# THE CHINA FACTOR IN RUSSIA-INDIA RELATIONS, 2000-2015

Thesis submitted to Jawaharlal Nehru University for award of the degree of

#### **DOCTOR OF PHILOSOPHY**

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### **DECLARATION**

I declare that the thesis entitled "THE CHINA FACTOR IN RUSSIA-INDIA RELATIONS, 2000-2015", submitted by me for the award of the degree of Doctor of Philosophy of Jawaharlal Nehru University is my own work. The thesis has not been submitted for any other degree of this University or any other university.

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## **CERTIFICATE**

We recommend that this thesis be placed before the examiners for evaluation.

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My Parents

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#### **LIST OF ABBREVIATIONS**

ADB Asian Development Bank

ADIZ Air Defense Identification Zone

AIIB Asian Infrastructure Investment Bank

ANA Afghan National Army

APEC Asia Pacific Economic Community

ARF ASEAN Regional Forum

ASEAN Association of South-East Asian Nations

BDB BRICS- Development Bank

BDCA Border Defense Cooperation Agreement

BRI Belt and Road Initiative

BRICS Brazil-Russia-India-China-South Africa

CARS Central Asian Region States

CCP Chinese Communist Party

CIS Commonwealth of Independent States

CNPC China National Petroleum Corporation

CSTO Collective Security Treaty Organization

CTBT Comprehensive Test Ban Treaty

EAS East Asia Summit

EEC Eurasian Economic Community

ESPO East Siberian-Pacific Ocean

ETIM East Turkistan Islamic Movement

FATF Financial Action Task Force

FGFA Fifth Generation Fighter Aircraft

INSTC International North South Transport Corridor

LAC Line of Actual Control

LEMOA Logistics Exchange Memorandum of Agreement

LOC Line of Control

MTCR Missile Technology Control Regime

NAM Non-Aligned Movement

NATO North Atlantic Treaty Organisation

NMDS National Missile Defense System

NPT Non Proliferation Treaty
NSG Nuclear Supplier Group
NWS Nuclear Weapon States

OBOR One Belt One Road

PLA People's Liberation Army
PRC People's Republic of China

RATS Regional Anti Terrorist Structure

RFE Russian Far East
RIC Russia-India-China

SAARC South Asian Association of Regional Cooperation

SCO Shanghai Cooperation Organization

SLOC Sea Lanes of Communication

START Strategic Arms Reduction Treaty

TAPI Turkmenistan-Afghanistan- Pakistan-India

TMDS Theatre Missile Defense System
UNSC United Nations Security Council

US United States

USSR Union of Soviet Socialist Republic

WTO World Trade Organization

Chapter One Introduction

#### **Background**

After the end of Cold War and subsequently the disintegration of the Soviet Union in 1991, the U.S. emerged as a sole super power, both militarily and economically. In this changing World order, both Russia and India were redrawn their foreign policy priorities. Thus, Russia-India relations in the 1990s went through a period of uncertainty when Russia was preoccupied with domestic economic and political issues and its relations with the USA and Europe. Then India had to deal with a new Russia which was Eurocentric, economically dependent on the West, and neither had the interest nor the resources for third world countries. President Boris Yeltsin, during his visit to Delhi in 1993, tried to recreate the spirit of old friendship with a new treaty of friendship to replace the old India -Soviet 1971 treaty<sup>1</sup>. Although Yeltsin described India, Russia as 'natural partners', he was careful not to give the impressions of a 'special relationship'. Though relations were restored to respectable ends, however the early years (1991-96) of 'being neglect' of India by Russia, left a deep mark on Indian policy - makers.

The situation changed when the new Russian Prime Minister Primakov (1998-99) started shifting from the previous pro-western Russian foreign policy to strengthen his country's relations with old allies. Primakov visited India in 1998 and pushed proposals for creating a Russia-India-China (RIC) strategic triangle. However, the RIC coherence remained questionable and the development of strategic triangle would be unrealistic due to mutual suspicion between India and China. The new Russian leadership under Vladimir Putin (President 2000-08) reversed the Yeltsin-era drift in India-Russia bilateral relations, signed the declaration on strategic partnership with India in 2000, and established the institution of annual summit meeting.

Despite its improving relation with the USA, India did not want to abandon its time-tested relationship with Russia. However, in contrast to the past, Russia and India do not have a common vision on China. "The 2000 version of Russian foreign policy concept made a point throughout that Russia was committed to multi-polar approach

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<sup>&</sup>lt;sup>1</sup> The Indo-Soviet Treaty of Peace, Friendship and Cooperation, was signed between India and the Soviet Union in August 1971 that specified mutual strategic cooperation. The treaty was a significant deviation from India's position of non-alignment in the Cold War period, and in prelude to the Bangladesh war, it was a key development in a situation of increasing Sino-American ties and American pressure.

to international security and that the strategy of unilateral action can destabilise the international situation" (Kenet 2011). Russia and China have coordinated their stance on several international issues to oppose the US. Also, Russia is now a major supplier of military hardware and technology knowhow to China.

Though after 9/11 terrorist attack on US, Russia supported and facilitated the support for the US - NATO forces in Afghanistan, but when it realised that due to the presence of the US forces in Afghanistan and Central Asia, its position in Central Asia will weaken, it started to oppose the US by collaborating with China. But Russian support to the US for the fight against terrorism came as shock to Chinese leadership due to the change in Russia's multi-vector approach to the one unambiguously centred on comprehensive cooperation with the US. Thus, relations with China were pushed into the background. But, the later deterioration of Russia-US relations since the late 2002, Russia and China have therefore found themselves on the same scale when it comes to many aspects of the US global strategy, from North Atlantic Treaty Organisation's (NATO) attack on Yugoslavia in 1999 through Iraq to NATO campaign against Libya in 2011. But China's position in Central Asia<sup>2</sup> improved considerably. China's arrival as a major player in the region and its search for energy in Central Asia has generated some tension with Russia. As a result, the competition between Russian and Chinese energy interest has become more intense. Also, the limit of Chinese support for Russia were shown after August 2008 when China refused to recognise the independence of Abkhazia and South Ossetia, not out of Chinese differences to the U.S., but in conformity with China's categorical opposition to secessionist movements. Also in March 2014, on the issue of Ukraine crisis, China abstained on the voting in UN Security Council resolution and did not join Russia in vetoing it. China has so for adopted a cautious approach and refrained from being overly critical of Moscow's action, while voicing support for Ukraine's sovereignty. It shows that the Chinese has adopted independent policy to pursue its national interest. Though, the Russian distrust on intentions of U.S. and NATO remains, and even the tension intensified after the Ukraine crisis, but it has not escalated beyond a level.

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<sup>&</sup>lt;sup>2</sup>Central Asia includes these five republics of former Soviet Union: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Afghanistan is also sometimes included.

However, the deep fear of China among Russians, once again at both the popular and elite levels, has grown in recent years due to the decline in Russia's population, especially in the zone east of Lake Baikal, adjacent to China. As of 2010, it was estimated that this immense territory of more than 2.5 million square miles, had a population of less than seven million, compared to around 110 million in the Chinese provinces of Manchuria.

Though, Russian administration has vigorously avoided any public expression of fears of China. Nonetheless, this fear has grown greatly in recent years as a result of China's economic growth. A very accurate perception exist that if China continues to grow while Russia stagnates, Russia will in future be reduced to no more than a provider of raw material to the Chinese economy. This is a position that would inevitably entail a degree of geo political and even cultural dependency of Russia upon China.

Russian administration under Putin has alternated the language of "Eurasianism" while describing Russia's national identity as the "third West". In other words, Russia considers itself as a western power alongside the U.S. and the European Union, different from both, but still undeniably western. However, in the dominant Russian discourse, Eurasianism has always been associated with power in Asia, and Russia can compensate for its second class status in Europe by playing the role of an Asian great power. Russia's goal of becoming a major pole of a multi-polar world may well be hopeless, given the relative decline of Russia's economy and population. Hence, the officials insisted that Russia's foreign and security policy should be "multi vector" seeking cooperation and good relations with a range of other countries. The Shanghai Cooperation Organization (SCO) and the BRICS grouping reflect this approach. Russia's attempts to give the SCO a strong security role have so far been opposed by China. Russia also has done efforts to maintain good relations with the West so as to avoid falling in the sway of China. Also faced with an increasingly powerful China, the real U.S. needs become the diametrically opposite of previous perceived needs; a strong Russia in a multi-polar world. In principle, therefore, the real U.S. and Russian needs for the future are very similar.

Classical realist theory would suggest that with the rise of China, U.S. and Russia should and indeed will engage in explicit strategic "balancing" against the new

superpower. Something of the sort may well be happening in East Asia, as China's neighbours become alarmed by its economic growth, its increased military spending, its territorial claims and its increasingly migrant popular nationalism. The absence of US- Russian crisis and of rising Chinese power may create a bipartisan consensus in Washington, of the need to retain good relation with Russia. Also, the greatly diminished US pressure may convince even hard line members of the Russian establishment that they no longer have much to fear from the US.

Now after the end of first decade of 21st century, though US is a military superpower but its economic power is diminishing. On the other hand, China's economic and military power is growing and with the growing power, aggression in Chinese foreign policy is also increasing. Now "the peaceful rise of China" is in debate. Since late 2000s, particularly after 2008 global economic crisis, China has been pursuing aggressive economic and military policies to change the status quo and to become a regional hegemon. In 2013, China launched its Belt and Road Initiative (BRI), a global infrastructure building scheme, made up of a belt of over land routes and a maritime road connecting Southeast Asia to Eastern Europe and Africa. China has created the Asian Infrastructure Investment Bank (AIIB) to fund its BRI and other projects. There are serious concerns about BRI's financial consequences as "it is described as debt-trap diplomacy. In this view, China is deliberately overloading weak countries with loans: when they buckle, it seizes their assets and influences their policies. U S officials see BRI as an attempt to undermine America's global influence" (The Diplomat 2019). In the near future, the Asia Pacific region and South Asia may be the zone of conflict with involvement of US and India.

Though, Russia-India relations are deepening but Russia is also collaborating with China into the anti- US alignment. But for India, there is no enthusiasm for sharing a joint platform with the Chinese against the US. However, Russia's cautious attitude towards China is also reflected in its 2013 Foreign Policy Doctrine, which calls for "a Strategic partnership" with India but for "Strategic Collaboration" with China. Thus, Russia's military leaders have likewise begun in recent years to hint at challenges presented by their eastern neighbour. For last some years, India has been facing a regular incursion on border areas in Ladakh and Arunachal Pradesh. On the other hand, a pact has been signed between China and Pakistan to develop China Pakistan

Economic Corridor (CPEC) which will pass through Pak Occupied Kashmir (POK). India has been opposing this project as it is a clear attack on sovereignty and integrity of India, since POK is integral part of India. Also not all part of this project is economically viable and its security implications cannot be ignored.

So the threat of two front wars with Pakistan and China, coupled with nuclear proliferation in the neighbourhood, could tilt the deals in favour of the India-US alignment. But India is also worried about inconsistency in US foreign policy. Recently Russia and India, first time, have made joint statement on terrorism and on the issue of security cooperation in Asia-Pacific, which can be seen as a positive development. But there is need for other like- minded partners beyond the US, such as Russia, Japan, Vietnam and Indonesia, to check the Chinese aggression and to maintain a healthy balance of power for peace and security in Asia.

#### **Review of Literature**

Against this background it will be interesting to analyse the Russia - China and India-China relations and to search the options and areas for Russia -India cooperation for the peace security of the region and to check the China's aggression. In the post Cold War era, it has been the greatest dilemma in Indian foreign policy making towards Russia and the US with regards to the threat of rising China. Though after the initial setback in 90s, Russia-India relations improved and both are strategic partners but Russia has also established strategic partnership with China. So India's growing relationship with US can be seen as India's concerns towards China's aggressive posture in the region.

Few international relationships have proposed such polarized views as the "strategic partnership" between China and Russia. Both nations portray it as the very model of positive sum cooperation, offering the promise of more equitable world order. But many western observers see it as an alliance of authoritarian states that threatens the global leadership of United States. For the analysis of Russia-China relations in twenty first century, including many literary sources the following sources are also relevant: Bobo Lo's "Axis of Convenience: Moscow, Beijing and the New Geopolitics " (2008), Chatham House London - Brookings Institution Press, Washington DC and Mohan Malik's book titled "China and India: Great Power

Rivals" (2011), published by First Forum Press, USA.

In his book, Bobo Lo argues that "the dynamics between these two emerging power is one of 'strategic convenience' rather than 'strategic partnership'. It is shaped not by a shared vision of the world, but expediency, pragmatism and cold-eyed perceptions of national interest" (Lo 2008). "Axis of Convenience" evaluates the current state and future prospects of the Sino - Russian relationship against the backdrop of disordered global environment. Lo examines the implications for security environment in Central Asia, East Asia and the geopolitics of energy. On the other hand, Malik explains the state of bilateral relations between China and India with realist and geopolitical perspective, grounded in Power Transition Theory and provides analysis of Sino-Indian relations, its influence on regional and multilateral forums and on energy security issues.

Lo argues that real picture of Sino-Russian relationship is "ambiguous, full of contradictions both implicit and explicit. Moscow and Beijing speak the language and undertake many actions, of a multifaceted partnership. Yet the practical cooperation is hamstrung by historical suspicions, cultural prejudices, geopolitical rivalry and competing priorities. Such uncertainty is rooted in history, but is fuelled also by the emergence of an increasingly confident and assertive China" (Lo 2008). Malik argues that most of "the academic and policy works on China and India deal with politicoeconomic development model and go on to extrapolate for the world economy, sustainable growth and environment, but have no dearth and are far from reality" (Malik 2011). Thus the review of literature has been discussed under the following five themes: historical legacy, the rise of China, Strategic partnership, Cooperation and competition in Central Asia, East Asia, Pacific and the Geo-politics of energy.

#### **Historical Legacy**

At no stage in two country's common history, *Lo* argues, has there been a period of unalloyed good relations. Further, he explains that "many of the underlying tensions and uncertainties in the Sino-Russian relations have their roots in a series of historical episodes: the thirteen century Mongol rule; the Tsarist imperial expansion into China in the nineteenth century; the unequal treaties under the Qing dynasty was forced to

cede 1.5 million square km of Chinese Territory; an enormous disappointment of the Sino-Soviet unbreakable friendship in the 1950s; the border clashes of 1969; and sharply contrasting experiences of modernization in post-Soviet Russia and post-Mao China"(Lo 2008). *Judith F. Kornberg and John R. Faust* in the book, *China in World Politics*, argue that although the Qing dynasty was increasingly apprehensive of Russian expansion into areas it considered to be part of The Chinese empire, by the mid nineteenth century it had too many enemies, which prevented it from fighting the Russian vigorously. Inexorably, the Czars acquired tracts of land that the Qing Empire also claimed.

The Sino- Soviet Treaty of Friendship, Alliance and Mutual Assistance were signed in February 1950. Ross Terril in his book, Mao: A Biography explains that Stalin, according to Mao, was not willing to sign a treaty...... After two month of negotiations, he at least signed. But relations between China and Soviet Union continued to be difficult and deteriorated markedly throughout the decade, to the point where they engaged in border skirmishes in the late 1960s. Herold C. Hinton ascribes the origin of Sino-Soviet distrust to the traditional Russian distrust of the Chinese. While Ross Terril looks to the historical resentment that turned the Chinese against the Soviets, especially Stalin's lukewarm support for the Chinese communist party in its early days. But Kornberg and R. Faust added that ideological differences also created tensions. Also foreign relations played a part in the Sino-Soviet split. China's claim of third World leadership was bound to annoy the Soviets, as Khruschev's attempts to improve the relations with United States in the late 1950s annoyed China. They also added that from 1969 onward, it has been evident that only military force and not ideology, bound the nations of Eastern Europe to the Soviet Union. For China, the Soviet Union's military strength became a source of great fear, so much so that rapprochement with the United States, the capitalist enemy, seemed preferable to non alignment with either side in the Cold War. The progression of Sino Soviet split into open hostilities was seen as irrefutable proof by many that traditional power relations continued to be overriding determinants of state to state relations never to be superseded by ideological beliefs or other low political factors.

As the Russian leader Vladimir Putin has pointed out, even during the period of "unbreakable friendship" there was considerable ill-feeling beneath the veneer of the

"Sino-Soviet solidarity". And most Russians believe that China benefits far more from the relationship. On specific issues, such as the right of the Chinese to live, work and acquire property in Russia, public responses are strongly negative. By contrast, the Chinese have a relatively benign if faintly dismissive view of their largest neighbourhood. They value it as a supplier of advanced weaponry to the People's Liberation Army (PLA), as an important source of crude oil, and as a useful ally in balancing the American power in Central Asia. By contrast to this, India-China, remarks *Mohan Malik*, "spent 99.9 percent of time enjoining friendly relations and only 0.1 percent time of relations were not good. But the fact is that these two states were distant neighbours for much of their history" (Malik 2011). The present continued suspicion and tension is deeply rooted in the past experience of 1962 war and territorial disputes. With it the unequal strategic equation between China and India remains a major source of tension. These literatures have not highlighted the role of historical legacy in Russia-India relations, which has played positive role in deepening their relationship in the post Cold War Era.

#### The Rise of China: Different Perspectives

The rise of China as an emerging great power significantly impacted across the globe. As China became economically powerful, it was bound to become ambitious and assert its profile across the globe. This is a trend that all great powers have followed throughout history. A growing economic power, China is now concentrating on the accretion of military might so as to secure its own strategic interests. Though, Chinese foreign policy thinkers and political establishment have long been trying to convince the world the Beijing's rise is meant to be peaceful one that China has no expansionist intensions and its rise would not create any complications.

The very nature of power makes these claims suspect, while the western liberals believe that China is actually a different kind of great power, and that if the West would simply give China a stake in the established order, Beijing's rise would not create any complications. But one of the most prominent foreign policy thinkers in China, *Shen Dingli* asserts that it is wrong for us [China] to believe that we have no rights to set up bases abroad. "He argues that it is not terrorism or piracy that is the real threat to China. It is the ability of other states to block China's trade routes that poses the greatest threat. To prevent this from happening, China, according to *Dingli* 

needs, not only a blue water navy but also overseas military bases to cut the supply costs" (Stew 2012).

In the second decade of the twenty first century, one thing all IR scholars is now agreed on that indeed China was on the rise, and this will have potentially major ramifications for the future of international order, particularly in Asia. However, there are divergences of view regarding the consequences of China's rise. According to the Liberalist perspective, the economic interdependence and participation in multilateral institutions would moderate the China's behaviour. *Richard N Cooper* defines "that economic interdependence lessens the likelihood of conflict as one economy becomes more bound to another. China's trade interaction with the rest of the world accounts for nearly fifty percent of its GDP. This shows an interwined economic relationship between the Chinese and global economy. So the conflict would undermine this economic relationship and result in universal losses and repercussions. Furthermore, China is now an active member in a range of regional and international organisations, institutions and framework" (Sai 2015). However, using economic interdependence as an example to show the absolute interpretation of China's rise is vulnerable.

Realists, on the other hand, view the China as a threat to stability in Asia. Yee and Storey argue that "China's unprecedented economic growth has been with the world's largest military build-up via a huge expansion of military spending and technological advancement. This would superficially adhere to Realist interpretations of a China that wants to change international system and obtain a regional and global hegemony. Statistics compiled by Stockholm International peace Research Institute (SIPRI) confirm China's dramatic increase in military expenditure; during the period 2003-2012, its military expenditure increased by 175 percent, significantly more than any other state" (Hudda 2015). In monetary terms, SIPRI, states that China's annual spending rose from over \$30 billion in 2008 to almost \$170 billion in 2010. Furthermore, estimates published by The Economist in 2012 shows that, if recent trends continue, China military spending could overtake America after 2035. But Alastair Johnston argues "that as a percentage of GDP (2 percent), Chinese military expenditure do not appear to have reached level where one could conclude that the Chinese economy is being militarised and mobilised against the US power" (Hudda 2015). John Mearsheimer argues that China will respond to the American military

build-up by pushing the United States out of Asia. But it can be argued that Mearsheimer's predictions, based on historical analogies from American experience, may not be followed by China. But one thing is obvious that as China rises, despite the rhetoric about its peaceful nature in Beijing, due to security dilemma other states in the region will view any Chinese military build-up as potentially threatening and hence will be confronted with the choice of either bandwagon with China, or balance against it. In this context, India's growing security concerns with regard to China, and India's growing rapprochement with the US have affected the Russia-India relations in the first and half decades of twenty first century.

#### **Strategic Partnership and Defence Cooperation**

Indo-Russian defence cooperation is based on long term Inter-Governmental Military-Technical Cooperation (MTC) Programme and has been a solid pillar of the bilateral strategic partnership. The cause of the decline in cooperation in this sector has been the rapidly developing Russia-China military relations. Similarly, Russia's suspicions about Indo-US relations, particularly in the military sphere have negatively affected the relationship. According to *Stobdan*, "Russia is upset with India's defence procurement policy and is unable to digest the fact that the US is overtaking Russia in the Indian weaponry market." On the strategic partnership between Russia and China, *Bobo Lo* argues that "the dynamics between Russia and China is one of strategic convenience. It suits Moscow and Beijing to talk up the quality of ties, both for intrinsic reasons and as a significant factor in regional and global politics. But such interaction fall well short of strategic cooperation" (Lo 2008). Also, Lo argues that "the axis of convenience is, in many respects an anti - relationship directed more at containing the undesirable development than creating new structures and mechanism for cooperation" (Lo 2008).

By defining the meaning of strategic partnership Lo explains that ultimately, a bonafide "strategic partnership is predicted on a broad consistency of purpose. It succeeds or fails to the extent that both sides are able to identify lasting common interest and to translate these into far reaching substantive cooperation" (Lo 2008).

For Russia, a good relationship with China serves as an immediate security interest and global geopolitical ambitions. It reinforces the security of its Far Eastern Region and gives Moscow the confidence to pursue an assertive (independent) foreign policy and to challenge the US global leadership. In this sense, China is less strategic partner to Russia than a strategic counterweight to the United States. On the other hand, Beijing treats Russia, less as a global strategic partner than as a secondary and "limited" partner in niches area.

Much of the impetus behind its development has come from a desire to restrain the "hegemonic" power of the United States. Lo rightly argues that, "in the immediate post Cold War Era, the arrival of the 'unipolar moment', America was seen to threaten regional as well as ex-global powers and provided a natural locus for Sino-Russian convergence. After 9/11, the US led military operations in Afghanistan and Iraq have drawn Moscow and Beijing together in a common purpose - not in combating international terrorism but in countering the geopolitical presence of US in their Spheres of vital interests. Even here, the two countries' approaches are different. At a time when the Russia is taking every opportunity to contest America's global leadership, China has adopted a more restrained approach" (Lo 2008). Lo argues that such a "cooperation, more opportunistic than strategic, is facilitated by an international environment where no single order; uni-polar, bipolar or multipolar predominates, but in which a Hobbesian "anarchy" reigns, and the much vaunted "multipolar World order" remains more of an aspiration than reality" (Lo 2008). But, since the book was written before the financial crisis that had really hit in 2008, Lo's dismissal of multipolarity theories must be tampered with huge changes which are currently being orchestrated in how to organise the globalised economy.

By describing about the transitory nature of contemporary international system, Lo explains that, "the new geopolitics is flexible in approach employing both hard and soft power and making use of multilateral mechanism, and it is flourishing in the circumstances where classical concept of the balance of power are interacting with new security and economic challenges such as international terrorism, the proliferation of weapons of mass destruction (WMD), the globalisation of trade, energy security, climate change"(Lo2008). The new geopolitics is not based on fixed and long lasting "strategic partnership" but is frequently opportunistic, non-committal and volatile. "The Sino-Russian relationship, Lo explains, is defined by tangible interest and the realities of power herein, lies its greatest source of vulnerability.

China's rise as the next global superpower, threatens Russia, not with military or demographic invasion, as many fear, but with progressive displacement to the periphery of international decision making" (Lo 2008).

Thus, Lo says that "Sino-Russian dynamics is consequently not equal but asymmetrical, the fact that has generated some tensions between them. In the coming years the relationship faces several challenges; managing demographic tensions in the Russian Far East (RFE)<sup>3</sup> translating a largely rhetorical convergence into tangible outcomes, and balancing between coordination and competition in Central Asia"(Lo 2008). By justifying his argument, Lo gives the reason that territorial integrity is central to the notion of Russian national identity. In its most primitive form, the "China threat": reflected in xenophobic image of the Chinese invading in their millions to fill the vast expanse of Siberia and Russia's Far East. Lo argues that "even Vladimir Putin, the driving force behind the expansion of relations with China has suggested that if Russia does not manage to settle the RFE then it may one day lose it. The fate of Russia's eastern land is thus of pivotal importance, in the evolution of bilateral relationship. Tensions over illegal migration are exacerbated by widening the demographic imbalance between the RFE and China's north-eastern province, by Russia's larger population crisis and growing Chinese economic influence in eastern Russia"(Lo 2008).

On the other hand *Mohan Malik* says that "the unequal strategic equation between India and China remains a major source of tension and determined to maintain its edge over its Southern rival; Beijing resists any attempt by New Delhi to achieve a strategic parity through a combination of military, economic and diplomatic means" (Malik 2011). By contrast to the Russia-China strategic partnership, the importance of the strategic partnership of Russia-India lies in the fact that both countries include political, economic, cultural and scientific cooperation simultaneously with the defence and geo-strategy as part of their understanding of security partnership. This broadens the concept of security itself and balances the earlier relations that privileged defence related security.

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<sup>&</sup>lt;sup>3</sup>The RFE is the extreme eastern part of Russia, between Lake Baikal in Eastern Siberia and the Pacific Ocean. The RFE has a population of 6.3 million; most of it is concentrated in southern part. With the population density of slightly less than one person per square km, the RFE is one of the sparsely populated areas in the World. The population of RFE has been rapidly declining since the dissolution of the Soviet Union.

#### **Geo-Politics of Energy**

Energy, perhaps more than any single factor, has come to symbolise the 'new Geo-Politics' of the twenty first century. "Several energy experts, when talking about China's energy security, focus on what it means in terms of the world's power shift and the rise of China as a potential force. Besides China, other Asian powers, India and Japan are also depend on oil import for their energy requirements. *Manning* explains that China is looking to CNPC-owned overseas fields to mitigate its sense of vulnerability to foreign oil imports. Several of the bids were won by outbidding other parties. Since 2004, CNPC has outbid India's ONGC in Russia, Angola, Kazakhstan, Ecuador, Nigeria and Myanmar" (Bambawale and Sovacool 2018), which has affected the Russia-India energy cooperation. Also the realities of geography have come in the greater cooperation in this area.

Russia's natural resources span a vast territory- now filled by Chinese and South Korean companies. Steps were long needed to take Indian entrepreneurs to these places. ONGC Videsh Ltd. (OVL) has made tardy investment of \$6.5 billion in Russia's Shakhalin-1and Imperial Energy, which is a story of missed opportunity. Russia is using energy as a powerful weapon of foreign policy to counter the heavy sanctions imposed by the West. Sanctions have provided Russia a strong impetus to establish an axis with China, especially in energy, which will help Beijing to alter the balance of power in Asia. For India only block buster deal i.e., for laying the proposed \$40 billion long distance oil and gas pipeline from Russia to India can turn around the trade prospect to touch over \$100 billion. Energy diplomacy can replace the waning defence business and bring rationality to Indo-Russian relations.

The Sino-Russian energy relationship appears to be based on an almost ideal complimentarily, on the one hand the world's biggest exporter of oil and gas, on the other the world's second largest consumer of energy after the United States. But despite these favourable contexts, *Lo* argues, the energy relationship has been dogged by problems. The most fundamental is that Moscow and Beijing have very different

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<sup>&</sup>lt;sup>4</sup>The new geopolitics is flexible in approach employing both hard and soft power and making use of multilateral mechanism, and it is flourishing in circumstances where classical concept of balance of power are interacting with new security and economic challenges, international terrorism, the proliferation of weapons of mass destruction (WMD), the globalisation of trade, energy security, climate change (Lo 2008).

understanding of energy security. For the farmer it means security of demand, particularly for Pipeline Gas. Oil and gas account for over 60 percent of Russia's export. For China, energy security is the security of supply but Sino-Russian energy cooperation has not developed as expected and China has diversified its energy import. The Moscow wants to keep Beijing as dependent as possible by restricting Chinese access to other energy sources in Eurasia, while Beijing is stepping up its engagement with the Central Asian States. Also, Russia hopes to implement strategic diversity in Asia pacific by developing ties with Japan and South Korea. Thus their relation is one of strategic opposite.

Mathew Sussex explains that "both the Putin and Medvedev governments have already attempted to broaden European energy dependency eastward toward Asia. However, Russia's dominance over energy supply is not assured, in spite of the fact that it was quick to sign up a variety of Central Asian states to bilateral agreements" (Sussex 2014). Blank says that reason behind this is the Chinese recent entry in the market place as "a significant player. In 2007, the Chinese company Sinopec negotiated an agreement with Kazakhstan to increase its stake in the company controlling the Aktobe oil field from 60 percent to 80 percent to 85 percent" (Blank 2011). "A major effect of the global financial crisis in 2009 was that Russian energy giant like Gazprom suddenly found itself a short of liquid asset. During that year, China initiated a series of bilateral energy for loan arrangements, which gave Beijing control over several Russian companies. Also by tying and investing a massive injections of capital into Russian company for the development of Far East, Beijing is effectively buying assurance that Moscow does not drift away from its orbit" (Sussex 2014:215). In May 2014, China and Russia signed a 400 billion gas supply deal, which came amid the faceoff between the Russia and Europe and US over Ukraine crisis. This deal had been pending since decade but now the China had the upper hand in the negotiation, though the deal will help Russia to reduce its reliance on gas export to Europe. But Fydoor Lukyyanov argues that "the China would be only too happy to strategically bind Russia to itself" (Lukyanov 2014).

On the other hand, *Malik* argues that India's growing interest in South East Asia, Middle East, Central Asia and Africa, are energy motivated and India faces intense competition from China. Consequently the two are locked in fierce rivalry for stake in

over sea oil and gas fields all over the World. With rising energy import from Russia's Sakhalin province, Indonesia and South China Sea, the prospect of Russia-India relations can be enhanced.

#### **Cooperation and Competition in Central Asia**

Judith F. Kornberg and John R. Faust argues that "China's relations with Russia in the post Cold War era are governed by same dynamics that govern all interstate relations in international system. Issues of state sovereignty, interdependence and balance of power dominate China's policy making with respect to Russia and the rest of the World" (Kornberg and Faust 2007:112).

The US scholar *Bates Gill* and *Mathew Oresman* believe that "Beijing's Central Asia policy is set by four set of interests: strategic positioning, national security, border stability and economics and trade" (Gill and Oresman 2003). According to a China specialist at the Centre for Strategic and International Studies in Washington D.C., *Bates Gill*,

Graeme P. Herd argues that "the US pivot to the Asia-Pacific accelerates further ongoing efforts by China to increase connectivity with Central Asia, both through integrative infrastructural developments as well as through the provision of strategic credits and loans, as a means to break the encirclement. An increasing Chinese economic role at local and national levels in Central Asians states entails greater influence over shaping foreign and security policies in these states reinforcing their ongoing strategic reorientation away from Moscow towards Beijing. As a consequence, Russia faces the prospect of acute cognitive dissonance in its foreign policy. First between its rhetoric and the set of expectations this raises in regard to its order producing and managerial role in Eurasia, which serves a key justification for its global power status; and second, between its consolidated strategic partnership with China designed to counterbalance US leadership of global strategic agenda, and the reality of subordinate role of China in its shared neighbourhood of Central Asia" (Herd

2014). "Central Asian energy, minerals and metals have helped maintain China's economic growth and it emerged in 2010 as the largest trading partner with Central Asia, according to European Commission, while the World Bank estimates that China controls the 93-5 percent of the \$ 7 billion Bazar trade" (Swanstrom 2012:103). Andrei Piontkovsky highlights "unequal power relations between a week Russia and a strong China preventing the establishment of a coequal status, a pre-condition for a sustainable relationship in Central Asia" (Piontkovsky 2012). According to Stephen Kotkin, "this imbalance is not lost, on some officials in Moscow who whisper that, by playing up to Russia's great power nostalgia; China conceals its aggrandisement at Russia's expense, particularly in Central Asia. But that is not something the Russians can publicly say" (Kotkin 2013).

Bobo Lo says that most sensitive area of the relationship is former Soviet Central Asia. Russia has been careful to mask its discomfort with China's growing involvement in Central Asian affairs. Unsurprisingly China's search for energy in Central Asia has generated some tension in Russia, so the competition between both is becoming more intense. Russia wants China to be energy dependent on it, particularly with Eurasia, while China is anxious to widen its source of supply. Also, the diverging interests within the Shanghai Cooperation Organization (SCO) are more apparent. Russia has seen the SCO primarily as a way to deepen security cooperation. While its part China has sought to turn SCO into a framework for economic cooperation. But, Blank says that "China has effectively succeeded in pushing the SCO towards becoming an economic organisation rather than a military-security one" (Blank 2012). "China's ability to choose where it invests amongst the SCO members gives it direct influence over Russia itself as well as broader influence over the former Soviet space" (Hu 2012).

Lo argues that Russia would like to see Iran and India become full members. India, in particular, would help counterbalance not only the US in Central Asia, but also China. Paradoxically, the more the SCO grows in importance, the greater the potential for the Sino-Russian rivalry to emerge. Russia is striving to prevent the SCO from becoming an instrument of Chinese influence, and it is playing on Central Asian fears of Chinese economic domination. Thus, Russia and China are not so much strategic partners but strategic competitors; their rivalry will become increasingly evident. On

the other hand, *Malik* argues that with the decline of Moscow's influence, Beijing is using SCO as an instrument to protect its power for larger strategic aspirations and for energy resources in Central Asia, while India's main interest is economic and security. India has got the full membership of SCO in 2017 and India's aspiration for greater role in SCO, is backed by Russia. So the importance of Russia–India collaboration in Central Asia through SCO has been analysed.

#### **Contrasting Priorities in the Asia-Pacific Region**

The Asia-Pacific can be viewed as a new hub of global economics, global security and hence global politics in the twenty first century, since the world was witnessing an unprecedented transfer of power and wealth from the West to the East. *Mathew Sussex* explains that "it is due to the increasing expectation in Beijing that Asian actors should accept China as a regional leader, on the other hand expectations by US that its partners should burden-share by engaging in pre balancing behaviour. Under such condition economic interdependence is not a reliable barrier to competition or even conflict, especially as recent events in the South China Sea have demonstrated" (Sussex 2014:202). Also "the institutional structures that might mitigate security competition between great powers are weakly defined in the key northeast Asian and Central Asian theatres, where major powers and their interests intersect" (Sussex 2014).

*Mathew Sussex* also argues that "Moscow's ability to actively shape the region is likely to be diminished as international attention focuses increasingly on the emerging US-China rivalry"(Sussex 2014). It is often predicted that concentration of economic and military power in Asia driven by Chinese growth, will raise the spectre of form of regional bipolar rivalry between US and China. Some scholars like *David Kang* have identified power transition as the most dangerous time for regional security, and have called for the United States to withdraw to an offshore posture so that a Chinese led hierarchical order can uphold stability (Kang 2003;2003-04;2005).

Lewis says that both the "China and US have, therefore embarked on traditional mechanism to facilitate the emergence of a regional order favourable to them. The political–economic sphere has been an arena for competition. The Asia Pacific Economic Cooperation (APEC) group which gave Russia an important voice in a

broad based open regional forum is increasingly loosing traction. There is also no guarantee the institutional inertia plaguing the ASEAN Regional Forum (ARF) would not be replicated in a trade context by a Trans-Pacific Partnership (TPP), proposed by Obama administration, or even that Russia China and India would agree to take part in the future" (Lewis 2012)

Lo argues that "real tension is between China's emergence as a real force in the Asia - Pacific and the desire of other powers including Russia, to preserve the status quo" (Lo 2008). Thus, Lo explained that Putin has emphasised the importance of "Strategic diversity". He has attempted to improve relations with Japan. While Mohan Malik says that China seeks to recast its region, in its own image. "Having transformed the economies of the Asia - Pacific region, China wants to transform the politics and security of the region. The geographical proximity, Malik argues, has long been one of the main factors in conflicts between rising great powers sharing of the same neighbourhood" (Malik 2011). Also, Shen Dingli, a well known Chinese strategic thinker points out, "The structural problem is leadership. The question is who leads in Asia?" So Malik argues that geopolitical perspective between India and China is grounded in Power Transition Theory. Both Lo and Malik explain about the growing tension of both Russia and India with China but they do not discuss the prospect of Russia-India cooperation in East Asia and the Pacific.

The Liberal School of International Relations maintains that the participation in international institutions cast aside zero sum games and promotes cooperative behaviour that is conducive to dispute resolution. *Malik* argues that though both China and India are active participants in multilateral forum such as the ASEAN Regional Forum (ARF), East Asia Summit (EAS), Shanghai Cooperation Organization (SCO) and BRICS, however, far from mitigating their power competition, regional institutions and international organizations have become the new arenas of Sino-Indian rivalry for maximising relative power. When ever faced with the issue of India's membership, China's initial reaction usually is 'not'. The ARF, the SCO and the UNSC are few good example of this Chinese stance. Thus these two Asian giants approach to multilateralism validates realistic critiques of liberalism.

Following the collapse of its Soviet ally in 1991, India began working on new alignment and security arrangements and started establishing a multi-dimensional

engagement with Washington which suffered a temporary setback following 1998 nuclear tests. After 9/11, 2001, India-US relations gained substantially and since then, China became apprehensive of the Indo-US ties. Malik highlights that the Chinese objective is to limit the US dominance at a global level by assisting in the form of nuclear and missile technology transfer as a tool of Chinese national security policy. Malik mentions that the Bush administration was committed to encourage India's involvement in a wider Asian Security System to balance the rising China and declining Japan. But India is not going to rely on the United States alone to balance China, in the twenty first century, because the US foreign policy is inconsistent and fears that Washington could trade cooperative interests with India for larger geostrategic interest with China and Pakistan.

So on one hand, *Lo* explains that how the Russia-China relations is competitive than cooperative in many areas from Central Asia, East Asia to South Asia. On the other, *Mohan Malik* highlights from realistic perspective of transition theory of the rise of China and its possible conflicts with India and also looks at US-India rapprochement in this context. Though the literary sources highlight the Russia and India relations with China, they do not provide the prospects of Russia-India relations in many areas from Central Asia, East Asia and Pacific to South Asia, in the context of the rise of China, while India is also uneasy with the growing Chinese footprint in these regions, like Russia. Also, since *Bobo Lo* and *Mohan Malik* have not described the Russia-India partnership in the context of international terrorism, proliferation of WMD, globalization of trade and energy security. Recently, Russia and India have made statements on terrorism, in the context of their cooperation in Afghanistan in post-2014 scenario; the study has also included these dimensions in Russia-India relations.

#### **Definition, Rationale and Scope of the Study**

One of the chief reasons for the failure or ineffectiveness of the balance of power system during Cold War period was the bipolarization of power between U.S. and the Soviet Union. As a matter of fact, the balance of power system works more effectively if there are a large number of nations, so that the nations themselves have a choice selecting allies.

After the end of the first decade of twenty first century, though the U.S. is still military superpower, but an economically declining power and the World is heading towards a multi-polar World. On the other hand, China has been emerging as a new economic and military power. With the rise of China in this multipolar World order, another structural changes has been taking place in the form of power transition between the U.S. and China, which is visible particularly after 2008 World economic crisis. Power Transition Theory and the theory of Offensive Realism clearly predict about Chinese policies to bring structural changes and to become a regional hegemon. These policies are; launch of the Belt and Road Initiative (BRI), creation of Asian Infrastructure Investment Bank to fund its BRI and other projects, its aggressive territorial claims on islands in South China Sea, East China Sea and developing military infrastructure on these islands in Asia-Pacific to push U.S. out of the region and the development of overseas military bases.

Though Russia and China are collaborating in the name of hegemony of the US, tension and competition is growing between Russia and China in Central Asia, East Asia and South Asia and on the energy issue. On the other hand, India and China are facing a Cold War situation and as the India-US relations is growing; aggression in the Chinese foreign policy against India is increasing. At a global level China's effort is to create multi-polarism, while at the regional level it is trying to be a sole superpower. Since both the Russia and India are facing conflict or competition with the China due to the geographical contiguity, and are of permanent nature, the Russia-India cooperation to balance the China can be a sustainable solution for the peace and security of the region. So the study focuses on the discussion of the scope of the Russia - India relations to balance the threat of China's rise, according to the theory of balance of power. And it has analysed the Indian foreign policy dilemma before India foreign policy makers towards Russia and US with regards to China's rise. The research has also discussed the consequences of China's rise through the lens of either power transition theory or offensive realism, which predicts a future of conflict.

"According to the variants of Power Transition Theory, a conflict is more likely when a rising power dissatisfied with the status quo, approaches parity with the dominant in a region or the system and willing to use force to reshape the system's rules and institutions" (Organaski 1958; Organaski and Kugler 1980; Gilpin 1981). Likewise,

"the theory of offensive realism asserts that states will pursue expansion as they grow stronger, when statesmen perceive the relative increase in power" (Lab 1997; Zakaria 1998; Mearsheimer 2001; Elman 2004).

The term 'power transition' comes from Kenneth Organski's classic work, 'World Politics'. It refers to several important aspects of international relations. "First it is about a significant increase of national power in a big nation (in terms of its territorial and demographic sizes) as a result of rapid economic and military development. Second, it is the impact of this growing power on international system especially on the hegemonic position of dominant nation in this international system. Throughout history, changes in the balance of power and efforts to keep or alter the international order have led to struggles among big nations and set the stage for great power wars" (Lai 2011).

As Organaski observes, "at any given moment the single most powerful nation on Earth heads an international order which includes also some other major powers of secondary importance and some minor nations and dependencies as well". Robert Gilpin adds further through his classics work, "War and Change in World Politics", in which he states that "the expanding nations efforts necessarily bring them to confront the dominant nation and its allies about the rules governing the existing international system, the division of the spheres of influence, and even territorial boundaries. War will break out between the dominant power and the challengers if they can-not settle their differences in peaceful ways" (Gilpin 1981). Gilpin calls this "hegemonic war." Unfortunately, "[e]very international system that the world has known has been a consequence of territorial, economic, and diplomatic realignments that have followed such hegemonic struggles" (Gilpin 1981).

"As a general rule, mature nations maintain a moderate and steady growth rate. An expanding contender, however, will experience exponential growth in its national power, due largely to its rapid internal economic development" (Lai 2011). Thus, "Power Transition Theory focuses on relative growth rates and their effect on altering power between nations and new political and economic entities. As a result, there is the high potential for a conflict when a challenger and a preeminent or dominant nation reach the stage of relative equivalence of power" (Tammen, Kugler and Lekme

2017). The Power Transition Theory provides basis for interpretation of world politics, including the rise of China and India and related effects.

"In absolute terms, the dominant nation is still advancing; but in a relative sense, it is losing ground to the rising power (Can be seen in the context of US and China). Organaski and Kugler argue that a shift in the distribution of power create the conditions for great power conflict; and war looms when a contender's national power narrows its gap with that of dominant nation"(Lai 2011). The rise and fall of these empires and subsequent change of international order, all took place with the use of force. Hegemonic competition eventually took a heavy toll on the contending empires in World War I and World War II. The destruction of imperial Germany and Japan and the decline of British Empire are textbook examples of "the tragedy of great power struggle".

The Power Transition Theory provides a very useful perspective for the understanding of great power relations. "The change of power distribution and the associated peace and war periods, in the nineteenth century and the first half of the twentieth century, lend support to the central claim of the Power Transition Theory that preponderance of power maintains international order and peace and the lack of it, breeds great power war. This theory is useful again at the turn of the twenty first century, as the international system is undergoing profound changes. The turning point is perhaps best set with the collapse of the Soviet Union in 1991. At the end of Cold War the United State stood as the lone superpower" (Lai 2011).

But Power Transition Theory application, the most critical one, is between the US and China. As China continues to grow and expand, it will find it more difficult to compromise but will be increasingly capable of taking stronger stands on matters involving its extant and expanding national interest. In this context, it will be interesting to analyse the growth of China, India and also the resurgence of Russia and their relations.

"Power Transition Theory defines power as the ability of one nation to advance its goals by altering the policy of another. The revised measurement of power included population productivity and political performance. Test shows that incorporating the political aspects of war is essential for understanding the outcomes of significant conflicts such as World Wars I and II and for anticipating the outcomes of asymmetric conflict such as Vietnam or Afghanistan, where the US and USSR were unsuccessful despite overwhelming power preponderance" (Kugler and Domke 1986; Kugler and Arbetman 1989). The concept of power with the inclusion of political performance distinguishes the power transition tradition from power concept, traditionally associated with realism. Power Transition Theory argues that within and across, the nation is not governed by anarchy but by hierarchy of power. "But stable hierarchy concept account for long period of global peace such as absence of war between Germany, France & Britain after World War II, and cooperation and creation of European Union (EU). Thus, in Power Transition Theory hierarchy is not consistent with hegemony or interdependence" (Keohane 1984). "Instability occurs at global level when there is a challenger in the hierarchy that is dissatisfied with the system of dominant power. The hierarchy concept has been generalised by Lekme from the global to the regional level. Understanding regional hierarchies adds complexity and generality to the power transition perspective" (Efird 2005; Yesitada 2006). "Regional powers cannot effectively intervene in a global hierarchy, just as regional level conflict does not escalate to the global level" (Tammen, Kugler and Lekme 2017).

Power Transition argument provides insight "beyond conflict and cooperation. One of the key elements that allow a dominant nation to affect international interactions is control over the lead global currency. The dollar's overtaking of the pound in international importance coincided with the American association to the summit of international power pyramid. The emergence today of the Euro with the European Union provides a potential competitor. Power transition posits that the dominant nation will seek to control the international norms by securing monetary and trade transactions internationally. Therefore it is anticipated that with the rise of China the dollar will have to share pre-eminence with other currencies" (Tammen, Kugler and Lekme 2017), thus, "the Dollar remains a major currency along with Euro and China's Rmibi (RMB). This representation has a very close connection to the anticipated power transition in the global system. As China rises, both the Dollar and Euro areas are likely to shrink and mixed currencies could replace the single Dollar system, now in place" (Mundell 2009).

Thus, with this power transition approach as the analysis has (Kuglar and Tammen 2004; Kugler et al 2012) "given the current growth patterns, China is expected to edge out the United States in aggregate productivity by 2025, if not before then. India is expected to follow China's rise with a one or two-decade lag. At the global level, the key overtaking will be between China and the United States. Previous power transition work suggested that the creation of a large super block, to include EU, the United States and India and perhaps even key regional leaders" (Tammen et al. 2000) "would help offset the risk of war associated with China's rise. Other management techniques have been explored, including solution to the Taiwan problem and creation of an alliance composed of the US, India, Russia and the EU if the World was faced with a dissatisfied, hostile China that wished to change the international system" (Tammen et al. 2000).

Waltz tried to show how a structural analysis could light on the long peace (Gaddis 1987) "that was produced by the rivalry between the United States and the Soviet Union during the Cold War. The end of Cold War, thus, raises an important question about the future of realist theories that were developed during what could be regarded as an exceptional period of modern history" (Waltz 1979).

John Mearsheimer (1993), by taking up the neorealist argument of Waltz (1979), says that neo-realism is a general theory that applies to other historical situations and can be employed to predict the course of international history beyond the Cold War. Since Waltz claims that bipolar systems are superior to multipolar system because they provide greater international stability and thus provide greater peace and security. The question Mearsheimer (1993:141) poses is; what could happen if the bipolar system is replaced by a multipolar system?

Mearsheimer proposes "an offensive variant of Waltz's defensive neo-realism, according that states are concerned with the accumulation of relative power; as this offers the only true security in an anarchic system. Mearsheimer argues that security dilemmas of an anarchic system catalyses the action of states who have established a relative gap to exploit this advantage by exerting lateral pressure. In his debate with Zbigniew Brzezinsky, Mearsheimer states that contemporary interpretation of practical actions are largely irrelevant in predicting the possibility of great power

conflict involving China" (Mearsheimer 2005:5). Applying the framework of offensive neo realism, Mearsheimer draws the conclusion that,

"China's priorities will change with its capabilities and when they become disproportionate to their position, the effect of their internal drivers such as population growth and resource capabilities will aggregate, and actualize themselves in forms of external behaviour. He also cites asymmetric resource distribution as a driver of great power conflicts" (Mearsheimer 2005).

"Considering the aspirations of the Chinese government, such as the repatriation of Taiwan, Mearsheimer writes that they will most likely attempt to push America out of the Asian region and establish themselves as a regional hegemon. A hegemon is defined as a state that is so powerful that it dominates all the other states in the system" (Mearsheimer 1995a:86, 2001c: 40). "This concept is applied both globally and regionally. Global hegemony is virtually impossible. Thus, regional hegemony is the principal strategic state's aim and, thus, the regional level takes central stage in Mearsheimer thinking" (Toff 2005).

Mearsheimer deduced a hypothesis about great power behaviour. In order to predict when the different strategies are most likely, he operates with two explanatory variables: the distribution of relative power and geographic location when, the balance of power is heavily skewed in favour of great power, it is likely to wage a hegemonic war. Mearsheimer terms this state of affairs unbalanced multipolarity, in which the balance of power is so asymmetrically distributed in favour of one of the great powers that it has a fair chance of becoming a regional hegemon. When this situation occurs, the balancing is the only rational response among the other great powers, assuming that they wish to preserve their autonomy" (Toff 2005).

"Turning to the post-Cold War phase, Mearsheimer has on several occasions predicted that tensions and security completion in Europe and North East Asia will likely increase. But in fact, contrary to Mearsheimer's analysis, integration rather than disintegration has characterized European politics since the termination of the Cold War" (Toff 2005). But in North-East Asia, containing great powers of Russia, Japan, and China (the later having prospects of becoming a potential regional hegemon in Asia and a peer competitor of the US), "his predictions seem to tune better than in the case of Europe as security competition has indeed been more intense in North East and South East Asia" (Toff 2005).

Power is held to be the ultimate source of security in anarchic world and states pursue expansion to achieve regional hegemony. According to John Mearsheimer (2001), "A wealthy China would not be status quo power but an aggressive state determined to achieve regional hegemony". The present study analyses the allure of regional hegemony according to offensive realism prediction that conflict over disputed territory would occur, as China sought to achieve or demonstrate its dominance.

#### **Research Questions**

The study has examined the following research questions:

- 1. How has the growing defence cooperation between Russia and China impacted the Russia-India relations?
- 2. How has the growing competition for energy resources between India and China, impacted the Russia-India relations?
- 3. How is geographical proximity a critical factor in conflicts arising between powers sharing the same neighbour?
- 4. Is China's quest for global power and influence pitted against India's drive for strategic autonomy and regional prominence?
- 5. Has the growing competition in Central Asia between Russia and China, impacted India's relations with these countries?
- 6. How has the China factor impacted the Russia-India relations in East Asia and what are the options for Russia-India collaboration in East Asia?
- 7. Is Sino-Russian alignment preserved only by a common desire to contain the US?
- 8. Has the issue of terrorism provided opportunities for cooperation among the Russia, India and China?

#### **Hypotheses**

- The security concerns of India with regard to China-Russia defence cooperation, has pushed India to diversify its defence supply from sources other than Russia.
- Russia-India military-technical, economic and multilateral cooperation has enhanced India's manoeuvrability in the subcontinent with regard to the perceived threat of China's growing presence in the region.

#### **Research Methodology**

The methodology followed is descriptive, explanatory and analytical in nature. It includes quantitative and qualitative analysis. In order to examine the research hypotheses, the deductive method has been applied by using the available primary and secondary sources. The study has also analysed empirical data on the basis of Mearsheimer's Offensive Realism Theory and Power Transition Theory on the rise of China and its impact on the Asian security. While analysing these empirical data inductive method has been utilised. The study has applied primary sources of data such as the government official reports, speeches of prominent personalities and policy makers and UN documents. The secondary sources include books and articles, newspaper reports as well as web sources.

#### Chapterisation

The study has been divided into six chapters which are as follows:

#### **Chapter 1: Introduction**

This is the introductory chapter where background of Russia-India-China relations has been discussed. The chapter also includes review of literature on the subject under study, the theoretical understanding of the neorealist theory of Offensive Realism and the Power Transition Theory. The objectives of the study, the research questions and the hypotheses to be tested, has also been spelled out.

#### Chapter 2: The Rise of China and its Implications for Russia and India

This chapter has discussed the rise of China on the basis of the Power Transition Theory and the neorealist theory of Offensive Realism. It also includes the implications of Chinese policies on Russia and India in the first and half decade of the twenty first century.

### **Chapter 3: The China Factor in Russia -India Defence and Energy Cooperation**

This chapter has discussed the nature of Russia-India strategic partnership and its comparison with Russia-China strategic cooperation. It has also analysed the military modernisation of China and Russia's defence ties with India and China and its impact

on the Russia-India relations. The chapter has also discussed the geopolitics of energy in the context of India and China's growing competition for energy security and its impact on Russia-India energy cooperation.

#### Chapter 4: The China Factor in Russia-India Relations on Regional Issues

This chapter has analysed the China factor in Russia-India relations in Central Asia, South Asia and Asia-Pacific and the prospects of Russia-India collaborations for peace and security in the region. The chapter has also included the prospects of collaboration between Russia, India and China in tackling the spread of terrorism and in establishing peace and stability in Afghanistan after the departure of US forces after 2014.

#### Chapter 5: The China Factor in Russia and India's Multilateral Co-operations

This chapter has discussed about the prospect of Russia- India collaboration and with China on security, economic and other issues such as environment through multilateral organisations like SCO, BRICS, APEC, ASEAN Regional Forum (ARF) and UN organisations, in the first and half decades of the twenty first century.

#### **Chapter 6: Conclusion**

This chapter has summed up the findings of the study in relation to the research questions explored and the testing of the two stated hypotheses.

## Chapter Two

# The Rise of China and its implications for India and Russia

#### Background -

China's rise is a remarkable geo-political event in the beginning of twenty first century. China's ascendency as a great power and as the most likely challenger to the global preponderance of the US is already having a significant impact across the World. As China becomes economically powerful, it is bound to become ambitious and assert its profile across the globe. This is a trend that all great powers have followed throughout history. Though China has been declaring that its areas of the focus are only socio-economic developments but it has actively pursued policies of preventing the rise of other regional powers such as Japan and India in order to attain primacy in the region.

The disintegration of Soviet Union in 1991 had amicable and significant strategic ramification for Asia. The end of the USSR removed the potential of a Soviet threat from the considerations of policy makers in China. After the end of the Cold War, Asia has become the primary focus for the great and emerging power. It is evidenced by the strategic and military doctrines that they have enacted by their military expenditures and deployments and by ever increasing importance of the region in the international political economy. "The single most important development has been the phenomenal rise of China, a development that is having major repercussions across the Asian region, impacting in all areas political, diplomatic, economic and military" (Shearman 2014).

According to a report by the OECD, China's economy by the end of 2012 was as big as entire Eurozone. The report predicts that by 2060, China per capita income is projected to be 25 per cent above the 2011 level of US. The combined GDP of China (accounting 27.8 per cent) and India (18.2 per cent) is projected to be that of the entire OECD area by2060 (in 2012 it accounted for one third). China will retain the highest level of economic growth until around 2020 when it will be overtaken by India and Indonesia. The aim of China's foreign policy is to enhance "its economic and military prowess to achieve regional hegemony in Asia. China's recent emphasis on projecting its rise as peaceful is merely aimed at allaying the concern of its neighbours lest they try to counter balance its growing influence. China's readiness to negotiate with other regional states and to be an economically responsible power is also a signal to other states that there are greater benefit in band wagoning to China's growing regional

weight rather than opposing its rise in any manner" (Pant 2007). It has been argued that the aim of "China's foreign policy strategy is to protect China from external threats as it pursues its geographical interests so as to be able to allow China to continue with reforms of its economy, and thereby acquire comprehensive national power without having to deal with the impediments and distractions of security competitions" (Pant 2008).

With a growing economic power, China is now trying to enhance its military might so as to secure its strategic interests. The consistent increase in defence budgets over the last several years have put China on track to become a major military power and the power most capable of challenging American dominance in the Asia-Pacific. Also with it China has been modernising its nuclear force, growing arsenal of advanced missiles, and developing space and cyber space technologies which are changing the military balance in Asia and beyond.

So as China rises, "despite the rhetoric about its peaceful nature in Beijing, due to the security dilemma other states in the region will view any Chinese military build up as potentially threatening and hence will be confronted with the choice to either bandwagon with China or balance against it" (Shearman 2014:11).

It is almost an undisputed fact "that the centre of gravity of global politics shifted from Europe to the Asia-Pacific in recent years, with the rise of China and India, gradual assertion by Japan of its military profile and a significant shift in the US global force posture in favour of Asia-Pacific. Even Russia has now decided to convert its pacific fleet into its biggest naval force, presumably to meet security threats emerging from Asia. The debate now is whether Asia-pacific and South Asia will witness rising tension and conflicts in the coming years with various powers trying for influence in the region or whether the forces of economic globalisation and multilateralism will lead to peace and stability" (Pant 2007). It is of course difficult to answer this question as of now when major powers in the Asia Pacific such as China, India and Japan are still rising and grappling with a plethora of issues that confront any rising power in international system. However what is clear is that "all major powers are now re-evaluating their policy options vis-à-vis the Asia Pacific as a new balance of power emerges in the region. China's future conduct is the great regional

uncertainty and at the same time, the most important factor affecting regional security" (Pant 2007) as well as the strategic priorities of major powers in the regions.

It is in this wider context this chapter assess the rise of China and its consequences, according to the power transition theory and Mearsheimer's offensive realism theory. This Chapter also includes the implications of the rise of China on India and Russia, which would further affect the Russia-India relations.

#### The Power Transition Theory, Offensive Realism and the Rise of China –

The general consensus in the discipline of International Relations(IR) is that we are in the process of power transition and that the relation between China and United States will determine the future of international order in Asia<sup>5</sup>. However, there are serious differences of view about what type of relationship will develop, and the kind of stability or order it will or will not produce. Also the US and China are viewed as key players is reflected in some of emerging discourses in IR. And the fact that "the US is increasingly focusing on China and the Asia Pacific Region in its foreign policy, evidenced by the pivot towards Asia under US President Barak Obama. Any international order and the norms associated with it in Asia will then be determined by the two main powers. So in the contemporary IR the major issue of debate in international politics is the rise of China. Further a debate did eventually emerge about whether it would be better to contain China (from a realist perspective) or engage China (from liberal perspective)"(Shambaugh 1996:180-209). Leading liberal institutionalists argue that "with the spread of democracy and continued US primacy would incorporate other emerging powers into an existing multilateral web of co binding institutions that would moderate China's behaviour" (Ikenberry:2001). "Realists on the other hand viewed China as a threat to stability in Asia and argued that it was therefore necessary for the US to contain China through offshore whilst seeking simultaneously to slow its economic growth" balancing, (Mearsheimer:2001).

In 2000, Condoleeza Rice, adviser of US President George Bush, wrote that "China resents the role of US in Asia – Pacific region. This means that China is not a Status

<sup>&</sup>lt;sup>5</sup>It should be noted that there are dissents to this consensus. See for example, Buzan, B. (2011) "A World Without Superpowers: Decentered Globalism; *International Relation*, Vol 25(1): 1-23.

Quo power but one that would like to alter Asia's balance of power in its favour" (Rice 2000). But after the 9/11 terrorist attack on the United States; its policy makers turned their attention to combat jihadist terrorism. However, once the U S's wars in the Gulf and Southwest Asia began to wind down, the attention turned back into China. One thing all International Relations scholars now agreed on, in the second decade of the twenty first century, is that indeed China was on the rise and that this will have potentially major ramifications for the future of international order, particularly in Asia. However, there are divergences of view regarding the consequences of China's rise.

#### **Power Transition Theory**

Whether China's rise will be peaceful or violent is a question for which competing theoretical perspectives within the study of International Relations, offer different answers. "Scholars, who examine the consequences of China's rise through the lens of either power transition theory or offensive realism, predict the future of conflict" (Taylor 2010). "According to variants of power transition theory, conflict is most likely when a rising power, dissatisfied with the status quo, approaches parity with the dominant state in a region or the systems and is willing to use force to the systems rule and institutions" (Organaski 1958, Organaski and Kugler 1980; Gilpin 1981; Modelsics 1987; Kugler and Lemke 1996; Thompson 2000; Lemke 2002). "When power transition theory has been applied to contemporary China, many Scholars predict that China will become more belligerent as it accumulates material capabilities" (Tammen, Kugler, Lemke, Stam, Abdollahean, Alsharbali, Efird andOrganski 2000, Efird, Kugler and Genna 2003; Rapkin and Thompson 2003, 2006; Kugler 2006; Tammen and Kugler 2006; Goldstein 2007)<sup>6</sup>. "Likewise the theory of offensive realism asserts that states will pursue expansion" (Fravel 2010) "as they grow stronger, when statesmen perceive a relative increase in power" (Labs 1997, Zakaria 1998, Mearsheimer 2001; Elman 2004). "As power is held to be the ultimate source of security in an anarchic world, states pursue expansion to achieve regional hegemony. Application of offensive realism to China also predicts that it will be prone to armed conflict" (Mearsheimer 2001, 2006, 2010).

<sup>&</sup>lt;sup>6</sup>Chan (2008) and Levy (2008) also apply power transition theory to China, but reach less dire conclusions.

Power transition theory uses economic, demographic and political factors to measure power. "The revised measurement of power included population, productivity and political performance. Tests show that incorporating the political aspects of powers was essential for understanding the outcomes of significant such as world war I and II and for anticipating the outcomes of asymmetric conflicts such as Vietnam or Afghanistan where the United States and the USSR were unsuccessful despite overwhelming power preponderance" (Kuglerand Domke 1986; Kugler and Arbetman 1989). With the inclusion of political performances, the concept of power, which is associated with realism, distinguishes the power transition tradition.

Power transition arguments provide the "key elements that allow a dominant nation to affect international interactions, is control over the lead global currency. The US dollar emerged as the global currency used in most international transitions. The Dollar replaced the Pound because America's economy was sufficiently strong so that it could exercise the discipline necessary to retain the dollar as the global anchor currency. The dollar's overtaking of Pound in international importance conceded with American assertion to the summit of the international power pyramid. The emergence today of the Euro within European Union provides a potential competitor. Power transition posits that the dominant nations will seek to control the international norms by securing monetary and trade transactions internationally" (Temmen, Kuglar, Lekme 2017). Therefore, "it is anticipated that with the rise of China, the dollar will have to share pre-eminence with other currencies. This is precisely what Mundell (1961) argues after tracing the evolution of international currency after Bretton Woods. The author concludes that there will be a movement away from the dollar as the most commonly used from the international currency beyond 2020, just prior to the anticipated power transition. In this new world, the dollar remains a major currency along with the euro and China's RMB. This representation has a very close connection to the anticipated power transitions in global system. As China rises, both the dollar and the euro areas are likely to shrink and a mixed currency on these three main currencies could replace the single dollar systems, now in place" (Mundell 2009).

The power transition approach provides an important value to the long range probabilistic forecasting. "The theory provides a decade long perspective that allows

policy makers to develop and deploy strategies designed to head off impending crises. The interval of the pre-transition is critically important to both sides as this is the only period when the satisfaction can be managed and potential disputes resolved prior to war. Organski (1968) originally anticipated that China's overtaking of the United States would be the next major transition. Subsequently China is expected to edge out the United States in aggregate productivity by 2025, if not before then. India is expected to follow China's rise with one or two decade lag. At the global level, the key overtaking will be between China and the United States. This is a critical transition because, for the first time, far less productive society will match and eventually overtake the leading developed society" (Temmen, Kuglar, Lekme 2017). The number of potential disagreements about how to organise the international system is substantial, but not complicated by ideology or territory. "Currently there are no US - PRC disagreement over trade, fiscal and monetary policies, patents, the legal system, human rights and certain foreign policy issues substantial enough to provoke war. Nevertheless, reconciliation of these issues will be critical as China gains power and the United States decline relatively. Previous power transition work suggested that the creation of a large super bloc, to include the EU, the United States and India and perhaps even key regional leaders" (Tammen 2000) would help effect the risk of war associated with China's rise. "Other management techniques have been explored, including solutions to the Taiwan problem and creation of the alliance composed of the United States, India, Russia and the EU if the World was faced with a dissatisfied, hostile China that wished to change the international system" (Tammen 2000).

So, if China continues modernising its economy with fast pace, then in near future "it will become the wealthiest great power and as such more likely peer competitor to the United States. China's leadership and intellectuals have not yet directly and openly challenged the dominant ideology of Pax Americana, but they have started thinking beyond the existing orders" (Schweller and Pu 2011) as China's power and prestige has been gaining or increasing. But during this time, China has found more pragmatic way to resist US dominance. "China's resistance operates along two dimensions: the way by which China exploits the current order and its thinking beyond that order. To cope with exiting order, China pragmatically accommodates US hegemony on the one hand, while it contests the legitimacy of US hegemony on the other. Thus, China has worked within current international system to expand its economy and increase its

visibility and status as a global political player, while avoiding actions that directly challenge U.S. hegemony. Relying on existing institutionalised channels to contest U.S. hegemony, China seeks to increase its political influence and prestige through active participation in, not confrontation with, by tactics denouncing U.S. unilateralism and promoting the concept of multilateralism by pursuing a proactive soft power diplomacy in the developing World" (Nye1991, 2004) and participating in and creating new international organisations and setting the agenda within international and regional organisations.

"Contemporary Chinese leaders view the first two decades of the twenty first century as a period of important strategic opportunities<sup>7</sup>. Chinese strategists have a realistic estimate of this country's relative strength. It would be foolhardy, Wang Jisi, dean of Peking University's School of International Studies, proclaims, for Beijing to challenge directly the international order and the institutions favoured by the western world and indeed, such a challenge is unlikely" (Wang Jisi 2005:44). "Predicting continued U.S. domination during this era; Chinese leaders believe that they must accommodate the United States while relentlessly building China's own strength. At the end of this period, China will be in a better position to defend and advance its interests" (Lampton 2008: 44). "Although China cannot balance the economic and military power of the United States, it can challenge the legitimacy of the US led order and pose problems for US interests, especially in East Asia" (Christensen 2001).

China has been contesting the current order in several ways. An integral part of China diplomacy in current year has been the call for multilateralism, which has not only expanded China's political influence in Asian regional affairs but its Global image. Initially, China was sceptical about the value of participation in regional multilateral organisations. But since "the mid-1990s, however China has actively participated in most multilateral institutions such as Asia Pacific Economic Cooperation(APEC), The Association of Southeast Asian Nation plus three (ASEAN plus China, Japan and South Korea), and ASEAN plus one (ASEAN plus China), becoming an entrepreneurial agent for Asian Regional Cooperation" (Sambaungh 2004: 64-99).

<sup>&</sup>lt;sup>7</sup>Jiang Zemin's report to the Sixteenth Congress of the Chinese Communist Party, quoted in pan Znongqi (2005), "Change of International Security Order and China's period of important strategic opportunities." Shanghai Institute for International Studies, ed., *China and Asia's security*, Singapor: Marshall Cavendish International:79.

Second, "China has used international institutions to project power, particularly with regard to agenda setting through a gradual reform strategy" (Xuetong and Xuefeng 2005:5). Thus, when China makes concessions to join during major international institutions such as the World Trade Organisation (WTO), Chinese Ambassador reportedly thundered, "we know, we have to play the game your way now, but inten years we will set the rules!" (Bergsten2008:.65). "China has taken a similarly gradualist approach in its response to the financial crisis that began in 2008. At the Group -20 Summit held in November 2008, for instance, Chinese President Hu Jintao made proposal to gradually reform international financial institutions including changing representation mechanisms and encouraging regional financial corporation along with diversification of the international currency regime (China Daily,17 November 2008).

Thirdly, "China is increasingly using its financial power to gain political and diplomatic influence, most importantly, as a hedge against the excesses of US hegemony" (Drezner 2009-2010). Thus, when Zhou Xiaochuan, the head Of Chinese central bank, demanded for the eventual creation of a new currency reserve system controlled by the International Monetary Fund, he is giving an indication of China's growing concerns about holding huge Dollar reserves. The proposal signalled Chinese dissatisfaction with the existing international monetary order and indicated for collective response from like-minded emerging power such as Brazil and Russia. "Although the Dollar's status will remain uncontested in the near future, China is taking steps to lay the groundwork for a possible long term challenge by, among other things, gradually enhancing the international status of the Chinese currency (the Renminbi)" (Kragman 2009).

Fourth, "China continues to expand its influence in defining legitimate norms in international affairs." According to some Chinese scholars, a rising power such as China must not only increase its capabilities but grow socially within the existing

<sup>&</sup>lt;sup>8</sup>For China's proposal during the Group -20 Summit on International Financial crisis, see "Hu urges Revamp of Finance system", China daily, November 17, 2008.

<sup>&</sup>lt;sup>9</sup> Most of the literature focuses on how China is "Socialised "or integrated into the existing International society. See for example Alastair Iain Johnson (2007), "Social States; China in international institutions, 1900-2000, Princeton University Press. In contrast, the other side of the story- how China might influence the evolution of norms in international institutions, has been relatively under theorised probably, because this is a relatively new face of China's foreign policy.

International society. This expansion requires international recognition of China's status and normative preferences as legitimate" (Shuyong, 2006). In the security domain, for example, China vigorously defends its definition of legitimate war through multilateral institutions such as the United Nations. As Guo Shuyong, an international relations expert at Shanghai Jiao Tong University, point out, "legitimacy plays an indispensably important role in the structuring and socialising of international political behaviour, and the ability to wage legitimate wars constitutes an important part of a nation's short national power" (Shuyong 2007:47). "In recent years, China has become more active in UN peacekeeping operations partly because the nature of these operations has changed in such a way that China's normative concerns have been addressed" (Stanle 2006: 631-655).

Fifth, China has adopted the soft power diplomacy<sup>10</sup>to gain influence and prestige in Africa, Central Asia, Latin America and Middle East."The Chinese view the term soft power broadly to include anything outside the traditional security domain, such as popular culture, foreign aid and economic cooperation" (Kurlontzinck 2007: 6). China has been increasingly promoting its language and traditional culture which has bolstered its central status in Asian civilisation. Also, China's flexible economic diplomacy attracts many developing countries, mainly because its aid, in contrast to that of Western donors, is typically offered without political preconditions. But these are the "China's short-term strategies to contest US hegemony within the established order. Some Chinese strategists, however, are starting to think about the long term, when China overtakes the United States as the global hegemon and must establish its own social and material structures for global governance. China's increasing material power- particularly its rapid economic growth has boosted its ideational self-confidence. Accordingly, Chinese intellectuals are increasingly questioning the inevitability of what they regard as western ideational dominance" (Lynch 2008).

Moreover, the Chinese vision of "international order has been shifting with China's growth in power. When China was relatively weak in the 1980s and 1990s, its strategy stressed integration within the Western led order. As China's power and capabilities have increased its strategists has gradually shifted the debate towards a

<sup>&</sup>lt;sup>10</sup> Soft power "rests on the ability to shape the preferences of others," According to Joseph Nye, "It is leading by example and attracting where to do what you want" Nye, Soft power, pp. 5-6.

new Chinese order. Thus the vision of new Chinese order suggests that (1) Chinese philosophy provides a better framework than current order to deal with world problems (2). US hegemony is losing International legitimacy and (3) Chinese political and economic systems are gaining legitimacy and provide basis for a better social model for the World This vision aims to undermine the legitimacy of U.S. hegemony in a comprehensive sense. It is a vision and strategy consistent with the traditional realist theory of power transition" (Schweller and Pu. 2011:41-72).

It is useful to note that "rising powers often portray their vision of order in terms of universal solutions of Worlds' problems. The Chinese World views claims to offer a post hegemonic order but, when articulated, it often gives the impression that China seeks to impose its views on the World" (Lanxing 2006).

#### John J. Mearsheimer's Offensive Realism Theory

John J. Mearsheimer's written a book, "The Tragedy of Great Power Politics" in which he puts forth a new structural theory of realism that he terms 'offensive realism'. While sharing many of the same basic assumptions with neo-realism, offensive realism, as elucidated by Mearsheimer, provides a fundamentally different account of the essential dynamics of the international politics than that which Waltz had offered. By Mearsheimer's own criteria, "a useful theory of international relations should be able to explain how great power have behaved in the past and how they are likely to behave in future" (Mearsheimer 2001:11). Mearsheimer assumes that the "Offensive realism is a theory that seeks to account for competition for power to be an axiomatic feature of international politics. He strongly believes that it is possible to account for the behaviour of, and competition among, states solely in terms of situational factors and relative capabilities" (Schmidt 2004). According Mearsheimer, "apprehensive about the ultimate intentions of other states and aware that they operate in a self-help system, states quickly understand that the best way to ensure their survival is to be the most powerful state in the system" (Mearsheimer 2001:33).

According to Mearshemer's view, "power is based on specific material capabilities that a state possesses relative to that of other states. He argues that the most important capability of state is its ability to wage war and military power in the quintessence of

state power. In addition to military power, states also possess latent power. By latent power, Mearshiermer refers to the Socio-economic indigents that go into building military power; it is largely based on a state's wealth and overall size of its population" (Schmidt 2004)

"The international system that Mearsheimer describes is very different from the one of Waltz. For Mearsheimer, the primary goal of all states is to be the most powerful state in international system under anarchy, while for Waltz, the primary goal of all states is security. These two different assumptions lead Mearsheimer and Waltz to offer contrasting views of the essential dynamics of international politics, and have become synonymous with Waltz's Defensive Realism, and Mearshiermer's Offensive Realism" (Schmidt 2004). Further, Waltz says, "in crucial situations, however, the for ultimate concern of states is not power but for security" (Waltz1989:40). "Aggressive and expansionist behaviour often, according to Waltz, prove to be counterproductive because it triggers a counter balancing coalition. The logic of international system, according to defensive realists, compel state to adopt restrained status quo behaviour, on the other hand, according to Mearsheimer, there is no status quo power in the international system" (Schmidt 2004).

"By achieving global hegemony, which Mearsheimer defined as a state that is so powerful that it dominates all the other states in the system; a state would become a Status quo power and discontinue its pursuit of power. Yet, Mearsheimer maintains that achieving global hegemony is a virtual impossibility. While global hegemony is impossible, regional hegemony is not, Mearsheimer argues that great powers understand this and therefore, set their sights on achieving a dominant position in their own geographical region" (Schmidt 2004).

Mearsheimer admits that "some of the key developments since the end of the Cold War have contradicted the prediction of offensive realism, but he argues that the brief history of 1990s is not a good indicator of what the future holds for American military involvement in Europe and Northeast Asia" (Mearsheimer 2001:312). "Rather he insists that the early years of the twenty first century will be crucial especially in terms of whether a potential hegemony emerges in either region. Of for most concern to Mearsheimer, is the potential threat that China poses to the United States" (Schmidt 2004). The latent power of China suggests that it might soon, become a potential

hegemon in Northeast Asia. According to Mearsheimer's Theory of offensive realism, if this scenario were to materialise, the United States would face a formidable peer Competitor. He concludes that it is in the United States national interest to curtail Chinese economic growth so as to prevent it from becoming a regional hegemon,

It is still a matter of debate that if China's economy will continue growing with a more modest rate then China will be transformed into an enormously powerful country. Offensive realism offers important insights in China's rise and its impact on future in Asia. Mearsheimer argues "that if China continues to grow economically, it will attempt to dominate Asia the way United States dominates the Western Hemisphere. The United States, however, will go to enormous length to prevent China from achieving regional hegemony. Most of the Beijing's neighbours, including India, Japan, Singapore, South Korea, Russia and Vietnam, will join with the United States to contain Chinese power. The result will be an intense security competition with considerable potential for war" (Mearsheimer 2014).

It is not a matter of concern that "how China will behave in the immediate future, but instead on how it will act in the longer term when it will be for more powerful than it is today. The fact is that present day China does not possess significant military power; its military forces are inferior to those of the United States. Beijing would be making a huge mistake to pick a fight with the U.S. military now a days. Contemporary China, in other, is constrained by global balance of power, which is a clearly stacked in America's favour. So, the focus is on a future world in which the balance of power has shifted sharply against United States, where China control much more relative power than it does today, and where China is in the roughly the same economic and military league as the United States" (Mearsheimer 2014).

According to offensive realism, if a state will be more powerful than its competitors, then it will be at less risk for its survival. For example, in the Western Hemisphere the United States is too strong to be attacked by any of its neighbour. "The ultimate aim is to be the hegemon, that is, the only great power in the system. The Paramount goal a great power can attain is regional hegemony which means dominating one's surrounding neighbourhood. The United States, for example, is a regional hegemon in the Western Hemisphere, although it is plainly the powerful state on the planet by far, it is not a global hegemon" (Mearsheimer 2014).

"Once a state achieves regional hegemony it has a further aim: to prevent other great powers from dominating their geographical regions and the best way to survive in international anarchy is to be the role regional hegemon. A great power's work is not done once it achieves regional hegemony. It must then ensure that no other great power follows suit and dominates its own area of the world. During the twentieth Century four countries had the capability to strive for regional hegemony: Wilhelmine Germany (1890-1918), imperial Japan (1937-45), Nazi Germany (1933-45), and the Soviet Union (1945-90)" (Mearsheimer 2014). In each case, United States played a key role in defeating and dismantling more aspiring hegemons. Thus U.S. worked hard for over a century to gain hegemony in the Western Hemisphere and after achieving regional dominance, it has also tried hard to restrain other great powers from controlling either Asia or Europe. So, from theoretical perspective of offering realism, America's past behaviour can explain about the rise of China. "If China continues its striking economic growth over the next few decades, it is likely to act accordance with the logic of offensive realism, which is to say it will attempt to imitate the United States. Specifically, it will try to dominate Asia the way the United States dominates the Western Hemispheres. It will do so primarily because such domination offers the best way to survive under international anarchy. In addition, China is involved in various territorial disputes and more powerful it is, the better able it will be to settle those disputes on terms favourable to Beijing" (Mearsheimer 2014).

"According to the theory of offensive realism, China will seek to maximise the power gap with its neighbours, especially larger countries like India, Japan and Russia. It is more likely, however, that China will seek to grow its economy, it become so powerful that it can dictate the boundaries of acceptable behaviour to neighbouring countries and make it clear that they will pay a substantial price if they do not follow the rules. We have example of United States, of what it has done in the Western Hemisphere. For example, in 1962, The Kennedy administration-let both Cuba and the Soviet Union know that it would not tolerate nuclear weapons in Cuba. And in 1970, the Nixon administration told same both countries that building a Soviet nevel facility at Cienfuegos, was unacceptable. So a much more powerful China can also be expected to try to push the United States out of the Asia- Pacific region, much as the United States pushed the European great powers out of the Western Hemisphere in the nineteenth century" (Mearsheimer 2014).

In fact, China has been already beginning to devise such policy. For example, "Chinese leaders have made it clear that the United States has no right to interfere in disputes over the maritime boundaries of the South China Sea, a strategically important body of water that Beijing effectively claim as its own. China also objected in July 2010, when the United States planned to conduct naval exercises in the Yellow Sea, which is also located between China and Korean peninsula. In particular, the U.S. Navy planned to send the aircraft carrier USS George Washington into the Yellow Sea, which was not directed at China. They were aimed instead at North Korea, which was believed to have sunk a South Korea naval vessel, The Cheonan, in the Yellow Sea. However, vigorous protests from China forced the Obama Administration to move the exercise out of the Yellow Sea and further east into the Sea of Japan. Regarding this a Chinese spokesperson succinctly summed up Beijing thinking: we firmly oppose foreign military vessels or planes entering the Yellow Sea and other waters adjacent to China to engage in activities that would impact on its security and interest" (Mearsheimer 2014).

"More generally there is considerable evidence that leader would like to develop the capability to push the U.S. Navy beyond the first Island chain, which is usually taken to includes the Greater Sunda Island, Japan, the Philippines, Taiwan. If this were to happen, China would be able to seal off the East China Sea, the South China Sea, and the Yellow Sea and it would almost impossible for the US Navy to reach Korea in the event of war. There is even talk in China about eventually pushing the US Navy beyond the second Island Chain, which runs from the eastern coast to Japan to Guam and then down the Malaccan Island. It would also include the small Island groups like the Bonin, Caroline and Marianas Island. If the Chinese were successful, Japan and the Philippines would cut off from American naval support" (Mearsheimer 2014). "Adding to that, China should also want a military weak and isolated India, Japan and Russia as its neighbours just as the United States prefers a military weak Canada and Mexico on its borders" (Mearsheimer 2014). So, China is likely to follow basic realist logic and attempt to become a regional hegemon in Asia.

Although the principal reason of China to dominate Asia by maximising its prospects is survival, "there is another region related to Beijing's territorial disputes with some of its neighbours. Probably China's most important dispute is over Taiwan, which

Beijing in deeply committed to make an integral part of China once again. In addition, China has ongoing disputes with Vietnam over control of the Parcel Islands in the South China Sea, and with Brunei, Malaysia, the Philippines, Taiwan and Vietnam over the Spartly Islands, which are also located in the South China Sea. China maintains that it has sovereignty over all of the South China Sea, a claim disputed not only by its neighbours but by the United States as well. Farther, to the north in the East China Sea, Beijing has a bitter feud with Japan over who controls a handful of small islands that Tokyo calls the Shenkaku Island and China labels the Diaoyu Island" (Mearsheimer 2014).

Also, China has a land border disputes with Bhutan and India. In fact, "China and India fought a war over the disputed territory in 1962, and the two rides have engaged in provocative actions on numerous occasions since then. For example New Delhi maintains there were 400 Chinese incursions into Indian controlled territory during 2012 alone; and 2013, Chinese troops- for the first time since 1906 refused to return to China after they were discovered on the Indian side of the Line of Actual Control(LAC). It appears that China has been stepping up its cross-border raids in recent years in response to increased Indian troop deployments and an accompanying growth in infrastructure" (Mearsheimer 2014).

"Given the importance of these territorial disputes to China, coupled with the apparent difficulty of resolving them through the give and take of diplomacy, the best way for China to settle them on favourable terms, is probably via coercion. Specifically, a China that is much more powerful than any of its neighbours, will be in a good position to use military threats to force the other side to accept a deal largely on China's terms. In short, becoming a regional hegemon, is the best pathway for China to resolve its various territorial disputes on favourable terms" (Mearsheimer 2014).

"It is worth noting that in addition to these territorial disputes, China might become embroiled in conflict with its neighbours over water. For example, the Chinese are interested in diverting the Brahmaputra River northward into the dying Yellow River. If this happens, it would cause a major problem in India and especially in Bangladesh. China is also working to redirect water from the Mekong River, a diversion that is almost certain to cause big problem in Southeast Asian countries like Cambodia, Laos, Thailand and Vietnam. In its efforts to begin rerouting the rivers flowing out of

the Tibetan plateau, China has acted unilaterally and shown little interest in building international institutions that can help manage the ensuring problems" (Mearsheimer 2014).

"In addition, by pursuing regional hegemony, a rising China will have a strategic interest outside of Asia, just as United States has important interests beyond the Western Hemisphere. In keeping with the dictates of offensive realism, China will have good reasons to interfere in the politics of the Americas so as to cause Washington trouble in its own backyard, thus making it more difficult for the US military to move freely around the World. Further, China will obviously want to limit America's ability to project power elsewhere, in order to improve Beijing's prospects of achieving regional hegemony in Asia" (Mearsheimer 2014).

In brief, with its rapid economic growth, China will certainly acquire the necessary power projection capability to compete with United States around the globe. In addition, "China will undoubtedly try to build military and naval forces that would allow it to reach those distant regions, much the way the United States has pursued Sea control" (Mearsheimer 2014).

In practice, "China should do whatever it can to signal to the outside world that it has benign intentions and does not plan to build formidable and threatening military forces. At the same time, they should work hard to keep Chinese officials from using harsh language to describe the United States and other Asian countries or from making threatening statements toward them. It is evident that before 2009, Beijing had been keeping a low profile and not generating fear either among its neighbours or in the United States. Since then, however, China has been involved in a number of contentious territorial disputes and is increasingly seen as a serious threat by other countries in Asia" (Mearsheimer 2014). So, "China's neighbours already focus mainly on Beijing's capabilities which mean they look at its rapidly growing economy and increasingly formidable military forces. Thus, many other countries in Asia have been trapped in a situation of security dilemma<sup>11</sup>. That means, China's neighbours are likely to interpret any steps it takes to enhance its military position as evidence that Beijing

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<sup>&</sup>lt;sup>11</sup>"Security dilemma" means that the measures a state takes to increase its own security usually wind up decreasing the security of other states. When a country adopts a policy or builds weapons that it thinks are defensive in nature, potentially rivals invariably think that those steps are offensive in nature.

not only is bent on acquiring significant offensive capabilities but has offensive intentions as well (Mearsheimer 2014). Suishung Zhao notes that, since 2008, "the Chinese government has become increasingly reluctant to constrain the expression of popular nationalism and more willing to follow the popular nationalist call for confrontation against the Western powers and its neighbours." "This means that Beijing boldly claims and emphasises not only that there is no room for compromise but also, it will fight to defend its interests. In some cases, as happened in April 2012, Chinese deployed military forces, when a crisis flared up between China and Philippines over control of Scarborough Shoal, a small islands in South China Sea the same kind of intimidating behaviour was on display after September 2012, when China and Japan become embroiled in a crisis over the Shenkaku/ Diaoyu Islands" (Mearsheimer 2014).

#### **Implications of China's Rise for India**

China has still not achieved such military capability, so to create regional hegemony. But China's neighbours are certain to fear its rise and they will do whatever they can to prevent it from achieving regional hegemony. "Indeed there is already substantial evidence that countries like India, Japan and Russia as well as smaller powers like Singapore, South Korea and Vietnam are worried about China's ascendancy and are looking for ways to contain it. In the end, they will join an American lead balancing coalition to check China's rise, much the same way Britain, France, Germany, Italy, Japan and eventually China, joined forces with the United States during the Cold War to contain the Soviet Union" (Mearsheimer 2014)

"The historical record clearly demonstrate how American will react if China attempts to dominate Asia. Since becoming a great power, the United States has demonstrated throughout the 20th century, the determination to remain the world's only regional hegemon. In essence, the United States is likely to behave towards China largely the way it behaved toward the Soviet Union during the Cold War" (Mearsheimer 2014).

The question regarding China's neighbours is whether they will join forces with the US and balance against China or bandwagon with a rising China. Because of the survival necessity, "most of China's neighbours will opt to balance against it because China poses a more dangerous foe, not bandwagon with it. China is more threatening

for largely geographical reasons. But the greatest fear China's neighbours have regarding the United States is that it will not be there for them in a crisis, not that the American military might attack and vanquish them. This is the main reason why the Obama administration announced in the fall of 2011, the policy of Pivot to Asia, which would aimed to increase its presence in the region. US was trying to reassure its Asian allies that, despite its focus on the greater Middle East and the closely related War on terror in the decade after September 11, they could still depend on the United States to guard their back. It can be argued that most of the Asian countries including us Australia, Japan, South Korea, India and Taiwan trade extensively with China. This situation gives China significant economic leverage to coerce those trading partner by threatening to cut economic ties and undermine their prosperity" (Mearsheimer 2014).

In essence, this creates a situation where economic and political-military considerations are in conflict. So, an important question arises that ultimately which factor will prevail? Mearsheimer argues that security concerns will almost prevail over economic considerations. "Countries balance against powerful rival because it is the best way to maximize their prospects of survival, which must be their highest goal. Survival, in other word, is a more powerful imperative than prosperity, which is why realist logic usually trumps arguments based on economic concern and why China's neighbours will balance against it"(Mearsheimer2014).

"Indeed there is already considerable evidence that countries like India, Japan and Russia along with a smaller power like Singapore, South Korea and Vietnam are worried about China's ascendancy and are beginning to contain it. India and Japan, for example, signed a joint declaration on security cooperation in October 2008, mainly because they are worried about China's growing power" (Mearsheimer 2014). India-US strategic partnership can be seen in this context. Singapore, which is situated at critically important Strait of Malacca, "built a deep water pier at its Changi Naval base so that the US Navy operates an aircraft carrier out of Singapore if the need arose. And the decision by Japan in mid- 2010 to allow the US Marines to remain on Okinawa was driven in part by Tokyo's concern about China's growing assertiveness in the region and the related need to keep the American security umbrella firmly in place over Japan" (Mearsheimer 2014). In sum according to the theory of offensive realism, if China continues its striking economic growth over the next few decades, it

is likely to end up in an intense security competition with the United States and its neighbours. And China will articulate its policies to push the US military of the Asia-Pacific region.

China has initiated a concerted military modernisation process in last few decades, the impact of which is being felt in the neighbourhood, including on India. "An important dimension of China's rise recently is its military modernisation programme. Hardware and Software modernisation of the People Liberation Army (PLA) and double digit increases in the defence budget allocations in the last two decades were to make it one of the major forces to contend within the region" (Pant 2012).

Indian concerns on the PLA modernisation currently are conventional in nature related to immediate national security need of the country in relation to the border areas, concerns on China's transfers of military equipment to Pakistan, Bangladesh, Nepal, Myanmar and Sri Lanka (Kondapalli 2006: 197-282). The PLA's concerted modernisation in land, air, naval strategic frontier and in electronic spectrum, could have effect of further increasing asymmetric between the two countries. "While Indian Military achieved parity in certain sector of conventional military strength, including qualitative indicators like professionalism, higher training level, air to air missiles, refuelling, interdiction, high altitude combat, China enjoys overwhelming military superiority given its missile inventory, arms import and ability to spend more on acquiring advance platforms" (Kondapalli 2012: 98). Also, China's defence budget has increased constantly with double digit figures in the last one and half decades, which is more than twice that of the India's defence budget. Secondly, China's defence strategy transformed itself into local war under information technology based Scenarios, visualising conflict based on unresolved territorial disputes.

India and Bhutan are the only two countries with whom China has not resolve land territorial disputes. Though the high level threats were visible in the 1962 war, 1967 skirmishes at Nathula (in Sikkim), Samdurong Chu in 1987<sup>12</sup>, but in the 1967 and 1980s, emphasis of Chinese leaders was on western sector of the border. Arunachal Pradesh was told as a disputed area by the Chinese Ambassador before Chinese President Hu Jintao visit to Delhi in November 2006. But since late 2000s, the Chinese

<sup>&</sup>lt;sup>12</sup>The PLA established a company at Besa in Arunachal Pradesh in 1987 after marching 11 km inside India.

incursions have been increasing across LAC<sup>13</sup>. Besides these, the Chinese side in the last one year has escalated its rhetoric on the eastern sector of the border in Arunachal Pradesh. Subsequently, Sikkim an area of no dispute hitherto become problematic after the Chinese forces moved closer to the "finger point" and tried to change the status quo, resulted in Doklam standoff between Indian and Chinese armed forces. Also, the border consolidation and domination efforts and improvements in military logistics in Tibet pose security challenges to India. These exert pressure on India to improve infrastructure in the border area. Consequently, the Indian government has announced building of nearly 11 strategic roads with majority of them in Arunachal Pradesh alone.

Thirdly, India is concerned with Chinese missiles deployment in Delinga, Da Qaidam and Xiao Qaidam in greater Tibet and Kumming military districts and the possibility of the nearly 800 short range ballistic missiles shifted from Fujan and Zheziang provinces to Western area in the event of Taiwan issue resolution (Kondapalli 2012:100). In this context Indian ministry of defence(IMD) in its annual report considered Chinese missiles in Greater Tibet as posing threat to security. In addition, the Indian ministry of external affair(IMEA) annual reports refer to reliable and widespread information about China's transfer of weapon of mass destruction to Pakistan.

Lastly, as a part of hedging strategy of supporting those Southern Asian countries who executed adversarial relations with India, China has supplied military equipment to Pakistan, Bangladesh, Nepal, Myanmar and Sri Lanka. Besides, China's "string of pearls" strategy to build quasi-naval bases in the Indian Ocean opens an additional front for India. In the emerging G.2 (US and China) equation in the post financial crisis World, the Chinese suggestion of co-sharing of the pacific and Indian ocean with the US would marginalise Indian influence in the region (Kondapalli2012: 102). In the light of these developments, in late 2000s, the Indian military establishment reportedly refused to consider the tender offered by military related China Harbour Engineering Company for dredging of a channel at the Mumbai Port Trust. In

<sup>&</sup>lt;sup>13</sup> It was reported in the last year as many as 270 such incursions by Chinese petrol see "Chinese incursions into Indian territory rose sharply in 2008," Times of India, June 9, 2009.

addition, India reportedly expressed its unwillingness to allow Chinese companies to build hydroelectric projects in Himachal Pradesh and other sensitive areas.

Specifically, any Chinese military activism or domination of the border areas opens the possibility of a two-theatre front for the Indian forces. In such a scenario-with Chinese missile threat and missile transfers to Pakistan, India appears to be on the course of not only enhancing nuclear stockpile developing and deploying Agni III of 3000 km and above range but also configuring long range aircraft for nuclear mission and effort to build second- strike nuclear capability.

China's activism in current years involves the developments of its economic, military and diplomatic machinery, and skilled use of its growing capability. India is a point of contention in Beijing's action. It opened up a trade relationship with India. It formally accepted the principle of tranquillity in the Sino-Indian border arrangements (1993) and 1996) and it agreed to continue talk to settle boundary issue. It accepted Sino-Indian border trade by accepting Sikkim as the Indian side of border trade. But, China's view on Sikkim is ambiguous, it is open to interpretation and change in the future if and when "the condition are ripe" (Kapur 2010: 132) (This was also Beijing's formula to avoid settlement of the boundary question in the 1950s whenever the issue was raised by India). It is, therefore unclear if China actually accepts Sikkim as part of India, and willing to acknowledge the change by way of a Gazette notification. In a related matter, Beijing recognises that Arunachal Pradesh exists beyond the line of actual control but it does not recognise India's sovereignty over it, claiming it as a part of China or "Southern Tibet." Thus the existence of significant points of territorial contention in the geopolitically charged Himalayan region, divide India and China (Kapur 2012: 132). Moreover the development of a diplomatic dialog with India was continued side by side with the supply of Chinese nuclear and missile aid to Pakistan and North Korea. It is significant that the decision to transfer sensitive nuclear aid to Pakistan was reached at the highest level by Deng Xiaoping in 1982<sup>14</sup>. In other words, China formed a strategy to dual activism in the subcontinent of active military defence to build an anti India military and a nuclear front and the use of

<sup>&</sup>lt;sup>14</sup>Thomas, C. Reed (2008), "the Chinese nuclear test, 1964-96," *Physics today*, September 2008 notes that in "1982 China's premier Deng Xiaping began the transfer of nuclear weapons technology to Pakistan, and in time, to other third World countries," Reed, a former nuclear weaponeer, was secretary of the US Air Force 1976-77.

active diplomacy to make Beijing the hub of diplomatic activity vis-à-vis India as well as India's neighbours (Kapur 2012: 132,).

On the other hand China's military build up and the utility of navel power in the Asia pacific/ Indian Ocean area is aimed at to deter power projection by US, India and Japan. It needs naval power to guard its commercial interests and to support its search for resources in Southeast Asia and Africa. Its commercial and strategic interests in the Middle East and Africa explain its policy to build links with Pakistan and Myanmar on channels for the flow of Chinese commercial and political presence, and to gain vital basing rights in the Indian Ocean area.

Since the late 1990s, India's external policies have been based on a geographical approach. The 1998 nuclear tests and the announcement that the India was a nuclear weapon state, established a dynamic link between its nuclear weapon and foreign policy. By adopting the policy of economic liberalisation and globalisation, India joined the economic mainstream as well. A pattern of development of regional and international partnership with traditional (e.g. France and Russia) and non traditional (e.g. Israel, USA, Japan and Australia) allies emerged alongside the old rivalries with her regional neighbours Pakistan and China. The increasing complexity of a difficult neighbourhood, and the challenges and opportunities of dynamic international strategic and environment- led Indian practitioners to shed Nehruvian idealism and pacifism and to conduct India's affairs as a major power (Kapur 2012: 111). The shift in attitude and policy reflected awareness that the proper development of Indian national interests required a widened sphere of diplomatic and military operations. The Geo-Political and economic imperative led India to pay attention to diversify the source of defence supplies, modern military technology, and widened strategic landscape that extended from Central Asia and Tibet in the north, to Israel and Iran in that west, to the Indian ocean and South Africa in the south, and to the South China Seas and Southeast Asia in the East. At the same time, the rivalry with China required a development of naval capacity to counter Chinese naval activity in Bay of Bengal and submarine building in Hainan in South China Seas, to build its strategic weapon capacity to check presence from Pakistan and China. Also the PRC currently analyses a two track approach to Asia pacific affairs. Diplomatically, it seeks normalisation and regional stability; militarily it seeks modernisation and development of power

projection capabilities. The peaceful rise of China is an ambiguous formula because it could produce an extended period of no war with its neighbours but the probability of Chinese aggressiveness cannot be ruled out. With it, the destructive results of Chinese activities in the Tibet-Himalayan-Pakistan zone cannot be over looked. Despite Chinese aid to Pakistan and diplomatic support for its rivalry with India, Pakistan is a failing or a failed state and is on the brink to self destruction in smaller states that represent its various regional ethnic nationalities (i.e. Sindhis, Balooch, Pustoon, Panjabi and Kashmiri). Chinese aid to Pakistan has taken Pakistan on the road to self-destruction and also harmed the prospect of building strong democratic institutions and civil society within Pakistan, and to develop peace oriented relations with India and Afghanistan (Kapur 2012:137).

China's brutal suppression of Tibetans, the use of massive Han migration to alter the Tibetan demography, its attack on the Tibetan demand for autonomy, and its refusal to allow the world's press to report on Tibetan developments, is another prominent example of destructive effect of China's policy in the Himalayan region. China's approach to Nepal and the Sino-Indian boundary question is tied in the Chinese mind to the Tibet issue because the flow of Tibetan refusees from Tibet to India through Nepal embarrasses the Chinese authorities. The last example of Chinese destructive action lies in continuing effort to subvert the local population on Indian side south of the McMahan line, which is the de facto line of control and tranquillity in Sino-Indian agreements of the 1990s. These efforts have mostly failed in Arunachal Pradesh including the highly symbolic Tawang monastery which China claims. That such attempts to subvert the local population and local politicians continue implies a belief in Maoist propaganda practices, and the use of deception about regional mobility and security in the inter-governmental communiqué.

Thus, the Chinese policies in the area are driven less by consideration of ethics, good governance and reason and more by a desire to divide and demoralise China's rivals in the area. The implication is that China is likely to be reasonable when all other methods fail, which means that ways have to be found to orchestrate Chinese failure and to advertise them because Beijing does not like to lose face in front of international audiences. It is to be noted that in the Far East and the Asia Pacific, the diplomatic and military experiences have relied on the formation of anti-China fronts

which have induced Beijing to negotiate on that basis. In comparison, Indian practitioners of the Nehruvian vintage (1947-90s) thought that bilateral and peace diplomacy was sufficient to secure Chinese restraint-; it is not(Kapur 2012: 130).

China with rapidly rising economy and increasing global profile has been showing a greater emphasis on the reinforcement of "resource diplomacy," which declared that energy security is the centrepiece of China's foreign policy. With clear foreign policy goal on energy security, "the PRC is encouraging its state owned companies to reach exploration and supply agreements with resource producing nations throughout the world. Simultaneously, China is acting at state levels to influence such nations, which are getting manifested in four ways- conducting high level diplomatic exchanges, promoting bilateral trade, extending economic aid especially for infrastructure building and providing military assistance" (Rajan 2012: 169). Financially helping its energy firms operating overseas is another means being devised by Beijing to help them acquire resource from abroad.

There is also the indication of the involvement of China's people's liberation Army (PLA) and Navy with the task of protecting, the countries maritime interests under the overall PRC frame work for energy security. China's aggressiveness in East China sea, South China Sea and Indian Ocean with its 'One Belt One Road' (OBOR) project, can be seen in this context also.

With its economic growth, India's energy consumption is rising; "it is now the fifth largest energy consumer in the World. By 2030, India is likely to pass Japan and Russia to emerge as the World's third largest energy consumer 15" (Limaye 2004). To meet its growing energy requirements, India is pursuing its energy drive abroad, so partnerships with other countries which have surplus energy are necessary. India undoubtedly will have to face the rising competition with China. Their targets are almost the same resource rich regions, particularly their respective neighbourhood that offers advantages in terms of logistics and cost (Iran, Bangladesh and Myanmar for India, and Russia, Central Asia and Myanmar for China). This is not to deny

<sup>&</sup>lt;sup>15</sup>Ma Jiali (2010), "China,India Stoke Energy Bond," *China daily*, February 2, 2010, quoting International Energy Agency.

Beijing's willingness to co-operate with India in selected cases<sup>16</sup>, but it is also not hesitating to edge out India in large number of other occasions<sup>17</sup>, implying deprivation of the latter from the much needed energy resources at particular location (Rajan 2012: 187).

The strategic and security impact of China's resource hunt overseas on India can be analysed in various ways. The energy security factor will be a major determinant of China's foreign and even military policies. An energy supply requires connectivity. "Beijing is creating a string of pearls to link China and the oil sources in the Middle East via India's neighbourhood. China is making efforts to engage its South Asian neighbours in military and economic fields. Its drive to build port facilities in Pakistan, Bangladesh, Myanmar and Sri Lanka as well as plans to construct railroad lines to Nepal, reflect Beijing's concerted efforts to open and expand markets for their goods and services. China also wants to control the Indian Ocean, a vital transit route for energy import sources from West Asia and Africa. The emerging environment is fuelling India's fears on China's intention to challenge India's traditional primary in its neighbourhood" (Rajan 2012: 189).

In the Asia Pacific region, India's counter strategy is becoming evident through naval deployment and Maritime diplomacy. It is trying to neutralise the growing Chinese influence in Myanmar through its own initiatives (e.g., India, Myanmar Kaladan river transportation agreements of April 2008, involving India's up gradation of Sittwe, a place for refuelling for China's naval forces, to be connected to Eastern India parts). It is taking steps to expand its reach to areas close to Malacca Strait. India's relation with South China Sea littorals have also grown to the consternations of Beijing. China specifically objected to Vietnam's grant of exploratory rights to India near the disputed parcel islands. India considers its presence in South China Sea as a deterrent against Beijing. So India's ongoing involvement in the wider East Asia under its look East policy, is leading to its rivalry with China.

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<sup>&</sup>lt;sup>16</sup>CNPL—ONGC joint bid for petro-Canada, Syrian oil field in December 2005; SINOPEC-ONGC joint venture in acquiring Ominex De Columbia in August 2006. China and India are also co-operating in oil exploration in Sudan and Nigeria. China's CNPC is involved in a 600-km natural gas pipeline spanning India's east to west coast.

<sup>&</sup>lt;sup>17</sup> SINOPEC outbidding of ONGC for an Oil block in Angola in 2004, India's failure to beat bid by Chinese companies in Ecuador in 2005, the out bidding of ONGC by SINOPEC in acquiring Canadian Tanganyka oil company and China's outbidding India in signing a 30 years agreements to import natural gas from fields located in Myanmar in January 2009.

India's response to China's resource diplomacy in the other regions-the middle Africa, Central Asia, Russia and Latin America, is evolving. In central Asia, New Delhi does not enjoy direct access to the region's energy sources. But "India's ties with Kazakhstan, is important for India due to the latter's strategic location in the Caspian Sea, considered the third largest oil reserve in the World, also with potential uranium deposits" (Limaye 2004). India should take measures so as to match China's multidimensional relation with Kazakhstan as a member of the Shanghai Cooperation Organisations (SCO). India's relations with Russia have been traditionally friendly. It should develop plans to speed up its access to the Russian oil and gas, as China does, regardless of India's lacking direct access to Russia energy sources. Moscow-Beijing ties are robust and Indian diplomacy can capitalise on ties with Russia, for the purpose of building mutual trust in India-China relations. "But Sino-Indian energy initiatives can also become sources of conflicts, for example, India's concern over China targeting the Indian ocean, questioning Indian sovereignty over resource rich Arunachal Pradesh, executing hydro-power projects on the river Brahmaputra like the one coming up at Zangneu in Tibet, with potentials to impact on the downstream flow into India's Arunachal Pradesh and undertaking power projects in the Pakistan Occupied Kashmir" (Rajan 2012: 190-191)

The Sino- Indian territorial disputes in the context of the rise of China, represents an uncomfortable implications for India. "India's hope of territorial settlement on India's terms has become grim in the wake of China's rise in military power and in around her disputed territory, which remains biggest amount of land still in dispute in Asia. China's territorial claims on Arunachal Pradesh stem from China's wider claim to Tibet as Southern Tibet. In terms of implications for India of China's rise, as Brahma Chellany, put it, China' covets Arunachal Pradesh as a cultural patio to Tibet a classic attempt at incremental annexation" (Chellany 2009).

"Despite The worried concerns of Vallabhai Patel over the implications of Chinese move into Tibet in 1950, Nehru moved ahead with the 1954 agreement on trade and intercourse between the Tibet region of China and India. This indicated Indian acceptance of PRC control over Tibet, with repeated use in the 1954 agreements, of the phrase Tibet region of China" (Scott 2012:2000). "It also included India's renunciation of forward military and economic rights enjoyed in Tibet by British

India. Also in 2003 declaration, the formulation was that "the Indian side recognises that the Tibet Autonomous Region (TAR) is part of the territory of the People's Republic of China"<sup>18</sup>. Of course, "there are ambiguities in China's very claim on Tibet (Praag 1987). China claims that the political links with Tibet go back centuries, in reality, Chinese control was first seen in the intervention of a Qing army in 1720 and arrival of a Chinese resident commissioner (amban). Since then, some degree of Chinese control was able to be enforced in Tibet when Chinawas strong, but effective lapsed (for most of the period) when China was weak" (Scott 2012:201)."More formal boundary lines between India and Tibet seemed laid down under the Shimla Convention of 1914, which established the McMahon Line. The PRC has maintained a rejection Of the Shimla Convention as unequal treaty and manifestation of imperialism on the part of British India" (Scott 2012: 201).

"Faced with a rising India, whose closer security and defence links with the US, were signalled with their 2005, Defence Agreement, Chinese claims to Arunachal Pradesh have been re-invoked with increased vigour(Panda 2008). The clarification in 2007 by the Dalai Lama, that the 1914 Shimla agreement, drawing the Mac Mohan line to demarcate the Tibet-India border, was signed by an Independent government at Tibet" (Scott 2012: 202). So, "the Chinese are acutely concerned that the present Dalai Lama's position not only negates the Chinese claim on Arunachal Pradesh but also questions the very legality of Chinese sovereignty over Tibet, and with it the PRC's incorporation of Tibet in 1950. The Dalai Lama's acceptance of the McMohan line and of India's claim within it to Tawang, are a continuing feature of India's case, marshalled again following the Dalai Lama's visit with Indian Government permission to Tawang in November 2009 and after, a visit denounced in the PRC<sup>19</sup>," (Scott 2012: 202).

"To conclude, varied framework have been seen; some eight round of Vice Ministerial talk from 1981-87, fourteen joint working group meetings from 1988-2003, and thirteen rounds of Special Representatives talk from 2003-09 and further, nevertheless, there seems to have been little substantive progress on territorial

<sup>&</sup>lt;sup>18</sup>Declaration on principles of all religions and comprehensive co-operations between the People's Republic of China and the Republic of India, available at http://www.fmprc.gov.ch/eng/w/dt/2649/t22852.htm,accessed on 6 June 2018.

<sup>&</sup>lt;sup>19</sup> "India covets Dalai Lama's visit", *People's Daily*, November 2009.

issues"((Scott 2012: 202). In term of "general confidence, if anything, the situation has deteriorated between India and China, where the last few years have seen growing number of incursions, alongside infrastructure and military forces build up along the Himalayas, both on Arunachal Pradesh and Aksai Chin border lines. Despite some of diplomatic rhetoric of engagement and global corporation, strategic perceptions of each other have deteriorated, whilst people as well as elite distrust of intentions and military capability, has grown" (Scott2012:205).

Indian perception of Chinese motives remains highly critical. For Kapila, "it was opportunity for China to keep alive the border dispute as a strategic pressure point against India" (Kapila, 2006). For Malik "it was a case that Beijing would not want to give up the bargaining chip that an unsettled boundary vis-a-vis India provides China the strategic leverage to keep India uncertain about its intentions and nervous about its capabilities, while exposing India's vulnerabilities and weakness, and ensuring New Delhi's good behaviour on issues of vital concern to China<sup>20</sup>"(Malik 2009).

"One emerging line from the PRC, with implications for India, is PRC's emphasis and definition of core interest diplomacy, reflecting the rise of China as the country becomes stronger. China is now on the trajectory to develop its own doctrine of diplomacy<sup>21</sup>" (Scott 2012:205). This is the line which the power transition theory and offensive realism has been predicting related to the rise of China. So the question is how far China's "core interests" frame work may be expanding.

"Nevertheless, IR security dilemma dynamics may indeed lead to increasing military tension as both sides reinforce their military positions, and war talk about disputed territories increases" (Malik 2009). There are growing concerns as tension over a boundary dispute between the two sides are escalating. One reason for Indian concerns is the increasing number of incursions along the border, involved and not just the Eastern sector around Arunachal Pradesh but now also the Western sector around Aksai Chin/Ladakh" (Scott 2012), since 2005 till 2015. Also, "Chinese troop movements near and around the narrow Siliguri corridor's Chicken Neck, linking North-east India to the rest of India, though cause immediate geopolitical concern to

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<sup>&</sup>lt;sup>20</sup>Malik (2009), "India- China Competition Revealed in Ongoing Border Disputes".

<sup>&</sup>lt;sup>21</sup>Discussed in Zhang Haizou (2009), "The Time has Come for Country to Set its Own Rules in Diplomacy", *China Daily*, March 12 2009.

India. Certainly substantive military build-up along the Aksai Chin and Arunachal Pradesh border lines has also been evident. Partly, this has been an infrastructure race, in which India has been belatedly trying to catch-up and match China's better established road, and now railway infrastructure in these disputed border lands" (Rahman, 29 July 2009). "This is reflected in India increasing its ground forces in the border region facing China. In the Eastern sector, this has also involve the Indian Air force (IAF) deploying advanced long range Sukhoi Su-30 war planes to Tezpur for potential cross- LAC operation complimented by side surface to air Akash missiles squadrons" (Pandit, 16 February 2010). "In the Western sector, this has also involved the IAF reactivating high attitude airstrips like Daulat Beg Oldi and Fukche" (Asia Times, 14 June 2008).

"The PRC may indeed wish to keep the issue open as a way of distracting and threatening India but other dynamics may be leading the PRC to postpone decisive border negotiations. Garver asserts that Beijing apparent slow down and readiness to avoid territorial resolution with India is because of "understanding between Pakistan and China that neither will settle their territorial disputes with India independently of the other" (Garver 2010;131). "Such a consideration, point to the wider Pakistan-China- India triangle interplay around the disputed territories that stretch along the Himalayas from Arunachal Pradesh in the east to Aksai Chin and Kashmir in the west, which overlap with basic power balancing by the China- Pakistan nexus against India" (Warikoo 2009).

In fact China is more deeply involved in South Asia than it has ever been. Most of India's neighbours have made an attempt to court China as an extra regional power in order to prevent India from asserting its regional supremacy. This strategy of using China to counter balance India has been followed by Bangladesh, Sri Lanka, and Nepal to varying degree. And China has been willing to play this balance of power game to not only enhance its influence in South Asia but also trying to prevent India's influence as a global player.

China has provided extensive economic military and technical assistance to Pakistan over the years. China has played a major role in the development of Pakistan's nuclear infrastructure. "The Pakistani nuclear weapons programme is essentially an extension of Chinese one. Despite being a member of the non-proliferation treaty

(NPT), China has supplied Pakistan with nuclear material and expertise and has provided critical assistance in the construction of Pakistan's nuclear facilities. Although China has long denied helping any nation attain nuclear capability, the father of Pakistan's nuclear weapons programme, Abdul Qudeer Khan, himself has acknowledged the crucial role China has played in his nation's nuclear weaponisation by gifting 50 kg of weapon grade enriched Uranium drawing of the nuclear weapons and tonnes of Uranium Hexafluoride for Pakistan's centrifuges" (Pant 2013)."This is perhaps the only case where a nuclear weapon state has actually passed on weapons Grade fissile material as well as a bowl design to a non-nuclear weapon state" (Pant 2012)...

On economic front, China and Pakistan economic cooperation is growing with substantial Chinese investment in Pakistani infrastructural expansion including the projects in Pakistani deep water port in Gwadar. By over-riding Indian objections to its activities in Pakistan Occupied Kashmir (POK), China is busy in undertaking a range of projects, the most significant one being the development of a strategic China Pakistan Economic Corridor (CPEC). Also not all part of this project is economically viable and its security implications cannot be ignored. India boycotted the BRF held in Beijing in May 2017 and again in May 2019.

China's presence in the Bay of Bengal via roads and ports in Burma and in the Arabian Sea via the Chinese built port of Gwadar in Pakistan has been a cause of concern for India.

China has tried hard to prevent India from gaining an upper hand over Pakistan and maintained a rough balance of power in South Asia. Even that as India and China share similar concerns regarding Islamic terrorism in Kashmir and Xingjian respectively, China has been rather unwilling to make a common cause with India against Pakistan. Under intense pressure from the US and other powers to take more substantive step against terrorism emanating from Pakistani soil, Pakistan adopts a foreign policy which considers China and not the US to be Pakistan's strongest ally. Moreover, China continued to block UN sanction against the dreaded Lashkar-e-Toiba (LeT) and Jumaat-Ud-Dawa (JUD), the organisation that planned and executed the several attacks in Mumbai, Pathankot and Pulwama, despite a broad global

consensus favouring such move<sup>22</sup>. Though counter terror cooperation between China and Pakistan has gained traction and Pakistan has taken a number of steps to assuage the concern of Beijing, the rise of Islamism in China remains an irritant in an otherwise strong Sino-Pakistan relation. It is a clear example of the domination of the theory of realism which can explain the balance of power game against India.

But with India's recognition as a growing power in the World and US effort to make a strong partnership with India, China-Pakistan alliance is likely to grow. "With the exception of China, other major global powers such as Britain, France, Germany and Russia supported the US- India Nuclear deal as they were eager to sell nuclear fuel, reactor and equipments to India. China, on its part, made its displeasure clear by asking India to sign the NPT and dismantle its nuclear weapons. Since the US- India deal in is many ways a recognition of India's rising global profiles, China, not surprisingly, was not very happy with the outcome and indicated that it would be willing to sell nuclear reactors to Pakistan" (Financial Times, 2 January 2006). "Chinese authorities have confirmed that the China National Nuclear Co-operation has signed an agreement with Pakistan for two new reactors at the Chashma site-Chashma III and Chashma IV in addition to the two that is already working in Pakistan" (Pant 2011). "It is a clear violation by China of the Nuclear Suppliers Group (NSG) guidelines that forbid nuclear transfers to countries, not signatories to the NPT or adhere to comprehensive international safeguards on their nuclear programme. The decision to supply reactor to Pakistan, a non-signatory to the NPT and with a record of dealing with North Korea, Iran and Libya, reflects China's growing confidence and underscores its view of Pakistan as a prized South Asian strategic partner"(Pant 2010).

Furthermore, China's involvement in the construction of Gwadar has worried India "due to its strategic location, about 70 km from the Iranian border and 400 km east of the Strait of Hormuz, a major oil supply route. It has been suggested that it will provide China with a listening post from where it can monitor US naval activity in the Persian Gulf, Indian activity in the Arabian Sea, and future US- Indian maritime cooperation in the Indian Ocean. Though Pakistan's naval capabilities do not, on their own, pose any challenge to India, the combination of Chinese and Pakistani naval

<sup>&</sup>lt;sup>22</sup>For details, see Gordon G Chang (2009), "India's China problem, *Forbes*, August 13 2009.

forces can indeed be formidable for India to counter"(Pant 2010). India's latest annual defence report conveys concerns regarding China-Pakistan collusion by underlining China's assistance and corporation with Pakistan as well as developing a corridor to enhance connectivity with Pakistan through the territory of Jammu -Kashmir illegally occupied by China and Pakistan<sup>23</sup>. Thus, China has been using its special relationship with Pakistan to pursue a classic balance of power politics vis-a-vis India.

On the other hand, "Bangladesh has made a systematic attempt in recent years to woo an extra regional power- namely China- to prevent New Delhi from asserting regional supremacy in its relations with Dhaka. This strategy is not typical of Bangladesh's foreign policy but other states in the region including Pakistan, Sri Lanka and Nepal have used China to try to counterbalance India. Military co-operation between Bangladesh and China has continued to gather momentum irrespective of who is in power in Dhaka" (Pant 2012). "A close relationship with China is one of the most potent ways by which, Dhaka can demonstrate its autonomy from Indian domination" (Dixit 1999-2013). It is Sheikh Hasina, considered reliable pro-Indian, who has described China as the "most dependable and consistent friend of Bangladesh<sup>24</sup>.

India's political and economic influence in Sri Lanka in gradually shrinking even as courting China gives Colombo greater room for diplomatic manoeuvring vis-à-vis New Delhi. It was India's hands- off policy towards Sri Lanka counter insurgency that allowed China to move in. Beijing's diplomatic support helped Colombo to deflect Western criticism of its human right record in defeating the LTTE.

"India has expressed its displeasure about growing Chinese involvement in Sri Lanka on a number of occasions. In 2007, India's National Security Advisor openly criticised Sri Lanka for attempting to purchase Chinese built radar systems on the grounds that it would overreach into the Indian air space (Indian express, June 2007). Sri Lanka has emerged stronger and more stable with the LTTE, now out of the picture, the Indian government is noting that it will have greater strategic space to manage bilateral ties" (Pant 2010).

<sup>&</sup>lt;sup>23</sup>Annual report 2009- 2010, ministry of defence, Government of India, P-6,

<sup>&</sup>lt;sup>24</sup>Hasina meets Wen to Deepen "Comprehensive Partnership," *Press Trust of India*, March 18, 2010.

On the other hand, "Nepal holds great strategic value for both India and China. India's strategic stakes in Nepal dramatically increased with Chinese occupation of Tibet in 1950. Since middle of the nineteenth century, Tibet rather than Nepal, had served as India's buffer with China. But after the Chinese annexation of Tibet, the role of this buffer passed on to Nepal' (Dachhade and Pant 2010).

It is due to Nepal's geo-strategic importance; China has been pursuing policies to reduce Nepal's dependence on India in the political, economic and security arenas. With a rise of China's economic and political profile, it became more assertive in Nepal. Despite its 1950 treaty with India, "Nepal began importing Chinese weaponry and cultivated extensive military co-operation in a move to reduce dependence on India. China is projecting its soft power in Nepal by setting up China Study Centres (CSC) that are being used to promote Chinese values among the Nepalese populace that is otherwise tied culturally to India"(Pant,12 August 2014). China is investing in rail and road projects in Nepal. Chinese products are flooding the Nepalese market, replacing Indian one. Thus, the Chinese strategy of containing India within the confines of South Asia through the use of its proxies started off with Pakistan and has gradually evolved to include other Indian neighbouring states in the region including Bangladesh, Sri Lanka and Nepal.

As India's material power capability have increased over the last two decades, it has become more confident of its rising power and status and has pursued a more proactive foreign policy, moving away from idealism of the past to a greater "strategic realism". This has allowed New Delhi to move vigorously its interests globally and challenge China's rising aggression in the Asia-Pacific region and the Indian Ocean region in particular.

Domestic political System in China has been witnessing significant change since 1978. In contrast to the Western conventional argument that characterises the changes occurring in China as economic reform without political reform, China has seen several political changes and political reforms could widen in the years to come. Introduction of grass root democracy and slow withdrawal of state from a number of social spaces has created avenues for their expansion in the future. Globalisation as a social, economic and political process will continue to play a critical role in further

transforming the domestic politics in China, despite the Chinese state's attempt to contain and limit their impact on various political process.

The political changes that have been unfolding in contemporary China will have both positive and negative implications for India. As the concerns of positive implications; first, the current shift from, ideology to ideas is good for India because the eventual outcome of this process in that China would cease to be an authoritarian state, slowly moving towards a much more benign power and therefore easy to deal with. Second, the various reforms that came about in the institutional structure of the Chinese political system, be it the state, government, party, PLA and villagers' committees, by opening its doors for businessman and villager's committees moving closer to the Indian Panchayati Raj system, have the potential the two neighbour's to come closer. In addition, slow and steady progress being made in the realms of legal system will bring the two systems to a common ground, thus minimising the differences in their respective political systems to adversely impact the relation between the two.

In regard to the plausible negative implications, the manner in which Chinese Nationalism, with all its complexities, evolve in the future will have serious implications for India. In the event of nationalism taking a virulent form, for examples, on border issues between India and China, it could seriously strain the relations at some point. If China manages the issue related to its national minorities without letting it threaten its internal stability and territorial integrity, then it lessens its impact on India, such as issue of Tibetan and Uyghur minorities of Xinxiang province of China. In case, things go out of hand, this could have its rippling effect on Indian unity.

While trade between China and India have increased fairly fast, through on low base, bilateral investment flows have not increased much. Indian FDI in China is largely restricted to IT sector. Chinese FDI into India in often constrained by Indian concerns about security. India has also raised the issue of trade deficit, which is heavily in favour of China. India's trade deficit with China stands at \$ 51 billion in 2016-17, while trade with China stands at \$71.48 billion (Indian Express, 2 August 2017). However, in the bilateral economic relations category, relations have not yet become inordinately strained. In international forums like IMF, World Bank, WTO and even the G-20, China and India have not yet adopted conflicting positions, unlike in non-

economic domains like the UN, specifically the Security Council, on nuclear issues. The core of the developing countries collision in WTO, also named G-20, consist of China, India, Brazil, South Africa and to a lesser extent, Argentina. Obviously, with the growth in both countries, there will be tensions over competition to access to natural resources, commodities and energy. The African problem is symptomatic, where there is Indian concern that Chinese FDI and Chinese aid is largely in the form of credit lines and is not commensurate with Chinese levels. Beyond Africa, some such strategic conflicts are also visible in South Asia or East Asia. The impact of this competition between India and China on Russia- India relations have been discussed in letter chapters.

# Implications of China's Rise for Russia

Like much of the world, Russia has viewed the extraordinary rise of China with a mixture of awe and apprehension. This reaction is due to its own far more difficult experience of modernisation. Whereas, China has enjoyed consistent economic growth of around 9 percent a year for the past three decades, Russia has suffered a series of misfortunes; stagnation in the Brezhnev period; catastrophic economic decline and disintegration under Gorbachev, and political turbulence, hyperinflation, and declining living standards during the 1990s (Lo2008:73). Only in the 2000s particularly before 2008, Russia recovered something of its former position largely due to the boon in world oil prices. But, after the world economic crisis in 2008 and the fall of oil prices with the sanctions imposed on Russia by the US and European countries due to Russia- Ukraine conflict in 2014, Russia is trying hard to recover its economy. Consequently, these developments have affected the Russia-China relations in a very significant way.

For many in the Russian elite, the rise of China poses economic challenges to the international community and to Russia specifically. For Russia, not only the notion of a "China threat", in the context of the Russian Far East, but also the challenges of China, extends far beyond the border regions. It call into questions such as how long can both countries maintain the illusions that: there is an equal relationship? How far can Russia trust in Chinese assurances about the benign character of peaceful rise"? To what extent has the bilateral balance of power-political, military, and economic-

shifted, and what are its implications? Most crucially, does China's rise threaten Russia and if so how?

#### **Military Implications**

The most obvious litmus test of the Russia, China balance is the military sphere, where question arisen that has Russia's security interests threatened by China's enhanced military capabilities? In particular, will China try to utilise its superiority to reclaim territories lost as a result of "unequal treaties" and to make inroad into Central Asia?

According to some commentators, China has virtually caught up with Russia as a military power. With the demise of the USSR, the Soviet war machine crumbled. "The new Russia's armed forces were largely ineffective, undermined by poor leadership, rampant corruption, and sever underfunding" (Lo 2008: 75). Although the Kremlin has repeatedly proclaimed its commitment to urgent military reforms, but Russian armed forces remain incapable of meeting of many of the demands of modern military.

Contrast to this, China's armed forces improved their technological development and the nuclear arsenal has grown substantially in quantity and quality (Shambaugh 2005). Also there has been a quantum leap in investment in the indigenous military Industrial complex and in research and development (R&D). More broadly, the Pentagon's 2008 annual report to Congress on the military power of the People's Republic of China 2008 notes that "the PLA in pursuing a comprehensive transformation from a mass army designed for protracted wars of attrition on its territory to one capable of fighting short duration, high intensity conflicts along its periphery against high tech adversaries" Plus it could not be concluded that "China's aggregate military power now exceeds Russia's or will do so shortly. Despite the decline of the Russian armed forces, they nevertheless continue to enjoy several critical advantages, above all several thousand nuclear warheads (Sukhee 2010).

<sup>&</sup>lt;sup>25</sup>Annual Report to Congress on Military Power of PRC, 2008, p. l.

<sup>&</sup>lt;sup>26</sup>Military balance 2008 (London; Routledge for International Institute for strategic studies February 2008). p. 212.

"One of the nightmare scenarios canvassed by Russian commentators is that China will turn its attention to Russia's Far East ones it has completed its internal modernisation and reunited Taiwan with the Mainland" (Novaya gazeta 2008). Such speculations ignore a number of realities. Such as, notwithstanding the PLA's progress, it has little capacity to conduct successful operation against Russia, weather in Central Asia or in the RFE. Even in the unlikely event of early reunification, the Chinese leadership would certainly concentrate on other priorities. First: the hunt for resources in Southeast Asia, Africa, Central Asia, and Latin America, assuming a dominant role in the Asia-Pacific; boosting Chinese influence in Central Asia; and playing a more a more active part in global affairs. Compared to their strategic objective, the RFE is a provincial side-show, hardly worth risking war with the word's second nuclear weapon state (Larin 2006).

There is growing evidence that the Russian military itself is considering China as potential threat. So, far from being intimidated by the PLA's impressive modernisation, the Kremlin and Russian Ministry of Defence, have given enthusiastic support to sale of hi-tech weaponry such as kilo-class submarines, Sovremenny II-class destroyers, and Su- 30MKK fighter aircraft (SIPRI, 11 June 2007). (The impact of these, arms sell to China on Russia- India relations has been discussed in next chapter). The U.S. government estimates that Russia has supplied around 95 present of the arms sold to China over the past decade<sup>27</sup>.

In the 1990s,arms sale to China was critical for the survival of the Russian military industrial complex; the Chinese market was one of the few remaining after disintegration of the Soviet Union. Today, however, the Russian arms industry is selling ever wide range clients, and yet China remains a pivotal customer<sup>28</sup>(SIPRI 2007). This is due partly to the potential size of the market, but also to Moscow's confidence that even advanced weaponry systems can be sold to China without jeopardising national security. The traditional fear, that Russian arms may be used one day against Russia's armed forces, has become discredited.

<sup>&</sup>lt;sup>27</sup>Annual report to congress on the military power of PRC 2008, P.21

<sup>&</sup>lt;sup>28</sup>In the period 2002-06 China accounted for 45 percent of Russian arms sale almost double that of India (25 percent) SIPRI year book 2007; Armaments, Disarmament and International Security, Oxford University Press, 2007, P.392.

The Russian government's concerns over arms transfer to China are now principally commercial. Beijing has retched up the pressure on Russian firms to sell its design technology instead of military hardware (Litovkin, 29 January 2008). Moscow is reluctant to accede to such requests because of China's poor record in safeguarding intellectual property rights and its emergence as one of the leading arms exporters to the developing world<sup>29</sup>. In this connection, Beijing practice of re-exporting Russian material is a potential irritant (Financial Times, 9 November 2006).

The prospects for the bilateral arms relationship are consequently unclear, but for economic rather than security reasons. But, Russia has enjoyed a dominant market position, largely because the other big four exporters- the United States, Britain and France have maintained an embargo on sales to China since Tiananmen. It would be unwise for Moscow to assume that the PLA will always be so restricted in its choice of high tech hardware and weapon system. In a more open international market, Russian arms could be squeezed out unless Moscow can find ways to stay ahead of increasingly stiff competition by offering much improved access to design technology through licensing agreement.

Thus, much of the commentary on the nature of the "China threat" missesthe mark by overestimating China's military power and demographic expansion. Nevertheless, the China's rise as one of the world's leading powers does represents a tremendous challenge to Russian economic and geographical interest. This threat is diverse and reality is that the China's growing ascendancy is likely to come, at least in part; at Russia's expense.

Sheer geographical extent, a vast nuclear arsenal, the memory of strategic bipolarity, abundant natural resource- these remain the pillars of Russia's sense of "great powersness" (derzhavnost). Even the modern notion of Russia as an energy superpower is founded not in a true understanding of the geopolitics of energy, But in an inherited vision of Russia's timeless identity as a global great power (Lo 2008: 01). Chinese attitudes differ from Russia in significant respect. China has come a long way in a few decades, but it remains- as Beijing recognises- the world's largest developing

<sup>&</sup>lt;sup>29</sup>in the decade 1997-2006, the PRC sold weapons to twenty five percent of Russian arms sales almost Algeria to Zimbabwe see SIPRI Arms Transfer Database, June 11, 2007.

Nation<sup>30</sup>. Whereas Russia reasserts its earlier position in the World, China underplays its strengths and taken up its shortcomings. Yet for all the emphasis on "equality" in their relationship, it is China, not Russia that is increasingly the dominant partner and influential global players (Lo 2008: 81).

# **Economic Implications**

The different trajectories in Russian and Chinese development are most apparent in the economic sphere. Judged by size of GDP, China is the world's second largest economy after the United States. According to the Goldman Sachs BRICS report and several other estimates, it will reach number one position by the middle of the country<sup>31</sup>. Of course, China's per capita GDP remains comparatively low, falling well short of levels in the world's leading industrialised economies<sup>32</sup>. But even with its many difficulties, above all resources constraints, China is making its presence felt as a global economic power.

China's international trade reflects the importance the leadership places on qualitative as well as quantitative growth. It is no longer satisfied with the growth of manufacturing exports, but seeks to develop a knowledge, based economy as quickly as possible. To this purpose the government and Chinese companies are exerting pressure on foreign partners to transfer key technologies to be a world-class, post-modern economy.

Russia, by contrast, continues to look to its natural resources assets. Since coming to power in January 2000, Putin has consistently stressed the importance of economic diversification, of not relying on high energy and commodity prices. Russian policymakers point to the impressive expansion of the service sector, as well as consumption driven growth. But the Russian economy is still mainly dependent energy

<sup>&</sup>lt;sup>30</sup>Hu Jintao (2007), "Advance Comprehensive Cooperation in Pursuit of Sustainable Development", speech delivered on September 6, 2007 at the APEC Summit in Sydney.

<sup>&</sup>lt;sup>31</sup>The Goldman Sachs report in even more optimistic projecting that China's GDP will surpass that of United States by 2014

<sup>&</sup>lt;sup>32</sup>The World Bank estimates China's per capita income at US Dollar 2010 ranking is 129th out of 209 countries. By comparison the United States has a per capita income of \$ 44970 (ranking 10th) and Russia \$5780 (79th). When judged by PPP. China figures are somewhat better-\$ 7740, ranking 102nd-but still very low by developed western economics and even Russia. For further details, see "The World Development Indicators Database", *World Bank*, 14 September 2007.

exports. Today's these account for over 50 percent of its total budget revenues, more than 60 percent of exports in value terms, and the bulk of exports to Russia's major trading partners the EU, China, Ukraine and Belarus. In addition to its vital contribution to budget and export revenues, energy in viewed as the main instrument of Russia's return as a global power, which also can be seen in the form of Nexus between the Russian energy sector and the highest circle of power<sup>33</sup>. So as long as world energy commodity price remain high, Russia will continue to play to its perceived strength. Whereas for Beijing modernisation is driven by domestic imperatives, for Moscow economic prosperity is at least as important for the international clout that it brings (Lo 2008: 84). So, for the both countries, the emphasis and order of priorities are very different.

Thus contrasting perspectives shape the bilateral trade relationship, Russian policymaker's view China less as a primary market than as leverage against the West. Bilateral trade may have multiplied eightfold during the Putin presidency, but it has done so from a very modest base a mere U.S \$5.7 billion in 1999. Moreover, much of this increase is due to the combination of high oil prices escalating Chinese energy and resource requirements, and the explosion of Chinese manufacturing and consumers exports (SIPRI2007). To put thing in proportion, 52 percent of Russia's total turnover is with the EU, as opposed to 6 percent with China, while China's trade with the EU and the United States \$356 billion and \$302 billion respectively, and dwarf that with Russia<sup>34</sup>. Although, official rhetoric speaks of economic complementarities, yet in the Sino-Russian context this means imbalance and inequality. While Moscow hopes that China will become an economic as well as political and strategic, counterweight to the West, Beijing see Russia as little more than a resource cow for Chinese growth and an easy consumer market (Lo 2008: 85). With the exception of a few areas, such as space and military design, the Chinese have little interest in Russian technology- a huge change from the 1950s when China's industrialisation depended almost entirely on Soviet technical assistance. Such is the unequal nature of the economic relationship that Kremlin has started to

<sup>&</sup>lt;sup>33</sup>Sechin was deputy head of the presidential administration under Putin and became deputy prime minister on May 22 2008 after medvedev, succeeded Putin as president; At the time of medvedev's appointment to the board he was one of two first deputy prime minister (along with Sergeihanov).

<sup>&</sup>lt;sup>34</sup>China ministry of commerce statistics, available at http;//english. mofcom. gov.ch. Accessed on 6 June 2018.

complain openly about the unbalanced nature of bilateral trade. At the March 2006 summit in Beijing, Putin remarked on "The raw materials bias of Russian exports to China and noted specifically that exports of Russian machinery and equipment had nearby halved in 2005, while Chinese exports in the same category had increased proportionately<sup>35</sup>. For example, in the period of January-July 2006, Chinese exports of machinery and equipment to Russia's were nearby fifteen times higher than imports in the same; by year's end Russia's share comprised no more than 1.2 percent of total exports to China (Bin 2007). Even the arms trade is not as impressive as it seems. Russia has provided the lion's share of Chinese military purchases, but their value as a proportion of total bilateral trade is modest indeed- \$2.4 billion out of \$29 billion in 2005. Moreover, recent indications are that this once reliable pillar of partnership may be tottering. In 2006, Russian arms exports to China slumped to \$200 million, and these have been no new contracts since then (Bin 2007).

Most worrying for Moscow is that the terms of trade are becoming more unbalanced every year. A modernising China is exploiting a backward Russia for its energy resources and as a market for low grade goods, unusable in the more discriminating West (Lo 2008: 82). Commercially, China appears to rate Russia more or less on a par with countries such as Saudi Arabia and Angola, its main sources of oil imports. Russia's attempts to broaden the economic relationship have been conspicuously unsuccessful, including in areas where it once enjoyed a strong competitive advantage such as nuclear energy, electrical energy and space and arms exports. Space and arms exports are under mounting pressure as Beijing demands licensing agreement and access to cutting edge technology. It is an indication of the shifting balance that Russia long time trade surplus, derived almost entirely from energy and natural resources, has disappeared under the combined effort of China's growing manufacturing export and diminishing interest in Russian industrial imports. In 2006, Russia still enjoyed a trade surplus - \$17.55 billion in exports against \$15.85 billion in imports. But since 2007 and onwards, the balance shifted decisively toward China.

<sup>&</sup>lt;sup>35</sup>Address to the Russia-China economic forum, Beijing, March 2006, available at www.Krmlin.ru lappearspoo6/03/22, accessed on 6 June 2018.

#### **Asymmetrical/Unequal Partnership**

Beijing takes every opportunity to emphasise that China's peaceful rise poses no threat to other countries. Beijing's insistence that China's rise is not a threat but an opportunity" is aimed primarily at allaying American concerns about its implication for Washington's global leadership (Wang January 2004: 3)<sup>36</sup>. As such it hardly seems relevant to Moscow, nevertheless, China's rise, peaceful though it may be, has serious implications for their relationship. In China's transformation, Russia is cast in the role of raw material supplier. This would matter less if it could position itself as the dominant energy exporter to China – in oil, gas, liquefied natural gas (LNG), nuclear power or electricity. But in a world increasingly dominated by economic power, China's emergence as a global player is of all-encompassing significance to Russia.

In anyway, China's ascent as the next global power, threatens to leave Russia at the margins of international decisions making. Just when the Putin's regime is reasserting Russia's credential as a global great power, much of its thunder is being stolen by the more remarkable transformation of China and also India. They, and not Russia, are the true emerging powers of the twenty first century. It is a measure of the unequal standing of Russia and China in the world that the former is the focus of attention only in very particular circumstances – in relation to tension in former Soviet space, proliferation concerns vis-à-vis Iran, conflict in Balkans, uncertainty over gas supply to Europe, Conflict with Ukraine in 2014 and recent intervention in Syria. China, on the other hand is universally recognised as a pivotal player and no one doubts its central importance in the world's affairs. Unlike China, Russia as a self-standing "independent" actor is viewed by many countries as little better than a spoiler, with neither the capacity not the inclination to help solve global problems (Lo 2008: 08). "Moscow thus faces a double conundrum; first: Russia needs China more than China needs Russia<sup>37</sup>, and second, in order to boost its international influence it must make

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<sup>&</sup>lt;sup>36</sup>As Wang Jisi observes, "The Chinese leadership is conscious of the ambivalent feeling in the neighbouring countries as well as the United states and Europe about the growth of Chinese Power" – Wang Jisi (2004), "China's Changing Role in Asia", *Atlantic Council of the United States*, 3 January 2009.

<sup>&</sup>lt;sup>37</sup>As Lukin observes, "Russia plays a far lesser role in Chinese policy than China plays in Russian Policy." Kitai, p. 74. See also Frank Umabach (2004), "The wounded Bear and the Rising Dragon, The

common cause with a state that is partly responsible for the common perception of Russia as a second class power" (Lo2008: 88). In the first few years of the twenty first century the illusion of an "equal" relationship with China has become much more difficult to maintain. Moscow has never found it easy to be the "Junior Partner", not even to the United States (Talbott 2003).

#### **Conclusion**

Thus, the rise of China" does not threaten Russia's territorial integrity, political stability, economic prosperity or civilisation. Instead, the real China threat is dual. First, its rise as a global actor is creating an ever greater asymmetry between Moscow and Beijing" (Lo 2008). The importance of Russia in China's worldview is diminishing, which means that over time Beijing will take less account of Russian interests. This leads to the second threat – that of Russia's strategic displacement. Whether in Central Asia, East Asia or Global politics, China's rise call into questions Russia's place in the world. Inevitably, this will entail stepping over many of the red lines of the past, such as "sphere of influence" and adopting single minded approach to the pursuit of Chinese strategic objective. Such ruthlessness will not only undermine the prospects for genuine partnership with Moscow, but become the prime source of growing tension between them. Consequently these development due to rise of China has the potential bound to affect the Russian- India relations in many significant ways. These have been discussed in the chapters that follows.

Sino-Russian Relationship at the Beginning of the 21<sup>st</sup> Century: A view from Europe", *Asia Europe Journal*, 2(1):60 and Damitri Tremin, "Russiya mezhdu Kitaem Amerikio," p. 52

# Chapter Three

The China factor in Russia- India Defense and Energy Cooperation

#### Introduction

India-Russia cooperation in defence and energy sector has come a long way since the early years of the Cold War. Notwithstanding the inherent merits of bilateral cooperation in these areas, there are some compelling factors to further strengthen the engagement, which are implicitly linked to China. The first part of this chapter analyses the India-Russia defence and military-technical cooperation based on niche technologies. It also analyses the present opportunities and constraints that are emerging in the relationship. The real strength of the Russia-India cooperation is the level of trust between both the countries, which contrasts with the nature of China-Russian defence cooperation. The China factor looms large in the India-Russian military-technical relationship. Russian weapons procured by China and India through the 1990s and 2000s sustained Russia's defence industry. While India is heavily depending on Russian weaponry, Russia is also dependent on India for the larger part of its imports. Also Russia is now a major supplier of military hardware and technology knowhow to China. The growth of Chinese military power in recent years and its declining import of Russian weapons indicates that the India-Russia militarytechnical partnership serve as a check against potential Chinese expansionism and hegemony.

"India still has a large stock of Soviet-era weaponry in it sinventory, and New Delhi added Russian weaponry to it in the 1990s and 2000s. Consequently, Russia is likely to remain the most dominant external defence supplier for India in the near future" (Bommakanti 2017).Indo-Russian defence cooperation is based on long term Inter-Governmental Military-Technical Cooperation (MTC) Programme and has been a solid pillar of the bilateral strategic partnership. The cause of the decline in cooperation in this sector has been the rapidly developing Russia-China military relations. Similarly, Russia's suspicions about Indo-US relations, particularly in the military sphere have negatively affected the relationship. According to *Stobdan*, "Russia is upset with India's defence procurement policy and is unable to digest the fact that the US is overtaking Russia in the Indian weaponry market". "The Russian Military Industrial Complex (MIC) is still large but not as consequential as its Soviet predecessor. Demand from New Delhi has stimulated the Russian defence industry. Russia has made year-on-year increases since the 1990s in R&D in good measure due

to India's military orders from Moscow. China, on the other hand, has placed bulk orders within compressed timeframes and Chinese orders seldom contribute to qualitative improvements of Russian weapons designs per se. China is disadvantaged in this respect, as opposed to India, because the latter has fairly amicable military-tomilitary relations with Western powers, in general, and with the US, in particular" (Bommakanti 2017). India's defence industry has not developed to the point that the country could become self- reliant to develop all advanced weapons systems or contribute in with equal terms to Research and Development in India-Russia joint ventures. Further, India is lagging behind in comparison to China and cannot compete with China's military expansion in near future, which is extremely dynamic in both quantity and quality and its military spending is much larger than India's. Consequently, "China has managed to indigenise defence research, development and production at a rate and scale that not only pales that of India, but critically reduces its import dependence on Russia. Chinese gains are also the product of replicating or reverse-engineering Russian weapons designs and exporting them under Chinese nomenclature. Indeed, during 2004 to 2014, Russia ceased selling military hardware to China because of Beijing's replication of Russian weapons systems, undercutting Moscow's export earnings. Russia, however, resumed military sales in 2014 to China following setbacks in its relations with the West following its intervention in Ukraine. China agreed to protect the intellectual property of Russian weapons designs. Russia's resumption of military sales to China is a quest to complicate the U S military strategy in the Asia-Pacific" (Bommakanti 2017) but it will affect the Russia-India defence cooperation. With the growing tensions between Russia and the West, and sanctions imposed by the later, Russia has left with limited options but to revive its defence relationship with China. So, the first section deals with the China factor in Russia-India defense cooperation.

The second part of this chapter analyses how China has been a factor in Russia-India energy cooperation. Since, all countries in the World are depending on resources for their economic development. Energy security has emerged as the most important factor in the new geopolitics of the 21<sup>st</sup> century. As its economy grows, India's energy consumption is rising. "It is now the fifth largest energy consumer in the World. By 2030, India is likely to pass Japan and Russia to emerge as the world's third largest energy consumer" (Jiali 2010). With no prospect of improvement in the availability of

domestic resources input, India now imports eighty percent of the oil consumed in the country. To fulfill its future energy requirements India's partnership with other countries, which have surplus energy are necessary. "India's annual energy consumption, currently at 723 million tons oil equivalent (MTOE), has grown at a compounded rate of 5.75 percent over the last decade (2007-2017). By 2040, India's oil demand is expected to rise to 10 million barrels/day (bpd) from 4 million bpd at present. Consumption of natural gas is projected to increase to 175 billion cubic meters (bcm), up from 50 bcm at present at present relies on imports for 81 percent of its petroleum and 44.5 percent of its natural gas requirement. In physical terms, India imported 1.35 billion barrels of oil and 18 million tons of LNG during fiscal year (FY) 2017<sup>39</sup>. High energy prices are expected due to the cycle of demand-supply mismatch and geopolitical upheavals. Indian oil companies have multiple investments in Russian oil fields – investment so far exceeds \$10 billion" (Shikin and Bhandari 2017).

On the other hand, China also lack adequate oil and other energy resources at home, essential for sustaining its growth; there is deep mismatch within China between its energy production and the total domestic energy consumption. "China is now the World's second largest oil consumer after the United States" (China daily, March 2, 2009), and "estimated to have surpass the US as the World's largest oil consumer within few years. In 2010, China'soil consumption increased by more than 50 percent" (The Hindu, 6 January 2011). By 2015, the consumption has risen to 11.2 million barrel per day. "China's foreign oil dependence reached 55 percent in 2010. Sea-borne import which cannot be reduced by overland pipelines, constitute more than 80 percent of the total" (Erickson 2009).

Importantly, the increasing energy demand from China is contributing to high oil prices in the world market. According to its official paper, the reinforcement of "resource diplomacy" for energy security is the centre peace of China's foreign policy. With clear foreign policy goal on energy security, China is encouraging its state

<sup>&</sup>lt;sup>38</sup>India Energy Outlook // International Energy Agency 2015. Available at https://www.iea.org/publications/freepublications/publication/IndiaEnergyOutlook\_WEO2015.pdf .Accessed on 6 June 2018.

<sup>&</sup>lt;sup>39</sup>India's Oil & Gas Data // Petroleum Planning & Analysis Cell, Government of India. June 2017. URL:http://ppac.org.in/WriteReadData/Reports/201707280142534471233SnapshotofIndiasOilandGas Data\_June2017.pdf. . Accessed on 6 June 2018.

owned companies to reach exploration and supply agreements with resource producing nations throughout the World. Simultaneously, Beijing is acting at strategic levels through extending economic aid and investment especially for infrastructure building and providing military assistance. Through energy ties with Russia, China intended to diversify its energy supply resources and reduce its dependence on seaborne shipping for importing oil and gas.

Many energy experts are talking about China's energy security, in the context of the rise of China as a potential force and what it means in terms of the World's power shift. Besides China, other Asian powers, India and Japan are also depend on oil import for their energy requirements. By considering China's rapidly rising economy and increasing Global profile what will be the international impact from the rise of China as a resource economy giants and what should be the response for the rest of the nations in the world and particularly on the Russia-India relations.

In the 1990s, the increased Russia - China Corporation came from a desire to resolve old problems as well as a shared concern about U.S. threat to International stability. This rapprochement came to encompass a wide variety of issues, from military cooperation to energy to intelligence sharing.

This chapter deals with the factor of China in Russia- India relations during the first and half decade of twenty first century starting with the section discussing with Russia-India strategic partnership and its comparison with Russia-China strategic cooperation. The next section discusses the nature of Sino-Russian strategic partnership and divergent foreign policy approaches of Russia and China and geopolitics involved in it. It also includes critical issues in their bilateral relations such as the development in the Russian Far East and military cooperation. Since both the India and China are strategic partners of Russia, and China shares boundary with both the Russia and India, so the nature of the strategic partnership can elaborate the question that how the geographical proximity has been one of the important factor in conflict between rising powers, sharing the same neighbour. Evidently Russia cautious attitude towards China and India is also visible in 2013 Russia's foreign policy doctrine, which calls for "a strategic partnership" with India but for "Strategic collaboration" with China.

The next section deals with military modernisation of China and Russia's defence ties with India and China. Since Russia is now major supplier of military hardware and technology know how to China, while India has been traditional defence partner of Russia and still heavily depend on it for its military needs.

The next section deals with the geopolitics of energy. Russia which has become a major energy exporter for European countries is looking for a similar role in Asia, with China being its principal customer. China, for its part has an interest in having overland route for supplying itself with oil and gas. China is also trying to search alternative sources

Energy security has become the most important single factor to symbolise the 'new Geo-Politics' of the twenty first century. The basis of Sino-Russian energy relationship seems to be based on an almost ideal complimentarily: on one hand, the World's biggest exporter of Oil and Gas, on the other the World's second largest consumer of energy after the United States. But despite these favourable contexts, Lo argues, the energy relationship has been dogged by problems. The most fundamental problem is that that Russia and China have very different understanding of energy security. For the farmer it means security of demand, particularly for Pipeline Gas. Oil and Gas account for over sixty percent of Russia's export. For China, energy security is the security of supply but Sino-Russian energy cooperation has not developed as expected and China has diversified its energy import. Russia wants to keep China as dependent as possible by restricting Chinese access to other energy sources in Eurasia, while Beijing is stepping up its engagement with Central Asian States. Also Russia hopes to implement strategic diversity in Asia pacific by developing ties with Japan and South Korea. Thus there relations are one of strategic opposite.

On the other hand Malik argues that India's growing interest in Middle East, South East Asia, Africa and Central Asia are energy motivated and India faces intense

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<sup>&</sup>lt;sup>40</sup> "Old geopolitics was built around the institutions practices of warfare: victory on the battlefield, superior weaponry and military capabilities relative to others and level of industrialization as a prime indicator of war fighting potential. While the new geopolitics is flexible in approach employing both hard and soft power and making use of multilateral mechanism, and it is flourishing in circumstances where classical concept of balance of power are interacting with new security and economic challenges, international terrorism, the proliferation of weapons of mass destruction (WMD), the globalisation of trade, energy security, climate change" (Lo 2008). For further details see Bobo Lo (2008) "The Axis of Convenience" Chatham House, London.

competition from China. Consequently the fierce rivalry between them for stake in over Sea Oil and Gas fields all over the World is inevitable. With rising energy import from Russia's Sakhalin province, Indonesia and South China Sea, the prospect of Russia-India relations can be enhanced.

# **Geopolitics and Instrumentalism**

Throughout the 1990s, China adopted a pragmatic approach to do business with Russia. China also "accepted that the Russian establishment would for all sort of historical and practical reasons, look primarily to the United States and Western Europe. As long as Russia would back the Chinese position on Taiwan, Tibet, and Xinjiang; contribute to security building on China's northern and western frontier; ensures the supply of advanced weaponry and support politically for China's efforts to play more active role in the World"(Lo 2008:32). So on many international issues though, Russia and China found them evermore aligned<sup>41</sup>. "They both heavily protested the US and NATO action independent of UN, in Iraq 1998 and in Kosovo/Serbia 1999 respectively. Further they both criticised the US's National Missile Defense (NMD) system and the Theatre Missile Defense (TMD) system" (Stephan 2012). Wishnick compares "this development to PRC-US rapprochement during the Cold War, when she writes that much as China joined forces with the United State in the 1970s and 1980s against Soviet hegemony, today Russia and Chinese leaders are attempting to coordinate their responses to what they view as US unilateralism in World affairs" (Wishnick 2001:132)

#### **Multipolarity and Contrasting Foreign Policy Approach**

After the collapse of the Soviet Union, the World might no longer be formally bipolar but emerged as a multipolar World in the early 1990s. On one side, the United States and its NATO allies; on the other the major non-Western power centres, Russia, China, India and the Islamic world. This multipolarity rested on the principle that hegemonic power should always be counter balanced.

<sup>&</sup>lt;sup>41</sup>"Russian Prime Minister((1998-99), Primakov at one time proposed an alliance between Russia, China and India, quickly rejected by Chinese side, which claimed not to be interested in entering an alliance with any country" (Wishnick 2001: 147).

In these circumstances, Russia might aspire to become the "swing power" between United States and China and China became the 'balance of choice'. But the limits of Sino-Russian convergence were evident everywhere. Whereas, Russia envisaged their partnership as leverage against the U S and a check on American "hegemonism", China viewed it in more practical terms-as a means of realising concrete objectives in the bilateral relationship.

This divergence highlighted the two countries very different approaches to foreign policy, while China underplayed its rise, Russia demanded that the West respect it's birth right as great power. This sense of strategic entitlement drew it into a debilitating series of quarrels with the United States and Europe-over Western "encroachment" in the newly independent states; NATO enlargement in to Central Eastern Europe; the Balkan crisis in Bosnia and Kosovo; economic sanctions and military intervention in Iraq; Russian nuclear cooperation with Iran; and strategic disarmament(Lo 2008:34).

Over the same period the contrast with Chinese foreign policy is striking. Dealing with the West relatively in few crises except the core Chinese interests such as the 1996 crisis over PLA military exercises in the Taiwan straits and subsequent dispatch of the U.S seventh fleet; the diplomatic quarrel and violent demonstration following the American bombing of Chinese Embassy in Belgrade in May 1999; accusation and counter accusation over human rights in China; theatre missile defense in East Asia, China maintained a very low profile on larger international questions such as situation in the Balkans, Iraq, the Middle East peace process, Syrian crisis and recent crisis in Ukraine.

Russia and China declared that the main purpose of their respective foreign policies was to promote an international environment that would facilitate the domestic growth. While they both talked about multi polar World but their realisation of its composition is very different. While Russia assumed that it would be one of the major poles at the very least on a par with China, Beijing, on the other hand, saw that in a multipolar World order, it was unlikely that China and Russia would still be equal.

By all accounts the complexity of Sino-Russian relationship has been fostering mutual suspicion due to historical factor. In conflict and cooperation the importance of

defence and security considerations has been paramount. On one hand the Mongol invasion implanted the idea of the East as threat in Russian mind, while the Russian annexation in the Far East through the "unequal treaties" established it as an exploitative imperial presence, in Chinese perceptions. Later the Sino-Soviet alliance and subsequent split were driven first by the fear of dominant America and then growing suspicious regarding each other's strategic intensions and irredentist agendas. The rapprochement in post Cold War World, was motivated to counter balance America's growing power and was defensive in the nature for security concerns. Both the countries has also shown the pragmatic approach with each other's by settling aside personal feeling, for the sake of concrete national interests. But such pragmatism has always had its limits. Throughout history, the Sino-Russian relationship has almost invariably been of secondary important to both sides. Even at height of the "unbreakable friendship" the Soviet Union paid great heed to the United States and Western Europe, than it did to China and when China engaged with the outside world, it often did so in competition with Soviet Union. In post Soviet era, both China and Russia looked to the West for assistance, trade, and investment.

After 1950 Treaty of friendship, Alliance and Mutual Assistance, nearly half a century later in April 1996, public language achieved new heights of optimism with 'strategic partnership of equality, mutual confidence and mutual coordination for the 21<sup>st</sup> century. Both sides continued to assert the establishment of new international order and promotion of the 'multipolar World', but Russia has been asserting that it was committed to a "multi-vectored" and "geographically balanced" foreign policy.

Legally, the boundary problem has been resolved completely, with delimitation and demarcation process of border through the 1990s, once the basic principles were agreed<sup>42</sup>. By the beginning of the twenty first century, the Sino-Russian boundaries were solved by treaty, besides "a few disputed areas: Bear Island near Khabarovsk, and another island on the Argun River. Then in 2005, a comprehensive agreement was formalized in new treaty in Vladivostok, which involved sensitive Russian concessions. In effect then the Bear Island was split, and a small upstream channel of the Amur became Chinese" (Ganguly and Thompson 2014). Paradoxically, though the

<sup>&</sup>lt;sup>42</sup>Russia and China established a "Constructive partnership in September 1994, then a strategic cooperative partnership in april 1996, and finally formalising the relationship in a " Treaty of Good Neighbourly, friendship and Cooperation" in July 2001.

boundary problem has been formally resolved now, but the fear of mass Chinese immigration among Russian, Chinese exploitation of natural resources and so forth, continues.

"On the positive side, despite mutual suspicions the partnership has been managed pragmatically at the elite level, so it remained a top-down relationship that has never transcended at the mass level." (Lai 2011). For example, "according to public opinion surveys conducted in 2005, only 8 percent of Russian view China as a friend, While 45 percent deemed it as adversary (though 47 percent also considered China a model of economic success)" (Wilson 2005:114)<sup>43</sup>. "Suspicion has been particularly rife in Russian Far East, a vast resource rich region with a shrinking population of now less than 7 million. Even among elites there is suspicion of China's rise. In one of history's great rank reversals, the big brother and former super power has fallen far behind China, economically, despite Russia's economic recovery since the turn of millennium due to worldwide energy shortage and price spiral. While this has roused Russian anxieties" (Dittimer 2013: 134-135), so agreement on many domestic and international issues contrasted with diverging perceptions of their respective role in the post Cold War order. These contradictions had their roots in a difficult shared history.

# **Sino-Russian Strategic Partnership**

After the first and half decade of twenty first Century, Russia and China's relation in the field of military and economy has been growing. After the December 1991 dissolution of Soviet Union, initially Russia under Yeltsin and Kozyrev adopted anti communist and pro-western policy. According to the Chinese perspectives both the leaders were traitors to socialism. However, Russian policy of marketisation and privatisation failed miserably to revive the economy, which was showing the negative growth throughout 90s: "real GDP declined 13 percent in 1991; 19 percent in 1992; 12 percent in1993; and 15 percent in 1994, resulting in the collapse of the Russian currency(Rubble) in 1998. The health system and transportation system collapsed, even the birth rate shrank. Also the expansion of NATO to include former Russian parts in Eastern Europe in 2004 infuriated the Russians, who firmly convinced the

<sup>&</sup>lt;sup>43</sup>RFE/RL Newsline, Vol. 9, No. 125, Part – I, July 1,2005 as cited in Wilson, Strategic Partners, 114.

West had promised no post Cold War expansion beyond Germany" (Ganguly and Thompson 2017). Thus Russia, on the geostrategic grounds, adopted more balanced international policies between West and East. Since Russia was being ignored by the West and China (for Tiananmen) was facing sanctions. So, the two moved towards each other but "ironically, two nations that had never been able to agree on the same ideology, now found it possible to cooperate smoothly without one. Thus they established a Constructive partnership in September 1994, then a strategic cooperative partnership in April 1996, and finally formalizing the relationship in a Treaty of Good Neighbourly Friendship and Cooperation in July 2001" (Lai 2011). "A partnership, has become a very informal non expression of mutual commitment in diplomatic vocabulary of both powers, as China formed partnership with Pakistan, France, Germany, the European Union, Korea and United States, while Russia claimed partnership with United States Japan, Iran and India, Yet for both the Sino Russian Partnership has remained pivotal" (Dittmer2013:132-133). "Both sides emphasised that neither the partnership nor the 2001 Friendship treaty is an alliance. The agreement could only reach to the level of consultation without any obligation to military engagement in case of a threat to either side from third party, particularly America. But ironically, from the same America both Russia and China stand to gain more in economic terms than from their relationship with each other" (Lai 2011). Over the last few years, particularly in the first decade of twenty first century, every area of relations has expanded but partnership could not achieve the level of expectations, contrary to the claim of officials of both sides.

The 21<sup>st</sup> century has witnessed a new type of partnership in the multipolar World, unlike the Cold War type of alliance in which nation enter into partnership with other nations in those areas of common interest where both benefited for long term, but they are also not bound to support each other on all strategic issues in all situations. Sergei Lavroy defines that

"this new type of alliance is established not against but rather for a common cause (stable economic development, a just and equal world with collective pluralistic leadership based on multipolar World system and without differentiation between leader and followers) and not necessarily strictly for rebuffing common military threats as it was before, although rebuffing military threats could also be a goal of such an alliance under certain circumstances" (Lavrov Sergei 2006: 135-137).

The development of this new type of alliances called "Strategic partnership" has been one of the new characteristics of the initial decade of twenty first century of the multipolar World<sup>44</sup>.

While, Bobo Lo explains that "the defining a relationship as strategic implies a long term reciprocal commitment, one resilient enough to withstand occasional setbacks and misunderstandings. Although there is scope for tactical opportunism, this remains an unstable basis for constructive engagement and cannot be overplayed. Similarly, instrumental considerations the use of partnership to exercise a leverage on third parties should not exercise a disproportionate influence. For in that event that bilateral relationship could become overly susceptible to changes in the external environment" (Lo 2008:41). So, Bobo Lo concludes that,

"Ultimately, a bono fide strategic partnership is predicted on a broad consistency of purpose, it succeeds or fails to the extent that both sides are able to identify lasting common interest and to translate these into far reaching, substantive cooperation" (Lo 2008:41).

In preamble of the July 2001 treaty of Good-Neighbourliness and Friendly Cooperation, the rational for the treaty includes the following standard formulations: to consolidate friendly and good-neighbourly ties and mutual cooperation in all fields; Article 1 commits the two parties to developing a "strategic cooperative partnership of good neighbourliness friendship and cooperation and equality of trust to endeavour to enhance relations between the two countries to a completely new level; promoting and establishing a just and fair new world order from a long term view and in a comprehensive manner" (Marciacq 2009), but does not elaborate further. Nor is it much more precise on the principles on which the treaty is based. It is not until the Beijing summit of March 2006 that the two government set out the principles under pinning partnership, instead of merely restating well known policy positions.

#### The Russian Approach

Russia's rational for the partnership with China is essentially two fold. One is to use the partnership to counterbalance the dominance of the West and America's

<sup>&</sup>lt;sup>44</sup> These arguments are developed in details in V Rossil (2002), "Kitaiskie analitiki O Sovremennom Sostoianii kitaisko" in Vladimir N. Baryshnikov (eds), *- rossiskich osthoshenii I o politicheskom I ekonomicheskom polozhenii*,": 8 – 27, Moscow Institute Dal nego Vostaka, RAN.

hegemonic power in particular. In that sense it is an anti relationship. Secondly, though after the end of first decade of twenty first century, Russia is far more stable, prosperous and influential abroad and trying to be a resurgent power at the World stage, and with the power like China, it can be able to exert a serious influence in international affairs.

From Russian perspective, as China rises, it will able to undermine the American global leadership. But instead China and the United States will effectively balance and contain one another, with the involvement of other major actors like India, E U and above all Russia. So Putin's "multi vectored" foreign policy is driven by the desire to maximise Russia's options, which enable Russia to become the strategic, as well as civilisational bridge between East and West and also a third pole in multipolar world alongside the United States and China. So the relation is strategic or not, but a successful relation with China is key to the "independent" foreign policy which Putin has consistently promoted. Partnership with China also serves crucial security interest as well ensuring a stable border and the security of RFE.

Russia sees the strategic partnership as its most reliable guarantee against a resurgent and potentially aggressive China. It offers Russia obvious security, political and economic benefit. For example both sides have shown a level of maturity to defuse the controversial issue of Chinese illegal migration efforts that have enabled Russia to escape the full consequences of its neglect of the RFE. On one hand China has also been the number one customer for Russian arms, on the other, this commercial relationship that has saved much of Russia's military industrial complex from extinction.

Russia views the bilateral relationship as one between "strategic equal", but Russian attitudes here are somewhat contradictory. One the one hand, there are concerns about China's rapid rise and the changing balance of power between them; on the other hand Russia is not prepare to accept itself as junior partner, in any relationship, particularly with a country that has long regarded with a superior.

#### The Chinese Approach

The benefits of partnership are somewhat different for China in the sense that it does not consider Russia as a strategic counterweight to United States. China considers that Russia has still some influential role in international affairs, especially in the former Soviet Union territories, and that the cooperation with it in the UN Security Council, can be beneficial. Russia has not gone beyond the recognition of Beijing's "One China" policy and refused to be involved in Taiwan question. It shows limitations of the partnership.

Since the late 1990s, China has expanded its presence across the Asia Pacific region to all continents. China has no need to engage in balance of power games, because it enjoys far greater choice than Russia. China's relations with the United States and European Union have expanded exponentially. Beijing is making major economic presence in Africa and South America. Also China has attracted the multinationals for investment. Nearly all the big companies have a permanent presence in the country. China has many more 'friends' than Russia, whose closest partners are restricted to the Central Asian republic, unsavoury regimes such as Iran and Syria. China as a partner provides a degree of respectability on Russian foreign policy, while the viceverse is not the case.

All, this means that China has little interest in strengthening partnership with Russia at behest of its relations with other key player such as U S and E U. Tight bonding with Russia limits rather than expands its options, and avoided to make an alliance. China has pursued continuous line on issues Of Iraq, Georgia, Syria and more recently on the issue of Ukraine by abstaining UN Security Council resolution on Crimea. Although both Russia and China opposed the America led international order, they did so discretely. The comparison between Russian and Chinese polices towards Iran, also shows that though China has much larger commercial relationship and likewise opposes sanction against Iran, It is Moscow, not Beijing that has come to be seen in the West as Iran's leading supporter (Lo 2008: 46).

In general terms, China has used the strategic partnership as a supplement, not as an alternative, to increase its substantial relations with the United States and Europe. Also the current purpose of Chinese foreign policy is to promote a peaceful external environment that would facilitate the country's modernisation, so it's partnership with Russia as anti-western and threatening, contradicts the purpose of its foreign policy.

China and Russia both see that a good bilateral relationship is beneficial for their vital security interest, but two sides differ in their emphasis. Security of RFE from Chinese demographic, military, or economic threat is Russian priority. China needs a stable frontier for economic transformation and to divert its concentration on reunification of Taiwan. Also in context of security relation in Central Asia, China's main concern is Islamic based extremism and Uighur separation in Xinjiang, which borders with Kazakhstan, Kyrgyzstan, and Tajikistan. So good relation with Russia provides a comfortable security environment due to Moscow's continuing influence on Central Asia states. Due to difference in security interest China is much more committed than Russia to development of Shanghai Cooperation Organization (SCO).

Energy is also a major factor in partnership between Russia and China. China needs energy and natural resource for sustained economic growth. It has stepped up efforts to develop a significant energy relationship with Russia. But in this energy relationship their agendas are different. Moscow sees energy as tool of power projection of foreign policy. Within this vision, China provides an alternative against the West. However for Beijing, Russia is only one of many suppliers of its energy needs, not a substitute for the Persian Gulf.

# **Issues of Divergence**

The objectives of Partnership of Russia and China are different. For Russia, partnership with China is crucial to its ability to conduct an independent foreign policy and to secure its re-emergence as a global great power. For China, its relationship with Russia is of secondary importance, but it has more substantial ties with the U S, the E U and the countries of the Asia-Pacific region (Japan, South Korea, the ASEAN states) (Lo 2004: 47). Many Russian policy makers believe that the rise China is a threat which could re-emerge one day.

The partnership's greatest value is bilateral yet even bilaterally there are persisting difficulty and underlying tensions is especially apparent at this level. On the issue of Chinese 'illegal migration', Russia and China claim that this is no longer a source of tension, yet the evidence suggests that the problem has been only temporarily and partially defused, and Russian public retain a negative view of Chinese influence on everyday life. Although Putin has refrained from criticising China, he emphasised on

an active demographic policy on the basis of political fear of demographic, economic and cultural signification and possible loss of RFE<sup>45</sup> (Fiona Hill and G Clifford 2003: 186-87),in spite of requirement of additional labour to exploit the regions resources. "A number of independent analysts suggest that Russia's political elite as well as considerable part of the population, especially in the RFE, perceives China as a proximate threat" (Larin and Trenin 2001). "Even though the Russian and Chinese leadership have claimed about a viable strategic partnership, the each of the three key variables aggregate power, offensive power and especially geographic proximity, suggests that Russia could perceive China as a potential challenge, danger or even threat" (Voskressenski 2010).

Another area of relationship where tension is evident is military to military cooperation. Many Russian policy makers and military experts are worried about selling of advanced weapons and technology transfer to China at a time when modernisation of Russia's naval and nuclear force in the East is very slow<sup>46</sup>. China is modernising its navy and air force at a rapid pace, while Russia is facing financial crunch to modernise its defense industry. According to analysts, "Chinese military modernisation in the medium and long term may be dangerous to Russia itself. Also it can alter the regional military balance of power in East and Southeast Asia or the Taiwan Strait. However most Russian analysts prefer to think from short and medium term danger for Russia, is its economic short comings vis-à-vis other World powers" (Chen 2010: 120-113).

After the Tiananmen Square crackdown in 1989, sanction imposed on of Military technology and equipments by America and European states, the Chinese returned to Russian arms and Russia tried to fill China's defense requirements. But China started reverse engineering the weapons systems and exerted pressure on Russia for the technology transfer with the purchase of finished product. So Russia has been showing interest in selling only the non lethal technology to China. Thus in the recent years, Russian arms sales to China have declined sharply. For this, "Chinese complain

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<sup>&</sup>lt;sup>45</sup>"A number of scholars have pointed out that the local REE economies cannot absorb hundreds of thousands of new worker- for details see, Fiona Hill and Clifford Gaddy (2003), "Siberian curse: How communist planners left Russia out in the cold" Brooking): 186-87; also Larin, "Tikhookeanskaya politika Rossii v nachale XXI veka," p152.

<sup>&</sup>lt;sup>46</sup> For detailed information on Russian discussion see Viktor Larin (2001), "Kitai I Dal'nii vostoic Rossii",:68-71. See also essays in Eksport vooruzhenii, available at http://cast.ru.

that Russian do not sell them the latest weaponry that they sell to India. While Russian argument is that the Indian agree to buy weapons without trying to appropriate technology" (Lai 2011), but there is a danger of sell to China will fell into Pakistani hands. Still, according to U.S estimates, 95 percent of China's military hardware is being supplied by Russia.

The energy relationship between Russia and China also shows some latent tension between them. Russian objection is that that China is always pressing to extract oil and gas at lower rates and believes that Chinese misuse their position as the largest energy market in Asia. In February 2009, Russia and China signed a deal under which, China Development Bank will fund \$25 billion to Rosneft, the largest Russian state owned oil company and Transneft, the Russian state owned oil pipeline monopoly, in exchange for supplying China a total of about 22 billion barrel from 2011 to 2030. China will pay under \$20 a barrel less than half the global price at the time of deal and less than one third the market prices for future delivered in 2017. Preference over US and European multinationals in dealing with China seems to be the result of the obsession of Russian official to deny, a strategic foot hold to the US, in Russian's energy sector at any costs. This opens the door for the exploitation by Chinese. Accordingly Putin would like to diversify to other Asian customer rather than risk as raw material supplier to the Chinese economy.

Chinese on the other hand, resent Russian double dealing over pipeline routs which has seen it swing between China and Japan on the routing of the East Siberian oil pipeline. Another soaring point is the Russia's refusal to allow Chinese firms to buy significant equity in Russian energy companies.

The lack of cooperation and mutual trust, have also constrained the economic relations. Despite impressive growth since 2000, trade remains modest in volume and unbalanced. Oil and natural resources dominate goods made up the bulk of Chinese exports. The volume of bilateral trade has been growing \$60 billion in 2010, and reached at new high of \$88billion in 2012. But the balance of trade has shifted from Russia to China: Russia has now a biggest trade deficit of US \$13.6 billion, with China. Thus the growing economic inequality in "trade capacities raised grave question that is Russia is gradually becoming a Junior partner in Sino- Russian relation, or a natural resources appendage (Pridatok) to China" (Kutchins 2010:33).

"The Chinese economy is estimated to four times the size of the Russian economy. Also flow of trade reflects the imbalance. Russia is only China's ninth trading partner" (Trenin Dmitri 2012:8), while "China's \$88 billion in trade with Russia in 2012 was dwarfed by its trade with European Union (\$546 billion), the United States (484 billion), and Japan (\$329 billion)" (RIA Novosty 10 August 2013).

"Indeed even if Sino-Russia trade reaches the projected \$200 billion by 2020, it will be far behind in comparison of with current trade with the West. Also various trade agreements between Russia and China shows that China matters far more to Russia than Russia matters to China" (Cheng and Cohen 2013). In this sense "Russia and China are just economic partners not strategic partners. And each looks elsewhere for economic relationship that really matter: Russia to Europe and CIS countries, China to the EU, the United States, and Asia Pacific" (Lo 2008:50).

In international relations, Russia and China's position on many issues broadly coincide, however their attitudes, perspective and interests are different, which can be seen on the issues of multipolarity, relation with the United States, the Iraq war, Iran, Syria and recently on Ukraine issue. The Russia-China strategic highlights the relevance of historical and geographical perspective. Russia's stance is shaped by the legacy of Cold war bipolarity and its own globalist outlook, while China's focus is exclusive regional. Besides this, lack of communication or consultation shows the disjunction between Russian and Chinese positions on strategic stability. Some commentators define the relationship as of tactical convenience (Zbigniew Brzenin, 1997: 116-17) driven by instrumentalism and opportunism. Russia's attempts to use China as geopolitical leverage against United States and more recently against Europe over energy, suggest that it values its large neighbour more as strategic counterweight than strategic partner. Even after Russia-US relation began to sour during the Iraq crisis of 2002-03, Russia turned to the Major European powers, France and Germany, and not to China. But it was only after the colour revolution in Georgia, Ukraine, and Kyrgyzstan and the consequent deterioration of relation with EU that Russia began to play up China's importance as a strategic partner of the first rank (Lo 2008:57-54). It can also been seen during the current crisis in Ukraine.

Chinese approach to partnership is to use Russia as an instrument for the source of energy that sustains economic growth: Russia as a stabilizing security presence in

Central Asia; Western China (Xinjiang); Russia and China as the non Western caucus in the UN Security Council; Russia as a deflector of western human right criticism.

In the post Cold War era both Russia and China has shown the pragmatic approach and maintained the friendly cooperation. Although the relationship is now more symmetrical and Chinese economic progress has been so vigorous that balance has been shifting in China's favour. While "Russia retains its lead in per capita incomes and levels of scientific and military technology development, it may be only matter of time before this too is lost. Hitherto the Chinese have handled this power transition with diplomacy and even deference, but as the Chinese grow richer and more confident this could lead to a revived sense of China threat" (Dittmer 2011:44). Since the end of Cold War, there have been many issue areas in which lack of any concerted International strategy is apparent. So Dittmer called Russia-China relation as "good neighbours" rather than "strategic partners".

Russia's approach to Central Asia is relatively pragmatic. Russian energy companies are investing heavily in the region; military and security ties are expanding. Russia, through its various soft power means, has injected considerable resources in to cultural and public diplomacy with political backing to authoritarian regimes, financial assistance and investment and so on. Russia has also used the multilateral institutional approach for supplementary role for conducting foreign affairs. Thus in 1990s Russia responded to the eastward advancement of NATO and the EU, by promoting the single Economic space with Belarus, Ukraine, and Kazakhstan. Today Moscow's multilateral balancer of choice is the Collective Security Treaty Organisation (CSTO). While it also brought heavily into the Eurasian Economic Community (EurAsEC) and the Shanghai Cooperation Organization (SCO).

Another interest of China is to access the Central Asian energy. Russia's unreliability as an energy supplier has led China to diversify external source of supply and looking at Central Asian states such as Kazakhstan, Turkmenistan, and Uzbekistan. CNPC'S purchase of Petro Kazakhstan, the opening of Atasu-Atashankou pipeline, and the concluding of a massive gas deal with Turkmenistan, reflect its approach. Thus competition between Russian and Chinese energy interests is becoming more intense and Chinese search for energy in Central Asia has generated some tensions with Russia. Russia seeks to control the major pipelines travelling east and west out of

Central Asia, while China prefers to deal with the Central Asian energy producing states directly, free from Russian interference. But also, rather than just relying on bilateral relationships, Beijing has emphasised cooperation through multilateral institutions such as SCO.

China's priority is to derive maximum benefit from its relationship with Russia, not to compete in East Asia. China's aim is to consolidate its "Strategic rear" and to secure better accessibility to Oil and other natural resources. But with the growing economic power, China is showing the regional assertiveness. Recently, China has objected the Russian energy explorations in South China Sea and repeatedly demanded to terminate it. In 2012, Russia announced to regain a naval base at Cam Ranh Bay to join Russia-Vietnamese energy projects of "Vietnam's continental shelf in the South China Sea by taking a 49 percent stake in the offshore blocks. It hold an estimated 1.9 trillion cubic feet of natural gas and more than 25 million tons of gas condensate. These actions precipitated China's demand that Russia leave the area. However, despite its silence, presumably to avoid antagonizing China, Russia stayed but, since then it has increased support for Vietnam regarding energy exploration in the South China Sea and, perhaps more ominously from China's stand point, in arms sales and defence cooperation" (Stephen Blank 2012).

# Russia-India Strategic Partnership

Russia-India strategic-partnership declaration was signed in 2000, during President Putin's first ever state visit to India. The importance of the strategic partnership document lies in the fact that both countries include defence and geostrategy simultaneously with political economic, cultural and scientific cooperation as part of their understanding of security partnership. Also, in subsequent years, the partnership built solid institutional foundation for strengthening our multifaceted cooperation. The proposal for convening annual summit and regular bilateral consultation on issue of mutual concerns institutionalises the foreign policy consultations at higher stage than before. "Russia is the first and only country with which India has established this mechanism of annual summit to be held alternatively in each other's capital" (Mohanti 2013).

As a strategic partner, Russia has consistently taken a pro India stand, and both have common concerns on the implications of China's rise. The strategic partnership declaration provides that India and Russia would share information, political consultation, collaborate on international issues and also make joint decisions on international Terrorism. The decision to set up a joint working group on Afghanistan shows the extent of understanding on collaboration between the two countries on this front. On the issue of Kashmir, Russia consistently supported India's stand against any third party intervention and also condemned cross border terrorism in Kashmir. Russia firmly supported India's stand that "bilateral talk between India and Pakistan can resume only after the end of cross border terrorist support and should be based on the Shimla Agreement",47

Defence cooperation has long been a major factor in Indo-Russian relations but it suffered a setback after the Soviet disintegration. In the late 90's when the economic and military sanctions was imposed by the USA, Russia agreed to sale of highly advanced air defence system which was very crucial for Indian security. So After 1996, the volume of the Russian arms sales saw an increase. But formation of an intergovernmental commission on defence and technical cooperation assured long term defence linkages. In the last some years, Russia- India relations had taken a slight dip due to India's growing proximity with the United State. Some of the India-Russia defence deals also suffered setback, while Russia has started selling some advanced weapons to China, which has created some discomfort in India.

On nuclear issues, "Russia-India collaboration has been unmatched. Russia has been India's most consistent supporter. During Putin's visit to India in October 2000, by signing a Memorandum of Understanding (MOU) on civil nuclear energy, he breached the long standing international blockade against India and showed the commitment of his country to expand atomic cooperation with India. Russia has already provided for two nuclear reactors at Kundankulam, and agreed to provide four more with life time guarantee of fuel supply. Most importantly the civilian nuclear agreement with Russia signed in 2009, is unmatched by any other strategic partners

<sup>&</sup>lt;sup>47</sup>Shimla agreement was signed between India and Pakistan on July 2, 1972 in Shimla, Himachal Pradesh. It followed from the war between the two nations in1971 that also led to the independence of Bangladesh. It conceived the steps to be taken for further normalization of mutual relations and laid down the principles that should govern their future relations.

and goes beyond the bound of the 123 pact with the US and provides uninterrupted fuel guarantees. Russia also asserted that it would not accept any foreign imposed restrictions on its nuclear cooperation with India. This makes a civil-nuclear agreement with Russia most far reaching and consistent with India's requirement. It has also been strongly backing on the issue of India's bid for the membership in the Nuclear Supplier Group (NSG), Missile Technology Control Regime (MTCR) and the Wassenaar arrangement" (Fsnr 2012).

Russia has been a firm supporter of India's candidature for UNSC permanent membership. It can be seen clearly in the strategic partnership declaration of 2000, in which Russia claimed that "India was a strong and appropriate candidate for UNSC permanent membership. Ever since, Russia has been consistently maintaining that India is a deserving candidate for UNSC membership, while, China has always opposed India's candidature as permanent membership in UNSC" (Fsnr 2012).

Alsoagreements to strengthen trade and economy within the framework of the Indo-Russian inter governmental commission on trade, economic, scientific and cultural cooperation have been reached during the Putin visit. "The inclusion of scientific, academic and cultural collaboration factors, which had been part of the 1971 Indo-Soviet treaty and had declined after the Soviet disintegration, have been revived in this agreement" (Frontline 2002). So this agreement has facilitated to bring the people and cultures of the both countries to a better understanding.

However, not everything is smooth and perfect in bilateral relations. "In the backdrop of deep political and defence relations, the economic cooperation's and trade are a weak pillar of strategic partnership between two countries" (Das 2014). "The bilateral trade in 2013 was around US \$10 billion which is two times more than 2007" (RIR 2014). If compared to Russia's and India's trade with their main counterparts (China or EC) the volume of Indo- Russian trade is rather insignificant (Korshunov 2014). But despite the negative impact of the global financial crisis, trade and economic relations between Russia and India has been developing, and both have enormous potential to develop cooperation in many areas.

Another matter of concern for India is "Russia's arms trade with China. India is obviously worried of Russia's growing rapprochement with China. Since the potential

export of sensitive defence technology to China could become a serious threat to the national security of India as Russia military technology would eventually reach Pakistan via China"(Das 2014). Since the unequal strategic equation between India and China remains a major cause of tension, so China resists any attempt by India to achieve strategic parity through a combination of military, economic and diplomatic means and determined to maintain its edge over India.

By contrast to the Russia-China strategic partnership, the importance of the strategic partnership of Russia-India can be recognised with the fact that both countries includethe defence and Geo-strategy with political, economic, and scientific cooperation simultaneously with as part of their understanding of security partnership. This broadens the concept of Security itself and tries to balance the earlier privileged defence related security relations. So it can be said that "India has many strategic partners, so has Russia but for each other Russia-India are special and privileged strategic partners" (Mohanty 2013). In the context of the specially privileged strategic partnership with India, the contractual foundation of cooperation in the economic, military-technical, trade, space, energy, agricultural, transport and cultural areas has been expanded. The desire to continue consolidating relations was reflected in the joint declaration, "India-Russia: An enduring Partnership in a Changing World", adopted following a bilateral summit in New Delhi, October 4-5,2018.

# Military Modernisation of China and Russia's Defence Partnership with India and China

Many Asian countries currently are interested to make an alliance with US to counter balance China's rise because of China's increasing military modernisation and its reassertion over territorial claims. Not only the "smaller East Asian states affected by Chinese aggression over the nine dotted line, such as the Philippines or Malaysia but most importantly bigger states such as Japan and India" (Detlef 2012).

"On the first day of annual session of National People's Congress, China announced a defence budget for 2014 of \$132 billion, a generous increase of 12.2 percent on the year before. That was the official figure; though the real one may be 40 percent higher still" (The Economic 2014). According to new data from SIPRI, China's military spending during 2009-18, has increased 83 percent with amount of \$ 250 bn in 2018.

"It sets off a flurry of alarm among neighbouring countries. They see the relentless growth in China's military spending-double digit increases almost every year for the past two decades, and now the biggest in three years. As going hand in hand with a determination to settle sovereignty disputes in its near seas i.e. the yellow, East China and South China Seas, on China's own terms" (The Economist 2014).

China's growing military capability inevitably causes concern. A Quadrennial Defense Review published by Pentagon, "reflected the probability of declining American defense spending over next five years. China's military budget is only about a third the size of America's but, if present trend continue, the gap will quickly narrow. Certainly Japan, Vietnam and South Korea are raising their military expenditure in response to Chinese military buildup, but China will still vastly out spend the combined efforts of all its maritime neighbours" (The Economist 2014).

Recently "tensions are high with Japan over the Shenkaku Island (Japan controls the island but China claims them, and calling it Diaoyu). In the light of China's unilateral declaration in November 2013, of an Air Defence Identifications Zone (ADIZ) in the East China Sea, and its provocative behavior in maritime disputes with the Philippines and Vietnam, concerns are growing among the East Asian countries that China is eager to flex its new military muscle"(The Economist 2014).

Over the past decade, China has invested heavily on cost effective technologies which include now high tech military hardware. "It targets weaknesses in the platforms on which America depends for projecting power in the Western Pacific, such as strike carrier groups, nearby base and military satellite. A large part of China's military budget goes on increasingly long range anti ship, air defence and land attack missiles launched from shore based batteries, land based aircraft, guided-missile destroyers, fast patrol boats and submarines" (The Economist 2014)

"Naval modernization has been especially vigorous. The PLA Navy (PLAN) now has around 190 major combatants vessels mostly designed and built in China. In terms of size, it is on course to overtake the American navy by 2020-though it will have at most only a couple of small aircraft carriers by then compared with America's 11 much larger ones. The aim is for the PLAN to dominate in contested territorial waters

and to be able to push any hostile forces well beyond the first island Chain that is beyond the Philippines, Taiwan and the Japanese archipelago" (The Economist 2014).

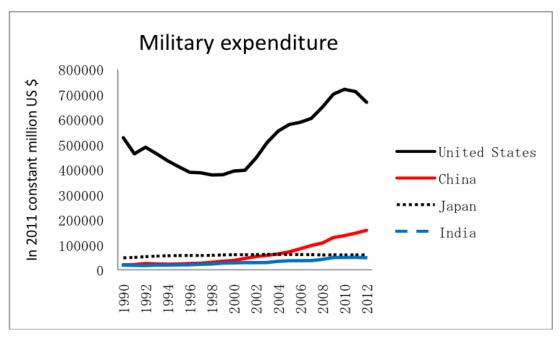
Christopher Johnson at the Centre for Strategic and International Studies in Washington, DC, says that "while China's different bits of hardware are now pretty good, the tricky bit is developing the software to make them all work together. The country has, for example, so far struggled to develop the targeting infrastructure to turn an anti-ship ballistic missile called the PF-21D into real threat to American carriers. And while China is testing home grown stealth fighters, replicating the communication sensor and information system that make American's F-35s so potent, is another matter"(The Economist, 14 March 2014).

In January 2014, China announced one of the biggest military reforms by creating a western style structure of Joint command. But "as China seeks to project power, Andrew Erickson of the US Naval war College and Adam Lift of Harvard's Better Centre predict, it will find itself getting ever less bang for the buck. Developing the ability to wage a war beyond its immediate vicinity, they write, would require much bigger increases in military spending and heavy investment in new platforms, weapons and related systems" (The Economist 2014).

"While quantitative analysis of military expenditure alone is not accurate indicator for the likelihood of war, it nevertheless indicates a new military assertiveness of the rising power especially China. However, there are a number of problems arising from China's military muscle flexing. Since, the China's neighbours increasingly become nervous, there is potential benefit for U.S. to make use of the perceived China threat" (Detlef,7 July 2012). According to Mearsheimer's realist analysis: "Most of China's neighbours-including India, Japan, Singapore, South Korea, Russia and Vietnam will join the United States to contain China's power" (Mearsheimer 2006). This means that China's military modernisation might therefore in accordance with the US balance of power strategy. It has been a significant push factor for many East Asian states plus India and Japan to move towards the US.

"According to current trends, this mutual alliance with the US against China is also likely to be sought by bigger states such as Japan and most importantly India, with the ongoing border disputes over the Mac Mohan line in Arunachal Pradesh, the

deployment of Chinese military forces in disputed Kashmir region, and Chinese concern over India's militarisation, there is potential for military conflict between India and China (Institute of Peace and Conflict Studies 2009). From realist point of view, India's rational is to seek an alliance with the US to mutually counterbalance China's increasingly powerful military assertiveness" (Detlef 2012). According to Asian Times, "there have indeed been many efforts from the US and India to jointly improve India's ballistic missile defense" (Asia Times 2009).



Source: Stokholm International Peace Research Institute (SIPRI), Military Expenditure Database, <a href="http://www.sipri.org/research/armaments/milex/milex\_database">http://www.sipri.org/research/armaments/milex/milex\_database</a>

Graph clearly shows that, "China's military expenditure is still minor compared to that of the United States. The increase in America defense spending since 2001 onwards came almost as a result of wars in Afghanistan and Iraq and, therefore, cannot be attributed to active balancing action against China's growing power. Military spending in the U.S. dropped by 6 percent in 2012 with additional cuts planned for Finnacial Year 2013 and 2014"(Norushige and Hoest 2013). With the end of expensive wars in Afghanistan and Iraq, the Obama administration and after that Trump administration can allocate a larger amount to the Asia-pacific region, according to their "Pivot to Asia" policy. In 2018, military spending by US increased for the first time since 2010( SIPRI April 2019)

Despite the China's rhetoric of its peaceful rise its military expenditure increased by 83 percent during 2009-2018 with total spending \$ 250 bn in 2018, though it is stable

at around 2.1 percent of GDP. "There has been growing concerns over China's intensions in its neighbours in last two years. Japan National Defense program guidelines (NDPG) of 2010 provided for an overhand of its security policies, redirecting its focus towards China. Prime Minister Shinzo Abe also pledged to raise the military expenditure above the informal cap of 1.0 percent of GDP" (Norushige and Hoest 2013).

As shown in the graph, "India has also been modernising its defence at an increasing rate, despite the fiscal restraints as a result of the slowdown in India's economic growth. India is investing heavily in new naval and Air assets. India is in fact the largest importer of conventional weapons for period of 2008-2012, according for 12 percent of conventional arms import worldwide" (SIPRI2013). In 2018 India increased its military spending by 3.1 percent to \$ 66.5 billion (SIPRI 2019). Though India has consistently opposed an arm race with reference to China but China has been a major factor in India's defence spending.

## Russia's Defence Cooperation with India and China

The Indo-Russian defence ties can be described as a crucial element of strategic partnership between two countries. It is due to the traditional partnership that the relations between the two counties have strengthened. Moreover, India is the largest export market for Russia arms and ammunition. According to the Centre for Analysis of World Arms Trade experts, Russian arms delivery to India in 2012 to reach about \$ 7.7 billion, about 60 percent of Russian military export and 80 percent of Indian export. India major purchases from Russia over the last 20 years have been varied and extensive including aircraft (MID -29 to SU-MKI), helicopters (Mi-17, 18, etc), air defence system (AK360, 30mm etc) artillery and armoured vehicles (256M Tunguska) engines, censors and variety of missiles. For the navy, maritime purchases include frigates (Talwar, Stealth Class), submarines (Kilo/Sindhughosh), nuclear submarines (Akula-2 Lease) and an aircraft carrier INS Vikramaditya which has been commissioned in 2013. In 2009, both countries agreed on a new military technical cooperation agreement for a period of 2011-2020. "Now the buyer-seller relationship in defence sector has reached new qualitative stage with the thrust of our cooperation to joint research, development and production. BrahMos Supersonic Cruise missile is a glaring example of such productive cooperation between India and Russia. Fifth generation fighter aircraft (FGFA), multi role transport aircraft are another two important projects of joint defence cooperation" (Mohanty, 8 December 2009). In 2018, Russia and India signed the contract for supply of S-400" Triumph" Air Defence System. "Though, Russia has been now facing competition due to India's growing relations with other countries like the US, France and Israel. But India's defence cooperation with Russia is unmatched by other relationship. Russia is embarking on an ambitious modernization programme of its defence industry with massive investment of 20 trillion Roubles" (Mohanty 2013). "But to retain its lead in Indian arms market, Russia will have to reformat future military- technical cooperation with India along the lines of BrahMos Cruise Missile joint venture, joint research and development and production of weapon platforms like FGFA" (Das 2014).

On the other hand, "the essential part of the expanding of Sino-Russian relationship has been security, which also has economic element. Russian arms sales to China were a major component of the early period of rapprochement. In the wake of Tiananmen square in 1989 and the Western embargo on military sales to the PRC, China relied on Russian military technology to modernise its forces. Consequently, since the end of the cold war, China has become one of the largest importers of Russian weapons" (Cheng and Cohen: 2013). "Between 1991 and 2010, Russia supplied more than 90 percent of China's weapons imports, with China accounting for nearly 40 percent of Russian arms exports" (RIA Novosti 2010).

"In 1992, China became the first export customer of the Russian Su-27 flanker fighter (Ff). In 1996, the PRC purchased a license to produce additional Su-27s from Russian provided parts. Meanwhile, in 1994 China also purchased few kilo-class diesel-electric Submarines, which they supplemented with an additional eight boats in 2009 and four Sovremenny-class destroyers" (The Wall Street Journal, 2010). "The People's Liberation Army (PLA) has also acquired IL-76 candid transport aircraft, Mi-17 transport helicopters, and S-300 (pmu1/2) advanced air defence systems. These purchases provided the PLA Air force (PIAAF) and PLA Navy (PLAN) with quick access to more advanced capabilities than what the Chinese military industrial complex could readily provided at the time" (Cheng and Cohen 2013).

Also China acquired certain item of space technology by taking advantage of Soviet collapse. "In 1995, Chinese space experts arranged to purchase a complete life

support system for a manned spacecraft, a stripped-down Soyuz capsule, and a Sokol space suit, which Russian cosmonauts wear during the ascent and descent phases, but not for spacewalks. They also apparently purchased a docking module so that Chinese spacecraft could, in theory, dock with Russian (and therefore American) spacecraft. Later two Chinese specialists received training at Cosmogarad" (Harvey 2004:240-249).

While Russian government and military allegedly follow a balanced China policy and Putin has denied any China threat and said that Russia hopes to "catch the wind from China's sails" (Putin 2012), defence relation has greatly improved since 2010. "Military-technical cooperation in 2011-12 basically returned to the golden age of the 1990s with annual supplies coming close to \$ 2 billion. In addition, the two countries have been conducting ever larger military exercises marked by an increasingly higher degree of interaction. Government officials of the two countries have the view that the Chinese threat is a myth that benefits mainly the United States" (Kashin 2013).

"Nevertheless Russia's military and government demonstrate through exercises, procurement, and force structure trends that they consider China a potential threat to Russian interests from the Arctic to the Russo-Chinese border" (Kipp 2013). "Even after joint exercises with the PLA Russian authorities go out of their way to tell Japan that the exercises were not directed against them. Indeed these exercises may represent efforts to preserve a strategic equilibrium with China and the United State even as Russia pursued independent diplomacy with all parties to avoid becoming a Junior partner and remains a great power" (Yamazoe 2012). "Exercises like Vostok-2010 that culminated in a simulated nuclear strike on a PLA ground offensive into Russia reminded China, of Russia's nuclear potential and capability" (Stephen Blank, 19 July 2013). Vasily Kashin recently observed that,

"The analysis of data concerning the supply of new weapons to Russian Armed Forces indicates that the Eastern military District has one of the highest rates of rearmament in the country. Prompt redeployment of troops from the European part of Russia to its far Eastern regions is one of the key scenarios used in large scale war games in the country. In additional, Russia obviously limits Chinese investments in certain strategic sector of its national economy. Clearly, all precautions taken by Russia are associated not with a direct but potential threat to its interests, sovereignty, and territorial integrity that may come from China. And yet, even a potential Chinese threat is a significant factor in Russia's foreign and defence policy" (Kashin 2013).

In July 2013, Russia and China conducted their largest joint naval exercises in the Sea of Japan. After one month, the two countries also held "a joint drill in the Ural Mountains in Russia. But, in between these two events, Russia staged its biggest yet military manoeuvres in Siberia and Far Eastern Region along China's borders. The exercises reflected the dual nature of Russia's relation with its giant neighbour. China is Russia's strategic partner but also a source of profound security fears" (Radyuhin 2013). "The joint naval drills code-named Joint Sea 2013, were the largest in the history of the two countries and saw the Chinese Navy's single biggest deployment of military force in any joint foreign exercise", according to the Chinese Defence ministry.

"The manoeuvres marked a new high in Russian-Chinese defence ties and despite their non-aggressive scenario; they were clearly directed at Japan, which has territorial disputes both with Russia and China; and at the U.S. military pivot to the Asia-Pacific region. But just after the end of naval exercise, the Chinese warships had barely left Russian water when Russia launched unannounced snap military manoeuvres along border with China. China and Japan indeed had reason to feel concerned. While naval part of the Russian war games took place in the Sea of Okhotsk not far from the Kuril Islands claimed by Japan, the land operations involved massive redeployment of troops, weapons and hardware across several times zones closer to the Russian Chinese border to repulse a major land attack" (Radyuhin 2013).

Over the past two decades, Russia and China have dramatically strengthened their ties. "They resolved their long running border disputes, increased bilateral trade from \$5 billion in 2000 to nearly \$90 billion in 2012, and speak in one voice on most global issue. Russia has helped China modernise its military with large scale supplies of weapons and technologies, and the two countries are forging close military ties. However, behind this happy façade of overflowing friendship, Russia harbours ingrained fears of rising giant next door, fuelled in large measures not only by its own weaknesses, but also by China's policies" (Radyuhin 2013).

"The Russian Far East (RFE), which constitutes 40 percent of the country's territory, has a shrinking population of 6.5 million, whereas three Chinese regions across the border have 140 million people. Demographic pressures and a growing shortage of resources will eventually prompt China to train its sights on its northern neighbour,

experts warn, all the more so, since China still considers vast territories in the RFE as unfairly annexed from it in the 19<sup>th</sup> century. All these territories fall within China's strategic borders that stretch far beyond its geographic border to guarantee living space for country" (Radyuhin 2013).

Most Russian experts think that China will follow peaceful economic policies and rule out the military option. "Whatever China's intentions, it is its capabilities that count, according to military experts. The China's two military regions bordering Russia, Shenyang and Beijing, have more troops and fire power than all Russian land forces and have conducted several large scale manoeuvres of land forces in recent year that involved the relocation of troops across 2000 km. Such operations are only possible against Russia and Kazakhstan, experts said" (Radyuhin 2013). But, Vasily Kashin, a China expert with the Moscow based Centre for Analysis of Strategies and Technologies, said, "The Chinese threat, while being highly hypothetic, is one of the main factors defining Russia's foreign policy and military buildup" (Kashin 2013).

"Under a sweeping military reform currently underway in Russia, the Defence Ministry has taken extra effort to beef up its forces in the East. Russia's military command in Eastern districts was redrawn around the entire 4300 km border with China. It is the largest military drill put to test the overhauled command and put control structure of the Eastern military District with its ability to respond to a sudden attack and also accomplish a necessary force build upon the border with China" (Sharavin 2013). This view is held by Alexander Sharavin of the Institute for Political and Military Analysis.

However, Russia's main strategy in dealing with the potential Chinese threat lies outside the military sphere. "Putin's is trying to lock China in a tight friendly embrace of economic, political and strategic interdependence that would make conflict inconceivable. Russia is on the way to become an indispensable source of oil, gas and other resource for China's economic power house. It is also cementing close defence ties and is engaging China in multilateral cooperation arrangements, such as SCO" (Radyuhin 2013).

When China's new President Xi Jinping paid his first visit abroad to Moscow in 2013, Putin said that relation between Russia and China are "the best in their century's long history, while the Chinese leader called Russia, China's major and most important strategic partner. Putin's strategy enjoys overwhelming approval in the Russian expert community, but even its ardent supporters admit it is fraught with a risk that 'the Russian bear may strangled in the Chinese dragon's embrace" (Radyuhin 2013).

"Nonetheless new trends in arms sales reflect China's growing power vis-à-vis Russia. Sales of aircraft engines and most recently advanced fighter planes and submarines total US \$2 billion annually since 2011. These sales could seriously destabilise Asian security. Like earlier Russian sales, it expands Chinese military capabilities that could then be used against Russia" (Blank 2013). Also Russia's supply of advanced weapon platform to China, may have serious implications for India.Recently, Russia concluded a framework agreement with China for the sale of four Amur-1650 diesel submarines and signed another intergovernmental agreement for the supply of Russia's latest Su-35 long range fighter planes.

If the deals go through, it will be for the first time in a decade that Russia has delivered offensive weapons to China. It will also mark the first time that Russia has supplied China with more powerful weapon platforms compared with Russian built systems; India has in its arsenals, while in the past the opposite was the rule. For example, the Indian version of Su-30 MKIsis more advanced than the Su-30 MKK jet fighters supplied to China. Chinese had inferior version planes than India had, but "this time the situation looks reversed. The Amur-1650 submarine is far more silent and powerful than the Kilo-Class submarines the Indian navy has. Also China's Su-35 is more advanced and powered by a higher thrust engine and a more sophisticated radar avionics and weapons than India's Su-30 MKI, according to a leading Russian military expert, Konstantin Makienko (The Hindu 2013). Also Russia has supplied its advanced missile defence system S400 to both India and China.

"The supply to China of more advanced weapons platforms than those available to India appears to contradict some basic geopolitical realities. India remains Russia's most trusted partner whose defence requirements have never been refused. By Russia has always been apprehensive of the Chinese dragon and suspicious of its intentions towards resource rich and population poor Siberia" (Radyuhin 2013)

"There is consensus in the Russian strategic community that Russia should exercise maximum restraint in providing China with advanced military technologies. Experts were shocked to find out that Chinese engineers had mastered the production of clones of most weapon system cash-strapped Russia supplied to China in the 1990s and early 2000s. Russian arms sales to China dropped in recent years as China switched to domestic production while Moscow became more cautions in offering Beijing cutting-edge technologies. Not only did China illegally copy Russian weapon systems, but it also began to export those undercutting Russian sale of higher priced original platforms. However, the risks of selling advanced weapons to China took a back seat in Russia's calculations after Vladimir Putin returned to the Kremlin for a third term in 2012. In 2012 Russia signed contracts with China worth \$2.1 billion. The renewal of sophisticated weapon supplies to China should be seen in the context of geopolitical games in the China-U.S.-Russia triangle" (Radyuhin, 2013). According to Fydoor Lukyanov, a foreign policy analyst, "The balance of power between America and China will to large extent depend on whether and on which side Russia will play".

"Russia and China are revitalising defence ties at a time when their relations with the US have run into rough waters. Russia is deeply disappointed with Obama's policy of reset, which is seen in Moscow as US instrument of winning unilateral concessions from Russia, while China views Obama's strategic redeployment in the Asia-Pacific region as aimed at containing China. Russian defence sales to China are also driven by profit motives as arms manufactures seek to compensate for the recent loss of several lucrative contracts in India, where they face growing competition from the U.S., Europe and Israel" (Radyuhin, 2013).

In the past three four years, "China has bought over 1000 aircraft engines from Russia and is expected to place more orders in coming years. According to Kashin, when and if China succeeds in copying Russia's new weapons platforms the Russian industry will hopefully move ahead with new technologies. India can also easily offset the advantage that new Russian arms supplies may give to China. According to Makienko, To retain its edge in military aviation, India needs to speed up the development of a 5<sup>th</sup> generation fighter plane with Russia and go for in depth upgrade of its fleet of Su-30 MKI fighters" (Radyuhin 2013).

Since, China is Russia's top commercial partner, with bilateral trade expected to touch from \$90 billion in 2013 to \$200 billion by 2020. Putin has described China's rise as "a chance to catch the Chinese wind in the sails of our economy." "This contrasts with sluggish Trade between India and Russia which stood at \$11 billion in2013; even the target of \$20 billion the two governments set for 2015 falls short on ambition. India risks being eclipsed by China on the Russian radar screens. As Russia's top business daily *Kommerstant* noted recently, even today, Russian officials from top to bottom tend to look at India with drowsy apathy while Mr Putin's visit to India last year was long on meaningless protocol and short on time and substance" (Radyuhin 2013).

## **Geopolitics of Energy**

Energy has come at the prominent level in the new geopolitics of the twenty first century, rather than traditional reliance on military and political power. In a very different ways energy is fundamental to the re-emergence of Russia and the rise of Chinese power. For Russia, possession of vast oil and gas resources, seems a much more flexible and usable form of power. Energy is also vital to China for its modernisation and rise as a superpower and the world wide search for energy has its number one foreign policy priority. "Just as Russia will rely on energy exports for the foreseeable future, so China will remain a net importer of most sources of energy, particularly oil" (Daojiong 2005:42).

Primarily the Sino-Russian energy relationship appears to be based on almost ideal complementarities: on one side, the world's biggest exporter of oil and gas; on the other, the world's second largest consumer of energy after the United States. Though bilateral relations evolved from largely political partnership of 1990s to today's more pragmatic and business-like interaction, the energy relationship has been dogged by problems. The primary concerns of both Russia and China, related to energy security, are different. For the former it means security of demand, particularly for pipeline gas. Oil and gas account for over 60 percent of Russia's export in value terms and over half of federal budget revenues. A loss of overseas market would be catastrophic for economic prosperity and political stability, since in the Russian economy other sectors are still lagging behind. On the other hand, China's conception of energy security is centered on the security of supply. So the long term access to energy is indispensable to its ability to meet for its economic growth and modernization.

Ironically as an energy exporter Russia would prefer to sell natural gas to China, where as China is much more interested to buy Russian oil. Gazpram views that the 8 percent of gas will be consumed by 2020 in Chinese energy sector. Instead, China is pressing Russia to increase oil export, through East Siberian-Pacific Ocean (ESPO) branch pipeline to Daqing. Also significantly, it is Africa, not Russia that has emerged as the centre place of China's forward overseas energy strategy.

"Alongside geopolitics comes geo-economics, rising in importance for the twenty first century. Increased economic growth has also increased their need of both the India and China for securing energy resources. Competition over control and access of energy resources is likely to grow in importance over the coming years" (Scott 2008). So Ganguly explained, "India sees China as its principal competitor in the global quest for energy."

"Energy reserves that India is now using from the Russia Far East, Sakhalin, give it a stake in keeping the SLOC (Sea Lanes of Communication) open in East Asia. The South China Sea, another potential energy field wanting to be tapped by India, is an area claimed by China, but disputed with other Southeast Asian States. India's military and economic involvement in South China Sea is likely to grow in the future, as part of its envisaged extended neighbourhood. In Myanmar, important energy bids lost by India to China during 2006-07 will likely to spur India to greater effort to win back energy access in Myanmar. China's need for access to energy resources is bringing it out into the Indian Ocean to secure its own SLOC; taking it to the waters off Myanmar, Bangladesh, and Sri Lanka and further across the Indian Ocean to the Middle east. In Central Asia, competition between China and India, already seen in China's purchase of Petro Kazakhstan in 2005 over the heads of India, is likely to continue" (David Scott 2008).

Increased economic growth has also increased their need for energy imports. So the competition over control and access of energy resources is likely to grow in importance over the coming years. Thus "China's strategic ambitions and efforts to lock up a significant sphere of Central Asian, African, Latin American, Myanmar and Russian energy resources and minerals for China's exclusive use, generate suspicion, envy, and fear. India's poor transportation, infrastructure and frequent power

shortages remain the Achilles heel of India's fast growing economy, hindering its ability to compete with China" (Malik 2011).

## The Role of Energy in Russian Foreign Policy and Chinese Energy Policy

Russian policy can be summed up in the terms of three broad objectives; maximisation of national wealth and private profit; recognition of Russia as a reliable energy supplier and power projection In fact while political agendas are important but importance of commercial consideration in Russian decision making cannot be underestimated. For example, Gazprom's decision to raise gas prices for Ukraine and Georgia during 2005-06, was viewed as part of a larger campaign to undermine the Yushchenko and Seakashvili administration in Kiev and Tbilisi respectively and there by restore Russia's writ over the former Soviet space, but price hike for Belarus, hitherto the Kremlin's closest ally, in December 2006 highlighted the growing importance of commercial considerations. Also in 2009, "the immediate cause of conflict was the price of Russian gas for Ukraine. Though ever since the breakup of the Soviet Union, the former Soviet Union republics have been getting Russian gas at heavily subsidized prices. In recent years, Russia has adopted a policy of phased increases of gas prices for its neighbour in order to bring them in line with what the rest of Europe pays for Russian gas. The only exception Russia has made was for Belarus, which has a political union treaty with Russia and has allowed Gazprom to buy a 50 percent share in its transit pipelines to Europe" (R.S Vladimir 2009).

Due to this row between Russia and Ukraine, Europe had faced massive disruption of gas supplies. "Russia's supplies account for a quarter of Europe's energy need and 80 percent of them pass through Ukraine. The then Ukraine's President Victor Yoshchenko had been on a collision course with Russia ever since he came to power in the 2004 Orange revolution and proclaimed, Ukraine's goal of joining the North Atlantic Treaty Organisation (NATO). His game plan was to set the West against Russia in the same way as Georgia's president Mikhail Saakashvili did when he launched an attack on South Ossetia. But the bitter political infighting in Ukraine was also a major factor behind conflict with Russia"(The Hindu, 4 February 2009).

"Russia has been pushing for the construction of two pipeline projects skirting Ukraine- the Nord stream across the Baltic Sea to Germany and south stream under the Black Sea to Central and South Europe. These two pipelines will greatly reduce Russia's dependence on Ukraine. Also the U.S and Europe have been lobbying for alternative projects above all the Nabucco pipeline, which carry natural gas from the Caspian Sea and Central Asia to Europe, bypassing Russia. But the real Challenge for Russia is to boost gas production in order to meet Europe's growing energy imports" (Radyuhin 2009).

Only 3 percent of Russian oil and gas exports go to Asia and government's commitment in 'Energy strategy 2020' to raise Asia's share of total Russian oil export to 30 percent and its share of gas export to 15 percent. It shows Russia's conception of energy security and market diversification due to the dependence of its economy on energy sector.

Putin has played the energy card for all it is worth and exploited the dependency of former Soviet republics. Differential pricing for Allies (Belarus), "friends" (Armenia), and critics/opponents (Georgia) reflects a determination to reassert Russia's influence in its neighborhood (Lo 2008:138-39). On the other hand China card is useful in neutralising pressure from Brussels about Russia's problematic interaction with Georgia and Ukraine and offers a form of geopolitical insurance: in the worst case, an alternative to the West should commercial (and political) relations with the later decorate badly. For Russian policy makers do not wish to "abandon" the West so much as modifies its behaviour in line with Russian interest (Lo 2003:67). But political uncertainties could translate in to decline of Russia's primary market without sufficient compensation from the Asia-Pacific region.

Compared with the complex Russian energy policy, Chinese policy is to maximize import of crude oil, cheap gas and LNG, in order to sustain the process of domestic transformation. China does not see Russia as its principal strategic partners, but as only one of a growing number of suppliers that serves its needs (Linda Jakobson and Zha Daojiong 2006:63). While it would like to increase imports of Russian oil and its continuing dependence on the Persian Gulf, Beijing has significantly increased imports from Africa, Latin America, and Central Asia.

In Sino-Russian energy relationship, the East Siberian-Pacific Ocean oil pipeline project, for which agreement was signed in 1999, is to be delayed almost a decade,

due to several factors. Though there was some legitimate environmental concerns, but the Russian real intention was to play off China and Japan against each other in order to obtain the best possible financial and investment package. But, the contrasting dynamics of Russia's larger relationships with China and Japan, still proved more influential. Besides this the prospects for Sino-Russian energy cooperation has been the resultant of development of elsewhere such as demarcation of common border, Russian anxieties over the colour revolutions; and the souring of Russia's relations with the United States and EU.

"On May, 2014, China and Russia signed a \$400-billion gas supply deal, in which Russian government controlled Gazprorn has to supply state owned China National Petroleum Corporation (CNPC) with up to 38 billion cubic meters of gas a year between 2010 and 2048" (Reuters,May 2014). The deal came amid the face-off between Russia and Europe and United States over the Ukraine crisis and Moscow's annexation of Crimea. "Commercially, much depends on the price and other terms of contract which has been other more than a decade in making, China had the upper hand. The Chinese were aware of the Putin's faceoff with the West and U S, and they negotiated till final phase. The deal will help the Russia to reduce its reliance or gas export to Europe. It is a proof that Putin has allies which he seeks to blunt Western sanctions over Ukraine" (The Economist 2014).

But "China would be only too happy to strategically bind Russia to itself, said Fydoor Lukyanov, Chairman of Russia's authoritative council for Foreign and Defence policy. On the other hand Japan, China's main competitor for Russian natural resources, has refused to cancel ambitious investment plan in Russia. On the day Russia's apex court endorsed the Crimea reunification treaty, a major Russia- Japan investment forum opened in Tokyo, attended by 1000 businessmen" (Radyuhin V 2014).

Chinese, on the other hand, profit from the political and economic uncertainties in Russia-EU relations. China plays a pivotal role in facilitating Russia's pursuit of an "independent foreign policy" by reinforcing Russia's self confidence vis-à-vis the West. In effect Chinese geopolitical insurance has become more valuable to Russia than Russian energy is to China.

Russia and China are constantly looking to mold the bilateral energy relationship to suit their comparative advantages which has led them to pursue contradictory and even competing policies. Also Russia wants to keep China as dependent as possible by restricting Chinese access to other energy sources in Eurasia, while China is stepping up its engagement with Central Asian States. "Thus both sides talk up the strategic character of energy cooperation, yet ultimately their relationship is one of opposite" (Lo 2008: 153). Putin sought to promote a vision of Russia as a modern great power as constructive as it is influential. Energy has been the key to this transformation.

#### Russia's Eastern Oil Assets: Resource Potential and Production

Russia's Far East provinces have huge potential for oil production. However, the exploration and development of oil and gas fields has lagged behind compared to European part of Russian and West Siberia, where significant infrastructure has been in place for many decades. But, "the changing dynamics of global economic growth towards the East, combined with the need for Russia to compensate for declines in existing oil fields in West Siberia, has catalysed a much greater focus on the resources in East Siberia and the Russian Far East. Russia's energy strategy of 2009highlighted the potential for these regions to account for an increasing share of the country's total output and exports, and the core infrastructure has now been put in place to allow this growth to occur" (Handerson and Mitrova 2016). "Oil output in East Siberia got under way at the end of the 1990s, with pilot production at a number offields located in the northern Irkutsk region, southern Yakutia and the Evenk district of the Krasnoyar territory. However, by the end of 2009 the cumulative volume of oil extracted (including condensate) in the region amounted to only about 11 million tonnes in total" (ROGTEC 2014). "However, this changed when a key decision was made to route oil from the Vankor field east rather than north to the Arctic Ocean. As a result, a catalyst for the development of the Eastern Siberia-Pacific Ocean (ESPO) Oil Pipeline Project was created, which then allowed other fields to connect to a trunk pipeline system" (Kravets 2014:69). As soon as the ESPO was in place production increased rapidly, "rising by 2.5times in 2010 and continuing the onshore production in Russia's East has risen to almost 900,000bpd by 2015, the huge emphasis that has been placed on diversifying Russia's oil sales towards eastern markets. In terms of production outlook, there are a number of key fields around which clusters of assets are set to provide a solid foundation for exports to Asia. Indeed some of the largest oil-gas condensate fields in Siberia are located in the East" (Handerson and Mitrova 2016). According to the government forecasts, by the end of the second decade of twenty first century East Siberia coming to dominate production from Russia's eastern regions, as output from Sakhalin Island plateaus in the early 2020s.

#### **Chinese Oil Import Requirement**

The main source of demand for Russia's eastern oil, though, will be the markets of the Asia-Pacific region. In this context, a key element of Russia's expanding energy relationship with China in particular is significant because of latter's growing need for oil imports. However, Chinese authorities are concerned over security of supply particularly the amount of imported energy that arrives by Sea. So, as an alternative source, it is important to consider for country's oil imports from Russia have been seen as a vital part of China's diversification strategy, especially because they come via land rather than Sea. "The Chinese authorities are very sensitive to the potential risk of a blockade, with any narrow shipping lanes being particularly vulnerable"(The Diplomat, 13 March 2013). In particular, "with around three quarters of oil imports being forced to travel through the Malacca Straits while a further 10-12% come via the Pacific, China feels very exposed to potential action by the US Pacific Fleet which, in a worst case scenario, could potentially cut off the majority of China's oil supply" (Chen 2010). "It is clear, then, that imports which can arrive by rail or preferably by pipeline have an added diversity value, even though they can also bring specific security risks. Within this geostrategic context, the emergence of Russia as a major oil exporter to China over the past decade makes sense from the perspective of both sides" (Handerson and Mitrova 2016).

# Oil negotiations and deals

One of the first Russian companies to negotiate oil supplies to China was YUKOS. Its initial oil exports to the Chinese market were via rail, "after signing an agreement with China's Sinopec in 1999 on the supply of 500,000 tonnes per annum of crude oil followed by 1 million tonnes per annum of oil products. This initial agreement was followed by a series of meetings between high-ranking Russian and Chinese officials

at which various co-operation agreements were signed concerning the development of fields and the construction of an oil pipeline to China. Further, since the early 2000s, as its import requirement was starting to rise sharply" (Handerson and Mitrova 2016).

"In May 2003 the heads of YUKOS and CNPC then signed another 3-year contract for supply of 6 million tonnes to China via railroad with a value of \$1.1 billion. The companies also signed a long-term contract for the supply of oil through a future pipeline. However, the signing of this deal catalysed the first major conflict between competing power groups in Russia over the development of exports to Asia. The Angarsk-Daqing pipeline planned by YUKOS was in direct competition with an alternative Angarsk-Nakhodka pipeline, promoted by the Russian state controlled oil pipeline monopoly Transneft" (Handerson and Mitrova 2016).

"A debate also emerged around diversification options, as delivery of crude to the port of Nakhodka would allow for the supply to multiple end-markets, whereas the Angarsk-Daqing alternative would have left Russia dependent on a monopoly buyer - China. Ultimately the choice was made by politicians, and after much lobbying from both Japan and China a definitive judgment was handed down in the spring of 2003whereby Russia decided to build the Angarsk-Nakhodka oil pipeline with a spur to Daqing in China" (Handerson and Mitrova 2016). "Ironically, the Ministry of Natural Resources then rejected both projects over environmental considerations (the pipeline was considered to be a risk to the fresh water lake at Baikal), and with the beginning of the YUKOS affair, which saw the company collapse under the weight of charges of tax fraud by the Russian government" (The Economist, 17 June 2004), the whole eastern pipeline concept was frozen.

But, "when in 2004, Rosneft purchased Yukos' major producing subsidiary Yuganskneftgaz in a bankruptcy auction, having borrowed \$1.8 billion from state banks, for the first time Chinese financial resources were used not only to facilitate there distribution of property in strategic sectors of the Russian economy but also to finance the supply of energy to China. Rosneft signed a contract for oil delivery with CNPC for 5 years for supply via railway, under which Rosneft pledged to export 48.8 million tonnes in total to China by the year 2010, with an implied price slightly higher than that in the market. China thereby employed a tactic that it has subsequently emulated across the global energy economy, demonstrating that it is prepared to

support projects and companies that can provide a secure source of imports to its domestic economy" (Financial Times, 18 May 2016).

At approximately "the same time, on 31st December 2004, a decree was signed on the laying of the ESPO (Eastern Siberia–Pacific Ocean) pipeline over the period from 2005-2020" (Henderson 2011:11). This geopolitical project, in the words of Vladimir Putin, was regarded as having officially "broken open a window" to the East. "The decision to build the ESPO provided not only a link to the world's fastest growing oil market but also the vital infrastructure which could unlock Russia's East Siberian oil reserves, which had been stranded beforehand. As a result, when Transneft and CNPC signed a protocol in 2006 concerning the construction of oil pipeline from Skovorodino to the Chinese border, it opened a new era of Russian expansion into the Asian energy markets and also bolstered the outlook for the domestic Russian economy in the Far East" (Handerson and Mitrova 2016).

In 2006, China wanted to take its co-operation with Russia even further by purchasing a significant equity stake in Rosneft, as part of the company's IPO (Initial Public Offer). "However, Russia's long-standing concern about Chinese influence then apparently emerged once more, with the Kremlin refusing to sell more than \$500 million worth of shares (just 0.62% of the total share capital) to the Chinese state company, just one-sixth of the \$3 billion worth it had sought. As a result, the Russian position was made clear - specific commercial agreements on preferential terms might be desirable, but major investment in key Russian companies was not allowed" (Handerson and Mitrova 2016). However, this decision was made at a time of rising oil prices and economic prosperity. But only two years later, as the impact of the 2008/09 financial crisis and the consequent collapse in the oil price hit the Russian economy hard, Chinese support was urgently required. "Rosneft and Transneft, the two companies involved in the upstream developments and the pipeline respectively, were short of funds, and an initial memorandum on Chinese financing was signed in October 2008. As a result, an initial contract was signed between Rosneft and CNPC in 2009 for the delivery of 15 million tonnes/year until 2030 on behalf of a long-term credit agreement amounting to \$25 billion "(a 20-year loan of \$15 billion for Rosneft and \$10 billion for Transneft primarily for the construction of the ESPO, including the spur to China)" (Paik 2012: 349)."In September 2010 the construction of the

Skovorodino-Daqing pipeline from the main ESPO route was completed and deliveries through it began in January 2011" (Reuters, 27 September 2010).

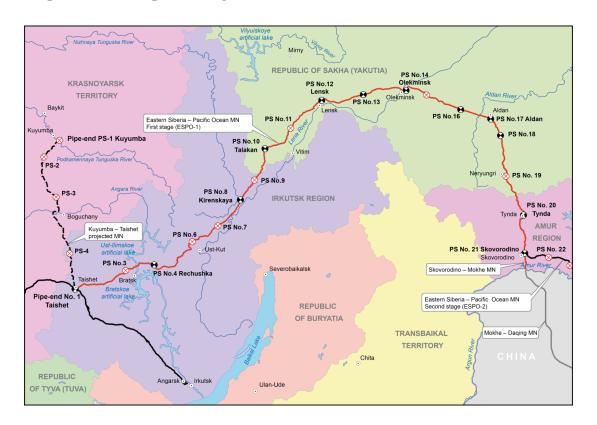
## **DisputesoverCommercial Terms**

"Interestingly, despite the apparent political will behind the deal, commercial problems emerged even as supplies of oil began in January 2011" (Nefte Compass, 24 Mar 2011). CNPC raised questions about high price being charged. "After heated negotiations, though, Rosneft, Transneft and the CNPC agreed to new conditions at the start of 2012 under which Rosneft and Transneft would offer a country discount to CNPC of \$1.50/barrel, while CNPC would repay the debt for supply of oil from the beginning of 2011" (Reuters, 28 February 2012). "However, the negotiations also exposed how vulnerable Russia's position could be in a disagreement with a monopoly buyer as strong as China. Ultimately the latter's real need for Russian oil catalyzed a resolution, but the warning signs were clear for future deals in which China's position might be stronger – especially in the gas sector" (Handerson and Mitrova 2016).

# **Development of the ESPO pipeline**

"Construction of the ESPO pipeline was started in 2006, with the initial stage (ESPO-1) being a 30 million tonne/year (600kbpd) line from Taishet to Skovorodino. From there a 15 million ton (300kbpd) spur was constructed to the Chinese border at Mohe, with a further extension to Daqing being constructed (by CNPC) inside China. Oil from Skovorodino was then also transported by rail to a new port at Kozmino Bay on the Pacific Coast" (Handerson and Mitrova 2016). (see Map 1 below).

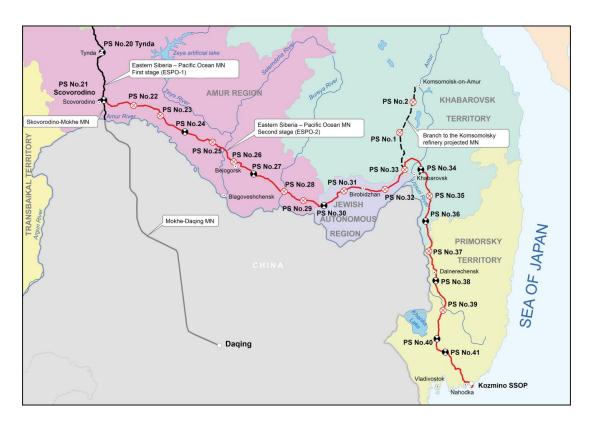
**Map1:TheESPOPipeline(Stage1)** 



Source: Transneft,http://www.en.transneft.ru/about/projects/realized/10020/t. – Accessed on 6/6/2018

"As soon as first oil began to flow at the end of 2009, with the spur to China completed in late 2010, plans for an expansion of the system were also started. The next step was to construct the second part of the pipeline (ESPO-2) to Kozmino Bay, and a 30 million tonnes/year (600kbpd) line stretching more than 2000 kilometres from Skovordino to the Pacific coast was completed in 2012"(Handerson and Mitrova 2016). (see Map 2 below) .At this point the total length of the ESPO reached 4,700km from Taishet to Kozmino Bay. Once this had been completed the demand for throughput capacity began to grow, especially as Rosneft signed up new contracts.

**Map2:TheESPOPipeline(Stage 2)** 



Source: Transnefthttp://www.en.transneft.ru/about/projects/realized/10709/. Accessed on 6/6/2018.

It is important to note, that although CNPC and Rosneft are the most important players in Russia's eastern oil export, they are certainly not the only parties involved. Japan and South Korea are also important buyers, while a number of smaller Asian countries also purchase ESPO Blend crude.

This diversity of both supply and demand is an important factor in China's desire to purchase Russian crude oil in the East, as it provides not only an important new source of supply but also diversification away from dependence on Middle Eastern crude. "In 2015 Russia became the second largest exporter of oil to China, selling 42.43 million tonnes of oil and products, second only to Saudi Arabia which exported 50.55 million tonnes" (Interfax, 26 January 2016). "In some months Russia has even overtaken Saudi Arabia, thanks to the continuing growth in East Siberian export volumes, with Chinese companies now accounting for the largest share of sales at Kozmino Bay in addition to purchases through the dedicated line from the ESPO.1"

(Interfax, 21 December 2015).

## **Export projections**

Future growth in demand for ESPO Blend will largely continue to be driven by China's growing oil import requirements. The IEA's World Energy Outlook 2015 sees "Chinese oil demand rising from 10.5mmbpd in 2014 to 14.7mmbpd by 2030, implying a 75% increase in imports to 11mmbpd. At the same time the overall increase in Asian oil imports is estimated to be 8.7mmbpd, meaning that China will account for 55% of the region's overall expansion in imports"(IEA 2015:119). As a result, it is perhaps not surprising that the trend in Russian oil exports towards the east is expected to continue ."As the ESPO reaches its maximum capacity of 1.6mmbpd, and assuming other export routes such as the pipeline through Kazakhstan and rail transport continue to be used, it is certainly possible that Asia will account for more than one third of total Russian oil exports by 2025, given that the overall figure is likely to rise only slowly during the next decade as overall Russian production has limited prospects for dramatic growth" (Henderson 2015:21). "Indeed the Russian Energy Ministry is even more optimistic than the forecast, envisaging oil exports to Asia reaching 110 million tonnes/y (2.2mmbpd) by 2035, demonstrating its belief that the share of eastern sales will grow dramatically over the next two decades" (Interfax, 5 October 2015).

#### Chinese investment in upstream assets

However, despite this clear growth potential for Russian oil exports to China, some of the deals have been regarded as expensive, with Chinese companies paying a premium for access to new resources(Wall Street Journal, 25 October 2013)."It has become increasingly clear over the past few years that the Chinese negotiating tactics have become more aggressive, particularly in a world of lower oil prices" (The Fuse, 2 November 2015).

In terms of China's relations with Russia, "it is evident that tactics similar to those used across the rest of the World are preferred. Loans have been offered to support the development of oil fields and infrastructure, with the debt offered to Rosneft and Transneft to catalyse the ESPO project mirroring similar deals in Brazil, Kazakhstan and Nigeria" (Reuters, 17 May 2010). "Beyond the provision of loans, though, Chinese companies also like to invest directly in the assets which will produce the oil that will

be sent as exports, and there are numerous examples of this occurring across the globe. The IEA has calculated that 10 Chinese companies now have around 2.5mmboepd of production from international upstream oil and gas assets, having spent US\$73 billion between 2011 and 2013 alone"(Jiang & Sinton 2014:7).

"Chinese equity investment in Russian assets accounts for a relatively small 2.5% of total Chinese overseas production. This clearly does not reflect the share of Russian oil in Chinese imports, and suggests both reluctance on the Russian side to share assets with its economically powerful southern neighbour and also a likely caution on the Chinese side about the political impact of closer ties with Russia, as well as a reluctance to overpay for upstream assets. Russia has historically been disinclined to become simply a supplier of oil and gas that can further bolster the economic strength of its expanding southern neighbour while leaving Russia subject to the volatility of global commodity prices" (Handerson and Mitrova 2016). "Meanwhile on the Chinese side lingering concerns about Russia's real political motives and also distrust over Russian companies' business practices have also undermined rapid progress in deal-making" (The Seattle Times, 31 December 2011).

"However, even before the recent imposition of sanctions on Russia by the US and the EU it appeared that, in the oil sector at least, the relationship between companies on both sides of the border were warming Indeed much of the interaction between Russia and China since 2013 has not led to a substantive conclusion, although it would seem that this is more a reflection of Chinese reticence and hard bargaining than any lack of Russian enthusiasm" (Handerson and Mitrova 2016).

"Following the announcement of sanctions in May 2014, Russia's eagerness to demonstrate to the EU and the US that it was developing alternative markets in Asia, with it came more offers of assets for joint investment, especially in East Siberia. CNPC was offered a 10% stake in the huge Vankor field (which produces 500kbpd of oil and has significant reserves in satellite fields) and also signed a strategic cooperation agreement with Rosneft in the presence of the Chinese and Russian leaders in Beijing"(Financial Times, 1 September 2014). Furthermore Sinopec was offered a 49% share of two major fields, Yurubcheno- Tokhomskoye (YTK) and Russkoye"(Rosneft press release, 3 September 2015), "as well as participation in a gas processing and chemical plant, while CNOOC is in discussion on co-operation over two potential

fields on the offshore Sakhalin Island that are close to the Sakhalin 1 project" (Interfax, 18 November 2015). In April 2016, Rosneft then reiterated its 2013 offer of participation in offshore projects in Barents and Pechora Seas to CNPC, although the Chinese reaction was very cautious, with a company spokesman stating that: "Huge investments are required for such projects and the economic effect should therefore be estimated [before any final decision]".(TASS, 21 April2016). Finally, "ChemChina has signed a memorandum of understanding on partnership in the FEPCO petrochemical complex situated at the end of the ESPO pipeline near Vladivostok"(Rosneft, 3 September 2015).

However, "despite all this activity no specific joint venture project within the Russian domain has been finally signed off, with deadlines being missed and negotiations dragging on beyond schedule. Few cross-border deals have actually been closed, and it would appear that three factors have caused delay on the Chinese side" (Handerson and Mitrova 2016). Firstly, "the perception that Russia is in a weak negotiating position, both politically and commercially, has encouraged Chinese companies to drive a hard bargain on valuation, especially given the recent decline in the oil price" (Bloomberg, 25 March 2014). Secondly, the continuing broad sweep of corruption investigations in China, and in particular at CNPC(Financial Times, 12 October 2015), "has made corporate executives reluctant to conclude large deals for fear of then being investigated, while the dismissal of a number of senior oil executives as a result of criminal convictions has left a void in decision-making in the Chinese national oil companies" (The Economist, 2 April 2016). Thirdly, "the imposition of sanctions by the US and EU in 2014 has created a reason to pause for the Chinese leadership, as it contemplates the balance of its relationship between Russia and the West. As a result, the purchase of major upstream assets in Russia has been delayed despite their apparent attraction and compatibility with China's overall strategy of international diversification. Russia has responded to this procrastination by demonstrating that its bargaining position is not as weak as it might seem, offering the assets originally destined for Chinese companies to other international players, with a particular focus on India" (Handerson and Mitrova 2016)". A 15% stake in Vankorneft, the Rosneft subsidiary which operates the Vankor field and surrounding assets, has been sold to ONGC( Interfax, 17 March 2016), "with the offer that the stake could be increased to 26% over time, and an additional 23.9% could be sold to

other Indian companies, meaning that India's total interest in the field could reach almost 49%. Meanwhile a consortium of Indian companies has been announced as the buyer of a 29.9% stake in Taas-Yuriakh in an apparent direct riposte to the Chinese state companies who were unable to complete similar deals, while an additional 20% has been sold to BP (essentially the original stake that was offered to CNPC in 2013). In addition Rosneft has made a reciprocal purchase in India, confirming its interest in buying as much as a 49% stake in refining company Essar Oil, in an apparent replica of its commitment to the Tianjin refinery in China" (Interfax, 16 March 2016).

These deals would appear to confirm President "Putin's commitment to closer energy ties with India, which were outlined during a state visit to New Delhi in December 2015, while also acting as a clear reminder to China that it does not have as much influence of Russia's "pivot to Asia" as it might have imagined" (Reuters, 25 December 2015). Nevertheless, given that both Vankor and Taas Yuriakh will provide hydrocarbons for export to China, it remains an anomaly that neither deal was finalized with a Chinese company, especially given the diplomatic efforts made by Rosneft president Igor Sechin. "Despite the collapse in the oil price, which has made agreeing on valuation more difficult, it is easy to conclude that China is playing a hard bargaining game and does not see its relationship with Russia to be as strategic as the Kremlin might like. Indeed, China may well have taken the view that, despite the optionality created by the pipeline to Kozmino Bay, the large volume of Russia's eastern oil sales are dependent on China for their market irrespective of whoever the equity participants may be and so there is less need to invest directly in them" (Handerson and Mitrova 2016).

"Investment in regions more remote from China, such as Africa and Latin America, may be necessary in order to secure supply because the global oil market provides countries such as Brazil, Nigeria and others with multiple sales options. By contrast, East Siberian oil is heavily reliant on China for sales via the ESPO, whether through the pipeline spur or via tanker from Kozmino Bay, meaning that in reality CNPC and other Chinese NOCs have less need to become shareholders in them, unless the price is very advantageous. Instead China has offered financial support, to ensure that the developments are undertaken and the infrastructure is built, and is now also starting to provide an increasing level of oil services across the geography of the Russian oil

industry. Furthermore, the negotiating game may not be over yet, as the Chinese response to the sale of Russian assets to India has been continued negotiations for alternative assets" (Handerson and Mitrova 2016).

The important factor between Russia and China relations in the oil sector has been China's rising import demands and its effort for diversification of oil supply and the Russia's eagerness to exploit its vast eastern resources. Another important aspect of the relationship has been "China's willingness to underpin new field and infrastructure investment in Russia with financial support, especially for Rosneft. Another feature of the relationship has been attempts by Chinese companies to purchase upstream assets in Russia, mirroring China's global strategy to secure equity in key sources of supply. It is notable that CNPC has been relatively unsuccessful in this area, perhaps due to a lack of management attention in the midst of continuing corruption investigations. As a result, Russia (led by Rosneft) has started to turn its attention elsewhere, with Indian companies brought in as buyers for assets rejected by China' (Handerson and Mitrova 2016). It will be interesting to see whether this new element of competition has any impact on the sale of Russia's next oil offering, a 19.5% stake in Rosneft. Both Indian and Chinese companies have expressed interest in buying shares in the forthcoming privatization.

Indeed, the inherent dilemma in Sino-Russian relations is clear in the decision over Rosneft's privatisation – Russia would like Chinese financial support and to secure a long-term energy link but wants to give as little as possible in return and certainly does not want to lose any control over its major assets.

#### **Gas Deals**

"Russia-China prolonged negotiations were mainly due to the disagreement between both parties on the gas price. China insisted that it wouldn't pay Russia a price higher than what it has been paying to Turkmenistan, where China received most of its pipeline gas. Gazprom insisted that the price should reflect the huge cost to construct the pipeline. Another important factor delaying the pipeline was that Russia had been traditionally more focused on the European gas market rather than the Asian market" (Tang 2014: 19).

Growing possibility of US entering in the global LNG market with abundant and cheaper gas, has given China more leverage in recent negotiations with Russia. "Gazprom has been selling gas in Europe under expensive long-term gas contracts with prices pegged to the oil price. Its market position is being challenged by the emergence of LNG shipments from other suppliers such as U.S. and Qatar. The market challenges in the European market, is forcing Russia to turn to Asia for expanding its global footprint. The recent crisis in Ukraine underscores the importance of Russian-China relationship. Russia has few export markets outside Europe, leaving it vulnerable to sanctions and competition from LNG exports from the US"(Tang 2014: 20).

**Russia** has significant gas resources in its eastern regions and China has growing gas consumption, making trade a logical conclusion, but a combination of political and commercial issues, as well as tough bargaining tactics on both sides, has complicated negotiations. "Russian companies held significant gas reserves in East Siberia and the Far East of Russia, with the aggregate gas resources located in Eastern Russia amounting to 52.4 tcm onshore and 14.9 tcm offshore. However, there has been limited exploration of the region, with only7.3% for the onshore area and 6% for the continental shelf having seen any activity to establish the extent of gas reserves. There are four main clusters of assets which can potentially provide a solid foundation for gas exports to Asia"(Handerson and Mitrova 2016).(see Map 3):

- \* The Yakutsk centre with 2.2 tcm of gas reserves (with the Chayandinskoye field alone holding 1.45 tcm);
- \* The Irkutsk centre with 3.4 tcm (Kovyktinskoye field is the main asset in the region with gas reserves amounting to 1.9 tcm);
- \* The Krasnoyarsk centre with gas reserves of 1.3 tcm
- \* The Sakhalin Island and the Kamchatka Peninsula which contain more than 2 tcm of gas reserves(in particular in the Sakhalin-1, 2 and 3 license areas).



Map 3: Major Russian gas production centres in the east of the country

Source: Gazpromweb site at http://www.gazprom.com/about/production/projects/east-program/, accessed on 15 April 2018.

Gazprom and other Russian companies (primarily Rosneft) have significant gas resources that have a limited domestic market and are eagerly seeking export opportunities. However, in contrast with the oil sector, China's need for natural gas imports has been less urgent, reducing the need for a deal with Russia. China's main source of current importsis Central Asia, where Chinese companies have developed a network of supplies across the region, based in Turkmenistan but stretching through Uzbekistan and Kazakhstan with the construction of the Central Asia – China pipeline system. "The pipeline starts at the giant Galkynysh field in Turkmenistan, which will ultimately be the main source of the 65bcm/y which the country will supply to China by the end of this decade under a contract signed in 2013. Indeed, Central Asian gas, which had previously been reliant on Russia for any export sales due to the location of the post-Soviet gas pipeline infrastructure, has now become a competitor with Russian gas in western China. Although, Turkmenistan piped gas is by far the largest single source of gas imports to China. LNG accounts for 48% of the total overall from a very broad range of countries, providing Chinese importers with diversity and bargaining power" (Handerson and Mitrova 2016).

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Map 4: Central Asia – China gas pipeline system

Source: IEA, available at <a href="http://www.iea.org/countries/cooperation/">http://www.iea.org/countries/cooperation/</a>. Accessed on 16 June 2018.

Interestingly, the first gas relationship between Russia and China was based on resources in Sakhalin rather than East Siberia. As early as "December 2003 CNPC and Sakhalin Energy signed a framework agreement on the exploration and development of an oil field offshore Sakhalin Island, while in November 2004 CNPC began negotiations with ExxonMobil on possible long-term gas deliveries fromSakhalin-1"(CNPC 30 December 2011). "ExxonMobil and its partners (which include Rosneft) ultimately agreed a gas export deal from the Sakhalin 1 project with CNPC in October 2006" (Moscow Times, 24 October 2006) "with the gas set to flow via pipeline into North-East China. The deal was blocked by Gazprom, which then managed to sell some its own gas from the Sakhalin-2 project to China as LNG from 2010. Only a few cargoes were sold on a spot basis, as the bulk of Sakhalin-2 output is contracted to Japanese and South Korean customers" (LNG World News, 26 August 2015).

However, economic and political difficulties have made the issue of pipeline exports more complicated and dragged out the process far from commercial conclusion. Indeed, negotiations between Russian companies and their Chinese counterparts over gas sales have been in progress since the 1990s, and although they intensified after the

signing of a strategic co-operation agreement in 2004. But the fact is that that the progress was stagnant until President Putin made a specific political intervention in May 2014. "Until then disagreements over price and price formation methodology, pipeline routes, sources of gas and potential financing arrangements had led to extended delays, despite the fact that Gazprom continued to push hard for a deal. In essence China had again been driving a hard commercial bargain, and used the imposition of sanctions as another opportunity to get a better deal for itself rather than as a chance to demonstrate its political support for Russia. Despite the fact that both the Kremlin and Gazprom had hoped for a more benign and supportive outcome from Beijing, from a commercial perspective it is easy to understand how this occurred, because there have been a number of crucial areas of negotiation where the two sides have had conflicting objectives" (Handerson and Mitrova 2016).

## Implications for Russian gas sector and relations with China

In November 2015 President Putin, asserted by declaring 'Russian Energy Strategy to 2035', his desire to see Russia's eastern gas sales reaching 128bcma. Though, China is a major part of this drive to the Asian market, but "Global market conditions, financial issues in Russia, slowing growth in China and competition from alternative sources of supply, are all hindering progress in Russia's gas relationship with China. The key, though, to Russia's future gas sales to China will be price competitiveness. Chinese companies have developed a diversified portfolio of gas import options, and although Russia can occupy an obvious place as the northern source in the supply compass it will only do this if it can compete with LNG in an oversupplied market, Central Asian gas on China's western border and gas piped from Myanmar in the south" (Handerson and Mitrova 2016). "CNPC has shown its ability to negotiate a good price for itself, even when the oil price was over \$100/barrel. At current prices the development of East Siberian reserves must be difficult to justify, other than from a very long-term perspective, and the low implied price of gas exports at a 2016 oil price of \$30-40/barrel is clearly making it difficult to negotiate further export sales via Altai or from Sakhalin. It would appear, though, that once again China is in a stronger bargaining position, prepared to wait before finalizing any more gas imports from Russia. It currently has an oversupply of import options. In the meantime, Russian gas in East Siberia is seen as a stranded resource, with China as its only realistic market. As a result, the Chinese authorities can afford to be patient, knowing that as soon as they express interest, then the gas will be available to them. There is little that Russia can do to alter this situation, as its alternative LNG options are limited, with the result that, from a gas perspective at least, China would appear to be able to dominate any price and volume negotiations for the foreseeable future"(Handerson and Mitrova 2016). This has created favourable situation for India Russia cooperation in gas sector.

## The China factor in Russia-India energy cooperation

Russia and India have a long history of cooperation in the energy sector. Since the late 2000s, the Russia-India energy partnership has been gaining momentum. India could make a significant contribution in diversification of the geographical coverage of Russian energy supplies. The takeover of Crimea and the conflict that erupted in Eastern Ukraine in 2014 demonstrated that the Russian energy sector could very well become a target of the European sanctions, even though Europe continues to account "for around 80 per cent of Russia's gas exports, and 65 per cent of its oil exports<sup>48</sup>. The main threat to Russian exports is not the sanctions, which theoretically can be lifted, rather than the colossal changes that have been taking place in the energy market since the last 15 years" (Burbeza 2019). Firstly, the shale revolution started to take hold in Europe in 2016 with U.S. LNG shipments arriving in Western Europe<sup>49</sup>, and later in Eastern Europe, which had been traditionally considered the domain of Russia's Gazprom. "European countries are reducing hydrocarbon consumption, including through the widespread introduction of renewable and energy efficiency technologies. It is almost exclusively developing countries that account for the growing energy demand, with China and India alone making up half of that

<sup>&</sup>lt;sup>48</sup>BP Statistical Review of World Energy June 2016 // British Petroleum. June 2016. Available at: https://www.bp.com/content/dam/bp/pdf/energy-economics/statistical-review-2016/bp-statistical-review-of-world-energy-2016-full-report.pdf, accessed on 6 June 2018.

<sup>&</sup>lt;sup>49</sup>Europe Gets First Sabine Pass LNG Export Cargo // LNG World News. April 27, 2016. Available at: http://www.lngworldnews.com/europe-gets-first-sabine-pass-lng-export-cargo; U.S. LNG Expands to Eastern Europe as Poland Avoids Russian Gas // Bloomberg, April 27, 2017. Available at: https://www.bloomberg.com/news/articles/2017-04-27/u-s-lng-expands-to-eastern-europe-as-poland-avoids-russian-gas, accessed on 6 June 2018.

growth<sup>50</sup>, (Burbeza 2019). And India by taking advantage of the low energy prices has increased its oil imports faster than any other country in the world, including China<sup>51</sup>. Since 2001, OVL (ONGC Videsh Limited, a subsidiary of ONGC) has been part of the international consortium on the development of the Sakhalin-1 project, which is being implemented on the basis of a production sharing agreement.

"While the Indian side's cooperation in Sakhalin can on the whole be viewed as positive, the Indian investors have not achieved all their goals with regard to the project. It is not economically viable to transport oil produced in Sakhalin to India. And it is still impossible to export the gas produced there due to the lack of the necessary capacity to liquefy the gas and the drawn-out conflict between Rosneft (OVL's partner in the Sakhalin project) and Gazprom, which wants to protect its gas export privileges" (Shikin and Bhandari October, 2017).

Only 3 percent of Russian oil and gas exports come to Asia and government's commitment in its 'Energy strategy 2020' is to raise Asia's share of total Russian oil export to 30 percent and its share of gas export to 15 percent. It shows Russia's conception of energy security and market diversification due to the dependence of its economy on energy sector.

Sino-Russian energy relationship appears to be based on almost ideal complementarities: on one side, the world's biggest exporter of oil and gas; on the other, the world's second largest consumer of energy after the United States. China does not see Russia as its principal partner and with its continuing dependence on the Persian Gulf, Beijing has significantly increased imports from Africa, Latin America, and Central Asia.

The East Siberian-Pacific Ocean(ESPO) oil pipeline project, for which agreement was signed in 1999, is to be delayed almost a decade, due to Russian intention to play off China and Japan against each other in order to obtain the best possible financial and investment package. On the other hand, the main source of current gas imports to

http://www.bp.com/content/dam/bp/pdf/energy-economics/energy-outlook-2017/bp-energy-outlook-2017pdf, accessed on 6June 2018.

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<sup>&</sup>lt;sup>50</sup>BP Energy Outlook 2017 Edition // British Petroleum. Available at:

<sup>&</sup>lt;sup>51</sup>India Oil Demand Seen Taking Off as China Crude Growth Fades // Bloomberg. Available at: http://www.bloomberg.com/news/articles/2016-03-14/india-oil-demand-seen-taking-off-as-china-crude-growth-fades.Accesed on 6 June 2018.

China is Central Asia, where Chinese companies have developed a pipeline system across the region, based in Turkmenistan and stretching through Uzbekistan and Kazakhstan bypassing Russia.

"Central Asian gas which, had previously been reliant on Russia for any export sales due to the location of the post-Soviet gas pipeline infrastructure, has now become a competitor with Russian gas in western China" (Handerson and Mitrova 2016). In May, 2014, China and Russia signed a \$400-billion gas supply deal, in which Russian government controlled Gazprom has to supply to state owned China National Petroleum Corporation (CNPC). The deal came amid the face-off between Russia and Europe and United States over the Ukraine crisis and Moscow's annexation of Crimea. This time, commercially, much depends on the price and other terms of contract, China had the upper hand. In effect Chinese geopolitical insurance has become more valuable to Russia than Russian energy is to China.

In 2006, "China wanted to take its co-operation with Russia even further by purchasing a significant equity stake in Rosneft. However, due to Russia's long-standing concern about Chinese influence, major investment in key Russian companies was not allowed. The impact of the 2008 financial crisis and the consequent fall of the oil prices, hit the Russian economy hard and Chinese support was urgently required. Rosneft and Transneft, the two companies involved in the upstream developments and the pipeline respectively, were short of funds, and an initial memorandum on Chinese financing was signed in October 2008. As a result, an initial contract was signed between Rosneft and CNPC in 2009"(Handerson and Mitroya 2016).

"Following the announcement of sanctions in May 2014, Russia's eagerness to demonstrate to the EU and the US that it was developing alternative markets in Asia, and with it came more offers of assets for joint investment, especially in East Siberia" (Handerson and Mitrova 2016). "CNPC was offered a 10% stake in the huge Vankor field. Sinopec was offered a 49% share of two major fields, Yurubcheno-Tokhomskoye (YTK) and Russkoye" (Rosneft press release, 3 Sept 2015). However, despite all this activity no specific joint venture project within the Russian domain has been finally signed off because of two reasons:-

First- Russia's weak negotiating position, both politically and commercially, has encouraged Chinese companies to drive hard bargain on valuation, especially given the recent decline in the oil price.

Second- the imposition of sanctions by the US and EU in 2014 has created a reason to pause for the Chinese leadership, as it contemplates the balance of its relationship between Russia and the West.

So, "Russia has responded to this by demonstrating that its bargaining position is not as weak as it might seem, offering the assets originally destined for Chinese companies to other international players, with a particular focus on India." (Handerson and Mitrova 2016).

As a result the breakthrough in terms of the participation of Indian companies major upstream projects in "Russia came in May 2016 with OVL's 15% stake in Vankorneft, the Rosneft subsidiary which operates the Vankor field and surrounding assets, has been sold to ONGC" (Interfax, 17 March 2016), "with the offer that the stake could be increased to 26% over time, and an additional 23.9% could be sold to other Indian companies, meaning that India's total interest in the field could reach almost 49%. Rosneft has made a reciprocal purchase in India, confirming its interest in buying as much as a 49% stake in refining company Essar Oil, in an apparent replica of its commitment to the Tianjin refinery in China" (Handerson and Mitrova 2016). In 2015, "Rosneft signed a 10-year contract with Essar to deliver 100 million tonnes of crude oil to Vadinar refinery. On top of this, Rosneft and its partner, the multinational commodity trading company Trafigura, purchased a stake in Essar worth \$13 billion. As part of the deal, Rosneft will receive 49 per cent of Vadinar Oil Terminal, the second largest refinery in India, as well as a network of 2700 Essar-branded petrol stations. The volume the contracted oil and gas are sufficient to cover around 10 percent of the gas and 5 percent of the oil, currently imported to India. Gazprom signed a 20-year agreement with GAIL on the annual supply of 2.5 million tonnes of LNG to India" (Shikin and Bhandari 2017) (with deliveries set to begin in 2018).

#### Conclusion

So, all these deals between Russia and India in the energy sector particularly in oil and gas, has been finalized after the Ukraine crisis in 2014 and subsequently the sanction imposed by U S and Europe on Russia. But, as mentioned above the China has been the major factor behind these deals because Russia's weak negotiating position, both politically and commercially, has encouraged Chinese companies to drive hard bargain on valuation, especially given the recent decline in the oil price. Also the imposition of sanctions by the US and EU in 2014 has created a reason to pause for the Chinese leadership, as it contemplates the balance of its relationship between Russia and the West. So, Russia has responded to this by demonstrating that its bargaining position is not as weak as it might seem, offering the assets originally destined for Chinese companies to other international players, with a particular focus on India.

Also China has been a very important factor in Russia-India defense cooperation. Since both India and China has been using the Russian weapons, produced at the same platform, so India has been trying to diversify its military procurement from other sources due to China factor. Though, earlier Russia has delivered more advanced weapons to India compared with China, but it will be for the first time in a decade that Russia has delivered more powerful weapon platforms to China compared with India. The renewal of sophisticated weapon supplies to China should be seen in the context of geopolitical games in the China-U.S.-Russia triangle, but also Russian defence sales to China are driven by profit motives as arms manufactures seek to compensate for the recent loss of several lucrative contracts in India, where they face growing competition from the US, France and Israel. To retain its edge in military aviation, India needs to speed up the development of a 5<sup>th</sup> generation fighter plane with Russia and go for in depth upgrade of its fleet of Su-30 MKI fighters.

# Chapter Four The China Factor in Russia-India Cooperation on Regional Issues

#### Introduction

After the end of Cold War and subsequently the collapse of USSR in 1991, both Russia and India were redrawn their foreign policy priorities. In the 1990s Russia-India ties passed through a period of uncertainty since, Russia was more concerned with domestic economic and political issues and its relations with the USA and the West. Then India had to deal with new Russia which was Eurocentric, economically dependent on West, and neither had the interest nor the resources for the third world countries. Also in the post Cold War world, India has found itself moving closer to the United States due to the factor of inexorable rise of China and to balance it, since with the fall of the Soviet Union, India lost its superpower supporter.

During "India- China war in 1962, the USSR tried to maintain a balance between what it called brother China and friend India. The People's Republic of China seeing this neutrality as a betrayal of international communist solidarity on the part of USSR, and as a factor that reflected further Sino-Soviet split. Also In the early 1970s both Indian and Soviet leaders looked on emerging US-Chinese rapprochement as serious threat to their security" (Scott2011). Then the Indo-Soviet Treaty of peace, friendship and cooperation signed in August 1971, which provided immediate mutual consultations when either of the parties was subject to a military attack, and take appropriate measures to remove the threat. "It is generally believed that Soviet material and diplomatic support as well as the confidence provided under this treaty enabled India to successfully under take the operation during the 1971 war for the liberation of Bangladesh<sup>52</sup>. According to some analysis, it effectively prevented Chinese threat of intervening in the war on the side of Pakistan. The treaty was renewed in 1993 during Russian President Boris Yeltsin visit to India, but security clauses were not included this time" (Dubey M 2012). Although Yeltsin described India- Russia as 'natural partners', he carefully avoided to give the impressions of a 'special relationship'. Although relations were restored to respectable ends, but the

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<sup>&</sup>lt;sup>52</sup>Bangladesh liberation war ignited after the 1970 Pakistani election, in which the East Pakistani Awami League won a simple majority in lower house election, but denied to form the government. Subsequently after several days of strikes and non-cooperation movement, the Pakistani Army conducted a widespread genocide against Bengali people. During the course of liberation war in1971, Indian and Pakistani forces clashes on the eastern and western fronts. The war effectively came to an end after the surrender of Pakistani forces, making the liberation of new nation of Bangladesh. East Pakistan had officially seceded from Pakistan on26 March 1971.

early years (1991-96) of 'being neglect' of India by Russia, left a deep mark on Indian policy - makers.

But when the new Russian Prime Minister Primakov (1998-99) started to strengthen his country's relations with old allies by shifting from the previous pro western Russian foreign policy, the situation changed. Primakov visited India in 1998 and pushed proposals for creation of a multilateral forum in the form of Russia-India-China (RIC) strategic triangle, although RIC coherence remains questionable and the development of strategic triangle would be unrealistic due to mutual suspicion between India and China. The new Russian President Vladimir Putin (2000-08) reversed the Yeltsin era drift in India-Russia bilateral relations by signing the declaration of strategic partnership with India in 2000, and established the institutional mechanism of annual summit meeting.

Despite its improving relation with USA, India did not want to abandon its time tested relationship with Russia. However in contrast to the past, Russia and India have divergent views on China. "The 2000 version of Russian foreign policy concept made point throughout that Russia was committed to multi polar approach to international security and that the strategy of unilateral action can destabilise the international situation" (Kenet 2011). Russia and China coordinated their stance on several international issues to oppose US. Also Russia now is a major supplier of military hardware and technology knowhow to China.

Though after 9/11 terrorist attack on US, Russia supported and facilitated the support for U.S. - NATO forces in Afghanistan, but when it realised that due to presence of U.S. forces in the Afghanistan and Central Asia, its position in Central Asia will weaken then it started to oppose the U.S. with the collaboration of China. But Russian support for the fight against -terrorism to U.S. came as shock to Chinese leadership due to change in Russia's multi-vector approach to an unambiguously centred on comprehensive cooperation with U.S. Thus relations with China were pushed into the background. But, later deterioration of Russia-U.S. relations from late 2002, Russia and China has therefore found themselves on same when it come to many aspect of US global strategy. Though, Russia-India relations have been deepening but Russia is also collaborating with China into the anti-U.S alignment. But for India, there is no enthusiasm for sharing a joint platform, with Chinese against the U.S.

After the end of the first and a half decade of 21<sup>st</sup> century, though US is military superpower but its economic power is diminishing. On the other hand, China's economic and military power is growing and with growing power, aggression in Chinese foreign policy is also increasing. Now "the peaceful rise of China is in debate. In near future the Asia Pacific region and South Asia may be the zone of conflict with the involvement of US and India.

The first section deals with the Russia-India collaborations in Central Asia and South Asia and prospects for peace and stability in the region. It is important to note that an independent Central Asia in post Soviet era has added a new dynamics in Russo-Indian relations. Also after the first and half decade of twenty first Century, China's position in Central Asia improved considerably and China's arrival as a major player in the region and its search for energy in Central Asia has generated some tension with Moscow and competition between Russian and Chinese energy interest in becoming more intense. So the China factor in Russia-India relations in Central Asia is analysed. This section also includes the prospects of collaboration of Russia-India, China to establish peace and stability in the Asian region and to tackle the spread of terrorism in Af-Pak region after the departure U.S forces from Afghanistan. Recently, Russia and India have made joint statement on the issue of terrorism.

The next section deals with the prospects of Russia-India cooperation in East Asia. Recently Russia-India has made joint statement on the issue of security cooperation in Asia Pacific. In near future the Asia-pacific region may be zone of conflict due to aggressive Chinese policy. China's neighbours become frightened by its economic growth, its increased military spending, its territorial claims and its increasingly migrant nationalism. Classical realist theory would clearly predict that with the rise of China, U.S and Russia should and indeed will engage in explicit strategic 'balancing' against the new superpower. In the East Asian region, something of sort may well be happening. But Russia-India collaboration in East Asia can check the Chinese aggression and U.S. policies and can bring peace and stability in the region.

## **Cooperation and Competition in Central Asia**

In the wake of Soviet collapse, Russia, China and various Central Asian republics that gained their independence, collaborated through the multilateral negotiations to formally resolve the outstanding border issues. Subsequently, the outcome was the establishment of the "Shanghai Five" with PRC, Russia, Kazakhstan and Tajikistan, sighed the Treaty on deepening of Military Trust in border region in April 1996 and further the Treaty on reduction of military forces in border region in April 1997. After Joining of Uzbekistan in 2001, grouping was renamed as Shanghai Cooperation Organization (SCO).In 1990s, Russian primary concern in Central Asia was stability and aversion to separatist sentiments, whether in Chechnya or the Russian Far East and Chinese efforts, was to crush Uighur, Tibetan, and other independent movement. The confluence of Russian and Chinese regional views was subsequently enshrined in a common commitment to combating the "three evils" of terrorism, separatism, and extremism.<sup>53</sup>

After the 9/11, 2011, U.S lunched the global war on terror and dispatched forces to Afghanistan. Putin's prompt offer of political and intelligence support to the United States and endorsement of an American force presence in former Soviet Central Asia signalled for many observers, a new era in Russia-U.S. relations<sup>54</sup>.

In backing the American led intervention, Putin calculated that the pluses of security cooperation with Washington outweighed the geopolitical minuses of "allowing" the U S to become a major player in Central Asia. But by "acquiring access to Manas Air Base in Kyrgyzstan and Karshi-Khanabad Air Base in southern Uzbekistan, near Tajikistan, the U S had established, at a stoke, a military presence on Chinese western Border and on Russia's southern flank"(Cheng and Cohen 2015). At the same time the Bush administration began to promote a western normative agenda, throughout the former Soviet Union. The "colour revolutions" in Georgia in October 2003, Ukraine in December 2004, and Kyrgyzstan in June 2005, deepened Russian suspicion about the shift in U.S policy from fighting Islamic extremism to exporting western democratic values. "So the position of United States shifted from being Russia's security partner in Central Asia to becoming an ever more subversive presence-part of the problem rather than solution" (Lo 2008: 94). Further developments during 2002-04 like American dismissal of Russian objections to military intervention in Iraq;

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 $<sup>^{53}</sup>$  Shanghai convention on combating Terrorism Separatism ,and Extremism, June 15, 2001

<sup>&</sup>lt;sup>54</sup> Putin's decision was made against the advice of the majority of Russia's senior political figure. See presentation by Grigory Yavlinsky at Carnegie Endowment for International, Washington DC, January 31, 2002

intensified criticism of Putin's authoritarian tendencies, contributed to the steady deterioration of bilateral relations.

In these circumstances, Russia co-opted China and the Central Asian states for constraining U.S. influence. But Putin's speedy endorsement of the U.S. military operation in the wake of 9/11, came as a shock to the Chinese leadership and sudden change in Russia policy from a Multi vectored approach to one unambiguously centered on comprehensive cooperation with United States, pushed the relation with China in to the back ground. But the deterioration of, Russia- U.S relations from the late 2002, China's position in Central Asia improved considerably.

China's arrival as a major player in the region raised the issue of its impact on the larger "strategic partnership" with Russia. So the question is that, that, Is Central Asia the focus of a lasting convergence of interest or is this Sino-Russia alignment preserved only by a common desire to contain the United States?

Russia's approach to Central Asia is relatively pragmatic. Russian energy companies are investing heavily in the region; military and security ties are expanding. Russia has injected considerable resources in to cultural and public diplomacy through various soft power means such as political backing for authoritarian regimes, economic assistance and investment and so on. Russia has also used the multilateral institutional approach for supplementary role for conducting foreign affairs. Thus in 1990s Russia responded to the eastward enlargement of NATO and the EU, by promoting the single Economic space with Belarus, Ukraine, and Kazakhstan. Today Moscow's multilateral balancer of choice is the Collective Security Treaty Organisation (CSTO). While it also brought heavily into the Eurasian Economic Community (EurAsEC) and the Shanghai Cooperation Organization (SCO).

Chinese interests and strategy can be seen in the context that with growing power, and changing balance of power within the bilateral relations, China is pursuing its independent policy in Central Asia. The most important Chinese interest is security, particularly in Xinjiang province. There are interesting parallels here with Russian sensitivities over the future of Russian Far East. Russia views partnership with China as a means of securing the RFE, so China see the development of close ties with

Central Asian states and Russia as essential to the stability in the far west of the country (Huasheng Zhao, 153)

Another interest of China is to obtain access to Central Asian energy. Russia's unreliability as an energy supplier has led China to diversify external source of supply and looking at Central Asian states such as Kazakhstan, Turkmenistan, and Uzbekistan. CNPC'S purchase of Petro Kazakhstan, the opening of Atasu-Atashankou pipeline, and the concluding of a massive gas deal with Turkmenistan, reflect its approach. Thus competition between Russian and Chinese energy interests is becoming more intense and Chinese search for energy in Central Asia has generated some tensions with Russia. Russia seeks to control the major pipelines traveling east and west out of Central Asia, while China prefers to deal with the Central Asian energy producing states directly, free from Russian interference. But also, rather than just relying on bilateral relationships, Beijing has emphasised cooperation through multilateral institutions such as SCO.

"For the time being, however, the SCO serves to strengthen the bilateral partnership. It highlights the commonalities between Russia and China, such as combating the three evil of terrorism, separatism and extremism, and containing the American presence in Central Asia" (Lo 2008, 110). Paradoxically, the more the SCO grows in importance, the greater the potential for Sino-Russian rivalry to emerge. Diverging interest has been growing in the ongoing debate over membership. Russia would like to see Iran and India become full members; India in particular could help counterbalance to China, while Beijing was backing for Pakistan.

Divergent approach can also be seen as China is emphasising on economic cooperation while Russia continues to stress security, military, and geopolitical aspects. These divergent visions highlight the relative strengths and weakness of Russia and China in Central Asia. Russia understands that its most effective levers of influence are its personal and political ties with the Central Asian elites. <sup>55</sup>The lack of progress over Chinese proposal for SCO "free trade zone," indicates that Russia and

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<sup>&</sup>lt;sup>55</sup> "The consolidation and development of inter-elite ties have acquired fresh impetus in the circumstances of Russia's new found economic power. As Celeste Wallander puts it, the Putin regime is pursuing transimperialism" as an extension of Russian "patrimonial authoritarianism into a globalised world." This relies on selectively integrating transnational elite networks and replicating the patron Clint relation of power, dependency at the transnational level"- Wallander, C.(2007), "Russian Transimperialism and its Implication, *The Washington Quarterly*, .30(.2):117-18.

Central Asian states are conscious of the challenge posed by China. It also explains why the Russian have invested much more effort in the collective security Treaty organization (CSTO). The CSTO covers the same ground as the SCO, combating "new security threats and challenges" such as terrorism, Islamic extremism, drug trafficking and transnational crime. But whereas China is leading in the SCO, Russia dominates the CSTO.

View of Sino-Russian relations in Central Asia tends to divide into two schools of thought. According to optimists "Russia and China are cooperating effectively in countering terrorism and the strategic and normative threat posed by a hegemonic America. "While the contrary argument argues that current accommodation is unstable; Russia and China are not much strategic partners but strategic competitors, whose rivalry will become increasingly evident" (Lo, 2008, 113).

#### The China Factor in Russia- India Relations in Central Asia

After the independence in 1991, Central Asia has added a new dimension in Russia-India relations. The whole of the Central Asian region not only connects Asia to Europe but also provides the shortest transit route to Europe from Asia. Owing to its rich natural resources and its geo-strategic importance, Central Asia exist a special place in India's foreign policy priorities. India's Central Asia policy strongly emphasised on bilateral relation with all five countries in the region. Like Though Russia certainly enjoys a privileged in Central Asian region and could be of help in advancing India's interest, but India's diplomacy works independently of even an exceptionally friendly power like Russia. India has many advantages in Central Asia. It is not constrained by any negative historical legacy, nor does pose any direct threatto Central Asia in any form whether ideological, demographic or territorial. On the other hand India's 'soft power' has the potential to be a power full influence on this region. "Though India has maintained good relations with all five republics since their independence in 1991, its policy towards the region has been much more focused and coherent since 2001"(Roy 2009). India has been trying to enhance economic cooperation, particularly in energy sector due to the relevance of the energy rich Eurasian region for energy deficit India. But lack of connectivity with the region due to tough geographical conditions, still remains a major hindrance for India to reach out the region for boosting economic cooperation. Currently, the region is connected by air only, though land and sea route, options are also being explored through Iran, Turkmenistan, Kazakhstan and Russia. Though, an agreement for the extension of North-South Transport corridor was signed between Russia, Iran and India in 2000, could boost India's trade with Central Asia and Central Europe, but could not be operationalised yet.

On the other hand after the disintegration of the Soviet Union, Russia's interests were mainly related to security concerns in Central Asian states. First is to integrate the Central Asian states in the Commonwealth of Independent States (CIS) sphere and make close alliance with them, and second, to prevent the external powers strategic access to Central Asia. Beyond these concerns, the two organizations created by Russia (CIS and Shanghai forum) were also focusing on the security related issues such as drug trafficking, regional conflicts and the regions role as a buffer to Islamic extremism. "At the same time, Russia felt undermined its preeminent position in the region due to the increasing ties being made by Central Asian states with Western powers such as the U.S. and with NATO- and tried to counterbalance it" (BITS 2005).

However due to lack of trust upon Russian intension and its continued ties with Western powers, the Central Asian states with strong desire to assert an independent identity, have not embraced these initiatives fully. By the late 1990s, due to the economic decline, "Russia's influential role as the regional security provider was being eroded. Thus the demands by Central Asia states forced it to reduce its security presence in the region"(BITS 2005). "While Russian border troops still defend CIS border in Tajikistan, they were largely phased out in Kyrgyzstan and Turkmenistan in 1999. In 1999, Uzbekistan withdrew from the Collective Security Treaty. At the same time NATO was expanding its operations in the region" (NATO-Russia Archive 2005).

In view of this changed strategic scenario in the region, according to its concept of "Near Abroad"<sup>56</sup>, Russian foreign policy of 2000, reemphasised the active interest in Central Asia, and focused on bilateral alongside traditional multilateral approach. But in the aftermath of September 11 2001, Russia supported the U.S. military campaign

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<sup>&</sup>lt;sup>56</sup> The term was popularized by Russian Foreign Minister Andrey Kozyrev in the early 1990s, referring to the newly independent republics which emerged after the dissolution of Soviet Union. "Near Abroad" became more widely used to assert Russia's right to have major influence in the region.

in Afghanistan and the Russian decision to support U.S initiative in Afghanistan was poorly received by the Chinese and created substantial discomfort in China. But since later half of 2005, the Russia U.S relation has been deteriorating and Russia-China cooperated against many U.S. policies. During this period China's position in Central Asia grew considerably, which has been cause of concerns for Russian policy makers.

India has tried to strengthen its relations with the Central Asian Region States (CARS) but has to face competition with Pakistan, Iran, Turkey, China and the West. Here India has faced some advantages because of establishment of Economic Cooperation Organisation (ECO), which links up Islamic states of the Middle East, Pakistan with the CARS (Chenoy 2001: 180). It is clear that relations with Central Asian States can be built along three lines: independent bilateral relations; multilateral relation with Iran and CAR as was done in the case of India-Iran-Turkmenistan gas pipe agreement; multilateral relations between Russia-India and Central Asia. Building links with the CARs through Russia have an advantage for India because Russia continues to exercise strong leverage in the CARs. The Russian-CARs trade links have been re-established and Russia is a major player in Central Asian region. Indian and Russian interests converge in the CARs, which would thus "give India a clear geo-strategic advantage to link up with Russia in this region" (Chenoy 2001:180).

"During the past few years India has stepped up its engagement with Central Asian republics through its Connect Central Asia policy with the aim to build a long term partnership both bilaterally and multilaterally. India has now expressed its willingness to play an expanded and more meaning full role in the SCO" (Roy 2012), since it has got full membership in the organisation. It should be noted that the issue of membership of India in SCO, has been cause of competition and contention between Russia and China. While Russia backed India to get full membership in SCO, China backed Pakistan.

The first India-Central Asia Dialogue a track-II initiative organized in 2012 in "Bishkek, Kyrgyzstan with the objective to start a regular annual dialogue forum among academics, scholars, government officials and business representatives from India and CARS, with the aim of providing input to government on both sides. During this conference government pronounced India's new Connect Central Asia Policy

which is based on pro-active political, economic and people-to-people engagement with Central Asian countries both bilaterally and collectively" (IDSA 2012). "As part of its connect Central Asia policy, India plans to set up an Indian Central Asian university in Kyrgyzstan and looking towards deploying its soft power to consolidate goodwill in all Central Asian countries through IT, cultural networking with young politicians and academia"(IDSA 2012).

Since there are major powers- Russia, United State and China, involved in Central Asia, Russia has clearly reasserted their economic and strategic relations through multilateral and bilateral agreements. The geopolitics of energy brings Russia into conflict with the West and China in Central Asia. Also, India's long term interest in Central Asia is related to energy and natural resources. So far India has made some progress in "acquiring oil block in the Caspian Sea by signing a commercial agreement between ONGC Videsh Limited and Kazakh State Company" (Roy 2013) and in the Turkmenistan-Afghanistan-Pakistan, India(TAPI) gas pipeline. The prospects of cooperation for peace and stability at multilateral level to include Russia, India, China and Central Asian states can be realized through the organization like SCO. "In the wake of the Soviet collapse, Russia, China and the Central Asian states engaged in a series of multilateral negotiations to formally resolve the outstanding border issues. These negotiations resulted in the establishment of the Shanghai five with the PRC, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan signing the Treaty on Deepening military Trust in Border Region in April 1997. When Uzbekistan joined this grouping in 2001, it was renamed the Shanghai Cooperation Organisation (SCO)" (Qichen 2003: 230-232).

Although amid the competition "for Central Asian energy supplies and commercial opportunities, Russia and China share a desire to limit potential instability in region. Russian authorities have been facing the challenge of continued instability in the north Caucasus, especially Chechnya and neighbouring Dagestan. Also, the Chinese leaders are worried about separatist activities in the Xinjiang Uighur Autonomous Region" (Weitz 2011). Shared regional security interests between Russia and China and newly independents states of Central Asia, have become a generally unifying factor in Russia-China relations. Russia emphasised that the "SCO's main contribution to security lies in its ability to address a variety of more local security threats"(Hoyt

2018) including terrorism, drug Trafficking and stabilization in Afghanistan. In this context Russia increasingly turned to the SCO as a mechanism for institutionalising a foreign presence in Afghanistan alongside NATO forces, though China remain wary of the greater SCO role in Afghanistan (Mankoff 2009: 221). Russia even raised the possibility of India's participation in future initiatives. Russia was also keen to give SCO observe states, a more substantive role in an effort to enhance the organisation's influence. India joined the SCO as an observer in 2005 and has subsequently participated in a variety of the organisation's more substantive activities, including those of counter terrorism and counter narcotics as well as the building of a transportation network linking Central and South Asia. Though, it had so far declined full membership in the SCO, due to opposition of China. At present Iran and Mongolia have observer status in the SCO. India and Pakistan has got full membership of SCO in 2017. India's bid for full membership of SCO was backed by Russia, Tajikistan and other Central Asian Republics in order to work more closely to fight against terrorism and drug trafficking in Afghanistan and other region.

#### South Asia

In the post Cold War era, relations among countries in Asia, has under gone a dramatic change. India- China relations in the first and a half decade of twenty first century, has been very relevant for the peace and security of the Asian region as well as the world. "Both the countries have emerged as strong regional powers backed by impressive economic growth, the development of nuclear and military power. While the role of China role as an economic and geostrategic player has been recognized more widely, but India is also now an emerging regional power to be taken seriously. The main contentious issues between India- China relations are unresolved border issue, China's military link with Pakistan" (Garver 2002) and the issue of Tibet. Though in 1980s and 90s both side have talked on border issue and talk is still going on, also both the countries have considerable economic cooperation but there has been no qualitative change in the relationship between the two countries. China has not brought about any significant change in any of its policies which impinge on India's vital interests. Though the two countries has been cooperating on trade issues in WTO, climate change negotiations and pursuing their common interest in groups like G-20, BRICS and SCO, however their underlying rivalry and strategic competition has been extending over issues from land and water to geopolitical influence and energy security.

In the Post Cold War era the forces of globalization are sweeping across the world, new economic grouping have been formed and efforts are being made to resolve conflicts within and across the borders of nation-States. But the power struggles remain and in renewed forms. The theatre of power struggle is shifting to Asia. Peace and stability in Asia is closely linked to the economic interests and security of major powers like the U.S., China, Japan, Russia and regional powers like India and Iran (Sen 2000: 250).

In this section, Russia- India and China's cooperation and the issues of conflict has been discussed such as the issue of stability in Afghanistan, issue of Tibet and territorial and border conflict, , weapon of mass destruction and issue of disarmament, India, China and Pakistan and how these issues has affected the Russia-India relations.

In October 2011 the agreement on strategic partnership between India and Afghanistan was signed. This pact is Afghanistan's first such agreement with any foreign country, which catapults the close relationship between the two countries to "a higher level, powered by a strong convergence over regional security and the shared threat from terror infrastructure in Pakistan" (Parashar 2011). Before this, "the inclusion of Afghanistanas the new member of South Asia Association of Regional Cooperation (SAARC) in 2007, has extended the SAARC's western boundaries contiguous to Iran and Central Asia. With this, Afghanistan has once again become the crossroad between Central and South Asia, linking regional countries together in a trade transportation and energy hub" (Kish 2019). Afghanistan could also become a gateway for India to get rich hydrocarbon and mineral reserves from the Central Asian region. In its bid to achieve energy security, India hopes to get oil and natural gas from Central Asia through TAPI pipeline, but due to continued instability in Afghanistan and strained ties between Pakistan and India, the project has not been realized yet (Debata 2011:78-192). Once the security situation in Afghanistan and Pakistan improves, the Project could be completed, which will bring the economic benefit and stability in the region.

Meanwhile China's growing role in the security and oil sectors in Afghanistan has opened a door in this region for competition and conflict between in India and China. China has tried to persuade the Asian Development Bank (ADB), the lead development partner of the TAPI pipeline to involve its firms in the construction of the pipeline, which was opposed by India. China has targeted India in many ways and has managed to establish a strategic presence in India's neighbourhood which has serious security implications for India. India has been playing an active role in the reconstruction of the war-torn Afghanistan, based on the understanding that socioeconomic development is the key to establish regional stability. India is also involved in the development of infrastructure of a new port at Chah Bahar on the Sea coast of Iran and with the linking to Iranian rail network, the prospect of connection to Central Asia and Europe can be enhanced. Through this network India can have access to Afghanistan and Central Asia by skirting Pakistan. India's approach also stems from the fact that China is aggressively pursuing its own BRI project. Indian policymakers trying to integrate Chabahar project with its larger connectivity project- the International North South Transport Corridor (INSTC). The INSTC, initiated in 2000 by Russia, India and Iran, is a multi-model transportation route linking the Indian Ocean and the Persian Gulf to Caspian Sea via Iran, and onward to northern Europe via St Petersburg in Russia. "INSTC and Chabahar Port will complement each other for optimising Indian connectivity with Russia and Eurasia" (Stobdan 2016)

India's engagement with Central Asia is also, to some extent, governed by China factor. Presence of US forces in Afghanistan has helped India to strengthen its influence and that of Pakistan, China's strategic proxy, weakened. With the initial aim to the fight against the Taliban regime in Afghanistan, India has been projecting power still further in Post -Soviet Tajikistan.

Russia is concerned with the situation of Afghanistan due to the fear of upsurge of Taliban and the spread of fundamentalist ideology from Afghanistan into Central Asia, specially the bordering Tajikistan, which is guarded by Russian troops. Russia has a military base in Tajikistan and continues to enhance its engagement. On the other hand, China's economic engagement in the country has been rising steadily. China has also concerns of Uyghur uprisings in its Xinjiang province, which are linked with the terrorist outfits spread to the region of Central Asia, Afghanistan and

Pakistan. Among the Central Asian States the importance Tajikistan for "India lies in its geo-strategic location. It shares borders with Uzbekistan, Kyrgyzstan, Afghanistan and China and is located in the proximity to Pakistan Occupied Kashmir (POK). So, the role of Tajikistan is very crucial in maintaining peace along Afghanistan's northern borders as well as in fighting Jihadis and drug traffickers"(Roy 2009). In this context both India and Tajikistan has upgraded their defence and security cooperation. Also India has upgraded the Ayni airport near Dushanbe, which is fully operational now.

"In the context of surrounding circumstances and the security situation in Afghanistan-Pakistan region, both Russia and India are concerned about the future development in Afghanistan after the US military departure in 2014. This concern is shared by other Central Asian countries as well. India has already stepped up its engagement with the Russia, US and other Central Asian and regional countries to tackle the Afghanistan turbulence" (Roy 2012).

One of the Russia and India's core national interests has been to prevent Afghanistan from becoming the hub of terrorism and extremism and to ensure that it emerges as a commercial bridge between South and Central Asia. Russia and India has setup a 'Joint working Group' (JWG) on Afghanistan in 2003; which can be seen in the context of India-Russia strategic partnership document which clearly pointed to the instability in Afghanistan and the spread of terrorism by Taliban in the form of international Jihad that plague both Kashmir and Chechnya. Also the background of these collaborations can be seen in the context of, 2002, "Moscow Declaration on International Terrorism signed by both countries, which emphasised the need to avert the spilling of the conflict beyond the boundaries of one region and to prevent further extension of terrorism. It should be noted that recently; India and Russia have made statement on the problem of Terrorism" (Mohanty 2009).

"Russia appears set to stage a re-entry in to the Afghan theatre by establishing military maintenance bases inside the strife- torn nation after the withdrawal of NATO forces in 2014. These facilities are meant to service Russian military equipment routed through NATO to the Afghan armed forces. For several years the pentagon has been purchasing Russian weaponry, which has been transformed to the Afghan forces" (The Hindu, 30 March 2013). "Citing their common interest Russia is

not excluding the possibility of broadening its engagement with NATO in Afghanistan. Alcksandr Grushko, Russia's enyoy to NATO, said that Russia could offer to enlarge the transport corridor in to Afghanistan that the western allies use to transfer supplies after 2014" (The Hindu, 13 March 2013).

"Russia's top law maker for defence, Sergey Zhigrev remarks that the stabilisation of the situation in Afghanistan was his country's top priority. In any case this [Russia-NATO cooperation] is positive moment," he said (The Hindu,13 March 2013). Besides this, "ahead of NATO troops downsizing their presence in Afghanistan, India has firmed up a far reaching deal with Russia to supply arms to the troubled country under which India will pay for the military equipment that will be sourced from Russia" (The Indian Express, 17 April 2013). Since India and Afghanistan are strategic partners, India is committed to provide defence related support to strengthen the Afghan National Army (ANA). As of now, the ANA is not well equipped and is just like an infantry force as the US restricted its access to advance weapons largely due to Pakistani concerns. But over the past of couple of years, Afghanistan has been pressurising countries such as India and Russia to properly equip the ANA if it has to repel Taliban offensive on its own.

For this assistance, India seeks Russian help for organizing arms supplies to Afghanistan. With this help "India can overcome two of its significant limitations in Afghanistan-first, the absence of exportable surpluses of heavy weapons that Kabul is seeking and second the lack of easy physical access to Afghanistan. Until now, India's military cooperation with Afghanistan had been focused on training its military and police officers but selling arms to Kabul is a big and necessary step forward in India-Afghanistan strategic partnership. It could be further extended to assist Afghanistan in building the much needed Afghan Air force" (Indian Express, 21 April 2014).

"However, India is neither in a position to replace the American military assistance to Afghanistan, nor its economy is strong enough to finance large-scale arms imports by Kabul. Working closely with others in Afghanistan, then, becomes crucial for the pursuit of Indian objectives. India must complement its strategic collaboration with Russia by deepening military cooperation with Afghanistan's neighbours-Iran to the West and Tajikistan, Uzbekistan and Turkmenistan in the north. Besides, India has

also held Preliminary conversations with China on jointly improving mining belt so that the resource can be better exploited. Both the countries already have shown interest in specific mining projects and are looking to expand their presence, which would aid Afghanistan's economy" (The Indian Express, 17 April 2014).

#### **India, China and Tibet**

"Tibet has been of crucial importance to dominant powers of South and East Asia in their respective strategic calculations in the past, just as it is today. At the turn of century it was the area of the Great Game between Great Britain, Tsarist Russia and Qing/Republic China. By 1950, when two nationalist regimes had emerged in China and India, Tibet again became a matter of acute contention between the two states" (Norbu 2008).

Throughout history, the vast Tibetan Plateau separated the Indian and Chinese civilisations, without any political relations but limited only to cultural and religious contact. After the Communist victory in China in 1949, forcible annexation of Tibet began, and in 1950-51 after Tibet's annexation, Chinese troops reached on India's Himalayan frontiers for first time. Coincidently, when the Chinese military attacked on Tibet in October 1950, then the attention of the "whole World was focused on the Korean War. The rapid success in seizing eastern Tibet, embolden China to enter the Korean War soon thereafter. Even when Chinese military began eliminating India's outer line of defence by occupying Tibet, Indian Prime Minister Jawaharlal Nehru continued to court China, seeing it as a benign neighbour that had emerged from the ravages of colonialism like India. Consequently, New Delhi rebuffed then independent Tibet's appeal for international help against Chinese aggression, and opposed its plea for a discussion in the United Nations General Assembly in November 1950" (Chellany 2013: 99-108).

After Chinese occupation at Tibet, change in posture of India by accepting the Chinese occupation and treaty of Panchseel, was weakness, not only militarily but also diplomatically. Up to its 1950 invasion, China had maintained a diplomatic mission in Lhasa as did India, underscoring independent status. After annexation of Autonomous Region of Tibet, Chinese had developed road, transport system, which enabled them for ready to war of 1962. "After using the 1954 friendship treaty as

cover, China had started furtively encroaching on Indian territories, incrementally extending its control to much of the Aksai Chin, the originally princely state of Jammu and Kashmir. Just as Mao had started his invasion of Tibet while the world was occupied with the Korean War, he chose a perfect time for invading India in 1962, coincided with a major international Cuban missile crisis that brought the U S and the Soviet Union at a brink of nuclear war. Also significantly, Mao announced a unilateral ceasefire that coincided with America's formal termination of Cuba crisis" (Chellany 2014). But why the Indian Government became ignorant of these developments is the question of ultimate strategic failure India has suffered since 1950. "The concept of buffer zone state is not culture bound but guided by geopolitics and war symmetry of great powers which seek to create structure of peace and mutual security. This is the basic strategic conflict between both India and China" (Norbu 2000).

Undoubtedly, "Chinese strategic thinking backed by unparalleled military might is much sounder than its Indian counterpart in terms of national security. On the other hand, the first generation of Indian leaders imbued with romantic idealism, dismissed the notion of buffer zones as an undesirable legacy of imperialism. Instead, they sought to reduce the external threat to national security by friendly relations. The Indian experience since 1962 would suggest that national security cannot be purchased by friendship, no matter how desirable it is"(Norbu 2000: 292-93).

"China's strategic thinking began right from the inception of the People's Republic of China in late 1949. Since then, there has been very little change in their strategic vision; over the subsequent years they have constantly rationalized their strategic means to enhance national security, whereas in India strategic thinking is confined to the small professional elite like the Institute of Defence Studies and Analysis" (Norbu 2000: 293). "Thus when China's people's liberation Army (PLA)marched into Tibet in 1950 and overcome the monastic order led by Dalai Lama<sup>57</sup>, which has ruled Tibet since the 17<sup>th</sup> century and had proclaimed its total independence from China in 1911, Indian policymakers did not know how to react to the presence of a strong and assertive power on the country's doorstep" (Parthasarthi 2009).

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<sup>&</sup>lt;sup>57</sup>Tibet had been ruled as monarchy led by Dalai Lama since the 17<sup>th</sup> century and had proclaimed its total independence from China in 1911.

"A crucial blunder by Indian policymakers in dealing with Tibet, occurred in April, 1954, when, India signed a border trade agreement with China, categorically acknowledging Tibet as a Region of China. Nobody in New Delhi bothered to ask the Chinese where the borders of the Tibet region of China extended to. Barely few months later, Indian border patrols found Chinese soldiers intruding into Bara Hoti, on the Tibet-Uttar Pradesh (now Uttarakhand) border. Indian diplomats also discovered that Chinese maps were showing large part of Ladakh and Assam (now Arunachal Pradesh) as part of Tibet" (Parthsarthi 2009).

Half a century later, "despite successive Prime Ministers from Rajiv Gandhi to Manmohan Singh categorically assuring the Chinese that the Tibetan Autonomous Region is a part of territory of the People's Republic of China. Even when China has been consistently claiming over the entire Arunachal Pradesh and large chunks of Ladakh on the basis that these, are the part of Tibet and therefore an integral part of China" (Parthsarthi 2009).

"China's territorial ambitions are not confined to its dealing with India alone. Its guile in concealing racial, national and historic claims manifested itself after the 1950 occupation of Tibet. The Tibetans were compelled to sign a seventeen point agreement, affirming Chinese sovereignty over Tibet on May 23, 1951. This agreement contained explicit Chinese assurances that the central authorities would not alter the existing political system in Tibet. The Chinese pledged that they would not alter the established political status, functions and powers of Dalai Lama, with Tibetan officials continuing to hold office" (Parthasarthi 2009).

"China violated all these assurances Tibetan so the anger and frustration of Tibetan resulted in a full-fledged uprising in1959. As a result, the brutal repression by Chinese led to the Dalia Lama fleeing to India. The Chinese describe the Dalia Lama as a splitter, determined to secede from China. China evidently believes that the use of brute force and a massive settlement of Han Chinese, coupled with its status as a permanent member of Security Council, give it the right to do as it pleases in Tibet. China also believes that it now has the power to remain intransigent on its territorial claims along its land borders with India and its maritime frontiers with Asia Pacific neighbors, like Japan, Vietnam and the Philippines" (Parthsarathi 2009).

India has taken initiative very late to improve "its infrastructure and defence along its eastern borders. While fostering economic cooperation and maintaining peace and tranquillity along its borders with China, India should stop mounting the mantra that Tibet is an Autonomous Region of China, till China renounces its territorial claims that Arunachal Pradesh, and vast of Tibet. Dalai Lama and his supporters have given up claims to Arunachal Pradesh by asserting they respect the frontier agreed upon between Tibet and India in 1914" (Parthsarathi 2009).

"Further, given constant Chinese allegations that the Dalai Lama is plotting against China from Indian soil, India may ask China to facilitate the return of the Dalai Lama to Tibet in safety and security, by implementing the terms of the 1951 agreement that it signed with his representatives and thereafter negotiating autonomy for Tibet akin to that granted to Han Chinese entities like Hong Kong and Macao" (Parthasarathy 2009).

Instability in Tibet is the more worrisome from the point of view of long term health of bilateral relations. For one thing, with all its deficiencies, India's democracy has kept the lid on disaffection in the Northeast. China does not have the advantage of democracy. Second over a hundred thousand Tibetans resides in India and presence of the Tibetans in India, makes China exceedingly nervous about Indian intentions. Third, Tibet is an international cause while none of the Northeastern rebellions have that status. So this issue has always been sensitive in the security dialogue between India and China (Bajpai 2000:48). Recently the historical trade route have been opened to increase the bilateral economic growth, but how much this economic development will ease the India-China relations is a subject further debate.

# **Territorial and Border Conflicts**

The existence of a number of unresolved territorial and border disputes is very important is factor shaping the security environment of Asia. Question of the rationality based on history of colonial drawn boundaries, has been major cause of conflicts. Many of these conflicts were settled peacefully, some were settled violently, and some remain to be settled.

The India-Pakistan dispute over Kashmir and the India-China border dispute, though qualitatively different, but are most dangerous for the regional and world security. On the Kashmir issue, Pakistan has fought three wars with India. The Kargil War<sup>58</sup> in 1999 between India and Pakistan could have escalated to dangerous levels if New Delhi had not exercised restraint. An enlargement of the war would have had implications for China as well as the US and Russia and perhaps even Afghanistan and Iran (Bajpai 2000:35).

The China-Pakistan relation has been always a cause of distrust for India. On the Kashmir issue, the policy of China has been inconsistent and varying for its own interest. In the first decade of Post cold war in 90s, the China's stand on the Kashmir question is that it should be solved peacefully by India and Pakistan through mutual consultation. "In 1996 during President Jiang Zemin's visit to South Asia, he advised the Pakistanis that in the interest of imparting normalcy to bilateral relations, controversial and contentious issues should be 'temporarily shelved' or frozen (Acharya 2000: 188-90). Though, this statement was favorable to Indian point of view, but should be seen as a part of Chinese diplomacy to gain India and other developing countries' support to face a lot of pressure in its effort to join the world Trade Organization and to face up, sustained economic and political pressure from the West.

The Indian nuclear explosion of May 1998<sup>59</sup>, constitute the next dramatic turning point of India-China relations. The 9/11, 2001 terrorist attack on U.S. and its subsequent presence in Afghanistan, for war against terrorism, has changed the geostrategic condition in this region. In this context, US-India nuclear deal with defence and strategic cooperation, has added new dimensions to the security of this region. The Chinese government policy of issuing stapled or separate visas to the people of Jammu and Kashmir and Arunachal Pradesh can be seen as an increasing cold war between India-China, for some years in the first decade of twenty first century.

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<sup>&</sup>lt;sup>58</sup> "Kargil War was an armed conflict between India and Pakistan that took place between May and July 1999 in the Kargil district of Kashmir and elsewhere along the line of control (LOC). The cause of war was the infiltration of Pakistani soldiers and militants into the position on the Indian side of LOC"(Wikipedia 2014).

<sup>&</sup>lt;sup>59</sup>India conducted a series of five nuclear bomb test explosions at the Pokharan test Range in May 1998.It was second nuclear test (Pokharan-II) since the first test; code named Smiling Buddha, had been conducted in May 1974. Indian government led by Prime Minister Atal Bihari Vajpayee shortly convened a press conference to declare India a full fledged nuclear state.

According to Malik, "About sixty years is going to complete after 1962 war, that erupted over a disputed border and a quarter of century of negotiations, the 4056 kilometer frontier between India and China, one of the longest interstate borders in the world, still remains the only land border, not defined let alone demarcated on maps or delineated on the ground" (Malik 2009:145). "This unresolved territorial dispute between the two countries remains the clearest point of divergence between the two. India claims around 40000square kilometers of Chinese controlled territory (Aksai-Chin) on western flanks of the Himalayas; China claims around 92,000 square kilometers of Indian controlled territory (Arunachal Pradesh) on the eastern flanks" (Malik 2009:145).



**Source:**(The Wall Street Journal, China, India Stoke 21st-Century Rivalry, October 26, 2009)

"Agreements on maintaining peace and tranquility on the disputed border were signed in 1993 and 1996. An agreement on guiding principles for settlement was concluded in 2005. However, China's increasing assertiveness is evidenced in increasing incursions in Arunachal Pradesh by the People's Liberation Army (PLA) since 2005" (Malik 2009). Malik argued that "China's increasing assertiveness on talks over the disputed borders, has led to a rapid meltdown in the Sino-India relations and a

'mini-Cold War, has quietly taken hold at the diplomatic level during the past two years, despite public protestations of amity" (Malik 2009). His perception of Chinese motives for greater assertiveness is that "an unsettled border provides China the strategic leverage to keep India uncertain about its intensions and nervous about its capabilities, while exposing India's vulnerabilities and weakness, and ensuring New Delhi's good behaviour, on issue of vital concern to China" (Malik 2009:1145).

In 2008, "China tried to block a \$2.9 billion loan from the Asian Development Bank (ADB), to India on the ground that part of the loan was funded for water projects in Arunachal Pradesh, the state that includes Twang, which is the focus of China's most delicate land border dispute. It was the first time when China had sought to influence the territorial dispute through a multilateral institution like ADB. Then, the Indian government announced that the Indian military was deploying extra troops and fighters jets in the area" (Wong 2009).

China also objected to a visit by Indian Prime Minister Manmohan Singh to Arunachal Pradesh to campaign for local elections during 2009, saying it was disputed Territory. "We request India to pay great attention to China's solemn concerns, and not stir up incidents in the area of dispute", Chinese foreign ministry spokesman Ma, Zhaoxu told reporters (Wonakolt 2009). "Indian government countered that Arunachal Pradesh is Indian Territory and demanded that China stop investing in infrastructure related projects in Pakistan controlled parts of Kashmir" (Wall Street Journal 2009 October 26). Again during the Prime Minister Narendra Modi's visit to Arunachal Pradesh, in Februry 2015, after the Army's standoff with Chinese soldiers in Doklam plateau last year, China reacted sharply. Also, visits by Defence Minister Nimala Sitharaman and President Ram Nath Kovind to Arunachal Pradesh in November 2017 had drawn criticism from China, which claims Arunachal Pradesh as part of Southern Tibet and dispute the McMohan Line.

An expert of Chinese affairs said, "China government has completed their first task of modernizing their forces. They have connected the forward posts of their military through roads. The Chinese military has constructed roads up to, the line of Actual Control (LAC), in Indian administered Kashmir and are in better position to move the heavy equipment towards the forward posts at any given time without any difficulty" (Wani 2010).

Chinese incursions have been growing since last some years. In April 15, 2013 Chinese troops had come 19 km into Indian Territory of LAC, pitched tents in Daulat Beg Oldi sector of Despang valley, for almost a month and left after a series of flag meetings between two sides. Later in October 2013, a new Border Defence Cooperation Agreement (BDCA) was signed. But after some time again a number of incursions have been witnessed in the area of Jammu and Kashmir and Ladakh.

The Chinese action need to be viewed as they have done in the past -occupy an area then assert that it has always been part of their territory and offer to negotiate. Though the BDCA can be a good progress on border management mechanism and there are already existing mechanisms to solve the border issue, but these clearly failed. There is always the possibility that a local misunderstanding could escalate into a war. Most wars do not start that way, most wars are deliberate- indeed not one of the wars that India was involved in since 1947 was an accident or a consequence of unintended escalation. Even if some border incident lights the fuse of war there are usually deeper and more deliberate causes (Rajagopalan 2013).

Thus the Chinese military will continue incursions into Indian side and according to its well planed strategy if Indian army retaliates, they will 'label' it a war imposed by India. The Indian government will have to be more cautious in its defensive and offensive mode. Also India will have to strengthen and modernize its army and also fight on diplomatic front with China, said the Chinese affair expert. Thus the India-China relations will witness further strain in the near future and these world's two largely populated countries may face the Cold War like situation.

Thus, after the first decade of twenty first century as the U.S.-India strategic and defence cooperation is increasing, the aggression in Chinese policy towards India is also increasing and Chinese has shown no willingness to conciliate on the border issue, while with Russia and Vietnam, they have negotiated out right settlements of long-standing disputes, that in the past, had occasioned hostilities. So the disputed border territory between India-China is a major threat to peace and security of Asian region.

### China's Foreign Policy in the Post Cold War World

During the years of cold war and détente, Chinese foreign policy was influenced and conditioned by bipolar world and relations between the two superpowers, the US and Soviet Union. The state of its relations with one of the superpowers had an impact on its relations with other<sup>60</sup>. China felt threat from both-the U.S. and the Soviet Union. With the breakdown of Soviet Union one of the major sources of threat to Chinese security, removed.

As a Chinese security analyst has commented, "The end of Cold War also released China from military encirclement by former Soviet Union and the countries it supported. Also, the military threat from the north of China was further reduced after the disintegration of the former Soviet Union." (Xuetong 1998: 98).

The US emerged victorious but weary from the cold war and Gulf war. In the new US perspective, the situation was inappropriate for heavy military engagements. Moreover, the drain on its domestic economy was alarming, which turned its attention to other aspects of security. So at the end of Cold War, the military aspect has become less important and multidimensional aspects of security have come to the fore front. Thus US felt reluctant to involve itself in military conflicts abroad and this, the Chinese felt, led to a relativity benign international environment from which China could benefit. Subsequently, Chinese foreign policy become oriented towards building a peaceful international order in general and regional order in particular, as a prerequisite for economic development along the path laid down by Deng. As a Chinese expert writes, "China is now focusing on its economic construction which requires the long lasting and peaceful international environment, especially a favourable relationship with neighbours (Xuegian 1997:63).

The fast growing economies of the Asia-Pacific<sup>61</sup> led Chinese leaders to develop policies recognizing the need for China to closely cultivate and maintain good

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<sup>&</sup>lt;sup>60</sup>For a good account of China's relations with the US and Soviet Union in the decades before the disintegration of the Soviet-Union- See David L. Shambangh (1994), "Pattern of interaction in Sino-American Relation" in David Le. Shambangh and Thomas W. Robinson (eds), *Chinese Foreign Policy: Theory practices*, Oxford: Clarendon Press.

<sup>&</sup>lt;sup>61</sup>Asia-Pacific is the part of the world in or near the western Pacific Ocean. The region varies in size depending on context but it typically includes much of East Asia, South Asia, Southeast Asia and Oceania. The term has become popular since 1980s in commerce, finance and politics.

relations with neighbouring countries for its security and prosperity. The integration of the Chinese economy with this large economic space necessitated peace along China's borders and in the surrounding areas. Thus in the post Cold War World, Chinese foreign policy became more regional in character and its security interests, mainly economic, became focused on the surrounding area.

The end of Cold War also led the US to think of creating a 'New World Order' conditioned by its own interest. As President George Bush said, this 'new world order' should be based on a 'new partnership of nations- where goals are to increase peace and reduce arms' (Yahuda 1996:186). In the Clinton Administration, National Security adviser Anthony Lake mooted the doctrine of 'democratic enlargement'. This meant that the US would try to encourage free markets and democracy and to cooperate with liberal states. The doctrine made the Chinese apprehensive of U.S. intentions, particularly in the Asia-Pacific. The Chinese were opposed to the idea of a World order dominated by the U.S. and viewed the emergence of a multipolar World order as inevitable, wherein China would have a greater role to play (Sen 2000: 254).

In order to counter the Pax Americana world order, China embraced the concept of multilateralism in the post-Cold War World. It joined the Asia Pacific Economic Community (APEC) and the ASEAN Regional Forum (ARF), which it felt would enhance its economic growth and security, but also provide sites of resistance to US"(Xuegian 1997: 59).

In the post Cold War period, particularly in the first decade of 90s, Chinese foreign policy became more pragmatic and realistic. China wanted to open up to the world by speeding its liberalisation process, introduced by Deng in 1978, and to take advantage of the altered situation to play a leading role in it. It wanted to build comprehensive national power in which economic modernisation and development were key elements. A peaceful environment was sought for economic development. Keeping these objectives in mind its leaders pursued a foreign policy that shed its Maoist ideology, encouraged multilateral cooperation for security and economic matters and concentrated in maintaining peace along its borders and in neighbouring countries.

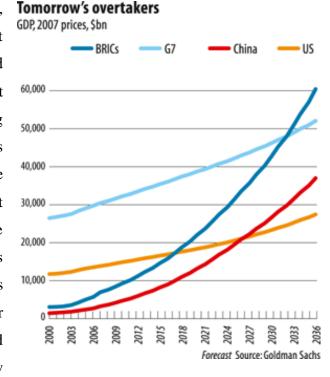
"The collapse of the Soviet Union has persuaded China's leaders that an arm race with the world's only superpower, could squander enough money to pose a threat to

the party's grip. To challenge America head on head make no sense. Instead China put its efforts into affordable asymmetric weapons" (The Economist 2010).

But in the first decade of twenty first century, military modernization became more of a priority for China. China security specialists are agreed that there are three areas of the PLA's modernization stand out. First, "China has created what the Pentagon calls the most active land-based ballistic and cruise missile programme in the world. Second, China has transformed and enlarged its submarine fleet, which included longer-range and stealthier Chinese design including the nuclear-powered Jin class, which carries ballistic missile, and the Shang class, a nuclear powered attack submarines. And third, China has concentrated to function as on force, using sensors, communication and electronic and cyber-warfare" (The Economist 2010). China has also been working on more advanced anti-satellite weapons through which U S satellites "dazzled" by lasers, fired from the ground.

Military experts in US, and Japan and Australia predict that China's new arsenals such as higher-profile launch aircraft-carriers will pose a greater threat in the next decade or so ."According to the centre for strategic and Budgetary Assessment (CSBA), an American research institute, Chinese firepower threatens America's Asian bases which until now have been safe from all but nuclear attack. In sum, China's abilities to strike have soared far beyond seeking to deter American intervention in any future mainland dispute with Taiwan. Today China can project power out from its coastline well beyond the 12-mile limit that the Americans once approached without a second thought" (The Economist 2010). Mr. Okamota, the Japanese security expert, believes that "China's strategy is to have complete control of the first Island Chain. The ultimate, aim of China seems to stop the American fleet from being able to secure its interests in the western pacific. Though, experts have differing views about the size of China's defence budget, which is only partly disclosed. Sam Perl O' Freeman, of the Stockholm International Peace Research Institute, puts overall spending in 2009 at \$99 though some estimates are higher and the official total is only \$70 million billion which has increased up to \$132 billion in 2014. As a share of GDP, China spends less than half the American figure and less than it did at the start of the 1990s" (The Economist 2014).

Robert Ross, a professor at Harvard, argues that the pessimist overestimates China's threat and underestimates America's power. But two things are beyond dispute among all the uncertainties. First, China has already acquired the capacity to force "the American ship to think about how and when they approach the Chinese coast. Second, China's project ability power has improved. Its submarines, fighter aircraft missiles, and cyber- and electronic warfare once poor, now



pose a threat. And China can project power into its backyard more easily than US can project across the Pacific Ocean" (The Economist 2014).

China also devoted itself to economic growth with military modernization. With the policy of state controlled capitalism, China has achieved a substantial economic growth despite global economic crisis. According to a report, "at some point of time in 2011China has become the World's biggest manufacturer, ending the 110 year supremacy of the United States". "Also according to Jim O' Neill, Chairman of Golden Sachs Asset Management, is that China's overall economy (not just its manufacturing sector) will have overtaken America's probably by 2027" (The Economist 2010).

China concluded long ago that the best way to build its "comprehensive national power" was through economic growth and growth cannot sustain without stability, which further required that China's neighbours did not feel threatened. "To reassure them, China started to join the international organisations, it had once shunned, as well as earning its credentials as a good citizen, this was also a safe way to counter American influence. China led the six party talk designed to curb North Korea's nuclear programmes. The government signed the Comprehensive Test Ban Treaty and by and large stopped proliferating weapons (though proliferation by rouge Chinese

companies continued). It sent people to UN peacekeeping operations, supplying more of them than any other permanent member of the Security Council or any NATO country" (Edward Carr 2010).

Inevitably, there were still disputes and differences. But diplomats, policymakers and academics allowed themselves to believe that in nuclear age, China might just emerge peacefully as a new superpower. However, that confidence has been reducing since last some years. In March 2010, when the North Korea sank South Korean warship, killing 46 sailors, China did not condemned it. "A few months later Chinese fell into a conflict with Japan over some Chinese fishermen, arrested for ramming Japanese Coastguards vessels around some disputed island and then it locked up some Japanese businessmen and with held exports of rare earths, vital for Japanese industry. Furthermore China has forcefully reasserted its claim on the Sporty and Parcel Island" (The Economist 2010). "China has also begun to include territorial claims over large part of the South China Sea, among its six Primary Concerns -the new language that has alarmed diplomats. When members of the Association of South-East Asian Nations (ASEAN) complained about this, in meeting in Hanoi in the summer, China's foreign minister, Yang Jiechi, worked himself into a rage: All of you remember, how much of your economic prosperity depends on us, he reportedly spat back"(The Economist 2010).

On the economic front, the change in the foreign policy of China can be seen after 2008, Global financial crisis. By devaluating artificially its currency, China has not only gained in foreign trade but also indirectly has been creating obstacles to inter the foreign companies in its market (Chelani 2010). American politicians have been quoted denouncing the manipulation of Chinese currency as facilitating greater imports of Chinese goods, fuelling the US-China trade deficit (which stood at \$93.3 billion over the first six month of 2010, compared to \$84.3 billion over the same time period the previous year) and impacting American jobs and exports. Also by holding of US treasuring bonds, valued in May 2010 at \$867 billion, China is subtly leveraging the economic power, it has over the US, and despite much efforts from the US officials at various levels, the ability of US to influence the Chinese action on this issue has remained limited (Gupta 2010: 356-57). Thus as the economic and military

might of China is increasing, the aggression in Chinese foreign policy is also increasing.

#### Sino-Indian Relations in the Post Cold War Period

During the first decade of 90s, after the Cold War, China in its efforts to maintain peace and stability in its surrounding countries turned its attention towards dominant South Asian neighbour, India. Its policy of keeping bilateral good neighbourly relation with India, followed from its broader strategy of resolving disputes along with its territories.

The foundation for improved Sino-Indian relations, were laid by Prime Minister Rajiv Gandhi's visit to China in 1988. The landmark achievement of this visit was the creation of an atmosphere of mutual trust and confidence building between two nations. An agreement was signed to reduce tension and maintain peace along the border and also a joint working group was created to negotiate on boundary question. What marked the 1990s, till Pokharan II, was growing mutual confidence and spirit of cooperation and accommodation (Sen 2000: 256).

Cooperation was facilitated by a shared perception of the opportunities and challenges in the post Cold War World. A peaceful environment was required for economic development and cooperation to tap the opportunities offered by globalization and liberlisation. Both countries realised that the challenge of the times is that economic struggle cannot be substituted by political struggles, nor won through tension and confrontation.

The warming up of relations between India and China could be seen in the exchange of visits by the highest level political dignitaries. During Prime Minister Rao's visit in 1993, both countries signed an agreement to maintain peace and tranquillity along the Line of Actual Control(LAC). This agreement implied a confidence building and confidence expression measure, pending a boundary settlement. Commenting on it, The Economist wrote that the solution of the issue seemed to be near as "with the dissolution of Soviet Union, the old balance of power game between India and China has lost its logic" (The Economist 1993:69).

The period was also marked by a greater understanding of each other concerns and gestures of concession towards each other. This further reflected the spirit of accommodation. Issues like the Chinese attitude towards Sikkim's incorporation in India, Kashmir, and India's attitude towards- the Dalai Lama and Tibet, bear testimony to the fact that there was a will on the part of both countries to harmonies relations between them.

In an era of rapid changes in the World economy, both countries recognized the need for greater economic cooperation even as they competed for more foreign aid, trade and investment. They agreed upon the necessity to strengthen ties in the field of science and technology. Important features of their economic cooperation were bilateral trade, border trade and joint ventures. "Bilateral trade reached US \$1.4 billion in 1996, showing an increase of 21 per cent over the previous year. Bilateral trade clocked US \$1 billion during the first seven months of 1997"62. India-China border trade was worth Rs 69 lakh and 16 lakh along the Lipulekh pass and the Shipkila pass respectively in 1996"63. Both countries have set up a number of joint ventures between them<sup>64</sup>.

The Sino-Pakistani nuclear and missile cooperation raised doubts about China's intension and this cast a dark shadow over Sino-Indian relations. China denied having sold any arms to Pakistan that could be used against India. "The US showed little concern, for commercial reasons, towards India's worry in this matter (Mahapatra 1998). In addition to arms relationship with Pakistan, China's own massive arms buildup, its missile deployments, its arms sales to Myanmar, Bangladesh and Sri Lanka, caused serious apprehensions in India. Many in India thought that China was taking advantage of the India-initiated détente to engage and contain India at the same time (Sen 2000:259).

Briefly speaking, the hallmarks of Sino-Indian relations in the 1990s, till Pokhran II, were high level political contacts, a constant if cautious effort to resolve the border dispute, a greater understanding of each other concerns in a spirit of accommodation

<sup>62</sup>Ministry of External Affairs Annual Report, 1997-98, p. 38

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<sup>&</sup>lt;sup>64</sup> Ministry of External Affairs Annual Report, 1996-97, p. 12, reports that over fifty joint ventures have been set up.

and growing economic cooperation. As former foreign secretary J.N. Dixit has written: "Both India and China, while being aware of the implication of this (missile deployments and defence cooperation with India's neighbours) phenomenon, were consciously trying to build a working relationship insulated from the likely pressures generated by Chinese equations with India's neighbours" (Dixit 1998:414).

Though in 90's till Pokhran II, India-China relations seemed cordial, but there is evidence to suggest that China has faced a lot of pressure in its effort to join the World Trade Organization (WTO) on the issues of trade and investment and lowering of tariff barrier. Likewise, in the political sphere, on the issues of human rights, political prisoners and democracy, it has come under considerable pressure. Consequently, China needed a broad forum, composed largely of developing countries, to face up sustained economic and political pressure from the West, especially the US(Acharya 2000:190). So the apparent positive developments in India-China relations can be seen as diplomacy of Chinese foreign policy, to face the above mentioned pressures.

The India nuclear explosion of May 1998, constitute the next dramatic turning point and saw a drastic downward swing in India-China relations. The Chinese position that India should sign NPT and in effect, roll back its nuclear programme, on serves to give the impression that they are unwilling to accept the new reality in the region and China cannot tolerate the military power possessed with nuclear weapons, like India, while giving Pakistan the military and nuclear technology support, which is definitely against the interest of India.

After 9/11, 2001, terrorist attack on U.S. and consequently its presence in Afghanistan for war against terrorism, has changed the geopolitical situation in the region. And in the first decade of twenty first century, as the US-India relationship in area of military, civil nuclear energy and science and technology is increasing, the aggression in Chinese foreign policy against India is also increasing.

## **Weapons of Mass Destruction**

The Asian security in the present century will depend powerfully on regulating weapons of mass destruction, particularly nuclear weapons. Much of the Asia is covered by various agreements and norms that constitute the global nuclear order-the

NPT, the CTBT (if and when it comes into force), the MTCR and so on. But in the absence of an agreement to eliminate nuclear weapons, there will always be the threat of inadvertent or accidental war involving these weapons.

"China, Russia and the US are acknowledged nuclear weapons powers in Asia. U.S. and Russia have an arms control relationship. Recently both have signed new START Treaty. Between US and China there is a much thinner arms control process. Essentially, China has refused to enter into nuclear arms reduction talk until the US and Russia, reduce their weapons stock to Chinese levels" 65.

In Asia, India and Pakistan also possess the nuclear capacity. The Indian capability is related to both China and Pakistan. Pakistan's weapons programme is directed at India and China also acknowledges a nuclear rivalry with India. This has brought into being a triangular relationship that could be unstable. "In fact the idea of spreading of Atomic weapons must be given to China and Pakistan. Deng Xio Ping tried to strengthen his international power for strategic gain through means of nuclear proliferation in that countries, which regimes had no legal validity and which were spreading terrorism as state policy. In the first half of eighties, Deng had decided for nuclear proliferation in Pakistan, North Korea and Iran. All these countries were facing the danger of regime change and were using terrorism as state policy. America and its NPT allies have been unable to check the China for its effort to weaken the Nuclear Non Proliferation. China has provided Atomic weapons to Pakistan and North Korea. Thus there should not be any hesitation to accept that China has used nuclear proliferation for strategic purpose" (Subramaniam K 2010).

Thus China's nuclear and missile proliferation has been a significant source of contention for India. So as India went ahead for the Pokharan-II test in 1998 toward transforming its implicit, 1974 nuclear capability into an explicit realized capacity Prime Minister, Atal Bihari Vajpayee, was blunt concerning China factors behind the Pokharan-II test by India:

"We have an overt weapon state [China] on our border, a state that committed armed aggression against India in 1962. Although our relations with that

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<sup>&</sup>lt;sup>65</sup> See The Future of US Nuclear Weapon Policy, Report of Committee on International Security and Arms Control and National Academy of Science, Washington, D. C., National Academy Press, 1997, 46-47

country have improved in the last decade or so, an atmosphere of distrust persists, mainly due to the unresolved border problems. To add to the distrust, that country has materially helped another neighbour of ours [Pakistan] to become a covert nuclear weapon state"66.

The aftermath of Pokharan II, saw a drastic downward swing in India-China relations. To the earlier causes of mistrust, viz., the territorial question and China's military relationship with Pakistan, is now added the nuclear problem. "While major western powers have grudgingly acknowledged India's de facto nuclear status, the Chinese shows no sign of softening its demand that 'New Delhi initiate a complete rollback of its nuclear weapon programme and unconditionally participate in the comprehensive Test Ban Treaty (CTBT) and Nuclear Non Proliferation Treaty (NPT) as a Non Nuclear weapon State'. China nuclear diplomacy seeks to deny India's entry into the exclusive Nuclear Five Club"(The Hindu, 23 December 2010).

On the issue to acknowledge the importance of transcending the Nuclear Non Proliferation Treaty's definition of a "nuclear weapon state" in the push for universal disarmament, alone among the five nuclear weapons states (p-5), "it is with the Chinese that India hit a road block. Not only Chinese negotiators unwilling to speak of "states possessing nuclear weapons, they also refused to talk at Indian proposal of disarmament on a non discriminatory basis, a formulation India has pushed to ensure that a Nuclear Weapon State (NWS) such as itself, which is outside the NPT, is treated on a par with the five official Nuclear Weapon States (NWS) and not singled out for special attention" (The Hindu, 23 December 2010).

Alone among the P-5, the China also refused to commit themselve to support India's bid to join the Nuclear Suppliers front, something the U.S., France and Russia have also announced their backing for. Since, neither China nor Pakistan follows a policy of no first use of nuclear weapons vis-à-vis India. And on one hand, not only China demands, India's denuclearisation but also, on the other, "it continues to proliferate in violation of its legal commitments under NPT. For example as a case, in October 2013, China offered nuclear reactor to Pakistan, despite growing international concern over Pakistan troubling nuclear proliferation record" (Malik 2004). It also point out to the incongruity of China's own international commitment as a NPT member as well as within the NSG.

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<sup>&</sup>lt;sup>66</sup>Text of letter reproduced in China Report, vol. 35 No. 2, 1999, pp. 210-11

So, India is facing the nuclear threat from both Pakistan and China and the policies of China shows the intension of China to dominate in Asia and consider India as a rival and not competitor. After Pokharan II, a drastic downward swing again indicates the view that China cannot tolerate the military power with nuclear weapons like India. On the other hand China while giving Pakistan, the military and nuclear technology and support, which is definitely against the interest of India. It is worth noting that China always opposes the permanent membership of India in Security Council. There is also the possibility that China's policy of nuclear proliferation is aimed at strategic purpose against U.S. also, but India need to choose to construct a nuclear force that could maintain the threshold level and could be used as deterrence.

## India, China and Pakistan

After the end of the first and half decade of 21<sup>st</sup> century in the Post Cold War period South Asia is one of the few regions where the interstate relations still has undertones reminiscent of the Cold War. The two powers India, China and Pakistan, determine the strategic profile of this region, constitute a security triangle. The South Asian security triangle is characterized by the geostrategic and geopolitical interwing of security policies of all three powers<sup>67</sup>.

Since the beginning of the 1990s, bilateral relations between India and Pakistan, have tended to be consistently bad with an inherently deep distrust of each other weighed down by history's baggage. Inevitably, such a state of affairs has seen the outbreak of three full fledged wars between the two countries, with a fourth nearly occurring in the summer of 1999. Indian commentators affirm that Pakistan's continued insecurity in relation to India has led it to develop 'a narrow survivalist model of national security' which thrives on the demonisation of the latter for any Pakistani regime's domestic consolidation (Mattoo 1999: 296).

In contrast to India Pakistan interaction, the Sino-Pakistan ties have during the sixtyyear history of their interaction been the epitome of good neighbourly relations. Both countries have evolved a comprehensive strategic partnership that extends from support to each other's cause in major external policy forums to technological and

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<sup>&</sup>lt;sup>67</sup>This is to say that inter-state relations in Southern Asia today have parallels with classic 'three nation' problems of the cold war period. Even the dominant national security discourse, official rhetoric and action of the major powers, China, India and Pakistan, attest to this fact.

military cooperation. For India, the China- Pakistan tie, a friendship that has, as its reason d'être, the perception of India as a common enemy (Chandy 2000: 300).

Correspondingly, Sino-Indian relations have not always been cordial. The relationship has weathered, and may still be weathering, many impediments. These have included a border war, an enduring territorial dispute, and many military incidents and near showdowns in the sixty years, since, India and China established diplomatic relations(Chandy 2000: 300).

The impact of the Sino-Pakistani relationship on India bears clearly on the Kashmir issue. Whereas diplomatically, it has been important for India to keep extra-regional interest or interference, out of this area. But China's stance on the Kashmir issue has been a critical factor determining the ability of Pakistan to raise the stakes for India on the dispute. The absence of unequivocal international boundaries, in a region where China, Pakistan and India have contiguous territories, has exacerbated this problem with the inability of all the three counties, to agree on a policy of military restraint. The obvious result is that Kashmir and the area around it, have been transformed into a strategic arena where there exists at all times a high possibility of armed conflict (Chandy 2000: 302).

There has been the variance in China's posture, on the Kashmir issue. It can be explained by considering the Kashmir problem in the larger context of China's interests, pertaining to South Asia, and also the Pakistan's presence as an important conduit into the Islamic world. These features broadly indicate China's strategic preferences with respect to the most enduring territorial dispute in South Asia.

"Although China acknowledges, India's dominant role in South Asia, it seeks to ensure that Pakistan remains a strong military counterweight to India. The Sino-Pakistan military alliance (in particular, the nuclear and missile nexus) ensures that the South Asian military balance of power is neither pro-India nor pro-Pakistan but pro-China. The Chinese believe that as long as Indian military is preoccupied with Pakistan on its western frontier, New Delhi can't focus on China and East Asia" (Malik 2011).

For India, Pakistan cannot pose a threat without China's military support just as, Taiwan cannot constitute a threat to China without U.S. support. "On a cost benefit analysis the combined strategic and political advantages that China receives from its alliance with Pakistan (and through Pakistan, other Islamic countries) easily outweigh any advantages of a closer relationship with India. Pakistan is vitally important to China's energy security (by providing access to and naval bases in the Persian Gulf), military security (by keeping India's military engaged on its western frontier), geopolitics (given its geostrategic location at the intersection of South Asia, Central Asia, and middle east), national unity and territorial integrity (maintaining control over Tibet and Xinjiang), maritime strategy in Indian ocean, and as a staunch diplomatic, ally (in international forum including the Islamic world), a buyer and supplier of conventional and unconventional weaponry, and above all a powerful bargaining Chip in China's relation with India and the United States" (Malik 2011).

However, China has also raised "concerns over Uighur Muslim separatists links with Pakistan-based Jehadi organisations. China is also equally uncomfortable with the growing US presence in Pakistan and Central Asia and the dependence of Pakistan's government on US for survival. China is determined to prevent Pakistan from falling completely under American influence" (Malik 2011). That is the reason, why the China has been giving support to Pakistan, financial and technical for construction of two nuclear reactors in response to India- US civil nuclear cooperation which was opposed by both US and India.

#### East-Asia

A decade after the collapse of Soviet Union Vladimir Putin's coming to power in 2000 in Russia, he has pursued closer relations with China, Japan, and Koreas and the ASEAN member states. The slogan of "Multi vectored" foreign policy has acquired substance with Moscow's engagement in Asia--Pacific in the field of economic and security co operations. Russia has integrated itself into bilateral and regional structures, by increasing interaction with organizations such as APEC, the ASEAN Regional Forum (ARF), ASEAN, and the East Asia Summit. But despite these efforts, in the Russia's World view, the geographical balance in Russian foreign policy continues to be overwhelmingly Western centric. Also Russia's modest presence in the Asia- Pacific is reflected in the minimal influence it exerts in the region.

Asia-Pacific and East Asia in particular is the region where the United States, China and Japan are major players and "this is the ultimate geopolitical area, where zero-sum calculus and balance of power have greater currency than anywhere else. Unlike in Europe, there is no collective regional identity or tradition of cooperation in East Asia" (J.Wang 2004:5). In the last century alone there have been bloody conflict between Japan and Russia Japan and U S, Japan and China, China and Soviet Union, dangerous stand offs between the U S and China and the three decades long Sino-Soviet freeze. So even with the end of the Cold War the U S security agreement with Japan, the Republic of Korea, and the Philippines remain the cornerstone of stability in the Asia-Pacific.

The central issue in East Asia is the rise of China as the potential regional hegemon and the response of other players to this challenge. Today China is the sole "revolutionary" or "revisionist" power in East Asia<sup>68</sup>. Of all the power present, it is most committed to challenging the existing American led order. Despite the China's claim of its peaceful rise, the impact of Chinese economic growth, the rapid modernisation of the PLA, and its increasingly active role in international affairs, U S has reinforced security arrangement with various regional allies, initiated Theatre Missile Defense (TMD), embarked on rapprochement with and extended economic engagement throughout Asia.

China's emergence has had a similarity powerful impact on Russian political consciousness. Though Putin sets great store by the "strategic partnership' with China, yet much of his Asia policy is based on the premise that a dominant China would be detrimental to Russian interests. For Russia specifically there are two concerns. First worry is that that China's rise in East Asia could translate one day into revanchist intention to recover the RFE. The second concern is that of China's emergence as the leading power in Asia Pacific may undermine Russian attempts to play a more active role in the region's affairs.

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<sup>&</sup>lt;sup>68</sup>As Vasily Mikheev notes, "China plays the role of a regional 'disturber' of the peace as it seeks to strengthen its political influence on the basis of its growing economic might, its important and some times even leading role on the world market and the active expansion of its capital abroad –East Asia and Russia's Development strategy.'' *Russia in Global Affairs*, vol.5 (January-March 2007):72

# **Russian Policy Towards East Asia**

Russian policy towards East Asia can be traced in its multi vector foreign policy. In the East Asian context this means refraining from excessive Sino centrism by building closer relations with Japan, the two Koreas, ASEAN member-states, and regional multilateral structures. The 'Strategic partnership" with China would remain critical, but would be balanced by substantial ties with other centres of power.

Despite the on going problems in Russia-U.S relations, Moscow has not opposed the presence of American force in East Asia. U.S defence arrangements with Taiwan, puts a limit on China in fostering its reunification with Taiwan. China opposes Theatre Missile Defense system more strongly than Russia that could be used to protect Taiwan. "Officially Russia declared its opposition to Taiwan's independence, but certainly does not welcome the use of force to impose unification. China feels constrained by the strengthening of the US-Japan and the US-ROK security alliances although Russia sees them indifferently or even favours them as a source among others, of strengthening regional security" (Voskressenski Alexei 2007: 34). Despite several wars over past century, Russian attitudes towards Japan are surprisingly positive and Japan is not regarded as an aggressive power.

Ideally China and Japan would neutralise one another in such a balanced manner that could reduce the potential for Chinese aggression against Russian Far East. Also it might offer Russia opportunities to act as the swing power in East Asia and to maximize its political and economic clout and obtain recognition as a major regional player. However, attempts to pursue strategic diversity, has been unsuccessful due to the deterioration of relations with Japan since the late 1990s. The territorial dispute: remains deadlocked; notwithstanding the increase in bilateral trade, commercial ties remain modest particularly compared with Sino Russia trade (Lo 2008:122). As long as relation with Japan, show no significant improvement, Putin will be unable to realise his vision of strategic diversity. Whereas Russia is becoming increasingly China dependent, Beijing is able to manage the bilateral relationship from a position of strength.

Russia also has been trying to engage with Asia-Pacific multilateral institutions. it attended nearly all the major Asian multilateral summits, either as a full participant or

as an observer. Still Russia is relatively not as important player on Asia-Pacific issues. Although Putin has worked hard to change Russia's image in Asia from geopolitical great power to positive sum contributor, some of its policies in the region have proved counterproductive. The starkest example is the controversy over arms exports to China. Although Russia insists that such arms are defensive and do not destabilizes regional security, other countries-the United States Japan and several ASEAN statestake a different view (Garnett Sherman 2000). The weapons Russia sells to China-Kilo class submarines, Sovremenny class destroyers, SU-30 MKK fighters and recently Su-35-fighters- are precisely the sort of hardware that improves China's power projection capabilities, not only vis-s-vis Taiwan, but also deep into the South China Sea and close to key shipping lanes. These Russian initiatives are in contrast with its effort to establish it as an important player in Asia Pacific. But in 2012, "when China called its sovereignty in Senkaku a core interest, Nikolai Patrushev, head of Russia's Security Council, told Japanese officials that Russia will not take sides in this dispute. Japan and China must solve this problem bilaterally through dialogue. Furthermore, Japan and Russia agreed to strengthen the bilateral dialogue in a bid to expand cooperation in the field of security and defence amid the rapid changing security environment in the Asia-Pacific region" (Stephen Blank, 2012). Clearly Russia withdraws support for China's territorial claims. Also "since he came to power at the end of 2012, Japanese Premier Shinzo Abe has met five times with Putin more than any other international leader. Abe has outlined an ambitious agenda for economic cooperation and initiated high level defence dialogue including the fast tracked negotiation on the territorial dispute with Russia" (The Indian Express, 11 March 2014).

"Russia is also cosying up to Japan, even as Beijing and Tokyo quarrels over a few islands in the East Asia Sea. In November 2013 Russia and Japan held their first ever two-puts-two dialogue, involving the defence and foreign ministers of both sides. Russia is only third country, after the US and Australia, that Japan has formed such forum with the ministerial level. Russia has not done this with any other country-not China; not India. As Russia and Japan try to resolve long standing bilateral disputes, they have launched security and defence cooperation as part of an effort to improve their leverage with China" (Mohan C Raja 2013).

But in November 2013, during Hanoi visit "Putin reaffirmed Russia's commitment to deepen the defence partnership with Vietnam. Putin is taking advantage of the tension between China and Vietnam in the South China Sea and raising its own profile in East Asia. Russia has already agreed to sell six kilo class submarines that would help Vietnam, blunts China's growing naval might in South China Sea. Russia is also negotiating with Vietnam, access arrangements to Cam Ranh Bay that will boost Moscow's naval presence in the South China Sea" (Mohan C. Raja 2013)

On the other hand China has adopted very liberal attitude towards Russian involvement in Asian affairs. In fact, despite Putin's commitment to strategic diversity, Russia's orientation in Asia is becoming more or less China dependent. China's priority is to derive maximum benefit from its relationship with Russia, not to compete in East Asia. China's aim is to consolidate its "Strategic rear" and to secure the access of Oil and other natural resources in a better way. But with the growing economic power, China is showing the regional assertiveness. Recently, China has repeatedly filed its objections before Russia to terminate its energy explorations in South China Sea. In 2012 Russia's announcement of regaining a naval base at Cam Ranh Bay to join Russia-Vietnamese energy projects of "Vietnam's continental shelf in the South China Sea by taking a 49 percent stake in the offshore blocks. It hold an estimated 1.9 trillion cubic feet of natural gas and more than 25 million tons of gas condensate. These actions precipitated China's demand that Russia leave the area. However, despite its silence, presumably to avoid antagonizing China, Russia stayed but, since then it has increased support for Vietnam regarding energy exploration in the South China Sea and, perhaps more ominously from China's stand point, in arms sales and defence cooperation" (Stephen Blank 2012). In November 2013, China announced to newly designated Air Defence Identification Zone (ADIZ) in the East China Sea, which overlaps with Japan's own air defence Zone. It also includes Japan administered Senkaku islands (and which China Claims and calls the Diaoyus), as well as South Korean reef, known as Ieodo. Both the Japan and South Korea strongly opposed the Chinese deliberate attempt to change the status quo.

"In the wake of global financial crisis, perhaps believing its own narrative of Chinese rise and American decline, it began overreach in its dealing with its neighbours. It sent ships to disputed reefs, pressed foreign oil companies to halt exploration and

harassed American and Vietnamese naval vessels in the South China Sea"(The Economist 2013). "Some observers say that the government is using the ADIZ to establish a nine dash line covering the East China Sea as well. They fear China's next move will be to declare ADIZ over the South China Sea, to assert control over both the sea and the air through the region. Whether or not China has such specific ambitions, the ADIZ clearly suggests that China does not accept the status quo in the region and wants to change it" (The Economist 2013). The "Chinese dream" of the Chinese President Xi Jinping is nothing but a mixture of economic reform and stringent nationalism.

Also the resource-rich South China Sea is a hotbed of seething territorial disputes. China is entangled in bitter conflict with Vietnam, Malaysia and Philippines over maritime boundaries in the Sea. China has been adopting aggressive stance in maritime security in the South China Sea and sees it as its territorial waters. In a recent flare up in May 2014, China positioned a \$ 1 billion oil rig in a part of south China Sea off the coast of Vietnam, also claimed by Hanoi. Immediately, furious Vietnam deployed ships which were driven back by large Chinese ships rammed in to each other. On May 14<sup>th</sup>, 2014 thousands protested against China in Vietnam, leading to violence arson, looting of Chinese owned factories. And subsequently Beijing evacuated 3000 of its nationals. Further, Vietnamese PM met Philippine president said they will oppose Chinese violations (Reuters May 2014). So these recent willingness to assert regional dominance by China, has fuelled fears that tensions in the South China Sea could lead to armed conflict.

# The China Factor in Russia-India Relations in East Asia

Russian engagement with Asia has expanded in the post Cold War period as with the China's economic growth. Putin stepped up Russian participation in summits of ASEAN, and Russia joined ASEAN's regional forum (ARF) as an observer, mainly to ensure its access to the rapidly growing markets of South East Asia. The same is true of the Asia-Pacific Economic cooperation (APEC), which is becoming increasingly important as a source of investment for developing Russia's Far East. However, Russia's foreign policy towards Asia and the Pacific, focuses on creating deepened and balanced relations with the countries of the region that guarantee its long term

stability. From this approach it is Japan and India, apart from China, that have received the most attention from Russia in Asia (Mankoff 2009: 225).

As a close ally of United States a wary rival of China, and the potentially vast market of Russian energy, Japan is a key security and economic actor in the region. Despite the failure to resolve the impasse over the Kuriles Island, Russia continues to view Japan as a useful counterweight against China and as another potential source of reviving the Far East. Russia's decision to accommodate China as a counterweight to US has at least indirectly prevented a closer rapprochement with Japan. Conversely, concern about Chinese influence has at times led Russia to seek closer relations with Japan as means of retaining a free hand (Mankoff 2001: 226).

The painstaking debates over the placement of Russian pipeline to Pacific coast, is perhaps the starkest example of Russia's desire to manoeuvre between China and Japan. But larger context has been a factor, since Japan is a close ally of the United States, Russia's decision to prioritise China over Japan is in part a reflection of increased difficulties between Russia and the U.S. but "whenever Russia and West fight, China's geopolitical leverage goes up. This trend, which stood the test of time for more than a century, is now playing out again in the deepening crisis in Ukraine. As the U.S. and Russia squabble, over Ukraine, both are reaching out to China. But Japan was unwilling to offend Russia, which has become major policy priority for Japan. Japan today believes that the real danger to its national security comes from China"(Raja Mohan c. 2014).

India's Look East policy<sup>69</sup> has brought India and Japan into closer contact, in part which is fostered by "shared concerns over China" and its growing military shadow. Japanese criticism of India's 1998 nuclear testing has been largely washed away, which indicated in their joint Partnership in the New Asian Era. Subsequently with Japan-India Strategic and Global Partnership agreement signed "in 2006, military-security cooperation has brought Japanese naval units into the India Ocean alongside India; and has brought Indian naval units into East Asia alongside Japan" (Scott

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<sup>&</sup>lt;sup>69</sup>Initiated in 1991 by Prime Minister, I.K. Gujral, India's Look East Policy represents its efforts to cultivate extensive economic and strategic relations with the relations with Southeast Asia in order to bolster its standing as a regional power and counter weight to the strategic influence of PRC.

2008). From a geological perspective, India and Japan are able to pose a two front challenge to China.

"India's most significant card towards China is its burgeoning political-military security relationship with the US, sealed with their New Framework for the US-India Defense Relationship agreement of 2005 and widening strategic cooperation. Indian analyst, like John Cherian, was clear enough in seeing a China factor at play in this convergence of India and U.S. perceived interests" (Scott 2008:255)...

According to Chinese view, "Japan's advocacy of India's inclusion in the 2005 East-Asia Summit, despite some Chinese resistance, was because Japan is trying to drag countries outside this region such as Australia and India into the community to serve as a counterbalance to China... to build up US, Japan-centred western dominance" (Scott 2008:259). On the other hand, India- Japan relations has marked an important advance at bilateral level. In the growing India- Japan relations, China has been one of the main factors. Also since China is a factor in Russia-Japan relations, so Russia-India relations with Japan, includes the common factor of China for their cooperation in East Asia. Also since in East Asia and Pacific region, security mechanisms are loose, so countries prefer to let the USA take care of substantive security matters. Though Russia has drawn away it into any conflict, but Russia has taken steps to participate in oil and gas projects in South China Sea.

China's has been adopting an aggressive position regarding territorial disputes in the South and East China Sea and it has tried to change the status quo in the region, with its growing power. But the uncertainty of the US commitment to the region is seen by as the greatest source of instability. So the demand for more involvement of Russia and India has been growing for the stability and peace of this region.

For India, with its look East Policy initiated during the early 1990s, East Asia returned to the center stage of Indian foreign policy. Presence of Japan's Prime Minister Shinzo Abe, as chief guest of year's (2014) Republic pay celebrations, and also the frequent presence of East Asian leaders at Republic day events in last five years, reflects the growing weight of the region in India's economic and strategic calculations.

From the point of view of Russia- India cooperation in East Asia, besides Japan, Vietnam has provided a crucial platform to collaborate Russia and India. In November 2013, after roping in Russia to invest in oil and gas blocks, "Vietnam has offered India, five exploratory blocks to ensure India's presence in countering China's enormous economic influence"(Ranjan 2013). India's ONGC Videsh Ltd with joint collaboration with Petro Vietnam will develop these blocks, which holds four trillion cubic feet of natural gas (The Indian Express, November 2013). According to OVL sources these blocks were not situated in the disputed waters where China and Vietnam are conflicting overlapping sovereignty claims. Vietnam is wowing Russia, India and Japan as their presence would serve as a deterrent to counter pressure from China. Also, the uncertain dynamic of the US-China relationship, has pushed the key regional powers to develop stronger security partnership between them. India and Indonesia have increased their closeness in the last decade and are strategic partners and are finding a way to boost defence co-operations. It will also broaden the way for India to strengthen its security cooperation with other regional powers in Asia.

#### Conclusion

It can be concluded that China has been impacting the Russia-India relations in a significant way on the regional issues. Power Transition Theory and the theory of Offensive Realism clearly predict about Chinese policies to bring structural changes and to become a regional hegemon. These policies are:-launch of The Belt and Road Initiative (BRI), creation of Asian Infrastructure Investment Bank to fund its BRI and other projects, its aggressive territorial claims on islands in South China Sea, East China Sea and developing military infrastructure on these islands in Asia-Pacific to push U.S. out of the region and development of overseas military bases. As its overall policy to bring structural changes in Asia, China has been pursuing its soft power diplomacy in Central Asia as opposed to hard power in Indo-Pacific region to avoid conflict with Russia. China is promoting its BRI project, one part of which will pass through Central Asia to connect Europe.

Issues of conflict between India and China are: unresolved border issues, growing incursions across the LAC by Chinese Army; China-Pakistan nexus (in the area of nuclear technology, sell of weapons, terrorism and financial adds etc) and proposed USD 57billion China-Pakistan Economic Corridor (CPEC) which will pass through Pak Occupied Kashmir

(POK). Though there are some issues of divergence in Russia-India relations such as growing Russia- Pak relations and joint military exercise, Russia's support to Chinese ambitious BRI project while India has opposed this as it violets India's territorial integrity and sovereignty – the CPEC passes through POK and also not all part of this project is economically viable and its security implications cannot be ignored. But Russia-India cooperation has been growing in Central Asia East Asia and on other regional issues due to China's policies to bring structural changes in the Asian region.

# Chapter Five The China Factor in Russia and India's Multilateral Cooperation

## Introduction

After the disintegration of Soviet Union in 1991, Russia-India relations in the 1990s went through a period of uncertainty when Russia was preoccupied with domestic economic and political issues and its relations with the USA and Europe. The situation changed when the new Russian Prime Minister Primakov (1998-99) started shifting from the previous pro Western Russian foreign policy to strengthen his country's relations with old allies. Primakov visited India in 1998 and pushed proposals for creating a Russia-India-China (RIC) strategic triangle. However the RIC coherence remained questionable and the development of strategic triangle would be unrealistic due to mutual suspicion between India and China. The new Russian leadership under Vladimir Putin (President 2000-08) reversed the Yeltsin era drift in India-Russia bilateral relations, signed the declaration on strategic partnership with India in 2000, and established the institution of annual summit meeting.

After a decade of U.S hegemony, in late 1990s, China and Russia embarked on countering U.S global power under the guise of "multipolarity" and established a new axis of cooperation. Common security interests and geopolitical calculations generally united Russia and China against U.S military actions throughout the 1990s and 2000s. Russian administration under Putin has alternated the language of "Eurasianism" when describing Russia's national identity with that of Russia as the "third West". In other words, Russia is a western power alongside the U.S. and the European Union, different from both, but still undeniably western. However, in the dominant Russian discourse, Eurasianism has always been associated with power in Asia, and Russia can compensate for its second class status in Europe by playing the role of an Asian great power. Russia's goal of becoming a major pole of a multi-polar World may well be hopeless, given the relative decline of Russia's economy and population. Hence the officials insisted that Russia's foreign and security policy should be "multi vector" seeking cooperation and good relations with a range of other countries. With it the multilateral cooperation was also emphasised. The Shanghai Cooperation Organization (SCO) and the BRICS grouping reflect this approach. As superpowers retrench, they often shift security burdens to multilateral institutions (Ambrosio 2011:38). If regimes are rule based but fundamentally affected by power politics, the

desirability of acting as a group must outweigh the benefits of acting individualistically.

At the multilateral level, Russia, India and China has been working in regional and global organisations such as SCO, BRICS, ARF, ASEAN,G-20, WTO and U N organisations, particularly, the United Nations Security Council (UNSC). Also, Closer policy coordination at ministerial level in Russia, India and China or the RIC Forum, can provide solutions to a number of problems currently being experienced by these three countries. RIC is not a forum like SCO or BRICS but loose and informal structure that provides a comfort level for these countries to raise any issue. The growing Chinese and Indian activism in these regional and global organizations in the post Cold War era has raised hope of increased dialogue and cooperation that would help overcome their competition and mutual distrust of each other. So in this chapter, the China factor in Russia-India relations at multilateral level has been discussed.

The first section discusses that how the prospects of cooperation for peace and stability at multilateral level to include Russia, India, China and Central Asian states can be realized through the organization like SCO. "In the wake of the Soviet collapse, Russia, China and the Central Asian states engaged in a series of multilateral negotiations to formally resolve the outstanding border issues. These negotiations resulted in the establishment of the Shanghai five with the PRC, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan signing the treaty on deepening military trust in Border Region in April 1997. When Uzbekistan joined this grouping in 2001, it was renamed the Shanghai Cooperation Organisation (SCO)" (Qichen 2003: 230-232). Shared regional security interests between Russia and China and newly independent states of Central Asia, have become a generally unifying element in Russia-China relations. Russia emphasised that the SCO's main contribution to security lies in its ability to address a variety of more local security threats including terrorism, drug trafficking and stabilization in Afghanistan. The burden of managing security in Central Asia largely falls to the Collective Security Treaty Organization (CSTO). Despite Putin's announcement in November 2011 of an "energy club" within the SCO<sup>70</sup>, Russia continues to see the organization as a future military security pact. China, meanwhile,

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regards it as an energy free market. Since, China remains outside the Eurasian Economic Community (EurAsEc), which potentially denies it the ability to compete with Russia for energy infrastructure contracts. The addition of energy as a focal point of SCO activities offers Beijing a more advantageous position to use trade for strategic purpose.

India joined the SCO as an observer in 2005 and has subsequently participated in a variety of the organisation's more substantive activities, including those of counter terrorism and counter narcotics as well as the building of a transportation network linking Central and South Asia. Though, it has so far declined full membership in the SCO, due to opposition of China, but Russia supported the full membership of India in SCO. India finally got full membership of SCO in 2017 along with Pakistan.

China has always opposed the Russia's attempt to give the SCO a strong security role. Also diverging interests within the Shanghai Cooperation Organization (SCO) are more apparent. Russia was interested to see Iran and India become full members. India, in particular, would help Russia to counterbalance China in Central Asia. Paradoxically, as the SCO gains more importance, there is greater potential for Sino-Russian competition and differences to emerge. Russia is striving to prevent the SCO from becoming an instrument of Chinese influence: and it is playing on Central Asian fears of Chinese economic domination. Thus Russia and China are not so much strategic partners but strategic competitors; their rivalry will become increasingly evident. On the other hand Malik argues that with the decline of Russia's influence, China is using SCO as an instrument to protect its power for larger strategic aspirations and for energy resources in Central Asia, while India's main interest is economic and security. India's aspiration for greater role in SCO, are backed by Russia. So the chapter deals that how the China has been affecting the Russia–India relations at multilateral level in SCO.

The second section deals with the BRICS grouping which provides a unique opportunity for cooperation among Russia, India and China. "In 2001, former Goldman Sachs chief economist Jim O'Neill coined the acronym BRIC to refer to the major emerging economy countries of Brazil, Russia, India and China, which, with the addition of South Africa a decade later, were regarded as BRICS, the next global economic powerhouse" (TUFBRICS 2017). Since 2006, "the regular meetings were

held by the foreign ministers of Brazil, China, India, and Russia. The BRICS political bloc was institutionalised as a platform in Yekaterinburg, Russia, on June 16, 2009. South Africa officially joined in 2011. Over the past 10 years, the BRICS partners have launched a number of initiatives aimed at providing additional and different capabilities to global, political, and economic governance structures. One of its projects has included creating the New Development Bank" (Naidu 2018). But scepticism about the BRICS as a functioning group persists. Interesting new nuances are affecting the positioning of China, India, and Russia within the BRICS bloc. "These include two factors: new alliances between the five countries, and China's massive Belt Road Initiative, president Xi Jiping's re-configuration of channels that connect China with Asia, Africa, and Europe"(Naidu 2018).

The next section discusses about the cooperation of Russia, India and China in the multilateral organizations such as, ASEAN, EAS, ARF and APEC. At the multilateral level, Russia and India has joined in a comprehensive engagement with ASEAN and EAS. On the other hand, "Chinese were opposed to the idea of a World order dominated by the U.S. and viewed the emergence of a mulipolar World order as inevitable, wherein China would have a greater role to play" (Sen 2000: 254). "In order to counter the Pax Americana World order, China embraced the concept of multilateralism in the post-Cold War World. It joined the Association of Southeast Asian Nations (ASEAN), Asia Pacific Economic Community (APEC) and the ASEAN Regional Forum (ARF), which it felt would enhance its economic growth and security, but also provide sites of resistance to US"(Xuegian 1997: 59).

The final section discusses about the prospect of Russia-India -China collaboration in the United Nations on issues of terrorism, reform of United Nations Security Council (UNSC) and financial structural reform of World Bank and IMF. Russia has been a firm supporter of India's candidature for UNSC permanent membership, which was made clear in the strategic partnership declaration of 2000 by claiming that India was a strong and appropriate candidate for UNSC permanent membership. Ever since, Russia has maintained that India is a deserving candidate for UNSC membership, while, China has always opposed India's candidature as permanent membership in UNSC. Russia has also expressed its willingness to support and facilitate India's

membership in the Nuclear Supplier Group (NSG), Missile Technology Control Regime (MTCR) and the Wassenaar arrangement.

# Russia-India-China Cooperation in SCO, BRICS and other Multilateral Manoeuvres

# The SCO

After collapse of the Soviet Union in 1991, Shanghai Five (China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan) was founded in 1996 after demarcation of China's borders with the four newly independent States. The SCO emerged from Shanghai Five with the induction of Uzbekistan as a new member at the Shanghai summit in 2001. Since its establishment, the SCO has concluded several wide ranging agreements on security, trade and investment, connectivity, energy, and culture. "Having been created at China's behest with Russian support, the SCO is still grappling to evolve as a well knit entity. Nevertheless, the significance of the SCO cannot be underestimated because of the presence of large territorial and economic powers like Russia and China, as well as the geopolitical space that the grouping occupies. The geographical and strategic space which the SCO straddles is of critical importance for India. India's security, geopolitical, strategic, and economic interests are closely intertwined with developments in the region. The ever present and expanding challenges of terrorism, radicalism, and instability pose a grave threat to the sovereignty and integrity not only of India, but also of countries in its broader neighbourhood" (Sajjanhar 2016).

Shared regional security interests between Moscow and Beijing and newly independent states of Central Asia, have become a generally unifying element in Russia-China relations. Russia emphasised that the "SCO's important contribution to security lies in its ability to address a variety of more local security threats including terrorism, drug Trafficking and stabilization in Afghanistan. In this context Russia increasingly turned to the SCO as a mechanism for institutionalising a foreign presence in Afghanistan alongside NATO forces, though China remain wary of the greater SCO role in Afghanistan" (Mankoff 2009: 221). Russia firmly supported the India's strong participation in future initiatives. Russia was also keen to give SCO observer states, a more substantive role in an effort to enhance the organisation's

influence. India joined the SCO as an observer in 2005 and has subsequently participated in a variety of the organisation's more substantive activities, including those of counter terrorism and counter narcotics as well as the building of a transportation network linking Central and South Asia. Though, it has so far declined full membership in the SCO, due to opposition of China but became full member in 2017. SCO produces long term pay off for all members that would otherwise be unavailable through bilateral means. It assures China a ready stream of energy for its future development as well as ensuring that Russia and the other Central Asian States do not stray far from its orbit. For Russia it provides much needed investment as well as some strategic reassurance about Chinese intentions, given its severe demographic and economic power imbalances in relation to its southern neighbour and for Central Asian States, the SCO provides an institutional framework for broad based cooperation

The decision for accepting India along with Pakistan as full members of the Shanghai Cooperation Organisation (SCO) was taken in Ufa, Russia, in July 2015. So, the SCO witnessed its first expansion since its establishment 15 years ago in 2001. "Only Mongolia was welcomed as a member but was hesitant to join. UN sanctions obstructed Iran's entry. The condition set by the SCO is that the key document, which relates to good neighbourhood, must be agreed upon by India before it can expect full membership. In other words, the onus is on India and Pakistan to adhere to the SCO's expectations – the organisation appears to be demanding the equivalent of a peace treaty between the neighbouring countries before they enter the SCO as full members" (Stobdan 2016). It is no secret that China has been reluctant to India's membership in the SCO. Russia traditionally pushed India's case for full membership, but China wanted Pakistan's entry as well. "China introduced several obstacles to the process; As a result, it took five years (from 2009 to 2014) for the SCO to decide on inducting new members. It has been a long haul for India. India became an observer to the organization at its fifth summit in Astana, Kazakhstan in 2005. Since then, India has subtly indicated its interest in playing a more substantive role in the development of the SCO. It was felt by most members, particularly Russia and Kazakhstan that the grouping would benefit hugely from India's active association. The SCO decided in 2009 to initially focus on its vertical consolidation before embarking on a horizontal expansion" (Sajjanhar, 19 June 2016). Finally, India got full membership of SCO in 2017 along with Pakistan during Astana Summit in Kazakhstan.

Over the past few years, China's insistence on paperwork seems to be merely an ostensible reason to keep the SCO as its exclusive domain. But for China the inclusion of India was neither a priority nor even a requirement. "Though delaying India's entry meant doing the same for Pakistan and Iran, Beijing had other windows of opportunity to deal with Islamabad and Tehran. The SCO cited a number of reasons to delay expansion, especially its misgivings about getting mired in South Asian conflicts, with the failure of the South Asian Association for Regional Cooperation (SAARC) often used as an excuse" (Stobdan 2016). As India and Pakistan moved a step closer to join SCO, an official Chinese daily raised concerns that their "territorial and religious" disputes may disturb the bloc's functioning and shift its focus. Global Times said "Generally, including new members can help the SCO expand its clout but the inclusion of the two South Asian powers might also lead to some problems" (Global Times). First of all, the inclusion may have an impact on the SCO's principle of consultation based consensus. In this sense, "the inclusion of India and Pakistan may bring into the SCO their long existing disputes over territorial and religious issues and disturb the organisation's efforts to carry out the principle," it said. "For the possible problems that may arise after India and Pakistan become full members, the SCO cannot just ignore but instead deal with them in a positive and rational manner," it said. "The daily underlined that SCO founding members should be given some special rights to dispel their concerns caused by the expansion. Also it said the inclusion of India and Pakistan may divert the focus of the SCO" (Global Times). "As four out of six founding members of the SCO are in Central Asia, the SCO has always concentrated on the region. But the joining of India and Pakistan may split the focus of the SCO, and hence the four Central Asian members will reduce their dependence on the SCO," it said. "Moreover, giving full memberships to India and Pakistan will affect the SCO mechanism. The working languages of the SCO are now Chinese and Russian, and there has already been massive language workload in current meeting mechanisms. If India and Pakistan are taken in, the organisation's daily work is likely to increase exponentially," it said. But at the same time it said "the inclusion of India and Pakistan will undoubtedly enhance the influence of the SCO, and the member states also highly value and support the wills

of observers and dialogue partners to step up their cooperation with the organisation," it said. "Even Uzbekistan's president, Islam Karimov, said during the Ufa summit that the inclusion of India and Pakistan into the grouping would change the very character of the SCO. Factors for expansion despite its high visibility, the SCO's progress has actually remained spotty – both in its efficacy and profile" (Stobdan 2016).

India has officially become a full member of the Shanghai Cooperation Organisation (SCO), so the grouping may set up to enhance connectivity, combat terror and create an environment for boosting trade by easing barriers. With full membership status for India and Pakistan, it is an assumption that there may be an attempt to make the SCO as a burgeoning military bloc may one day become a NATO antagonist. India, which had observer status for the past 10 years, has now become the member after completion of certain procedures. "While an expanded membership will lend greater legitimacy to the organisation, experts and analysts fear the risks and opportunities facing Delhi and Islamabad and how their accession will affect the balance of power within the SCO. Analysts noted that the SCO, which was originally created as a border security organization between China, Russia and the five Central Asian Republics, has become more about quantity than quality" (LAWZ 2017). Head of the Russia in the Asia Pacific Region programme of the Carnegie Moscow Center, Alexander Gabuev said that new nations joining the SCO are not doing so because of greater prospects but "for fear of falling behind the powers of continental Eurasia already inside". The fear of falling behind is what prompted India and Pakistan to apply for the membership. Russia supported India's entry merely to balance China's clout in the SCO. According to The Diplomat, "SCO nations had their reservation about Pakistan's admission into the organisation because of its terrorist affiliations, its support for terrorist groups and its role in promoting instability in Afghanistan. It wanted Pakistan's policies in this regard to evolve before considering its inclusion" (The Diplomat 2016).

Today, "Russia and others still contemplate SCO making a pivoting point to beget a gradual thawing of Indo—Pak tension. The SCO does facilitate large scale diplomatic and security interactions at different levels. It also, provides a rare opportunity for the militaries of member states to engage in joint military drills where they coordinate on

operational details and share intelligence. However, there is little prospect of the SCO breaking the Sino-Pak strategic nexus. As long as New Delhi and Islamabad do not resume their dialogue, Pakistan is likely to carry its anti India rhetoric to the platform while China will continue to use Pakistan to blunt India's influence in Eurasia' (Stobdan 2016).

Last year in Ufa, after their accession was announced Chinese vice foreign minister Cheng Grouping had told reporters that "India and Pakistan's admission to the SCO will play an important role in the SCO's development. It will play a constructive role in pushing for the improvement of their bilateral relations." The Grouping might be over optimistic, but the historical strain between India and Pakistan might threaten the organsiation's effectiveness. Their admission into the SCO will add another complicated internal dimension to an organisation which is divided when security policy is concerned. Apart from being a manifestation of China's ambitions for regional leadership and security coordination in the region, the SCO is quite an uneventful forum in Asia. But with entry of India and Pakistan, equations might change, especially with the recent conflict between New Delhi and Beijing over the latter's vetoing India's demand for a ban on Jaish e Mohammad chief Masood Azhar, who is suspected to be one of the main perpetrators of the terrorist attack in India on the Pathankot airbase. Apart from this, China's enduring friendship with Pakistan might create friction among other members. China has enormous clout within the SCO. Originally meant as a border security organisation, which is no longer a priority, the emphasis of SCO has shifted to economic relations, which China dominates. And "although the Central Asian states were part of the Soviet Union a little over 20 years ago and Russia still retains great influence in a region that remains its strategic backyard, it has to contend there with the expansion of Chinese power" (IOC 2016). It won't be too preposterous to conclude that with India and Pakistan's inclusion in the organisation, the effectiveness of the SCO could be reduced to the levels of SAARC, where member nations (i.e. India and Pakistan) are constantly at loggerheads with each other. "With India and Pakistan, the SCO will surely move towards becoming a more symbolically important "Asian Grouping", but it is hard to imagine how the inclusion of these two countries will allow the organisation to somehow suddenly become a more dynamic and cooperative forum. In essence, the SCO is going from being more likeminded to less so, especially with India's inclusion" (Pantucci 2015).

"For years, the group's achievements were seen as an index of China's bilateral initiatives and its outside image was that of a 'club of autocrats' kept afloat by Chinese funding. But things seemed to change in September 2013 when Chinese president Xi Jinping unveiled the 'One Belt, One Road' (OBOR) initiative" (Stobdan 2016), now known as Belt and Road Initiative (BRI) – a plan to integrate Eurasia via economic and infrastructure connectivity. Since then, the need to push China's connectivity and market integration has spurred renewed interest in the SCO's expansion. Thus, India featured high in Xi's calculus. Sino-Russian ties got a boost under Russian President Vladimir Putin and Xi with greater synergy between Russia's Eurasian Economic Union (EAEU) and China's OBOR schemes" (Stobdan 2016).

"Security concerns in the region also pushed the idea of expanding the SCO. Challenges from the US draw down from Afghanistan since 2014, ISIS's increasing footprints and the spate of terrorist incidents in China's Xinjiang province, were compelling factors. Russia still views the SCO's utility in ideological terms as a counterpoise to the West. But the grouping's key driver, China, treats it as a vehicle for expanding its geopolitical and geo-economic interests. Roping India into the SCO was needed to provide fresh vitality, greater voice and prestige to the grouping, which had hitherto remained China centric. It is a fact that India-Pakistan tensions were seen by SCO members as an obstacle" (Scott,5 May 2016). "The SCO's organisational texture has evolved with the inclusion of other non-Eurasians states; Belarus has observer status, while Armenia, Azerbaijan, Cambodia, Nepal, Turkey and Sri Lanka are dialogue partners. Geopolitical challenges of India's SCO membership are closely linked to ongoing global rebalancing games and are related to the deepening of Indo-US military ties, New Delhi's position on the South China Sea and the country's bid to join the coveted NSG club" (Stobdan 2016). "The SCO is mainly welded on Sino-Russian entente - underscored more firmly by Chinese Foreign Minister Wang Yi in Tashkent in May" (Xinhua 2016).

"India's desire to join the Eurasian group comes at a time when New Delhi is more decidedly aligning itself with the US's strategic vision of pivot to the Asia Pacific and Indian Ocean Region – now no longer a euphemism for a China containment strategy. Indo–US ties have deepened further since the Ufa summit last year. Any ambiguity that may have existed so far in the Chinese mind stands removed after Modi's recent

visit to Washington" (Stobdan 2016). Given the range of military and technological cooperation agreements signed, bilateral ties will only grow to unprecedented levels (White House press, 25 January 2015). "The US decision to push for virtual ally status for India and India's willingness to sign the Logistics Exchange Memorandum of Agreement (LEMOA) may force a rethink within the SCO on the pace of its engagement with New Delhi. On their part, however, the Indians can always argue that the country's growing ties with the US are not meant to target others. In fact, Pakistan's status as a 'major non NATO ally' never came in the way of Sino-Pakistan military ties. Similarly, New Delhi's closer ties with Washington ought not to prevent it from boosting ties with Russia and China, for which India already has multiple avenues for engagement, such as BRICS and the EAEU"(Stobdan 2016). However, it is now obvious that the Indo-US entente is likely to grow beyond the military sphere to committing themselves to promoting shared values and interests in the Asian region. "This could contradict the SCO's aspiration of becoming a counterpoise to Western dominance. India's objective lies not in playing the interests of the US and China against each other but in building strong relations with both powers, as well as Russia. Once Iran joins the SCO, perhaps India will be in a better position to play a balancing role" (Stobdan 2016).

In addition, the Central Asian region is rich in natural resources and vital minerals. Central Asian states are landlocked, and particularly Uzbekistan is even doubly land locked. So, it makes very difficult to access these resources. "Trade is dependent on passage through third countries and the political dispensation of regimes in power. Major Powers, both regional and farther away, compete to secure and possibly control access to these resources; closely linked with this endeavour is the search to create credible transport routes that pass through friendly countries" (Sajjanhar 2016). India is also facing such challenges due to the lack of direct land connectivity with Central Asia, and Pakistan's refusal to provide access through its territory. "India is actively collaborating to develop the Iranian Seaport of Chabahar, with possible financial and technical support from Japan. An agreement to develop Chabahar and an associated rail network at a cost of \$500 million was signed by Prime Minister Narendra Modi with the presidents of Iran and Afghanistan during his recent visit to Iran. India has also prioritized the construction of the International North-South Transport Corridor.

Joining the SCO will be a welcome diplomatic boost to India's efforts to connect with Central Asia" (Sajjanhar 2016).

India's membership in the SCO will add further strength to the organization, particularly, to face the challenges of continuing weakness in the international economy and low global demand. "India today is the fastest expanding global economy, with annual GDP growth of 7.5 percent. It represents the third largest economy (\$8 trillion) in PPP terms and seventh largest (\$2.3 trillion) in nominal dollar terms. It also inspires confidence on other indicators, such as FDI, inward remittances, savings rate, and pace of economic reforms. SCO members are also well aware that India is an energy deficient country" (The Diplomat,7 January 2016).

"Central Asia and Russia are extremely well endowed with fossil fuels, including oil, gas, and coal as well as Uranium and hydropower potential. India's rapidly expanding energy needs will provide a stable and assured market for these countries. The ground breaking for the Turkmenistan Afghanistan Pakistan India (TAPI) pipeline in December 2015 was a long overdue step in the right direction. Central Asia is part of India's extended neighbourhood. India's relations with countries in the region, however, have failed to realize the enormous potential for enhancing ties in areas such as security, policy, economy, trade, investment, energy, connectivity, and capacity development" (Sajjanhar 2016). One reason is simply that India does not share common land borders with the region, but another factor has been the lack of frequent visits at the highest level between India and Central Asian states. "India's membership in the SCO will provide a welcome opportunity for India's leadership, including prime ministers, to meet with their counterparts from Central Asia, Russia, China, Afghanistan, and others regularly and frequently. India's potential participation in the Eurasian Economic Union (EAEU) will be an added advantage to make this partnership more fruitful. India has demonstrated its keen interest in strengthening multifaceted relations with Central Asia through Modi's historic visit to the five Central Asian republics in July 2015. Several agreements were signed and new initiatives launched. The TAPI gas pipeline represents a shining example of a mutually beneficial project. In the future, India's development experience, particularly in promoting agriculture, small and medium enterprises, pharmaceuticals, and

information technology, can be of immense benefit to Central Asian countries" (Sajjanhar 2016).

## **Contradictions on terrorism**

The SCO is likely to "face many conflicting interests, from regional and global issues to combating international terrorism and India's position may sometimes be at odds with that of other members. China by its own assertion stands committed to fight against the three evils<sup>71</sup> – terrorism, separatism and religious extremism – through the SCO. It has promised not to make use of internal conflict as a tool to sabotage the security of others and opposes applying double standards on terrorism" (Stobdan 2016). However, in practice Beijing's doublespeak on terrorism has been quite evident. It has used the SCO to fight only those cases of terror that fit with its own definition of terrorism. On the one hand, "China describes Uyghur activism in Xinjiang as an act of terror and wants others to support its fight against the East Turkestan Islamic Movement (ETIM). But on the other hand, it refuses to oppose some terrorist groups that attack other countries. Beijing has been using Pakistan and its instruments of terror to expand its own geopolitical interests. Such doublespeak on terrorism may have prompted India to up the ante by allowing a group of Uyghur political activists to participate in a gathering in India. This Indian attempt at needling China came in the wake of China's move to block India's bid to get Jaish-e-Mohammed chief Maood Azhar and Lashkar-e-Tayyaba commander Jakiur Rehman Lakhvi, banned by the UN. The issue surrounding the granting of a visa to Uyghur leader Dolkun Isa was a clear message to Beijing that India too can play around with the definition of terrorism and it can also hit China where it hurts" (Stobdan 2016). On the issue of terrorism, Russia has been firmly backing India's stand consistently at bilateral as well as at multilateral platforms. The SCO can play a constructive role where Russia-India cooperation may expect China to be in consonance with their position. Not doing so would surely be dubbed as an unconstructive role on China's part.

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<sup>71</sup>http://infoshos.ru/en/?idn=7678

On the security front, the SCO remains committed to fight the so called "three evils" of terrorism, separatism, and religious extremism. Here too there is opportunity for cooperation, as India has been a victim of terrorist attacks for the last 30 years, during which it has lost several thousand innocent children, women, and men. "The threat of terrorism to the region is particularly grave on account of continuing violence in Afghanistan, which can embolden regional groups like the Islamic Movement of Uzbekistan or Hizbul Tahrir to destabilize governments in Central Asia"(Sajjanhar 2016). Although China has strengthened its position into Central Asia on the economic front, Russia continues to be the prime security provider for Central Asian countries. Both India and Russia can collaborate to expand cooperation in this region. "The scourge of radicalism also looms large over the region, with the expanding influence of Islamic State (ISIS). Cadres from the Taliban, al Qaeda, and other established militant groups have joined Islamic State's ranks. Although exact figures are hard to come by, reportedly several hundred young men and women have fled their homes in Central Asia to bolster ISIS forces that are spreading their tentacles to Central Asia, Pakistan, and Afghanistan" (Sajjanhar 2016).

"The interest of all countries in the SCO, as well as those outside who are battling the menace of terrorism, will be well served by India's active and direct engagement with the grouping. India has an enviable track record in handling terrorism and radicalism. Thirty years of battling terrorism has provided invaluable understanding and skills to the Indian security establishment in the fields of intelligence gathering, training, and foiling terrorist operations. India can share its experience and best practices with SCO members to mutual benefit and advantage" (The Diplomat July 1 2016). India can also expand its collaboration with the Regional Anti Terrorist Structure (RATS) based in Tashkent, Uzbekistan for the promotion of all around safety, security, and peace. In the near future, the SCO will need to step up to take responsibility to provide security in Afghanistan in the aftermath of the withdrawal of U.S. and NATO forces. India will get an opportunity to play its crucial role in stabilising the situation in Afghanistan, which is currently on a disturbing trajectory on account of the expanding reach and influence of Taliban. Here also Russia and India can play a very constructive role in the stability in Afghanistan and the region.

In reality, "the organisation has done little in practical terms to counter terrorism, except for holding regular meetings, establishing the RATS (Regional Anti Terrorism Structure) Centre in Tashkent – really just a repository of information of proscribed individuals – and organizing large scale joint military exercises under the rubric of counterterrorism. There is some benefit to this for India" (Pantucci 2015). "The regular leadership and other meetings around the SCO now mean that both Indian and Pakistani officials at a senior level (from Prime Minister and head of state meetings to Health Ministers, Foreign Ministers and Interior Minister Meetings) will now have to encounter each other at least once a year. This is not negative as it will provide another neutral forum in which the two rival powers have an opportunity to interact. Participation in RATS may bring some new levels of intelligence sharing, as well as help the others develop counterterrorism strategies based on India's long experience of it" (Gateway House January 1 2016).

To be sure, "the SCO will inherently remain a fragile regional grouping. Russia and China are important, but the positions of the Central Asian states fluctuate regularly in line with their interests. India needs to build its own leverages with these countries to be an effective member of the SCO. For India, the SCO has been about increasing its political, economic and security stakes in Central Asia. This is why New Delhi keenly pursued formal entry despite critics at home challenging the wisdom of joining a Chinese led body as a junior member with lesser political voice. Entry to the SCO would create new opportunities for India to reconnect with Eurasia after a century of disruption. And it shares security concerns with the region, especially related to combating terrorism and containing threats posed by ISIS and the Taliban. India could benefit by tapping into the SCO's existing regional antiterrorist structure that shares key information and intelligence on the movement of terrorists and drug—trafficking"(Stobdan 2016). Indian armed forces could benefit with participation in the SCO's counter terror exercises.

"India also stands to gain information on drug control, cyber security threats, public information, mass media, educational, environmental, disaster management and water related issues of Eurasia – an area that we know little about. SCO membership will also provide India an avenue to secure its energy interests and invest in oilfields with

an eye of getting its way on the pipeline routes. It can bring mutually beneficial partnerships. India could bring to the SCO table its techno-economic expertise, markets and financial commitment. India's experience in dealing with multi-cultural settings is an attraction among sections in Central Asia and the countries are appreciative of Indian efforts towards the civilian reconstruction process in Afghanistan" (Stobdan 2016). On the connectivity front, OBOR and particularly, its part the China Pakistan Economic Corridor (CPEC) have certainly put India in a state of perplexity. India has opposed the Chinese Belt and Road Initiative (BRI) and particularly the CPEC, which is a part of BRI, as it violates India's Sovereignty and territorial integrity since it passes through the Pak Occupied Kashmir (POK). "Russia and Central Asia have reconciled their own transport connectivity plans with that of OBOR to transform the region into a major hub of the transcontinental transportation network. Afghanistan too supports the CPEC. Iran is perhaps the only country that is not fully convinced that OBOR is a transparent initiative. Chinese port projects in Pakistan, Sri Lanka, Djibouti and Oman are certainly driven by geopolitical motives, something that concerns both Iran and India. By joining the SCO, India can think more sharply on how to respond to OBOR and find ways to join both the Russian and Chinese built transport network. In fact, India should be consulting Iran, Russia and the Caucasus states to coordinate on the various connectivity projects" (Stobdan 2016) particularly the International North–South Transport Corridor. "By committing investment to develop the Chabahar port, India has indicated its seriousness to boost regional connectivity. In fact, the Chabahar announcement and the inauguration of the Salma Dam in Afghanistan also signaled India's strong commitment to the regional integration process. Hopefully, the Chabahar port will not only provide India access to Central Asian, Caspian, Iranian and Western Siberian gas fields but will also pave the way for India to tap the vast deposits of high value rare Earth minerals in Central Asia and Afghanistan. To exploit the opportunities under the SCO process, India cannot take any position other than a cooperative one. India should certainly join the SCO with a fresh mind without any ambiguity. At the same time, it should be mindful of the geopolitical calculations underpinning these connectivity projects" (Stobdan 2016).

Beyond this, "India's principal benefit from joining the SCO will be geopolitical. It will help bring India closer to China by supporting the only multilateral security entity

outside the United Nations that China has both created. It will also help clarify India's growing interest in Central Asia – something already highlighted in Prime Minister Modi's visit to the five countries on the fringes of his visit to Russia. This may be the longer term gain for India. The sometime fractious China-India relationship has been on a broadly positive trajectory for a while, notwithstanding the periodic border spats" (Stobdan 2016).

"China and India are able to hold constructive conversations on a wide range of issues, from AIIB membership to joint counterterrorism exercises. The relationship is moving in a positive, though still slightly tentative, direction. Perhaps the principal exchange emerging from India's accession to the SCO, will be a new push by China to be admitted into SAARC. The relationship with Central Asia, however, is one of India's untapped opportunities. Indian soft power already has considerable influence in Central Asia, far more than China" (Stobdan 2016). For instance, Bollywood movies are much enjoyed compared with Chinese entertainment. But it is certain that India could not found ways to get benefit beyond that. "In Tajikistan, Indian doctors and military support play an interesting bilateral role, but Indian companies have not participated in the way they should have in the region. The main problem for India is the physical impediment of Afghanistan and Pakistan. This reality complicates relations, but India has sought to overcome it by developing the Chabahar Port in Iran— an alternative route for Indian products from Central Asia. The bigger issue is political attention. The Central Asian powers are sandwiched between China and Russia and find themselves increasingly drawn into China's economic influence, in the face of a declining Russia to which they are still bound by history and physical and linguistic infrastructure" (Stobdan 2016).

The Central Asian states constantly seek new partners and India offers an alternative they can appreciate and work with. "India can surely gain from access to Central Asia's minerals and energy, as also market access to Russia and ultimately Europe. Central Asia is still deeply underdeveloped, offering an entree for Indian construction firms and others. This will require formal support, something that Chinese leaders have long recognized through their regular visits to the region. Indian leaders seem not to have recognized that yet. SCO membership will go some way towards changing this, though it will still need a concerted effort by New Delhi if India is to capitalize

effectively on the opportunity that Central Asia offers. Indian membership of the SCO will undoubtedly be trumpeted as a major change in regional geopolitics; it will only become A reality if India follows through with its offers to Central Asia" (Pantucci 9 July 2015)

On the security question the SCO is unlikely to get involved in India's border disputes. Some analysts, particularly Chinese scholars, argue that since the SCO and its predecessor organisations were established in part to settle borders between neighbouring states, the induction of India and Pakistan will enable the SCO to get involved in settling their border dispute. "This appears to be mere wishful thinking. It is unlikely that the membership of India and Pakistan will provide any leverage to the SCO in resolving their bilateral dispute until Pakistan decides to abjure the use of terrorism against India as an instrument of its foreign policy. India has made it abundantly clear on innumerable occasions that there is no role for third party mediation in the India-Pakistan conflict. Similarly, the India-China border dispute can be resolved only through bilateral discussions between the two states" (Sajjanhar 2016). Also "China's doublespeak on terrorism has been quite evident. It has used the SCO to fight only those cases of terror that fit with its own definition of terrorism. But on the other hand, it refuses to oppose some terrorist groups that attack other countries" (Stobdan 2016).

Geopolitical challenges of India's SCO membership are closely linked to ongoing global rebalancing games and are related to the deepening of Indo-US military ties, New Delhi's position on the South China Sea and the country's bid to join the coveted NSG club. India's objective lies not in playing the interests of the US and China against each other but in building strong relations with both powers, as well as Russia. Once Iran joins the SCO, perhaps India will be in a better position to play a balancing role.

To get around the lack of direct land connectivity with Central Asia, and Pakistan's refusal to provide access through its territory, "India is actively collaborating to develop the Iranian seaport of Chabahar and associated with rail network. India has also prioritized the construction of the International North-South Transport Corridor. Joining the SCO will be a welcome diplomatic boost to India's efforts to connect with Central Asia. Although China has made deep inroads into Central Asia on the

economic front, Russia continues to be the prime security provider for Central Asian countries" (Sajjanhar 2016). Both India and Russia can collaborate to expand cooperation in this region.

Apart from this, China's enduring friendship with Pakistan might create friction among other members. China has enormous clout within the SCO. After unveiling the Belt and Road Initiative (BRI), "China's connectivity and market integration has spurred renewed interest in the SCO's expansion. Russia still views the SCO's utility in ideological terms as a counterpoise to the West. But the grouping's key driver, China, treats it as a vehicle for expanding its geopolitical and geo-economics interests. Roping India into the SCO was needed to provide fresh vitality, greater voice and prestige to the grouping, which had hitherto remained China centric" (Stobdan 2016).

"India's membership in the SCO will provide a welcome opportunity for India's leadership, including prime minister, to meet with their counterparts from Central Asia, Russia, China, Afghanistan, and others regularly and frequently. India's potential participation in the Eurasian Economic Union (EEU) will be an added advantage to make this partnership more fruitful' (Sajjanhar 2016).

India can also expand its collaboration with the Regional Anti Terrorist Structure (RATS) for the promotion of all around safety, security, and peace. "India could benefit by tapping into the SCO's existing regional antiterrorist structure that shares key information and intelligence on the movement of terrorists and drug—trafficking. Participation in the SCO's counter terror exercises could benefit our armed forces"(Stobdan 2016).

"Indian soft power already has considerable influence in Central Asia, far more than China. For instance, Bollywood movies are much enjoyed compared with Chinese entertainment. But it is unclear whether India has really found ways to profit beyond that. India's membership in the SCO promises to be a win-win proposition for the organization, for Central Asia, for Russia and for China as well as for India. A huge potential exists for SCO to play a more substantive role in promoting security, peace, economic development, connectivity, energy security, trade, and investment within the region and beyond" (Sajjanhar,28 June 2016).

## **BRICS**

At the level of multilateral cooperation, BRICS grouping provides a unique opportunity for cooperation among Russia, India and China, and other member countries Brazil and South Africa. Despite the member countries differing on some, there are many common interests that bind these countries. After the economic crisis in 2008, BRICS grouping has been working together to overcome the challenges posed by global meltdown and demanding for speeding reforms in global international financial and political institutions. "The global financial architecture underpinned by the IMF and the World Bank, has for several decades, been in need of radical reform to remove its inherent deficiencies for instance- its democratic deficit, exclusive reliance on US dollar as an international reserve currency, inability to regulate the international financial market and the reserve resource crunch it faces in dealing with crisis situations" (Dubey M. 2014). As members of the G-20, the BRICS countries played an important role in sustaining the World economy back from the slowdown after the 2008 financial crisis.

Over the years, many observers have expressed scepticism about the BRICS (Brazil, Russia, India, China, and South Africa) initiative. Since the reason behind the coming together of these countries, defies the traditional logic. "They are dispersed geographically, their economies are in different stages of development, and there is a fair degree of ideological differences between them. And unlike other economic associations, BRICS does not seek to set up any common political or security architecture" (TufBRICS 2017). "In a multipolar World in which economic and political power is rapidly diffusing, the BRICS nations seek to influence and shape the norms of global governance fashioned by the Atlantic system in the past. BRICS, then, is a coming together of nation states at a particular geopolitical moment to achieve a set of goals. Each BRICS member also has its own reason to sustain this pluri-lateral movement" (S. Saran, 5 October 2017). "Russia sees BRICS as a geopolitical counterweight to the eastward expansion of the Atlantic system. For South Africa, BRICS is a means to legitimise its role as a gateway to and power house of the African continent. BRICS allows Brazil to collaborate in the shaping of the Asian century despite its geographical location. China participates in the forum because it recognises BRICS as an important vehicle to fashion governance systems in which its political influence is commensurate to its growing economic heft. Finally, for India, BRICS is a useful bridge between its rising status as a leading power and its erstwhile identity as the leader of the developing World" (Saran 2017).

Today there is a wide range of cooperation on issues such as trade, infrastructure finance and climate change. Moreover, the people-to-people contacts have improved modestly among the five members. "Platforms such as the BRICS Academic Forum and Business Council have proved to be useful in improving their understanding of each other's industry, academia, and government. Undoubtedly, the two most notable achievements have been the institutionalisation of the New Development Bank (NDB) and the Contingency Reserve Arrangement. The importance of these institutions cannot be understated" (Saran 2017). "While such institutions are unlikely to ever replace the IMF or the World Bank, they represent a fundamentally different governance paradigm. By giving equal voting rights to its founding members and improving reliance on local currencies, the BRICS members are attempting to create a new, non-Bretton Woods template for the developing world to emulate" (TufBRICS 2017).

At the sixth summit of the BRICS held in Fortaleza, Brazil in July 2014, the leaders of five developing economies unveiled the BRICS Development Bank (BDB). The BRICS Bank is an idea originally conceived by India during the fourth BRICS summit in New Delhi. Every member is certain about "the need of the bank as the Britton Woods institutions such as World Bank and IMF, failing to give adequate representation to developing nations over the last many decades" (Iyer 2014).

According to agreement "the bank will be capitalised as \$50 billion, with each country chipping in \$10 billion over the next seven or eight years. Another \$50 billion will also be made available to BDB by BRICS in the future of the \$100 billion capital. China will provide \$41 billion, India, Russia and Brazil will contribute \$18 billion each. The remaining \$5 billion will come from South Africa, the smallest economy in BRICS" (Indian Express, 16 July 2014). India got presidency of BDB and bank will headquartered in Shanghai. Also "India has ensured that all countries have equal shareholding in the bank, with equal contribution to the capital" (Iyer 2014) and "Nobody wants BRICS bank to end up like the Britton Woods institutions" said the official.

But contrary to the claim, there are fundamental differences in terms of political systems, development, needs and priorities among BRICS countries. Also the major "challenges to the success of BRICS are chiefly geopolitical, not economic, since the BRICS have potential adversaries among them. China and India are regional rivals and have unresolved border disputes. China and Russia may be partner but they have had long history of mutual animosity and lingering strategic distrust" (P. Minixin, 2014). Even during the sixth BRICS summit, the incident of incursions occurred along the Border with India by Chinese army. Also, while India has been pushing strongly since last third and fourth BRICS summits for the reform of the United Nations Security Council (UNSC) and IMF, but among BRICS members, only China has been opposing for India's bid for permanent membership in UNSC. Along with this, India asserted that, BDB should not be considered as a substitute of World Bank or IMF, but should be in complimentary role with these institutions.

Despite achieving moderate success over the last decade, two recent events have brought the divergence between the members into sharp focus. "The first is the recent military standoff between India and China on the Doklam plateau, which clearly indicates that conflict may prevail over a comfortable political relationship among BRICS members. The second is China's efforts to create a BRICS plus model, a thinly veiled attempt to co-opt nation states integral to its Belt and Road Initiative into a broader political arrangement" (Saran 2017).

Despite, Russia and Brazil struggling in recent years and Goldman Sachs even shut down its BRICS investment fund after years of losses in 2015, China rather than dissolving the BRICS, planning for its expansion under the concept of "BRICS Plus". "In 2017, China remodeled the BRICS outreach partnership into the BRICS Plus which has a more expansive outlook within a broad spectrum of actors from emerging markets and the developing world" (Naidu 2018). "BRICS Plus" is also featured in the joint statement released by BRICS states after the summit concluded, in which they called for greater economic cooperation beyond the five-member bloc. In addition, China also invited observer nations including Mexico and Thailand to join discussions about the possible expansion of the BRICS bloc on the sidelines of this year's summit. So, the "BRICS Plus" plan can be seen as one of Xi Jinping's latest

attempts to take on a more assertive role on the global stage, as the US turns inward under President Donald Trump's "America First" policies.

But India has shown some reservations with the BRICS Plus concept, particularly, a reconfiguration of the grouping stacked in favour of China. Since India has already serious objections against China led BRI initiative, so during the "ninth BRICS Summit held in China, the Indian delegates attending the forum were steadfastly opposed to docking of BRI with BRICS grouping in the future" (Naidu 2018). While the numbers of issues has been raised by India at the platform of BRICS can be clearly seen when Indian External Affairs Minister Sushma Swaraj was addressing the BRICS Foreign Ministers' Meeting in September 2018, "held on the margins of the 73rd session of the UN General Assembly. She said that the members of the BRICS grouping should speak with a stronger voice and not be divided among themselves on the critical issue of achieving the long pending UN Security Council reform. Swaraj said the five-member grouping of Brazil, Russia, India, China and South Africa was started a decade ago to change the status quo in international organisations and correct distortions in multilateralism" (PTI 18 September 2018). Referring to Prime Minister Narendra Modi's call for "reformed multilateralism", Swaraj said the most significant unfinished agenda was the reform of the UN Security Council. "The discussions on the UNSC reform cannot be an exercise in perpetuity, while the legitimacy and credibility of the Security Council continues to get eroded. We, in BRICS should speak with a stronger voice rather than be divided amongst ourselves on this critical area of international governance," she said. "Dismantling terrorist outfits' support infrastructure would be the first step. Terror groups such as Lashkar e-Taiba, ISIS, al-Qaeda, Jaish e Muhammad, Taliban, and Haqqani Network are organised entities that thrive on State support," she said. "Swaraj also urged that the BRICS nations must join hands to make United Nations' counter-terrorism mechanism efficient in listing terrorists and their outfits. Implementation of FATF (Financial Action Task Force) standards, across all jurisdictions, will strengthen international efforts in addressing terrorism" (PTI 18 September 2018). "On South-South Cooperation, she said, there was a need to work together to reflect BRICS' position in the international discourse, and ensure that we do not get drawn into the North-South template and accounting" (Economic Times, 28 September 2018).

So, the BRICS grouping did well in its first decade to identify issues of common interests and to create platforms to address these issues. But since last some years China has been pursuing its aggressive policies through BRICS grouping, which are inconsistent or in conflict with the views of other member countries. On the issue of reform in the UNSC, among BRICS members, only China has been opposing for India's bid for permanent membership in UNSC. Also contrary to views of India and Russia, China's doublespeak on terrorism has been quite evident. On the other hand China is trying to integrate its BRI project with the expansion of BRICS which has been opposed by India. Also, India's emphasis has been that BRICS should not get drawn into the North-South divide while China is projecting it as South-South cooperation. "Also it may be compounded by the hidden geopolitical agendas of China and Russia which see the West as threat and want to use the BRICS as a counter balancing tool and obviously, this is an agenda countries like India, Brazil and South Africa are not eager to embrace" (Pei Minxin 2014). Thus overcoming the underlying geopolitical rivalry is a tough challenge on its own. If the Sino-Indian bilateral relations grow more antagonistic, institution -building in the BRICS, will not be possible.

# ASEAN, EAS, ARF and APEC

The association of South East Asian Nations (ASEAN), the East Asia Summit (EAS), Asia Pacific Economic Cooperation (APEC), have all been identified as potential vehicle for integration. In Russia's policy towards Pacific Asia, ASEAN occupies a place of particular importance as Russia views the grouping as a centre of political dialogue in the region, taking into account the role of the ASEAN Regional Forum (ARF) and the role of ASEAN as the foundation of the EAS. Unfortunately, economic ties between Russia and ASEAN continue to be very limited, although Russia is trying to fuel them with more substance, with new forms of cooperation whilst exploiting existing areas of cooperation that have developed over the past few decades (with various members of ASEAN), including arms exports to some countries of South East Asia.

Russia is also trying to strengthen its political engagement with Pacific Asia through participation in multilevel forums from APEC to the East Asia Summit (EAS). Russia's economic presence in the region is still limited by a rather modest amount of

trade. Therefore Russian Foreign ministry includes among the multilateral Organisations in the Asia Pacific regions, the SCO. Since, SCO is the only multilateral body in Asia where Russia occupiesa leading position along with China. However apart from Russia and China, other SCO members and states that have observer status and dialogue partners are geographically far away from the Pacific. This brings to mind Mikhail Gorbachev's famous Vladivostok speech in 1986 that declared a new Soviet policy in the Asia-Pacific Region<sup>72</sup>(APR). In the speech India was included in the APR. The reasoning was similar – India was a country with which the USSR had friendly ties, compared to tense or complicated relations with other Asian players like China or Japan.

Russia had been trying to join the East Asia Summit grouping since December 2005. Finally, Russia in tandem with the United States was accepted as full members of EAS in 2011. It seems that the substance of EAS functioning is not clear, and it looks like a replica of the ASEAN Regional Forum (ARF) but with a higher level of participants. Despite that, Russia considers EAS as the most important multilateral forum in the region, because it can discuss both political, security and economic issues.

At the multilateral level, Russia and India has joined in a comprehensive engagement with the Association of Southeast Asian Nations (ASEAN). Recently India has finalized a free trade agreement with the ASEAN, to insure its economic integration with Asia. "On the political front, India is now part of all institutions that immerged during the last decade, including the East Asia Summit (EAS) and expanded consultations among region's defence ministers. At the commemorative summit in Delhi in December 2013 to mark the 20<sup>th</sup> anniversary of India's engagement with ASEAN, the two sides unveiled a comprehensive partnership. Also India has expanded the geographic scope of its look East Policy to include Japan, South Korea and Australia' (Mohan C. Raja 2013). The ASEAN now is seeking a more active contribution of India for the security and stability of the East Asia. Though the growing engagement with these countries has added considerable depth to India's Asian outreach, but Russia-India cooperation in East Asia will not only widen the

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<sup>&</sup>lt;sup>72</sup>See M. Gorbachev, Writings, Speeches and Reports, London: Atlantic Highlands, 1987, PP. 47-57

dimensions of their strategic partnership, but also will create the environment of sustainable stability and security in the region.

## **APEC**

Russia's engagement in Pacific Asia affairs has become more and more important because of two reasons - First, the country feels an urgent need to balance its relation with Europe, through enhanced economic ties with Asia. Second there is a fear of a possibility of losing control over Russia's eastern territories. The other reason the federal government is concerned is the stark contrast between the economic stagnation of Russia's Far East region, that continue to suffer an outflow of population and the rapid development of neighbouring provinces in China that have enjoyed the fruit of speedy economic growth during past ten years. The big programme for socio-economic development of the Far Eastern Region has not far achieved much. The main purpose of the APEC summit in Vladivostok in September 2012 was also to give significant boost to infrastructure development in the city and in its suburbs. Russia also wanted to demonstrate its eagerness to be a reliable APEC member and show its readiness to make significant contributions to regional economic prosperity.

Also the summit of the Asia –Pacific economic Cooperation (APEC) forum presented a chance for Russia to stake claim to a greater role in Asia. Russia's higher profile in APEC will also benefit India as Moscow strongly supports New Delhi's bid to join the group. "Russia attaches enormous importance to its first ever chairmanship of the 21 member economic group, which represent 40 percent of global population and 54 percent of world's GDP. Russia hoped the APEC summit (2012) in Vladivostok would help its advance two strategic goals – win a firm foothold in the dynamic Asia-Pacific markets and develop its energy rich but economically depressed Eastern regions" (Radyahin 2012). In Order to diversify its economy and reducing its resource dependency, Russia is trying to boost its trade in Asia-Pacific region. Since, the "European Union accounts for 50 percent of Russia's foreign trade compared with less than 20 percent for APEC countries, largely just far of them – China, the U.S., Japan and South Korea. The Russia's probably most pressing motive for wooing APEC business to develop its Far East and East Siberia is to counter balance China's

growing influence in the region. China has flooded local markets with cheap goods and is the main importer of Siberian resources" (Radyuhin 2012).

Russia joined APEC in 1998 but its presence on the Asian markets is still negligible: its share of APEC trade does not excess 1.5 per cent. The joining in the WTO of Russia has opened the way for free trade accords with APEC members. Russia is pushing for creation of a transport – corridor between North-East Asia and Europe by rail via the trans-Siberian mainline and by sea along Russia's Arctic coast. According to the experts, trade in the "Asia-pacific region via Russia's territory will increase fivefold or more by 2020. Apart from being cast effective, the Russian trade route has immense geopolitical significance, since it offers an alternative to the traditional transportation routes through the straits of Malacca and Suez Canal" (Bhadrakumar 2012). Also with the bulk of its energy exports going to Europe, Russia is anxious to lay alternative route to Asia to cater the need of fast growing APEC economics. Russia has been developing oil and gas field on Sakhalin Island with foreign companies, including ONGC Videsh, but it needs far greater foreign investment to tap Siberian energy resources. So the India's greater investment in this region will enhance the Russia-India cooperation in the energy sector.

On the issue of expansion of UNSC of permanent membership category and India's bid for that membership, all the P-5 members except China, are backing India's candidature. Ironically in the 1950s, India's premier Nehru declined a permanent UNSC seat because he did not want India to be in the Security Council until India's so called friend, China, was in it too. Also, after ASEAN decided to make East Asia Summit (EAS) more broad based, China strongly disapproved of India's inclusion but nearly all southeast Asian countries supported India's participation in the EAS, seems it as a useful counter weight to China's growing power. On the issue inclusion of India's membership in multilateral organisations such as SCO and others, China has opposed the India's membership. So the Russia's role in these multilateral organizations has become very crucial for India, with regard to China.

## **Conclusion**

It can be concluded that the growing Chinese and Indian activism in regional and global organizations such as, SCO, BRICS, ASEAN, ARF and EAS in the first and half decades of twenty first century, has raised hopes of increased dialogue and cooperation that would help overcome their competition and mutual distrust of each

other. Russia is also the member of these organizations which involves both India and China.

Though the two countries has been cooperating on trade issues in WTO, climate change negotiations and pursuing their common interest in groups like G-20, BRICS and SCO, however their underlying strategic competition and rivalry has been extending over issues from land and water to geopolitical influence and energy security. However, on the issue of terrorism despite differing views, SCO has provided a multilateral platform where India, Russia and China have possibilities to cooperate.

Evidence suggests that even as both engage in greater interaction and dialogue, Chinese and Indian diplomats continue to "put forward proposal for multilateral cooperation that seek to sideline or exclude the other, or each side, constantly maneuvering for prestige and dominance or marginalising the other. For example China has opposed India's membership of global and regional organizations, whether it is the ARF or the UNSC or the SCO or the APEC or EAS" (Malik 2012).

Thus the India –China's approach to miltilateralism validates realist critique of liberalism; in particulars, "the false promise of institutions" in taking or constraining major power revelries through dialogue, confidence building – major (CBM), norms, agreements and organizations (Mearsheimer 1994/95: 5-49). "The multilateral maneuvering of China and India support the realist critique that dialogue and institutionalism alone do not necessarily ameliorate acute security dilemmas or reduce tension in a significant manner" (Malik 2011:284).

"The real tension is between China's emergence as a real force in the Asia - Pacific and desire of other powers including Russia, to preserve the status quo. Thus Putin has emphasised the importance of "Strategic diversity to improve relations with Japan" (Lo 2008). While, "having transformed the economy of the Asia-Pacific region, China wants to transform the politics and security of the region. The geographical proximity, Malik argues, has long been one of the main factors in conflicts between rising great powers sharing of the same neighbourhood" (Malik 20110. Also as Shen Dingli, well known Chinese strategic thinker points out "The structural problem is leadership. The question is who leads in Asia? So Malik argues that geopolitical perspective between India and China is grounded in Power transition theory.

The Liberal school of IR maintains that participation in international institutions caste aside Zero sum games and promote cooperative behaviour that is conducive to dispute resolution. Though both China and India are active participants in multilateral forum such as ARF, EAS, SCO and BRICS, however, "far from mitigating their power competition, regional institutions and international organisations have become the new arenas of Sino-Indian rivalry for maximizing relative power" (Wining 2015). Thus these two Asian giants approach to multilateralism validates realistic critiques of liberalism.

Chapter Six Conclusion One of the chief reasons for the failure or ineffectiveness of the balance of power system during Cold War period was the bipolarisation of power between U.S. and Soviet Union. As a matter of fact, the balance of power system works more effectively if there are large number of nations so that nation themselves have a choice selecting allies.

The disintegration of Soviet Union removed one of the principle sources of threat to Chinese security. Also the military aspect has become less important and multi-dimensional aspect of security has come to the fore front. Chinese foreign policy became oriented towards building a peaceful international and regional order, as a prerequisite for economic development. After the end of the first and half decade of twenty first century, though the U.S. is still military superpower, its economic power is declining relatively and the multipolar World Order has been taking place with emergence of many power centres. On the other hand, China has been emerging as a new economic and military power. With the rise of China in this multipolar World Order, another structural change has been taking place in the form of power transition between the U.S. and China, which is visible particularly after 2008 global economic crisis. Also, as the economic and military might of China is increasing, the aggression in its foreign policy at the international and regional level is increasing.

Though Russia and China are collaborating in the name of hegemony of US, but tension and competition is growing between Russia and China in Central Asia, East Asia and South Asia and on the energy issues. On the other hand India and China are facing a Cold War situation and as the India-US relations is growing; aggression in Chinese foreign policy against India is increasing. At global level China's effort is to create multipolarism, while at regional level it is trying to be a sole superpower. According to variants of power transition theory, conflict is more likely when a rising power, dissatisfied with states quo, approaches parity with the dominant in a region or the system and willing to use force to reshape the system's rules and institutions. Likewise, the theory of offensive realism asserts that states will pursue expansion as they grow stronger, when statesmen perceive and relative increase in power.

Power is held to be the ultimate source of security in anarchic world and states pursue expansion to achieve regional hegemony. According to John Mearsheimer (2001), "A wealthy China would not be status quo power but an aggressive state determined to

achieve regional hegemony". Regional hegemony in offensive realism rightly predicts that conflict over disputed territory would occur as China sought to achieve or demonstrate its dominance.

Power Transition Theory application, the most critical one, is between the U.S and China. As China continues to grow, it will be increasingly capable of taking stronger stand on matters involving its expanding national interest. Power transition posits that the dominant nation will seek to control the international norms by securing monetary and trade transactions internationally. As China rises, both the Dollar and Euro areas are likely to shrink and mixed currencies could replace the single Dollar system. Applying the framework of offensive neo realism, Mearsheimer draws the conclusion that China's priorities will change with its capabilities. China will most likely attempt to push America out of the Asian region and establish itself as a regional hegemon. Also a wealthy China would not be status quo power but an aggressive state determined to achieve regional hegemony. Mearsheimer argues that if China continues to grow economically it will seek to maximise the power gap with its neighbours especially India, Japan and Russia. Becoming a regional hegemon, is the best pathway for China to resolve its various territorial disputes on favourable terms. More powerful China can also be expected to try to push the U.S. out of Asia-Pacific region. In fact China has been already begun to devise such policy. For example, Chinese leaders have made it clear that the United States has no right to interfere in disputes over the maritime boundaries of the South China Sea, a strategically important body of water that Beijing effectively claim as its own.

Since late 2000s, particularly after 2008 global economic crisis, China has been pursuing aggressive economic and military policies to change the status quo and to become a regional hegemon. In 2013, China launched its Belt and Road Initiative (BRI), a global infrastructure building scheme, made up of a belt of over land routes and a maritime road connecting Southeast Asia to Eastern Europe and Africa. China has created the Asian Infrastructure Investment Bank (AIIB) to fund its BRI and other projects. There are serious concerns about BRI's financial consequences as it is described as "debt-trap diplomacy". In this view, China is deliberately overloading weak countries with loans: when they buckle, it seizes their assets and influences their policies. U S officials see BRI as an attempt to undermine America's global influence.

So, a clear indication of the power shift can be seen in the Chinese strategy to establish Asian Infrastructure Investment Bank to counter the US and Europe dominated IMF and WB regime. Another important dimension of China's rise is its military modernisation programme, Hardware and Software modernisation of the People Liberation Army (PLA) and double digit increase in the defence budget allocations in the last two decades. In this context China has been affecting the Russia-India relations in a very significant way.

The Sino-Russian relationship has by all accounts been a complicated one, fostering historically justified mutual suspicion. In conflict and cooperation the importance of defense and security considerations has been paramount. On one hand the Mongol invasion implanted the idea of the East as threat in Russian mind, while the Russian annexation in the Far East through the "unequal treaties" established it as an exploitative imperial presence, in Chinese perceptions. Later the Sino-Soviet alliance and subsequent split were driven first by the fear of dominant America and then growing suspicion regarding each other's strategic intensions and irredentist agendas. The rapprochement in post Cold War World, was motivated to counter balance America's growing power and was defensive in the nature for security concerns.

In international relations, Russia and China's position on many issues broadly coincide, however their attitudes, perspective and interests are different, which can be seen on the issues of multipolarity, relation with the United States, the Iraq war, Iran, Syria and recently on Ukraine issue. The Russia-China strategic partnership can be tasted on its strategic stability, which highlights the relevance of historical and geographical perspective. Russia's stance is shaped by the legacy of Cold War bipolarity and its own globalist outlook, while China's focus is exclusively regional. Besides this, lack of communication or consultation shows the disjunction between Russian and Chinese positions on strategic stability. Brzenin rightly defines that the relationship between Russia and China are as of tactical convenience, driven by instrumentalism and opportunism. Russia's attempt to use China as geopolitical leverage against United States and more recently against Europe over energy, suggest that it values its large neighbour more as strategic counterweight than strategic partner. It can also be seen during the current crisis in Ukraine.

In the post Cold War era both Russia and China has shown the pragmatic approach and maintained the friendly cooperation. Although the relationship is now more symmetrical and Chinese economic progress has been so vigorous that balance has been shifting in China's favour. While Russia retains its lead in per capita incomes and levels of scientific and military technology development, it may be only matter of time before this too is lost. Hitherto the Chinese have handled this power transition with diplomacy and even deference, but as the Chinese grow richer and more confident this could spark hurt feelings and eventually even lead to a revived sense of "China threat". The paradox here is that while the territorial issue is now formally resolved, it has not relived Russian anxieties. Russian continues to fear mass Chinese immigration, Chinese exploitation of natural resources, a Chinese takeover of retail trade, and so forth. Even though, the Russian and Chinese leadership have fostered a viable strategic partnership. Three key variables aggregate power, offensive power and especially geographic proximity each suggests that Russia could perceive China as a potential challenge, danger or even threat.

The limits of Chinese support for Russia were shown after August 2008, when China refused to recognize the independence of Abkhazia and South Ossetia and also in March 2014, on the issue of Ukraine crisis, when China abstained on the voting in U.N Security Council resolution, condemning the referendum in Crimea and did not join Russia in vetoing it. China has so far adopted a cautious approach and refrained from being overly critical of Moscow's action, while voicing support for Ukraine's sovereignty. It also shows that Chinese has adopted independent policy to pursue its national interest. But putting too much pressure on Russia would push it closer to China. Russia would step up defence supplies to China and reorient its energy export from Europe to East. It should be noted that contrary to the Chinese aggression in East Asia with its increasing power, Russia moved to annex Crimea not because its power is expanding; rather it was because Russia's power is declining. The Russian economy's heavily dependence on energy export is not sustainable in long run, especially as new technologies will enable Europe to become more energy independent. In this sense, Russia annexation of Crimea was likely more defensive than offensive in nature. So, it can be said that the Sino-Russian alignment is preserved primarily by a common desire to contain the US.

On the other hand, Russia- India strategic partnership has built on solid legal foundation for strengthening their multifaceted cooperation in subsequent years. The proposal for convening annual summit and regular bilateral consultation on issue of mutual concerns institutionalises the foreign policy linkages on higher plane than before. Russia is the first and only country with which India has established this mechanism of annual summit to be held alternatively in each other's capital. Russia has been a firm supporter of India's candidature for UNSC permanent membership.

The Indo-Russian defence ties can be described as a crucial element of strategic partnership between two countries. It is due to the traditional partnership that the relations between the two counties have strengthened. Russian arms delivery to India is still about 60 percent of Russian military export and 80 percent of Indian export. India's major purchases from Russia over the last 20 years have been varied and extensive. Now the buyer-seller relationship in defence sector has reached to a new qualitative stage of joint research, development and production. BrahMos Supersonic Cruise missile is a glaring example.

On the other hand, in the wake of Tiananmen square in 1989 and the Western embargo on military sales to the PRC, China relied on Russian military technology to modernise its forces. Consequently, since the end of the Cold War, China has become one of the largest importers of Russian weapons. Between 1991 and 2010, Russia supplied more than 90 percent of China's weapons imports, with China accounting for nearly 40 percent of Russian arms exports. Military-technical cooperation in 2011-12 basically returned to the "golden age" of the 1990s with annual supplies coming close to \$ 2 billion. Since both India and China has been using the Russian weapons, produced at the same platform, so India has been trying to diversify its military procurement from other sources.

Though, earlier Russia has delivered more advanced weapons to India compared with China. For example the Su-30 MKIs supplied to India was more advanced than the Su-30 MKK jet fighters sold to China. But it will be for the first time in a decade that Russia has delivered more powerful weapon platforms to China compared with India. For example the Amur-1650 submarine is far more silent and powerful than the Kilo-Class submarines the Indian navy has. China's Su-35 is more advanced than India's Su-30 MKI.

The renewal of sophisticated weapon supplies to China should be seen in the context of geopolitical games in the China-U.S.-Russia triangle. Russian defence sales to China are also driven by profit motives as arms manufactures seek to compensate for the recent loss of several lucrative contracts in India, where they face growing competition from the U.S., France and Israel. To retain its edge in military aviation, India needs to speed up the development of a 5<sup>th</sup> generation fighter plane with Russia and go for in depth upgrade of its fleet of Su-30 MKI fighters".

However, in the backdrop of excellent political and security relations, the economic cooperation and trade are weak pillars of strategic partnership between the two countries. Another matter of concern for India is Russia's arms trade with China. However the potential export of sensitive defence technology to China could have an adverse impact on the national security of India as Russian military technology would eventually reach Pakistan via China. Since, the unequal strategic equation between India and China, remains a major source of tension and determined to maintain its edge over its Southern rival, China resists any attempt by India to achieve strategic parity through a combination of military, economic and diplomatic means. So, the growing defence cooperation between Russia and China has affected the Russia-India relations. Thus in the light of available facts, the hypothesis 'The security concerns of India with regard to China-Russia defence cooperation, has pushed India to diversify its defence supply sources to include countries other than Russia', stands true.

Russia and India have a long history of cooperation in the energy sector. India could make a significant contribution in diversification of the geographical coverage of Russian energy supplies. Since 2001, OVL (ONGC Videsh Limited) has been part of the international consortium on the development of the Sakhalin-1 project, but Indian investors have not achieved all their goals with regard to the project. India sees China as its principal competitor in the global quest for energy. Increased economic growth has also increased their need of both the India and China for securing energy resources. Competition over control and access of energy resources is likely to grow in importance over the coming years. In Russia, China has competitive advantage over India for geographical reasons.

Only 3 percent of Russian oil and gas exports come to Asia and Russian government's commitment in its 'Energy strategy 2020' is to raise Asia's share of total Russian oil export to 30 percent and its share of gas export to 15 percent. It shows Russia's conception of energy security and market diversification due to the dependence of its economy on energy sector.

Sino-Russian energy relationship appears to be based on almost ideal complementarities: on one side, the world's biggest exporter of oil and gas; on the other, the world's second largest consumer of energy after the United States. But China does not see Russia as its principal partner and with its continuing dependence on the Persian Gulf, Beijing has significantly increased imports from Africa, Latin America, and Central Asia.

The East Siberian-Pacific Ocean(ESPO) oil pipeline project, for which agreement was signed in 1999, is to be delayed almost a decade, due to Russian intention to play off China and Japan against each other in order to obtain the best possible financial and investment package. On the other hand, the main source of current gas imports to China is Central Asia, where Chinese companies have developed a pipeline system across the region, based in Turkmenistan and stretching through Uzbekistan and Kazakhstan bypassing Russia.

In 2006, China wanted to take its co-operation with Russia even further by purchasing a significant equity stake in Rosneft. However, due to Russia's long-standing concern about Chinese influence, major investment in key Russian companies was not allowed. The impact of the 2008 financial crisis and the consequent fall of the oil prices, hit the Russian economy hard and Chinese support was urgently required. As a result, an initial contract was signed between Rosneft and CNPC in 2009. Following the announcement of sanctions in May 2014, Russia's eagerness to demonstrate to the EU and the US that it was developing alternative markets in Asia, and with it came more offers of assets for joint investment, especially in East Siberia for CNPC. However, no specific joint venture project within the Russian domain has been finally signed off because of two reasons:-

First- Russia's weak negotiating position, both politically and commercially, has encouraged Chinese companies to drive hard bargain on valuation, especially given

the recent decline in the oil price. Second- the imposition of sanctions by the US and EU in 2014 has created a reason to pause for the Chinese leadership, as it contemplates the balance of its relationship between Russia and the West.So, Russia has responded to this by demonstrating that its bargaining position is not as weak as it might seem, offering the assets originally destined for Chinese companies to other international players, with a particular focus on India. So, after 2014, within three years, Russia-India has signed so many energy deals, which had been pending since last decade. The volume the contracted oil and gas are sufficient to cover around 10 percent of the gas and 5 percent of the oil, currently imported to India. The competition between Russian and Chinese energy interests has become more intense and Chinese search for energy in Central Asia has generated some tensions with Russia. So as a search for another alternative, Russia-India partnership has deepened in the energy sector.

Power Transition Theory and the theory of Offensive Realism clearly predict about Chinese policies to bring structural changes and to become a regional hegemon. These policies are: (1) Launch of The Belt and Road Initiative (BRI) and creation of Asian Infrastructure Investment Bank to fund its BRI and other projects.(2) Its aggressive territorial claims on islands in South China Sea, East China Sea and developing military infrastructure on these islands in Asia-Pacific to push U.S. out of the region. (3) Development of overseas military bases.

In South Asia the major issues of conflict between India and China are:-Unresolved border issues, growing incursions across the LAC by Chinese Army. China-Pakistan nexus (in the area of nuclear technology, sell of weapons, terrorism and financial adds etc). Proposed USD 57billion China-Pakistan Economic Corridor (CPEC) planned between China and Pakistan southern deep water port of Gwadar, which will pass through Pak Occupied Kashmir (POK).

Since late 2000s, the Chinese incursions have been increasing across LAC. The Chinese side in last some years has escalated its rhetoric on the eastern sector of the border and told Arunachal Pradesh as a disputed area. Subsequently, Sikkim an area of no dispute hitherto become problematic after the Chinese forces moved closer to the "finger point" and trying to change the status quo. So, Doklam stand off occurred between Indian and Chinese armed forces. Despite many efforts have been done by

Indian side, China has shown no willingness to conciliate on border problems. China's increasing assertiveness on talk over disputed border, has led a mini cold war at the diplomatic level during last some years. Since an unsettled border provides China the strategic leverage to keep India uncertain about its intentions and nervous about its capabilities.

China has provided extensive economic, military and technical assistance to Pakistan over the years. China has played a major role in the development of Pakistan's nuclear infrastructure and used nuclear proliferation for its strategic purpose. China's encirclement and alignment policy against India and its opposition of India for permanent membership in United Nations Security Council, raised doubt about China's intentions and this cast a dark shadow over Sino-Indian relations. Though, the Sino-Pakistani alliance can't be seen, only against India but may also be against U S, to lessen U.S. effect in South Asia and also to increase its own influence on Central Asia and Arab World. Also, By over-riding Indian objections to its activities in Pakistan Occupied Kashmir (POK), China is busy in undertaking a range of projects, the most significant one being the development of a strategic China Pakistan Economic Corridor (CPEC).Moreover, China continued to block UN sanction against the dreaded Jaish-A-Mohammad (JEM), the organisation that planned and executed the attacks in Mumbai and recently in Pulwama, despite a broad global consensus favouring such move.

Though the Russia-india relations has been unmatched in the field of nuclear energy, defense, space technology and culture etc. and has been strengthening in the form of institutional framework. There are some Issues of divergence in Russia-India relations:-

Growing Russia- Pak relations and joint military exercise. Russia's support to Chinese president Xi Jinping's ambitious BRI project while India has opposed this as it violets India's territorial integrity and sovereignty – the CPEC passes through POK and also not all part of this project is economically viable and its security implications cannot be ignored. India boycotted the BRF held in Beijing in May 2017 and again in May 2019. And On the issue of inclusion of Taliban and Pakistan to bring peace in Afghanistan after exit of U.S. forces.

The 9/11, 2001 terrorist attack on U S and consequently its presence in Afghanistan for war against terrorism, has changed the geopolitical and geostrategic situation in the region. Though the Pakistan is the front ally of U S for war against terrorism, India is actively involved in the development works in Afghanistan. The increasing defence and strategic cooperation and the civil nuclear cooperation between India and U S, has given strategic leverage to balance the China and Pakistan both simultaneously.

So, the presence of U S in Afghanistan is against the interest of both China and Pakistan. China's active support to Pakistan in the field of nuclear and missile technology is against the interest of India and U.S. also. And increasing Sino-Pakistani cooperation can be seen as a response to the increasing U S-India strategic cooperation. Though, during first and half decades of twenty first century, the volume of trade between India and China has increased but the balance of trade has been in favour of China. There has been more competition than cooperation on many economic and energy security issues between India and China, since China has used the economy for its strategic gain. So their burden of History, long memories, deep rooted prejudice, tension over unresolved territorial disputes and global completion for natural resources and market, added to mutual distrust and tension.

The geographical perspective between Russia and China as well as India and China is grounded in Power Transition Theory and the geographical proximity has long been one of the main factors in conflict between rising powers, sharing the same neighbour. The geographical contiguity of both Russia and India with China and the resultant competition that it entails creates the ground situation for multidimensional cooperation between Russia and India. This has also created the necessary condition for stability and security in the region.

In Central Asia, the most important Chinese interest is security, particularly in Xinjiang province and to access the Central Asian energy. Russia's unreliability as an energy supplier has led China to diversify external source of supply and looking at Central Asian states. So the competition between Russian and Chinese energy interests is becoming more intense and China search for energy in Central Asia has generated some tensions with Russia. Russia seeks to control the major pipelines traveling East and West out of Central Asia, while China prefers to deal with the

Central Asian energy producing states directly, free from Russian interference. But also, rather than just relying on bilateral relationships, China has emphasised cooperation through multilateral institutions such as SCO.

For the time being, however, the SCO serves to reinforce the bilateral partnership. It highlights the issues of concerns between Russia and China, such as combating the "three evil" of terrorism, separatism and extremism, and containing the American presence in Central Asia. Paradoxically, the more the SCO grows in importance, the greater the potential for Sino-Russian rivalry to emerge. Divergent approach can also be seen as China is emphasizing on economic cooperation and integration, while Russia continues to stress security, military, and geopolitical aspects to prevent the SCO from becoming an instrument of Chinese influence. These divergent visions highlight the relative strengths and weakness of Russia and China in Central Asia. Russia understands that its most effective levers of influence are its personal and political ties with the Central Asian elites. It also explains why the Russian have invested much more effort in the collective security Treaty organization (CSTO). The CSTO covers the same ground as the SCO, combating "new security threats and challenges" such as terrorism, Islamic extremism, drug trafficking and transnational crime. But whereas China is leading in the SCO, Russia dominates the CSTO. But SCO after the inclusion of India as a full member, provides a platform where Russia, India and China may cooperate to face the challenges like terrorism. There is also the question that how thing may develop if the United States leaves the region or significantly reduce its presence. Thus in Central Asia, though the Sino-Russian alignment is preserved mainly by common desire to contain the U S but other important issues like terrorism and stability of the region, also bind them to cooperate.

Central Asia has added a new dimension in Russia-India relations. The Central Asian region, as a whole not only connects Asia to Europe but also provides the shortest transit route to Europe from Asia. Owing to its rich natural resources and its geostrategic importance Central Asia occupies a special place in India's foreign policy priorities. India's Central Asia policy places strong emphasis on bilateral track with all five countries in the region and works independently of even an exceptionally friendly power like Russia that doubtlessly enjoys a privileged in this region and

could be of help in advancing India's interest. After 9/11,2001, Russia supported the U.S. military campaign in Afghanistan and the Russian decision to support U.S initiative in Afghanistan was poorly received by the Chinese and created substantial discomfort in China. But since later half of 2005, the Russia-U.S relation has been deteriorating and Russia-China cooperated against many U.S. policies. During this period China's position in Central Asia grew considerably, which has been the cause of concerns for Russian policy makers.

Indian and Russian interests coincide in the CARs. It would thus give India a clear geo-strategic advantage to link up with Russia in this region. It should be noted that the issue of membership of India in SCO, has been cause of competition and contention between Russia and China. While Russia has backed India to get full membership in SCO, China has backed Pakistan. Since both India and Pakistan are now full members of SCO, so it can be concluded that the growing competition in Central Asia between Russia and China will deepen the partnership between Russia and India.

U.S analyst Richard Weitz has correctly pointed out that Russia and China pursue independent but parallel policies on many global and regional issues because the main security concerns for these two states lie in different regions - in Eurasia for Russia, and in the Asia Pacific region for China. In areas of overlap (Central Asia, North Korea or the arc of instability in the Muslim World, which touches the territories of Russia and China), the power strive to avoid major contradictions, and have thus far been successful. This is a classical approach within the framework of realism.

So the Sino-Russian relations in the post Cold War era have developed in a mutual beneficial partnership in the face of an unfortunate shared history, cultural and racial prejudice, political misunderstanding, ideological differences and geopolitical factors. Russia and China have injected considerable realism in to their interaction, and their relation is seems appropriate according to Palmerston's famous maxim, "nation have no permanent friends or allies, they only have permanent interests".

China has adopted a calculated position of 'peaceful rise' to take advantage of its de facto strategic partnership with United States. China, contrary to Russia, "does not deem it necessary to contest West and U.S.. China's "peaceful rise" strategy is using

Russia for all it is worth weapons, oil, or expanding its influence in Central Asia. Though Russia has recovered from its moment of post-Soviet weakness but nonetheless remains a regional power that acts like a global superpower. China on the other hand, has been transformed into a global superpower but still mostly acts like a regional power. However in Europe, Russia remains a dominant force and its strategic weight in the region has been the cause that during Ukraine crisis the tension could not escalated beyond a level. It could be one of the reasons for the United States to pursue better bilateral relation with Russia. Thus even under strategy of a peaceful rise, China will increasingly force the United States to accommodate Chinese power. Hitherto the Chinese have handled this power transition with diplomacy and even deference, but as the Chinese grow richer and more confident eventually, it will lead to a revived sense of "Chinese threat" in Russia. Lastly there can be no resetting of U.S- Russian relations without a transcending of NATO and the establishment of new security architecture in Europe and without a genuine reset, China will retain the upper hand in its bilateral relationship with Russia. So the deterioration of relations of Russia with US and West will push it closer to China and it will adversely affect the balance of power capacity of Russia-India relations against China, which may ultimately push India towards US.

Asia-Pacific and East Asia in particular, is the region where the United States, China and Japan are major players and this is the ultimate geopolitical area, where zero-sum calculus and balance of power have greater currency than anywhere else. Unlike in Europe there is no collective regional identity or traditional cooperation in East Asia. The central issue in East Asia is the rise of China as the potential regional hegemon and the response of other players to this challenge. Today China is the sole "revolutionary" or "revisionist" power in East Asia. Of all the power present, it is most committed to challenge the existing American led order.

Mearsheimer has rightly predicted that most of China's neighbours-including India, Japan, Singapore, South Korea, Russia and Vietnam will join the United States to contain China's power's (Mearsheimer 2006). This means that China's militarisation might therefore in accordance with the U.S balance of power strategy, be a significant push factor of many East Asian states plus India and Japan towards the U.S. Recently tensions are high with Japan over the Shenkaku Island (Japan controls the island but

China claims them, and calling it Diaoyu). In the light of China's unilateral declaration in November 2013, of an Air Defence Identifications Zone (ADIZ) in the East China Sea, and bouts of provocative behaviour in maritime disputes with the Philippines and Vietnam, concerns are growing that China is eager to flex its new military muscle.

For Russia, mainly there are two concerns in East Asia. First worry is that that China's rise in East Asia could translate one day into revanchist intention to recover the RFE. The second concern is that of China's emergence as the leading power in Asia Pacific may undermine Russian attempts to play a more active role in the region's affairs. Despite the on going problems in Russia-U.S relations, Moscow has not opposed the American force presence in East Asia. Despite an often difficult relationship and several wars over past century, Russian attitudes towards Japan are surprisingly positive and Japan is not regarded as an aggressive power.

Ideally China and Japan would neutralise one another in such a balanced manner that could reduce the potential for Chinese aggression against Russian Far East. Also it might offer Russia, opportunities to act as the swing power in East Asia. The painstaking debates over the placement of Russian pipeline to Pacific coast, is perhaps the starkest example of Russia's desire to manoeuvre between China and Japan. Russia is trying to maximize its political and economic clout to obtain recognition as a major regional player. In November 2013, Russia and Japan held their first ever "two-puts-two" dialogue, involving the defence and foreign ministers of both sides. Russia is the third country, after the US and Australia, that Japan has formed such forum with the ministerial level. Russia has not done this with any other country-not China; not India.

But larger context has been a factor, since Japan is a close ally of the United States, Russia's decision to prioritise China over Japan is in part a reflection of increased difficulties between Russia and the US. But whenever Russia and West fight, China's geopolitical leverage goes up. This trend, which stood the test of time for more than a century, is now playing out again in the deepening crisis in Ukraine. As U S and Russia squabble, over Ukraine, both are reaching out to China.

On the other hand, India- Japan relations has marked an important advance at bilateral level. In the growing India- Japan relations, China has been one of the main factors. Also since China is a factor in Russia-Japan relations, so Russia-India relations with Japan, includes the common factor of China for their cooperation in East Asia. Since in East Asia and Pacific region, security mechanisms are loose and countries prefer to let the USA take care of substantive security matters. Though Russia has drawn away it into any conflict, but Russia has taken steps to participate in oil and gas projects in South China Sea. Thus besides Japan, Vietnam has provided a crucial platform to collaborate Russia and India to develop stronger security partnership between key regional powers.

At the multilateral level, Russia and India has been engaged in ASEAN forums. On the political front, India is now part of all institutions that emerged during the last decade, including the East Asia Summit (EAS) and expanded the geographic scope of its look East Policy to include Japan, South Korea and Australia. The ASEAN now is seeking a more active contribution of India for the security and stability of the East Asia. Though the growing engagement with these countries has added considerable depth to India's Asian outreach, but Russia-India cooperation in East Asia will not only widen the dimensions of their strategic partnership, but also will create the environment of sustainable stability and security in the region.

Asia –Pacific economic Cooperation (APEC) forum presented a chance for Russia to stake claim to a greater role in Asia. Russia's higher profile in APEC will also benefit India as Moscow strongly supports New Delhi's bid to join the group. Russia's most pressing motive for wooing APEC business is to develop its Far East and East Siberia to counter balance China's growing influence in the region. China has flooded local markets with cheap goods and is the main importer of Siberian resources.

At the level of multilateral cooperation, BRICS grouping provides a unique opportunity for cooperation among Russia – India and China, since there are many common interests that bind these countries. After the economic crisis in 2008, BRICS grouping has been working together to overcome the challenges posed by global meltdown and demanding for speeding reforms in global international financial and political institutions. At the sixth summit of the BRICS held in Fortaleza, Brazil in

July 2014, the declaration for the establishment the BRICS Development Bank (BDB), can be a positive step for cooperation among BRICS countries. But the major challenges to the success of BRICS are chiefly geopolitical, not economic, since the BRICS have potential adversaries among them. China and India are regional rivals and have unresolved border disputes. China and Russia may be partner but they have had long history of mutual animosity and lingering strategic distrust. Thus overcoming the underlying geopolitical rivalry is a tough challenge on its own. If the Sino-Indian bilateral relations grow more antagonistic, institution –building in the BRICS, will not be possible.

Also the growing Chinese and Indian activism in regional and global organizations such as ARF, SCO, EAS has raised the hope of increased dialogue and cooperation that would help overcome their competition and mutual distrust of each other. Russia is also the member of these organisations which involves both India and China. But evidence suggests that even as both engage in greater interaction and dialogue, each side, constantly manoeuvring for prestige and dominance or marginalising the other. For example, China has opposed India's membership of global and regional organizations, whether it is the ARF or the UNSC or the SCO or the APEC or EAS.So the hypothesis 'Russia-India military-technical, economic and multilateral cooperation has enhanced India's manoeuvrability in the subcontinent with regard to perceived threat of China's growing presence in the region', stands true in the context of China as a factor in Russia India Relations.

The multilateral manoeuvring of China and India support the realist critique that dialogue and institutionalism alone do not necessarily ameliorate acute security dilemmas or reduce tension in a significant manner, since the Liberal School of International Relations maintains that participation in international institutions caste aside Zero sum games and promote cooperative behaviour that is conducive to dispute resolution. Though both China and India are active participants in multilateral forum such as the ASEAN Regional Forum (ARF), East Asia Summit (EAS), Shanghai Cooperation Organization (SCO) and BRICS, However, far from mitigating their power competition, regional institutions and international organizations have become the new arenas of Sino-Indian rivalry for maximizing relative power. When ever faced with the issue of India's membership, China's initial reaction usually is 'not'. The

ARF, the SCO and the UNSC are few good example of this Chinese stance. Thus these two Asian giants approach to multilateralism validates realistic critiques of liberalism.

The China factor thus has played a very important role in Russia-India relations during the first one and a half decade of twenty first century. Though in last two decades Russia-China relations has improved and both China and India are strategic partners of Russia, but Russia-India strategic partnership is more comprehensive and is fast growing. So, in contrast to the Russia-China strategic partnership, the importance of the strategic partnership of Russia-India lies in the fact that both countries include political, economic, cultural and scientific cooperation simultaneously with the defence and geo-strategy as part of their understanding of security partnerships. This broadens the concept of Security itself and balances the earlier relations that privileged defence related security. So it can be said that India has many strategic partners, but Russia-India are the "special and privileged strategic partners". Also, the geographical contiguity of both Russia and India with China, is the most important and sustained factor which creates the conditions for Russia and India's sustained cooperation for the peace and stability in the Asia and the World.

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