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The Hot Peace between China and India

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Introduction

Relations between China and Japan have often been characterized as a "cold peace" (冷和平). As such, they have been stormy enough to create a massive rejection of China from Japan's public opinion, and a solidification of the US-Japan alliance, which is about to enter a new stage. Yet, economic relations have always been strong, with a degree of dependence of Japanese firms on China, and a Chinese reliance on Japan's market as well.

Not so with India. Flashes of actual conflict have happened, none as protracted as the triple challenge from China over Ladakh, Sikkim and, indirectly, Arunachal Pradesh since 2020. Soldiers from both sides have died in combat. China has built a network of bunkers, tunnels and fortified villages. India has mobilized 100,000 soldiers close to the front line and worked on its own logistical infrastructure. Even a visit by Prime Minister Narendra Modi to Arunachal Pradesh, a region that has been India's since the British drew up the McMahon line in 1914, is enough to incur the ire of the Chinese government: it reminds India that this is Chinese land, as successive governments in Beijing never accepted the 1914 delimitation.

Therefore, this is at best a hot peace. India's public opinion has gone the way of Japan's, and New Delhi has increasingly turned westward – towards the United States, France, and others such as Israel – to supplement the aging Russian armament connection.

Yet, **relations between China and India have never completely broken down**. Certainly, India has taken steps to limit the China-risk in its infrastructure and society – banning China from ports and rail construction, prohibiting Chinese apps, keeping Chinese telecoms out of Indian procurement, and rebuffing plans for massive BYD and Great Wall Motors automobile investments. This does not apply, however, to the overall trade and investment relationship. Bilateral trade passed \$136 billion (€122 billion) in the fiscal year ending on March 31st, 2022, with a huge and rising deficit of \$100 billion (€91 billion) for India. In fact, Indian exports crashed while China's sales to India continued their rise. And certainly, BYD is now happy to sell on the Indian market the cars it cannot build locally. Indian officials claim to be open to Chinese investments, hinting most recently in January 2024 at Davos that the openness may increase as the border becomes more quiet.[1]

The potential long-term gains for either China or India are not clear. China seems to take a line from the Fontaine fable where the fox, unable to catch attractive grapes, proclaimed that "they were too sour anyway".

[1] *Una Galani and Peter Thal Larsen, "Exclusive: India Could Ease China Investment Curbs if Border Stays Calm," Reuters, January 19, 2024, https://www.reuters.com/world/asia-pacific/india-could-ease-china-investment-curbs-if-border-stays-calm-2024-01-18/.*

China's India experts and the *Global Times*, the mouthpiece for foreign consumption, proclaim that India is "a graveyard for investment", and they hype the known complexity of doing business there.[2] **Some non-Chinese analysts will argue that China's belligerent behavior,[3] on three border theaters, has pushed India to further embrace a quasi-alliance (*准同盟*) with the United States,[4]** and a very strong strategic partnership with France that implies less conditionality on weapon procurement. But this is a result that Xi Jinping's China has produced all over Asia. China does not seem to take actual notice of such developments as the Quad, AUKUS, a rising Japanese military budget or the Indo-Pacific designs of Europeans that leave China aside.

Xi's China believes in the slow erosion of will in democracies, and that factor seems to weigh more than the present power balance. China's new defense budget leap at +7,2% is significant, while the real economy certainly grows at less than 5% with slow price deflation: it is a banner year for Chinese military procurement. Considering its 450 ships, with increased projection across the Indian Ocean and a large base in Djibouti, China is becoming strategically pre-eminent against all except the United States Navy, and even there, it can hope to match it in the near future.

The situation at the border is maybe even more critical for India, due to several reasons. First, China's tactics of erosion, with fake withdrawals followed by consolidation, have created facts on the ground that will be hard to erase. Second, it can be argued that for several years after March 2020, China had even more room to move forward. The balance of power between Chinese and Indian ground forces is even more flagrant than those of their navies. India's military, hampered by long and weak logistical lines, could have indeed been defeated even further. A humiliation of this magnitude would have been a catastrophe for a government that is dependent on popular votes, with an opposition ready to pounce. A patient player who calculates his risks, Xi Jinping did not push his advantage that far. Slowly but surely, **India is working to reduce its vulnerability behind the border, and this is of course the basic argument behind its own armament drive, whether it is Made in India or procured from the West**. Narendra Modi has also had to factor in the continuing dependence, even if dwindling, on Russian weapons and munitions.

All of the above has dictated India's diplomatic response and posture to the challenges from China, while paying tribute to India's history of neutralism. As India's Foreign Minister Subrahmanyam Jaishankar skillfully put it, his concept of "multi-alignment" reflects a desire to combine the benefits of Western support while remaining open to other partners – including Russia, and potentially China should the opportunity for negotiations arise. **The relationship with France, also preoccupied with "strategic autonomy" and seeking to be "a power for equilibrium" *(une puissance d'équilibre)*, has been made easier by this thread that the two countries have in common**. It also preserves the chances for India to exercise influence over the so-called "Global South". There is no shortage of countries, including India, that tend to view the Russian war on Ukraine as "a conflict among Europeans". But, conversely, there is not a long list of nations ready to side with India over China in a conflict over the Himalayas.

In fact, India hardly requests direct diplomatic support for its position over the border issue. Clearly, it wants to preserve at all costs its freedom of maneuver, and prefers to rely on concrete deals with

[2] *"India Can't Remove Hat of 'Graveyard for Foreign Investment' by Words: Global Times Editorial," Global Times, January 20, 2024, https://www.globaltimes.cn/page/202401/1305742.shtml.*

[3] *Brahma Chellaney, "China's Indian Land Grab Has Become a Strategic Disaster," Asia Nikkei, March 22, 2024, https://asia.nikkei.com/Opinion/China-s-Indian-land-grab-has-become-a-strategic-disaster.*

[4] *Zhao Minghao, "Allied Partnerships, Composite Camps, and the U.S. 'Indo-Pacific Strategy' [盟伴体系, 复合阵营与美国'印太战略']," World Economics and Politics, June 2022, https://ciss.tsinghua.edu.cn/upload_files/atta/1663836357677_DD.pdf.*

suitable partners. Yet, on significant issues such as Gaza and the Red Sea, India has disengaged from vocal partners such as South Africa and made a notable contribution to restoring freedom of navigation. And it has most recently diminished its purchases of Russian oil, reportedly refusing to switch to payments in renminbi.

In a sign of its intensifying bid with Asian allies to collectively contain China's aggressive attitude, the Biden administration, apparently on its own initiative, has formally declared for the first time its recognition of Arunachal Pradesh as an Indian territory,[5] and simultaneously its opposition to any unilateral move or incursion beyond the Line of Actual Control (LAC).

Despite doubts on the longevity of such statements in a volatile American political climate, this is an achievement for India's diplomacy. **Faced with a dire situation over the Himalayas, seeking support while maintaining the appearance of a balancing diplomacy on many issues, it is now pulling through these difficulties on the eve of a national election**. Barring any strategic surprise from China, it should find itself stronger after this stage.

India's predicament of confrontation with China creates growing convergence with the European Union and its Member States. Economic security issues, such as the diversification of supply chains or the risks of economic coercion, clearly bring Europe and India closer. Uncertainties regarding Xi Jinping's China, its use of military power and the extent to which it will directly challenge the international security order are clearly shared concerns in Europe and India. How to turn this shared risk assessment into real opportunities – the untapped potential question – is a pressing issue for EU-India relations.

[5] *HT News Desk, "US' Strong Statement after China's Claim over Arunachal Pradesh, Backs India," Hindustan Times, March 21, 2024, https://www.hindustantimes.com/india-news/us-strong-statement-after-chinas-claim-over-arunachal-pradesh-backs-india-101710992305186.html.*

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“Generally Stable”: the Sino-Indian Border Issue Seen from Beijing

The Sino-Indian border is “generally stable” (*总体稳定*), according to the Chinese Defense Ministry.[1] And the regular India-China Corps Commander-Level Meeting has delivered results. 20 rounds of such consultations have led to disengagement taking place in four confrontation points: the Galwan Valley, Pangong Lake, Hotsprings-Gogra area and Jianan Pass.

Delhi is of a different view – arguing that no progress has been achieved in the 21st round of commander-level talks with China, and that the Chinese have so far rejected India’s request to withdraw from some points in Eastern Ladakh in the Depsang Plains.[2] The lack of progress was immediately rebuffed by Spokesperson Senior Colonel Zhang Xiaogang on the basis that it was “inconsistent with the facts”.

Behind this characterization of the border as “generally stable”, there is a political agenda. As Indian Foreign Minister Subrahmanyam Jaishankar made clear: “If there is any expectation that somehow, we can normalize [ties] while the border situation is not normal. That is not a well-founded expectation”.[3] China takes the opposite line. It is keen to demonstrate that the border dispute does not constitute the “entirety of the Sino-Indian relationship”. **Many Chinese expert publications follow that line arguing that normal cooperation should resume, without a return to the pre-2020 status quo being a prerequisite to the normalization of the relationship**.

“Fluctuating at a Very Low Level after a Massive Fall”

According to Liu Zongyi from the Shanghai Institute of International Studies, the **Sino-Indian relationship will mainly be “confrontational and competitive” over the next ten years (*以对抗性和竞争性为主*).**[4] He explains that this is inevitable given India’s quest for great power status, which implies deeper relations with the United States and choosing the

[1] “Ministry of National Defense: China and India Maintain Effective Communication on the Current Border Situation [国防部: 中印双方就当前边境局势保持有效沟通],” The Paper, February 29, 2024, https://www.thepaper.cn/newsDetail_forward_26506258.

[2] “Ministry of National Defense: Border Issues Are not the Whole Story of China-India Relations [国防部: 边界问题不是中印关系的全部],” The Paper, January 25, 2024, https://www.thepaper.cn/newsDetail_forward_26138943.

[3] Rezaul H. Laskar, “No normalisation of ties without peace on LAC: EAM Jaishankar tells China,” The Hindustan Times, June 9, 2023, https://www.hindustantimes.com/india-news/jaishankar-warns-china-normalisation-of-ties-impossible-without-peace-on-lac-101686250103401.html.

[4] “Liu Zongyi: India's Indo-Pacific Strategy and China-India Relations in the Next Decade [刘宗义: 印度的印太战略及今后十年的中印关系],” Cfisnet, January 12, 2023, http://comment.cfisnet.com/2023/0112/1327196.html.

Indo-Pacific as a strategic space to exert greater influence. The author adds that India sees the United States' policy of containing China as a strategic opportunity and is not afraid to use the China card to stir up nationalist sentiments. This necessarily constrains the space for possible cooperation between China and India – Liu goes as far as calling India an "obstructionist force" (一个阻挠者) inside the BRICS and the Shanghai Cooperation Organization (SCO).

Using a stock market metaphor, Lan Jianxue, Director of the Asia-Pacific Institute of the China Institute of International Studies, argues that border clashes have led China and India into a new stage of "fluctuations at a very low level after a massive fall, and frequent frictions" (低位震荡, 摩擦频仍)[5] – in other words, the relationship never really recovered after it took a dramatic dive during the Galwan Valley clashes, but at the same time, relations are nowhere near as volatile as they were in the summer of 2020. This volatility, he adds, is mostly a result of Prime Minister Narendra Modi's grand strategy orientation. **Under Modi, India has abandoned its previous "conservative approach" of maintaining the status quo in favor of a bold strategy designed to promote India's national interest** amidst drastic changes in the global geostrategic environment. In practice, India's foreign and security policy vision has broadened: it is no longer limited to the conflict with Pakistan and the promotion of a non-aligned perspective. Instead, India's foreign policy incorporates economic development goals which seek to place India at the heart of the global quest for resilient supply chains.

> Volatility is mostly a result of Prime Minister Narendra Modi's grand strategy orientation.

At the official level, China has continued to criticize India's border activity. India has engaged in a major construction effort since the 2020 standoff with China across the Line of Actual Control (LAC). Construction numbers for the past three years since the incident speak for themselves: **of the total of 2,445 km of roads constructed by the Border Roads Organization (BRO), 507 km was in Arunachal Pradesh, 453 km in Ladakh, and 443 km in Jammu & Kashmir – all areas bordering China.**[6] This has led the Chinese Foreign Ministry to reiterate that "Zangnan [藏南, South Tibet, the name Chinese officials use for Arunachal Pradesh] is China's territory. When Prime Minister Modi attended a tunnel inauguration of the Eastern sector of the border, the Chinese government added that it would never recognize and resolutely opposes the so-called Arunachal Pradesh illegally set up by India".[7] In response to media reports that India had freed 10,000 soldiers from its Western border to redeploy them in border areas in Uttarakhand and Himachal Pradesh, the Chinese Foreign Ministry commented that the move was not "conducive to easing tensions".[8] Of course, Chinese analysts refrain from commenting on China's own moves regarding border issues, for example on the front of names – twice in a year has the Chinese government given new official Chinese names to locations inside Arunachal Pradesh.[9] Similarly, there are many reports in the Indian press of the constant upgrading

[5] *"Lan Jianxue: Transformation of China-India Relations and the Way Forward [蓝建学: 中印关系嬗变及出路]," Aisixiang, August 30, 2023, https://www.aisixiang.com/data/145770.html.*

[6] *"Nearly 40% BRO Roads Built in Last Three Years Were in Ladakh & Arunachal, Governement Data Shows," The Print, August 4, 2023, https://theprint.in/defence/nearly-40-bro-roads-built-in-last-three-years-were-in-ladakh-arunachal-govt-data-shows/1701213/.*

[7] *"China Slams India's Tunnel Inauguration in Border Area," China Daily, March 12, 2024, https://www.chinadaily.com.cn/a/202403/12/WS65efb3efa31082fc043bc1a5.html.*

[8] *"China Says more Indian Troops at Himalayan Border Won't Ease Tensions," Reuters, March 8, 2024, https://www.reuters.com/world/more-indian-troops-border-wont-ease-tensions-says-china-foreign-ministry-2024-03-08/.*

[9] *"India rejects China's renaming of 30 places in Himalayan border state," Reuters, April 2, 2024, https://www.reuters.com/world/india/india-rejects-chinas-renaming-30-places-himalayan-border-state-2024-04-02/.*

of Chinese infrastructure on the other side of the LAC in Eastern Ladakh, but this factual reality seems to be treated as nonexistent in Chinese publications.[10]

Blaming Tensions on Hindu Nationalism

Compared to a previous overview of Chinese sources regarding the 2020 border clashes, it would appear that Chinese experts have considerably stepped up their practice of placing the blame squarely on India.[11] In an unsubstantiated commentary, Liu Zongyi writes that "in April 2020, Dhruva Jaishankar [Executive Director of the Observer Research Foundation America] wrote an article predicting major events would take place in 2020 along the border and as a result, the Galwan confrontation took place". He blames India's "strategic misjudgment" (*战略误判*) and an attempt to take advantage of China's attention being first and foremost focused on fighting COVID-19.[12] He goes on to argue that India uses the "China threat narrative" to fuel Hindu national sentiment in order to win votes, and **expects more China-bashing as part of the Bharatiya Janata Party (BJP)'s electoral strategy in the run-up to the Spring 2024 India elections**.

Lan Jianxue argues that Indian foreign policy balances the "negative image of xenophobic radicalism" with the inevitable costs brought about in its neighborhood by its Hindu nationalist foreign policy, with an international cooperation agenda that seizes every opportunity, such as hosting the G20 summit in 2023. He argues that the **Indian worldview finds inspiration in the writings of Kautilya/Chanakya, a realist thinker from the 4th century BC**, who in the *Arthashastra*, an ancient treaty on statecraft, political science, economic policy and military strategy, paints a dark picture of the international environment, characterized by power competition and distrust among states, with power the "highest goal" pursued by the state.

This, he argues, explains why the Modi government has pursued a "strength above all else, balance of power" (*实力至上, 大国均势*) doctrine in foreign policy. In practice this means: "making friends with the United States, controlling China, cultivating Europe, appeasing Russia, luring Japan, attracting neighboring countries, expanding into peripheral areas" (*结交美国, 管控中国, 培养欧洲, 安抚俄罗斯, 引入日本, 吸引邻国, 拓展周边*).

> Modi government has pursued a "strength above all else, balance of power" (*实力至上, 大国均势*) doctrine in foreign policy.

In this context, **the 2020 border clashes are an "inevitable consequence" of India's foreign policy adjustments**. He argues that India's China policy is "increasingly highly speculative and risky" (*对华政策投机性及冒险性突出*). To him, the Galwan Valley incident is a "risky move" taken by the Indian government in response to changes in the international environment and to India's own domestic situation. He describes the timing of the Indian decision to establish, during the summer of 2019, two new administrative units, the Central Territory of Jammu and Kashmir and the Central Territory of Ladakh, as an attempt to take advantage of riots breaking out in Hong Kong in an assumption that China would be too distracted to react. Lan Jianxue also accuses the Third Infantry Division of the Indian Army in Kashmir to have violated Sino-Indian agreements in May 2020 by crossing into Chinese controlled territory in the Galwan Valley area and building a bridge on the

[10] *For a recent synthesis of infrastructure construction in border areas: Prachi Shree, "The BRO's Mega Project in Eastern Ladakh: A New Road to Daulat Beg Oldi," The Diplomat, October 6, 2023, https://thediplomat.com/2023/10/the-bros-mega-project-in-eastern-ladakh-a-new-road-to-daulat-beg-oldi/.*

[11] *Mathieu Duchâtel, "China Trends No.8: The Border Clashes with India, In the Shadow of the US," Institut Montaigne, February 2021, https://www.institutmontaigne.org/ressources/pdfs/publications/china-trends-8-EN.pdf.*

[12] *"Liu Zongyi: India's 'Indo-Pacific Strategy' [刘宗义: 印度的'印太战略']," Cfisnet, February 29, 2024, http://comment.cfisnet.com/2024/0229/1329580.html.*

Shyok River. **He predicts that the United States will continue penetrating India's strategic culture and foreign policy decision-making**, with the inevitable result of eroding India's capacity for strategic autonomy, turning India into the next Japan or the next United Kingdom.

Likewise, Xie Chao, Associate Researcher at the Center for South Asian Studies of Fudan University, accuses Prime Minister Modi of manipulating "ultra-nationalist sentiments against China", and expects Indian foreign policy to become increasingly rigid.[13] In his opinion, the **Indian government is waging a "public opinion war" with China (*与中国的舆论战*)**. In the same basket, he accuses the Indian government of trying to distort the factual history of the 1962 war, in particular through patriotic education. He also points to the change of attitude of the BJP regarding the declassification of the Henderson Brooks-Bhagat report, an official investigation into the failures of the Indian military during this 1962 war. While in the opposition, the BJP called for declassification (but it changed its position after it took office).

From Land to Sea: New Ambitions?

While Chinese officials and experts urge India to decouple the border issue from the rest of the relationship, several Chinese analysts have accused India of expanding confrontation to the maritime domain. For Liu Zongyi, India now treats China as an "opponent", even an "enemy". This is particularly visible in the area of naval power, where India is taking steps to balance China's expanding maritime capacities. Infrastructure construction has begun on the Andaman and Nicobar Islands in the Indian Ocean. India is also developing a basing strategy in smaller countries in the Indian Ocean, in order to ensure superiority. **Seen from China, the border conflict is resulting in other areas of the relationship becoming more confrontational**.

Some Chinese expert commentators take India's naval build-up very seriously. Seen from China, the February 2024 Milan exercise was a demonstration of power, with the first joint deployment of the two aircraft carriers of the Indian Navy, the INS Vikramaditya and the INS Vikrant, with the additional deployment of its first destroyer of the Visakhapatnam-class, which Pengpai describes as the "Indian navy domestic version of 'Aegis'" (*印度版"宙斯盾"战舰*). Overall, Pengpai judges that the improvement of India's naval power is bringing the country closer to "becoming a great power". In addition India is able to mobilize 50 participating nations, including Russia and the United States, in a multilateral naval exercise – which according to the commentary brings India massive "face", and an opportunity to achieve progress in combat effectiveness. He finally notes the recent (delayed) installation of a phased array radar on the INS Vikrant.[14]

Peng Nian, from Hainan Normal University, lists the **"diversified measures" that India has been employing to create "disruptions in the South China Sea".[15]** They include increased naval diplomacy with the Philippines, Vietnam, the United States, Australia and Japan, a rare statement in support of the 2016 arbitration award (which concludes, among other outcomes unfavorable to China, that the nine-dash line is not a valid method in international law of the sea to base territorial claims). He notes that Indian naval deployment to the South China Sea in June 2020 took place at the peak of Sino-Indian tensions, in a bid to monitor the PLA Navy's routes into the Indian Ocean. He also points to the sale of the BrahMos supersonic anti-ship missile to the Philippines in 2022, and the first ever donation of a fully operational frigate by India, to the Vietnamese Navy, in June 2023.

[13] *Xie Chao, "Characteristics and Implications of the Modi Government's Right-Wing View of History and the New Narrative of the Sino-Indian Border War in India," South Asian Studies, 2022 (4), pp. 1-26. https://iis.fudan.edu.cn/91/d1/c40495a430545/page.htm.*

[14] *Lin Sen, "Observation ｜India Sends Twin Aircraft Carriers to Multinational Military Exercises, 'Face' and Substance both Wanted [观察｜印度派双航母参加多国军演, '面子'和'里子'都想要]," The Paper, February 26, 2024, https://www.thepaper.cn/newsDetail_forward_26467346.*

[15] *"Peng Nian: India Increasingly Becoming a New Spoiler in the South China Sea [彭念: 印度日益成为南海新搅局者]," Cfisnet, August 30, 2023, http://comment.cfisnet.com/2023/0830/1328526.html.*

Aggregated together, those actions carry weight. Noting that Indian actions in the South China Sea increased suddenly after the May 2020 border clashes, he expects India to play the "South China Sea card" more often in the future, to "interfere with the development of China's border policies".

Ideas for the Way Ahead

Seen from Beijing, **foreign policy towards India is theoretically part of the broader category that China calls "neighborhood diplomacy"**. Xing Guangcheng, a scholar from the Chinese Academy of Social Sciences, argues that China needs a better response to the United States' use of investment, alliances and economic competition to reshape China's periphery. He argues that the United States' diplomatic language may sound "neutral, but in reality it conceals an intention to kill" (*其用词似乎中性, 实际上暗藏杀机*).[16] In this context, **China needs an "upgraded version of a good surrounding international environment" (*升级版的良好周边国际环境*) in order to "break United States containment"**. Xing argues this can be achieved by standing "on the right side of history and on the side of the progress of human civilization", by "holding high the banner of peace, development, cooperation, and win-win, seek our own development while firmly safeguarding world peace and development", with words very much echoing the usual Chinese diplomatic rhetoric. He also calls China to be "creative" (*营造*) in adopting a "vigorous neighborhood diplomacy" (*大力开展周边外交*).

> Foreign policy towards India is theoretically part of the broader category that China calls "neighborhood diplomacy".

However, it is striking to note how **Xing Guangcheng's vision of a friendly neighborhood and a revived neighborhood diplomacy conveniently ignores tensions in the South China Sea and on the Sino-Indian border**. Xing's comments on South Asia emphasize the role that the SCO can play in "building a community with a shared future" but he focuses on trade, connectivity, counterterrorism and counter-extremism as if the border clashes did not exist. Rather than the border with India, relations with the Philippines or the risks in the Taiwan Strait, he mentions the importance of regional cooperation to address the two "hottest issues" in the region, the Korean Peninsula and Afghanistan, for which China should "take the strategic initiative".

This extreme caution regarding the real problems in China's regional environment leads him to emphasize Xi Jinping's proposition of this "community with a shared future", which he presents as particularly relevant for the "big Asian family". Xing argues that the path of "peaceful development" reflects a "strategic decision" taken by the Party leadership. He stresses language also put forward at the 20th Party Congress: a neighborhood policy based on "friendship, sincerity, mutual benefit and inclusiveness". Xing also notes that **as a "major power in Asia", China should "never give up efforts to increase soft power, cultivate affinities, charisma and influence" (*在周边应不断增强软实力, 在亲和力, 感召力和影响力方面下功夫*)**. Interestingly, this language is close to the official document released in October 2023 by the State Council, the "Outlook on China's Foreign Policy on its Neighborhood in the New Era". In it, the word "border" is only mentioned from the angle of cooperation against cross-border crime.[17]

By contrast, **Lan Jianxue refuses to sweep the real problems under the carpet of diplomatic language**. He argues that China and India should

[16] *"Xing Guangcheng: Re-creation of China's Neighboring International Environment [邢广程: 中国周边国际环境再营造]," February 22, 2024, https://www.aisixiang.com/data/149358.html.*

[17] *"Outlook on China's Foreign Policy on Its Neighborhood In the New Era," Embassy of the People's Republic of China in the United States of America, October 24, 2023, http://us.china-embassy.gov.cn/eng/zgyw/202310/t20231024_11167100.htm.*

actively explore new ways to manage their relationship. As nothing is expected to stop their international expansion, frictions will inevitably increase. But they also have interests and perceptions in common, such as their status as non-Western powers emphasizing strategic independence, and their vision of the 21st century as a strategic opportunity to change their international position.

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In order to "revive the original flame" (*重温初心*) in the China-India relationship, Lan Jianxue invokes Rajiv Gandhi, who had proposed the notion of "parallel operations" during his 1988 visit to China. According to this concept, **cooperation can be pursued simultaneously while the border issue is being resolved – in other words, decoupling the border issue from the larger cooperation agenda**. This view runs exactly opposite to India's foreign policy, as expressed by Foreign Minister Jaishankar: "I have made it very clear, publicly as well, that China-India relations are not normal and cannot be normal if peace and tranquility in the border areas are disturbed".[18] Like Lan Jianxue, Xie Chao invokes the memory of Rajiv Gandhi's handling of border issues after the major military confrontation that took place in 1987. The joint communiqué signed in December of the following year was a genuine attempt to seek a solution acceptable to both sides. However, a major difference according to Xie Chao is that back then, the "public opinion environment in India was relatively relaxed on the question of the Sino-Indian border", in contrast with the current period.

Lan Jianxue also suggests finding inspiration in Kissinger's notion of "co-evolution", originally crafted for US-China relations. The notion seeks to **minimize conflict while focusing on urgent domestic tasks, and adjust bilateral relations to cooperate where possible**. In the same vein, he advocates practical cooperation to strengthen trade and investment ties; he argues that the de-risking and decoupling moves of the Indian side still leave some space open to deepen ties. And, as often among Chinese experts, he notes the "increasing mismatch between India's strategic interests and the interests of the Indian business community".

> "Co-evolution" seeks to minimize conflict while focusing on urgent domestic tasks, and adjust bilateral relations to cooperate where possible.

Just like Chinese officials suggest that the border issue should not derail the overall relationship, **Chinese experts advocate focusing on an elusive common ground to circumvent the existing tensions**. They display a genuine worry that the border problems will topple over in other areas of the Sino-Indian relationship, fueled by India's sense of strategic opportunity and nationalist domestic politics, but do not suggest that China is ready to compromise or seek common ground on the border issue itself.

[18] *"China Eyes Status Quo in Border Row, As India's Broader Geopolitical Concerns Grow: Analysts," Channel News Asia, June 15, 2023, https://www.channelnewsasia.com/world/china-eyes-status-quo-border-row-india-broader-geopolitical-concerns-grow-analysts-military-standoff-3564016.*

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Supply Chain and Market Scale: India as the Next China?

Through much of 2023, "Peak China" was among the buzzwords hotly debated within China. A January 2024 report by the Chongyang Institute for Financial Studies estimated that from August to December 2023, more than 160 articles had been published in prominent Western media outlets discussing China's economic woes.[1] The report characterized this as an "absurd narrative" (荒谬的叙事). Despite that, the discourse around China's economic challenges and the search for alternative investment destinations has grown. Foreign Direct Investments (FDI) into China totaled $33 billion on a net basis in 2023, falling 82% from 2022, the lowest since 1993.[2] This shift has evidently resonated at the highest levels of the Chinese leadership. Trying to counter growing worries, President Xi Jinping argued during a speech at the APEC CEO Summit in November 2023 that China remained the "best investment destination", adding that "the 'next China' is still China".[3] Within this framework, Chinese narrative strategy has entailed emphasizing the country's strengths while highlighting the weaknesses of its potential competitors, starting with India.

> The discourse around China's economic challenges and the search for alternative investment destinations has grown.

India as a Competitor

In this context, there has been a particular focus on India. Chinese scholars and analysts tend to discuss India's economic potential with a unique blend of condescension and competition. Their arguments against India's rise as an alternative investment destination for Western firms seeking to diversify supply chains and as a market that can rival the Chinese consumer market can be distilled into five broad themes:

- Challenges related to policy, regulatory and business environments in India;
- Infrastructure weakness and inadequate supply chain development;

[1] *"Chongyang Institute for Financial Studies Think Tank Report: the Logic of this Wave of Bad-Mouthing Theory Is Very 'Fine', so that Even Those Who Are Interested in Defending China Are Also in Trouble [人大重阳智库报告: 这波唱衰论逻辑很'精细', 让有心为中国辩护者也犯了难]," Guancha, January 19, 2024, https://baijiahao.baidu.com/s?id=1788475076640185513.*

[2] *"Foreign direct investment into China slumps to worst in 30 years", Bloomberg, February 18, 2024, https://economictimes.indiatimes.com/news/international/business/foreign-direct-investment-into-china-slumps-to-worst-in-30-years/articleshow/107800058.cms.*

[3] *"Full Text of President Xi Jinping's Written Speech at APEC CEO Summit," CGTN, November 17, 2023, https://news.cgtn.com/news/2023-11-17/Full-text-of-President-Xi-Jinping-s-written-speech-at-APEC-CEO-Summit-1oNsRTzXooo/index.html.*

- Treatment of foreign enterprises, particularly Chinese enterprises, in India;
- Limitations of India's industrial policy strategy;
- Labor force, socio-political and cultural factors.

Before elaborating on these arguments, it is worth noting that the discourse around India is rather different than the one regarding Southeast Asian countries or Mexico. All of these have witnessed significant increases in FDI in recent years, amid intensified Sino-US competition. For instance, FDI into India has steadily expanded over the past five years, hitting a record $85 billion in the financial year 2021-22, before easing to $71 billion in 2022-23.[4] ASEAN, meanwhile, has seen a spike in inflows, with FDI hitting a record $224 billion in 2022,[5] therefore outpacing those into China for two consecutive years. Likewise, Mexico has seen a surge in FDI, with 2023 inflows reaching $36 billion, up 27% from a year earlier,[6] while the United States was the biggest source of this investment by contributing to 38% of Mexico's total FDI.

Mexico's case deserves this further narrow-down focus given that its trade with the United States has rapidly expanded over the past five years, the country having replaced China as the top source of American goods imports.[7] Chinese writings do point to the country's "weak infrastructure" and limited manufacturing scale compared to China, along with a dependence on Chinese suppliers.[8] However, the criticism of projecting Mexico as a potential competitor to China tends to be reserved for the United States. In other words, the binary choice between Made in China and Made in Mexico is discussed as a false proposition pushed forward by the United States, rather than an ambition that Mexican leaders are pursuing. In fact, Chinese media tend to be quite frank about American near-shoring policies being the primary driver for Chinese firms to invest in Mexico.[9] Therefore, the key differentiator in Chinese critical discourse around Mexico, compared to India, appears to be the nature of the bilateral relationship and perceptions of geopolitical competition.

> The Indian government is looking to leverage current geopolitical tensions related to China's centrality to key industrial and supply chains.

For instance, Liu Zongyi, from the Shanghai Institutes for International Studies, argues that the **Indian government is looking to leverage current geopolitical tensions related to China's centrality to key industrial and supply chains**, prompting the United States and its allies to pursue policies of localisation, near-shoring and friend-shoring, **in order to build on the "limited success" of its Made in India strategy as an "alternative to China".[10]** Such characterisation belies zero-sum thinking, which is attributed to the Indian government. Likewise, Lou Chunhao, a scholar

[4] *"2023 Year End Review for Department for Promotion of Industry and Internal Trade," Ministry of Commerce and Industry of India, December 26, 2023, https://pib.gov.in/PressReleasePage.aspx?PRID=1990377.*

[5] *"A Special ASEAN Investment Report 2023: International Investment Trends: Key Issues and Policy Options," ASEAN Secretariat and the United Nations Conference on Trade and Development, December 2023, https://asean.org/book/asean-investment-report-2023/.*

[6] *Soledad Quartucci, "Mexico Achieves Record Foreign Direct Investment," Latina Republic, February 15, 2024. https://latinarepublic.com/2024/02/15/mexico-achieves-record-foreign-direct-investment/.*

[7] *Ana Swanson and Simon Romero, "For First Time in Two Decades, U.S. Buys More from Mexico Than China," The New York Times, February 7, 2024. https://www.nytimes.com/2024/02/07/business/economy/united-states-china-mexico-trade.html.*

[8] *"U.S. Companies Favor 'Nearshore Outsourcing', Will Mexican Manufacturing Replace China? [美国企业青睐'近岸外包', 墨西哥制造会取代中国吗?]," Guancha, January 5, 2023, https://www.guancha.cn/economy/2023_01_05_674351_s.shtml.*

[9] *"GT Voice: Will US Intervention Obstruct China's Investment in Mexico?," Global Times, December 18, 2023, https://www.globaltimes.cn/page/202312/1303870.shtml.*

[10] *"India-Taiwan Economic and Trade Relations – Seemingly Rapidly Developing, but with Multiple Obstacles [印台经贸关系——看似发展迅速, 实则阻碍多重]," Fastbull, September 23, 2023, https://www.fastbull.com/cn/news-detail/549635_1.*

from the China Institutes of Contemporary International Relations' Institute of South Asian Studies, argues that "Indian officials have repeatedly claimed that they wish to build India into an 'alternative global manufacturing destination' (*全球制造业替代目的地*), attempting to replace 'Made in China' with 'Made in India'".[11]

This logic – that India is fundamentally seeking to take advantage of the West's anxieties around China's dominance in key supply chains to present itself as an alternative – is also reflected in the writings of Lou's colleague Hu Shisheng, the Director of the Institute of South Asian Studies. Criticizing India's import substitution policy, he argues that the "Modi government increasingly believes that Indian manufacturing will rise only when the country eliminates the presence of China in its own industries".[12] Then, rather candidly, Hu calls on the Chinese leadership to "improve its policy on industrial chain transfers [to India in particular] so as to avoid contributing to India's development at the cost of China's development".[13]

China, a Demanding Investor and a Critic

For most Chinese analysts, the Indian government appears to be leveraging a favorable geopolitical environment, particularly by taking advantage of the de-risking objectives of the United States and its allies, in order to attract manufacturing investments. They, however, also believe that this effort by New Delhi has yielded limited dividends. Their primary criticism of India's potential as a manufacturing competitor to China revolves around the challenges of India's policy and regulatory environment.

Mao Kexue a researcher from the International Cooperation Centre of the National Development and Reform Commission, argues that "since the Modi government came to power in 2014, although India's business environment ranking in the World Bank has rocketed from 142 in 2015 to 63 in 2020, **facts indicate that the business environment for foreign companies in India has not undergone substantial improvement".** He argues that persistent "regulatory hurdles, high tariff barriers, administrative complexities, and corruption" have forced several foreign firms to "flee India".[14]

Song Zhihui, from the School of International Relations at Sichuan University, echoes Mao. He cites the World Bank's 2020 Doing Business report to argue that India remains "one of the most difficult countries in the world to do business".[15] Song's argument hinges on taxation policies and "complex legal procedures" (*复杂的法律手续*) and regulatory hurdles, such as required approvals and the time taken to register a company. He also points to the threat of arbitrary law-enforcement actions, particularly targeting foreign firms. "India's Companies Act consists of nearly 30 chapters and 500 sections, with almost every section accompanied by penalties, imprisonment, or other legal consequences for violations. Indian enforcement agencies typically do not proactively notify companies to rectify non-compliant behavior", Song writes.

Such **criticism is often expressed within a grudging acknowledgement of the recent improvements and policy rectifications**. However, these tend to be deemed insufficient. For instance, both Mao and Song point to foreign firms facing tax disputes in India. Mao, in particular, discusses retrospective

[11] "Lou Chunhao: Can 'Made in India' Replace 'Made in China'? [楼春豪: '印度制造'能取代'中国制造'吗?]," Cfisnet, January 3, 2024, http://comment.cfisnet.com/2024/0103/1329248.html.

[12] Hu Shisheng, "India Moving to Find Substitutes for China [印度对华产业替代的政策实践与底层逻辑]," January 8, 2024, https://cn.chinausfocus.com/finance-economy/20240108/43096.html#eng.

[13] Ibid.

[14] "Mao Kexue: India's Old Cut Foreign Capital 'Leek', the Injury Can be more than Chinese Companies [毛克疾: 印度老割外资'韭菜', 受伤的可不止中企]," Cfisnet, July 27, 2023, http://comment.cfisnet.com/2023/0727/1328341.html.

[15] "Song Zhihui: Xiaomi's Plight and 'Make in India' Ambitions [宋志辉: 小米的境遇与'印度制造'的雄心]," Cfisnet, June 19, 2023, http://comment.cfisnet.com/2023/0619/1328100.html.

taxation cases with regard to the telecommunication company Vodafone and Capricorn Energy, a British oil and gas exploration and development corporation. While he acknowledges that the firms eventually won the legal challenge on tax demands, Mao concludes that these cases are evidence that legislative and administrative departments in India can "collude" (串通) on issues of taxation, and potentially other matters relating to foreign firms. What these Chinese judgments do not seem to appreciate is that India's rule of law resulted in these firms successfully challenging the government's decisions and receiving financial restitution.

> Legislative and administrative departments in India can "collude" (串通) on issues of taxation, and potentially other matters, related to foreign firms.

Foreign Direct Investments and Industrial Policy: Chinese Arguments versus Indian Figures

Several Chinese analysts' writings discuss the Indian government's suspicion of and society's discomfort with foreign enterprises. Liu Zongyi writes that despite the Narendra Modi-led government's openness to foreign capital and technology, "there is a pervasive 'unease' that foreign enterprises profiting from the Indian market might 'squeeze the space for the development of domestic industries'" (*对外企在印度市场盈利又充满'恐挤压本土产业发展空间'的'不安'*).[16]

Consequently, he adds that "when a particular industry sees some development with the support of foreign capital, foreign enterprises often face unwarranted punitive measures." Such **arguments signaling obstacles to investment do not entirely match with India's official data, which reveal an expanding FDI flow in the country**, along with the government's desire to project this as a policy success.[17] For instance, official Indian data show that FDI inflow in 2014-23 was estimated at $596 billion, double the amount of the 2005-14 period.[18]

> "There is a pervasive 'unease' that foreign enterprises profiting from the Indian market might 'squeeze the space for the development of domestic industries'".

Relativizing this data, Lou Chunhao contends that data from 2022-23 show much of the FDI inflow into India "went towards the service industry and computer hardware and software", with a very small percentage going into hardware. He concludes that the "influx of foreign investment is more geared towards quick profits rather than industrial investment into India".[19] Others like Wang Haixia, from the South Asia Institute of the China Institutes of Contemporary International Relations, argue that **even in sectors specifically supported by India's Production Linked Incentive (PLI) schemes, which seek to attract foreign capital to boost manufacturing across 14 sectors,[20] foreign investment is likely**

[16] *"India-Taiwan Economic and Trade Relations – Seemingly Rapidly Developing, but with Multiple Obstacles [印台经贸关系——看似发展迅速, 实则阻碍多重]," Fastbull, September 23, 2023, https://www.fastbull.com/cn/news-detail/549635_1.*

[17] *"India Emerging as Preferred Destination for Foreign Investments: Govt," Business Standard, June 26, 2022, https://www.business-standard.com/article/economy-policy/india-emerging-as-preferred-destination-for-foreign-investments-govt-122062600035_1.html.*

[18] *"2023 Year End Review for Department for Promotion of Industry and Internal Trade," PIB Delhi, December 26, 2023, https://pib.gov.in/PressReleasePage.aspx?PRID=1990377.*

[19] *"Lou Chunhao: Can 'Made in India' Replace 'Made in China'? [楼春豪: '印度制造'能取代'中国制造'吗?]," Cfisnet, January 3, 2024, http://comment.cfisnet.com/2024/0103/1329248.html.*

[20] *India's Ministry of Commerce and Industry, "Production Linked Incentive Schemes for 14 Key Sectors Aim to Enhance India's Manufacturing Capabilities and Exports", PIB, August 2, 2023, https://pib.gov.in/PressReleasePage.aspx?PRID=1945155.*

to be stymied because of funding limitations and infrastructure gaps such as "stability in water and power supply, as well as efficient logistics".[21]

With regard to labor-intensive industries, Chinese analysts argue that these too require appropriate levels of energy supply, skilled labor, and an enabling legal environment, which India currently lacks.[22] For instance, Lou points to India's human development indices and investments in education, healthcare and training to contend that the country "still faces significant deficiencies in the development and utilization of human resources", which challenges arguments of a sustained growth and the fruits of the touted demographic dividend.[23] **Both Lou and Song Zhihui highlight cultural and religious frictions in India as a deterrent for investors**.

Meanwhile, discussing India's ambition to become a semiconductor manufacturing hub, Wang highlights the need to develop a "complete industry chain" of upstream and downstream industries. He contends that the Indian government's PLI scheme does not take into account the financing requirements for such an ecosystem. Liu Zongyi concurs with this assessment but, he adds, **India's growing emphasis on deepening ties with Taiwan demonstrates the objective "to have foreign investors establish a complete industrial chain"** in line with India's semiconductor ambitions.[24] Wang's argument is deeply flawed, as India's shift from being a net importer of mobile phones to a net exporter demonstrates. Although this has been achieved through increased component imports and assembly activity in India – as opposed to local value addition – achieving scale is a critical first step to attract upstream and downstream industries.

Targeting of Chinese Companies

In this context, most Chinese writings are sharply critical of the Indian government's approach to Chinese enterprises and investments, seeing it as slowing down India's manufacturing potential. **Rather than the general treatment of and openness to foreign investments and enterprises, the treatment of Chinese enterprises in India is the primary grouse of the Chinese commentariat**.

> Most Chinese writings are sharply critical of the Indian government's approach to Chinese enterprises and investments, seeing it as slowing down India's manufacturing potential.

For instance, Hu Shisheng argues that India is pursuing a policy of "industrial substitution with respect to China" (*对华产业替代*).[25] He views the PLI schemes as "designed to reduce dependency on Chinese industries and accelerate the Make in India campaign". This effort, he argues, is undertaken because the "security logic has superseded the market logic. Since the Galwan crisis, all bilateral issues have been turned into matters of security at will. This has changed the mode of China-India industrial interaction from

[21] *"Wang Haixia: India's 'ambition' [王海霞: 印度的'雄心'']," Cfisnet, April 12, 2023, http://comment.cfisnet.com/2023/0412/1327665.html.*

[22] *"Liu Zongyi was Interviewed by the Global Times on why India Cannot Undertake the Transfer of China's Labor-Intensive Industries [刘宗义接受环球时报采访, 谈印度为何无法承接中国劳动密集型产业转移]," Shanghai Institutes for International Studies, March 3, 2023, https://www.siis.org.cn/sp/14680.jhtml.*

[23] *"Lou Chunhao: to Understand the Indian Economy, we Need to Break Down the 'Three Theories' [楼春豪: 认识印度经济需要破'三论']," Cfisnet, December 27, 2023, http://comment.cfisnet.com/2023/1227/1329212.html.*

[24] *"India-Taiwan Economic and Trade Relations – Seemingly Rapidly Developing, but with Multiple Obstacles [印台经贸关系——看似发展迅速, 实则阻碍多重]," Fastbull, September 23, 2023, https://www.fastbull.com/cn/news-detail/549635_1.*

[25] *Hu Shisheng, "India Moving to Find Substitutes for China [印度对华产业替代的政策实践与底层逻辑]," January 8, 2024, https://cn.chinausfocus.com/finance-economy/20240108/43096.html#eng.*

being mutually complementary to India 'crossing the river by touching China'" (*踩着中国过河*). Hu describes India's approach in this regard as being characterized by "tightened visa rules, tax probes, investment restrictions, tariff adjustments and subsidies" targeting Chinese entities. Meanwhile, **Mao argues that there exists a category called "enemy" companies ("*敌国*" *企业*) within Indian thinking about foreign firms. The implication is that Chinese enterprises today fall within this category**.

From Hu's perspective, India's policies have achieved "remarkable results in smartphones, pharmaceuticals and new-energy vehicles". However, he, along with others such as Lou and Mao,[26] believe that **manufacturing in India still involves China**. The argument is not without some merit, as demonstrated by the case of Apple's Chinese suppliers being given permission to invest in India.[27] Even in sectors like pharmaceuticals, mobile phones and semiconductors, imports from China and investments from Chinese suppliers remain important. Indian policy too recognises this. Consequently, as with most other countries, **India is also pursuing a de-risking strategy vis-à-vis China, rather than decoupling**.[28]

On the whole, Chinese analysts tend to view the Indian economy primarily from the perspective of strategic competition with the United States and the worsening of bilateral ties with India. Their primary statement is that while the United States and other Western countries are working to prop up India as an alternative to China as the world's factory, India is unlikely to replicate or replace China's centrality in global supply chains. Moreover, the **general consensus appears to be that the promise of India is likely to remain a chimera, owing to structural issues**. Alas, this line of argument does not explain the causes for the anger and the growing frustration of Chinese enterprises currently losing market access to India and to its investment ecosystem.

[26] *"Mao Kexue: India's Old Cut Foreign Capital 'Leek', the Injury Can be more than Chinese Companies [毛克疾: 印度老割外资'韭菜', 受伤的可不止中企]," Cfisnet, July 27, 2023, http://comment.cfisnet.com/2023/0727/1328341.html.*

[27] *Saritha Rai and Sankalp Phartiyal, "Apple Gets a Boost in India as Chinese Suppliers Given Clearance," Bloomberg, January 18, 2023, https://www.bloomberg.com/news/articles/2023-01-18/apple-gets-boost-in-india-as-chinese-suppliers-luxshare-ningbo-given-clearance.*

[28] *Manoj Kewalramani, "India and China's Volatile New Status Quo," Fulcrum, February 7, 2024, https://fulcrum.sg/india-and-chinas-volatile-new-status-quo/.*

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China's Undeclared Competition with India in Regional and Global Institutions

India-China bilateral relations are at their most difficult point in decades. China violated a host of bilateral treaties when it conducted a series of incursions across the Eastern section of the disputed India-China boundary in the summer of 2020. In one particular clash, 20 Indian soldiers and at least four Chinese soldiers were killed.

And yet, **China will not admit that it is in competition with India**.

Such an admission would fly in the face of the narrative that the Chinese Communist Party (CCP) has been building up in recent years, one where China is on its way to becoming a global superpower and that it is only the United States that stands in the way. **Admitting to serious bilateral tensions with India would raise questions about whether China was ready to face the United States if it could not even deal successfully with India**. Chinese scholars have, thus, consistently refused to accord much importance to the events of 2020 – even if those resulted in the first Chinese deaths in combat since the end of the conflict with Vietnam just over three decades ago.

Looking closely at both Chinese analyses and actions in recent years, however, there is evidence that China is indeed competing with India especially in regional and global institutions.

A prominent recent case in point was Xi Jinping absenting himself from the 18th G20 Leaders' Summit hosted by India in September last year. Apart from larger geopolitical considerations, Xi and his advisors also understood that the summit hosted by the Indian Prime Minister was not one where the Chinese leader could set the agenda or corner attention. The Indian government's increasingly sophisticated media management would have ensured that all eyes were on Prime Minister Narendra Modi and those he chose to engage with. Given India-China tensions, Xi would have been sidelined as simply one leader among many.

Consider also China's objection to the insertion of the Sanskrit expression *vasudaiva kudambakam* – officially translated as "one earth, one family, one future" but more accurately as "the world is one family" – in G20 documents. The meanings or implications of this phrase are less the issue than the fact that it also reminds the world of India's own long history and civilizational heritage, making India-China comparisons inevitable. **From Beijing's perspective, such comparisons would imply a relative lowering of China's status to that of India and undermine efforts to elevate itself to the level of the United States**.

Competition is also evident from the various threads in Chinese narratives about India's policies and interests *vis-à-vis* regional and international institutions.

India's Difficulties

While there is some acknowledgement, even if sometimes obliquely, of India's successes in multilateral groupings and institutions, overall, there is a consistent underplaying of the successes or sustainability of India's initiatives. Prominent Chinese scholar Jin Canrong of Renmin University in Beijing notes India's ability to resist Western pressure and hammer out a joint statement on the very first day of the G20 summit despite internal differences on the Russia-Ukraine conflict, besides bringing in the African Union as a member, and helping achieve some consensus on climate change issues. At the same time, he also suggested that there were "no concrete achievements" (*没有具体的成绩*) in the ministerial meetings.[1]

Other analyses tended to focus on India's building a narrative of successful participation in regional organizations and groupings. For instance, the analyst Lan Jianxue, Director and Associate Research Fellow of the Asia-Pacific Institute of the China Institute of International Studies, suggests that India has used the I2U2 mechanism, a grouping of India, Israel, the United Arab Emirates, and the United States, to "flaunt" (*炫耀*) its "unique position and role" (*独特地位和作用*) in the "US regional circle of friends" (*美国区域朋友圈*), and to try to sell itself as a leader of the Global South.[2] It is pointed out, however, that the I2U2 mechanism faces challenges because of differences between India and the United States on Iran and Russia, and between the United States and India on one hand, and Israel and the United Arab Emirates on the other, the latter being more positively inclined towards China.[3] And there is now additional complication of the Israel-Hamas conflict.[4]

> Vague statements are made that the "internal coordination [of the I2U2 mechanism] is not high and that its mechanisms were not functioning well" (*内部协同程度不高, 机制流程尚不完善*).

Rather vague statements are also made that the "internal coordination [of the I2U2] is not high and that its mechanisms were not functioning well" (*内部协同程度不高, 机制流程尚不完善*), statements proffered without further explanation.[5] India's relationship with the BRICS mechanism is similarly portrayed as being constrained by India's ties with the United States,[6] while its outreach efforts to the Pacific islands are seen as having stalled because of "difficulties in honoring its aid commitments" (*难以兑现援助承诺*).[7] **India's activism is seen as the result of an "anxiety to get rid of" (*急于摆脱*) its image as a poor and backward developing country** and to instead promote itself as a leading global power.[8] Implicit in these words is the

[1] "Jin Canrong, "The G20 Summit Revealed that India Should be the Leader of the Global South [G20峰会看出来,印度要做全球南方国家的领袖]," Guancha, September 13, 2023, https://www.guancha.cn/JinCanRong/2023_09_13_708383.shtml.

[2] Lan Jianxue, "India's calculations behind the 'US-India-Israel-UAE Quadrilateral Mechanism' ['美印以阿四方机制'背后的印度盘算]," China Institute of International Studies, April 6, 2023, https://www.ciis.org.cn/yjcg/sspl/202304/t20230418_8930.html.

[3] Ibid.

[4] Zhou Bo, "Striving to be a Leader in the Global South? China Doesn't Want to Be, India Can't [争当全球南方领导者？中国不想当, 印度当不了]," Guancha, February 6, 2024, https://www.guancha.cn/ZhouBo3/2024_02_06_724637_s.shtml.

[5] Lan Jianxue, "India's Calculations Behind the 'US-India-Israel-UAE Quadrilateral Mechanism' ['美印以阿四方机制'背后的印度盘算]," China Institute of International Studies, April 6, 2023, https://www.ciis.org.cn/yjcg/sspl/202304/t20230418_8930.html.

[6] Wang Shida and Xu Qin, "The Motivation, Resistance and Prospects of India's Participation in the BRICS Cooperation Mechanism [印度参与金砖国家合作机制的动力、阻力及前景]," Contemporary International Relations, September 2023, https://chn.oversea.cnki.net/kcms/detail/detail.aspx?dbcode=CJFD&filename=XDGG202309002&dbname=CJFDLAST2023.

[7] Zhao Shaofeng and Cheng Zhenyu, "India Restarts Summit Cooperation Mechanism with Pacific Island Countries [印度重启与太平洋岛国峰会合作机制]," International Cooperation Centre, September 9, 2023, https://www.icc.org.cn/trends/mediareports/1936.html.

[8] Lan Jianxue, "India's calculations behind the 'US-India-Israel-UAE Quadrilateral Mechanism' ['美印以阿四方机制'背后的印度盘算]," China Institute of International Studies, April 6, 2023, https://www.ciis.org.cn/yjcg/sspl/202304/t20230418_8930.html.

notion that India is somehow far from being apt or ready to play the role of a leader of the Global South. One might read in this a reference also to the Chinese claim of having eliminated absolute poverty in 2021 and thus, implying that it is more qualified to be a role model for the Global South.

> India's activism is seen as the result of an "anxiety to shake off" (*急于摆脱*) its image as a poor and backward developing country.

Chinese concerns about India's increasing weight in the Global South as a result of the successful hosting of the G20 leaders' summit last year are evident more explicitly in other commentary. For instance, retired People's Liberation Army Analyst Senior Colonel Zhou Bo, modestly claims "China has no intention of becoming the leader of the Global South" (*中国无意成为全球南方的领导者*) while declaring confidently that "India is not likely to become a leader even if it wanted to" (*印度即便想成为领导者，也不太可能*). He goes on to add without any trace of irony that "many see the Modi government as authoritarian and repressive" (*许多人认为，莫迪政府是专制压迫的*).[9] Liu Zongyi of the Shanghai Institutes for International Studies (SIIS), meanwhile, is dismissive of India's attempts to promote the reform of global institutions describing it as its "so-called 'reformed multilateralism' (*所谓的'改革的多边主义'*").[10]

India as a Proxy for the United States

Another thread in Chinese commentaries about India's increased penchant for activism through regional and global groupings is the view that this is merely a case of India acting as "an important partner [for the United States] in the containment of China" (*为遏制和围堵中国的重要合作伙伴*).[11] **There is an unwillingness to accord India any agency or capacity**. Liu Zongyi, therefore, viewed the G20 leaders' summit in New Delhi as an occasion for the United States to disrupt the economic agenda of the body. But Liu's real objective appears to be to highlight US-China competition when he says that the "United States increasingly regarded China as a strategic rival" (*美国日益将中国视为战略对手*).[12]

Zhou Bo suggests that while it could be argued that India attempted to use its G20 presidency to build a bridge between the Global South and Global North, he wonders why the Global South needed India as a bridge at all and suggests that in practice "the only thing that resembles a bridge" (*唯一有点像桥的*) is the India-Middle East-Europe Economic Corridor, which is a "US-led project" (*美国主导的项目*).[13] An article by Xu Qin, a researcher at the China Institutes of Contemporary International Relations (CICIR) in Beijing, more explicitly criticises India for trying to promote the American agenda even though it represented the Global South saying that despite New Delhi's "grand schemes" (*大布局*) at the G20, it also exhibited "small-mindedness"(*小心思*).[14] Liu Zongyi, meanwhile, views India's participation in multilateral groupings such as the

[9] *Zhou Bo, "Striving to be a Leader in the Global South? China Doesn't Want to Be, India Can't [争当全球南方领导者？中国不想当，印度当不了]," Guancha, February 6, 2024, https://www.guancha.cn/ZhouBo3/2024_02_06_724637_s.shtml.*

[10] *"Liu Zongyi talks to China News Service about the difficulties of India hosting the G20 Summit [刘宗义接受中通社采访，谈印度举办G20峰会的难点]," July 3, 2023, Shanghai Institutes for International Studies, https://www.siis.org.cn/sp/14659.jhtml.*

[11] *Ibid.*

[12] *Ibid; A significant part of Jin Canrong's interview, previously quoted, on the G20 summit in India is similarly devoted to discussing US-China competition even if he does not imply India plays second fiddle to the US.*

[13] *Zhou Bo, "Striving to be a Leader in the Global South? China Doesn't Want to Be, India Can't [争当全球南方领导者？中国不想当，印度当不了]," Guancha, February 6, 2024, https://www.guancha.cn/ZhouBo3/2024_02_06_724637_s.shtml.*

[14] *Xu Qin, "India's 'Grand Schemes' and 'Small Thinking' [印度的'大布局'与'小心思']," Cfisnet.com, September 13, http://comment.cfisnet.com/2023/0913/1328599.html.*

Quadrilateral Security Dialogue (or Quad) as an example of New Delhi "already being a member of the US-allied camp" (*已经是美国及其盟友阵营的一员*).[15] Lan Jianxue, for his part, headlines the I2U2 as a "US-India+ model" (*美印+ 模式*) but describes it as a "US-led 'UAE capital + Israeli technology + India cheap labor' combination" aimed at preventing other extraterritorial powers from undermining American interests.[16]

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The senior Chinese analyst Ma Jiali aims to prove this contention from a slightly different angle, going into the details of what he perceives as the special relationship between India and the United States – the diplomatic honours accorded to Modi and the transfer of American arms and cutting-edge technologies to India. He claims that there are "obvious implications for neighboring countries that cannot be ignored" (*对周边国家显然具有不可忽视的影响*) without exactly spelling them out.[17] Specifically with reference to the Indo-Pacific and the Quad, Ma believes that the **United States "has spared no effort and expended a great deal of capital" (*不惜下大力气, 花大本钱*)** on India, including in the form of preferential treatments and concessions not available even to long-time American allies.[18] With one stone, therefore, he attempts to kill two birds – he tries to undermine both the idea of India as an autonomous actor and to drive wedges in the US alliance system.

For India, hosting the G20 summit was something of a coming-of-age event where it attempted to position itself smoothly among three poles: the developed West, the developing Global South, and the anti-West global politics of Russia and China. Chinese commentaries, however, suggest a belief that India has taken a position that is increasingly aligned with the West and against China.

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Using India's Efforts to Promote Chinese Talking Points and Interests

A third thread evident in Chinese narratives is the attempt to portray Indian efforts in such a manner as they signal to or hint at China's own activities and interests.

Note, for example, Lan Jianxue's highlight of the **Indian media's description of the Quad and the I2U2 mechanisms as India's "east and west wings" (*东西两翼*)** that would help Modi and his ruling Bharatiya Janata Party government "rush towards" (*奔向*) its goal to become a "global leading power" (*全球领导*

[15] *"Liu Zongyi Talks to China News Service About the Difficulties of India Hosting the G20 Summit [刘宗义接受中通社采访, 谈印度举办G20峰会的难点]," July 3, 2023, Shanghai Institutes for International Studies, https://www.siis.org.cn/sp/14659.jhtml.*

[16] *Lan Jianxue, "India's calculations behind the 'US-India-Israel-UAE Quadrilateral Mechanism' ['美印以阿四方机制'背后的印度盘算]," China Institute of International Studies, April 6, 2023, https://www.ciis.org.cn/yjcg/sspl/202304/t20230418_8930.html.*

[17] *Another India specialist, Lin Minwang, takes this a step further by explicitly stating that India seeks to preserve South Asia and the Indian Ocean as its sphere of influence. Lin Minwang, "What Does the Rise in Anti-India Sentiment in the Neighborhood Tell Us? [周边反印情绪高涨说明了什么?]," Global Times, February 1, 2024 https://opinion.huanqiu.com/article/4GP4APd5TJR. Similarly, another scholar suggests that India attempts to exercise its own Monroe doctrine with respect to the Maldives. Zhu Fangfang, "India's 'Regional Monroe Doctrine' Will Surely Not Work [印度'地区门罗主义'必然行不通]," Global Times, February 6, 2024, https://opinion.huanqiu.com/article/4GTGvEAb5kL.*

[18] *Ma Jiali, "Implications of Modi's State Visit to US [莫迪访美与印美关系的走向]," China-US Focus, June 29, 2023, https://cn.chinausfocus.com/foreign-policy/20230629/42886.html#.*

型大国).[19] This portrayal also draws attention to both Xi Jinping himself and his flagship Belt and Road Initiative, including its own two prongs of the Silk Road Economic Belt and the Maritime Silk Road.

In pieces such as Li Hongmei's, also from the SIIS, on India's reforms of its intelligence apparatus written in the context of a 2023 summit of intelligence agencies hosted by India,[20] or another by a couple of scholars writing for a State Council think-tank on India's foreign policy towards the Pacific islands,[21] it is worth noting how the emphases of **what India is doing, and why it is doing it, tend to mirror Chinese priorities or practices and thinking**. Li's article considers, for instance, India's "intelligence ambitions" (*情报雄心*) – its "two-legged" (*两条腿*) approach to internal reform and external partnership – which has for long also been a Chinese template. For another, the article is focused on Prime Minister Modi, the individual, rather than the system as the driver of the process, mirroring the CCP's emphasis on Xi as the driver of all that is good and necessary in the Chinese system, including in the security domain.

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It is, therefore, not surprising that two reasons why Liu Zongyi thinks India was looking for a successful G20 summit – to highlight its status as a global great power globally and to establish leadership in the developing world –[22] could also easily be counted as reasons for China, too, to host multilateral events. Like India in 2023, China had also pulled out all the stops when it hosted the G20 summit at Hangzhou in 2016.

Promoting India as a Player in its Own Right

At the same time, Chinese scholars also highlight differences between the United States and India in terms of worldviews and global ambitions – the desire for world dominance for the Americans contrasts with the Indians who seek multipolarity.[23] This could be described as a fourth thread in Chinese narratives of its competition with India. One article on Indian foreign policy in Africa, for example, suggests that the effort is for New Delhi to enhance its "right to speak" (*发言权*) in the Quad and its "strategic self-confidence" (*战略自信*).[24]

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The prominence Chinese commentaries give to differences between India and the United States at the regional and global levels, as well as the attention

[19] *Lan Jianxue, "India's Calculations behind the 'US-India-Israel-UAE Quadrilateral Mechanism' ['美印以阿四方机制'背后的印度盘算]," China Institute of International Studies, April 6, 2023, https://www.ciis.org.cn/yjcg/sspl/202304/t20230418_8930.html.*

[20] *Li Hongmei, "Raisina Security Dialogue Highlights Modi's 'Intelligence Ambitions' [瑞辛纳安全对话彰显莫迪的'情报雄心']," December 3, 2023, http://www.china.com.cn/opinion2020/2023-03/12/content_85162185.shtml.*

[21] *Zhao Shaofeng and Cheng Zhenyu, "India Restarts Summit Cooperation Mechanism with Pacific Island Countries [印度重启与太平洋岛国峰会合作机制]," International Cooperation Centre, September 9, 2023, https://www.icc.org.cn/trends/mediareports/1936.html.*

[22] *"Liu Zongyi talks to China News Service about the difficulties of India hosting the G20 Summit [刘宗义接受中通社采访, 谈印度举办G20峰会的难点]," July 3, 2023, Shanghai Institutes for International Studies, https://www.siis.org.cn/sp/14659.jhtml.*

[23] *Ma Jiali, "Implications of Modi's State Visit to US [莫迪访美与印美关系的走向]," China-US Focus, June 29, 2023, https://cn.chinausfocus.com/foreign-policy/20230629/42886.html#.*

[24] *Xu Guoqing, "India's Modi Government's Africa Policy within the Framework of the Indo-Pacific Strategy [印太战略框架下印度莫迪政府的非洲政策]," Aisixiang, September 21, 2023, https://www.aisixiang.com/data/146214.html.*

given to India in itself, has at least two reasons. One, even as it fits the CCP's worldview to portray the world as sharply divided between those who support the United States and those who support China. China's current gap in capabilities with the United States means that it cannot yet afford to make adversaries of everyone that does not subscribe to its interests. Plus, India is a neighbour of considerable political and economic heft – a structural reality of international politics that cannot be easily ignored.

The other reason is the flip side of the above CCP ideological worldview, which is the belief that the Chinese model of politics and development is the best there is and that the Chinese Party-state has the capacity to win over others to its side. To this end, it becomes **important to study India and to note any redeeming features** – without suggesting India enjoys equality of status with China – **that will justify continued engagement or can be used to drive divisions between India and the United States**.

Conclusion

That India should increasingly align its interests with those of the United States and the West is not surprising given the events of 2020 on the disputed boundary with China, and Chinese attempts to undercut Indian influence in South Asia. But **there is also nothing in the CCP's playbook that allows for acknowledging India's reasons for taking offence at or countering China**. At the same time, structural realities dictate that China cannot completely ignore India and its actions especially when they challenge directly or indirectly both China's immediate interests and its narrative of itself as the preeminent challenger to the United States. And **New Delhi's increased diplomatic activism of the past decade** – both participating in existing regional and global groupings, and setting up new ones – **poses precisely such challenges**. China's undeclared competition with India in these forums can also, therefore, be expected to increase.

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China Trends is a quarterly publication by Institut Montaigne's Asia Program which is composed of **Joseph Dellatte**, Research Fellow for Climate, Energy and Environment; **Mathieu Duchâtel**, Director of International Studies; **François Godement**, Special Advisor and Resident Senior Fellow - Asia and United States; **Claire Lemoine**, Project Manager and **Pierre Pinhas**, Project Officer & Editor of China Trends.