</strong></td>
<td>Supreme People’s Court</td>
</tr>
<tr>
<td><strong>Armed Services</strong></td>
<td>Army, Navy, Air Force (3,030,000 troops; Men and Women aged 18 to 22 may be conscripted for three years of army or four years in the navy or air force)</td>
</tr>
<tr>
<td><strong>Political Divisions</strong></td>
<td>22 provinces (China considers the Island of Taiwan a 23rd province) 5 autonomous regions, 3 municipalities.</td>
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CHINA'S POLICIES : BASED ON PERCEPTIONS OF NATIONAL INTERESTS

The world today is in a historical period of great changes. With the bipolar pattern coming to an end, and various forces amidst redivision and reorganization, the world is going multipolar. The international situation is generally moving towards relaxation. It is possible to strive for a peaceful international environment and avert a new world war for a fairly long time to come. The world however is not tranquil. The formation of a new world structure will be protected and complicated process. It is fraught with contradictions old and new, with ethnic conflicts standing out in certain regions and countries and territorial disputes and religious strives being constantly intensified. There were nearly seventy hotspot areas and over thirty wars fought throughout the world in 1992. Looking at the west, one sees contradictions between Western Countries being increasingly brought to light, economic frictions becoming ever more frequent, international economic competitions intensifying and the tendency of economic regionalization and grouping growing stronger with each passing day. Looking at the developing countries, one finds most of their economies in difficulties and gap between the North and the South further widened. In today’s turbulent world, the existence of hegemonism and power politics is the main obstacle to world peace.
and development. It is the strong aspiration of the peoples of the world to establish a peaceful, stable, just and reasonable new international order. To develop, one needs peace; and peace is inseparable from development. Peace and development are the major tasks facing the world today.

Based on her judgment of domestic and international situations, China has readjusted her national strategy and formed a national strategy centering on economic development and aimed at the realization of the four modernizations.

In December 1978, the 3rd Plenary Session of the 11th Central Committee of the Communist Party of China decided to shift the focus of the work of the Party and the state on to economic development and put forth a three-stage development strategy for China’s economy.

**First stage**: to double the Gross National Product (GNP) of 1980 by the 1990s and solve the problem of feeding and clothing of the population.

**Second Stage**: to quadruple the 1980 GNP by the end of the century and enable the people to lead a relatively comfortable life.

**Third stage**: by the middle of the next century, the nation’s per capita GNP will stand on a par with that of medium-level developed
countries, people will be fairly well-off and four modernizations basically realized.

On the basis of summarizing the Chinese revolutionary and developmental practices, Comrade Deng Xiaoping set forth the theory of building socialism with Chinese characteristics. Under the guidance of this theory, the Chinese Communist Party and Government have formulated and implemented a series of reform and opening-up policies. Over the past 15 years, China’s reforms and opening up have traversed an historical path from rural to urban reform, from economic restructuring to restructuring in all other fields, from enlivening the domestic economy to opening up to the world. China’s social productive forces have been rapidly developed in the process of reform and opening up. The first-stage goal of the economic development strategy has been realized ahead of schedule. At the economic growth rate of the 1990s. China’s per capita GNP by the end of the century will be greater than envisioned in the second-stage goal. It is a remarkable achievement to have 11 hundred million people well-fed and clothed and progressing towards a relatively comfortable life. The reform and opening up have brought historic changes to the vast land of China, and the nation’s economic development, comprehensive national strength and the people’s livelihood have all been considerably enhanced. At the moment, our
entire country and the nation are seeing thing with activity. Against a backdrop of dramatic changes in the world situation. China's socialist system has undergone rigorous test and demonstrated great vitality.

The reform and opening up are not expediency. Rather, they are the long term strategy for the realization of China's modernization. Ever since Deng Xiaoping gave important talks while on an inspection tour of South China in early 1992, the pace of China's reform and opening up has apparently been stepped up. The 14th Congress of the Communist Party of China and the 8th National People's Congress decided that China's strategic development goals of building a socialist market economy under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, along with the basic line of "one central task, two basic points," would remain unchanged for a hundred years to come.

It is the basic goal of China's foreign policy to safeguard the independence and sovereignty and promote world peace and development. China he unswervingly followed an independent and peaceful foreign policy all along in international affairs and foreign relations, China always proceeds from the fundamental interest of the Chinese people and the people of the world, makes her own judgement independently and decides on her own policy and position.
in conformity with established principles of international law as well as on the merits of each case.

China is one of the countries that initiated the "Five Principles of "mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence." In handling international affairs, we always maintain that countries of the world, whether they are big or small, strong or weak, rich or poor, should participate in international affairs as equal members of the international community. The people of every country are entitled to choose a social system and road of development suitable to the realities of their particular country. No country should interfere in the internal affairs of other countries or impose on other countries its own values. Ideologies and mode of development. China is a staunch defender of world peace. China does not enter into alliance with any power of block countries, and does not join any military bloc. China will never seek hegemony or engage in expansionist activities. At the same time, she is opposed to hagemonism power politics and aggressive and expansionist acts of any form. This position of China, which proceeds from facts and upholds justice, has been widely acclaimed and appreciated.
China persists in establishing cooperative and friendly relations with all countries on the basis of the Five Principles of Peaceful Coexistence. On the international scene, China continues to stand alongside developing countries and upholds their legitimate rights and interests. For their part, the developing countries have also rendered us valuable sympathy and support. In the economic sphere, the two sides carry out many forms of exchanges and cooperation in line with the principles of equality and mutual benefit. China has carried out friendly cooperation with Western countries on the basis of mutual respect, seeking common ground while reserving differences and equality and mutual benefit, and her relations with Western countries have improved and further developed on the basis of the Five Principles of peaceful coexistence. Western countries generally hold positive views of China’s economic development and favour acceleration the pace of improving and developing further relations with China. As of the moment China has established diplomatic relations with more than 150 countries and conducted economic, trade, science and technological and cultural exchanges and cooperation with over 200 countries and regions.

To develop good-neighbourly and friendly relations with countries on her periphery is an important part of China’s independent foreign policy of peace. China enjoys good relations with Japan, and
both sides hope that Sino-Japanese friendship will be continued from generation to generation. China’s traditional friendly and cooperative relations with the Democratic People’s Republic of Korea (DPRK), Pakistan, Nepal, etc., are constantly being enhanced. The opening of formal diplomatic relations between China and the Republic of Korea (ROK) is conducive not only to the relaxation of the situation on the Korean Peninsula, but also to Sino-ROK economic and trade cooperation. China’s relations with her biggest northern neighbour, Russia, have progressed smoothly and steadily, and more and more personnel exchanges are taking place. In the wake of the disintegration of the Soviet Union, China has adhered to the principal of non-interference in other countries’ internal affairs and respecting other people’s independent choices, and established diplomatic relations with all the republics of the CIS and engaged in friendly contacts and cooperation with them in all aspects. There has been a marked improvement in Sino-Indian relations; Sino-Vietnamese, Sino-Laotian and Sino-Mongolian relations have all been normalized, and China’s exchanges and cooperation with them keep expanding. Sino-ASEAN relations have progressed by leaps and bounds. At present, China’s friendly and good neighbourly relations with her surrounding countries are in the best period since the founding of the People’s Republic.
China has made unremitting efforts to safeguard peace and
stability in the Asia-Pacific and relax the situation on her periphery.
China and the nations concerned have made joint efforts to propel
forward the process of all parties in Cambodia implementing the Paris
accord on the settlement of the Cambodian issue and to energetically
try to promote the relaxation and stability of the situation on the
Korean Peninsula. Regarding the question of the Nansha Islands,
China has, of her own accord, put forth the peaceful proposal of
"shelving the disputes and conducting joint development," which has
met with general approval by the parties concerned. China and
neighbouring countries such as Myanmar, Laos and Afghanistan have
successfully solved the boundary issues left over from history in a
peaceful and friendly manner. Boundary talks between China and
India, Bhutan and Vietnam have advanced to varying degrees.
Progress has been made in boundary negotiations between China and
the former Soviet Union, too. And a principled agreement on mutual
disarmament and confidence building in military fields in the border
regions has also been signed. Following the disintegration of the
Soviet Union, China is continuing negotiations on the boundary and
disarmament in the border regions with a joint delegations composed
of delegates from four member countries of the CIS, i.e., Russia,
Kazakhstan, Tajikistan and Krugyzstan.
China's independent foreign policy of peace has promoted world peace and development and provided a peaceful international environment and favourable opportunities for her modernization drive. No matter how the inter-national evolves in the future, China will firmly pursue an independent and peaceful foreign policy.

China's military strategy is one of active defence, and she adopts defensive strategic guidelines and a national defence policy of self-defence. Why is it so?

**One** China is a socialist country. The substance of genuine socialism is to develop the productive forces and improve the people's material and cultural livelihood. The socialist system, therefore has determined that our military strategy can only be defensive. We commit no aggression against any other country. We do our best to avoid war and check it wherever it may occur.

**Two** Military strategy and foreign policy strategy complement each other and are both subject to the national strategy or national development strategy. The military strategy is subordinated to the national strategy and to stable environment for the nation's economy and realize the four modernizations are the goals of China's development strategies and are in the fundamental interests of the Chinese people. Our foreign policy is one of peace, whose aim is to safeguard world peace and strive for a peaceful and stable
international environment and to promote common development. The military strategy is designed to serve the national interests and resist foreign aggression and provide a reliable security guarantee for the reform and opening up and economic development. Hence our strategy is defensive and not otherwise.

**Three** Our armed forces are of a defensive type. We do not station a single soldier or maintain any military base on foreign soil, Nor have we developed a naval or air force with long-range, overseas force-projection capability.

**Four** China holds that nations should adopt their political and economic systems according to their own characteristics. She is opposed to imposing one's own modes on others, exporting revolutions and engaging in expansionist activities as well as hegemonism and power politics. At present, our country is still poor. Even if we become rich in the future, we will not seek hegemony either; China will never become a superpower.

**Five** The military strategy of active defence is not one that is passive or vulnerable to attack. Its basic idea is; “we will not attack unless we are attacked; if we are attacked, we will certainly counter-attack.” Its starting point is to defeat the strong with the weak and overcome the superior force with an inferior force. At present, the technical equipment of the Chinese military is still of relatively low
standard, and the state cannot possibly spend more money on improving the technical gear of the armed forces. This determines that the basis of our strategy of active defence is people’s war\(^1\).

In the new historical period, army building should be conducted on the premise that it be subordinated to the overall task of national economic development. The focus will be on better training of fewer yet more efficient troops. China's guiding ideology for the national defence and the maintenance of the armed forces have undergone strategic transformations, too, following the shift of the focus of the work of the party and the state on to economic development. The preparedness for war has been transformed into peace-time development. In other words, the national defense and military must be affected on the premise of subordination to the overall situation of the national economic development.

**EVOLUTION OF CHINA'S NUCLEAR DOCTRINE**

China advocates total nuclear disarmament and the complete prohibition of nuclear weapons. According to the July 1998 "white paper" called China's National Defense: "As a nuclear-weapon state, China vigorously supports and participates in the international non-nuclear

\(^1\) Cited from the article by General Xu Xin, former Deputy Chief of General Staff of the Chinese Peoples Liberation Army in the Journal Foreign Affairs.
proliferation efforts, promotes the process of nuclear disarmament and works hard for the realization of the final goal of the complete prohibition and thorough destruction of nuclear weapons worldwide."

China first tested nuclear weapons its actual nuclear doctrine was unclear. As Alastair Johnston states: "For about 30 years after China exploded its first nuclear weapon there was no coherent, publicly articulated nuclear doctrine." China's doctrine has been characterized as "anti-nuclear blackmail." China reportedly follows a "city-busting" (counter value) second-strike deterrence strategy. Representative of China's views on this issue, in 1983, Deng Xiaoping stated: "China only wants to adhere to this principle: we must have what others have, and anyone who wants to destroy us will be subject to retaliation."

"China's nuclear strategy is purely defensive in nature. The decision to develop nuclear weapons was a choice China had to make in the face of real nuclear threats. A small arsenal is retained only for the purpose of self-defense. China has unilaterally committed itself to responsibilities not yet taken by other nuclear nations, including the declaration of a no-first-use policy, the commitment not to use or threaten to use nuclear weapons against non-nuclear states and in nuclear-free zones."
There is support among Chinese military strategists that China should adopt a nuclear doctrine of "limited deterrence," seeking a capability to deter conventional, theater, and strategic nuclear war, and to control escalation in the event of a nuclear confrontation. Under a "limited deterrence" doctrine\(^2\).

China reportedly follows a retaliation strategy similar to one of delayed second strike (DSS): China will retaliate after withstanding a nuclear strike, rather than attempting either a launch under attack (LUA) or a launch-on-warning (LOW)-type strategy, where missiles are launched after detection of an attack but before impact. China arguably does not possess the requisite early warning capabilities in order to move toward a LOW-type policy. It is not clear, however, in what time frame China would retaliate after an initial nuclear attack--hours, days, weeks, or months. In September 1994, China concluded a retargeting and no-first-use (NFU) agreement with Russia and in June 1998 China and the US agreed not to target nuclear weapons at each other.

**CHINA'S POLICY OF NO FIRST USE (NFU) OF NUCLEAR WEAPONS**

China has always supported disarmament and opposed the arms race. China holds that effective disarmament and arms control to be carried out in line with the principle of just, reasonable, complete and

\(^2\) Cited from: John Wilson Lewis and Xue Litai, China's Strategic Sea power.
balanced disarmament. China stands for a complete prohibition and thorough destruction of weapons of mass destruction such as nuclear, biological and chemical weapons, which pose the gravest threat to the world. China opposes developing outer-space weaponry, which will extend the arms race into outer space. China’s development of a limited quantity of nuclear weapons is for the sole purpose of breaking the nuclear monopoly by the superpowers. China has unilaterally undertaken not to be the first to use nuclear weapons. China is opposed to the proliferation of nuclear and other weapons of mass destruction, and has formally acceded to the treaty on the Non-Proliferation of Nuclear Weapons and the convention on the prohibition of chemical weapons. China has declared that she will act in accordance with the guidelines and parameters of the Missiles Technology Control Regime (MTCR) to that end, we have adopted a series of concrete measures. In 1985, China unilaterally cut her military force by one million men—the largest disarmament ever as well as an expression of her good faith in carrying out disarmament with concrete action. In recent years, the Chinese armed forces have constantly been down-scaled and supporting the nation’s economic development with manpower and material resources. In the early 1980s China started to convert a sizable section of the defence industry into civilian-goods production. Over the years, the equipment
and scientific and technological personnel of the defence industry have been converted to serve civilian purposes and have reaped major benefits. In the 8th Five year plan from 1991 to 1995, the state will provide RMB Y 6 billion (or about US $ 1.1 billion) in loans to the former defence industry to help it convert into civilian production. As of the moment, 70 percent of the output of former defence industrial enterprises are civilian products. The income derived from these civilian-goods production does not go to the military, but is used in the nation’s economic development.

China is an important force safeguarding the peace of the world and of the Asia-Pacific region. Our national defence is completely and entirely defensive and constitutes no threat to any country. The so-called theories of “China being a threat,” or “China filling the vacuum” are totally groundless and cannot stand the test of truth. A well-developed Chinese economy with the world’s largest market potential and with increasingly close links to the world economy is undoubtedly a contribution to the economic development of the Asia-Pacific region and of the world as a whole. A strong and powerful China will not pose a threat to any Country³.

³ Lt Col Gantam Sharma and SK Nagar 'India’s Northern Security' HOD University of Gorakhpur, 1986.
China's strategic decision to desist from helping other countries to develop ballistic missiles, which could be used to deliver nuclear weapons, is a salutary pledge. If honoured, its beneficial spin-off will have deep international implication. Not surprisingly, Washington has warmly reciprocated this by viewing Beijing's new diplomacy as a window of opportunity to advance the US global agenda of non-proliferation. In a sense, Beijing has not impliedly addressed New Delhi's assertive belief, too that China has been masterminding Pakistan's missile acquisition programme over a long period. Speaking of "transfers to countries that are developing ballistic missiles". China says that it "will exercise special security and caution." The stated Chinese aim is to "prevent significant contributions" to unspecific countries. However, Pakistan, Iran and North Korea are often suspected to be the recipients of China's missile-related munificence. Overall, the punch line in China's statement is that the new norms will apply even to these items not specifically covered under Beijing's existing ban on exports. Moreover, China will "further improve and reinforce" its "export control system" now defined by its own "missile non-proliferation
policy”⁴. The sweeping array of commitments includes an unprecedented ban on the export of dual-use items with military applications. This catalogue of do’s and don’ts deserves to be commended. Resonant is the Chinese theme of restraint in eschewing overt and clandestine support for the missile plans of any country. Yet it is certainly not devise a litmus test to assess Beijing’s sustainable good faith.

**RISKS OF NUCLEAR CONFLICT**

India cannot therefore be faulted for being guarded or even sceptical in its own evaluation of Beijing’s latest manifesto of abstinence from missile-proliferation. New Delhi’s strong suspicion about China’s past transfers of missiles or parts thereof to Pakistan has often been confirmed by Washington’s independent findings. The saga of Pakistan perceived acquisition of M-11 missiles or components thereof from China sometime ago besides perhaps the know how too, is still a critical factor in India’s long-term thinking on this subject. New Delhi has already highlighted its China-related concerns to Washington and the new entente with the United States would probably provide a context with in which strategic information,

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including the China-Pakistan arms transfers, will be more easily exchanged. Yet, more importantly, India must seek to preserve the momentum of its strategic dialogue with China. A matter of some positive ambience for India in this context is the American decision to retain and enlarge its current sanctions on civilian and military ‘entities’ in Pakistan as also Iran that had in the past received China’s help for their missile programmes. Although, Iran is not akin to Pakistan in New Delhi’s calculus, the obvious message from the US is that these two countries should clear their stables in this sensitive sphere.

The US trends to assume that its own diplomatic goading of China has had desirable impact. The timing of Beijing’s announcement within days of a US- China summit on the sidelines of an Asia-Pacific conference is not insignificant. Yet the question is whether China is seeking a trade-off by promising to hold its hand over international missile proliferation so that Washington could review its plan for a theatre-missile defence system (TMD) in the Asia Pacific zone. China sees the TMD as a ploy to encircle it strategically. Moreover, China has already hinted at making common cause with Russia in opposing the US now-deferred plans for a national missile defence system (NMD). As seen by Beijing, the NMD may catapult the US to new military apogee. So, Washington’s
considered offer of civilian space collaboration with China, as a reward for its good intentions on the missile front, is a move to try and keep Beijing within bounds on its anti-NMD front\textsuperscript{5}.

**NEED TO FORMULATE MEASURES, TO PROMOTE TRANSPARENCY**

Candour is the first prerequisite for a serious engagement between any two nations. India and China have talked past each other for too long and as consequence the two Asian giants have found it difficult to build a productive relationship despite the continual efforts for more than a decade.

The senior Chinese leader, Mr. Li Peng, who was on an extended tour of India, put the issue quite bluntly. Mr. Li conceded that a profound political unease casts a shadow over the ties between the two nations. He insisted that achieving “better understanding and trust is a pressing task in our bilateral relations”. Mr. Li’s nine day long visit has turned out to be a key first step in overcoming the accumulated mistrust between the two nations. The principal outcome of his intensive consultations with the Indian political leadership has been one simple agreement. Beijing and New Delhi have agreed to accelerate the process in which the two nations could seriously

\textsuperscript{5} The Hindu Saturday, January 17, 2002.
address the difficult problems that weigh down the relationship and at the same time build on the many possibilities for cooperation.

That Mr. Li took the initiative to come here was in itself a very important signal from Beijing. The formal position of Mr. Li, as the Chairman of the Standing Committee of the National Peoples Congress, is equivalent to that of the speaker of the Lok Sabha. But make no mistake. Mr. Li is the second most important leader in the Chinese political structure. Not surprisingly, then, India rolled out the red carpet for him. In terms of protocol it was the turn of the Speaker of the Lok Sabha to visit China. But Mr. Li had expressed his keen desire to visit India, and New Delhi obliged with alacrity.

There may be many good reasons why Mr. Li chose to come at short notice and travel across India. The trip was billed as the highest-level visit to India by any Chinese leader since the president, Mr. Jiang Zemin, came here in November 1996. The objective of Mr. Li was not thaw the bilateral relations that went into a deep chill after India conducted five nuclear tests in May 1998. That was achieved when China received the President, Mr. K. R. Narayanan, last May.

Mr. Li's visit appears to be part of a comprehensive review in Beijing of the Chinese policy towards India. Three factors appeared to encourage China to reconsider its policy towards India.
One. China took note of the India’s “big power diplomacy” in the year 2000 which allowed it to quickly overcome the post Pokhran international isolation. China sensed that it was somewhat behind the curve on this issue and had to bring itself up to speed on engaging India.

Two. the Chinese review had taken into account the reality of India’s steady economic growth over the last decades and factored that into its long-term assessment of where India is headed. India’s impressive advances in the information technology sector, and the sense that China has lagged behind was also of some importance. And, finally, China’s review of its approach to India was also based on the changing international situation and the prospect of greater tension in Sino-US relations in the coming years. The impending Republican takeover in Washington has added to the uncertain external outlook for China.

And within the Chinese leadership, Mr. Li is seen as having a certain “proprietorial attitude” towards ties with India. He is the only one among the top layer in Beijing today with a keen sense of the past in Sino-Indian relations. His foster father, Zhou Enlai, was the pointman for Sino-Indian relations that flowered in the 1950s and turned sour in the early 1960s. Mr. Li was also closely associated with the revival of Sino-Indian relations and their expansion since the
late 1980s. Mr. Li was Prime Minister of China when Rajiv Gandhi travelled to China in 1988. He paid a return to visit to India in 1991. He also received Mr. P.V. Narsimha Rao as Prime minister in Beijing in 1993. Mr. Li has full feel for the turbulent history of Sino-Indian relations. He also remains a key player in shaping the foreign policy of China, despite not being technically part of the Chinese Government. It was only natural then, that it was Mr. Li who was best positioned to set the tone for a new engagement with India.

There were no real surprises—but only common sense—in the framework that Mr. Li unveiled for improving ties with India. But common sense has not always been the dominant theme of Sino-India relations. Mr. Li outlined five basic tenets of the Chinese policy towards India. These are a political commitment at the top in Beijing to intensify the relationship, expand economic interaction, widen international cooperation, enhance mutual understanding by addressing outstanding issues such as the border dispute, and an assurance that China stands for peace and stability in the subcontinent.

This provides a reasonable framework for serious Sino-Indian re-engagement. Much like in Beijing, there is a new commitment in New Delhi to pursue a cooperative agenda with its largest neighbour. Trade between the two countries has begun to boom, albeit from a
very low level. Increasing trade will bring its own set of new problems, but two of the world’s fast growing economies will have to find ways to manage them. On the international front, there will be convergence as well as divergences. But it should not be impossible to minimise the former and maximise the latter.

On the management of outstanding bilateral problems, India has focused intensely on getting an early clarification of Line of Actual Control on the long and contested border. India believes the LAC clarification would make it easier to maintain peace and tranquility on the border, and pave the way for a final resolution of the problem.

Mr. Li pointed to the progress already made and has argued that “where there is a will, there is a way” to resolve this vexatious issue. He reiterated the Chinese commitment to find an answer and detected a bipartisan consensus in India to move forward. While there are no exaggerated expectations in New Delhi, the political mood on LAC clarification looks much better than before. Given the legacy of the past, there will be many skeptics in India who will question the credibility of Mr. Li’s assurances that China does not pose a threat to India and that it seeks peace and stability in the subcontinent. They will point to Beijing’s self proclaimed “all-whether” friendship with Islamabad, and the nuclear and missile nexus between the two countries.
Must India avoid a serious engagement of China given its profound concerns about the Sino-Pakistan strategic nexus? The answer is a resounding “no”. There is no way of undoing the damage from the previous nuclear and missile transfers from China to Pakistan. India can and should respond operationally to that changed military situation on the subcontinent. India must also continually raise objections to Chinese proliferation policies; and there is a new forum now for the two nations to discuss security dialogue-in which this can be discussed.

In the end, the only way in which India can induce changes in Chinese policies towards the region is through a more intensive and broad-based engagement. As China states in a positive relationship with India begin to weigh more than its traditional links with Pakistan, it is inevitable that China, as a pragmatic power, will make the necessary adjustments. The suggestion from Mr. Li that China could consider cooperation with India against international terrorism reflects the trend of changing responses in Beijing to the evolving situation on the ground. Even from the angle of real politic, then, expanding cooperation managing differences, and pragmatically resolving outstanding problems must remain the guiding principles of any sensible Indian strategy towards China.
China's fast track diplomacy:

Chinese Leaders have long been expected to step on to a fast track of diplomacy to enhance Beijing’s claim to a role in shaping the post-Cold war global order. Till very recently, the conventional wisdom was that the catalyst would be the issue, almost fully settled at present, of China’s entry into the World Trade Organisation (WTO). However, Beijing has now chosen the sensitive political question of missile non-proliferation to signal a categorical intention of traversing the diplomatic fast track. China obviously has sought to assert its credentials as an aspiring global player and confirmed regional superpower with a definitive East Asian orientation.

Now, with the WTO-welcome coming into focus, Beijing can hope to accelerate its diplomatic activism. Given this prospect China is keen on warding off any potential shocks to its eventual goal of sovereignty over Taiwan. As home to the forces that had lost to the Chinese communists on the mainland in 1949, the island of Taiwan, a US blessed ‘entity’ since then, is still outside Beijing control. The paramount objective of securing Taiwan, albeit at some time in the future, is the motive force behind the latest diplomatic urgency evinced by the leadership-duo—the President, Mr. Jiang Zemin, and the Prime Minister, Mr. Zhu Rongji. China’s new initiative on missile non-proliferation has been determined, at last in part, by the Taiwan
issue. More precisely, this relates to Beijing's perceived suspicion that the US, if not humoured may put in place sooner than later a theatre missile defence system, which has already been masterminded with some direct protective benefit intended for the 'Taiwanese' leadership.

The key question raised not long ago at a major hearing by the US Senate sub-committee on international security was the perception of China's activities "at the centre of a worldwide proliferation web". Under scrutiny was China's transfer of M-11 ballistic missile-related equipment and technology to Pakistan as confirmed by a top US administration official. It was an open review of the State Department's view on China's nuclear weapons-related assistance to Pakistan as also Iran besides, of course, its suspected transfer to Iran of some dual use precursors that could be diverted for the manufacture of chemical weapons even while being supplied for civilian purposes. Beyond the maze of technical details, some positive signs were also recognized by the US China acceded to the Nuclear Non-Proliferation Treaty in 1992 and later supported the US-led efforts to perpetuate the document as a permanent repository of the "International norm" of non-proliferation. China's signature on the Comprehensive Test Ban Treaty and accession to the chemical Weapons Convention were also commended. Yet a puzzle, then as
indeed now, is the perceived "disconnect" between China's commitments and its actions based on "national security" considerations.

As sinologist Andrew J. Nathan and Robert S. Ross argue, successive leaders have consistently felt their "national security" will be enhanced by varied proactive policies. These include the augmentation of Pakistan's military strength. India's potential as an international player is a factor in such Chinese thinking. China's overall Post-Cold War geopolitical calculus at the moment is shaped by four other major considerations: (1) The possibility of Japan re-emerging as an assertive power over time; (2) Beijing's compulsion to hold its own on the maritime and land zones of South East Asia and the South Pacific in the face of a pronounced US military presence; (3) China's desire for an honourable political equation with Russia and (4) The perceived need for a Sino-American strategic dialogue if not a partnership. Its dealings with Europe and the Islamic world may somewhat be peripheral extensions of these essentials, but those contacts too figure prominently in the global compass as viewed in Beijing.

It is in this context that China, old "Middle kingdom", has now pledged to refrain from making significant "contributions" to the development of nuclear capable ballistic missiles and their
deployment by any country. China’s overall sweeping pledge of restraint, which will cover its export of dual-used equipment and knowhow, is in tune with the guidelines of the Multilateral Missile Technology Control Regime (MTCR). It is not an “MTCR-partner”, and a Western theory is that the major powers have not been very keen on bringing Beijing under the MTCR purview for fear of having to take China into confidence about the secrets of their own ballistic missile programmes.

A logical question is why China should not seek to commit itself to abiding by almost the entire spectrum of do’s and don’ts of the MTCR. In 1994, Beijing agreed, to the US behest, to follow the MTCR guidelines on restrain in exporting missiles but not the parallel injunction against the transfer of related know-how. It is a different matter whether China has fully translated that commitment into reality in respect of Pakistan. The doubts are indirectly confirmed by the reasoning tone of China’s latest plenary pledge. A quiet essential Western view is that any scaling up of American military supplies to Taiwan has often prompted China to “retaliating” by extending proliferation-related support to Pakistan and Iran in an arc of the US interests. The reasoning is rooted in the Western intelligence assessment that China’s M-11 missile-related transactions with Pakistan began in the context of the US decision to sell a huge
consignment of F-16 fighter bombers to Taiwan in 1992. It stands scrutiny in this sub-context that the Chinese leaders, who have consistency equated Taiwan with Hong Kong as Beijing’s rightful piece of geographical real estate should also want to mould the post-Cold War global politics.

Not surprisingly, China’s latest declaratory manifesto—an abstinence from fostering missile-proliferation worldwide-acquires meaning as an invitation to the US for a diplomatic bargain. The benign statement followed a China-US summit on the margins of a multilateral conference. Given the manifest Taiwan factor in China’s missile-related diplomacy, it is conceivable that this new chapter is designed to induce Washington to reciprocate suitably. Beijing wants the US to abandon or suspend its plans for building a post-modern ‘great wall’ of defence against China, namely a theatre missile system in East Asia.

Now, unlike in the case of the US plans for national missile defence system with a global reach, China cannot easily bring itself to make common cause with Russia in opposing Washington’s Theatre-specific ideas. Moscow already possesses the means to counter Washington’s missile gamesmanship in East Asia. This does not,

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6 Cited by P.S Suryanarayana in his article on China’s fast track diplomacy.
however, diminish Russia's strategic imperative of joining hands with China in sketching out plans for a multipolar global order in the 21st century. Viewed thus, another high-profile aspect of China's new fast track diplomacy pertains to statesmanship in the Asia-Pacific region. Besides weaving a network of agreements with Southeast Asian states for enhanced bilateral cooperation, China is zeroing in on ways to liberate itself from the gravitational pull of any particular geopolitical zone. The Association of Southeast Asian Nations Regional Forum (ARF) and grouping such as the ASEAN+3 have given China ample scope for casting its strategic net wide. The WTO will be a global field for economic diplomacy. China's comprehensive strategic agenda cannot be dismissed as a cosmic dream. Beijing has already begun to knock at the door of the Group of Eight, consisting of major industrialised powers and a strategically important Russia, besides wanting a say in the emerging international arms control institutions. It is a question of how China and the West can accommodate each other.

China's tryst with globalisation:

China is actively and systematically preparing for becoming a dominant player in the globalisation process. For this, it has embarked upon far-reaching economic reforms and restructuring even at the cost
of instability in the short and medium run. Some of the policy measures adopted or contemplated by China would result in disappearance of competitive and outmoded economic structures. Among these measures is the unprecedented opening up of the economy to foreign investors and suppliers of goods and services. China’s resolve to face globalisation headlong derives from its confidence in the strength of its economy.

The first and the second generations of reform starting in 1978 and 1993 respectively relied essentially upon decentralisation of decision-making, a greater role market forces and export-led growth. In agriculture, the collective farms were virtually dismantled by leasing out land for private cultivation. The introduction of dual exchange rates and dual pricing systems helped in restoring the role of market forces. An attempt was made to make the banking system, rather than the Government budget, the main source of funds for economic activities.

These policies resulted in a dramatic improvement in China’s economic performance. The two decades after the reforms saw a quadrupling of China’s GDP and three-fold increase in per capita income. Production of food grains increased from 304 million tonnes in 1978 to 495 million tonnes in 1998. The number of people living
below the poverty line declined from 300 million to 30 million; in percentage terms the decline was from 31 percent to 7 percent.

The really poor are now confined to the rural areas in the north and the west. Foreign trade increased from $20 billion in 1980 to $400 billion in 1999. It was as high as 36 percent of the GDP in 1994. The trade surplus was $43.4 billion in 1998 and foreign exchange reserves were $154.7 billion in 1999. There has been a massive build-up of infrastructure, mainly in the South and East. By 1993, investment in infrastructure went up to 6.5 percent of the GDP. The actual investment in the 8th plan was $170 billion and a sum of $303 billion was earmarked in the 9th plan. The Government financed most of the expenditure on infrastructure. Foreign aid, loans and investment for infrastructure building in China was only 7.3 percent in 1994.

Notwithstanding these achievements, the possibilities of the first two generations of reforms seem to have been exhausted. This is reflected in the slowdown in the rate of growth of exports and the relative sluggishness of the economy during the last two years. There has been an accentuation of both regional and per capita income disparities. While the southern and the Eastern regions have progressed by leaps and bound, the northern and the western regions remain undeveloped. Individual income gaps in the urban areas have
sharply increased mainly because of the inevitable social cost of transition to the market system. The reform has produced a group of newly-rich who have become affluent by illegal means. Abject urban poverty was almost non-existent in China before 1978, thanks to the social security "irons" of the socialist system. Today the poor stratum in the urban areas is really marginalised.

While on the one hand reform created millions of jobs in the sunrise industries, on the other hand, it has aggravated the problem of unemployment in the traditional sectors. The official unemployment figure for China was only 3.1 percent in 1997. However urban unemployment has shot up recently as workers laid off from the state-owned enterprises are increasingly unable to find alternative jobs. Disguised unemployment in these enterprises is said to be 30 million or 25 percent of the workforce. It is one-third of the total workforce or 300 million in the rural sector. If these figures are added up, the unemployment rate in China could be as high as 27 percent.

Among other problems are the slow progress of reforms in the financial sector, the resistance of the state-owned enterprises to reform measures and structural problems in the agricultural sector. China's answer to these problems is more and deeper reform and greater opening up of the economy. The new generation of reforms emphasises strategic restructuring of the economy, an enhanced role
for the market, all-round improvement in quality, standards and competitiveness, modern management, building up of the legal system and firmer control by the Central Government over macro-economic policy-making.

In agriculture, there is already a trend of withdrawal of land from food grains production of higher value-added items or returning it to forests and pastures. There is now greater emphasis on livestock, aquaculture, processing of food grains and forestry. China has already started improving food grains on a regular basis and is reconciled to importing 10 million to 20 million tonnes every year. High priority is attached to the application of science and technology, particularly bio-technology, to revolutionalise agriculture productivity. A distinguished Chinese economist told this writer that China needed a third agricultural revolution in which the peasants who had moved away from agriculture to Township and Village Enterprises but were still retaining their rights on land, must vacate their rights, and landholdings should be corporatised. Peasants should form companies to manage the land on a scientific commercial basis. They should convert their land holdings into equities in the company and themselves into workers. It is difficult to say if China would go as far as this. But one cannot but be impressed by the audacity of such thinking.
In the reform of state-owned enterprises some of the measures already under implementation will be pursued more vigorously. These include permitting enterprises to go bankrupt, merging them or converting them into joint stock companies. Additional resources will be infused in some of these enterprises and concerted effort will be made for their technological upgradation. There is a great deal of emphasis on their management reform, particularly on reducing their social burdens and restructuring their assets and debts in order to make them financially viable. However in spite of all the problems associated with them, the state-owned enterprises will remain the "pillar" of China's socialist market economy in the foreseeable future.

For redressing regional imbalances, China has embarked upon a very ambitious Look West Policy, which covers ten provinces from the West and the North. This policy is regarded as essential for maintaining national unity, safeguarding social stability and consolidating border security. A complete blue-print of this policy is not yet available. But indications are that several hundred billion Yuans will be invested. The central and provincial Governments will provide most of the resources, mainly through the banking channel. Funds will also come from the Chinese private sector either as direct investment or through the stock market.
Though some project will be open for participation by foreign entities, the foreign contribution is not expected to be very significant. Most of the projects already announced are in the field of infrastructure. A campaign has been launched to change the attitude of the people in the region, in particular to inculcate the market ethos among them. A major objective announced is to achieve sustainable development and protect the environment. China has shown prompt awareness of the political ramifications of the widening individual income disparity and the emergence of urban destitution. It has, therefore, tried to build over the last 10 years an urban social security and social system. The government, workers and companies— all three— contribute to this system. An important component is the payment of unemployment benefit to laid off workers. However the rural population is not covered by any elaborate social security system except the rural social pension which provides security to the elderly.

**China’s charm offensive?**

The Diplomatic Range of the latest discussions between Mr. Li Peng, a senior Chinese leader touring India at present and his interlocutors including the Prime Minister, Mr Atal Behari Vajpayee seems to have transcended the usual limits of an official visit of this order in part the reason has to do with Mr. Li’s status as a leader
ranking next only to Mr. Jiang Zemin, China President with in the critical hierarchy of the country's communist party which the latter heads as well. However, a more crucial factor at work is the need perceived by both India and China to evaluate each other's positions on major regional and international issues at this moment when there appear to be some strategic uncertainties across the world. Mr. Li's conscious effort to woo India at this time in the absence of any new breakthrough in resolving the outstanding bilateral differences is particularly striking in impact. In political terms, Mr. Li is considered hardliner on China's domestic and foreign affairs. Not surprisingly, he has interspersed his official conversations with public pronouncements that do not indicate any shift in China's positions on such matters of vital interest to New Delhi as they presumed Beijing-Islamabad military-strategic axis Overall though, Mr. Li has sought to carve out a new constituency with in India for enhanced ties with China by arguing that the identifiable common ground between the two countries overshadows the bilateral differences.

The old Sino-Indian boundary dispute has been suitably managed by both sides for about a decade with both sides allowing the joint Working Group dealing with this issue and the experts to sort it out at a pace that has become a point of contention. While Rajiv Gandhi's visit to Beijing in the late 1980s had indeed set the
tone for a new diplomatic idiom of hope in bilateral ties, Mr. Jiang Zemin's tour of India in 1996 helped create an ambience of accommodative public discourse as the prelude to possibly cordial but difficult parleys over the differences. The idea then, as indeed now was to soften the intractability of the main border dispute as also some perceptional differences over other issues without actually seeking soft solutions. In line with this trend is the latest expression of a desire by both sides to give an additional political thrust to the current efforts at delineating the Line of Actual Control (LAC) along the bilateral frontier. The present goodwill can if sustained, set the stage for a heightened effort to consolidate the military-related confidence building measures that India and China have agreed upon in recent years to maintain peace and tranquility along the LAC.

Of direct concern to New Delhi at the present moment is Mr. Li's diplomatic spin on China's suspected transfers of Know-how and equipment to Pakistan in regard to ballistic missiles and nuclear weapons. He characterizes this as nothing more than "normal military trade and cooperation." While India will continue to raise this issue during its ongoing process of a security dialogue with China, Mr. Li's open comment on Kashmir is sufficiently an exceptional. On a different front, New Delhi may consider it worth exploring the practical dimensions of China's stated willingness to
make common course with India and others in meeting the growing threat of international terrorism. Beijing is well aware of India’s particular watch-list consisting of Afghanistan and Pakistan. From China’s standpoint, Mr. Li does not seem to have ruffled India’s feathers over some putative issues concerning the Dalai Lama and the Karmapa. In a global strategic parlance, China is obviously looking for friends as it seeks to fashion a multipolar political order to oppose “hegemonism” and widen South-South economic cooperation. Mr. Li must have found India receptive without being demonstratively enthusiastic.

**Sino-U.S. deal will improve Indo-China ties:**

The recent Sino-US non-proliferation deal that pledges Chinese commitment not to export nuclear missiles to other countries augurs well for better Sino-India ties, Chinese expert have said. “November 21 China-US agreement would help dispel India’s concern about the alleged missile cooperation between China and Pakistan”, the Deputy Director of the Asia-pacific Department of the Shanghai Institute for International Studies, Mr. Du Youkang said.

India has repeatedly accused China of aiding Pakistan’s nuclear and missile programmes and this has been one of the irritants in normal development of Sino-Indian relations, official sources said.
“China’s recent commitment to strengthen its missile-related export control system is favourable to dispel our Indian friends concerns,” Mr. Du said.

“It (the deal) helps build non-proliferation cooperation between china and the US and helps improve Sino-Indian relationship,” the Deputy Director Centre for American Studies at Fudan University in Shanghai, Prof. Dingli Shen said.

“By committing to build a more rigorous domestic export control system on dual use item of nuclear missile technology, China has certainly made greater effort for its own national security interest, as well as that of regional and international security,” Mr. Shen said.

**South China sea and China’s Mayanmar connection:**

China’s close connections with the military junta in Mayanmar in the last few years is well known, but what is less known are the Chinese growing concerns in South-East Asia, especially in the South China Sea and the long-term objectives in the Indian Ocean. Growing unease between China and some Association of South-East Asian Nations (ASEAN) states in the last few years over the control of islands in the South China Sea has added to the Chinese interest in Myanmar. That establishes a direct link between the dispute in the

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South China sea and importance of Mayanmar in China’s strategic calculus. On the other hand, the military regime in Yangon desperately needs both friends and arms.

The earlier suspicions about China’s motives in developing Myanmar’s Indian Ocean seaports have now become clearer with the signing of an agreement between Beijing and Yangon. According to Xinhua news Agency, China and Mayanmar entered into an accord in early June on joint development of new channel connecting the South-Western region of China with Mayanmar’s major river, Irrawaddy, extending along China’s No. 320 National road. This would provide a direct access to China’s Kunming region via Mayanmar to the Indian Ocean.

One could attribute two motives for China’s close parleys with Mayanmar. First, The contest for the Islands in the South China Sea is increasingly becoming hot. In addition to China, the Spratly and Paracel Islands have been claimed in part or full by Vietnam, Malaysia, the Philippines, Brunei and Taiwan. China has been in occupation of the whole stretch of the Parcel group of islands and few of the Spratly Islands. The dispute has been simmering since China attempted to occupy all these islands in 1974 which in fact was the beginning of the rift between China and Vietnam. The Vietnamese were particularly annoyed because of the manner and the
circumstances in which China tried to grab these islands. China struck at a time when the Vietnam war was still raging between North and South Vietnamese forces, but American troops by then had virtually abandoned South Vietnam. Another important aspect of China’s land grabbing escapade was the brief, but intense battle that took place between the navies of China and South Vietnam in 1974. The Vietnamese force managed to save off the Chinese attempts to control the Spratlys.

The South China sea dispute took an interesting turn in the late 1980s when unconfirmed reports suggested that these islands could be sitting on large reserves of hydrocarbons. Despite some forays by China to control the Spratly Island, it could not succeed. Firstly, because the issue had come into sharp international focus; and secondly, the ASEAN member states started asserting their claims.

Perhaps a bigger value of these islands lies in the fact that the geo-strategic importance of these islands is indisputable. They astride one of the most important sea lines of communication in the world. Control of these islands and the waters around them would offer enormous psychological advantage in having a major say in the affairs of South-East Asia. Of course, the immediate economic benefit is vast reserves of rich living resources in that region.
A number of dialogues have been initiated involving the disputants to settle the issue. China, which till recently had refused even to acknowledge the dispute, is now ready to talk. There is a three-track dialogue that has been going on: bilaterally between China and other South-East Asian countries; informal meetings (Jakarta Meetings on South China Sea and Manila Conference of Maritime Resources in the South China Sea) but attended by senior officials and academics; and ASEAN-China dialogue on the South China Sea.

Among these, the third track acquires greater significance because for the first time China has agreed to participate in a multilateral dialogue, and second, ASEAN for the first time stated talking to China collectively. Although nothing concrete has emerged from these talks, so far, the basic positions have become clearer: China is ready for joint development of these Islands by offering to defer the issue of settlement to the future, but ASEAN insists that unless the issue of sovereignty is settled, joint development could not be undertaken. Because it is unlikely that a viable solution could be found in the near future, it remains major flashpoint in the Asia-Pacific.

THE HINDU Tuesday December 13, 2002.
From a Chinese viewpoint, the South China Sea issue is not only tricky to find a solution, but also a major source of tension between China and the rest of the region extending all the way from Japan to South-East Asia, for Tokyo has officially expressed its concerns to the Chinese about the dispute.

From a strategic point of view, China's people's Liberation Army Navy (PLA-N) is not in a position to take on the regional Navies of ASEAN together (however small these forces may be) in case of a war breaking out. The Chinese Navy itself is being modernised through the new-found Russian connection by acquiring modern kilo class submarines, destroyers, Su-27 Flanker aircraft fighters, ka-27 anti-submarine warfare (ASW) helicopters and a host of airborne warning and control aircraft and long-range early warning radar system. However, its sealift capability is limited and the Navy for all practical purposes remains a coastal patrol force. Simultaneously, many ASEAN Navies are also engaged in acquiring major ocean-going ships (aircraft carriers, frigates, submarines, long-range aircraft and a variety of anti-aircraft and antiship missiles).  

In a scenario in which China and ASEAN are engaged in warfare, based on current capabilities, China would find it extremely

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9 The Indian Express Thursday, December 3, 2001
difficult to capture and sustain its hold over the Spartlys. Second, China would be worried if the strategically located straits, such as Malacca, are closed in times of tension. In the event of this happening, China would be cut off both from South-East Asia and the larger Indian Ocean. Hence, China badly needs the Myanmar connection as an alternate route.

China-Myanmar relations are perceived to be mutually beneficial. At a time when the military regime in Yangon is being increasingly pressured by the West for its dismal human rights record (the US on April 22 banned new investments in Myanmar), China has stood by the regime. Beijing has supplied military hardware worth more than US$1.5 billion in the last few years and has liberally extended economic aid. It is also the largest trading partner of Myanmar.

Recent agreement between China and Myanmar, on the one side, clearly demonstrates China’s worries in South-East Asia and on the other, reaffirms its long-term interests in the Indian Ocean. Of course, the new route also helps the Chinese South-West provinces to develop economically. But strategic objective seems to outweigh the economic benefits that might accrue. What it also proves is the fact that the Mayanmar regime is desperate. That is exactly the reason why ASEAN feels Myanmar should be brought into ASEAN’s fold-
through the so-called “constructive engagement” policy-so that it
could be pressured to bring about political reforms and improve its
human rights record, and also reduce its excessive dependence on
China. To the question, “How far ASEAN’s association would help
Myanmar change its behaviour” there is no easy answer\textsuperscript{10}.

\textbf{China, India and Pakistan:}

The Yeltsin government has suggested on a number of
occasions that it will organise China and India into some sort of bloc
to oppose the American” unipolar moment”. However, Beijing and
New Delhi do not see Russia as a potent and reliable military ally; it
is trading partner and a ready source of military technology. Neither
India nor China have any illusions about Russia’s ability to revive the
military power of the former USSR.

Russian theories about the innate strength of its position in the
Eurasian heartland are of little interest to China and India. These two
countries appreciate the power of naval forces as expressions of
regional political power. India and China know that Russia’s naval
strength has rapidly declined.

\textsuperscript{10} Cited from An Article written by G.V.C Naidu, who is a fellow at IDSA Strategic
Whilst Russia may be seeking a role in Asian security issues, its influence is further diminished by the fact that China, India and Pakistan are now nuclear powers. Specially, Russia’s nuclear arsenal is no longer required to protect India from China.

India had long claimed that Pakistan was developing nuclear weapons and missiles and the Indian atomic test was portrayed as pre-emptive. The Indian atomic bomb test provoked a Pakistani test, conforming the Indian claim that Pakistani’s nuclear programme was longstanding and well advanced.

Nuclear weapons serve an important purpose for both India and Pakistan. They allow both an illusion of security (whilst also threatening mutual destruction). Pakistan argues that its bomb makes up for its small population and less modern defence equipment. India can argue that it has the ability to obliterate Pakistan completely; whatever damage Pakistan causes. India will have sufficient population to rebuild its society. The Hindu belief in reincarnation as exemplified in the Bhagwad Gita makes it easier for some Indians to contemplate such destruction.

From the Pakistan viewpoint, nuclear weapons are required more than ever because China is no longer a reliable ally. Beijing’s studied neutrality during the recent tensions in Kashmir confirm this
view. China no longer offers Pakistan the support that once gave India such for thought.

China’s political neutrality towards the Indo-Pakistan conflict reflects the final decoupling of the Maoist heritage from Chinese diplomacy. The Beijing government now desires to conduct its diplomacy purely in terms of its perceptions of China’s national interests. This is consistent with the Beijing government’s view of China as a major world power.

However, China’s diplomatic neutrality on India-Pakistan issues does not necessarily make the New Delhi government trust Beijing.

India has potential disputes with China along its northern borders, and the existence of a large Tibetan emigre population near that border adds to the tension. The expansion of Chinese military facilities, include missile sites in Tibet, very much concerns New Delhi. Some Indian strategies believe that China now aims at supporting 20-25 divisions in Tibet 30-35 divisions by 2010-2015. Nuclear capable Chinese missiles emplaced in Tibet in 1971, which once targeted the USSR, are now believed to target India, says a 1997 Times of India report.

Indian security writers also expect that China will continue to supply Pakistan with missile and nuclear weapons technology, sell
weapons at 'friendship' prices and cooperate with Pakistan to develop a wide variety of conventional weapons\textsuperscript{11}.

India is also suspicious of China's relationship with Mayanmar. It is often alleged that China is building naval and intelligence gathering bases in Mayanmar. The China-Mayanmar relationship is seen as one aspect of an ongoing Chinese ambition to create a navy to project military power abroad-like the Americans. The Indian concern is that this navy will ultimately be directed towards the Indian Ocean.

Believing that China is covertly developing a Mayanmar naval base on Hanggyi island, at the mouth of the Irrawaddy, India is developing its facilities on the Andaman and Nicobar islands. The development of Indian naval facilities in the northeast of the Indian Ocean is significant; any Chinese naval forces must enter the Indian Ocean via the Malacca or various Indonesian straits. The Andaman and Nicobar are, at their closest, only 90 nautical miles from Indonesia's Sumatra. (For an example of Indian thinking on this issue see Commodore R.P. Khanna, "Impact of China's ambitions to be regional Superpower" ASIAN DEFENCE JOURNAL August 1999 pp.6-9)\textsuperscript{12}.

\textsuperscript{11} USI DIGEST Vol II, No 3, September 1999 – February 2000.
\textsuperscript{12} Commodore R.P Khanna 'Impact of China's Ambitions to be a regional superpower 'ASIAN DEFENCE JOURNAL' August 1999.
Some Indian strategies see China's EEZ claims in the South China Sea as an indicator of China's ambitions in the Indian Ocean. If China tries to enforce its territorial claims in the South China Sea, then India will see this as a threat to its strategic interests. This adds a further complication to the South China Sea security issues.

A number of Indian security writers see China as India's logical, and even inevitable, rival for regional influence and power. Some assume the inevitability of conflict between India and China. One noted Indian writer says:

"...the potential for military conflict will always exist (between India and China) and will, in fact, increase as the armed might of China increases"\(^{13}\).

China stands upon the brink of world power status with conflicting agendas. It is suspicious and resentful of the American 'unipolar moment' but it also wants to participate in a world economy in which the US is most influential.

China has courted American Investment but it also has accused the US of conspiring to 'contain' China. The Chinese media criticises the strengthening of the US military relations with Japan and Australia described as a strategic pincer movement against China from the north and the south.

The Chinese perception of containment is increased by US-Philippines negotiations to reinvigorate their military relationship. A

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\(^{13}\) Colonel Gurmeet Kanwal, 'China's long march to world power status: strategic challenge for India's Strategic Analysis February 1999 Vol No 11.
new pact will encourage large scale US exercise in the Philippines and surrounds (which includes the much disputed South China Sea).

In July US Congressmen called for greater sales of arms to Taiwan, beyond an existing approval of US $ 550 billion purchase. A spokesman for China's national Peoples Congress said that this move added 'frost on top of snow' to US-China relations.

Despite these suspicious about security, China and the US have continued to talk on trade. After America's accidental bombing of China's embassy in Belgrade, the first senior US envoy to Beijing was Under-Secretary of Commerce, David Aaron. The US still needs China's cooperation to ensure a return to prosperity in Asia. The fact that china's trade surplus with the US is 20% of the current US trade inspires Washington to keep the channels of communication open to Beijing. American industry is aware that China is still registering substantial growth and US firms want to benefit from that growth.

There will be three major indicators of US-China relations this year; talk between presidents Jiang and Clinton at the Auckland Asia-Pacific Economic Forum in September; a Shanghai trade and investment conference, also in September, to which over 300 US and European executives have been invited; and the Seattle trade ministers meeting in November.

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