

India's Networking Response to the Chinese Threat

By Rajesh Basrur

India has experienced rising tensions with China in recent years, as demonstrated by two border crises in 2017 and 2020-21. The second event saw the death of some 20 Indian troops, and at least 4 Chinese soldiers, in hand-to-hand combat – the first fatalities in nearly half a century of periodic border face-offs. New Delhi's policy response has spanned both internal and external balancing. The former has involved augmenting India's capacity to engage in limited combat of the type that nuclear-armed states have occasionally fought, as did the Soviet Union and China in 1969 and India and Pakistan in 1999. The Indian military has bolstered its border by deploying combat troops, cruise missiles, and advanced combat aircraft. However, China has done much the same, putting pressure on India to upscale its military capabilities.

Simultaneously, India has tried to reduce its dependence on the Chinese economy, a more complicated task. Despite a 10 percent decline in bilateral trade owing to the Covid-19 pandemic and border tensions, China was India's largest trading partner (\$77.7 billion) in 2020. The Narendra Modi government sharply cut Chinese investment when the 2020 border confrontation in Ladakh broke out, expelling major Chinese companies like TikTok, WeChat, and UC Browser. Despite these measures, India's ability to shut China out of its economy is limited. The Indian market depends heavily on Chinese electronic components (70 percent in value terms), pharmaceutical ingredients (70 percent), and consumer durables (45 percent).

In order to counter the Chinese threat more effectively, Indian policymakers have looked beyond self-help to a wider network of strategic partnerships to bolster their position in both military and economic terms. There has been talk of a 'new' Cold War in which the rise of the India-US-Japan-Australia Quadrilateral Security Dialogue (or 'Quad') represents a potential 'Asian NATO.' But the present situation is more complex than was the case during the Cold War. The latter was a largely military-strategic confrontation; today's contests between the Quad's individual members and China are influenced by both zero-sum military and mixed-game economic calculations. Economic relationships, notably, involve positive-sum cooperation for mutual gain as well as zero-sum competition for relative advantage.

Apart from internal efforts to strengthen strategic deterrence and lessen economic vulnerabilities, India has undertaken external efforts to contain China through (i) enhanced military deterrence; (ii) reduced dependence on the Chinese economy; and (iii) collective mobilization with strategic partners to compete with China's leveraging of economic power for strategic influence. All three objectives are being pursued by building a network of overlapping strategic partnerships to deter China militarily and reduce its economic leverage. These interlinked strategic partnerships have varying configurations: bilateral (with the United States, Japan, France, and others), trilateral (India-U.S.-Japan; India-France-Australia), quadrilateral (the Quad), and potentially beyond (e.g., via a 'Quad Plus' that may extend to France, New Zealand, the United Kingdom, and others).

Strategic partnerships are distinct from alliances in important ways appropriate to a complex environment in which competition and mutual gain coexist. First, they do not expressly identify adversaries, making them looser and more flexible in building bridges with an adversary to attenuate tensions. Second, they do not necessarily commit member states to support partners' disputes with third parties, which again mitigates the potential for more intractable conflict. Finally, aside from exercises, they do not involve joint military organization, planning, and operations, making them less threatening. In addition, strategic partnerships, like

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alliances, incorporate economic strategy to create a more extensive network encompassing both military and economic dimensions.

On the security side, strategic partnerships offer India the following gains in countering Chinese power:

Arms transfers: India has obtained advanced military hardware from bilateral partnerships, especially the United States. It has obtained high-altitude warfare kits from the U.S. and deployed newly acquired American P-8 surveillance aircraft and French Rafale fighters on the China border.

Skill enhancement: India has been able to hone its combat skills and optimize its usage of military equipment through periodic military exercises individually and collectively with its strategic partners.

Logistics sharing: This optimizes the use of military resources for national military operations as and when required.

Intelligence sharing: Combat preparedness has been enhanced. In the border confrontation with China, the United States has assisted India with intelligence inputs.

Cybersecurity collaboration: In light of a possible Chinese cyber-attack on the Mumbai power grid in October during the most recent border confrontation, India stands to benefit from cybersecurity cooperation with the United States, Japan, and others.

Potentially, spinoffs from these modes of cooperation can be extended by India to other friendly states seeking to counter the Chinese threat.

On the economic side, strategic partnerships facilitate the following:

Reducing investment dependence: India has eschewed the Belt and Road Initiative (BRI) and sought to minimize Chinese direct investment, which had been growing rapidly until 2017-18. Strategic partnerships have provided India with alternatives, bringing in sizeable state-driven investment from Japan and facilitating private investment from the United States.

Reducing trade dependence: India has shown an interest in challenging China's position as an international supply chain hub. The Quad is upping Indian vaccine production substantially, while India, Japan, and Australia have begun collaborating more broadly through the Supply Chain Resilience Initiative.

Competing With the BRI: India and Japan have established a joint investment initiative, the Asia Africa Growth Corridor, which complements the latter's Expanded Partnership for Quality Infrastructure. New Delhi has also shown an interest in joining the US-Japan-Australia Blue Dot Network toward the same end.

Conclusion

These networked initiatives are by no means unproblematic. Indian strategic interests sometimes contradict those of strategic partners, e.g., India and the U.S. disagree on India's relationship with Iran and its purchase of Russian weapons. Second, India and its strategic partners engage in economic competition, and India places some significant trade and investment restrictions on its partners. India's objectives are nuanced. In a world of nuclear weapons and economic interdependence, the overall aim cannot be to diminish Chinese power, but to generate a network that restricts China's influence and tries to moderate its strategic behavior.

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