

**A ‘Handshake across the Himalayas’:
Foreign Policy Decision Making and Sino-Indian Relations – 1998-2008**

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Abstract

Foreign Policy Decision Making (FPDM) is a micro-level discipline. It is a field of enquiry that absorbs determinants and variables from a macro-level perspective. Since reforms in 1978 and the initiation of the Open Door policy, China has transformed its FPDM markedly.

Studying China’s FPDM involves identifying various processes—formal and informal—that constitute the central dynamic of decision making in the Chinese political system. The primary determinants and variables exerting significant and competing influences in China’s FPDM include the political structure, organizational actors, national interests, foreign-policy goals, individual actors, and the role of perceived and articulated norms and values.

This study explores the changing dynamics of China’s decision-making process in terms of the structures, mechanisms, and levels involved in foreign-policy formulation. A secondary objective is the ‘domestic component’ inherent in influencing China’s foreign policy outcomes. The ‘domestic’ involves a careful scrutiny of the role of internal political trends and opinions on important issues.

Introduction

Foreign policy decision making is a specialized field of academic enquiry that explores processes governing the ‘decision’ through a range of different approaches. Among the nation states of the world, China is no exception when it comes to the ‘decision making context.’ Questions such as – ‘*Which individuals, groups and institutions play key roles in decision making in China?*’; ‘*What are the mechanisms that exist to coordinate foreign policy decisions?*’; ‘*Where do information and counsel come from?*’; and, ‘*What is the influence of experts and through which channels do they voice their opinions?*’ – keep scholars, specialists and policy makers constantly on the lookout for fresh insights, clues and approaches to interpret the decision making process in Beijing.

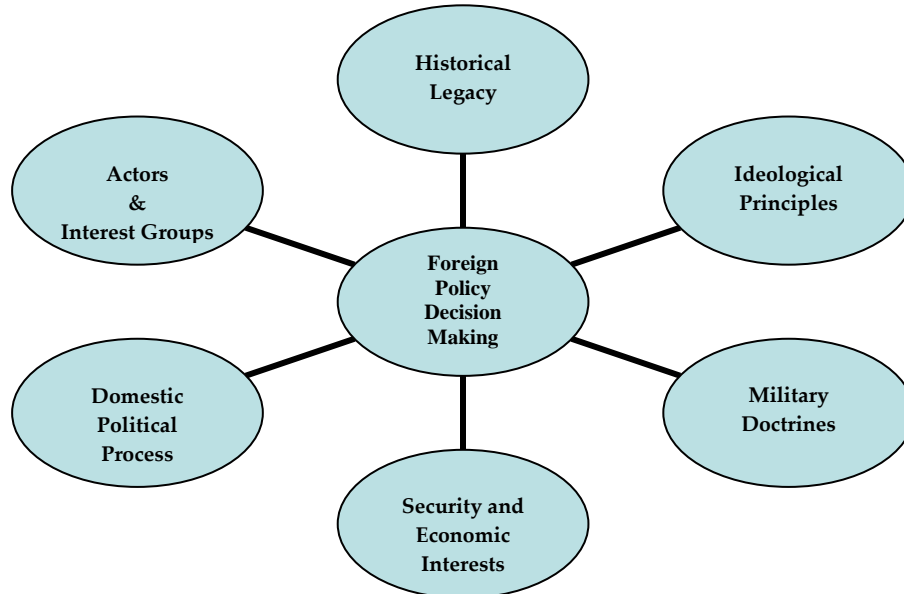
Divided into two sections - ‘Theory’ and ‘Praxis’ - this paper *firstly*, attempts to identify the key approaches to the study of China’s foreign policy decision making and *secondly*, illustrates by a case study, how decision-making influences foreign policy outcomes. There are two hypotheses motivating this study. *First*, the process of foreign policy decision-making in China is varied and reflective of the influences spawned over the last three decades since the reform process was initiated; and *second*, these variations in decision making have exercised their influence over the dynamic nature of Sino-Indian relations, especially in the last decade.

Methodology

The foreign policy decision making process comes to bear when a state decides to respond to a set of stimuli, in either a pre-determined manner, or in a manner influenced heavily by the circumstances surrounding a crisis. This paper adopts the methodological framework of a ‘multi-causal approach’¹ that willfully avoids futile attempts to explain the complex phenomenon of foreign policy decision making by a single ‘causal variable.’ A ‘multi-causal approach’ highlights several salient features that illuminate the external behaviour of a state – China in this case. Under this approach these salient features also hint at the existence of broader relationships amongst themselves.

Diagram 1

Methodological framework – Multi Causal Approach



- ‘*Historical Legacy*’² assumes that events of the past do have a bearing on the decision making process as the past experience gets transmitted to the present and are reflected in the attitude, behaviour, perceptions and decisions taken by policy makers and leaders.
- ‘*Ideological Principles*’³ assume that the actors subscribe to a set of beliefs that frame overall approaches in the conduct of foreign policy. From a ‘Marxist-Leninist-Maoist’ ideological framework in the past, China today espouses a ‘Dengist’ ideology of ‘peace and development.’
- ‘*Military Doctrines*’⁴ assume the importance of the ‘use of force’ to defend ‘core national interests’ and the role of the People’s Liberation Army (PLA) in the decision making process.

- *'Security and Economic Interests'*⁵ assume the existence of 'objectives' that are listed before any significant decision is taken. These 'objectives' could also morph into 'goals' or 'outcomes' that have a dynamic of their own once a decision is taken.
- The *'Domestic Political Process'*⁶ is a feature that cannot be ignored while computing foreign policy decision making. Political processes bring to bear on the decision makers a set of assumptions, values, interests and options.
- *'Actors and Interest Groups'*⁷ assume that in every system, leading up to the 'decision' are individuals and groups with their own agenda's and interests involved. Bureaucratic clusters are also powerful groups that may influence a decision owing to their sectoral interests.

SECTION ONE

‘THEORY’

1) Decision Making and Foreign Policy - China

*“Chinese foreign policy today is complex, variegated, flexible and refractory, defying any neat characterization or confident prognostication”*⁸

Decision makers comprehend a complex world of uncertainty. Each decision maker has a particular image of the world, shaped by his/her interpretation of whole range of factors – history, events, cultural stereotypes etc. The political capabilities of a state are in many ways constricted by the nature of its political culture.⁹ As regards decision making/policy making in China there are several competing models such as ‘fragmented authoritarianism’, ‘new authoritarianism’, ‘bureaucratic institutionalism’¹⁰ etc. In states where political culture is defined and regulated by a dominant ‘Party,’ agenda setting as regards policy assumes immense importance.

In the past four decades theoretical approaches to the study of foreign policy have generated a wealth of literature on the specific aspect of decision-making. A few questions - *Who decides? What is the process that leads to the decision? How is the process of decision arrived at? What are the approaches constructing a framework of decision making?* - have led to a generic debate on foreign policy decision-making.

Of abiding interest to scholars and practitioners focusing on China’s policy making behaviour (domestic and external) is ‘how’ the very process is organised and implemented. At its nucleus, elite decision making in China is a political process involving the leadership, advisors, and numerous policy alternatives. “Elite” in China refers to a small group of top leaders, namely those in the Politburo and the Standing Committee of the Chinese Communist Party (CCP). This ‘exclusive’ group of leaders represents the interests of the different sections of the Chinese political system. A ‘decision’ is political by nature and initiates a process of ‘cause’ and ‘effect. For Fei-ling Wang the making of foreign policy in China is “deeply politicized.”¹¹ In the words of Deborah Stone:

“...the very categories of thought underlying rational analysis are themselves a kind of paradox, defined in political struggle. They do not exist before or without politics, and because they are necessarily abstract, they can have multiple meanings. Thus analysis, is itself a creature of politics; it is strategically crafted argument, designed to create ambiguities and paradoxes and to revolve them in a particular direction.”¹²

Foreign policy decisions in China were, and are always made, at the central level. Decision-making for the Chinese leadership involves considering different policies and their related variables as also the process of minimizing doubt. It is a matter of scholarly debate whether a consensus is arrived at before a decision is taken in China.

National role conception plays a very important role in foreign policy behaviour. In most analyses of China’s foreign policy decision making, the emphasis on national interest, cultural tradition and ideology as ‘imperatives’ predominate.¹³ For prominent Chinese foreign policy analyst Chih –Yu Shih several variables go into the creation of a ‘national role conception’ for China. These are: “a description of national mission in the world; analyses of current inter-state relationships; specific notion of world justice; and, stability over time.”¹⁴

The variables and determinants that go into the making of a nations’ foreign policy find expression in its policy statements as enunciated from time to time by its leadership. These statements abide by an established set of principles that guide ‘national behaviour’ on the ‘international stage.’ China is no different in these aspects and articulates its leadership articulates policy statements within a framework that encompasses national identity, interests, expectations, values and goals. The generic temperament of foreign policy decision making is such that it is a sphere of competitive approaches guided by the maximizing of national self-interest.

Iia) Why do policies change and how?

To most analysts, the field of foreign policy decision making became an important aspect of overall foreign policy since the early 1960s primarily through the work of Richard Snyder, H.W. Bruck and Burton Sapin. To quote Richard Snyder:

“...it is difficult to see how we can account for specific actions and for continuities of policies without trying to discover how their operating environments are perceived by those responsible for choices, how particular situations are structured, what values and norms are applied to certain kinds of problems, what matters are selected for attention, and how their past experience conditions present responses.”¹⁵

There are two significant features or ‘decision lines’ that come to bear when a change in policy is contemplated and later (after winning acceptance) is implemented. The *first feature* is the ‘expansion of the sphere’ wherein ‘policy entrepreneurs’ are willing and

able to initiate efforts to change long- standing policies that have run their course. John Kingdon argues that there is a ‘variability’ to this sphere with ‘policy entrepreneurs’ always actively promoting their new ideas and waiting for ‘windows of opportunity’ when different streams of problems, politics and policies do converge.¹⁶ An ‘expansion of the sphere’ encourages the coming together of effective policy coalitions. These coalitions include bureaucrats, politicians, interest groups, journalists, researchers and other actors at the policy making levels.

The *second feature* exercising a significant bearing on ‘policy change’ is the ‘scope of conflict.’ Policy outcomes can be changed by altering the scope of conflict over the issue in question. According to Elmer E. Schattschneider, “the outcome of every conflict is determined by the extent to which the audience becomes involved in it.”¹⁷ In contemporary times the ‘scope of conflict’ over an issue could be expanded when the proponents involved engage the media. Media attention expands the sphere influencing even policy outcomes. For Baumgartner and Jones, ‘punctuated equilibrium’ is the term that describes a static policy until an issue is redefined and made more salient.¹⁸ Decision makers represent the country’s interests and serve as the mechanics of a nation’s adaptation. Once the decision makers realize that a ‘course correction’ is required, they will introduce a process of ‘adaptive restructuring’ to ameliorate the vulnerability and pressures arising out of the shift in policy course. This leads to the next question of ‘who decides.’

Iib) Who decides?

Although it is still difficult to discern precise decision-making mechanisms in Beijing, it may be cautiously said that there has been reasonable continuity in the composition of ‘actors’ involved in the process of decision-making. The central leadership as represented institutionally by the CCP Politburo Standing Committee is considered to be at the apex of decision-making on strategic affairs. The role of the Ministry of Foreign Affairs (MoFA) is to provide the requisite information for policy formulation and implement ‘strategic decisions’ taken by the central leadership.¹⁹ For Samuel S. Kim, a strictly analytical approach would necessitate the conceptualization of China’s foreign policy decision making process as a “pyramid – shaped structure with the most visible and flexible domains at the top and the most invisible and invariant ones at the base.”²⁰ The four levels to the pyramid are:

Table 1

The Decision Making Process “Pyramid”

<i>Policies</i>	<i>Representing policy content and behaviour</i>
<i>Principles</i>	<i>General and Morally oriented</i>
<i>Basic Strategies and Lines</i>	<i>Substantial policy orientation</i>

	<i>Identify threats / alliances etc.</i>
<i>World view and National identity</i>	<i>Conceptual foundation of foreign policy</i>

At the apex are ‘policies’ that are most variable and are followed by principles which provide the most vocal element to an adopted policy line. The third level adheres to the ‘basic line’ (eg. China’s foreign policy of peace and development) and is re-affirmed and revised at the Party Congress every five years. The fourth level comprises the *weltanschauung* and national identity and as such are the foundational constructs of China’s foreign policy decision making.

Within the decision-making process a function of ‘differential access’ operates prior to the final decision. The ‘differential access’ operates at several levels and reflects the vertical and horizontal processes of many sub-systems within a larger system. *First*, in a decision making context, from among the participants/actors, some groups have more resources than others and are better able to mobilize. *Second*, some groups are located strategically in the social and economic structure of society and their interests cannot be ignored. *Third*, some groups inspire an higher social esteem and consequently have greater access to decision-makers. *Fourth*, decision makers themselves might be either ideologically inclined towards a particular group or identify themselves as representing the interests of that group.

IIc) Why is foreign policy decision making important?

A limited comprehension of others’ foreign policy decision making processes makes for a tenuous foundation for foreign policy choice and interpretation.²¹ In order to understand decision processes there is the need to identify historically established categories, decision codes/rules and behaviour. Decision making (including on foreign policy) are not observed directly; rather they are inferred from speeches by official personages or the publication of official documents by any one of the ‘actors’ involved in the decision making process. For this reason, ‘there is an unavoidable element of uncertainty in any assertion that a decision has been made’²² and the field of enquiry, of immense value.

Foreign policy decision making in China is a privilege to those on top of the power pyramid. During the Maoist period, the entire process was tightly controlled by a few top leaders, and this ‘monopolistic control’ was a process hidden from those within administrative structures and beyond the realm of discussion by common people. In recent years however, there has been a ‘professionalizing’ of the system and diversification of interests, priorities and issues, necessitating the creation of ‘pools of expertise’ channelized primarily through the bureaucracy.

Briefly, the significance of decision-making arises when a process is well underway. The socialization of nation states on the international stage requires that they understand, interpret, assess, qualify and categorize each other on the basis of knowledge that they have generated through experience and interaction. The constant nature of demands on

the international arena for a nation state makes it that much more imperative for it to have a domestic process of feedback and debate. These provide for arriving at a ‘decision’ after several hypotheses have been tested and validated and make for a rational approach.

SECTION TWO

‘Praxis’

Flowing from the earlier section detailing concepts and approaches applicable to China’s foreign policy decision making, the paper in its second section examines Sino-Indian relations as a case study. To lend relevance to the study, the author has focused on the decade since the Indian nuclear tests of 1998 in examining the contours and substance of Sino-Indian relations and attempted to highlight the commonalities, divergences, institutions, actors and other aspects of a constantly evolving dynamic relationship.

Introduction

A bilateral relationship needing deeper scrutiny from scholars and commentators is undoubtedly the growing ‘engagement’ between India and China. For close to five decades India and China have predicated their relations on the *Panchsheel* principles.²³ Representing more than a third of humanity, the two countries apart from impressive economic growth symbolise different political cultures – in India’s case, a federal, democratic experiment in its sixth decade in contrast to a Chinese version of socialism with its innate characteristics. As neighbours with a disputed boundary, the two countries have bitter memories of the 1962 war²⁴ and maintained a frosty relationship until the late 1980s. For long the Sino-Indian relationship was determined by the rather exclusive nature of critical enquiries related to the events leading to, and the aftermath of the brief border war of 1962.²⁵ Being on the defeated side, the outcome of this conflict to date inhibits and influences the decision-making process towards China in New Delhi. From a Chinese perspective, the decision making process towards New Delhi is representative of a mix of ‘cautious engagement’ tinged with ‘historical grievances’ regarding the boundary dispute.

The *primary argument* put forward by the author is that the decade since India’s nuclear tests in May 1998 have witnessed the emergence of ‘closer’ relations between India and China. The ‘political’ and ‘economic’ content of the growing relationship reflects a maturity not witnessed before while their bilateral perspectives towards each other influence the strategic landscape. The *secondary argument* put forward by the author is that there are three determining features of Sino-Indian relations - *first*, a ‘political connective’ that is reflected in the regularity and importance of high-level visits on both sides; *second*, an ‘economic incentive’ that has witnessed trade emerge as a significant ‘driver’ influencing relations between the two sides; and *third*, a ‘strategic imperative’ that guides, and informs each other of their perceptions and apprehensions regarding each other. Apart from these powerful ‘commonalities’ there are outstanding issues of ‘divergences’ as well – the unresolved boundary dispute and Tibet that remain potent challenges to a constantly deepening relationship.

1) The Nuclear Tests of 1998: Impact on Sino-Indian Relations

India's nuclear tests of May 1998 transformed its foreign and security policy objectives, the effects of which are being felt a decade later. The National Democratic Alliance (NDA) coalition led by the Bharatiya Janata Party (BJP) that took office in March 1998 was perhaps the first Indian political party that prior to assuming office had promised in its election manifesto²⁶ to deal more assertively with what it claimed was India's deteriorating security environment.

The first pointed statement made by an Indian cabinet minister against China was by the defence minister, George Fernandes, who during the course of a lecture described China as India's "potential threat number one."²⁷ Reflecting the oscillating temperament of the bilateral relationship, the Ministry of Foreign Affairs (MFA) in China responded by stating that the Indian defence minister's statement was "ridiculous and not worth refuting." The MFA statement added that Fernandes' remarks had "seriously destroyed the good atmosphere of improved relations between the two countries" and that "[T]he Chinese side has to express extreme regret and indignation over this."²⁸

The week after Fernandes' remarks, India conducted three underground nuclear tests on May 11 which drew a rather subdued statement from Beijing to the effect that the tests were "detrimental to peace and stability in the South Asian region."²⁹ On May 13, India conducted two more nuclear tests and these coincided with the publication of a letter by the *New York Times*, written by the Indian Prime Minister A.B. Vajpayee to the U.S. President Bill Clinton justifying the nuclear tests by naming China as the proximate cause for India going nuclear.³⁰ The contents of Vajpayee's letter had the effect of mobilizing opinion in China against the Indian nuclear tests. China's decision-makers arrived at a twin strategy of internationally highlighting the dangers posed to the non-proliferation regime by the nuclear tests and bilaterally by asking India to take "practical action" to "untie the knot" and not "jeopardize the future of Sino-Indian relations."³¹ From China's perspective, India was the regional 'hegemon' in South Asia and was actively modernizing its armed forces as also entering into defence cooperation agreements with countries like the United States and Japan – that some Chinese analysts point out is representative of a 'new containment' strategy against China.³²

Displaying remarkable flexibility and sobriety, India took the initiative with the then Principal Secretary to the Indian Prime Minister and later National Security Adviser, Brajesh Mishra articulating the Indian governments position on China stating that the Indian government did not regard China as its "enemy" and would like to resolve all "substantive problems" through dialogue.³³ India's initiatives aimed at 'untying the knot' continued with the President K.R. Narayanan taking personal interest in restoring bilateral ties to normalcy.³⁴ Two instances of these were – President K.R. Narayanan meeting Ambassador Zhou Gang and former Chinese ambassador Cheng Ruisheng in January 1999 and undertaking a state visit to China in May-June 2000 to commemorate the 50th anniversary of the establishment of bilateral relations. China on its part quietly resumed the Joint Working Group (JWG) mechanism (suspended since the nuclear tests).

The Kargil conflict between India and Pakistan in the summer of 1999³⁵ surprisingly brought forth a moderate tone to Chinese statements, when Premier Li Peng and Foreign Minister Tang Jiaxuan called for both countries “to maintain peace and stability in South Asia” and to resolve the “Kashmir issue politically...through negotiations and consultations.”³⁶ The Chinese position on Kashmir went down well with Indian policy makers who were anticipating China’s backing of Pakistan’s position on the issue. In maintaining a neutral stance, the Chinese leadership was articulating a continuation of President Jiang Zemin’s position on the Kashmir issue.³⁷

After the five year term of the NDA government came to a close, the general elections of 2004 produced another coalition government in India. The Indian National Congress (INC) led United Progressive Alliance (UPA) formed a coalition government in May 2004 and released the *Common Minimum Program* (CMP) that would serve as template for governance for the period 2004-09. In the section on ‘Foreign Policy’ the CMP stated, “[T]he UPA government will give the highest priority to building closer political, economic and other ties with its neighbors in South Asia...Trade and investment with China will be expanded further and talks on the border issue pursued seriously.”³⁸

In large measure a ‘spirit of continuity’ in India’s foreign policy towards China is the logical consequence of coalition governments becoming the norm in New Delhi since the commencement of India’s economic reforms. It is to be added here that since the nuclear tests of 1998, the Bharatiya Janata Party (BJP) led National Democratic Alliance (NDA) and the INC led UPA have provided “coalitional stability” in completing their terms.³⁹

This phase has also witnessed a maturing of Indian foreign policy with ‘economics’ and ‘active multilateralism’ becoming the preferred policy decision outcome from New Delhi in its interactions with neighboring countries and beyond. *Prima facie* it could be argued that *first*, since the turn of the century Indian foreign policy has exhibited a strong ‘positive value’ in economic diplomacy, and *second*, closer engagement with China is evidence of the success of India’s ‘Look East’ policy⁴⁰ adopted in 1992. To quote India’s former foreign secretary Shyam Saran:

“More than an external economic policy or a political slogan, the “Look East” policy was a strategic shift in India’s vision of the world and her place in the evolving global economy. It was also a manifestation of our belief that developments in East Asia are of direct consequence to India’s security and development.”⁴¹

II) The Political Connective: High level visits

The first argument laid out by the author in this paper is the emergence of a *political connective* as highlighted by regular high level visits by the leadership of both the countries in the period since 1998. During the NDA government’s tenure, the Chinese Premier Zhu Rongji undertook a very successful visit to India from 13 -18 June 2002. His

visit was considered a landmark as it encouraged the growth of bilateral trade that today has emerged as the most dynamic vector of Sino-Indian relations.

Former Prime Minister A.B. Vajpayee's visit to China from 22-27 June 2003 was noteworthy for several reasons. *First*, the visit was advertised as the culmination of several years' effort since the nuclear tests of May 1998 to bring about a sense of direction and ballast to the bilateral relationship between the two countries. *Second*, the visit aimed at expediting the process of settling the boundary dispute between the two countries by creating new mechanisms with the political brief to finalize an eventual settlement. *Third*, increasing trade between the two countries was sought to be heralded as a new vector that would benefit both the sides. *Fourth*, the Indian side was hoping to secure recognition of Sikkim's accession to India.⁴² *Fifth*, linked to Sikkim was the question of opening new transit points for trade on the Himalayas that would be of immense benefit to settled populations on both the sides of the border.⁴³

The Vajpayee visit culminated in the signing of a total of ten agreements and a "Declaration on Principles for Relations and Comprehensive Cooperation between India and China."⁴⁴ The 'Joint Declaration' of 2003 created "Special Representatives" with the express political brief of arriving at a 'mutually agreeable settlement to the boundary dispute.' The importance of such a mechanism as the 'Special Representative' is to create institutional leverages within the bilateral framework that would address core security issues that dominate the bilateral ties between the two countries. For the Chinese, the highlight of Vajpayee's visit was the declaration on Tibet. To quote from the Declaration: "The Indian side recognizes that the Tibetan Autonomous Region is part of the territory of the People's Republic of China and reiterates that it does not allow Tibetans to engage in anti-China political activities."⁴⁵

From an Indian perspective, the recognition of Nathu La as a designated pass for trade, entry and exit was interpreted as a restrained gesture from China in acknowledging India's sovereignty over Sikkim. The lack of an official statement from China acknowledging Sikkim as being a part of India coupled with media reports of repeated Chinese incursions in that region⁴⁶ as also Tawang in Arunachal Pradesh have generated some heat in New Delhi providing an illustration of the obstacles prevalent in a growing relationship.

During the UPA government tenure, the first high level visit was of Chinese Premier Wen Jiabao from April 9-12, 2005. Twelve bilateral documents⁴⁷ were signed during the visit and of these the most important was the "Agreement on Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question." The eleven articles comprising this agreement detail the cornerstones of an eventual political solution to the lingering boundary dispute. The spirit of the 'Political Parameters' is revealed in the phraseology of the articles where both the sides solemnly declare that 'differences on the boundary question' will not be 'allowed to affect the overall development of relations.' The two sides further agreed to 'resolve the boundary question through peaceful and friendly consultations.' For Chinese foreign minister Li Zhaoxing, the agreement on

‘Political Parameters’ was the “...first official document on the border issue in more than twenty years...(laying) a foundation for peaceful negotiations.”⁴⁸

The Chinese president, Hu Jintao became the second president from China to visit India from November 20 – 23, 2006. The highlight of the visit was the Joint Statement issued that commits both the countries to follow a “ten-pronged strategy” to further improve bilateral relations.⁴⁹ Maintaining the ‘high level’ political connectivity between the two countries, the Indian Prime Minister Dr Manmohan Singh visited China from January 13-15, 2008. In an address delivered at the Chinese Academy of Social Sciences, Dr. Manmohan Singh had stated that:

“India’s domestic and foreign policy priorities are closely linked. The primary task of our foreign policy is to create an external environment that is conducive for our rapid development. Our policy seeks to widen our development choices and give us strategic autonomy in the world. The independence of our foreign policy enables us to pursue mutually beneficial cooperation with all major countries of the world.”⁵⁰

Dr. Manmohan Singh’s visit to China was significant for several reasons – *first*, it reflected the determination of both the countries to deepen relations despite the existence of “differences” over the boundary dispute; *second*, the visit highlighted the growing recognition of trade as an entirely new dimension between the two countries and *third*, the visit brought out the importance for both the countries to enunciate their common perspectives on a whole range of issues as reflected in the ‘Vision Statement’ released by Dr. Manmohan Singh and Wen Jiabao during the visit. The ‘Vision Statement’ marks a departure from the earlier bilateral joint statements and aims to project a shared commitment and approach by both the sides to issues of global import.

The *political connective* content in the ‘Vision Statement’ is reflected in its call to “promote the building of a harmonious world of durable peace and common prosperity.”⁵¹ The civilisational ties that bind the two countries together finds an echo in “the two sides recognizing that” they “bear a significant historical responsibility to ensure comprehensive, balanced and sustainable economic and social development”⁵² of each other. The political nuances emerging from the ‘Vision Statement’ underline the importance of both the countries concentrating their abilities in harnessing their economic potential to achieve comprehensive growth and social stability.

The similarities of the developmental experience are too many to be missed. For India, the reform process since 1991 has ushered in major changes across the socio-political spectrum. The days of one-party majority in the Indian parliament are a thing of the past with coalition alliances the mainstay. Regional political parties have grown in stature and electoral alliances are forged on the basis of societal permutations and combinations that were unthinkable a decade ago.⁵³ In China, while the Communist Party holds hegemony on power, the groundswell of change is felt in the manner in which loose associations of those marginalised from the reform process are increasingly making themselves heard. The Communist Party has also changed - a technocratic – legalist elite displaying signs of

‘consensus building’ has replaced the ‘paramount leader’ of yesteryears.⁵⁴ In China’s case however, the Party has made the success of the reforms its ticket to legitimacy along with political institutionalization and systemic leadership transition. In India, the debate over the extent of reforms is indeed a lively one, with all shades of opinion finding some level of acceptance and vocal adherents.⁵⁵

III) The Economic Incentive: Bilateral trade as the new vector

The second argument laid out by the author is that *economic incentive* as a new powerful vector has transformed bilateral relations between China and India.

The India-China engagement has ‘economics’ as the new buzzword motivating closer and deeper Sino-Indian relations. The ‘Vision Statement’ of Dr. Singh and the Chinese premier, Wen Jiabao, calls for both sides to “support and encourage the processes of regional integration that provide mutually beneficial opportunities for growth, as an important feature of the merging international system.”⁵⁶ Regional cooperation mechanisms such as the East Asia Summit (EAS)⁵⁷, the Asia-Europe Meeting (ASEM)⁵⁸, the South Asia Association of Regional Cooperation (SAARC)⁵⁹ – in which China is an observer; the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)⁶⁰ and the Shanghai Cooperation Organisation (SCO)⁶¹ – in which India is an observer – have been identified as structures for future cooperation and coordination by both the sides. It indeed will be welcome if India and China could drive momentum into the SAARC – a mechanism held hostage so far due to the insecurities of India’s neighbours regarding India’s centrality and dominance in the region. A flip side to this - India must be prepared to acknowledge the growing centrality of China in its trade with other member countries of the SAARC.

As a powerful ‘driver’ Sino-Indian trade dynamics have surpassed all expectations. At the end of July 2008 the bilateral trade between the two countries was to the tune of USD 33.5 billion dollars making China India’s second largest trading partner. If this momentum is maintained, bilateral trade for 2008 is expected to touch USD 57 billion making China, India’s largest trading partner. For China, the world’s third largest trading power, India was its tenth largest trading partner in 2007. Remarkably, a decade ago, Sino-Indian trade was negligible. In 2005 a Joint Study Group⁶² to identify economic complementarities and opportunities between the two countries had predicted a bilateral trade figure of USD 20 billion by 2008. The Manmohan Singh visit saw the both the sides setting a target of USD 60 billion in bilateral trade by 2010, that going by current trends will be surpassed in early 2009. An issue of concern is however, India’s large trade deficit with China (close to 10 billion USD) that could generate calls from India’s domestic manufacturers to introduce non-tariff barriers against Chinese imports.

The ‘global content’ of the ‘Vision Statement’ acknowledges the combined status of India and China as being the largest developing nations in the world. The two countries while embracing the process of globalisation and its challenges have sought the “establishment of an open, fair, equitable, transparent and rule-based multilateral trading system”⁶³ and for an early conclusion of the Doha Development Round. The reality

remains different beyond the gloss of India's superlative performance in software and Business Process Outsourcing (BPO) sectors⁶⁴ and China's emerging as the 'factory floor' of the world. Even after three decades of reforms in China and close to two decades in India a majority of the population supports itself by agriculture and related activities. Although agriculture forms a diminishing percentage in the GDP of both the countries, the demographics involved in creating sustainable non-farm sectors is mind numbing and requires decades of economic restructuring. In India, the question of agriculture being opened to 'market forces' is a controversial one affecting the lives of millions and that could well affect the political outcome of electoral competition in many states and even at the centre in May 2009 when the current UPA government completes its term.

The 'Vision Statement' also highlighted the need for both countries to coordinate their strategies in supporting developing countries within the World Trade Organisation (WTO). With large populations to support, the introduction of market forces too quickly could lead to the unravelling of the relative gains accrued from years of 'fine-tuning' the economy to face the challenges of globalisation.

IV) The Security Imperative: Common aspirations

The third argument the author makes is that the two countries are also motivated to arrive at a *security imperative* that is guided by common aspirations.

The common aspirations of India and China are best revealed in their 'positive value' approach towards multilateralism.⁶⁵ Active participation in multilateral forums is from a pragmatic realization of several factors. *First*, a conducive international environment is a necessity for the successful and stable implementation of domestic economic reforms in both the countries; *second*, multilateral economic and security arrangements in the region are inevitable and non-participation is a liability; *third*, multilateral institutions go further in promoting 'stability' and a 'multi-polar' order that benefits members most, and, *fourth*, "a pragmatic foreign policy that is ideologically agnostic is more goal fulfilling and national interests driven."⁶⁶

The security concerns the two sides share is revealed by their common approach to non-traditional security issues. With the quest for energy increasingly determining the future trajectory of growth for both the countries, the 'Vision Statement' calls for the "international community to establish an international energy order that is fair, equitable, secure, stable and to the benefit of the international community." The opportunity presented by the International Thermonuclear Experimental Reactor (ITER) in which China and India are participating nations is identified as "meeting the global energy challenge in an environmentally sustainable manner." On climate change, the two countries "welcome the outcome of the United Nations Framework Convention on Climate Change (UNFCCC)" and "agree to work closely during the negotiation process laid out in the Bali Road Map for long term cooperative action under the Convention" and in adherence to the principles and provisions of the Kyoto Protocol. The two sides emphasised the need for moving forward the processes of "multilateral arms control, disarmament and non-proliferation," and their shared aspiration to "peaceful uses of outer

space.” The two sides also “condemned terrorism in all its forms” and pledged to work together bilaterally and in consonance with the international community to “strengthen the global framework against terrorism.”⁶⁷ The shared sentiments on non-traditional security issues should be seen as an emerging methodology in building structures for future cooperation.

V) Analysing bilateral ‘notes of dissonance’ – The boundary dispute and Tibet

The author submits that the arguments made above are only a fresh way to look at the bilateral engagement between the two countries. As in most bilateral relationships, Sino-Indian ties are not without their ‘negative value features.’ These are most visible as regards the unresolved boundary dispute and the recurrent influence of Tibet in an overall bilateral perspective. In total, while bilateral relations are beginning to reflect a maturity never seen before, the centrality of arriving at a settlement to the lingering boundary dispute cannot be wished away. The March 2008 riots in Lhasa and other parts of Tibet could in the near to middle term be a factor exercising strains in bilateral relations.

Va) The boundary dispute

India and China share a disputed boundary stretching more than 3000 kilometers. The boundary dispute between the two sides remains unresolved despite the creation of special mechanisms⁶⁸ and evolving political parameters⁶⁹ to arrive at an eventual settlement.⁷⁰ While Hu Jintao’s 2006 visit demonstrated a commitment at the political level to maintain and improve upon existing ties between both the countries what however dominated the visit were the ‘utterances’ of Sun Yuxi, then Chinese ambassador in India. Prior to Hu’s visit, Sun Yuxi had created a furore by claiming the whole of Arunachal Pradesh as belonging to China. From an Indian perspective, Sun Yuxi had crossed the ‘red line’ by making a contention during the course of an interview with a television channel that “the whole of Arunachal Pradesh is Chinese territory and Tawang is only one place in it”,⁷¹ Sun Yuxi succeeded in bringing the touchy boundary issue to the centre stage of India-China bilateral relations. His statements and the emotions it unleashed eclipsed the slew of agreements signed during Hu’s visit. Not only did Sun Yuxi’s statements throw a shadow on the discourse that preceded and followed Chinese President Hu Jintao’s otherwise successful visit to India in November 2006, it also had the effect of diluting his predecessor Hua Junduo’s widely applauded statement made in 2003.⁷²

Sun Yuxi’s statement brought to the fore Indian concerns over China’s aggressive polemics of making territorial claims. Sun’s repeated ‘assertions’ were contrary to the ‘comfortable bonhomie’ created in the last couple of years by the rhetoric over ‘growing congruence of interests’ and ‘mutual complementarity’ as also debates on the ‘simultaneous rise of India and China’ – the *Chindia* factor. These remarks had the effect of alienating public opinion in India that for the last decade has been widely favourable about enhancing relations with China.

Sun's remarks were met by a robust response by India's External Affairs Minister, Pranab Mukherjee's statement, that "Arunachal Pradesh is an integral part of India."⁷³ From the Indian perspective, Sun's statement, was interpreted as going beyond the text of the agreement between India and China on the 'Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question,'⁷⁴ that was signed during the visit of Chinese premier Wen Jiabao to New Delhi in April 2005. To cite, Article I of the Agreement specifically states that "*the differences on the boundary question should not be allowed to affect the overall development of bilateral relations. The two sides will resolve the boundary question through peaceful and friendly consultations.*"⁷⁵ Article V further states that "*the two sides will take into account, inter alia, historical evidence, national sentiments, practical difficulties and reasonable concerns and sensitivities of both sides, and the actual state of border areas (emphasis added).*" Article VII crucially states that "*in reaching a boundary settlement, the two sides shall safeguard due interests of their settled populations in the border areas.*"⁷⁶

It has not gone unnoticed in India that since Hu Jintao's assuming the leadership of the Party, State and the Central Military Commission (CMC), China has become more vocal in its claim over Tawang district in the Indian state of Arunachal Pradesh.⁷⁷ It is precisely this kind of 'aggressive posturing' that needs to be kept under check as the emotive element in Sino-Indian relations is never far from the surface. The eventual settlement of the boundary dispute is therefore the litmus test facing the growing bilateral engagement of the two countries. From the Indian perspective, a primary question that arises is – are Sun Yuxi's remarks characteristic of a negotiating posture or are they reflective of China's methodology when it comes to handling territorial disputes?

Vb) Tibet

The March 2008 riots in Tibet came at a time most embarrassing for the Chinese government. *First*, the 11th National People's Congress (China's parliament) was in session when large-scale violence was reported from Tibet. The Chinese political leadership, not conditioned to citizens protesting or articulating their interests was initially taken aback by the protests. *Second*, the demonstrations against Chinese rule in Tibet, questioned the claims propagated by the Communist Party of China (CPC) that 'Tibet is an oasis of prosperity and stability under the leadership of the CPC.' *Third*, and perhaps most significantly, the violence against Chinese rule in Tibet came at a time when China was gearing up to host the Olympic Games in Beijing, in August this year. The Olympics are not without a political agenda for the leadership in China. They are visualized by the CPC as the signature event highlighting in one stroke, China's 'economic prosperity', 'peaceful rise and development', 'harmony of people' and 'global outlook'. *Fourth*, for the current leadership of Hu Jintao, the developments in Tibet are of paramount concern as the 'discontent' could spread to other minority regions especially Xinjiang, where reside the restive Uighur's; and *fifth*, it is not a comforting thought for Chinese policy makers that the Dalai Lama and his followers exiled from China are living as refugees articulating their grievances against China through the 'Tibetan government in exile' based in Dharamsala, India.

As in the past when faced with ‘internal disturbances’, the leadership in China typically applied itself to describing the supposed perpetrators of the violence in the vilest terms.⁷⁸ The terms used to describe the Dalai Lama for instance hark back to the lexicon of the Cultural Revolution. The emotive content of the ‘Tibet issue’ for China is linked to its sovereignty and territorial integrity over which it brooks no compromises. For China, any ‘instability’ in Tibet challenges the unity of the country and has to be dealt with ‘severely.’ To cite John Rowland, ‘[T]ibet for Chinese leaders and Mao included was a “palm whose five fingers were Ladakh, Nepal, Bhutan, Sikkim and NEFA” (the North Eastern Frontier Agency now known as Arunachal Pradesh).’⁷⁹

Despite India’s repeated statements acknowledging the Tibet Autonomous Region being part of China,⁸⁰ there is considerable disquiet among official and academic circles in China about the ‘ambiguity’ that New Delhi is projecting. It flusters Indian policy makers that their efforts over the years in ‘curtailing’ the anti-China rhetoric from Tibetan exiles based in India has not been acknowledged by Beijing. At the level of the Special Representatives discussing an eventual settlement to the boundary dispute between the two countries, it is to be expected that China will raise the pitch over the presence of ‘exiled Tibetans in India led by the Dalai Lama’ and the ‘Tibetan government in exile.’ China can even be expected to ask India to stop providing ‘sanctuary’ to the Dalai Lama for his ‘splittist’ activities. Should such a development take place, India faces the delicate choice of not alienating the Tibetan exiles and at the same time not to be seen as appeasing Beijing. For all practical purposes, the Tibetan refugee community in India is well entrenched and could be considered politically an ‘interest group’ and a ‘strong voice of moral suasion’ primarily due to the charismatic influence of the Dalai Lama.

While no restrictions or obstacles are expected on the trade and economic relations between the two countries, the recent violence in Tibet has increased the level of ‘political distrust’ of India on the Chinese side. The visit of Nancy Pelosi, Speaker of the US Congress, heading a bipartisan delegation to express support to the Dalai Lama in the immediate aftermath of the violence in Tibet was highlighted by the Chinese media to advocate ‘conspiracy theories’ linking the role of the United States and India (in a lesser manner) in tacitly encouraging the ‘splittists’ and the ‘Dalai clique.’⁸¹

VI) Foreign Policy Decision Making and Sino-Indian relations - Inferences

High level visits by the political leadership from both the countries, the emergence of trade as a significant determinant and a shared aspiration of a global strategic order are but one important part of the dynamic nature of Sino-Indian relations. Impressive strides in bilateral relations have been made by both the countries in the last decade and multiple levels of interaction exist to address the entire gamut of relations between India and China. To address the ‘trust deficit’ between the two countries it is imperative to maintain existing arrangements of interaction at the highest levels and institutionalize a framework for cooperation that settles outstanding bilateral disputes by separating its emotive content and create new opportunities for deepening ties. Adopting the ‘multi-causal’ approach in trying to capture the essence of foreign policy decision making and their relation to Sino-Indian relations, the following characteristics emerge.

For the sake of clarity, the inferences made have been grouped in two categories – ‘Foreign policy decision making in Beijing’ and, ‘Perceptions influencing the decision-making process of Sino-Indian relations’

Via) Foreign policy decision making in Beijing

1. Flowing from the adoption of a ‘multi-causal’ approach as the methodological framework to situate this study, there emerge several ‘determinants’ that have a significant bearing on the decision making process in Beijing. These determinants are: ‘domestic,’ ‘international systemic,’ and, ‘domestic-international linkage.’ The ‘domestic’ determinant lays stress on domestic factors – political, cultural, historical, leadership traits and ideology – that influence China’s foreign policy decision making. The ‘international systemic’ determinant is a value system that believes in China’s international position, power, prestige, influence etc. deciding China’s foreign policy decision making. The ‘domestic-international linkage’ determinant is a blend of those factors that merge from the domestic to international and influence foreign policy decision making.

2. The concept of “peaceful development” in China’s foreign policy is a continuation of Deng Xiaoping’s concept *tao guang yang hui* (‘keep a low profile and never take the lead’). Jiang Zemin had subscribed to the concept of *duo ji shi jie* (‘multipolar world’)⁸² while his successor Hu Jintao in his foreign policy forays has laid stress on China’s role as a peace loving, people based (*yi ren wei ben*) tolerant and responsible power.⁸³ China’s soft power⁸⁴ is to enhance China’s in regional and world affairs and aid its economic development.

3. The decade from 1979 to 1988 was marked by a Chinese approach to territorial sovereignty that could be characterized as a ‘cautious attempt to concurrently de-escalate conflict along each of the PRC’s main borders and maintain China’s pre-existing stance on the location of those borders.’⁸⁵ The decade from 1988 to 1998 witnessed China actively pursuing mechanisms to resolve outstanding boundary disputes that met with success as regards the Central Asian states, Vietnam and Russia. A tactical approach highlighting the salience of border relations, while not compromising on strategic goals and territorial claims became the policy line.

4. The realm of foreign policy decision making for China reflects a ‘non-ideological temperament’ and could even be termed as ‘ideologically agnostic.’ It is the interests and objectives of a particular adopted policy line that resonate and influence decision makers.

5. With the hierarchy of the CCP dominated by ‘technocrats’ and ‘legalists’ the role of the ‘revolutionary elite’ has come to a close. Reflecting the professional and personal experience as also location within the system, there are multiple strands that go into policy making.

6. It is argued that there exists within the foreign policy decision making process in China a 'pluralized elite' who lay significant importance on a professional bureaucratic process as also a formalized policy consultation system. Think tanks and research institutes specializing on foreign policy, international relations and strategic affairs are increasingly becoming influential voices within the 'policy network' in China.

7. Major policy outcomes in Beijing are the result of 'aggregation and mediation' at the highest levels in *Zhongnanhai* involving the participation of the FALSG, CCP Politburo and the Standing Committee.

8. Following the Liberation in 1949, decision making on strategic and security concerns while guided by 'major intellectual and political concerns' was determined according to the ideological perspective of Mao Zedong. In the reform period three powerful factors – weakened personal authority of the leadership, growing bureaucratic interests and the changing domestic and international situation - have brought about a complete transformation in the decision making processes.

Vib) Perceptions influencing the decision-making process of Sino-Indian relations

1. The official statements issued by both the countries during such high level visits captures the element of "realism" that guides bilateral relations. As developing countries, India and China above all yearn for 'peaceful environment' to focus on developing their domestic economies. "Realism" also guides the establishment of mechanisms to find an eventual settlement to the outstanding boundary dispute.

2. The role of interest groups and powerful bureaucracies in the decision making process towards India cannot be ignored. A hypothesis laid out by Vernon Aspaturian more than four decades ago was that "certain groups in Beijing tend to benefit from tension producing policies (sic.) mainly because they receive additional resources and may prompt a hostile action externally in order to further parochial bureaucratic interests."⁸⁶

3. The 1998 nuclear tests have accrued for India 'relative gains' and that the post-Pokharan scenario has unfolded with India seeking strategic parity with China. The culmination of the Indo-US nuclear deal only reinforces this notion.⁸⁷ From an Indian perspective, Pakistan is no longer a factor in its relations with China.

4. To the Chinese, the irresolution of the boundary dispute has two legacies – the 'historical' and the 'contemporary.' The 'historical' relates to the unfairness of treaties⁸⁸ drawn up by colonial powers and the 'contemporary' relates to India's position on the boundary dispute being 'Nehruvian' and that as long as the Congress is in power there is no hope for resolution.

5. From a geo-political perspective, "China historically has sought to keep regional powers weak, divided or deferential and to exclude competitors in order to minimize threats (from its neighbouring countries)."⁸⁹

6. An important distinction to be drawn by analysts of Sino-Indian relations is to assess the resources and 'relative strengths of different research institutions and their relationship to different agencies within the Chinese government.' This facilitates the creation of an overall construct that details the variables and determinants influencing China's India policy.⁹⁰

7. The Indian political system does not find many enthusiasts in China. Most Chinese experts on India are perplexed by the 'dynamic processes' and 'personality centric politics' governing India's coalition governments. It could be construed that Chinese pressure to settle the boundary dispute will increase if Chinese analysts were to conclude that there is a fragile coalition at the centre.

8. It is significant to note that across the political spectrum in India, the consensus favours improving relations with China. This consensus does not however mean that there needs to be a quick solution to the lingering boundary dispute. The same however cannot be said of China, as relations with India are but one of the many issues Chinese foreign policy decision makers must address.

¹ The author acknowledges the unpublished dissertation of Ho Joon Kim, "Why China Goes To War – Risk-Taking Factors and Patterns of Crisis Behavior: Three Comparative Case Studies" Graduate School of Arts and Sciences, George Washington University, 1990 for clarifying methodological approaches to this study and introducing the 'multi-causal approach.'

² See Mark Mancall, "The Persistence of Tradition in Chinese Foreign Policy" *The Annals of the American Academy of Political and Social Science* (place of pub.??), Vol. 349, September 1963, pp. 14-26; C.P. Fitzgerald, *The Chinese View of Their Place in the World* (London: Oxford University Press, 1964); John King Fairbank, "A Preliminary Framework" in J.K. Fairbank (ed.) *The Chinese World Order* (Cambridge, MA: Harvard University Press, 1968), pp. 1-19 and "Chinese Foreign Policy in Historical Perspective" *Foreign Affairs* (New York), Vol. 47, No. 3, April 1969, pp. 449-463.

³ Communist ideology is frequently classified by political scientists into three ideal types: Seliger's 'fundamental' and 'operative' ideology, Moore's 'ideology of ends' and 'ideology of means,' and Schurmann's 'pure' and 'practical' ideology. While at a fundamental level it refers to the body of theories considered as 'universal truth,' such as the end goal of communism, class and class struggle, democratic centralism and the historical mission of the proletariat, at an operative level it designates sets of political ideas and values put forward by political elites to guide or justify their concrete policies and actions. It is not always easy, however, to draw a clear distinction between fundamental and operative ideology, as there is frequently a degree of overlapping between the two. See Martin Seliger, *Ideology and Politics* (New York: The Free Press, 1976); Barrington Moore, *Soviet Politics- The Dilemma of Power, the Role of Ideas in Social Change* (Cambridge, Mass., Harvard University Press, 1950) pp.402-03; Franz Schurmann, *Ideology and Organisation in Communist China* (Berkeley: University of California Press, 1966) p.18; Stuart Schram, *Ideology and Policy in China since the Third Plenum, 1978-1984* (London, Research Notes and Studies, No.6, SOAS/University of London, 1984); Lucien Pye, 'On Chinese Pragmatism,' *The China Quarterly* (London), No.106, June 1986, p.230; Malcolm B. Hamilton, 'The Elements of the Concept of Ideology,' *Political Studies* (Sheffield) Vol. 35, No.1, March 1987, p.18 and Donald S. Zagoria, "Ideology and Chinese Foreign Policy" In George Schwab (ed.) *Ideology and Foreign Policy* (New York: Cycro Press, 1978), pp. 103-116.

⁴ See for instance, Lin Biao, "Long Live the Victory of People's War" *Peking Review*, Vol. 8, No. 36, 3 September 1965.

⁵ An illustration of security and economic interests was Hu Yaobang's pronouncing China's new foreign policy in 1982, that has evolved several times over and currently reads as follows:

"China unswervingly pursues an independent foreign policy of peace. The fundamental goals of this policy are to preserve China's independence, sovereignty and territorial integrity, create a favorable international

environment for China's reform and opening up and modernization construction, maintain world peace and propel common development.”

China's 'Independent Foreign Policy of Peace' was first adopted at the 12th National Congress of the CCP in 1982. See Hu Yaobang, "Report to the Twelfth CCP National Congress – Create a New Situation in All Fields of Socialist Modernisation," as cited in Harold C. Hinton, *The People's Republic of China 1979-1984: A Documentary Survey* (Wilmington, DE: Scholarly Resources Inc., 1986), pp. 210-12.

⁶ Lucien W. Pye, *The Dynamics of Chinese Politics* (Cambridge, MA: Oelgeschlager, Gunn & Hain, 1981) p.13; Parris H. Chang, *Power and Policy in China* (University Park: The Pennsylvania State University Press, 1975); and, Ming-Cheng M. Lo and Eileen M. Otis, "Guangxi Civility: Processes, Potentials, and Contingencies" *Politics & Society* (Sage: London), Vol. 31, No.1, March 2003, Pp.131-62.

⁷ Parris Chang, "The Emergence of Reform Forces and Politics," in San-Woo Rhee (ed.) *China's Reform Politics* (Seoul: Sogang University Press, 1986) pp.36-9; Lowell Dittmer and Yu-Shan Wu, "The Modernization of Factionalism in Chinese Politics." *World Politics* (Baltimore) 47 (1995), pp. 467-94; Andrew Nathan, "A Factionalism Model for Chinese Politics," *The China Quarterly* (London) No.53, January-March 1973, pp.34-66 and Tang Tsou, "Prolegomenon to the Study of Informal Groups in Chinese Communist Party Politics," *The China Quarterly*, No.65, January 1976, pp.98-114.

⁸ Samuel S. Kim, "China and the World in Theory and Practice" in Samuel S. Kim (ed.) *China and the World: Chinese Foreign Relations in the Post - Cold War Era* (Boulder, CO: Westview Press, 1994), p.3.

⁹ See Paul R. Viotti and Mark V. Kauppi, *International Relations and World Politics – Security, Economy, Identity* (3rd edn.) (New Jersey: Pearson Education, 2007).

¹⁰ The 'bureaucratic institutionalism' model is another name for the 'structural institutional context model' that revolves around the fundamental predicates of , **a**) systemic constraints influencing the shaping of policy outputs, **b**) within a foreign policy decision making context institutional relationships are impersonal, and, **c**) the configuration of institutional relationships is automatic and not intentional.

¹¹ Fei-ling Wang, "Beijing's Incentive Structure: The Pursuit of Preservation, Prosperity and Power" in Yong Deng and Fei-ling Wang (eds.) *China Rising: Power and Motivation in Chinese Foreign Policy* (Lanham, MD: Rowman and Littlefield, 2005), p.22.

¹² Deborah Stone, "Policy Paradox: The Art of Political Decision Making" in Jay M. Shafritz, Karen S. Layne and Christopher P. Borick (eds.) *Classics of Public Policy* (New York: Pearson/Longman, 2005), p. 65.

¹³ Davis B. Bobrow, Steve Chan and John A. Kringen, *Understanding Foreign Policy Decisions: The Chinese Case* (New York: Macmillan – The Free Press, 1979), p.2.

¹⁴ Chih-Yu Shih, *China's Just World – The Morality of Chinese Foreign Policy* (Boulder, CO: Lynne Reiner, 1993), p.18.

¹⁵ Richard C. Snyder, H.W. Bruck and Burton Sapin (eds.) *Foreign Policy Decision-Making: An Approach to the Study of International Politics* (New York: Free Press of Glencoe, 1962), p.5.

¹⁶ See John W. Kingdon, *Agenda's Alternatives and Public Policies*, 2nd ed. (New York: Harper Collins, 1995).

¹⁷ E.E. Schattschneider, *The Semi-Sovereign People* (New York: Holt, Rinehart & Winston, 1960) as cited in Andrew C. Mertha and William R. Lowry, "Unbuilt Dams – Seminal Events and Policy Change in China, Australia, and the United States" *Comparative Politics* (New York), Vol.39, No. 1, October 2006, p.1.

¹⁸ Frank R. Baumgartner and Bryan D. Jones, *Agenda's and Instability in American Politics* (Chicago: University of Chicago Press, 1993) as cited in Andrew C. Mertha and William R. Lowry, "Unbuilt Dams – Seminal Events and Policy Change in China, Australia, and the United States" *Comparative Politics*, Vol. 39, No. 1, October 2006, p.2.

¹⁹ See David M. Lampton, *The Making of Chinese Foreign and Security Policy in the Era of Reform, 1978-2000* (Stanford: Stanford University Press, 2001).

²⁰ Samuel S. Kim, *China and the World: New Directions in Chinese Foreign Relations*, 2nd edn. (Boulder, CO: Westview Press, 1989), p.16.

²¹ Davis B. Bobrow et al, no. 6, p.2.

²² Nicolaus Tideman, *Collective Decisions and Voting – The Potential for Public Choice* (Aldershot: Ashgate, 2006), p.3.

²³ The Five Principles of Peaceful Coexistence also called the ‘Panchsheel’, were first elaborated at the Bandung Conference of Asian and African nations in April 1955. In brief the ‘five principles’ stand for: mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in each other’s internal affairs; equality and mutual benefit; and, peaceful coexistence. They were part of the ten principles adopted by the Bandung Conference, which in sequence are: (1) Respect basic human rights and the aims and principles of the UN charter. (2) Respect sovereignty and territorial integrity of every nation. (3) Recognize that all races are equal and all nations, big or small, are equal. (4) Non-intervention or interference in other nation’s internal affairs. (5) Respect every nation’s right of individual or collective defence in accordance with the UN Charter. (6) To not make use of collective defence arrangements to serve any great power’s special interest, and to not impose pressure upon each other. (7) To not offend any nation’s territorial integrity or political independence by aggressive behaviour or aggressive threat or resort to force. (8) To solve all international disputes through peaceful means such as negotiation, mediation, arbitration or judicial solution and any other peaceful means chosen by the concerned parties, in accordance with the UN Charter. (9) Promote mutual interests and cooperation. (10) Respect justice and international obligation.

²⁴ In October and November 1962, China and India fought a war, in which Indian troops were convincingly defeated, over the disputed boundary called the McMahon line. The Sino-Indian border is more than 3300 kms long and divided into three sectors: the western sector, from the Karakoram Pass to Demchok on the Indus; the middle sector from Demchok to the Nepalese boundary, and covering on the Indian side the states of Uttaranchal and Himachal Pradesh; and the eastern sector from Bhutan to Myanmar.

²⁵ See Alfred P. Rubin, “The Sino-Indian Border Disputes” *The International and Comparative Law Quarterly* (Cambridge) Vol. 9, January 1960, pp. 103-04; George N. Patterson, *Peking versus Delhi* (New York: Praeger, 1964); Arthur A. Stahnke, “The Place of International Law in Chinese Strategy and Tactics: The Case of the Sino-Indian Boundary Dispute” *The Journal of Asian Studies* (Ann Arbor, MI) Vol. 30, No. 1, November 1970, pp. 95-119; Alastair Lamb, *The China-India Border: The Origins of the Disputed Boundaries* (London: Oxford University Press, 1964) and *The McMahon Line: A Study in the Relations between India, China and Tibet, 1904-1914* (London: Routledge & Kegan Paul, 1964). Scholarly Indian views on the dispute include, Parshotam Mehra, *The North-eastern frontier: a documentary study of the internecine rivalry between India, Tibet, and China* (Delhi: Oxford University Press, 1979); *Negotiating with the Chinese, 1846-1987: problems and perspectives* (New Delhi: Reliance Publishing House, 1989); *An "agreed" frontier : Ladakh and India's northernmost borders, 1846-1947* (Delhi : Oxford University Press, 1992); *Essays in frontier history: India, China, and the disputed border* (Delhi ; Oxford : Oxford University Press, 2007); and, John P. Dalvi, *Himalayan blunder* (Delhi : Pocket Books, 1969).

²⁶ See BJP Election Manifesto 1998, Ch.8 “Our Nation’s Security” – Accessible at <http://www.bjp.org>

²⁷ “‘China is enemy no. 1’: George” *Indian Express* (New Delhi) 4 May 1998.

²⁸ See Foreign Ministry News Briefings, *Beijing Review*, May 25 – 31, 1998, p. 7. For the Chinese policy makers, George Fernandes remains a favourite target of opprobrium linked as he is to pro-Tibet activists based in India.

²⁹ *Xinhua*, 13 May 1998, in Foreign Broadcast Information Service, Daily Report, China (FBIS-CHI, No.98-133) <http://www.wnc.gov>.

It must be clarified here that there was absolutely no connection between Fernandes’ remarks on China preceding the nuclear tests as later revelations made it clear that the decision to test was made by Prime Minister A.B. Vajpayee and Defence Minister George Fernandes was not privy to that decision.

³⁰ “India’s letter to Clinton on the Nuclear testing,” *New York Times*, 13 May 1998. p. A12.

³¹ a) Following the publication of Vajpayee’s letter to Clinton by the New York Times, for some Chinese commentators it was clear that the “anti-China justification of India’s nuclear tests was of greater concern to Beijing than the tests themselves.” See, Ye Zhengjia, “Wushi nianlai de Zhong Yin guanxi: jingyan he jiaoxun” (“Experience and lessons in 50 years of Sino-Indian relations”) *Guoji wenti yanjiu* (Beijing) (International Studies), no. 4 (1999), pp. 17-23. Also,

Wang Hongwei, "Tancheng duihua shi yi zeng xin" ("Frank dialogue, dispelling doubts, increasing trust") *Nanya yanjiu* (Beijing) (South Asia Research) No. 1 (1999) pp. 14-17.

b) To India's discomfiture, China played an active role in joining the members of the Security Council to pass Resolution 1172 condemning India and Pakistan's nuclear tests.

³² Yu Bin, "Containment by Stealth: Chinese Views of and Policies toward America's Alliances with Japan and Korea after the Cold War" Institutional Paper, Asia Pacific Research Center (Stanford), September 1999.

³³ John Cherian, "Wrong Signals" *Frontline* (Chennai), Vol. 15, No. 23, 7-20 November 1998.

³⁴ The author argues that former President K.R. Narayanan had genuine personal interest in restoring relations with China that had suffered since the nuclear tests of May 1998. Since the war with China in 1962, and the consequent downgrading of diplomatic relations, India did not have an ambassador in China until 1976, when K.R. Narayanan was appointed to that position by the Indian government. The author would however like to qualify that he has no evidence to back up this argument.

³⁵ The summer of 1999 witnessed the second confrontation since the conclusion of the Second World War of two 'nuclear capable' states - India and Pakistan. The two countries fought, what is now called 'half a war' in the mountains of Kargil and Batalik in Kashmir. India considered this 'half a war' a betrayal of trust since then Prime Minister Vajpayee had visited Pakistan to initiate a process of *rapprochement* and met with the civilian government led by Nawaz Sharif. The political outcome of this conflict for Pakistan was a military coup that brought Gen. Pervez Musharraf to power.

³⁶ *Xinhua*, 11 June 1999, FBIS-CHI 1999-0611

³⁷ During his visit to South Asia in 1996, Jiang Zemin stunned Pakistan by stating that China "no longer recognizes [Kashmir] as an international issue, notwithstanding the UN resolutions." See George Perkovich, *India's Nuclear Bomb – The Impact on Global Proliferation* (Berkeley: University of California Press, 1999), p. 387.

³⁸ Text of the Common Minimum Program released by the United Progressive Alliance (UPA), *The Hindu* (New Delhi) 28 May 2004. Available at <http://www.hinduonnet.com/2004/05/28/stories/2004052807371200.htm>

³⁹ At the time of writing this article the UPA government had little over a year of remaining in power before the expiry of the constitutionally mandated five year term in July 2009. Unless there are grave differences within the UPA coalition over policy issues leading to its unraveling, it is expected to last out its term.

⁴⁰ It was the Narasimha Rao government (1991-1996) that launched India's 'Look East' policy influenced no doubt by several factors – the collapse of the Soviet Union, the end of the Cold War and beginnings of a 'unipolar order', the economic success of ASEAN and the need for 'strategic autonomy' in foreign policy. For detailed analyses on India's 'Look East' policy see, Frederic Grare and Amitabh Mattoo (eds.) *Beyond the Rhetoric – The Economics of India's Look East Policy*, Vol. 2 (New Delhi: Manohar, 2003) and N.S. Sisodia and G.V.C. Naidu (eds.) *Changing Security Dynamic in Eastern Asia: Focus on Japan* (New Delhi: Bibliophile South Asia/Promilla & Co., 2006).

⁴¹ "Present Dimensions of the Indian Foreign Policy" – Address by Foreign Secretary, Mr. Shyam Saran at Shanghai Institute of International Studies, Shanghai on 11 November 2006. Accessible at <http://meaindia.nic.in/speech/2006/01/11ss01.htm>

⁴² Following a referendum held on 14 April 1974 Sikkim voted to join the Union of India and became its twenty second state. China did not recognize this referendum and until 2003 used to maintain on its Ministry of Foreign Affairs website a page on "China – Sikkim" relations.

⁴³ The opening up of Nathu La pass on the Sikkim-China border for trade and transit is widely accepted as an opportunity to enhance trade in the Himalayan region as also become a 'spiritual gateway' for Tibetan Buddhists who comprise the majority of the population in that region. The Vajpayee visit saw the two countries agreeing to designate Changgu in Sikkim, India, and Renqinggang of the Tibetan Autonomous Region, China, as venues for border trade. The two sides also agreed on using Nathu La as the pass for entry and exit for persons, means of transport and commodities engaged in border trade. Apart from Nathu La, India conducts border trade with China from two other high altitude passes - Lipulekh Pass in Uttaranchal and Shipki La in Himachal Pradesh.

⁴⁴ The "Declaration on Principles for Relations and Comprehensive Cooperation between India and China" is accessible at <http://meaindia.nic.in/declarestatement/2003/06/23jd01.htm>

⁴⁵ Ibid

⁴⁶ For the recurring tensions on the boundary dispute, see, “Chinese army personnel transgress into Sikkim” *The Indian Express* (New Delhi) 18 June 2008; “We’ll sort out China incursions issue” *Hindustan Times* (New Delhi) 20 June 2008; “Incursions, a matter of perception” *The Hindu* (Chennai) 24 February 2008; Pranab Dhal Samanta, “Tip of Sikkim is latest India-China flashpoint” *The Indian Express* (New Delhi) 18 May 2008; and, “Dispute over Tawang blocking India-China border talks” *The Indian Express* (New Delhi) 12 August 2008

⁴⁷ The twelve documents signed during Wen Jiabao’s visit were:

1. Agreement on Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question.
2. Report of India-China Joint Study Group on Comprehensive Trade and Economic Cooperation.
3. Protocol on Modalities for the Implementation of CBMs in the Military Field Along the Line of Actual Control in the India-China Border Areas.
4. Agreement on Mutual Administrative Assistance and Cooperation in Customs Matters.
5. MOU on the Launch of the India-China Financial Dialogue.
6. MOU on Civil Aviation.
7. Protocol of Phytosanitary Requirement for Exporting Grapes from India to China.
8. Protocol of Phytosanitary Requirement for Exporting Bitter Gourds from India to China.
9. MOU on Provision of Hydrological Information of the Sutlej /Langqen Zangbo River in Flood Season by China to India.
10. Protocol on India-China Film Cooperation Commission.
11. MOU on Cooperation between the Indian Council of World Affairs and the Chinese People’s Institute of Foreign Affairs.
12. Memorandum on the Construction of an Indian-style Buddhist Temple on the Western side of the White Horse Temple in Luoyang, China.

The Full Text of the Agreement is available on the Ministry of External Affairs, India, website <http://www.mea.gov.in>

⁴⁸ “Wen’s visit has met desired targets: China” 13 April 2005, Rediff.com. Accessible at: <http://www.rediff.com/news/2005/apr/13wen.htm>

⁴⁹ Briefly, the “ten pronged strategy” to improve bilateral relations are:

1. Ensuring Comprehensive Development of Bilateral Relations
2. Strengthening Institutional Linkages and Dialogue Mechanisms
3. Consolidating Commercial and Economic Exchanges
4. Expanding All-Round Mutually Beneficial Cooperation
5. Instilling Mutual Trust and Confidence through Defence Cooperation
6. Seeking Early Settlement of Outstanding Issues
7. Promoting Trans-border Connectivity and Cooperation
8. Boosting Cooperation in Science and Technology
9. Revitalising Cultural Ties and Nurturing People-to-People Exchanges
10. Expanding Cooperation on Regional and International Stage

⁵⁰ Speech by Dr. Manmohan Singh, Prime Minister of India, titled “India and China in the 21st Century” at the Chinese Academy of Social Sciences, Beijing, 15 January 2008. Accessible at <http://meaindia.nic.in/speech/2008/01/15ss01.htm>

⁵¹ See Text “A Shared Vision for the 21st Century of the Republic of India and the People’s Republic of China” Press Information Bureau, National Informatics Centre, Government of India. Also accessible at: <http://www.meaindia.nic.in/pressrelease/2008/01/14/pr03.htm>.

⁵² Ibid.

⁵³ The economic reform process in India is not without its political impact with a wider cross section of society participating in politics and emerging to the forefront as stakeholders in governance. With single-party majority rule a thing of the past, political alliances are increasingly ideologically neutral and adopting postures where ‘all politics is local.’ See Zoya Hasan, *Quest for Power: Oppositional movements and Post-Congress Politics* in Uttar Pradesh (New Delhi: Oxford University Press, 1998) and Susanne Hoerber Rudolph and Lloyd I. Rudolph, *Explaining Indian Democracy: A Fifty Year Perspective, 1956-2006 The Realm of Ideas – Enquiry and Theory, Vol. 1* (New Delhi: Oxford University Press, 2008).

⁵⁴ Lowell Dittmer and Guoli Liu (eds.) *China's Deep Reform – Domestic Politics in Transition* (Lanham: Rowman & Littlefield, 2006) p.14.

⁵⁵ See Amartya Sen, *The Argumentative Indian – Writings on Indian History, Culture and Identity* (New York: Farrar, Strauss & Giroux, 2005) and Arjun Sengupta, Archana Negi and Moushumi Basu, *Reflections on the Right to Development* (New Delhi: Sage, 2005).

⁵⁶ Ibid.

⁵⁷ The EAS came into being in December 2005 at its first summit in Kuala Lumpur. It comprises 16 countries including India and was initiated by ASEAN and China. Significantly, the United States is not a member of this multilateral forum.

⁵⁸ The ASEM has been a regular feature since its first summit in Bangkok in 1996. Beginning with fifteen EU member states and ten East Asian countries, the process now includes the new members of the EU as well as ASEAN plus India, Pakistan and Mongolia since the 6th ASEM Summit (Helsinki) in 2006.

⁵⁹ The SAARC was created in 1985 and is the only organization for regional cooperation in South Asia. Its eight members include Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka with Australia, China, European Union, Iran, Japan, Mauritius, Myanmar, South Korea and the United States as observers. The SAARC is expected to include Myanmar as a member at its next summit.

⁶⁰ Earlier called the BISTEC (Bangladesh, India, Sri Lanka, Thailand – Economic Cooperation) with Myanmar as observer and formed in June 1997, the organization changed its name to BIMSTEC at its first summit in Bangkok in 2004 and currently also includes Myanmar as full member as well as Nepal and Bhutan.

⁶¹ The SCO was primarily created by China with the active support of Russia in June 2001 as an inter-governmental forum involving the Central Asian republics.

¹⁷ See *Report of the India-China Joint Study Group on Comprehensive Trade and Economic Cooperation* Available at www.hinduonnet.com/thehindu/nic/0041/report.pdf

⁶³ Text - “A Shared Vision for the 21st Century of the Republic of India and the People’s Republic of China.”

⁶⁴ India’s software and services exports in 2007-08 were to the tune of USD 40.8 billion with a domestic market estimated at USD 23.2 billion comprising 5.5 percent of the GDP.

⁶⁵ Hongying Wang, “Multilateralism in Chinese Foreign Policy: The Limits of Socialization” *Asian Survey* (Berkeley) vol. 40, no. 3, 2000, p.478.

⁶⁶ Suisheng Zhao (ed.) *Chinese Foreign Policy – Pragmatism and Strategic Behaviour* (Armonk, NY: M.E. Sharpe, 2004) p.4

⁶⁷ Text - “A Shared Vision for the 21st Century of the Republic of India and the People’s Republic of China.”

⁶⁸ The mechanism of Special Representatives from either side to exclusively address the boundary dispute was created in 2003. The Special Representatives have held 12 rounds of talks so far without any hint of a final settlement.

⁶⁹ The *Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question* was signed during Chinese premier Wen Jiabao’s visit to India in April 2005.

⁷⁰ The complicated nature of the dispute involves India accusing China of “illegally occupying” 43,180 sq km of Jammu and Kashmir (in the Aksai Chin region) including 5,180 sq km “illegally ceded” to Beijing by Islamabad under the Sino-Pakistan boundary agreement in 1963. China on its part accuses India of “possessing” some 90,000 sq km of “Chinese territory,” mostly in the north-eastern state of Arunachal Pradesh.

⁷¹ The exact remarks made by Sun Yuxi during an interview with CNN/IBN television network were: "In our position, the whole of the state of Arunachal Pradesh is Chinese territory. And Tawang is only one of the places in it. We are claiming all of that. That is our position." Available at http://www.rediff.com/news/_2006/nov/14china.htm

⁷² In a statement prior to Prime Minister Vajpayee's visit to China in June 2003, Hua Junduo, then Chinese Ambassador to India, outlined three peak periods in India-China relations. 'The first period,' Hua Junduo wrote, 'can be traced to two millenniums back when Buddhism bound China and India together' in the earliest stage of the historic exchange between the two great ancient civilizations. The second period features mutual sympathy and support in the respective struggles for national independence and liberation in modern times. As the third period, Ambassador Hua Junduo mentioned the 'good-neighborly relationship' in the 1950's between the two independent Asian nations newly emerging in the international arena and by the Five Principles of Peaceful Co-existence they jointly initiated after the Second World War. See, Hua Junduo, "Partners, not rivals" *The Hindu* (New Delhi), 11 June 2003, p. 11.

⁷³ "Arunachal is an integral part of India: Pranab" 14 November 2006, Accessible at: <http://www.zeenews.com/articles.asp?aid=335503&sid=NAT>

⁷⁴ See text of the Agreement between the Government of the Republic of India and the Government of the People's Republic of China on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question, Ministry of External Affairs, India.

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ From 1988 to 1992, Hu Jintao was Party Secretary in Tibet Autonomous Region (TAR).

⁷⁸ Zhang Qingli, Party Secretary for the TAR, has described the Dalai Lama as a "wolf wrapped in monk's robes, a devil with a human face and a best's heart." This coming from the Party Secretary of Tibet is indicative of the attitude in Beijing after the violence in March.

⁷⁹ John Rowland, *A History of Sino-Indian Relations: Hostile Coexistence* (Princeton, NJ: D. Van Nostrand Company Inc., 1967), p.xv.

⁸⁰ See Text of the "Declaration on Principles for Relations and Comprehensive Cooperation between the Republic of India and the People's Republic of China" issued by both the sides during former Indian prime minister A.B. Vajpayee's visit to China in June 2003. Accessible at <http://www.meaindia.nic.in/declarestatement/2003/06/23jd01.htm>

⁸¹ See He Zhenhua, "Those falsely accusing others only discredit themselves" Opinion on *People's Daily Online*, 8 April 2008. Accessible at: <http://english.people.com.cn/90001/90780/91342/6388602.html>; "Why some U.S. media going to such extreme?" (sic.) Opinion on *People's Daily Online*, 2 April 2008. Accessible at: <http://english.people.com.cn/90001/90780/6385665.html> and "TYC: From violence to terrorism" Opinion on *People's Daily Online*, 18 April 2008. Accessible at: <http://english.people.com.cn/90001/90780/91342/6395323.html>

⁸² The concept of 'multipolarisation' (*duojihua*) was adopted by the CCP at the 14th Party Congress in 1992. Chinese analysts in their theoretical construction of a multipolar world constantly refer to *yi chao duo qiang* ('one big power and four powers'). The United States is the 'big power' with the European Union, Russia, China and Japan being the 'powers.'

⁸³ Sujian Guo and Shiping Hua (eds.) *New Dimensions of Chinese Foreign Policy* (Lanham, MD: Lexington Books, 2007), pp.1-2.

⁸⁴ 'Soft power is a state's ability to "shape the preferences of others" and the ability to induce international compliance without resorting to coercive means. The comprehensively positive image a country/nation presents to others is the determinant of soft power. See Joseph S. Nye, *Soft Power – the Means to Success in World Politics* (New York: Public Affairs, 2004).

⁸⁵ Allen Carlson, *Unifying China, Integrating with the World – Securing Chinese Sovereignty in the Reform Era* (Stanford: Stanford University Press, 2005), pp. 50-51.

⁸⁶ Vernon Aspaturian, "Internal Politics and Foreign Policy in the Soviet System" in R. Barry Farrell, ed. "Approaches to Comparative and International Politics" (Evanston: Northwestern University Press, 1966), p.8, as cited in Byong-Moo Hwang, *Chinese Motives in Foreign Crises: Domestic and Foreign Policy Interactions*, Unpublished Ph.D Dissertation, University of California, Riverside, 1978.

⁸⁷ See Lei Guang, "From national identity to national security: China's changing responses toward India in 1962 and 1998" *The Pacific Review* (London) Vol. 17, No.3, 2004, pp. 399-422.

⁸⁸ See Dong Wang, *China's Unequal Treaties – Narrating National History* (Lanham, MD: Lexington, 2005).

⁸⁹ William S. Turley, “Vietnam/Indochina: Hanoi’s Challenge to Southeast Asian Regional Order,” in Young Whan Kihl and Laurence E. Grinter eds., *Asian Pacific Security: Emerging Challenges and Responses* (Boulder, CO: Lynne Rienner Publishers, 1986) pp. 178-79 as cited in Sanqiang Jian, *Foreign Policy Restructuring as Adaptive Behavior: China’s “Independent Foreign Policy of Peace” 1982-1989*, Unpublished Ph.D Dissertation, Kent State University, 1992, p.50.

⁹⁰ Jing-dong Yuan, “Foe or Friend? The Chinese Assessment of a Rising India After Pokharan – II” Ch. 8 in Lowell Dittmer (ed.) *South Asia’s Nuclear Security Dilemma – India, Pakistan, and China* (New York: M.E. Sharpe, 2005), p.168.