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## **New Fragility in India-China Ties: Signs of Cautious Engagement?**

*By P. S. Suryanarayana*

### **SYNOPSIS**

*India and China have displayed some diplomatic restraint towards each other over the latest meeting between Dalai Lama and a visiting US Congressional delegation on Indian territory. This may not have reduced the tensions caused by China's suspicions that Indian Prime Minister Narendra Modi might have stepped on its red line about official contacts with Taiwan following his cordial exchange with Taiwan's newly elected leader Lai Ching-te. What are India's long-term options in this fragile situation?*

### **COMMENTARY**

The National Democratic Alliance (NDA), Narendra Modi's coalition, won a simple majority in India's general elections in June 2024 and he became prime minister for a third term. He is renowned for his skills to outwit opponents and retain allies. However, his tasks are cut out in a polarised national political ambience that might influence India's foreign policy options.

#### **"One India" vs "One China"**

Modi and the NDA were congratulated by the leaders of the P5 – the five permanent members of the United Nations Security Council (UNSC) – except notably China's Xi Jinping. Nonetheless, the Chinese foreign ministry subsequently rectified the apparent omission, leading India to express "[appreciation](#)" for China's congratulatory message.

This disclosure followed China's "[protest](#)" over Modi's cordial response to a congratulatory tweet from Taiwan's newly elected leader Lai Ching-te. Besides the standard line about the inviolability of the "one-China principle", Beijing said: "India has made serious political commitments on this and is supposed to recognise, [be alarmed](#) about and resist the Taiwan authorities' political calculations".

Intriguing indeed is Beijing's suggestion that India should be "alarmed" about Taiwan's "political calculations", meaning Taiwan's attempts at "seceding" from China. A possible inference is a reminder to India about its own secessionists seeking external support.

Another puzzle is Beijing's bid to pin on Delhi an everlasting commitment to the "one-China principle". However, a [nuanced reality](#), for several years now, is that India has explicitly recognised Tibet, but not Taiwan, as a part of the People's Republic of China (PRC).

Even regarding Tibet, Delhi has maintained that it did not accept Chinese claims over India's Arunachal Pradesh which Beijing describes as "southern Tibet". From India's perspective, the PRC's claims of sovereignty over Taiwan under the "one-China principle" could be accepted if Beijing would explicitly accept Delhi's ["one India" policy](#). At the least, "one India" is a strategic code for Delhi's ongoing exercise of sovereignty over Arunachal Pradesh.

Aksai Chin, which China administers, and Gilgit-Baltistan as well as "Azad Kashmir", both under Pakistan's control with Chinese support, come under the "one India" rubric. Delhi opposes the China-Pakistan Economic Corridor (CPEC) which passes through some areas under India's historical "sovereignty". However, with Beijing not accepting Delhi's "one India" policy, the latter has been reticent about supporting the "one-China principle".

Delhi is particularly concerned about Beijing's readiness to build an ["upgraded version"](#) of the already extensive CPEC. Indeed, Xi assured Pakistan's Prime Minister Shehbaz Sharif of this shortly after China protested India's reference to Lai as "president of the Republic of China" (ROC) in a press release from the Ministry of External Affairs. India later [deleted](#) the document, preferring this spiralling Sino-Indian controversy to remain a storm in a teacup.

In a gesture seemingly acknowledging India's removal of the ROC reference, Chinese Premier Li Qiang sent a congratulatory message to Modi on 11 June 2024. However, notably absent was a similar message from Xi, who congratulated South Africa's Cyril Ramaphosa, another prominent leader from the global south, on 14 June for his re-election.

### **India's Tech Links with Taiwan and the US**

The latest episode of Lai-Modi X (formerly Twitter) bonhomie does symbolise the sensitivities, perhaps even a new fragility, in the Sino-Indian equation. Nonetheless, a close reading of their messages does not indicate any Indian recognition of Taiwan as a sovereign state.

Ironically, the name of the ROC is still shown in [Article 23](#) of the UN Charter as a permanent member of the UNSC. The ROC was unseated from that position in 1971 when the PRC's lawful rights were "restored". Due to the strategic situation of that period, the UN Charter was not amended to reflect the PRC's newly exalted position.

Reciprocating Lai's "warm message" on 5 June 2024, Modi expressed willingness to

build “[closer ties](#)” with Taiwan “as we work towards mutually beneficial economic and technological partnership”. Lai had, in his message, emphasised “expanding our [collaboration on trade, technology](#) and other sectors”. Both sides clearly focused on economic and technological ties.

This episode should not immediately alarm China. However, two factors are pertinent to Beijing’s calculations. First, contrary to earlier indications, India may now start to bandwagon with the pro-Taiwan forces led by the US. Second, India-Taiwan tech ties could get woven into Washington’s plans for the globalisation of technology outside of China.

As a rising power in the cyber and artificial intelligence domains, India’s enhanced tech collaboration with the pivotal Taiwan Semiconductor Manufacturing Company (TSMC) might serve US interests. All these *ifs* concerning India are, therefore, relevant to Beijing in the ongoing Sino-American tussle for tech supremacy.

Until now, India has not prominently figured in this US-China competition (as outlined by Chris Miller in *Chip War* and other authors). However, US President Joe Biden, in his [congratulatory conversation](#) with Modi on 5 June 2024, described the US-India “strategic technology partnership” as a “trusted” bilateral priority.

In a slightly contrarian perspective, there is a significant Chinese school of thought that still bets on India’s strategic autonomy vis-à-vis the US. A piece in China Daily headlined “India will not be a willing pawn of US” notes that Delhi “has always been [cautious](#) about not being drawn into any direct confrontation with China”. India’s recent deletion of a press release where Taiwan was referred to as the ROC, may be compatible with this Chinese view.

In this ambience, a US congressional delegation met the Tibetan leader, the 14th Dalai Lama, at Dharamshala in India on 19 June 2024. In Beijing’s enduring view, Dalai Lama is an anti-China separatist hosted by India since 1959. However, China [did not criticise India](#) for allowing Dalai Lama’s latest meeting with the US legislators. After those legislators later called on Modi on 20 June 2024, the official [Indian press release](#) did not indicate whether he discussed with them the outcome of their meeting with Dalai Lama.

Was this a sign of cautious attitude by India and China towards each other in an effort to manage the new fragility in their ties? Arguably, the first such sign was Li Qiang’s congratulatory message to Modi after India deleted a press release in which Lai Ching-te was described in a manner unacceptable to China.

Marking the 70th anniversary of the enunciation of Five Principles of Peaceful Coexistence, Xi recalled, on 28 June, that China and India had “jointly” advocated these principles as “basic norms for state-to-state relations” worldwide. Cautiously, Xi [did not delete India](#) from the history of these principles. However, only time and further developments will show if these signs of caution would determine the future of this key bilateral engagement.

## India's China Policy Options

Four major issues remain unsettled in the troubled China-India engagement. Foremost in recent times is the absence of any serious publicised effort to resolve the basic boundary dispute.

The clash at [Galwan](#) in the western sector in mid-June 2020 resulted in fatalities on both sides for the first time in several decades. Since then, the two sides have been primarily focused on discussing the complete restoration of “peace and tranquillity” along the contentious Line of Actual Control in the western sector.

In the wake of Chinese protests over the Lai-Modi X messaging in June 2024, both Delhi and Beijing need a fresh and robust approach towards each other.

This could be a good time to consider resuming publicised formal discussions, at the established level of special representatives, to resolve the basic boundary dispute. A potential Indian option is to press for the formal and publicised renewal of such basic negotiations. Such an approach could amplify public trust in the Sino-Indian engagement.

The second, but not secondary, issue is India's trade imbalance with China. India's External Affairs Minister Subrahmanyam Jaishankar said, on 24 May 2024, that Delhi's bilateral annual [trade in goods](#) with both China and the US was worth US\$118 billion each. Modi's messaging in June 2024 about his willingness for closer trade and tech partnership with Taiwan can spur China to try and open new vistas in its trade with India. As a policy option, India could explore a more balanced trade with China.

The third policy option for India is to explore the feasibility of practical tech ties with China either bilaterally or in the recently expanded BRICS. The founding members of this forum of Brazil, Russia, India and China later welcomed South Africa, besides several other countries more recently. For Delhi, this option will be a tough call, especially in competitive domains like artificial intelligence (AI) where India, not just China, has great expectations. However, Xi had in the past suggested AI collaboration within the compact BRICS forum.

The final, yet crucial, policy option for India regarding China is to pursue greater clarity in each other's strategic priorities through bilateral dialogue. Beijing seems concerned about the escalating US-India entente despite some contrary analysis. Mindful of its implications for both India and the US, Delhi remains wary of Beijing's deepening ties with Pakistan.

But all in all, these policy options in India-China relations are just that – options on the drawing board. The respective competitive nationalism of China and India, grounded in their actual and potential comprehensive strengths, will be the ultimate reality test.

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