

THEORISING THE POST COLD WAR SINO-INDIAN RELATIONS

Dissertation submitted to Jawaharlal Nehru University

in partial fulfillment of the requirements

for the award of the degree of

MASTER OF PHILOSOPHY

CUTHBERT TONGSIN ANAL



DIPLOMACY AND DISARMAMENT

CENTRE FOR INTERNATIONAL POLITICS, ORGANIZATION

AND DISARMAMENT

SCHOOL OF INTERNATIONAL STUDIES

JAWAHARLAL NEHRU UNIVERSITY

NEW DELHI-110067

2011



Date 25 July 2011

DECLARATION

I declare that the dissertation entitled "Theorising the Post Cold War Sino-Indian Relations" submitted by me for the award of the degree of **Master of Philosophy** of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other university.

Cuthbert Tongsin Anal

CERTIFICATE

We recommend that this dissertation be placed before the examiners for evaluation

Prof. Swaran Singh

Chairperson, CIPOD

Chairperson
Centre for International Politics,
Old Delhi Road, New Delhi - 110067
School of International Studies
J.N.U., New Delhi

Dr. Happymon Jacob

Supervisor

Acknowledgement

I am very grateful to Miss Kuvili Zhimomi who constantly supported and encouraged me throughout the duration of this dissertation. She spent countless hours of her time helping me locate books and articles in the library and never tired of reading my numerous drafts and helping me with essential feedback. I am also very thankful to my guide Dr. Happymon Jacob who displayed great patience with me and gave me meticulous feedbacks. I would also like to thank my parents Mr. Crownsing and Mrs. Khidang, for constantly encouraging me throughout my life. This dissertation is dedicated to all of them.

Contents

Chapter 1: Introduction	2
Chapter 2: Theoretical approach	7
Chapter 3: Historical Background	34
Chapter 4: Analyzing Sino-Indian Relations from Liberal and Realist Perspectives	52
Chapter 5: Conclusion	73
Bibliography:	80

Chapter One: Introduction.

Liberalism and realism are the two dominant theories in international relations and help us understand how international relations function. Both theories have different explanations and understanding of how states behave in international relations. While liberalism has a positive view of international relations, realism is more pessimistic in its outlook. Both theories have divergent views in their interpretation of concepts such as international anarchy, cooperation, state preference, security, war and peace etc. In this context the study will examine the Sino-Indian relations to understand how theoretical knowledge corresponds with state behaviour.

The aim of this study is to apply specific liberal and realist theories to analyse Sino-Indian relations to arrive at a conclusion on how theories explain in specific contextual bilateral situations. The Sino-Indian relations present an intriguing subject to analyse from liberal and realist perspectives. There are both elements of cooperation and competition in the bilateral relations. From a structural perspective, the end of the Cold War is an important marker to start with because the structure of international relations changed from a bipolar to a unipolar system. Like all states operating in international relations India and China have been both affected by changes in the system. For India the security guarantee and diplomacy shield provided by the USSR is gone, meanwhile the end of the Cold War has thrust China from being a strategic partner of the U.S to being a competitor and is being subjected to the blatant containing strategies of the U.S.

From a historical point of view India and China have ancient civilization roots and share similar experience of colonial oppression. Both countries are developing countries and have similar internal problems in terms of economic and security challenges. Both also have border issues over which a war was fought. In terms of population both countries are similar and both countries are nuclear power states with similar aspirations in international relations. Despite such similarities both countries have contrasting political systems—India is a democratic state while China is a communist state. Therefore, the study presents an interesting subject to analyse the realist claim that the internal make up of the state such as ideology, culture, regime types etc do not really matter while the liberal theories give importance to the internal make up of the state.

Scholars studying Sino-Indian relations are that Sino-Indian relations is characterised by ambiguity. On one hand, bilateral trade is robust with increasingly people to people contacts, meanwhile, mutual suspicions about the intentions of the other country remains. Both countries are embarked on ambitious military modernization programs which according to scholars have generated a security dilemma between India and China even if it is more an Indian initiative as China is relatively secure from India. But for India, China is “potential threat number one” and such view was articulated by important functionaries of the Indian government.

Scholars also point to the fact that the enduring entente between China and Pakistan and China’s growing footprint has become a source of concern and is interpreted by scholars as Beijing’s attempt to contain India’s rise. In reaction to this scholars also argue that India has attempted to establish better relations with Burma and other South East Asian Countries. Moreover, India’s growing ties with the U.S and Japan is interpreted as an attempt to balance against China’s growing economic and military muscle. Therefore, as we can see the Sino-Indian relations have many factors which make it a fertile ground to apply a theoretical approach to understanding the bilateral relations between the two countries. It is clear that how the Sino-Indian relation is managed will have a significant impact on Asian security.

Research Questions

The study aims to understand and explain Sino-Indian relations in the post Cold War period using the two well known theoretical schools in international relations— Liberalism and Realism. The proposed study will analyze the driving factors and motivations behind both countries behaviour vis-à-vis the other in the proposed period. Moreover, the proposed study will attempt to identify the most important factors which have shaped the foreign policy of both countries. The study seeks to explore how India and China behave in international relations and if their behaviour is best explained by liberal theories or liberal theories. In this context the main research questions can be formulated as follows:

- What is the realist interpretation of the Sino-Indian relations after the Cold War ended?
- What is the liberal interpretation of the Sino-Indian relations after the Cold War ended?

Current Research Situation

At the outset of the study, the paper will briefly summarise the current debates which surround Sino-Indian behaviour in the post Cold War period. Each theoretical school has ideas and explanations on the Sino-Indian relationship however any evaluation of Sino-Indian relation is dominated by either liberal or realist perspectives. While realists argue that the security issue has been the explaining variable, liberals argue that economic ties and institutional cooperation is increasingly playing a larger role in Sino-Indian relations.

Liberal Theory

The study will use two approaches within the liberal school namely—Economic interdependence and Institutional approaches to international relations. The economic interdependence theory argues that increased economic ties increase the value of peace in bilateral relations by raising the stakes in bilateral relations. As states are rational actors the mutual benefit accruing from bilateral trade is not lost on them. In the Sino-Indian case, scholars argue bilateral trade has been a very useful rapprochement mechanism in normalising Sino-Indian relation and is increasingly beginning to play an influencing role in the bilateral relations.

Liberals argue that institutions play an important role in international relations by providing a forum where states can interact, cooperate, settle disagreements, signal intentions etc and help in building trust among states. Commentators of Sino-Indian relations observe that India and China are also increasing mutual participation, interaction and cooperation in multilateral institutions; they argue that this have help in smoothening the overall bilateral relation.

Realist Theory

The study will use the security dilemma and the balance of power theory in analysing Sino-Indian relations. Realism argues that states are self-interested actors in international relations in which cooperation is a zero sum game. The concept of security dilemma is a very important concept in the realist paradigm in which state A attempt to feel safer by increasing its capabilities which evokes a similar reaction from state B and results in making state A insecure. Scholars have argued that the security dilemma is operative in the Sino-Indian relations even if it is greater on the Indian side.

The balance of power theory is a very popular concept in the realist paradigm. Realists argue that the balance of power theory is a very important tool in explaining state behaviour in international relations. Scholars have argued that India and China have engaged in balancing behaviour against the other in their diplomacy. Scholars recognise that this is more so in the Indian case as India's reaction to China's rise have in turn influence China's actions.

Structure of the Thesis

The study will test two hypotheses. The first hypothesis holds that "Institutions and improvement in economic ties have not resulted in diffusing the Sino-Indian tensions". The second hypothesis will argue that "India and China have resorted to balancing behaviour". The structure of the thesis is divided into five chapters. In chapter one (Introduction) a general introduction of the study and its aims is presented. In chapter two (Theoretical Framework) the study will discuss liberalism and realism in the study of international relations giving particular importance to the theories which will be used to analyse Sino-Indian relations in the post Cold War period. In chapter three (Historical Background) the study will give a general outline

of Sino-Indian relations starting from the Nehru period to the present day. In this chapter a general survey of the historical roots and problems which drive present day Sino-Indian relations will be presented. In chapter four (Analyzing Sino-Indian Relations from Liberal and Realist Perspectives) the study will test the two hypotheses. In this chapter Sino-Indian relations in the post Cold War period will be examined using the relevant theories to bring out the salience of liberalism and realism in the study of Sino-Indian relations. In chapter five (Conclusion) the findings of the study will be summarised and a general outlook of Sino-Indian relations will be presented.

Significance of the Study

India and China are rising in world affairs. Both countries are building their power capacity both in terms of latent power and military power. It is clear that China has a head start vis-à-vis India and is on the cusp of great power status. On the other hand India is slowly but surely rising above the South Asian security complex and is projected to become the Third biggest economy in the near future. Both countries are also modernizing and increasing their power projection capabilities. Although people-to-people interaction is increasing and a robust bilateral trade existent between the giant neighbours, lingering tensions and mistrust remains and is best represented by the present ambivalence in the bilateral relations. Since both countries are projected to become major powers regionally it will be important how both countries manage their relations which will have a great impact on the overall Asian security therefore an understanding of the nature of the Sino-Indian relations has great significance.

Research Methodology

The research undertaken is descriptive and inductive. The study will be based on primary sources and secondary sources, among which writings of theorists, contemporary history of security interactions and state rhetoric and actions would be important elements in analyzing the Sino-Indian relation. The primary sources will include interviews, governmental publications, policy dossiers etc while secondary sources will include books, news reports, reports, articles, journal, and internet data etc.

Chapter two: Theoretical Framework

Theories help us understand international relations in many ways by providing insights into how the international system works by proposing causal explanations, describing events and explaining trends and phenomena. It is commonly accepted that there is no single theory in international relations which provides a complete account of how the international systems works. Kenneth Waltz (2004:3) remarked that “A theory is an instrument used to explain “the real world” and perhaps to make some predictions about it”. James Dougherty and Robert Pfaltzgraff (1997:15) similarly define theory as a “systematic reflection on phenomena, designed to explain them and to show how they are related to each other in a meaningful, intelligent pattern, instead of being merely random items in an incoherent universe”. Likewise, Paul Viotti and Mark Kauppi (1999:3) define theory “as a way of making the world or some part of it more intelligible or better understood,” by going “beyond mere description of phenomenon observed and engaging in causal explanation or prediction based on certain prior occurrences or conditions”.

Central to theorizing in international relations is the level of analysis problem. The levels of analysis problem involves the identification of where causal viable are located and categorizing them for the purposes of explanation. In International Relations the levels of analysis have been typically located in three levels: the individual, the state, and the system. In the individual level causality is traced to the individuals who make foreign policy and the psychology of human decision making. The state level involves the examination of internal factors such as government structures, interests groups, media influences, bureaucratic politics, etc to explain a state’s foreign policy. The systemic level is the most macro level, involving not only the examination of state-to-state relations but also environmental or structural factors, such as geography, relative power, or economic interdependence, that might influence or direct the behaviour of all nation-states. Within international relations, Realism and Liberalism have been arguably the most influential and dominant theories which help us in understanding and interpretation of events. The basis for both theories is a very different understanding about human nature, the goal of a state’s policy, and the nature of the international system.

Realism

Realism is viewed as the most dominant and enduring theory of international relations. Realism stresses that states are self-interested, power-seeking actors, who seek to maximize their security and chances of survival. Although realism has been interpreted by its proponents in many ways, there are several core concepts which all realists share—which are encapsulated in the principles of statism, survival and self-help. Realists view sovereign states as the principal actors in the international system, operating in an anarchical environment in which no other authority exists above that of states. It is this anarchic nature of the system and the absence of an overarching authority which forces states to focus on the primary national interests of survival and actively engage in self-help arrangement manifested in the development and use of military power. Although realists believe that cooperation between states is possible, they explain that it is a functional arrangement in order to maximize the security of a state.

Realism in the study of international relations is understood by many to be a theory of power politics since the primary goal and rationale behind foreign policy lies in the acquisition of power. However, the quest by states for more power leads to the development of a security dilemma—a situation in which the more threatened a state feels, the more it seeks to acquire military power (Viotti and Kauppi, 1999: 69). Where a state accumulates a preponderance of power, others will seek to address the dilemma by forging alliances ‘to ensure an equilibrium of power in which case no one state or coalition of states is in a position to dominate all others’ (Dunne and Schmidt 2001:144, cited in Baylis and Smith, 2001). This assessment has led Realism to be labelled a pessimistic view of international politics [Keohane (ed.), 1985:304].

Classical Realism and Neorealism have contrasting view regarding how both seek to explain international relations. Although it is clear that both theories have different level of analysis to explain events in international politics. While on one hand neorealism is a systemic theory, classical realism locates its explanation in human nature. Hence for Classical realism human nature plays a vital role in how states behave and that is why classical realism pays importance to the internal makeup of the state and the personalities within state who drive foreign policy. In contrast Neorealism being a systemic theory excludes the internal makeup of states in trying to

explain international politics and instead look towards the structure i.e. Anarchy to explain international politics. Likewise, both realist schools see differently on the subject of state preference. For Classical realism, the causal variable in determining state preferences lay with the rulers of states who are driven by their lust for power. For Neorealism state preferences are driven by a state's desire to survive in an anarchic environment in a self-help system.

Classical Realism

Realism has been the dominant force guiding international relations theory and influencing foreign policy, especially since the end of World War 2. The publication of E H Carr's *The 20 Year's Crisis* in 1939 marked the birth of modern day realism. Besides Carr, another important influence to Classical realism was Hans J. Morgenthau and his seminal work *Politics Among Nations: The Struggle for Power and Peace* (1948). The Classical realists are usually characterized as responding to the then dominant liberal approaches to international politics (Donnelly, 1995:179 cited in Colin Elman, 2007:12; Griffiths, Callaghan, Roach, 2002:268).

Classical realists argued that the nature of man is fundamental flawed. Hans Morgenthau argued that man may not be purely evil but is tainted by the original sin and that pessimism about how man and groups of men will behave is the only realistic way to approach international politics (Weber, 2001: 16). Classical realists believe that the flawed nature of humanity lies at the crux of why states' desire more power and continually engage in a struggle to increase their capabilities. This flawed nature of humanity and the untrusting nature of man explain why there cannot be a natural harmony among states to create a world government. Classical realists viewed the absence of an overarching international authority equivalent to a state's government gives a free reign to human greed and ambition. In short, classical realism explains conflictual behaviour by human failings (Elman, 2007: 12). Classical realists also discounted the effects of international commerce, democratization and international law in maintaining peace in international politics. And it was the inability of the proponents of liberal internationalism to understand the very nature of man which led to the Second World War (Griffiths, Callaghan, Roach, 2002:268-269).

Classical realism and neorealism share common assumptions about how international relations operate. Both theories agree that states operate in anarchy where there is no overarching authority. Both theories agree that there is a trust deficit between states which limit cooperation. Both theories also agree that the main objective of states is 'survival' and that the only means to ensure it is through the self-help mechanism of increasing the power a state possesses. However, both theories differ on how they viewed power. For classical realism, power was an end in itself with the ultimate goal being hegemony; however, for neorealism power was a means to an end to ensure the survival of state. Moreover, classical realist Morgenthau's usage of the concept of power was ambiguous and was open to criticism from opponents of realism. Neorealism by contrast defined power in terms of capabilities.

Classical realism and neorealism also differ in how they explain conflictual behaviour in international relations. For classical realism international relations is conflictual because of international anarchy and the flawed nature of humanity. Although, neorealism agrees with most of the premises of classical realism, neorealism differs from it in the explanation of conflict in international relations. Kenneth Waltz argued that instead of looking to "natural" causes of conflict, we need to look to "social" ones instead. Waltz argued that the organization of social relations rather than the nature of man is what determines whether or not we have war. Why? Because good men behave badly if they are in bad social organizations, and bad men can be stopped from behaving badly if they are in good social organizations. States go to war, then, because they are in a bad social organization. And Waltz calls that bad social organization international anarchy (Weber, 2001: 16).

Neorealism

Kenneth Waltz's *Theory of International Politics* (1979) attempted to provide the answers to question that earlier realists could not provide. Waltz's theory moved away from the 'human nature' explanations of earlier realists and was based on the economic model aiming to provide a scientific explanation of how international relations work. He took up Morgenthau's ambitions of building an explanatory theory in international relations. Waltz propounded a systemic theory of international relations in which the international system is composed of a structure and its interacting units.

Waltz argued that political structures have three elements: an ordering principle (anarchic or hierarchical), the character of the units (functionally alike or differentiated), and the distribution of capabilities. Waltz argued that the system had two constants: (1) the lack of an overarching authority—*anarchy*—which is the ordering principle and (2) the principle of self-help. Waltz argued that since the international politics is characterized by *anarchy* and self-help, the units in the system are functionally alike (Waltz, 1979: 78-81). Waltz comparing ‘states’ to ‘firms’ argued that all states in the international system are alike because their main aim is to survive in a self-help environment.

Waltz’s theory abstracts from all the internal qualities and difference among states because for him the most important variable is the structure of international relations which more or less determine actions of individual states (Jackson and Sorensen, 1999: 75). According to Waltz the structure of international politics is sparsely defined by *anarchy*, which is the ordering principle of the realm and by the distribution of capabilities across states (Waltz, 2004:2). In classical realism the internal characteristics of the state and its leaders had been the central focus however, in Waltz’s theory it was the structure of the system and the relative distribution of power which became the central focus.

Waltz (2004:3) remarked that “the old realism is behavioral: good states produce good outcomes; bad states, bad ones. The new realism is structural: outcomes depend not only, and often not mainly, on the qualities of states, but also on variation of the structure within their actions occur” (Waltz 2004:3). Neorealism had turned classical realism upside down. In neorealism, the internal make up of the state did not matter because all states performed the same basic functions and their main aim was to survive in anarchic conditions (Waltz, 1979:80). States became black boxes who differed only with regard to their varying capabilities (Waltz, 1979:105). *Anarchy* being a constant, Waltz argued that changes in the system could only occur with the distribution of capabilities among the system’s units (Waltz, 1979:97). Therefore, for Waltz changes in the international system occur only with changes in the power configuration of states. For Waltz the international system is a function of the distribution of capabilities across its units. In other words it means the number of great powers in the system with two the lowest number possible (1979:145).

Neorealism does not deny that domestic politics influences foreign policy or that cooperation can occur in international relations. However, due to the very nature of international relations and the self-help systems, the pressures of competition weigh more heavily than ideological preferences or internal political pressures (Waltz, 1986: 329).

Balance of Power Theory

Balance of power is a very popular concept in the study of international relations and refers to the relative distribution of power among states. The concept is considered by realists to be the most important mechanism of managing insecurity in the international system. For classical realists balance of power was achieved through the conscious effort of statesmen to ensure the power equilibrium on the assumption that unbalanced power is dangerous. According to Griffiths, Callaghan and Roach (2002:18), a balance of power policy requires that a state moderates its independent quest for power, since too much for one state may bring about self-defeating reactions of fear and hostility from other states. Realists argue that insecurity compel states to pursue countervailing policies when faced with unbalanced power.

Realists argue that the balance of power concept is compatible with the nature of man and of the state, which is to protect one's self-interest by maintaining one's own power position in relations to others. Waltz recognized that alliances serve as tools for power aggregation, reflecting either the need to face some threat or the opportunity of achieving some gains (1979:166) and in the quest of security alliances may have to be made (1979:167). Realists argue that states to manage insecurity make rational and calculated evaluations of the costs and benefits of particular policies that determine the state's role in a balance of power. According to Stephen Walt (1987), all states continually make choices to increase their own capabilities and to undermine the capabilities of others, and thereby the balance of power is maintained.

In neorealist theory, the most important element which determines systemic changes is the great powers. Due to conditions of anarchy, even if a balance of power is achieved, war always remains as a possibility. Waltz argues that this is because of the various configurations of the system, which can range from bipolar systems to multipolar systems. He goes on to argue that bipolar systems remain more stable and provide a better guarantee for peace and security, because it involves only two great

powers who can be expected to maintain the system (Waltz, 1979:204), as opposed to multipolar systems which will have numerous great powers involved. Waltz's argument is based on the logic that in maintaining the system the great power would be maintaining themselves. Waltz draws the example of the Cold War, in which the two great powers fearing mutual annihilation strove to maintain peace in the system and according to his view, considered the Cold War to be a period of peace and stability in international relations.

Griffiths, Callaghan and Roach (2002:18) argue that the balance of power is a kind of compromise among states that find its order preferable to absolute chaos, even though it is a system that favours the stronger and more prosperous states. Likewise according to Waltz (1979: 204), the great powers of a multipolar world manoeuvre, combine, and occasionally fight to maintain the autonomy of states in the system. Waltz argues that some Great powers will fight balancing wars to prevent others from achieving an imbalance of power in their favour thereby producing a common collective good as a by-product (Waltz, 1979: 204). However, Waltz does not really tell us why states balance each other or why states seek power?

Balance of Threat Theory

Waltz's theory informs us that states seek power because they seek security however the question of why and under what conditions states balance against other states is dealt with by Stephen Walt. According to Walt, the balance of power theory failed to explain why balances have or often failed to form in the historical records (1987:20). Walt says the types of alliance formations are—balancing (with the weaker side against a threatening power), bandwagoning (with a stronger side either to appease or hope to profit from its victory) and détente (to maintain peaceful relations to reduce tensions). According to Walt power (capabilities) is an important part of the equation however, it is not the only one, he argues that states do not balance against power but against threats (1987: 20-21).

What are threats? According to Walt (1987:22), state behaviour is conditioned by the level of threat that other states may pose such as: aggregate power, geographical proximity, offensive power, and aggressive intentions. Thus according to Walt, Strong and prosperous states in close geographical proximity with large offensive capabilities with aggressive intentions poses the greatest threat for a state and will evoke

balancing or bandwagoning behaviour. According to Walt states when faced with such a threat will balance by building up its own capabilities or by establishing alliances with other states. Thus for Walt, states balance against states based on the level of threats and not merely because a state is powerful.

According to Walt, balancing behaviour is much more common than bandwagoning (1987: 28). Walt believes that balancing is preferred by states because of the uncertainty of what another state will do. On the other hand, bandwagoning is dangerous because it increases the resources available to a threatening power and placing trust on the continued benevolence of the stronger state. The dangers of such arrangement is in the unreliability of perceptions and the fact that state intentions can change, therefore Walt believes that “it is safer to balance against potential threats than to rely on the hope that a state will remain benevolently disposed”. (1987:29).

Walt stresses that his balance of threat theory should be considered as a refinement of the balance of power theory, that it subsumes the balance of power theory by incorporating capabilities as one of its component. According to Waltz, secondary states, if they are free to choose, flock to the weaker side; for it is the stronger side that threatens them. On the weaker side, they are more appreciated and safer, provided, of course, that the coalitions form achieves enough defensive or deterrent strength to dissuade adversaries from attacking (Waltz, 1979: 127). Kenneth Waltz’s balance of power theory addresses threats only in terms of power alone whereas Walt’s balance of threat theory includes power are one of four threat factors.

Variants of Structural Realism

Realism is known for its obsession with the question of power. Basically most realist explanations on war and peace is based on the notion of why state desire power. From Thucydides onwards realism has drawn its explanation of international politics with relation to the question of power. For Morgenthau it had to do with human nature; for Waltz it was the anarchic system which made power seeking behaviour. However within the neorealist discipline there is a disagreement about why and how much power states should aim to gain. Offensive realists argue that states should always be looking for opportunities to gain more power and should do so whenever it seems feasible and that states should maximize power, and their ultimate goal should be hegemony, because that is the best way to guarantee survival (Mearsheimer 2006: 72).

On the other hand Defensive realists such as Waltz argue that states' seek only an appropriate amount of power to guarantee its survival and believe that it is strategically foolish to pursue hegemony. The differences between the two variant of neorealism is with regard to the logical implication of anarchy on state choices and behaviour.

Defensive Realism

Defensive realism believes that the structure of international relations creates strong incentives for states to pursue moderation in their conduct of foreign policy. Defensive realists argue that the main objective of states is the pursuit of security to survive in a self-help system. They believe that if a great power seeks hegemony, it would be countered by counter-balancing coalitions (prominent examples of which are Waltz's balance of power theory and Walt's balance of threat theory). Defensive realists argue that anarchy in international relations does not mean cooperation is impossible or does not occur in international relations. Defensive realism proceeds from four assumptions which influences and constraint a state's foreign policy:

- Security dilemma: the security dilemma is defined as a situation "in which the means by which a state tries to increase its security decreases the security of others" (Jervis, 1978, cited in Taliaferro, 2000/2001: 136). Defensive realists argue that anarchy generates uncertainty for states and induces self-help behaviour.
- Structural modifiers: Taliaferro argues that the security dilemma is an inescapable part of international relations however structural modifiers may increase or decrease the likelihood of conflict Taliaferro argues that defensive realists assume that structural modifiers mediate the effects of systemic imperatives on the behaviour of states and have great influence on the likelihood of international conflict or cooperation (2000/2001: 136-137).
- Influence of material capabilities on foreign policy: Defensive realism posits that leaders have to fashion foreign policy based on ambiguous and contradictory information in an uncertain environment where the relative distribution of power is often uncertain. Leaders hence make decisions based on their own understanding of international relations based on their preexisting belief systems, images of adversaries and cognitive biases (Taliaferro, 2000/2001: 141).

- Domestic politics and systemic imperatives: Defensive realism posits that domestic politics can constraint leader's response to systematic imperatives. Domestic factors such as civil society, organizational politics, and civil-military relations can affect the resource mobilization capacities of the state and influence foreign policies (Taliaferro, 2000/2001: 143).

Defensive realists argue that any attempt to pursue hegemony in the system will throw up a balancing coalition. Defensive realists believe that the international system provides incentives only for moderate, reasonable behaviour (Zacharia, 1992: 190). Jack Snyder argues that states expansion provokes an overwhelming balancing coalition or where the costs exceed benefits (Zacharia, 1992: 181). Under anarchy, many of the means a state uses to increase its security decreases the security of other states. This security dilemma causes states to worry about one another's future intentions and relative power. Charles Glaser posits that making one's adversary insecure can prove self-defeating (Taliaferro, 2000/2001: 136).

Glaser argues that under certain conditions, adversaries can best achieve their security goals through cooperative policies, not competitive ones, and should, therefore choose cooperation (1994-1995: 51). Glaser believes that owing to the prevalence of the security dilemma it can be in the state's best interest in a self-help environment to cooperate with an adversaries because of the logic that "all else being equal, increases in the adversary's security often increase one's own security because a more secure adversary has smaller incentives for pursuing an expansionist foreign policy, and therefore will pose a smaller threat" (1994-1995:75).

Robert Jervis maintains that under most circumstances, the stronger states in the international system should pursue military, diplomatic, and foreign economic policies with restraint (Jervis, 1978, cited in Taliaferro, 2000/2001: 129). Defensive realists also argue that there is an offence-defence balance, which indicates if offence will pay or not. Defensive realist argue that the offence-defence battle is heavily weighted in the defender's favour and any state that attempts to gain a large amount of additional power is likely to end up fighting a series of losing wars. Therefore, defensive realist point out that states will recognize the pointlessness of offence and concentrate instead on maintaining their position in the balance of power. Defensive realists argue that present military technologies highly favour the defence especially

nuclear weapons (Glaser, Van Evera, Lieber, Posen, Jervis etc. cited in Taliaferro, 2000/2001: 139). Glaser believes that relative economic gains matter less as the advantage of defense grows. Consequently countries that possess large nuclear arsenal and that rely heavily on nuclear deterrence for their security should not be inhibited from security or economic cooperation by security related relative gains constraints since nuclear weapons create a very large advantage to the defense (1994-1995:79).

Defensive realists, Robert Jervis (1999) and Jack Snyder (1991) claim that most leaders understand the costs of war clearly outweigh the benefits. The use of military force for conquest and expansion is a security strategy that most leaders reject in this age of complex interdependence and globalization. They also argue assume that war usually results from irrational forces in society (Lamy, 2001: 187). Moreover, Glaser argues that a country can try to communicate benign motives by employing unilateral restraint—that is by reducing its military capability below the level it believes would otherwise be necessary for deterrence and defence (1994-1995:69). Although, defensive realists recognize that aggressive and expansionary states do exist and they challenge world order which may make conflict unavoidable, defensive realists are more optimistic than offensive realists (Lamy, 2001:187).

Offensive Realism

Offensive realism holds that the structure of international relations provides incentives for states to be power maximizers. Traditionally, realists like Hans Morgenthau's term a nation's interests are shaped by its power. However, unlike Morgenthau's conception of power as an end in itself, offensive realism views power as a means to an end with the ultimate goal being security and survival in an anarchic environment. Offensive realism use Robert Gilpin's Hegemonic theory of foreign policy (Taliaferro, 2000/2001: 135). According to Robert Gilpin, as a state climbs to the highest rungs of the international ladder it will, "try to expand its economic, political and territorial control; it will try to change the international system in accordance with its own interests" (1984; 94-95).

In Gilpin's rise and fall conception of hegemony, the structure of the system constraints behaviour and imposes a cost on any behaviour of states. As the costs of maintaining the system increases for the reigning hegemon, the costs of changing the distribution of power decreases for the challenger (1984: 51-53). The reigning

hegemon might try to deal with its declining fortunes through three ways: (1) by launching a preventive war the declining power destroys or weakens the rising challenger while the military advantage is still with the declining power; (2) a state might seek to reduce the costs of maintaining its position by means of further expansion; (3) by bringing costs into balance by reducing its commitment to maintaining the system (Gilpin, 1984: 191-192).

Likewise Mearsheimer argues that great power always look for opportunities to gain power and take advantage of them when they arise and do not practice self-denial when they have the wherewithal to shift the balance of power in their favour and this appetite for more power does not cease (Mearsheimer, 2001:168). Mearsheimer gives five offensive realist assumptions about the international system which explains why states seek power.

- The first assumption is that great powers are the main actors in world politics and they operate in an anarchic system. Anarchy is an ordering principle. In international relations, anarchy does not mean chaos; it simply means that in international relations there is an absence of rule or lack of government where there is no hierarchically superior authority above that of the state in the international system to resolve disputes or maintain order in the system.
- The second assumption is that all states possess some offensive military capability. Therefore every state has the power to use offensive military capabilities against other states. However, the offensive capabilities a state has vary from state to state and can change over time.
- The third assumption is that states can never be certain about the intentions of other states. States ultimately want to know whether other states are determined to use force to alter the balance of power (revisionist states), or whether they are satisfied enough with it that they have no interest in using force to change it (status quo states).
- The fourth assumption is that the main goal of states is survival. States seek to maintain their territorial integrity and the autonomy of their domestic political order. They can pursue other goals like prosperity and protecting human rights, but those aims must always take a back seat to survival, because if a state does not survive, it cannot pursue those other goals.

- The fifth assumption is that states are rational actors, which is to say they are capable of coming up with sound strategies that maximize their prospects for survival. This is not to deny that they miscalculate from time to time. Because states operate with imperfect information in a complicated world, they sometimes make serious mistakes (2006: 73-74).

Mearsheimer argues that none of these assumptions by themselves says that states will or should compete with each other for power. He contends that the third assumption leaves open the possibility that a revisionist state may be operating in the system however, by itself, the third assumption says nothing about why all states pursue power. Mearsheimer argues that it is only when all the assumptions are combined together that circumstances arise where states not only become preoccupied with the balance of power, but acquire powerful incentive to gain power at each other's expense (Mearsheimer 2006: 74).

Zacharia rejects the defensive realist assumption that a rational state expands only to achieve security or as a response to external threats (1992: 191). Zacharia also rejects Stephen Walt's claim that "security is plentiful" in international relations or Posen's claim that the offense-defense balance is in favour of the defender and anything beyond a moderate, incremental foreign policy is unnecessary and counterproductive because aggression is quickly counter-balanced (Zacharia 1992: 191-192). Zacharia argues that the international system affects states in much the same way that the market affects firms. Economists assume that a self-help environment forces firms to attempt "profit-maximization". In reality, some firms choose risky, short-term, high profit strategies and others pursue more cautious, longer-term strategies that generate smaller immediate gains (1992:193). The international system affects states similarly; therefore even though states behave in various manners—some are cautious appeasers, while others are bold risk-takers. States are driven by the system's competitive imperative, which produces what could be termed "influence-maximizing" behaviour (1992:194)

According to Zacharia (1992:188), "as a state's relative power increases, it attempts to expand its interests and influence abroad. Part of this process is almost involuntary. A growing state acquires more and more economic and political interest in the outside world, often bumping up against the interest of other states". Likewise Grieco (1988

cited in Lamy, 2007:186) argues that states are driven by an interest in survival, states are acutely sensitive to any erosion of their relative capabilities, which are the ultimate basis for their security and independence in an anarchical, self-help international context. Thus, realists find that the major goal of states in any relationship is not to attain the highest possible individual gain or payoff. Instead, “the fundamental goal of states in any relationship is to prevent others from achieving advances in their relative capabilities”.

Moreover, offensive realists believe that because of the fact that states operate in an anarchic environment, states fear the intentions and capabilities of other states. This fear is compounded by the lack of trusts between states. Moreover the unreliability and impossibility of discerning the true intentions of states compel states to engage in a power seeking behaviour. Which means that states understand that they operate in a self-help world where they have to rely on themselves to ensure their survival, because other states are potential threats and because there is no higher authority they can turn to if they are attacked. Fearful of other states, and knowing that they operate in a self-help world, states quickly realize that the best way to survive is to be especially powerful (Mearsheimer, 2001:44). Therefore, according to Mearsheimer the difficulty in determining how much power is enough for today and tomorrow compels great powers to recognize that the best way to ensure their security is to achieve hegemony now, thus eliminating any possibility of a challenge by another great power later.

Liberalism

Liberalism contributes to the understanding of foreign policy by highlighting how state preferences, rather than state capabilities, are the primary determinant of state behaviour (Moravcsik 1997:514). Preferences will vary from state to state, depending on factors such as culture, economic system or government type. In contrast to realism where the state is seen as a unitary actor, liberalism argues for plurality in state actions. Therefore, Liberalism holds that interaction between states is not limited to the political (high politics), but also economic (low politics) whether through commercial firms, organizations or individuals (Elias and Sutch, 2007:73).

TH-18896

While Realism views states as 'black boxes' in international politics, liberalism takes a bottom up approach which begin with individuals and groups operating in both domestic and transnational civil society. Liberals generally take a positive view of human nature. They have great faith in human reason and are convinced that rational principle can be applied to international affairs (Jackson and Sorensen, 2007: 98). Liberals recognize that individuals are self-interested and competitive but believe that individuals share many interests and can thus engage in cooperation both domestically and internationally. Liberals believe that conflict and wars are not inevitable and believe that human reason can triumph over human fear and the lust for power (Smith, 1992:204).

Liberal IR theory argues that state behaviour is determined not by the international balance of power but by the relationship between social actors and the governments representing their interests (Moravcsik, 1997:514). Liberals pay more attention to domestic structures and individual preferences than do realists, and believe that the international system has less than overriding influence and so distinguish themselves from structural realists. State preferences are derivative of individual and group preferences, but depend crucially on which individuals and groups are represented. Finally the outcome of state interaction is a function, at least in the first instance, not of relative power capabilities, but of the configuration of intensity of state preferences (Moravcsik, 1997: 513-514).



History of Liberal Approaches in International Relations

The liberal tradition in IR is closely connected with the emergence of the modern liberal state and can be traced back to the Enlightenment period in Europe. Liberal philosophers, beginning with John Locke in the seventeenth century, saw great potential for human progress in modern civil society and capitalist economy, both of which could flourish in states which guaranteed individual liberty. Immanuel Kant in his “Treaties of Perpetual Peace” argued that peace among democratic nations would be the consequence of three complementary influences.

Kant argued that republican constitutions eliminate autocratic caprice in waging war. Secondly, an understanding of the legitimate rights of all citizens and of all republics develops with the spread of democracy, leading to the creation of a moral foundation for the liberal peace upon which eventually a structure of international law can be built. Lastly, economic interdependence enhances constitutional constraints and liberal norms by creating transnational ties that encourage accommodation rather than conflict. Consequently material incentives attach their force to law and morality (Doyle, 1993: 230-232).

Liberal internationalism which believed in the projection of liberal thought and political principle to the international realm believed that the establishment open diplomacy, the right of self-determination, free trade, disarmament, the peaceful settlement of disputes, and the establishment of an international security organization in the form of the League of Nations would maintain a liberal peace in International Politics. However, the Failure of the League of Nations and the inescapability of World War Two meant that liberal internationalism came under increasing criticism from scholars such as E.H. Carr who criticised liberalism’s claim to present universal values and identify universal goods as an unwitting reflection of particular national and class interests (Sorensen and Jackson, 2007: 37).

The Second World War was followed by the Cold War which saw a great tussle between the two great powers with different ideologies. This outbreak of the Cold war saw Liberalism absorbed with the task of containing the spread of soviet communism. The sudden implosion of the Soviet Union in the late 1980’s and Realism failure to account for it threw the spotlight on liberalism with its emphasis upon the determining power of factors at the state level—such as the spread of democratic regimes—and

the ability of states to refashion their interests through the development of commerce. Moreover, the rise of the European Union and empirical support from the democratic peace research program gave further impetus to liberalism. Events in International politics fitted well with Kant's argument about peace between democratic states and the culminative effects of economic interdependence between states. Francis Fukuyama argued that this combination of liberal democracy and free market capitalism signified the end of humanity's political evolution, a condition with cannot be improved upon and called it the end of history (Fukuyama, 1989, in MacMillan, 2007: 29).

There is no canonical description of liberalism or a definite consensus on who it's most important theorists are. Liberalism is a wide field and liberalist thinkers' views on whether the dominant causes are found in the nature of human being, domestic society or international relation differ. They do, however, agree in that they believe that the most adverse effects of anarchy in the international system can be surmounted by individual and domestic factors, and that stable peace on the global scale is possible. Elias and Sutch (2007: 64) believe that liberalism, like realism is a very broad tradition comprising many distinct and often antithetical points of view. Liberal theory in international relations can be roughly divided into two approaches based on the level of analysis in which the approaches operate. The first form of liberalism draws on structural claims that liberal institutions impact on international relations in specific ways. The 'democratic peace thesis' and 'neoliberal institutionalism', otherwise known as neoliberalism or structural liberalism belong to the first group. The second form of liberalism is normative liberalism and deals with the question of just war, humanitarian intervention and distributive justice.

The most prominent theories in neoliberal discourse relate to the democratic peace theory; economic interdependence; and international institutions and regimes theory. The democratic peace theory argues that democracies don't fight one another and are each other's natural allies, while the economic interdependence theory emphasizes on the positive consequences of commerce and interdependence; Liberal institutionalist theory highlights the increasing role of international institutions in international relations.

Assumptions central to Liberal IR theory

According to Moravcsik (1997:514), the liberal scientific research program in IR places state-society relations at the center of world politics. For him, the critical causal factor influencing state behaviour is the relationship between the state and the domestic and transnational society in which it is embedded. All liberal approaches of international relations rest on the core assumption that domestic actors or structures strongly influence the foreign policy of states. For liberals identities and interests of states are very important in determining how states behave in international relations. Liberalist approaches contradict with the assumption of realists regarding the determinative role of system structure (unipolar, bipolar, or multipolar) and the consequent assumption of state homogeneity (Doyle, 2008). According to Moravcsik, the basic insights of liberal theories can be restated in three core assumptions.

Assumption 1—The Nature of the Actors in International Politics: The fundamental actors in international politics are rational individuals and private groups, who organize and exchange to promote their interests (1997: 516).

Assumption 2—The Nature of the State: States (or other political institutions) represent some subset of domestic society, whose weighted preferences constitute the underlying goals (State preferences) that rational state officials pursue via foreign policy. Representative institutions thereby constitute a critical “transmission belt” by which the preference and social power of individuals and groups in civil society enter the political realm and are eventually translated into state policy (1997:518).

Assumption 3—The Nature of the International System: The configuration of state preferences shapes state behaviour in the international system. States require a purpose in order to provoke conflict, inaugurate cooperation, or take any other significant policy action. The precise nature of the stakes shapes policy (1997: 520).

Democratic Peace Theory

Emmanuel Kant believed that peace could be perpetual and that wars were created by militaristic and undemocratic governments with their own vested interests. For Kant war was the outcome of minority rule. The democratic peace theory by Michael Doyle is a restatement of Emmanuel Kant's concept of why republics do not go to war with one another. Doyle's theory draws two core ideas from Immanuel Kant's writings. Firstly, Doyle draws upon Kant's notion that republican constitutions limit the warlike ambitions of states to the extent that liberal states only go to war for good liberal reasons (Doyle, 1983:230).

Kant had argued that constitutional states unlike other type of states have its citizens as stakeholders and hence require the consent of its citizens to wage war given that it is the citizens who have to fight and foot the cost of war and hence would be likely reluctant. However, in an autocratic state the ruler will not directly suffer the cost of war and hence may wage war for trivial reasons. Moreover, Kant reasoned that the internal liberal character of a state means that there is an inbuilt respect for individual rights and freedoms (Doyle, 1983:230).

Doyle drawing from these reasoned that these factors help explain why liberal states are less warlike than the princedoms of modern Europe. Doyle added another constitutional element the revolving nature of state leadership which prevents personal enmity from building up among leaders of liberal states. Doyle drawing from Kant observes that in a society of liberal states there is no good reason for going to war with another liberal state because Liberal states share certain moral and political principles in common and if one state regards another as just or good then there is no reason to behave aggressively towards them. Doyle also argues that cosmopolitan law adds material incentives to moral commitments. This cosmopolitan right to hospitality permits the spirit of commerce, thus forging a cooperative international division of free trade and impelling states to promote peace and try to avert war (Doyle, 1983:231). Furthermore, international markets help removes difficult decisions of production and distribution from the direct sphere of state policy and also serve as useful means to create crosscutting transnational ties that serve as lobbies for mutual accommodation (Doyle, 1983:231).

Doyle argues that no one of these constitutional, international or cosmopolitan sources is alone sufficient but together they plausibly connect the characteristics of liberal politics and economies with liberal peace (Doyle, 1983:232). It is argued that democratic states are as warlike as non-democratic states however, remarkably show great restraint vis-à-vis other democratic states. Democratic peace theorists highlight how relations between democratic are characterised by a high degree of mutual sympathy and appreciation. They argue that the similarity in the character and nature of democratic states creates trust and facilitates cooperation. Bruce Russett argues that the explanations for democratic peace come from the internal characteristics of democratic states.

Russett argues that democracies develop similar social identities and share common democratic values such as respect for human rights, the commitment to solve conflicts peacefully and the rule of law, these similarities lead democratic states to be trusting of each other while not displaying similar trustworthiness to non-democratic states. Russett posits that these similar values and identities in turn results in democratic states having similar foreign policy. Consequently, when faced with external threats democratic states are more likely to cooperate and even form alliances taking sides during war (Russett, 1993: 135-138). However, for Alexander Wendt, perhaps the most convincing explanation of all is the simple fact that liberal states tend to be in relations of amity with other liberal states. War between Canada and the US is unthinkable, perhaps not because of their liberal democratic constitutions, but because they are friends (Wendt, 199:298-99, in Dunne, 2001: 172).

Democratic peace theorists highlight the importance of normative instruments in spreading the democratic zone of peace. They claim that liberal democracies are unique in their ability and willingness to establish peaceful relations among themselves. This pacification of foreign relations between liberal states is a direct product of their shared legitimate political orders based on democratic principles and institutions. The reciprocal recognition of these common principles—a commitment to the rule of law, individual rights and equality before the law, and representative government based on popular consent—means that liberal democracies evince little interest in conflict with each other and have no grounds on which to contest each other's legitimacy: they have constructed a separate peace (Fukuyama, 1992, cited in Burchill and others, 2005:60).

Democratic peace theorists do not discount the possibility of war however; they all agree that war if fought would be defensively. Doyle argues that liberal democracies have not escaped the security dilemma caused by anarchy in the world political system but the effects of international anarchy have been tamed in the relations among states of similarly liberal character (Doyle, 1993:232). Rawls extends the argument by claiming that liberal societies are also “less likely to engage in war with nonliberal outlaw states, except on grounds of legitimate self-defence (or in the defence of their legitimate allies), or intervention in severe cases to protect human rights” (Rawls, 1999:49 cited in Burchill and others, 2005:60).

The democratic peace theory suggest that the best prospect for bringing an end to war between states lies with the spread of liberal-democratic government across the globe and this expansion of the zone of peace from the core to the periphery is also the basis of Fukuyama’s optimism about the post-Communist era (Russett, 1993, cited in Burchill and others, 2005). Likewise Mueller (1989, cited in Burchill and others, 2005:60) argued that the world is witnessing the obsolescence of war between major powers and war is increasingly viewed in the developed countries as repulsive and uncivilized. Mueller believes that the world has already entered a period in which war as an instrument of international diplomacy is becoming obsolete because war brings more costs than gains and is no longer seen as romantic or noble pursuit and has become rationally unthinkable (Mueller, 1989, cited in Burchill and others, 2005:61).

Economic Interdependence Theory

The economic interdependence argument holds that economic interdependence between two states makes military conflict very unlikely. It is a theory which believes that peoples and governments are affected by what happens elsewhere, by the action of their counterparts in other countries. Thus, a higher level of transnational relations between countries means a higher level of interdependence (Jackson and Sorensen, 2008: 103). Classical liberal theorists such as Montesquieu, Adam Smith and Immanuel Kant had asserted that economic relations between states pacify political interaction (Dell, 1987). The argument put forward by such writers as Adam Smith, Thomas Paine, Norman Angell suggest that economic interdependence itself increases the value of peace between nations that rationally calculate their interest and thereby reduces the danger of war between them (Burchill, 2001:63).

Historically liberal political economy emerged as a critique of mercantilism, which was a doctrine that sought to harness economic activity to the pursuit of state power. Mercantilism assumed the level of wealth in the world to be fixed, and encouraged the 'beggar thy neighbour' policies. By contrast, liberal thinkers such as Adam Smith, reflecting the views of earlier writers such as the French *physiocrats* and the Scot, David Hume (1711-1776), argued that increased division of labour and specialization could achieve this end. An invisible hand that made it self-regulating, Smith argued, guided the market. Accordingly, state intervention would lead to distortions and inefficiencies. In this *laissez faire* vision, the state's role was to be confined to the protection of society from external threats and the provision of public goods. Externally, free trade would increase the absolute wealth of all parties, and foster bond of interdependence and peace between people (MacMillan, 2007:26).

David Mitrany argued that greater interdependence in the form of transnational ties between countries could lead to peace. Mitrany believed that cooperation should be arranged by technical experts, not by politicians and these experts would devise solutions to common problems in various areas such as transport, communication, finance and so on (Mitrany 1966 cited in Jackson and Sorensen, 2008:104). Likewise, although rejecting Mitrany's separation of 'technical' matters from politics, Ernst Haas builds on Mitrany's idea and argued that cooperation should be intensified between countries in Europe by getting self-interested political elites to intensify cooperation. Haas argued that this integration is a process whereby 'political actors are persuaded to shift their loyalties...toward a new centre whose institutions possess or demand jurisdiction over the pre-existing national states (Haas 1958: 16 cited in Jackson and Sorensen, 2008:104).

The proponents of the economic interdependence theory argue that the rise of highly industrialized countries have resulted in the declining the use of force because for highly industrialized countries economic development and foreign trade are more adequate and less costly means of achieving prominence and prosperity because the costs of using force have increased and the benefits have declined (Rosecrance, 1995). Likewise, Mastanduno (2003) argues that trade generates economic benefits for both parties, and the anticipation that war will disrupt trade and lead to a loss or reduction of the gains from trade helps to deter political leaders from taking actions that are likely to lead to war against key trading partners.

Jack Levy (2003) observed that multiple studies have shown a linkage between interstate trade and a subsequent drop in numbers of militarized disputes or war. Liberals believe that interdependence would replace national competition and defuse unilateral acts of aggression. Liberals argue that an unfettered commercial exchange would encourage links across frontiers and shift loyalties away from the national leaders would eventually recognize that the benefits of free trade outweighed the costs of territorial conquest and colonial expansion; moreover, the attraction of going to war to promote mercantilist interests would weaken as states learn that war only disrupt trade and therefore the prospects for economic prosperity (Burchill, 2001: 63-64).

Liberals argue that trade not only brings individuals of different countries into contact with one another but also creates common interests. They go on to argue that trade increases the prosperity and political power of the peaceful member of society. These contacts create more understanding between individuals, and because individuals are member of states, consequently state relations become stronger. Liberals believe that economic interdependence does not only make conflict between two states unlikely, they furthermore argue that it also fosters cooperative political relations in many aspects. Economic interdependence reinforces constitutional constraints and liberal norms by creating transnational ties that encourage political accommodation.

Complex Interdependence

Mitrany argued that as states become more embedded in an integration process, the 'cost' of withdrawing from co-operative ventures increases (Tim Dunne, 2001: 169). This argument about the positive benefits from transnational co-operation is one which lies at the core of liberal institutionalism (and remains central to neo-liberal institutionalists). For writers such as Haas, international and regional institutions were a necessary counterpart to sovereign states whose capacity to deliver welfare goals was decreasing (1968: 154-8, in Tim Dunne, 2001: 169). Drawing from Mitrany and Haas, a general theory of complex interdependence was formulated by neoliberals Robert Keohane and Joseph Nye. Keohane and Nye argued that post-war complex interdependence was qualitatively different from earlier and simpler kind of interdependence (1977).

Keohane and Nye argued that earlier international relations were directed by state leaders with other leaders where military force was always an available option. They also argued that the 'high politics' of security and survival had priority over the 'low politics' of economics and social affairs (Keohane and Nye 1977). However, unlike their neorealist counterparts neoliberals believe that the opportunities of cooperation in international relations are more abundant than what realists believe. Although Keohane and Nye agreed with the neorealism claim that states were in fact the dominant actors, and that states make decisions in a rational and strategic manner. They rejected the neorealist assumption that states were the sole important actors on the international states, suggesting that actors such as nongovernmental organizations might also have systematic effects on patterns of international behaviour. They argued that the centrality of other actors, such as interest groups, transnational corporations and international nongovernmental organizations, had to be taken into considerations (1972 in Dunne, 2001: 170).

Keohane and Nye argued that international relations is becoming more and more like domestic politics due to the cosmopolitan nature of the world and the advancement in technology which have made the world smaller. They argued that relations between states are not only restricted to state leaders but also have different levels involving different actors and branches of government. Keohane and Nye (1977) argue that there is a host of transnational relations between individuals and groups outside of the state. Such transnational actors such as NGOs and transnational corporations pursue their own separate goals free from state control. They argue that under complex interdependence states become more preoccupied with the 'low politics' of welfare and less concerned with the 'high politics' of national security (Keohane and Nye, 1977). Furthermore, military force has become a less useful instrument of policy under conditions of complex interdependence (Keohane and Nye, 1977).

Neoliberals insists that states will enter into co-operative relations even if another state will gain more from interaction, in other words, 'absolute gains' are more important for liberal institutionalists than 'relative gains' (Tim Dunne, 2011:176). Richard Rosecrance has analysed the effects of transnational relations between states and argued that throughout history states have sought power by means of military force and territorial expansion, but for highly industrialized countries economic development and foreign trade are more adequate and less costly means of achieving

prosperity. Rosecrance argues that the costs of using force have increased and the benefits have declined and this is because of the changing character and basis of economic production. Rosecrance argued that since the end of the Cold War, the traditional option of settling disputes through military force have become war less urgent and thus less attractive (1986; 1995; 1999; cited in Jackson and Sorensen, 2007: 103-104). However, Neoliberals do not discount the effect of anarchy in international relations. Keohane and Nye (1977) accept that the use of threat of military force over economic or other issues may occur if such an issue becomes a life and death matter.

Liberal Institutions

Neoliberals believe that international institutions help promote cooperation between states. According to Elias and Sutch (2007: 73) what marks neo-liberal institutionalists out from neo-realists is the claim that international interdependence, fostered by the extension of international institutions, means that there is significant room for cooperation in international affairs. This institutionalist approach is heavily influenced by Woodrow Wilson's vision about transforming international relations through the use of institutions such as the League of Nations after the end of the First World War. The neoliberal perspective relies on the assumption that states are rational and calculate the costs and benefits of different course of action and choose the course of action that gives them the highest net pay-off (Martin, 2007:110-111). Neoliberals adopt a contractual view that sees institutions as solutions to collective-action problems (Martin, 2007:124).

In order for states to cooperate, they must overcome a range of collective-action problems, many of which are rooted in transaction costs. No external enforcement exists in the international system, so any agreements must be self-enforcing. This means that states must find ways to avoid temptations to cheat. To mitigate problems of cheating, neoliberals believe that institutions can perform monitoring functions provide assurances that others are living up to the terms of their commitments. Neoliberals believe that international institutions can make cooperation easier by providing platforms where issues are settled through diplomacy. Neoliberals agree with the realist assertion that international institutions are built by the powerful states to further their own interests and to maintain the status-quo.

Neoliberals however do not agree with the realist claim that great powers can violate the terms or treaties and norms establish according to their own convenience. Although Neoliberals agree that powerful states are not completely restrained, they argue that the norms and values established through international institutions in turn condition and restrict the behaviour of powerful states. Liberals argue that international institutions are more than mere handmaidens of strong states and have independent importance, and they can promote cooperation between states (Keohane 1989, Young 1989, Rittberger 1993, Levy et al. 1995, cited in Jackson and Sorensen 2007: 108).

International institutions are also issue-specific. They provide rules, norms and decision-making procedures that specify how states should behave in a specific area. Institutions are not simply implicit rules of the games, as some realist argue. Krasner (1982) identifies four fundamental elements of an international institution: Principle, norms, rules, and decision-making procedures. An institution must be based on a series of principles, assuming that global welfare will be maximized by the pursuit of this goal. Norms spell out general standards of behaviour, while rules specify, at a more detailed level, what members can and cannot do. The rules of a regime are difficult to distinguish from its norms, and at the margin they merge. Rules can be altered more easily than norms, because there may be more than one set of rules that can achieve a given set of purposes (Keohane 1984). Finally, explicit decision-making procedures stipulate who holds power in the institution, how to take joint decisions, how to take in new members and how to punish rule breakers (Mearsheimer 1994).

The initial work applying this neoliberal or contractual view of institutions concentrated on international regimes, defined as sets of principles, norms, rules, and decision-making procedures (Krasner, 1982 in Lisa Martin, 2007:111). Institutions and sets of rules established condition the behaviour of states in international politics. Institutions also function as buffer zones and help in reducing fear and making up for the lack of trust between its member states. Institutions also facilitate in the interflow of information between member states and keeps states informed about the intentions of states. Moreover, neoliberals argue that institutions provide a forum for negotiations between states and provide continuity and a sense of stability. It also fosters cooperation between states for their mutual advantage and helps create a climate in which expectations of stable peace develop (Nye 1993).

Conclusion

Realists and liberals differ with regard to how they view the international system and how it operates. Although Liberals attach great importance to the possibilities of cooperation, realists discount the opportunities for such cooperation between states because of the operation of the problem of relative gains. The major difference between neorealism and neorealism as we have seen is with regard to the importance of institutions and the avenues of cooperation which according to neoliberals have a mitigating effect on the structure of international relations—anarchy. Realists and Liberals differ with regard to the importance of Institutions in international relations. While Realist and neorealist argue that institutions have no impact at all, liberal scholars disagree and contend that institutions strongly affect state behaviour, generally contributing to peace they agree however on a series of basic assumptions—that the international system is fundamentally anarchic, states are unitary actors, regimes promote international order, and they are the product of rational self-interested actors.

It is clear that Realism and Liberalism have different views on how international politics operate. While Classical Realism and Neorealism focus on human nature and structural constraints generated by anarchy, on the other hand Classical liberalism stresses on the possibility of peace based on the principle of mutually beneficial free trade and democracy. However, the stress of this study lies in the structural nature of international relations and hence a focus on realism and liberalism. It is quite obvious that Sino-Indian relations present a very interesting subject to test the structural merits of both theories. India and China have waged a war during the Cold War period and today have exited from it. Both are important states in international politics and have participated mutually in various international and regional institutions. Therefore a theoretical analysis of the Sino-Indian relations in the post Cold War period presents a fertile ground for analyzing the claims of both Realism and Liberalism.

Chapter Three: Historical Background

Home to one-third of the human population, and proud to have the two fastest economies and militaries in the world India and China today stand as important countries in the global order. India and China over the centuries have evolved different cultures being situated in the hotbed of the two oldest Civilizations known to man. Separated by the Himalayas both Civilizations had never engaged in a military confrontation until modern times. The two countries were born at roughly the same period of time and have adopted different political systems, on one hand India is a democratic state while China is a communist state. Ever since relations between India and China were established in the late 1940's the bilateral relations have been constantly changing.

Today both countries aspire for greater weight in the global world order and are becoming rivals. It can be argued that China is virtually a great power while India stands on the brink. There is a general recognition that how these countries manage their relations will have a major impact on regional security. In this chapter the study will contextualize Sino-Indian relations historically to bring out the factors which drive the current Sino-Indian relations. The chapter will examine the Sino-Indian bilateral relations starting from the Nehru era to the present day.

Sino-Indian relations in the Nehru era (1947-1964)

The Sino-Indian relationship started on a friendly note during the 1940's and when the People's Republic of China was established on October 1, 1949 after a period of civil war, Nehru took an active and friendly attitude to the founding of the PRC and made efforts to make India one of the first countries to recognize and establish diplomatic relations with China (Wang, 1998:72). India was the first non-communist country to recognize it and within a few months, on April 1 1950 India and China established diplomatic relations. India also supported China's membership into the United Nations and also lent its support during the Korean Crisis (1950-53). India refused to brand China as the aggressor when China intervened on behalf of North Korean. India's support and her mediatory role in easing the Korean crisis were appreciated by China and strengthened Sino-Indian friendship [Bajpai and Amitabh (ed.), 2000:173].

Nehru's desire to maintain peaceful relations with China can be also seen from his actions in dealing with China's liberation of Tibet in 1950. With Tibet's assimilation into the PRC, India and China became direct neighbours for the first time. Strategically the buffer that Tibet provided was lifted with its assimilation into China and as history has shown was to be the main cause of Sino-Indian relations in years to come. Nevertheless, despite being under domestic pressure from both parliament and public to deal with what India considered a violation of its special privileges in Tibet, Nehru chose to deal diplomatically rather than come to an open confrontation with Beijing. The Sino-Indian relation was to blossom during the 1950's and was marked by support and cooperation in various regional and international institutions.

In April-July 1954, at an international conference held in Geneva to restore peace in Indochina, India and China extended mutual support and cooperation in solving the Indochina issue, this conference further promoted the Sino-Indian friendship and enhanced their position in the world. Likewise, at the first Asia-African Conference held in Bandung in Indonesia in April 1955, Nehru worked actively to bring China into the fold of the Afro-Asian solidarity. This conference promoted the Sino-Indian friendship and understanding as well as in maintaining national independence and world peace. According to Maxwell (1970: 261-262), Nehru was at the peak of his influence and esteem in the international community during the time of the Bandung Conference and took Chou Enlai under his wings, however. Maxwell goes on to say that, in the Indian perception, India and China were more like twins in standing and if there was a seniority, then it was certainly on India's side. Irritation at Nehru's and India's assumption of a right to leadership in Asia did not, however, affect the Chinese Government's policy and resentment of Nehru's patronizing ways had not been articulated in the public (Maxwell, 1970: 262).

Bilaterally India and China also extended support to each other on the question of sovereignty. India under Nehru supported China claims over Taiwan. China for its part also supported India's right to liberate Goa, if necessary, by force (Zhao, 2000:58). Although China was alarmed by Nehru's assertiveness on the Goa issue, as it had its own border disagreements with India. However, in spite of some early dissensions and controversy over certain issues, the Sino-Indian relations continued to progress in a friendly manner (Zhao, 2000:34-35). The period was marked by frequent mutual visits of several high-ranking leaders of India and China. The Sino-Indian

bilateral friendship reached its zenith on April 1954, when the two premiers Nehru and Premier Chou Enlai met to sign the Sino-Indian Treaty of friendship, which propagated peaceful coexistence and set the foundation for bilateral relations. This treaty put a seal of approval upon Chinese suzerainty over Tibet. According to Ranganathan (2005), the Tibet Agreement also known as the Panchsheel Agreement marked the beginning of a new phase of friendship and cooperation in the Sino-Indian relations. Beijing and New Delhi aimed for a peaceful, prosperous, and stable Asian continent and the five principles enshrined in Panchsheel later became the basis for the Non-Alignment movement which Nehru championed.

The early Nehru period was thus characterized by friendship and cordiality in the Sino-Indian relations. Several factors have been attributed by various scholars and commentators to explain this bonhomie in the Sino-Indian relationship. According to Swaran Singh (2003:1-39), the shared experienced and mutual support extended by both countries in the fight against colonialism and a relationship which go back to thousands of years of religious, commercial and cultural linkages in ancient times constituted the historical basis for the Sino-Indian friendship in the Nehru era. Moreover as nascent states, both countries encountered the common task and difficulties of nation building and this brought the two countries together (Jetly, 1979:32).

In the global context, the Sino-Indian friendship could be attributed to the circumstances which accompanied the Cold War between the two great powers USA and the USSR. India and China found themselves confronted with the challenges of managing security and making political choice within the context of the new international order. Nehru, on his part attempted to provide an alternative in the shape of the Non-Align Movement. However, it was in light of the American-Pakistani alliance and the American-Chinese enmity coupled with the Indo-Pakistani hostility under the circumstances of the Cold war that the Sino-Indian friendship came into being (Wang, 1994:26). Although Nehru had been close to the previous Kuomintang administration, he had no qualms in accepting the reality of the founding of the PRC. The founding and rising of the PRC was an undeniable and irreversible fact and a significant event in contemporary history, so a realistic stand needed to be taken to recognize this fact. Nehru also saw the emergence of the new regime in China not so much as a victory of communism as a triumph of nationalism (Dixit, 2003:48).

The end of Sino-Indian Friendship

The Sino-Indian friendship was increasingly coming under strain from two main issues: (1) The Tibetan Rebellion and (2) The boundary dispute. The question of Tibet lies at the very centre of whatever disputes that India and China had with each other as the question of boundary can only be understood in conjecture with the question of Tibet. China's claims over Aksai Chin is based upon it being a strategic artery to Tibet, Likewise in the eastern sector China's claim over Arunachal Pradesh is based on the Tawang monastery over which the head monastery at Lhasa has ecclesiastical control.

The Tibetan Rebellion

In March 1959, the Khamba tribes of eastern Tibet revolted against the Chinese Government and the rebellion spread west to Lhasa. However, the revolt was swiftly put down by the Chinese authorities. On the 31st of March, the Dalai Lama fled to India accompanied by about 100,000 followers. The Dalai Lama hoped to achieve Tibetan independence with Indian help however Nehru made it clear that India could not start a war with China for the freedom of Tibet (Guha 2007). Nehru was caught in a dilemma and told the Indian parliament:

“We have no desire whatever to interfere in Tibet; we have every desire to maintain the friendship between India and China; but at the same time we have every sympathy for the people of Tibet, and we are greatly distressed at their helpless plight. We hope still that the authorities of China, in their wisdom, will not use their great strength against the Tibetans, but will win them to friendly co-operation in accordance with the assurance they have given about the autonomy of the Tibet region. Above all, we hope that the present fighting and killing will cease” (Maxwell 1971: 263-264).

Beijing was critical of Nehru's statement and saw it as India's interference into China's internal affairs. China took exception to Nehru giving legitimacy to the Dalai Lama. According to Maxwell, China had no objection, as Chou Enlai said, to India's granting the Dalai Lama sanctuary, that was normal international practice, but complained that the impressive welcome extended to the Dalai Lama by the Indian government and the visit Nehru paid to him as soon as he arrived at Mussoorie were an unfitting reception for a government to give the leader of a rebellion in a friendly neighbouring state (Maxwell, 1971:264).

According to Maxwell, Beijing's position was that the revolt was a counter-revolution to sustain the dark, cruel and barbarous serf system by the classes which benefitted from it and were helped by American and Kuomintang agents, and was far from being a popular uprising and Beijing believed that India had misunderstood the nature of the rebellion. Moreover, Beijing was also unhappy with India for not fulfilling its assurances that the Dalai Lama would not be allowed to engage in political activity against China while he was in India (Maxwell, 1971:264). According to Rasgotra and Chopra (1997:174), the Tibetan rebellion of 1959 produced a disastrous outcome to the Sino-Indian relations which was undermined seriously and deteriorated sharply.

The Boundary Dispute

Representatives of Britain, China and Tibet (which was a quasi state) had agreed that the frontier between British India and southern Tibet should follow the crest of the Himalayas. This conference was chair by Sir Henry McMahon and hence the line delineated came to be known as the McMahon Line. However the newly established Chinese republican government disavowed its plenipotentiary who was appointed by the last Chinese emperor, and refused to sign the convention (Guruswamy and Singh, 2009:28). India's claim to NEFA (Arunachal Pradesh) is based on the McMahon line which was formulated in the Shimla conference of 1913. Nehru and Chou Enlai had been in regular dialogue about the McMahon Line since 1956.

During 1954-1957 the Chinese army built a paved road connecting Xinjiang (erstwhile Turkistan) and Tibet on a caravan track running through the easternmost part of Ladakh, the Aksai Chin plateau, where traditionally herders from Ladakh had grazed their cattle and extracted salt. In July 1958, China Pictorial, an official magazine in Beijing published a map that showed large parts of Ladakh and of the NEFA in the eastern sector as Chinese territory. Nehru in a letter to Zhou Enlai expressed India's dismay over newly published Chinese maps that identified large parts of Ladakh and NEFA as Chinese territory. Nehru wrote to Zhou Enlai:

A treaty of 1842 between Kashmir on the one hand and the Emperor of China and the Lama Guru of Lhasa on the other, mentions the India-China boundary in the Ladakh region. The area now claimed by China has always been depicted as part of India on official maps, has been surveyed by Indian officials and even a Chinese map of 1893 shows it as Indian territory (Noorani, 2006).

According to A.G. Noorani (2006), Nehru's claim that 'the area now claimed by China has always been depicted as part of India on official map' was manifestly untrue. Nehru's claim was based on the exploits of the Sikh Kingdom in Lahore which had expanded into Kashmir and annexed Ladakh in 1833, and Zorawar Singh, a general of the Maharaja of Kashmir Gulab Singh had marched into Tibet and Turkestan. Noorani points out that the 1942 treaty was a non-aggression pact and not a border agreement and the border in the mountainous territory was never demarcated. Noorani (2006) claims that India knew that its claims over Ladakh was disputable, but was determined to reject any Chinese demand for negotiations because this would weaken its position on other territorial issues.

Nehru was coming under intense public and parliament pressure to act when it became general knowledge that the Chinese were in Indian territory. Moreover, news of the Kongka pass incident (21 October 1959) increased the pressure. To settle differences, Chou Enlai wrote to Nehru on November 7, 1959 and insisted that India should acknowledge that McMahon was an arbitrary legacy of colonialism and proposed the maintenance of the status quo and mutual withdrawal up to 20 kilometres behind the positions prior to recent advances. Chou Enlai also articulated that China would relinquish its claim to most parts of NEFA in exchange for India's abandonment of its claim to Aksai Chin, besides this he proposed a summit for further discussions on the boundary question and Sino-Indian relations in general. Nehru under pressure refused and demanded the unconditional withdrawal of Chinese units, both from Ladakh and from the NEFA (Maxwell, 1971: 137-38).

Nehru made a counter proposal that the Indian forces would withdraw west of the international boundary as shown in China's 1956 maps in return for Chinese forces withdrawing to the east of the international border as shown in India's maps. Chou Enlai rejected the treatment of the western sector as a special case and argued that the proposal was unfair as the Indian withdrawal would be theoretical while China would have to withdraw from 33,000 square kilometres under Chinese jurisdiction and roads strategic in linking traffic with western Tibet. Chou then proposed a summit meeting to discuss the matter. However, Nehru under great domestic pressure expressed regret that his reasonable proposal for joint withdrawal in the western sector had not been accepted, and broke off diplomatic correspondence with his Chinese counterpart (Maxwell, 1971:141:142).

At the beginning of 1960 New Delhi on the urgings of the Soviets began reconsidering Chou Enlai's urgings for a summit. Simultaneously a detente was shaping between the U.S and the USSR on the back of Krushchev's visit to the U.S. China had its own border issues with the Soviets which sprang from the "Unequal Treaties" signed by the Tzar and the Chinese Emperor, and because of its own border issues Moscow decided not to side with its communist neighbour. Moreover, the Longju incident had occurred right on the eve of Krushchev's visit to Camp David and believed that such aggression portrayed the communists in a bad light and hence was unwilling to listen to the Chinese version of the incident (Maxwell, 1970:144).

An invitation for a summit meeting was sent to Beijing on the 12 February 1960 just a day after Krushchev's arrival in New Delhi. In April, Chou Enlai came to New Delhi for his weeklong visit via Rangoon after settling border issues with the Burmese government. However, the Summit was doomed to fail because of the differences in approach by both sides. As far as India was concerned there was no dispute to be discussed and that the boundary line was fixed and immutable. Moreover, just a month prior to Chou Enlai's arrival, the Supreme Court of India had ruled that any cession of territory in the Berubari Union territory would have to be ratified by amendment of the Indian constitution and thus annulled the agreement between Nehru and his Pakistani counterpart. Maxwell believes that if Nehru had the will to resolve the Sino-Indian border issues such constitutional constraints would not be insurmountable for a man with his clout and influence (Maxwell 1971:154).

In the New Delhi Summit, Nehru demanded that China should unconditionally recognize India's claim to Aksai Chin and to accept the McMahon Line as the formal boundary of NEFA. Nehru feeling betrayed by a neighbour for whom he had done so much was unwilling to negotiate. Zhou Enlai also had a big complain about the Dalai Lama's political activity in India and Nehru's bestowal of legitimacy upon him. Chou Enlai could not accept Nehru's demands and departed for Nepal. Nehru meanwhile speaking to the press accused China of aggression by occupying Indian territory in the Aksai Chin region. Chou Enlai on being told of Nehru's statement upon his arrival in Katmandu retorted that Nehru never told this on their faces was such words were unbecoming of a good host (Maxwell 1971:166). However, by describing the Chinese presence in Indian territory as an act of aggression, Nehru came under public and parliament pressure to expel the intruders.

The Forward Policy

Nehru with his aversion to war did not want to aggravate the situation however some action was necessary to show that something was being done. The Forward policy was promulgated and the concept of it was to establish Indian military presence into Chinese held territory. Although announced in 1960 at the end of the Summit it was implemented in earnest only at the end of 1961. This long delay in implementation was due to General Thimayya the Chief of Army Staff reluctance to do so because of the unpreparedness of the Indian army to undertake such a venture (Maxwell, 1971: 183-185).

However after General Thimayya's retirement on May 7 1961, the army under General P. N. Thapar as Chief of Army Staff and Brij Mohan Kaul as Chief of General Staff and Krishna Menon (Defence Minister) convinced Nehru of the Army's ability to implement the Forward Policy. Nehru articulated that India was willing to resort to war if necessary to protect its territorial integrity. By the middle of 1962, India had established more than 40 forward military positions in Ladakh. Nehru never imagined that war with China was a possibility, for his part he considered the forward policy as legitimate and a state's right to expel illegal occupants of its territory.

In response to the Forward policy, China by the end of 1961 began a large-scale militarization program in Tibet. China was also taken aback by the Soviet Union's neutrality on the border issue and interpreted it as Moscow's endorsement of India's posture; nevertheless, China warned India that it would take decisive action if the Indian Military build-up would continue (Maxwell, 1971: 174-205). China also began to use its emerging relationship with the Pakistani leadership with whom Beijing had just settled boundary issues to unnerve India (Maxwell, 1971: 274). India meanwhile objected to the Sino-Pakistan settlement as India felt it involved its territory (Maxwell, 1971: 215).

Another incident which exacerbated the border confrontation was India's action in the Portuguese colony of Goa. Nehru coming under increasing domestic pressure directed the Indian army to prepare for the invasion of Portuguese Goa. In 1961, Goa was taken by force by the India army. As a staunch opponent of imperialism, Nehru came under pressure from the west for this display of imperialism however Nehru viewed it as liberation of his own countrymen (Maxwell, 1971: 229-230).

Domestic passions were running high, and the Indian government was under pressure to do likewise with the Chinese intruders. Moreover, the success of the invasion gave a false image about the efficacy and strength of the Indian army to the public and also to those in power (Maxwell, 1971: 228-231). By now the public opinion and pressure was mounting on Nehru to expel the invaders and accordingly Nehru and Menon authorized Operation Leghorn to push the Chinese back (Maxwell, 1971: 323).

General Kaul in command of the forces at Namka Chu was prepared to carry out the eviction action on 10th October 1962 (Maxwell, 1971: 335); however, attempt to cross the river was resisted by the Chinese. Beijing was braced for an eminent attack by India along the border as had been articulated by Nehru in his dealings with the press and also news of Kaul's appointment for the eviction tasks was well known. Moreover, the Indian invasion of the Portuguese colony alarmed Chinese officials in Beijing and convinced them of the futility of trying to negotiate with a stubborn ageing Nehru who had become a prisoner of domestic political pressures. On 20 October 1962, China carried out its threat of massive retaliation in NEFA and simultaneously in the western sector (Maxwell, 1971: 357-358). Thus India and China were at war.

The Border War

After overwhelming Indian positions in both sectors, Chou Enlai sent a note to Nehru on 24 October 1962 proposing to end hostilities if both parties would confirm that the dispute would be settled by peaceful means and would agree to abide to the line-of-actual control prevailing in November 1959 and would withdraw their troops 20 kilometres behind this line. Nehru immediately rejected these proposals, but made a counter proposal that both parties would return to the status quo ante of 8 September 1962, which meant Chinese evacuation of NEFA and reestablishment of the 40 plus Indian forward positions in Ladakh (Maxwell, 1971: 373-375). Subsequently China launched another offensive and occupied their prime target Tawang on 24 October 1962. On 28 October 1962, Nehru fired Krishna Menon and called upon Britain, United States, USSR and Israel to provide arms to fight the Chinese. Between 15 and 19 November the Chinese army wiped out all organized Indian military presence in the disputed areas and Nehru in an emotional afternoon radio broadcast effectively bid goodbye to the people of Assam (Maxwell, 1971: 409).

However, after achieving its punitive mission China declared a unilateral ceasefire and declared that it would abide to the status quo of 1959. The Chinese military action had ended India's forward policy and resulted in unassailable Chinese control of some 40,000 square kilometres of disputed land. The Indian army accepted the de facto border as described by the Chinese in 1959. In the eastern sector, Beijing intimated that it respected (but did not recognize) the McMahon line, which had been imposed by British colonialism, withdrew to the north of it and abandoned Tawang. In the western sector, the Chinese withdrawal from Ladakh was completed on 28 February 1963 (Maxwell, 1971: 418-419). And since then the military status quo remains unchanged. The war established the superiority of Chinese military over India and dealt a heavy blow on India's national pride.

The standard view on the Indian side was that China committed blatant aggression to demonstrate its military superiority and to humiliate India with the added incentive of diminishing India's leadership among the non-aligned Afro-Asian world and in South Asia. It also disproved Nehru's belief that a non-aligned policy would lead to national security. India abandoned its non-align stance and appealed to the United States and Britain for assistance. India felt betrayed by an untrustworthy neighbour that it had supported in world forums.

Questions remain to why exactly China executed its war ending it in a unilateral withdrawal. One view is that it did not make strategic sense to overexert its logistical support to invade Assam and beyond where not only would the superiority of the Indian air forces come into picture but also where the Indian forces would be more acclimatized (Parasnis, 2002). Another view is that the military defeat by China was driving unaligned India towards the United States, whose advances it had so far resisted and was not in China's interests. However, most scholars argue that geostrategic timing was the most important factor. The Sino-Indian war coincided with the Cuban missile crisis which unfolded from 1 October until 14 November 1962, which limited the US responses towards China and temporarily made the USSR side with its fraternal neighbour. Another explanation was that the failure of the Great Leap Forward experiment in China which resulted in the largest famine in world history had challenged Chairman Mao's leadership of the PRC, and to galvanize China a generation of an external crisis was a necessity (Kemenade, 2008: 41).

Normalization of Relations

Following Nehru's death in 1964, Sino-Indian relations came to a full standstill for five years until ambassadors were exchanged again in 1976. During this period, India under Indira Gandhi conducted its first nuclear test in May 1974 further straining Sino-Indian relations. In 1976, both countries decided to resume diplomatic relations. A.B. Vajpayee, then India's foreign minister visited China in February 1979 and met with the PRC stalwart Deng Xiaoping in an effort to improve Sino-India relations. India and China agreed to discuss the border issue as a first step to broadening bilateral relations. However on 17 February 1979, China declared war on India's friend Vietnam (Third Indochina war, from 17 February to March 16, 1979) as a response for Vietnam invading and occupying Cambodia in 1978. This represented a serious setback to the Sino-Indian relations (Subramanian, 1998).

However, the leadership of both India and China were determined in normalizing relations and in this vein, Indira Gandhi met with Chinese Premier Hua Guofeng in Belgrade in May 1980, where she emphasized the imperative of friendly relations between New Delhi and Beijing for peace and stability in Asia. Both agreed that a dialogue mechanism to ensure peace on the border. During successive interaction, they agreed to cooperate in non-controversial areas such as bilateral trade and economic interaction without the border issue as a prerequisite. In 1981, the Chinese Foreign Minister Huang Hua was invited to India. After the Huang visit, India and China held eight rounds of border negotiations between December 1981 and November 1987. In August 1984, a free trade agreement was signed with India and China granting each other MFN status.

A serious setback to normalizing Sino-Indian relations occurred in October 1985 when China staked its claim to Arunachal Pradesh seriously for the first time. This dampened the optimism of the border negotiations. Until then, China had given the impression that although it did not recognize the McMahon Line, it was willing to accept a reciprocal formulation (based on Chou Enlai's formulations) and that China would give up its claim over NEFA if India would abandon its claims over Aksai Chin. The 1986 and 1987 negotiations were characterized by exchanges between the two countries over military encroachment in the Sumdorong Chu valley of the Tawang tract on the eastern sector of the border. China's construction of a military

post and a helicopter pad in the area in 1986 and India's bestowal of full statehood to Arunachal Pradesh in February 1987 raised fears of war as tensions rose after the deployment of new troops in the area. By the summer of 1987, both sides diffused the tensions and both camps denied that any military skirmishes had occurred. At the eighth round held in November 1987, a decision was reached to upgrade the level of talks from the bureaucratic to the political level.

In December 1988, Prime Minister Rajiv Gandhi visited China. This was the first prime ministerial visit since Nehru's visit in 1954. The historic visit saw the separation of ongoing difficulties from other aspects of expanding relations between India and China. There was a display of determination by both India and China to resolve the border issue. The two governments agreed to hold annual diplomatic consultations between their respective foreign ministers, and to set up a joint ministerial committee on economic and scientific cooperation and establish a joint working group on finding a solution on the vexing boundary issue. They also agreed to work towards improving overall bilateral relations (Subramanian, 1998). Rajiv Gandhi's visit was also marked by a joint communiqué issued by China and India that stressed the need to restore friendly relations on the basis of the Panchsheel. Agreements were signed to establish direct commercial flights and to increase scientific, technological and cultural exchanges between China and India.

In December 1991, Premier Li Peng visited India and the following May, President Ramswami Venkataraman paid a reciprocal visit to China. Between December 1988 and June 1993, six rounds of talks were held by the Joint Working Group. Agreements to reduce tensions were worked out. Confidence building measures which included mutual troop reductions, regular meetings of local military commanders, and the advance notifications of the commencement of military exercises were formulated. A marked sign of improving Sino-Indian relations was witnessed in the shape of resumption of border trade in July 1992. Consulates were also reopened in Bombay and Shanghai in December 1992 (Raja Mohan, 2001).

In July 1992, Defence Minister Sharad Pawar visited China. This was the first ever visit by an Indian Defence Minister. During this visit both countries agreed to develop academic, scientific and technological exchanges, and also military exchanges between the two militaries. In the border negotiations, India preferred a sector to

sector approach while China preferred to address the dispute as a package. However, observers had long maintained that neither India nor China would ever give up the areas they currently occupy and the most feasible solutions would be the mutual acceptance of the existing Line of Control. In September 1993, Premier Li Peng and Prime Minister Narasimha Rao signed the “Peace and Tranquillity” agreement. According to Mohan Malik (1995), this agreement should be seen as an acceptance of ground realities. This trend of isolating prickly issues from other bilateral issues was continued in the Jiang Zemin’s visit to India in 1996 which was to result in the de-linking of China’s Pakistan policy from its India policy (Singh, 1999: 58).

Pokhran Nuclear Tests

The Indian nuclear tests on 11 and 13 May 1998 marked a low in the Sino-Indian relations. Beijing condemned the nuclear tests and took offence to New Delhi citing the Chinese threat as justification for the nuclear explosions (Subramanian, 1998). Defence Minister George Fernandes declared that China was India’s “potential threat number one”. The China threat rhetoric was repeated in the leaked letter sent to U.S. President Bill Clinton by Indian Prime Minister Vajpayee. According to John Garver, India’s proclamation of the China threat and Beijing’s choice to interpret India’s nuclear tests as part of India’s containment policy towards China in its quest for regional only exacerbated the tension (Garver, 2001: 338). However, relations improved subsequently and China displayed its goodwill to India by taking a neutral stance by not coming to its ally’s help in the Kargil conflict of 1999. It is clear that Beijing was offended by India’s China threat rhetoric to justify the nuclear tests, however according to some scholars China was not unduly concerned by the nuclear tests. According to these scholars China does not consider India to be a threat and in the global context China is competing with other major powers (Sidhu and Yuan, 2003: 32).

Sino-Indian relations in the 21st Century

In November 2000, for the first time, maps were exchanged by both countries showing each side's perception of the border and in January 2001 it was agreed that the process of border delineation would be accelerated. High level visits from both sides during 2001 and 2002 created an amicable environment between the two countries. Prime Minister Atal Bihari Vajpayee started a six day visit to China in June 2003, and upon his arrival in Beijing announced that the longstanding dispute would be solved immediately. Vajpayee and Premier Wen Jiabao signed a Declaration on Cooperation as well as nine protocols on bilateral cooperation. Both leaders announced that their countries would work together for regional peace and stability, and progress was made even with regards to the long-standing Sino-Indian boundary dispute: the two leaders reaffirmed their commitment of 1993 and 1996 to maintaining peace and tranquillity along the border, and to take steps to codify the Line of Actual Control (LAC). The appointment of two special representatives to expedite the negotiation process was also announced, and India appointed National Security Adviser Brajesh Mishra, while China appointed Vice-Minister of Foreign Affairs Dai Bingguo as its special representative (Kondapalli, 2005; Joseph, 2003; Kemenade, 2008: 48).

Another aspect of the June 2003 agreement was India's reiteration of its acknowledgement of Tibet being a part of China and its pledge not to support separatist activities by Tibetan exiles in India; in response, China agreed to begin trading with India through Sikkim, which was interpreted as Beijing's recognition of Sikkim as part of India. However, this misunderstanding was cleared by Chinese Foreign Ministry spokesman Kon Quan who rejected India's claim that China's acceptance of a trade route through Sikkim implied recognition of Sikkim as India's territory (Kemenade, 2008: 44).

With the Congress coming to power in May 2004, Prime Minister has continued to engage China. In 2005, a breakthrough took place on this issue when China accepted Sikkim as an integral part of India, while India reciprocated by recognizing the Tibet Autonomous region as part of Chinese territory (Kemenade, 2008: 44-45). During premier Wen Jiabao official visit to India in April 2005, India and China reached an "Agreement on the Political Parameters and Guiding Principles for the Settlement of

the India-China Boundary Question”, which stipulated that the boundary question should not be allowed to affect the overall bilateral relations. Officials from both sides pointed out that the guiding principles provided the basis for proactively addressing the issue as a strategic objective. It was pointed out that a sectoral approach was not being contemplated and that the two countries would take an overall view of the three sectors and an “inter-sectoral trade off” would be made. It was agreed that both sides should, in the spirit of mutual respect and understanding, make meaningful and mutually acceptable adjustments to their respective positions on the boundary issue, so as to arrive at a package settlement to the boundary questions. Both sides pledged to safeguard due interests of their settled population in the border areas (Kemenade, 2008: 44-45).

In November 2006, just one week before the official visit of Chinese President Hu Jintao to New Delhi, Sun Yuxi, the Chinese ambassador to India announced that China considered all of Arunachal Pradesh, not only Tawang, as part of China. However, by now both sides made it clear that the border dispute was not the most important factor in the Sino-Indian relations. During the course of the Presidential visit India and China agreed to expand trade to 40 billion US dollars by 2010. The visit however, was marred by economic issues; China complained that Chinese companies were excluded from bidding for large constructions and telecommunications projects which was perceived to be national security risks by the Indian side. As a result a press conference by Kamal Nath and Bo Xilai—the two trade ministers—were abruptly cancelled without explanation. India courted China’s support for its bid for permanent membership to the Security Council, which was declined by China. This was interpreted as Beijing’s reluctance to see the rise of a rival peer and a multipolar Asia. New Delhi also was aggrieved at President Hu Jintao’s insistence on flying straight from New Delhi to Islamabad (Kemenade, 2008: 46-47).

China reasserted its claim over Arunachal Pradesh in May 2007, when a lawmakers from the state raised the issue of Chinese incursions into the state, this however was dismissed by the Indian government. However, a subsequent denial of a visa to an Indian bureaucrat in an entourage of Indian Diplomats to visit China, by the Chinese authorities on the grounds that the person being from Arunachal Pradesh was already a full citizen of China and hence did not require a visa resulted in the visit being

cancelled. Yang Jiechi the Chinese Foreign Minister told his Indian counterpart Pranab Mukherjee in Hamburg during the ASEM meeting that the mere presence of settled population in disputed border areas did not affect Chinese claims, which was taken by the Indian side as a violation of the 2005 guidelines in which both sides agreed to safeguard the interests of settled populations. The Indian Prime Minister Manmohan Singh took up the matter in a meeting with President Hu Jinta in Heiligendamm one week later, but the issue did not affect the overall positive bilateral relations between the two countries (Kemenade, 2008: 47).

Recent downturn in Sino-Indian relations

The Chinese presidential visit in 2006 marked a new chill in Sino-Indian bilateral relations. India had previously indicated its willingness to settle for the territorial status quo by giving up its claims to Aksai Chin and hoped that China would give up its claims to Arunachal Pradesh in the eastern sector and recognize the McMahon Line, as suggested by Zhou Enlai in 1959. However, during 2006-2007, it transpired that China was no longer interested (Kemenade, 2008: 51). During the summer of 2007 there were several encroachments by Chinese military units in Arunachal Pradesh and reports of Chinese arms supplies to India's north-east via Bangladesh and Myanmar. In August 2007, the Chinese demanded that two old Indian army bunkers near the tri-junction of Sikkim, Bhutan and Tibet be dismantled, claiming that they were located in Chinese territory. This move by China raised questions about China's declared policy of treating Sikkim as a part of India. This increasing assertiveness displayed by China has resulted in a rapid meltdown in the Sino-Indian border talks (Malik, 2007).

There is a multitude of theories, speculations are abound regard the logic and motivation regarding increasing display of assertiveness by China regarding the boundary issues and its disavowal of the east-west swap proposal. It is clear that on the Indian side, Tibet remains the key to solving the boundary issues and thawing the ice with regard to Sino-Indian (Chellaney, 2006). It has been speculated that with the completion of numerous road and rail links to Lhasa from other parts of China, and better accessibility to the Tibetan areas, Aksai Chin no longer has the strategic significance it did in the 1950s and 1960s. Another speculation is that Arunachal Pradesh has been a card used by China to control the Tawang monastery and in a way

help China dictate in the process of the selection of the next Dalai Lama. Others, however, attribute the recent downturn in Sino-Indian relations to domestic power struggles within the Chinese Communist party. Ma observers argue that China is pushing an expansionist grand strategy and exerting its claim to Arunachal Pradesh serves China's geostrategic goal of bringing south-west China and Tibet closer to the India Ocean and to China's growing sphere of influence in Myanmar (Kemenade, 2008: 52).

Another explanation for the downturn in Sino-Indian relations has been the rapid changes in the regional and global strategic environment ((Kemenade, 2008: 53). India is seen as a very integral cog in the U.S. policy of containing the rise of China. In light of this, India's tilt towards the US in recent years has been a source of great concern for China. The United States have been very clear in its objective that it aims to help make India into a major power in the twenty-first century. This American policy has been likened to the US tilt towards China under President Richard Nixon in 1971. India has embarked on an ambitious military modernization effort and is increasingly looking to the United States to purchase advanced weaponry. In 2005, India and the U.S. signed a 10-year defence framework agreement that calls for expanded joint military exercises, increased defence related trade, and the establishment of a defence and procurement production group. The July 2005 (draft) US-India nuclear deal has also shown the seriousness of the relationship between India and the US. With the conclusion of the Indo-U.S. nuclear deal, India has seen its pariah status removed in the nuclear world order. Condoleezza Rice, the US Secretary of State had made it clear that the US policy of making India into a major power includes not only assistance in the development of India's economy but also has military connotations (Curtis, 2008: 6). China is wary of the potential U.S.-India military cooperation and in lieu of the changing regional and global strategic environment has begun pursuing an assertive policy towards South Asia.

In recent years, the Sino-Pakistani relationship has intensified on the back of the Indo-US bonhomie. In January 4, 2006, China and Pakistan officially ratified the China-Pakistan Treaty of Friendship, Cooperation and Good Neighbourly Relations (Rajan, 2006). China also undertook to build two more nuclear reactors for Pakistan which represented some kind of a nuclear deal between the two countries (Curtis, 2008: 8). Indian strategic community considers China's alliance with Pakistan as a means to

confine India in the subcontinent. Indian commentators have long maintained that the Sino-Indian partnership is the only reason Pakistan has been able to stand up to India. Analyst believe that Pakistan has been a truly useful ally for China, not only does cooperation with Pakistan benefit China strategically, economically, it also serves China interest by maintaining a peer rival in South Asia and limiting India's rise in international affairs (Garver, 2001:189).

Conclusion

This chapter has shown that the border issue has been the historical focal point on which Sino-India has been shaped. As the Study has shown, the Sino-Indian relation has oscillated between friendship and hostility. India and China began their journey as modern states on benign terms; however, the legacy of colonialism in the shape of un-delineated boundary had resulted in the Sino-Indian border war. Both countries were also drawn into the great political contest between the U.S. and USSR with both countries facing off on different sides. And it will be no exaggeration to say that the boundary differences had a major role to play in the choices India and China made with regard to allies.

Normalizations in the Sino-Indian relations had coincided with the demise of the USSR. China has also engaged India and trade relations have become robust. Although, Sino-Indian relations were stained by the circumstances accompanying the Pokhran nuclear tests in 1998, it did not remain so for long. And during the Kargil conflict, China showed its goodwill to India by its stance of neutrality and not intervening on behalf of its ally. India and China entered the twenty-first century with a flurry of diplomatic activity and cooperation in various fields. However, in the post Indo-U.S. nuclear deal period, the Sino-Indian relations is coming under strain. The boundary settlement is not in sight; geostrategic and economic interests have begun to put more pressure on the Sino-Indian relationship. While the boundary issue no longer seems to be the most important issue in Sino-Indian relations, the negativity generated by the Sino-Indian war of 1962 has been reflected even to this day.

Chapter four: Analyzing Sino-Indian Relations from Liberal and Realist Perspectives

China and India are the two largest countries in the world and a study of relations between the two neighbours would naturally attract a lot of attention. As shown in the previous chapter, the fact that both countries are on the verge of great power status while scars of a war over territory still remain alive, question have been raised and debated among scholars as to how the Sino-Indian relations would progress in the future. The main concerns are with regard to the intentions of both states as to how they perceive their own respective role as well as how they view the other's place in the global order. Will peace endure or will conflict characterize relations between the two giant neighbours in the future? This has been the themes which occupy scholars who have commentated with regard to the prospects of future Sino-Indian relations.

In this chapter, we shall examine the Liberal and Realists perspective and how they interpret the Sino-Indian relations since the end of the cold war to the present day. As is well known liberals place a lot of faith in the prospects of peace and cooperation generated through the process of trade and multilateral institutions. On the other hand the realists' worldview is based on the concept of "state of war" and the definition of peace as an absence of war; hence realists doubt the credentials of liberal theories of peace and cooperation. The history of Sino-Indian relations has shown the operation of both cooperation and hostility and presents an interesting subject of investigation from both the realists and liberal point of view.

Analyzing the Sino-Indian Relations from a Liberal perspective

India is a democratic state while China remains a communist state therefore the democratic peace theory is rendered inapplicable to begin with (although the theory argues that democratic states are tend to be more peaceful even with non-democratic states). Therefore, we shall turn our attention to two other major schools of thought in the liberal fashion—the economic interdependence theory and the institutionalists schools within the liberal paradigm.

The end of the Cold War coincided with the revolutionary economic reforms of India's economy in 1991. This was instigated by a foreign currency crisis and also by the collapse of the socialist camp with which India had cultivated a special trade relation. China had initiated its economic reforms in 1979 under Deng Xiaoping and this continued in the early 1990's when Jiang Zemin took leadership of the CCP. Both India and China reforms have focused on decentralization, private initiatives and export promotion to accelerate their respective economies. With the end of the cold war India and China were presented with new avenues for alternative visions and opportunities (Raja Mohan, 2006: 17). India and China have recognized that both countries represent a huge market for their products and since the economic reforms have begun to increase their footprints in each other economies. Today, China is the number one trading partner of India and bilateral trade is growing robustly presently. According to Swaran Singh (2005:83) the bilateral trade between India and China has gradually come to occupy the centre state in the Sino-Indian economic engagement and has come to be recognized as the backbone of China-India confidence building measures.

Economic Interdependence theory

The economic interdependence theory argues that economic interdependence between two states make military conflict very unlikely. The theory also holds that increase in bilateral trade between two states will result in a subsequent reduction in armed forces. The theory argues that the increase in bilateral trade increases the stakes involved between the two countries to the point where it becomes costly for states to disrupt it. The economic stakes involved in the Sino-Indian relationship has risen tremendously. Since a China-India Joint Working Group for promoting mutual trade was set up in 1984, the JWG has been spearheading the bilateral trade cooperation through the annual meetings held alternatively in Beijing and New Delhi (Singh, 2005).

In 1992, the Sino-Indian trade stood at merely US \$ 339 million, and rose to US\$ 320 million in 1993 (Malik, 2004: 6). Analysts have argued how bilateral trade has been the most potent confidence building measure in the Sino-Indian relations (Singh, 2005). It has been pointed how trade became the mechanism to resume political dialogue after the crisis which was generated by the Pokhran nuclear tests in 1998.

The opening of Nathu La pass in Sikkim for trade has been seen as an example of how economic considerations have helped in soothing historical antagonism in the Sino-Indian relations (Singh, 2005, 2008: 44). There is great enthusiasm in the potential of a Sino-Indian economic synergy. It is quite apparent that with a combined population of well over 2 billion people a Sino-Indian market would be the biggest in the world. Analysts have long argued that both China and India cannot neglect the market potentials the other represents and hence work to further their economic engagements (Singh, 2005).

Since 2001, the Sino-Indian trade has grown rapidly. The bilateral trade for the year 2004 stood at US\$ 13.6 billion with India's imports from China totalling US\$ 5.9 billion. The same year India became China's 11th largest trade partner. In 2006, China became India's biggest trading partner (Aiyer, 2006). In 2008, India's import from China had risen to US\$ 31.5. During Prime Minister Manmohan Singh's visit of China in January 2008, the Sino-Indian trade target of US\$ 40 billion by 2010 revised to US\$ 60 billion as the original target had been achieved two years before the original timeframe (Acharya, 2008: 102-103). The Sino-Indian trade for the year 2010 had reached US\$ 61.8 billion (China's Customs Statistics). It is evident that trade between India and China is growing robustly. However, the question which confronts analysts is whether the surge in trade has raised the stakes high enough to ensure Sino-Indian relations and mitigate the effects of unresolved boundary issues.

The theory of economic interdependence posits a situation where bilateral trade between two states is mutually beneficial and where one state cannot do without the other and vice-versa generating an incentive for maintaining peace and stability so that the benefits generated by trade can continue. Bilateral trade has been an important confidence building measure in the Sino-Indian relations. However, a more detailed look at the nature of the trade reveal that the Sino-Indian bilateral trade relations cannot be termed as an interdependent relationship for now. Although the bilateral trade between the two countries has increased tremendously the trade relationship is still characterized by an unequal relationship. According to Pallavi Aiyer (2006), the "serious, continuing flaws in the structural composition of trade and a disappointingly low investment engagement mean that there are many miles to go before the Sino-Indian economic relationship can have the kind of significance that exists in China's relations with its truly weighty trading partners". Several scholars have pointed out to

the asymmetrical nature of the bilateral trade between India and China and how it is only benefiting China (Raman, 2008). Scholars also point out the nature of trade between India and China and the stakes involved in it. It has been argued that India depends more on the China trade than vice versa.

By 2006, China had replaced the USA as India's top trading partner in the world. In the year 2010, India ranked tenth among China's top trade partners with US\$ 61.8 billion which represented a change of 42.4 percent over 2009 trade. This volume was way behind the trade volumes between China and the USA which generated US\$ 385.3 billion and with Japan which ranked second on the list with US\$ 297.8 billion (see table 1). China exported US\$ 283.3 billion to the USA and US\$ 218.3 to Japan (2010 figures). India came in seventh place among China's top export destinations in 2010 at US\$ 40.9 billion (see table 2).

Table 1: China's Top Trade Partners, 2010 (\$ billion)			
Rank	Country/region	Volume	% change over 2009
1	United States	385.3	29.2
2	Japan	297.8	30.2
3	Hong Kong	230.6	31.8
4	South Korea	207.2	32.6
5	Taiwan	145.4	36.9
6	Germany	142.4	34.8
7	Australia	88.1	46.5
8	Malaysia	74.2	42.8
9	Brazil	62.5	47.5
10	India	61.8	42.4

Source: PRC General Administration of Customs, *China's Customs Statistics*, <http://www.uschina.org/statistics/tradetable.html>

Rank	Country/region	Volume	% change over 2009
1	United States	283.3	28.3
2	Hong Kong	218.3	31.3
3	Japan	121.1	23.7
4	South Korea	68.8	28.1
5	Germany	68.0	36.3
6	The Netherlands	49.7	35.5
7	India	40.9	38.0
8	United Kingdom	38.8	24.0
9	Singapore	32.3	7.6
10	Italy	31.1	53.8

Source: PRC General Administration of Customs, *China's Customs Statistics*, <http://www.uschina.org/statistics/tradetable.html>

As the table shows, the Sino-Indian trade has far to go before it reaches the level that China has reached with the US, Japan, Hong Kong and South Korea. Countries with which China's trade volumes are over US\$ 200 billion annually. Moreover, the balance of trade imbalances has been a source of concern for the Indian side. Scholars such as Pallavi Aiyer and Raman have pointed out how this trade imbalances stand in the way of Sino-Indian trade relations reaching the same interdependent levels that China has reached with the USA and Japan. It is pertinent to point out that China has many historical grievances against both Japan and South Korea, however over the years China has traded in huge volumes with both Japan and South Korea and despite domestic issues and pressures, these three countries have established stable relations both politically and economically.

Scholars have also pointed out that the Sino-Indian trade relations have many structural problems. One of the problems is with regard to the composition of trade items. The Indian exports to China consist mostly of raw materials which are low-value commodities which imply that benefits of value addition do not accrue. Arvind Virmani using year 2005 data pointed out that Indian export to China consists mainly

of ores, cotton, slag, ash, salt, sulfur, lime and cement, which represents a very high concentration of basic raw material export. Meanwhile China's export to India consists mainly of value added products such as electronic goods, mechanical appliances, organic chemicals and steel products. Pallavi Aiyer (2006) commented that this overreliance on few commodities in the Sino-Indian trade is not conducive for providing long-term stability to the bilateral economic relationship. Aiyer argues that there is another very important component missing in the Sino-Indian bilateral economic relationship—and that is mutual investments which is crucial for a truly sustainable economic engagement. Aiyer feels that mutual investment between the two countries is still very low and does not create conducive conditions for a long-term and mutually beneficial economic relationship. It has been pointed out that imports of basic raw materials is driven by the internal construction boom that China is experiencing and therefore such bilateral economic engagements are short-term by nature. Moreover, there are numerous countries from which China presently sources raw materials and these countries provide a ready alternative source of raw materials should China feel the need to do so.

The narrow trade basket and the ever increasing trade deficit vis-à-vis China have not gone unnoticed by Indian analysts. It has been a source of concern and measures to correct this imbalance in trade have been touted (Raman, 2008). One such measure is to widen the trade basket to generate a mutually beneficial trade relation. It is well-known that India is a software power and China a manufacturing powerhouse and it was hoped that both countries would exploit the opportunities generated by synergies in these two sectors. However, such synergy have yet to materialize. Although big Indian Information Technology companies such Wipro, Infosys, Satyam and TCS have invested in the Chinese market they have been unable to make much headway. Impediments cited against such setbacks are the language and culture barriers (Aiyer, 2006). Moreover, the Indian government has resisted Chinese investment in sensitive sectors such as telecommunications and port infrastructure. Citing security reasons the Indian government blocked Huawei Technologies and ZTE Corporations, both major Chinese telecom companies from operating in India, likewise, Indian authorities stood in the way of Hong Kong based Hutchinson Port Holding investing in India's port infrastructure (Kemenade, 2008: 205).

India's concern over the ever increasing trade deficit a vis-à-vis China and the need to restructure the Sino-Indian trade relations was expressed manifestly by Prime Minister Manmohan Singh during his speech at the China-India Economic Trade and Investment Cooperation Summit organized by the China Council for the Promotion of International Trade. During the speech Singh outlined a "three-pronged strategy" for restructuring trade. He made it clear that sound, mutually beneficial, "win-win" bilateral ties must necessarily be regarded as a strategic objective. (Singh, 2008 cited in Acharya, 2008:103). India has so resisted China's proposal in 2004 to set up a free-trade area. Since India's tariffs are currently much higher than China's, it is feared that an FTA which would bring down tariff barriers which would lead to ever higher imports from China (Rusko and Sasikumar, 2007:116). Currently, India is at the forefront of using anti-dumping investigations against China. Therefore, it is quite evident that in the Sino-Indian economic relations have yet to achieve a strong level of interdependence.

Institutions and Regimes

Liberals give great importance to Institutions in international relations. Although liberals believe that the international system operates in anarchy, they do not agree with the realist's argument that the structure of the international system limits cooperation. According to liberals there are many opportunities for cooperation in the international system—international Institutions are one of them. Liberals recognize that institutions are created by great powers to further and protect their interests, however once institutions are created the powers which create them also become subject to the rules of the institutions. The set of rules which govern state actions are called 'regimes'. Liberals believe that institutions function as buffer zones and helps in reducing fear and lack of trust between member states. Institutions also facilitate cooperation among states by facilitating the interflow of information between states to keep states informed about the intentions of states. Importantly, institutions provide forum for negotiations between states to provide continuity and a sense of stability.

There was a plethora of cooperation between India and China during the early stages of their existence. As illustrated in Chapter 3, India and China during the Nehru era had worked together in the UN and in various regional forums still went to war over boundary issues. In the post Cold War period, the Sino-Indian rapprochement process

has seen the two countries participate in various international and regional forums (Malik, 2009). In April 2005, India and China signed the Strategic and Cooperative Partnership to signal their intent to cooperate not just in the bilateral domain but also in the global context. India and China are increasingly cooperating in the global level on some critical issues, such as the WTO, environmental issues, human rights, and reform of the United Nations, multipolar world, disarmament and the unjust international economic order (Acharya, 2008:105). Similarly, during Prime Minister Manmohan Singh's visit to China in 2008, the two countries signed a Shared Visions on the 21st Century declaration, 'to promote the building of a harmonious world of durable peace and common prosperity through developing the Strategic and Cooperative Partnership for Peace and Prosperity between the two countries'.

India and China stand on one side in the East-West divide. Both represent the developing countries; both have similar internal problems and share similar histories of colonial exploitation. Mearsheimer (2006:86) places China as a revisionist power. Similarly, India is unhappy with its place in the global world order. Mohan Malik (2009:1147) comments that the similarities between the two Asian giants' outlooks, aspirations, policies, and interests are indeed striking, despite their differing political systems, both want a new international status that is commensurate with their size, strength, and potential.

Malik (2009:1147) posits that both countries identify the present pattern of international relations with a world order designed to perpetuate the world domination of Western powers and both countries see Asia's rise on the world stage as bringing about the end of Western dominance. It is a well known fact that India wants permanent membership in the United Nations Security Council. Both India and China favour a multipolar world order and are concerned with the United States' use of military power around the world. Both countries had opposed the United States' use of military power in Serbia, Kosovo or Iraq. India and China view this as a violation of the sovereignty of these states and a violation of the authority of the United Nations.

India and China have taken a different approach towards institutions. Acharya (2008:108) points out that India's story with regionalism has yet to take off while China on the other hand has over the last decade enmeshed its economy with

numerous regional ventures such as—ASEAN plus 1, ASEAN plus 3, Asian Regional Forum (ARF), the Chiang Mai Initiative (CMI) in 2000: it has taken the initiative in the setting up of the Shanghai Cooperation Organization (SCO), as well as the pan-Asian BOAO Economic Forum. The South Asian Association for Regional Cooperation (SAARC) has been largely ineffective with India unable to revive it as a regional force. SAARC is known more for the meeting of Indian officials with their Pakistani counterparts than for the formulations of cooperative initiatives. India has an observer status in the SCO while China has an observer status in SAARC. Analysts have pointed out how these regional forums have become arenas for the Sino-Indian competition and rivalry (Malik, 2009).

Although India was invited to join the SCO as an observer in June 2005, India surprised the other head of states attending the meet in Almaty and Shanghai in June 2006 by sending Oil and Gas Minister Murli Deora (Yuan, 2007). China was given observer status in SAARC in 2005 and subsequently applied for full membership. However, India backed only by Bhutan has opposed this development. In December 2006, India and Japan established the Japan-India Strategic and Global Partnership. India also broadened its relationships with the member states of the Association of Southeast Asian Nations (ASEAN), many of whom have ongoing disputes with China (Yuan, 2007:137). India has also begun to work towards improving its relationship with Myanmar and Vietnam. Yuan (2007:137) argues that India's Southeast Asia diplomacy could complicate Chinese-ASEAN relations as growing Indian and ASEAN naval cooperation could impinge on China's maritime interests, making a final resolution of the territorial disputes in the South China Sea even more difficult. Likewise, Yuan argues that Indian-Vietnamese defense cooperation is also viewed with suspicion given China's unresolved territorial issues with both countries.

Another institution in which India and China have grappled in is with regard to India's aspiration for full membership in the United Nations Security Council. China's attitude towards India's aspiration has been marked by ambivalence. Wen Jiabao, during his 2005 visit to India said that China would be pleased to see India as a permanent member of the UN Security Council. But on his return he announced that although China would not block India's nomination but regions should decide their own candidates and a regional consensus should be built before a nomination was made. Similarly during his visit in December 2010, Wen Jiabao reiterated China's

stand that it does not oppose India's membership into the Security Council and that India should play a larger role in international affairs. This view was reflected in the Joint Communique released to the press on December 16, 2010.

India and China have taken similar stands on issues such as climate change, WTO negotiations and energy security. Both countries alongside other developing countries jointly resisted efforts made by the developed countries to link global trade to labour and environmental standards as this would be advantageous to the developed countries and hamper the competitiveness of developing countries in the global market. India and China have also taken joint positions in the WTO negotiations and were instrumental in the creation of the G33 bloc at the WTO to promote a more "equitable" international trading system, including adopting convergent views on the elimination of trade-distorting subsidies on agriculture (Mitchell and Bajpaee, 2007:155).

Both countries have lobbied for further liberalization of agricultural trade in the developed countries and have resisted western pressures to open up their agricultural markets. Both have taken similar stand to ensure that issues such as labour and environment are not allowed to come into the WTO. At the UNFCCC Copenhagen Summit (2009) and Cancun Summit (2010) directed at Climate change mitigation, India and China along with Brazil and South Africa cooperated to resist the imposition of a legally binding target for carbon dioxide emissions on the basis that it threatened to limit their economic growth rates (Joshi, 2011: 96).

Although India and China have cooperated in many organization and regimes, they have conflicted in others such as the regime for nuclear non-proliferation. China voiced its opposition over the granting a waiver from the Nuclear Suppliers Group restrictions on nuclear trade with non-signatories of the Non-Proliferation Treaty (NPT). China argued that granting waiver to India would undermine the NPT; however, China undermined the same regime with its continued assistance to the Pakistan nuclear program (Joshi, 2011:97). An example of the use of institutions for undermining the other can also be seen in China's blocking of ADB aid to Arunachal Pradesh in 2009 on the grounds that it was disputed territory, although this was subsequently lifted after the intervention of Japan.

Joshi (2011:97) posits that the net effect of Sino-Indian competition on international regimes is ambiguous and likely depends on the pattern of interests specific to the given issue areas. India and China have a common interest in meeting the challenge of securing their energy needs. Although, the Sino-Indian interaction has tended to be competitive rather than cooperative with both countries having competed for oil assets in Kazakhstan, Ecuador, Angola and Myanmar. In these countries China has prevailed, not necessarily by offering a higher bid than India but rather by adopting a more strategic and holistic approach that integrates financial incentives with aid, infrastructure projects, diplomatic incentives, and arms packages (Mitchell and Bajpae, 2007:157).

There have also been sporadic instances of cooperation in the energy sphere as both states have recognized that their competition for energy resources has helped increase the price of global oil and energy assets (Mitchell and Bajpae, 2007:157). In 2005, the China National petroleum Corporation jointly bid to acquire and develop a Syrian field with India's Oil and Natural Gas Corporation. In January 2006, India and China signed five memoranda of cooperation in the energy sector, covering upstream and downstream development, pipeline projects, research and development, nonconventional sources of energy, and environmental protection. Likewise both countries have cooperated in Columbia, Iran, Sudan and Syria. India and China have also cooperated through multilateral forums such as the Asia-Pacific Partnership for Clean Development and Climate, which was launched in January 2006.

Joshi (2011:97) argues that the harmonization of joints bids made by Indian and Chinese oil companies hardly amounts to a regime like structure. However, it is pertinent to note that both countries have shown willingness to cooperate in the energy security sector in which both countries face a huge challenge. Both India and China are dependent on external energy sources to fuel their economic growth, therefore, both have convergent interests in securing cheap crude as well as tackling the problem of keeping the sea-lanes safe for their freighters. Both countries have an interest in the security of sea-lanes to safeguard their imports which is vulnerable to obstruction along maritime choke points from the Persian Gulf to the Strait of Malacca, through which 80 percent of China's oil imports and more than 50 percent of India's trade passes (Mitchell and Bajpae, 2007:157). Both countries have deployed warships in the Gulf of Aden to combat the menace of piracy. Although, there has

been no corresponding decline in military spending which on the contrary has gone up annually, India and China have begun to engage in more frequent military cooperation and exchanges between senior military officials which have become more frequent.

In April 2003, the Indian defence minister George Fernandes visited China, correspondingly the Chinese defence minister Cao Gangchuan visited in March 2004, this was the first visit by a Chinese defence minister to India in nearly a decade. In December 2004, India's army chief, General N. C. Vij, visited China which also marked the first visit by an Indian army chief in a decade. In November 2003, the Chinese Navy held a naval exercise with India in the East China Sea, only its second such joint exercise with a foreign military after one with Pakistan earlier in the year (Mitchell and Bajpae, 2007:155). This was followed by a joint mountaineering training in August 2004 and another joint naval exercise in December 2005, this time in the Indian Ocean, marking China's first joint naval exercise with India outside its territorial waters.

During Indian defence minister Pranab Mukherjee's visit to China in May 2006, the two countries signed a Memorandum of Understanding on defense cooperation, which institutionalized exchanges between the leaders and high-level functionaries of the Defence Ministries and the armed forces of the two countries. The understanding provided for the establishment of an annual defence dialogue, formalized joint military exercise and training programs in search and rescue, antipiracy, counterterrorism, and other areas; and called for study tours by senior and mid-level officials of each country to better understand the foreign, defence, and national development policies of the other side.

In line with liberal theory, the Sino-Indian relations have become better in the last two decades. The bilateral trade and cooperation witnessed in various field have shown that India and China do not consider relations between the two countries as a zero-sum game. On the contrary both countries have engaged each other in various ways. Although military spending have not decreased in the Sino-Indian case, the bilateral engagement has increased. Moreover, the Sino-Indian relations also is characterised by competition in various fields and in this aspect the liberal theories used by the study lack explanatory power.

Analyzing Sino-Indian Relations from a Realist Perspective

Realist theories of international relations argue that the anarchic environment in which states operate compel states to rely on self-help mechanism to meet its number one priority i.e. survival. To ensure its goal of survival, states engage in power-seeking behaviour. When faced with threats, realist theory posits that states will either increase its internal capabilities or ally with other states to balance against threat. Such cooperation according to realism is just a functional arrangement to augment a state's goal of survival. In this section the study will analyse Sino-Indian relations using the realist framework.

China's Peaceful Development Doctrine and Sino-Indian Competition

Defensive realism argues that most leaders in international relations understand that the costs of war clearly outweigh the benefits and moreover the advent of nuclear weapons has made wars prohibitive. And in this age of complex independence and globalization the use of military force for conquest and expansion is outdated. Defensive realism also argues that a country can try to communicate its benign motives by signalling their intentions to other states. Offensive realism on the other hand argues that states operate in an anarchic environment where states fear the intentions and capabilities of other states. Moreover, offensive realism believes that the unreliability and impossibility of discerning the true intentions of states compel states to engage in power seeking behaviour.

The rise of China in international relations is an undeniable fact. However China's rise has made many of its neighbours worried about China's intentions and what it will do when it is truly powerful in international relations. Sensing this China has in the last decade attempted to signal its benign intentions to its neighbours with the concept of peaceful rise of the PRC. In 2005, the State Council of the People's Republic of China issued a white paper defining the China's peaceful development strategy in theory and in practice. China announced that the Five Principles of Peaceful Coexistence would guide its relations with other countries and would work to promote a multipolar world rather than seeking hegemony. The declaratory strategy was part of a general posture of reassurance to China's neighbours and to allay their fears about Chinese intentions in international relations.

This Chinese declaration to rise through peaceful means has both believers and sceptics. Mearsheimer (2006) in his article titled “China’s Unpeaceful Rise”, had theorized that if China were to continue in its impressive economic growth over the coming decades, China and the U.S are likely to engage in an intense security competition with a considerable potential for war. Mearsheimer also added that in this security competition most of China’s neighbours will join the US to contain China. On the other hand, Evelyn Goh argues that a combination of astute Chinese diplomacy; a successful Southeast Asian regional security strategy; and the relative restraint exercised by China, the United States , and other major regional powers, have produced a reasonably stable regional order underpinned by continued American preponderance, growing engagement, and medium-power political activism (Goh, 2007: 810).

Goh believes that in the post-1980 period, China’s effort’s to exercise restraint, employ its forces with caution, deemphasize its rising power and astute diplomacy has dampened regional threat perceptions towards its among the Southeast Asian countries (2007:826-8). Moreover China had generated a great deal of goodwill during the Asian economic crisis in the 1990’s through its magnanimous economic policies (Singh, 2005), and likewise during the recent economic crisis China took a leadership role in the world to help tide over the financial crisis. Similarly, Johnston (2008:198) believes that China have consciously worked to change its image in the post-1980 period and have moved from virtual isolation to take active membership and participation in a plethora of multilateral arrangements. Likewise Avery Goldstein (2001:843) argues that China had accepted the constraints that come with working in multilateral setting rather than face the prospects of isolation and encirclement in international relations.

China has also been trying to be more transparent in military affairs and periodically releases a Defence White Paper. In the China Defence White Paper published on 31 March 2011, China maintains that its military modernisation is defensive in nature to meet four goals in the new era: (1) Safeguarding national sovereignty, security and interests of national development; (2) Accelerating the modernisation of national defence and the armed forces; (3) Maintaining social harmony and stability; (4) Maintain world peace and stability (Huisken, 2011).

China's primary strategic concern has been to safeguard its sovereignty; this involves the defence of Taiwan against possible American military intervention and the suppression of separatism in Tibet and elsewhere (Goh, 2007:810). To meet this challenge, the PLA has undertaken a modernization program of the People's Liberation Army. However, this modernization program has aroused the suspicious and concerns of India's strategic planners. However, despite China's articulation of the defensive nature of its armed forces, the growing military might of China is a source of insecurity for India. China has over the years developed its infrastructure such as roads, airfields and railways on its side of the border in comparison to India's own which it has neglected for fear that China would use them in the event of a war with India (Holslag, 2009: 823). India's threat perception of China is well articulated and the most obvious examples are the China threat rhetoric following the Pokhran nuclear tests in 1998 and the Indian Maritime Doctrine.

Chinese troops numbering 400,000 are estimated to be posted in the Military Regions of Chengdu and Lanzhou in Tibet, this military installations have developed into modern rapid reaction force with enhanced logistical capacity, mobile artillery, air defence, communication and intelligence, special forces and intensive training in warfare under exceptional conditions, such as high-altitude combat (Holslag, 2009:820). These forces in Tibet are supported by the 33th Air Division currently based in Chongqing, since 1991, 14 airfields in Tibet has been renovated and upgraded with new communication and command infrastructure, longer landing strips and depots (Holslag, 2009:821). China has constructed numerous infrastructures to link its poor western region with its prosperous eastern region. It is estimated that China can mobilize and deploy 2 more divisions in the areas in a mere 20 days (Holslag, 2009: 823).

India is also concerned with Beijing's growing intimacy with India's neighbouring countries. China has engaged in military cooperation with all of India's neighbours except for Bhutan and the construction of deep-water ports in Myanmar, Bangladesh, Sri Lanka and Pakistan have made India feel surrounded in her own backyard. Although, the naval facilities which China have help construct in Myanmar, Bangladesh, Sri Lanka and Pakistan are largely intended to protect China's crucial sea lanes, it is viewed with deep suspicion by Indian defence planners. These naval facilities surrounding India has been called the "String of Pearls". According to

Khurana (2008:35), the naval facilities can be interpreted by India as malign in intent and effect. China's naval strength far outstrips India, and its anti-access force posture, intended to hobble the use of large surface ships such as aircraft carriers groups is directed towards the United States and also aims at India's naval vulnerabilities (Joshi, 2010). Holslag argues that the perceived vulnerability on the Indian side has produced a conscious Indian effort to address this vulnerability.

India's concern with China's growing Indian Ocean footprint is expressed clearly in the Indian Maritime Doctrine, issued to the public in 2005. The doctrine declared the Indian Ocean as India's backyard and outlines an ambitious expansion plan to meet its future challenges. The Indian Maritime Doctrine identified China as its main adversary and pointed out that the PLAN is the only Asian Navy with SLBM capability and has embarked on an ambitious modernization program with an aspiration to operate much further from its coast (Holslag, 2009: 823). The Indian Navy aims to have a fleet of 130 warships, comprising of three carrier battle groups by 2020. The Indian Navy bases has also been relocated, the Eastern Fleets and Western Fleets have been rebased at Rambilli and Karwar respectively. The Far Eastern Naval Command based at Port Blair has expanded its operation and is keeping a close eye on the Malacca Straits which is the main artery of China's maritime traffic (Hoslag, 2009: 823-824).

India and China have also competed for natural resources especially in the energy sphere. Both India and China are dependent on energy resources from outside sources of hydrocarbons as their limited domestic production of hydrocarbons falls short of meeting the domestic demands for oil and fuelling the economic growth on which both countries are dependent for their common challenges of poverty alleviation and aspirations of becoming first rate countries in the world. It has been pointed out that India and China have learned to adjust their competition for hydrocarbons and have at different times cooperated for joint bids for oil fields. However, India was shocked to find that natural gas from two leases it had helped to develop in the Shwe field off Myanmar was sold by Myanmar's nationalized oil company not to India, as expected, but to China. This unexpected loss was likely due to pressure on the Myanmar junta from China (Lees, 2006). Moreover, in seeking compensation, India was apparently given sole controlling rights to Sittwe port which it is developing—but this too was later overturned, again apparently after pressure from China (Lees, 2006).

To counter the Sino encirclement India has looked to revive its Look East Policy and have been achieving some success with the ASEAN countries, many of whom have border disputes with China. India has also been working hard to revive its good relations with Myanmar. The major ASEAN countries—Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam acknowledge that they cannot avoid being part of the ambit of the big powers, but they share the desire not to fall within the exclusive sphere of one great power (Goh, 813). The Mekong-Ganga Cooperation project, launched in 2000 is another example of India trying to increase its footprint in the region. The Indian Navy has been conducting frequent joint Naval exercises with Singapore and Vietnam. It is quite apparent that India has been working to counter China's influence in its own backyard by trying to penetrate eastwards by establishing friendly relations with its eastern neighbours. Chinese analysts claim that these developments have a destabilizing and negative implications for China's future, China's India-watchers have started warning their government that Beijing should not take India lightly any longer (Malik, 2007).

Balancing Behaviour in Sino-Indian Relations

According to realism, states operating in anarchy will naturally balance against states against which it feels threatened. Realists believe that cooperation is possible in international relations however they consider it to be a functional arrangement that states' employ to maximize their security. According to Walt's Balance of Threat theory, states balance against threat not only power per se. In this section, the study will examine the India-U.S cooperation and the Sino-Pakistan cooperation to posit that these bilateral arrangements represent balancing behaviour against the other.

India-U.S. Cooperation

During the Cold War period, India and the U.S. were on opposite camps. India was subjected to a number of sanctions for its nuclear tests during the Cold war period and again in 1998. However since the emergence of China as the U.S.'s biggest challenger in the post Cold War period. There has been a change in geostrategic calculation of the U.S. With Russia no longer the force it was the U.S. is increasingly growing wary over the rise of China (Malik, 2009). This change in the geostrategic calculation has brought India and the US, both democratic states (natural allies according to the 'democratic peace' theory) together. In 2005, a framework for civilian nuclear

cooperation was agreed between India and the U.S. This agreement has laid the foundations for cooperation in various fields ranging from economic to military issues (Curtis, 2008: 5).

During the Clinton administration, China was a strategic partner of the U.S. however by the time of the Bush administration China began to be viewed as a competitor. The Pentagon's 2005 report to Congress 'The Military Power of the Peoples Republic of China' noted that China has been heavily investing in its military facilities, particularly in programs designed to improve power projections despite not facing a direct threat from another nation. The report also stated that the pace and scope of China's military build-up would put regional military balances at risk in the near future (p.334-335). The Bush administration which was substantially influenced by pro-India lobbies began to seek out India as a partner in its policy of containing China.

U.S. Secretary of State, Condoleezza Rice (2000) wrote in Foreign Affairs of the need to maintain the regional balance in Asia and the importance of India in such schemes. India's growing economy, vibrant democracy, nuclear capability, huge population and similar apprehensions about the rise of China made India a natural counter weight to China (Koshy, 2008:62). On 25 March 2005, David C. Mulford, the former Ambassador to India announced that the United States officially declares to help India become a major global power in the 21st century. The 'New Framework for the U.S.—India Defence Relationship' was signed in June 2005. According to Koshy (2008:349), the agreement was by far the most important pact signed between India and the United States till date. Raja Mohan (2006:347) likewise believed that the agreement would benefit India through the defence cooperation which would support India as a part of the larger bilateral strategic partnership conducting joint exercise and military exchanges for a period of ten years.

The Indo-U.S. Civilian Nuclear Agreement in 2005 was another step towards helping India become a major global power. The deal called for the separation of India's military and civilian nuclear facilities placing the civilian facilities under international safeguards in exchange for nuclear energy cooperation between India and the U.S. The nuclear deal also removed India's pariah status and brought India into the global nuclear fold. At present the U.S. attempts to make India a major global power can be

seen by the defence collaborations and several joint military exercises to achieve inter-operability between the military of the two countries and have conducted military exercise in Alaska, Mizoram etc. India and U.S. have also conducted joint naval exercises, and joint maritime patrols of the Malacca Strait (Curtis, 2008: 6). India has also been given access to the latest weapon technologies. Israel was given permission to sell its Phalcon AWACs to India, a privilege the U.S. had denied to China in 2000. The U.S. has also sold USS Trenton to India and Hercules jets to India. The U.S is also in contention in the multi-billion global tender to replace India's aging military aircrafts (Curtis, 2008: 6). The Indo-U.S. bilateral relationship has grown robustly in the last few years. The two countries being democracies are natural allies and have both cooperated to meet the challenge of China's rise in the post cold war period. Lisa Curtis argues that the Indo-U.S nuclear deal has brought out Sino-Indian relations (Curtis, 2008: 5).

The Sino-Pakistan Entente

China's relationship with Pakistan and their military cooperation has been a great source of antagonism in India. China and Pakistan came together during the Cold War period for security reasons and since then their relationship has thrived. Over the years, Beijing has proven to be a very reliable economic partner of Pakistan and has provided it with various military equipment and military technologies during the years Pakistan was isolated for various reasons. China was instrumental in Pakistan's nuclear weapons program and missile development program. All three of Pakistan's nuclear plants in Kahuta, Chasma and Khusab were build by the Chinese (Curtis, 2008: 8). Both countries regularly share intelligence on India's military deployment. Beijing's military assistance to Pakistan was the main argument put forward by India to justify the 1998 nuclear tests. Since the mid 1990's China have pursued a more balanced approach to South Asia. China no longer openly support Pakistan's claim over Kashmir. China have always maintained that its dealings with Pakistan nothing more than usual state to state relations. To express its goodwill, China remained neutral during the Kargil conflict.

China has invested heavily in Pakistan's infrastructure. China helped build the Gwadar deep-sea port in Baluchistan (Curtis, 2008: 8). The port is of high importance as it overlooks the Strait of Hormuz which is a busy maritime route. Strategically, the

port is of high value because not only does it give China access to the Persian Gulf, the port also helps China in its aim to secure its energy supplies by establishing a naval presence in the region. Another important infrastructure project jointly undertaken by both countries is the up-gradation of the Karakorum Highway, which links Xinjiang to Pakistan's Northern Areas. In February 2006, China and Pakistan agreed to widen the road for heavier freight traffic. Strategically, the upgrading of the highway allows better linkages between China and Pakistan for the easier movement of goods, it also gives China the option of transporting oil directly from the Gwadar port to the Western regions of China without having to cross the Malacca Straits, should it become necessary (Niazi, 2006). Another important project involves the building of massive oil pipeline, which would run from the Chinese-owned Yadavaran oil fields in Iran, through Pakistan and into China's western regions. China is aware of its dependence on maritime routes to secure its energy requirements and have sought to diversify its options in case of any eventuality and Pakistan features highly in such strategic calculations.

The Sino-Pakistani relationship has intensified after the recent Indo-US bonhomie. In January 4, 2006, China and Pakistan officially ratified the China-Pakistan Treaty of Friendship, Cooperation and Good Neighborly Relations. The Treaty prevents either nation from "joining any alliance or bloc which infringes upon the sovereignty, security and territorial integrity of the other side". The Joint Statement issued at the end of Hu Jintao's visit in November 2006 during which the treaty had been formally agreed to by both sides, described it as "an important legal foundation for the Strategic Partnership between Pakistan and China" (Rajan, 2006). China also undertook to build two more nuclear reactors for Pakistan which represented some kind of a nuclear deal between the two countries (Curtis, 2008: 8).

Indian strategic community considers China's alliance with Pakistan as a means to confine India in the subcontinent. Chellaney (2008) argues that the Sino-Pakistan partnership provides not only with military security but also helps in containing India's rise. Observers have pointed out that a trust deficit exists in the Sino-Indian relations because of China's strong links with Pakistan. Malik (2007) claims that the Sino-Pakistani relations and its entailing benefits is the only reason Pakistan can stand up to India. Malik argues that Chinese assistance in arming Pakistan with nuclear weapons have emboldened Pakistan to wage its proxy wars in Kashmir or to

undertake reckless adventurism against India without little fear of retaliation. According to John Garver (2001:189), China's relationship with Pakistan is much more than just common hostility towards India and has proven to be remarkably resilient over the years. China through its cooperation with Pakistan has many economic and strategic benefits for China. Not only does this arrangement help in securing China's economic interests, it keeps India busy in South Asia fighting a peer competitor in Pakistan and hence giving China strong incentives to maintain its strong relations with Pakistan.

The study has shown that in line with offensive realism, the Indian response to China's military modernization and China's growing footprint in the Indian Ocean has shown that India has chosen to overlook China's declaration of peaceful development in favour of its strategic security goals. Although Sino-Indian relations have improved since the Pokhran nuclear tests in 1998 and prospects of a war over the border seems highly unlikely, the Sino-Indian competition over resources and influence has shown that leaders of both countries view the other as a rival.

Conclusion

The chapter has shown that in the Sino-Indian case, Economic interdependence and Institutional cooperation is weak and do not explain the Sino-Indian relations adequately. The bilateral relations have also shown that growing trade volumes does not necessarily lead to a subsequent decrease in military spending. On the contrary the military budgets of both countries are increasing. The study has also shown that India and China have been using balancing behaviour bringing in regional and extra-regional actors in the picture. Realist theories see cooperation between states as a zero sum game in which states are concerned with relative gains of the other. The study has shown that even in terms of cooperation in various spheres, both countries remain acutely consciously of the relative against of each other. The study has also shown that India has not paid a great deal of attention on China's declaration of peaceful rise and has responded to China's rise by building up its capabilities internally and externally.

Chapter five: Conclusion

This study has used two main approaches in the study of International relations to analyze Sino-Indian relations in the post Cold War period. The paper have found the difference in approaches and interpretation of both theories—realism and liberalism in analyzing the Sino-Indian relations.

Analyzing Sino-Indian relations from a Liberal Perspective

Hypotheses: Institutions and improvement in economic ties have not resulted in diffusing the Sino-Indian tensions.

The study has found that Sino-Indian relations have become generally better in the post Cold War period and has coincided with increasing trade volumes between the two countries. The Sino-Indian relations in this phase have been the most amicable since the bonhomie which marked Sino-Indian relations in the pre-border war period. The study has found that economic forces are at play in the Sino-Indian relations. Trade relations have been growing at a furious pace and have become the most important mechanism in the rapprochement process between the two countries.

However despite the growth in trade between the two countries, the economic relationship has been marked by an asymmetric trade relationship. For China its trade with India has not reached the levels that it has reached with its other major trading partner. On the other hand, for India, China is its biggest trading partner. The study also has shown that the nature of trade between the two countries is characterized by a limited trade basket. The India trade basket to China is dominated by the export of basic raw materials which do not yield the benefits of value addition for India. One the other hand, China's export to India has been dominated by finished products. Therefore, the Sino-Indian trade is hugely beneficial for China.

India has so far resisted China's proposal of signing a Free trade agreement between the two countries and has been cautious about lowering its tariffs, fearing that cheap Chinese goods would flood the Indian market and hampering its own domestic producers. The Indian government has also limited Chinese investments in India especially in telecommunications and port infrastructure citing security reasons for such restrictions. Another measure India has employed to reverse its trade imbalances against China is the use of diplomatic measure and appeal to the Chinese side to make

the economic relationship more balance to create a mutually beneficial win-win situation for both countries.

The study has found that India and China have different approaches to using multilateral institutions. While China has been part of numerous multilateral institutions after a conscious effort was made since the beginning of the 1990's, India has been sceptical. Although both countries have cooperated in global bodies and regimes—the best examples are the negotiations in WTO and UNFCCC (United Nations Framework Climate Change Conference) where both countries have taken joints stands in representing the interests of the developing countries. Both countries have also jointly opposed the U.S.'s violation of national sovereignty in Kosovo, Bosnia and Iraq.

Even in realm of energy security the Sino-Indian relations have displayed cooperation in the common task of keeping oil prices in check and arranging mechanism through which their competition for energy sources would not drive energy prices to high in the international market. However, there is increasing suspicion in the Indian side that China is resisting India's rise in the UNSC. Over the years China have in its diplomacy not opposed the rise of China in the UNSC and have articulated that China would welcome India taken a larger role in world affairs. China in the case of Japan has made it very clear that it would oppose Japan's membership in the UNSC and in this context its position on the Indian case should carry some merit.

In the regional multilateral institutions there is more competition rather than cooperation in the Sino-Indian relationship. Since 2005 China and India have been accorded observer status in SAARC and SCO respectively. Both countries have made it clear that they would like full membership in these institutions however both countries have resisted such enterprise in institutions both dominate regionally. India has increasingly become wary of China's increasing footprint in South Asia and is trying to counter the influence of China in its neighbourhood. India has been attempting to increase its influence in the region and has been trying to integrate its economy with these countries. India has been trying to revive its Look East policy of 1991 and the Ganga-Mekong Cooperation Initiative can be seen as India's attempt to establish better relations with these ASEAN countries.

Moreover, India's increasing defense ties with Singapore, Malaysia, Australia and Vietnam shows India's attempt to cultivate not only economic but also common security interests with these countries. Therefore, in the Sino-Indian case, multilateral institutions have served not only to create conditions for interaction between the two countries but also have been employed by the two countries as a tool of competition and rivalry between India and China.

The study has therefore partially proven the hypothesis "Institutions and improvement in economic ties have not resulted in diffusing the Sino-Indian tensions". As seen throughout the course of the study, economic ties have been increasing and have been the most durable mechanism of confidence building between the two countries. As Swaran Singh (2005:145) pointed out that trade has been the most effective confidence building measure in the Sino-Indian bilateral relationship with economic ties having survived and thrived despite various setback in Sino-Indian relations such as the numerous border intrusions and the Pokhran nuclear tests, however, until now the economic interdependence between the two countries is weak at best and on the scale of importance have different value to both countries.

In terms of multilateral institutions the paper has shown that there is competition and competition between the two countries in such arrangements. In issues where both countries have common countries, both India and China has cooperated, this is seen especially in global institutions and regimes. However, in regional multilateral institutions the study has witnessed rivalry and jockeying between the two countries for leadership and influence. However, the study posits that economic ties and cooperation in multilateral institutions present the most viable mechanism in bridging the trust deficit in Sino-Indian relations in the future.

Analyzing the Sino-Indian relations from a realist perspective

Hypotheses: India and China have resorted to balancing behaviour against each other

The study has found that Sino-Indian relation in the post cold war period has oscillated from cooperation to competition. The study has mentioned the growing trade volumes and cooperation between India and China in the preceding sections and has come to the conclusion that it is also marked by competition as much as cooperation. The paper has posited that the liberal thesis that cooperation in economic fields and multilateral institutions will lead to better relations and a subsequent reduction in defence spending has only been partially fulfilled. Although Sino-Indian relation since the war of 1962 has become much better in the post-cold war period, considerations of security has been the driving force in the present context.

India and China are today two of the most important countries in the world—both in the economic and military sense. Not only are the two countries big in terms of geographic size but are unmatched in terms of their population size. India and China are locked in an asymmetric security dilemma. India has two main concerns against China—one is its growing military power in the context of unresolved boundary dispute and two, is with regard to China's growing presence in South Asia and its patron-client relations with India's neighbours.

China in the post cold war period has been engaged in a military modernisation program and although the rationale of China's military rise has very little to do with regard to its intentions with India and the fact that territorial settlement with India is low priority for the PRC. The PRC has been trying to be more transparent in military affairs and periodically releases a Defence White Paper. China maintains that its military modernisation is defensive in nature. However, despite China's articulation of the defensive nature of its armed forces, the growing military might of China is a source of insecurity for India. India's threat perception of China is well articulated and the most obvious examples are the China threat rhetoric following the Pokhran nuclear tests in 1998 and the Indian Maritime Doctrine. However, in the Sino-Indian bilateral relations, the border issue no longer seems to be the number one priority and both sides have more or less accepted the status quo.

The study has found that another source of insecurity for India is China's growing presence in South Asia. The Sino-Pakistani relation has always been a source of concern for India, however, China's military and financial aid to many of India's neighbours have been viewed with suspicion by Delhi. China has also been investing in the infrastructure and has been building ports in Pakistan, Bangladesh, Myanmar and Sri Lanka. This has been called the 'String of Pearls' and remains a source of concern for India. Although, China has taken a more balanced approach towards India and has dissociated with Pakistan's position on Kashmir, the continuing Sino-Pakistan partnership has been traditionally the greatest concern for India. China's decision to build two additional reactors for Pakistan has been seen as a sign that the Sino-Pakistan relationship is thriving.

Although there is another narrative to account for China's growing presence in South Asia one which is economically driven. China much like India is dependent on imported crude to fuel its economic growth. The majority of China's oil imports are transported across the Indian Ocean and in this logic the building of ports in South Asia to secure its maritime lines of communication makes perfect sense. Moreover, China's desire to build connecting infrastructure into Pakistan and Myanmar is also driven by China's desire to accelerate the economic development of its peripheral regions. In fact China has made a proposal to India to revive the Stilwell road and converting it into a four lane highway in collaboration with Myanmar to accelerate economic partnership among the countries. The Sino-Indian case has been curious for the fact that despite being direct neighbours, the trade between the two countries is dependent highly on maritime networks which is not only more time consuming but also not cost effective.

In response to China's growing presence in South Asia, India has also started developing strategic partnership with other powers. During the cold war, the USSR provided the security guarantee that India wanted vis-à-vis a China. In the post cold war period, the Soviet security guarantee is no longer in place and India has to deal with its security concerns on its own. India has attempted to do so in two ways—by strengthening its internal capabilities and by seeking out allies. India is now a nuclear armed state and has been seeking a minimum credible defence against China. However, the nuclear threshold of both India and China are low and in the event of relations going sour, a limited war scenario cannot be ruled out.

In such scenario India cannot match China overwhelming superiority in conventional armed forces. Therefore, having powerful allies would be attractive. However, India has only recently begun to develop strategic partnership with other powers recently, most notably the U.S and Japan. Indian defence planners believe that partnership with U.S and Japan would help mitigate the security asymmetry vis-à-vis China and would give India greater leverage against China. U.S and Japan being powerful members of the international community could assist India in the event of Sino-Indian relations spiralling out of control and hence, partnerships with these countries hold much value from the Indian perspective

Outlook

Realism and liberalism are important tools to study Sino-Indian relation, however as the study has shown, both theories cannot fully account for the cooperation and competition present in Sino-Indian relation. Although the security scenario is explained more comprehensively from a realist perspective, the explanations although elegant are simplistic and make for dangerous prescription of foreign policy. On the other hand, the liberal theory gives a partial explanation of Sino-Indian relations and its hypothesis on the economic interdependence theory and institutionalist theory is a work in progress in the Sino-Indian case. Although there is much optimism about the future effects of trade relations and cooperation in multilateral institutions, the study posits that presently, the most visible signs in Sino-Indian relations point towards balancing behaviour. As Raja Mohan (2006) posits that the emergence of India in international relation has made India a very valuable 'swing' state in the global balance of power.

There are worries that India's build-up of its capabilities and military cooperation with the U.S is likely to send a wrong signal to China if such cooperation is based on the premise of a potential confrontation with China. In such a scenario in line with the realist explanation of international relations, China would respond to such actions by building up its own capabilities leading to a dangerous arms race. However, the study posits that such a scenario is unlikely in the near future because of the very nature of India and China and the challenges they face internally. Both India and China are faced with the challenges of poverty alleviation of a great mass of their population in which the divide between the have and the have-nots is increasing.

Moreover, both countries are faced with the task of providing employment and other basic public goods which will require great energy for those in power. To meet this challenges India and China are dependent on the continued acceleration of their economies which in turn is dependent on capital, markets, technology, raw materials, and energy resources for which both countries are dependent on foreign sources. In this both countries have a common interest in maintaining a peaceful environment in which they operate and here maintaining peaceful relations with one another is a crucial component.

Likewise, both countries are involved in the task of nation building as both countries are dealing with well-known separatist movements. Both countries also have a common stake in combating the menace of terrorism and piracy in the high seas. The latter of which is crucial in the development programs of both countries. Meanwhile, environmental issues and securing cheap energy resources are another area of convergence in which India and China have cooperated and have common interests in maintaining such cooperation. Moreover, Sino-Indian watchers have pointed out that the bilateral relations need not necessarily be a zero-sum game. These scholars have pointed out that a policy of moderation is necessary and that communication of intentions to each other is the imperative in maintaining peaceful relations in the Sino-Indian case (Raghavan, 2009). The Sino-Indian relation is therefore an intriguing case and liberal and realist theories cannot fully explain the behaviour of both countries in international relations.

Bibliography

*India-China, A Shared Vision for the 21st Century of the People's Republic of China and the Republic of India, 15 January 2008, [Online: Web] Accessed 16 April, 2011 URL: www.fmprc.gov.cn

*Indian Prime Minister Visits China (2004), Embassy of the People's Republic of China in the federal democratic republic of Nepal, October 26, 2004, [Online: Web] Accessed 20 June, 2011 URL: <http://big5.fmprc.gov.cn/gate/big5/np.chineseembassy.org/eng/News/t167216.htm>

*Joint Communique of the Republic of India and the People's Republic of China, MEA, December 16, 2010, [Online: Web] Accessed 25 June, 2011 URL: <http://meaindia.nic.in/mystart.php?id=530516879>

*Nehru, Jawaharlal (1964), *Speeches of Jawaharlal Nehru: September 1957-April 1963*, Vol. 4, New Delhi, 1964.

“India Cannot Give Up Any Part: Pranab to China”, *The Hindu*, 16 June 2007.

“PM Meets Chinese President: Calls for Border Settlement without Displacing People”, *India News Online*, News Behind the News, New Delhi, 11 June 2007.

Acharya, Alka (2008), ‘India–China relations: towards a shared vision’, *Economic and Political Weekly*.

Aiyar, Pallavi (2006), “Beijing’s growing respect for India”, *Asia Times Online*, 14 November 2006.

Aiyar, Pallavi (2008), ‘China, India resume Himalayan dance’, *Asian Times Online*, 19 September 2008.

Ayar, Pallavi (2009), “Crisis challenge for Sino-Indian Trade”. *Asian Times Online*, 20 February 2009

Aziz, Dunaway and Prasad (ed. 2006)), *China and India: Learning from Each Other: Reforms and Policies for Sustained Growth*, IMF, 2006.

Bajpai, K. and Matoo, A. (Ed.2000), *The Peacock and the Dragon: India-China Relations in the 21st Century*, New Delhi: Har-Anand Publications.

- Barnett, M. and Martha, F. (2004), *Rules for the World: International Organizations in Global Politics*. Ithaca, NY: Cornell University Press, 2004
- Baruah, Amit (2005), Border Issue: India, China for Political, not Technical Solution, *The Hindu*, 14 April 2005.
- Baylis, J. and Smith, S. (2001), *The Globalization of World Politics: An introduction to international relations*, Oxford University Press.
- Bergsten, C.F and Cara, E; et al (2007), *The China balance sheet in 2007 and beyond*, Washington D.C: Center for Strategic and International Studies; Peterson Institute for International Economics
- Bipan C., Mridula and Aditya Mukherjee (2002), *India after Independence 1947-2000*, New Delhi: Penguin Books
- Chellaney, Brahma (2005), “Should India consider China a friend or rival? It is a rival as its rise will challenge Asian and global security”, *The Times of India*, August 22, 2005.
- Chellaney, Brahma (2008), “Assessing India’s reactions to China’s “peaceful development” doctrine”, *NBR Analysis*, vol. 18, no. 5, April 2008.
- Chellaney, Brahma (2006), “Sino-Indian Relations: Tibet is the Key”. *The Asian Age*, 18 November 2006
- Cohen, Stephen P. (2000), “India Rising”, *The Wilson Quarterly*, Vol. 24, No. 3, Summer.
- Curtis, Lisa (2008), “U.S.-India Relations: The China Factor”, *Backgrounders*, Published by The Heritage Foundation, No. 2209, November 25, 2008.
- Deepak, B.R. (2005), *India and China 1904-2004*, New Delhi, Manak Publications
- Dixit, J. N (2004), *Makers of India’s Foreign Policy: Raja Ram Mohun Roy to Yashwant Sinha*, New Delhi: Harper Collins Publishers, 2004.
- Donnelly, Jack (2000), *Realism and International Relations*, Cambridge University Press, New York.

- Dougherty and Pfaltzgraff (1997), *Contending Theories of International Relations: A Comprehensive Survey*, Longman
- Doyle, Michael W. (1996), "Kant, Liberal Legacies, and Foreign Affairs", in Michael E. Brown, Sean M. Lynn-Jones and Steven E. Miller (eds.), *Debating the Democratic Peace*, MIT Press, Cambridge
- Dunne, Kurki, and Smith (2007), *International Relations Theories: Discipline and Diversity*, Oxford University Press.
- Engardio, Peter (2007), *Chindia: How China and India Are Revolutionizing Global Business* McGraw Hill
- Garver, John (1996), "Sino-Indian Rapprochement and the Sino-Pakistan Entente", *Political Science Quarterly*, Vol.111, No.2 (Summer, 1996).
- Garver, John (2001), "The Restoration of Sino-Indian Comity following India's Nuclear Tests", *The China Quarterly*, No. 168, December, 2001
- Garver, John (2001), *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century*, Seattle and London: University of Washington Press.
- Gelpi, Christopher and Grieco, Joseph M. (2003), "Economic Interdependence, the Democratic State, and Liberal Peace" in Edward D. Mansfield and Brian M. Pollins (eds.), *Economic Interdependence and International Conflict - New Perspectives on a Enduring Debate*, The University of Michigan Press, Michigan, p. 44-60.
- Glaser, Charles (1994-1995), "Realists as Optimists: Cooperation as Self-Help", *International Security*, Vol. 19. No. 3 (Winter 1994-1995), pp. 50-90
- Glaser, Charles (1997), "The Security Dilemma Revisited", *World Politics*, 50, October 1997.
- Griffith, M. (2008), *International Relations—The Key Concepts*, 3rd Edition, Washington:Routledge Print House.
- Guruswamy, Mohan (2007), "Sino-Indian Ties: Twentieth Century Borders for stable Twenty-First Century Relations", *Institute of Peace and Conflict Studies*, IPCS Issue Brief, no. 49July 2007.

- Hoffman, Steven (1991), *India's China Crisis*, New Delhi: Oxford University Press.
- Huisken, Ron (2011), "China's Defence White Paper in brief", ANU, *East Asia Forum*, [Online: Web] Accessed 20 June, 2011 URL: <http://www.eastasiaforum.org/2011/04/07/china-s-defence-white-paper-in-brief/>
- Huisken, Ron (ed. 2009), *Rising China: Power and Reassurance*. ANU E Press
- J. Clad (2004), "Convergent Chinese and Indian Perspectives on the Global Order", in F. Frankel and H. Harding (eds), *The India-China Relationship: What the United States Needs to Know*, New York: Columbia University Press
- Jain, B. M (2008), *India-China Relations, in Global Power: India's Foreign Policy (1947-2006)*, Lexington Books
- Jetly, Nancy (1999), *India's Foreign Policy – Challenges and Prospects*, New Delhi: Vikas Publishing House.
- Jing-dong Yuan (2007), "The Dragon and the Elephant: Chinese-Indian Relations in the 21st Century". *The Washington Quarterly*, Summer.
- Joseph, A. K (2003), "We don't recognise Arunachal Pradesh: China", rediff.com, July 25, 2003, [Online: Web] Accessed 13 May, 2011 URL: <http://www.rediff.com/news/2003/jul/25china3.htm>
- Joshi, Shashank (2011), "China, India, and the "Whole Set-Up and Balance of the World"", *St Anthony's International Review* 6, no. 2
- Kemenade, Willem van (2008), *Detente between China and India: The Delicate Balance of Geopolitics in Asia*, Netherlands Institute of International Relations 'Clingendael', Clingendael Diplomacy Papers No. 16
- Keohane, Robert O. (1984), *After Hegemony. Cooperation and Discord in the World Political Economy*. Princeton, NJ: Princeton University Press.
- Keohane, Robert O. and L.L. Martin, (2003), "Institutional theory as a research program", in C. Elman and M.F. Elman (eds), *Progress and International Relations Theory: Appraising the Field*, Cambridge, Massachusetts: MIT Press.
- Khanna, Tarun (2008), "India-China trade", Podcast, Council on Foreign Relations.

Kondapalli, Srikanth (2005), "India-China: Long road ahead", rediff.com, October 25, 2005. [Online: Web] Accessed 20 June, 2011 URL: <http://www.rediff.com/news/2005/oct/25guest.htm>

Krasner, Stephen D. (1982). "Structural causes and regime consequences: regimes as intervening variables". *International Organization*, 36: 185-205, 1982

Levy, Jack S. (2003), "Economic Interdependence, Opportunity Costs, and Peace", in Edward D. Mansfield and Brian M. Pollins (eds.), *Economic Interdependence and International Conflict - New Perspectives on a Enduring Debate*, Michigan: The University of Michigan Press.

Little, Richard (2008), "International regimes". In Smith, Steve, John Baylis, Patricia Owens (eds.). *The Globalization of World Politics*, New York: Oxford University Press, 2008

Lt. Gen. (Retd.), Raghavan, V.R. (2009), "The Future of NPT: India's View", Talk by Gen. V.R. Raghavan at an international conference to prime the 2010 Review of the Review of the NPT at the Scottish Parliament: 16th April 2009

Mahbubani, Kishore (2005), "Understanding China", *Foreign Affairs*, Vol. 84, No. 5 (Sep.-Oct. 2005)

Malik, Mohan (2003), "The China Factor in the India-Pakistan Conflict", *Parameters*, Spring, 2003.

Malik, Mohan (2007), "India-China Competition Revealed in Ongoing Border Disputes", *Power and Interest News Report (PINR)*, 9 October.

Malik, Mohan (2009), "India-China Relations", in Berkshire Encyclopedia of China.

Mastanduno, Michael (2003), "The Strategy of Economic Engagement", in Edward D. Mansfield and Brian M. Pollins, *Economic Interdependence and International Conflict—New Perspectives on a Enduring Debate*, Michigan: The University of Michigan Press,

Maxwell, Neville (1971), *India's China War*, Bombay: Jaico Publishing House.

Maxwell, Neville (2003), "Forty Years of Folly", *Mainstream*, April 19.

- Mearsheimer, John J. (2001), *The Tragedy of Great Power Politics*, New York: Norton and Company Press.
- Mearsheimer, John J. (2006), "Structural Realism", in Dunne and Smith (eds.), *International Relations Theories: Discipline and Diversity*, Oxford: Oxford University Press.
- Moravcsik, Andrew (1997), "Taking Preferences Seriously: A Liberal Theory of International Politics", *International Organization*, 51 (4), S. 513-553.
- Noorani, A.G (2006), "Facing the Truth", *Frontline*, part 2, Oct.20, 2006.
- Noorani, A.G (2009), "Strategic Differences", *Frontline*, Jan.2, 2009
- Panke, Diana and Risse, Thomas (2009), "Liberalism", in Dunne and Smith (eds.), *International Relations Theories: Discipline and Diversity*, Oxford: Oxford University Press,
- Raja Mohan (2006), "India and the Balance of Power", *Foreign Affairs*, Vol. 85, No. 4 (Jul.—Aug., 2006).
- Raja Mohan, C (2001), "China will improve ties with India: Li Peng", *The Hindu*, 14 January 2001.
- Rajan, D. S (2006), *China: Revisiting the 2005 Friendship Treaty with Pakistan*, South Asia Analysis Group, Paper no. 2058. [Online: Web] Accessed 17 May, 2011 URL: <http://www.southasiaanalysis.org/%5Cpapers21%5Cpaper2058.html>
- Raman, B. (2008), "Sino-Indian Trade: It's helping only China". [Online: Web] Accessed 20 June, 2011 URL: <http://www.rediff.com/money/2008/jan/28china.htm>
- Ramesh, Jairam (2005), *Making Sense of Chindia: Reflections on China and India*, New Delhi: India Research Press, 2005.
- Rasgotra and Chopra (ed. 1997), *India's Relations with Russia and China: A New Phase*, New Delhi: Gyan Publishing House.
- Rice, Condoleezza (2006), "Our Opportunity with India", *The Washington Post*, March 13, 2006.

- Richardson, James L. (2001), *Contending Liberalisms in World Politics: Ideology and Power*, Canberra: Lynne Rienner Publishers.
- Ruisheng, Cheng (2002), "Sino-Indian Relations in New Century", *International Studies*, No.2. 2002.
- Rusko and Sasikumar (2007), "India and China: From Trade to Peace?", *Asian Perspective*, Vol. 31, No. 4, 2007.
- Rusko and Sasikumar (2007), "India and China: From Trade to Peace", *Asian Perspective*, Vol.31, No.4, 2007.
- Russett, Bruce (1993), "Normative and Structural Causes of Democratic Peace", *American Political Science Review* 87(3): 624-38.
- Sidhu and Yuan (2005), "China and India: Cooperation or Conflict?", New Delhi: Research Press, 2003.
- Sidhu and Yuan, J. (2001), "Resolving the Sino-Indian Border Dispute: Building Confidence through Cooperative Monitoring", *Asian Survey*, Vol. 41, No. 2 (March-April. 2001), pp. 351-376
- Singh, Swaran (2003), *China-South Asia: Issues, Equations, Policies*, New Delhi: Lancer's Books.
- Singh, Swaran (2005), *China-India Economic Engagement: Building Mutual Confidence*. CSH OCCASIONAL PAPER No. 10/2005
- Sperling, Elliot (2004), *The Tibet-China Conflict: History and Polemics*, Policy Studies 7, East-West Center Washington
- Stein, Arthur A. (2008), "Neoliberal Institutionalism", in Christian Reus-Smit, Duncan Snidal (eds.), *The Oxford Handbook of International Relations*, 2008.
- Subramanian, Swamy (2002), *India's China Perspective*, New Delhi: Konark Publications.
- Swamy, Subramanian (1998), "Vaypayee's China fiasco", *Frontline*, Vol. 15: Oct. 24-Nov. 06, 1998, [Online: Web] Accessed 15 March, 2011 URL: <http://www.hindu.com/fline/fl1522/15220430.htm>

Tan Chung (ed. 1998), *Across the Himalayan Gap: An Indian Quest for Understanding China*, New Delhi: Gyan Publishing House

Vembu, Venkatesan (2007), "Why China's Playing Hardball in Arunachal", Daily News Analysis, 13 May 2007

Viotti and Kauppi (1999), *International Relations Theory: Realism, Pluralism, Globalism, and Beyond*, New York: Macmillan.

Walt, Stephen (1987), "Alliance Formation and the Balance of World Power", *International Security*, Spring 1985, Vol. 9, No. 4.

Waltz, Kenneth (1979), *Theory of International Politics*, Mass: Addison-Wesley, Reading.

Weber, Cynthia (2005), *International Relations Theory*, Second edition, London and New York: Routledge

Wing Commander (retd), Parasnian, R.V (2002), "Remembering a War: The 1962 India-China Conflict", rediff.com, November 26, 2002, Part-1. [Online: Web] Accessed 23 May, 2011 URL: <http://www.rediff.com/news/2002/nov/27chin.htm>

Xuecheng, Liu (1994), *The Sino-Indian Border Dispute and Sino-Indian Relations*, New York: University Press of America.

Zakaria, Fareed (1992), "Realism and Domestic Politics: A Review Essay", *International Security*, Vol.17, No. 1, Summer, 1992.