

# THE PARTNERSHIP BETWEEN CHINA AND INDIA AFTER 2005

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## **Abstract:**

*In 2010 China and India celebrated 60 years of diplomatic relations. Both countries are fast growing economies, which are increasing military spending that is why they are the two main powers in Asia. China and India fought a war in 1962 and still have disputed land borders. Economy and military spending are not the only elements that should be observed when we talk about these countries. Another important element is Pakistan's role in the region. India disclosed its concerns regarding especially the closeness between China and Pakistan in security and nuclear matters. Resources, disputed land borders and Pakistan's role are the three elements that make the relationship prone to difficulties. Both could choose to cooperate - by finding common interests and instruments to obtain these interests or could choose to have a difficult and unpredictable relation. The main purpose of this paper is to analyze the relationship between China and India after 2005, when they have signed the "strategic partnership", which creates the legal framework for cooperation to see if they have the same relation when it comes to regional issues as when it comes to global problems. The second propose is to explain the differences or the similarities between their behaviour. In the first part I'll focus on the economic dimension and on how increasing cooperation in this sector can promote a stable and comfortable foundation for both of them. In the second part I'll explain how they relate to land borders disputes. In the third part I'll present the current situation between Pakistan and China and on the other hand between India and Pakistan. In the last part I'll identify and interpret the causes that are leading to similar or different actions.*

**Keywords:** China, India, Pakistan, South Asia, security.

## **Introduction**

As India and China are emerging as regional and global powers they are changing the perceptions regarding Asia's security. Their relation, which has been a difficult one for a long time can explain matters regarding the security problems for the whole region. This paper will discuss the relation between India and China, showing the difference between how they approach the economic and trade relation and how they respond to the security matters. Important actors, whose relations to China and India should be discussed as well are Pakistan and US. Pakistan has been supported by China for a long time with the main purpose to balance India's growth. On the other hand, US have tried to improve its relation with India, mainly after 9/11 seeing in India a partner in fighting terrorism. The second reason was US's interest in gaining an ally in Asia.

This subject is important because will show how the security matters influence the institutional framework in which these states act and how they perceive each other. To present their relation I'll identify the areas in which there are likely to cooperate and share mutual interests and matters in which they have suspicions regarding the other's intentions.

The paper will focus on analyzing of the essential documents, such as Joint Statements and official's speeches. Other sources utilized include papers from Chinese and Indian perspectives.

### **The China – India Partnership**

India and China both have emerging economies, nuclear weapons and expanding military budges. They are increasing their influence in Central and Southeast Asia<sup>1</sup> while developing their

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hard-powers capabilities and that's why they are named rising powers<sup>2</sup>. In their recent history, China and India have experienced a complex relation. They shared a mutual background in 1940-1950 which left them with unresolved border issues. Their territory is the first dimension where China and India do not agree. After they fought a war in 1962, India and China were left with world's longest disputed border line; China is claiming 92.000 km that now belong to India. The first claim is on India's western part, on Aksai Chin in the northeaster section of Ladakh District, in Jammu and Kashmir. The second claim is on the Arunachal Pradesh state, in eastern part where is the monastery that has the most important role in choosing the new Dalai Lama increasing the area's symbolic role<sup>3</sup>. In the same time this position is of major importance for China's influence over Tibet. India has claimed that should receive the parts that the British Empire had occupied on Chinese territories. After defeating the Indian forces, China withdraw 20 km further from the McMahon Line to what was called „the line of actual control” in the Eastern sector and 20 km behind its latest border in Ladakh, called “the line of actual control” in the Western Sector<sup>4</sup>. Since the 1980s there have been mutual efforts to recognize the Line of Actual Control (LAC), which now defines the border<sup>5</sup>. The officials from both countries don't seem to agree on what part of the border they actually need to debate. While Chinese Prime Minister, Wen Jiabao was visiting India in December, the state-owned Chinese media referred to the border as nearly 2,000 km. The Indian ambassador, S Jaishankar had another opinion and said that „We have a long common border of 3,488 km”<sup>6</sup>. After Wen Jiabao's visit, China and India agreed to sign a joint statement by which reaffirmed their support for a peaceful solution to this problem. They continue to approve the Agreement on Political Parameters and Guiding Principles for Settlement of the Boundary Question agreed in 2005 and the process of negotiations being undertaken by the Special Representatives with the aim to offer an „acceptable solution”<sup>7</sup>. For now, their goal is to maintain peace on the border.

Others saw China and India as becoming *Chindia*<sup>8</sup>. *Chindia* indicates a form of cooperation in which interdependence is so deep that the relation between the two parts can only be a peaceful one. Its primarily meaning refers to an economic coalition, but can refer to trade and economic development, energy, environment, social advancement and security matters<sup>9</sup>. That's why through cooperation in the economic area, China and India could improve their partnership in other matters like security or energy sector.

<sup>1</sup> Malone, David M., and Rohan Mukherjee. "India and China: Conflict and Cooperation." *Survival* (00396338) 52, no. 1 (February 2010): 137-158. International Security & Counter Terrorism Reference Center, EBSCOhost (accessed February 2, 2011).

<sup>2</sup> Manson, G. P. "Contending Nationalisms: China and India March into the Twenty-First Century." *Asian Affairs: An American Review* 37, no. 2 (May 2010): 85-100. International Security & Counter Terrorism Reference Center, EBSCOhost (accessed February 2, 2011).

<sup>3</sup> Holslag, Jonathan. "The Persistent Military Security Dilemma between China and India." *Journal of Strategic Studies* 32, no. 6 (December 2009): 811-840. Political Science Complete, EBSCOhost (accessed February 2, 2011)

<sup>4</sup> "Indo-China War of 1962," *Global Security*, [http://www.globalsecurity.org/military/world/war/indo-prc\\_1962.htm](http://www.globalsecurity.org/military/world/war/indo-prc_1962.htm), (accessed February 1, 2011).

<sup>5</sup> Vivek Raghuvanshi, "India, China Tackle Border Dispute", *Defense News*, <http://www.defensenews.com/story.php?i=5251289&c=ASI&s=TOP>, (accessed February 3, 2011).

<sup>6</sup> "Chinese media knocks off 1,600 km from China-India border", *The Times of India*, <http://timesofindia.indiatimes.com/india/Chinese-media-knocks-off-1600-km-from-China-India-border/articleshow/7128410.cms>, (accessed on February 3, 2011)

<sup>7</sup> India, Ministry of External Affairs, „Joint Communiqué of the Republic of India and the People's Republic of China”, bilateral documents, December 16, <http://meaindia.nic.in/mystart.php?id=530516879> ( accessed February 4, 2011).

<sup>8</sup> Holslag, "The Persistent Military Security Dilemma between China and India." 810-2.

<sup>9</sup> Coates, Breena E. "India, Chindia, or an Alternative? Opportunities for American Strategic Interests in Asia." *Comparative Strategy* 28, no. 3 (July 2009): 271-285. International Security & Counter Terrorism Reference Center, EBSCOhost (accessed February 3, 2011).

The second problem they have refers to terrorism. India and China announced their opposition against any form of terrorism and their commitment to countering terrorism including by supporting implementation of UN resolutions<sup>10</sup>. One of the mentioned resolutions, 1267 lists as terrorists JuD and Hafiz Saeed. Hafiz Saeed founded Jamaat-ud-Dawa (JuD) and is the master of Mumbai terror attacks. But China has not agreed to add Masood Mazhar, founder of terror group Jaish-e-Mohammed to the terrorist list<sup>11</sup>. The document doesn't mention the Mumbai terror attacks or Pakistan's role in countering terrorism in the region. China signed in April 2005 a treaty with Pakistan - Treaty of Friendship, Cooperation and Good-neighbourly Relations between the People's Republic of China and the Islamic Republic of Pakistan (Treaty) - by which mutual support is provided for protecting their national sovereignty and integrity. In the China-Pakistan Joint Statement signed after Pakistani President, Asif Ali Zardari visit to China, Pakistan considered its relation with China as „the cornerstone of its foreign policy”<sup>12</sup>. It seems that this document signifies an alliance between China and Pakistan. The Treaty mentions a close cooperation between Defence Ministers and between the two armies<sup>13</sup>. Another legal document was established in 2006, when the Framework Agreement on Cooperation between the Defence Ministry of the People's Republic of China and the Defence Ministry of the Islamic Republic of Pakistan was signed. Their Treaty suggests that common problems should be addressed by mutual cooperation under a bilateral and multilateral framework, in order to maintain regional peace, stability and security. China seems to sustain Pakistan's involvement in Asia's institutional framework and has welcomed Pakistan's membership in ASEM, while expressing its willingness to work together in other organizations such as SAARC, ACD, ARF, SCO and ASEM<sup>14</sup>. In the 208 Statement, Pakistan recognizes and supports the one-China policy. Pakistan and China announced that they'll cooperate not only to maintain stability in the region, but also to increase their trade and economic relations<sup>15</sup>. The most important problem for India is China's nuclear assistance to Pakistan. If India will perceive this as a threat, an arms-race could start between Pakistan and India because both of them will want to increase their power to ensure their security. On the other hand, China might be interested in maintaining India busy with Pakistan so it could sustain its influence in the region.

China also has close relations with Myanmar, Nepal, Sri Lanka and Bangladesh<sup>16</sup>. Nepal and Burma have been considered buffer states between South and East Asia and that's why is important to see if the balance in this region was changed in some way<sup>17</sup>. If their role will increase through some instruments provided by China, then the balance can be challenged. China's increasing pressure in these countries can be perceived as a threat to India because it offers China a greater role in the region. When China entered SAARC, in 2005 as an observer, Pakistan saw this as an opportunity to counterbalance India's role in South Asia<sup>18</sup>.

<sup>10</sup> India, Ministry of External Affairs, „Joint Communiqué of the Republic of India and the People's Republic of China”, bilateral documents, December 16, <http://meaindia.nic.in/mystart.php?id=530516879> ( accessed February 4, 2011).

<sup>11</sup> No mention of 'one China policy' in India-China joint statement, Phayul, December 17

<http://www.phayul.com/news/article.aspx?id=28767>, (accessed February 4, 2011).

<sup>12</sup> „Full text of joint statement between China and Pakistan”, China View, October 16, 2008

[http://news.xinhuanet.com/english/2008-10/17/content\\_10206474.htm](http://news.xinhuanet.com/english/2008-10/17/content_10206474.htm), (accessed February 4, 2011).

<sup>13</sup> Pakistan, Embassy of the People's Republic of China in the Islamic Republic of Pakistan, „Joint Statement Between the People's Republic of China and the Islamic Republic of Pakistan”, November 25, 2006

<http://pk.chineseembassy.org/eng/svhjt/t282202.htm>, ( accessed February 4, 2011).

<sup>14</sup> Embassy of the People's Republic of China in the Islamic Republic of Pakistan, „Joint Statement Between the People's Republic of China and the Islamic Republic of Pakistan”.

<sup>15</sup> „Full text of joint statement between China and Pakistan”, China View.

<sup>16</sup> Malone, D. M., and Mukherjee, R. „India and China: Conflict and Cooperation,” 145.

<sup>17</sup> Holslag, J. „The Persistent Military Security Dilemma between China and India,” 813-5.

<sup>18</sup> Zhao, Hong. "India and China: Rivals or Partners in Southeast Asia?." *Contemporary Southeast Asia: A Journal of International & Strategic Affairs* 29, no. 1 (April 2007): 121-142. International Security & Counter Terrorism Reference Center, EBSCOhost (accessed February 2, 2011).

The last sensitive domain between them concerns the so-called One China policy. The One China policy affirms that Taiwan and Tibet is part of China. India's support for this policy hasn't been mentioned on the joint statement because India wanted Chinese to recognize One-India policy which states that Jammu and Kashmir are part of India just as Taiwan and Tibet are part of China. China's visas policy for those Indian states has irritated India. Chinese agreed to have official talks over that matter<sup>19</sup>. This is the first time since 1988 that the one-China policy is not included in a joint statement between China and India. However, officials have mentioned that India does recognize Tibet Autonomous Region as part of China<sup>20</sup>. It seems that this is the area where the relation between China and India is different from that between China and Pakistan, because India didn't mention the one-China policy as Pakistan did. Since 1988 India and China have managed to separate the border issue from other bilateral matters<sup>21</sup>.

In the same statement they managed to identify a few areas where they were found on the same side. The first refers to China's support for a permanent seat for India in the UN Security Council while sustaining a stronger role for the Security Council. Premier Wen Jiabao reaffirmed China's position through the following statement "China attaches great importance to India's status in international affairs as a large developing country, understands and supports India's aspiration to play a greater role in United Nations, including in the Security Council"<sup>22</sup>. Strengthening India's role in the region is motivated by the fact that both of them have „common interests and similar concerns on major regional and international issues"<sup>23</sup> should engage in a greater cooperation through multilateral forums. Some of these common interests refer to climate change, the Doha Development Round of WTO, energy and food security, international financial and economic reform are a particular focus for closer cooperation. Although climate change has been recognized as a common threat, India doesn't want to reduce its emissions until industrialised countries don't take more serious actions and China has the same opinion reaffirming the need for "common but differentiated responsibilities"<sup>24</sup>. As Indian Prime Minister, Manmohan Singh declared the industrialised countries have polluted for a century while the third world countries have just beginning to use their "share of the global atmosphere"<sup>25</sup>. As emergent economies they both are on the same side and will only sign a climate deal when a common global per capita emissions target has been established<sup>26</sup>. Their argument must be considered because you can't expect to have the same actions against climate change if you don't take into consideration their objections. Industrialised countries should make sure that they'll find a way to convince the emergent economies that they will not lose if they'll agree on cutting their emissions.

Another sector where India and China have a strong partnership is the economic one. Economy, as the most approachable sector for cooperation is used to mediate between both of them. That's why India and China have signed a trade agreement, which will increase their economic

<sup>19</sup> Indrani Bagchi „India declines to affirm 'One China' policy", The Times of India, December 17, 2010, <http://timesofindia.indiatimes.com/india/India-declines-to-affirm-One-China-policy/articleshow/7114778.cms>, (accessed February 10, 2011).

<sup>20</sup> India rebuffs China with "One-China" policy omission, TibetanReview net, December 19, 2010 <http://www.tibetanreview.net/news.php?cat=10&&id=7976>, (accessed February 10, 2011).

<sup>21</sup> Malone, D. M., and Mukherjee, R. „India and China: Conflict and Cooperation", 144-7.

<sup>22</sup> Indrani Bagchi, India declines to affirm 'One-China Policy', The Times of India, December 17, 2010, <http://timesofindia.indiatimes.com/india/India-declines-to-affirm-One-China-policy/articleshow/7114778.cms>, (accessed on February 5, 2011).

<sup>23</sup> India, Ministry of External Affairs, „Joint Communiqué of the Republic of India and the People's Republic of China".

<sup>24</sup> India, Ministry of External Affairs, „Joint Communiqué of the Republic of India and the People's Republic of China".

<sup>25</sup> William Antholis, "India and Climate Change", Wall Street Journal, July 29, 2009, <http://online.wsj.com/article/SB124787011359360457.html>, (accessed on February 6, 2011).

<sup>26</sup> Antholis, "India and Climate Change".

change up to 100 billion dollars by 2015. Although it had rejected a regional trading arrangement with China, India has asked for a greater access for its products and services on Chinese market. Foreign secretary Ms Nirupama Rao said that „there is a big imbalance in the trade and that we would like a little more market access in areas like pharma, agro-products and IT services...please take this message to China”<sup>27</sup>. They agreed to „establish a Strategic Economic Dialogue to enhance macro-economic policy coordination, to promote exchanges and interactions and join hands to address issues and challenges appearing in the economic development and enhance economic cooperation”<sup>28</sup>. As in the environmental sector, they encourage a pluralist management for economy’s recovery and for greater cooperation in the G20 framework aiming to improve “global economic governance” and assure „balanced development and shared benefits”<sup>29</sup>. Beside G20, another institution that should influence cooperation between China and India is BRIC.

In the last years China had another reason to improve its relations with states from different regions, especially those from Southeast Asia and it has close ties with Myanmar, Nepal, Sri Lanka and Bangladesh<sup>30</sup>. The reason was its fast economic growth - China needed resources and these resources were attained from very different regions from South America - Venezuela, Brazil - and from Africa. Not only that the trading has been improved, but China has become the most important donor and investor in Africa. India and China are in the same time competing for export markets.

Because they are neighbours in Asia share a mutual interest in the stability, prosperity and security of this region. India and China are committed to cooperation on a cross-regional, regional and sub-regional process in Asia. The multilateral framework for this aim includes East Asia Summit, the Asia-Europe Meeting, the Shanghai Cooperation Organization, the Russia-India-China trilateral cooperation mechanism and the South Asian Association of Regional Cooperation (SAARC). The Indian Prime Minister stated that „A strong partnership between India and China will contribute to long-term peace, stability, prosperity and development in Asia and the world”<sup>31</sup>. Their future cooperation will influence not only Southeast Asia, but the whole Asia-Pacific region. This argument for multilateralism has already been used by India with its Look East Policy. Through this policy – which began in 1991, after the end of Cold War - India wanted to develop a new relation with the ASEAN states because needed new resources and new markets to supply Soviet Union’s collapse, which was its trading partner<sup>32</sup>. India has been trying to become a global economic actor through this policy.

China and India realised their important role in Asia and signed two significant agreements. One in 2005 and is called Strategic and Cooperative Partnership for Peace and Prosperity and Political Parameters and Guiding Principles for Settlement of the Boundary Questions and the second in 2008, Shared Vision for the 21st Century. Last year China and India celebrated 60 years of diplomatic relations. Their new partnership was based on India’s independence and China’s liberation<sup>33</sup>. They have even declared 2011 as “Year of India-China Exchange” aiming to increase the relation between their civil society organisations, youth, media, scholars, think-tanks. They decide to improve confidence building measures through a mechanism of regular exchange of visits

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<sup>27</sup> TibetanReview home page.

<sup>28</sup> India, Ministry of External Affairs, „Joint Communiqué of the Republic of India and the People's Republic of China”.

<sup>29</sup> India, Ministry of External Affairs, „Joint Communiqué of the Republic of India and the People's Republic of China”.

<sup>30</sup> Malone, D. M., and Mukherjee, R. „India and China: Conflict and Cooperation”, 145.

<sup>31</sup> Bagchi, India declines to affirm ‘One-China Policy’.

<sup>32</sup> Zhao, Hong. "India and China: Rivals or Partners in Southeast Asia?." *Contemporary Southeast Asia: A Journal of International & Strategic Affairs* 29, no. 1 (April 2007): 121-142. International Security & Counter Terrorism Reference Center, EBSCOhost (accessed February 2, 2011).

<sup>33</sup> "On India-China Relations." *Vital Speeches International* 3, no. 1 (January 2011): 6-8. Academic Search Complete, EBSCOhost (accessed February 9, 2011).

between Heads of State-Government, a telephone hotline between the Prime Minister of India and Chinese Premier and a future mechanism of annual exchange of visits between the two Foreign Ministers.

China's recent announcements that will build two new aircraft carriers and that already has one - Varyag - under construction will allow China's People's Liberation Army-Navy Marine to patrol South China Sea, Western Pacific and Indian Ocean (Sharma, 2011). Of course, China's increasing capabilities are worrying India as the Indian Ocean is an important subject for India's national interest mainly because 95% of its exports are shipped through Indian Ocean. India used naval diplomacy for this region and signed cooperation agreements with all island states in the Indian Ocean. India used soft power to increase its influence in the region when has offered to help those countries in their humanitarian crisis. India was active in Africa too when in 2004, was involved in African Summit in Mozambique<sup>34</sup>.

A threat for India is China's arming. India has already developed 3500 KM Agni-III that might be operational by 2011 and is supposed to test 5000 KM Agni-V within a year. Agni V will allow India to hit any city in China and Pakistan. After this test the Chinese press was asking about how India will use its growing power.

India established a new framework for cooperation with other countries, including France, US and Russia<sup>35</sup>. All the actions that India has made in the last years, regarding its military capacities - including a nuclear deal with USA and the launch of its first nuclear submarine, display a realistic approach on the security problems in the region. Russia supported the submarine building and the aircraft carriers that were brought by India. The Indian missile defence system may use Russian GLONASS system to improve the hitting capacity and may use the American GPS for defence purposes and is working on improving its GPS system<sup>36</sup>. We should view these steps through regional lens. In 2010 it was an increase of 34% for the Indian defence budget<sup>37</sup>. This means that India spends between 3% and 3.5% of its GDP on defence more exactly 32.7 billion dollars.

Indian military doctrine has included asserts as: two front simultaneous wars with both China and Pakistan and a pro active war strategy which could allow army's fast mobilisation. For this fast mobilisation the Indian army aims to obtain the capacity to get into the enemy's territory within 96 hours. For this T-90S tanks and upgraded T-72 M1 tanks are going to be used<sup>38</sup>. The carrier that has been brought from Russia is aimed to obtain the interdependence that army, navy and IAF need. India's actions have already been perceived by Pakistan as hostile and it has asked for the right to use nuclear energy for civil purpose. The stability in South Asia may depend on these perceptions. Pakistan's defence budget, thou lower than India's budget it also has the help provided by the

<sup>34</sup> Holslag, J. „The Persistent Military Security Dilemma between China and India”, 825.

<sup>35</sup> See also India, Russia to ink defence deals worth \$ 4 billion, Associated Press of Pakistan, Mar 4, 2010, [http://www.app.com.pk/en/\\_/index.php?option=com\\_content&task=view&id=97718&Itemid=1](http://www.app.com.pk/en/_/index.php?option=com_content&task=view&id=97718&Itemid=1), (accessed on February 10, 2011)

and India to sign nuclear, Gorshkov deals with Russia, The Times of India, Mar 11, 2010, <http://timesofindia.indiatimes.com/india/India-to-sign-nuclear-Gorshkov-deals-with-Russia/articleshow/5671801.cms>, (accessed February 13, 2011).

<sup>36</sup> NIS Glonass Signs Agreement With Indian Company, Russia Avia, Aug 28, 2010, <http://www.russianavia.net/index.php#state=NewsDetail&id=3221>, (accessed February 15, 2011).

<sup>37</sup> Laxman K Behera, Budgeting for India's Defence: An Analysis of Defense Budget 2010-11 and the likely Impact of the 13th Finance Commission on Future Defense Spending, Institute for Defense Studies and Analyses, Mar 3, 2010,

[http://www.idsa.in/idsacomments/BudgetingforIndiasDefence2010-11\\_lkbehera\\_030310](http://www.idsa.in/idsacomments/BudgetingforIndiasDefence2010-11_lkbehera_030310), (accessed February 15 2011).

<sup>38</sup> Indian Army Wants to Add Another 1,000 T-90S Tanks by 2020, Defense Industry Daily, Aug 20, 2008, <http://www.defenseindustrydaily.com/indian-army-wants-to-add-another-1000-t90s-tanks-by-2020-pdated-02697/>, (accessed February 15 2011).

Coalition Support Fund for its support of the operations in Afghanistan<sup>39</sup>. If Pakistan will want to consolidate its capabilities then this should be seen as a very reasonable action. Is through this actions that the danger of escalation may be identified. Although India's foreign secretary, Nirupama Rao met Pakistani foreign secretary, Salman Bashir on 25 of February, 2010 no progress was made between the two states<sup>40</sup>. The meeting even brought more accusations from the both sides: Pakistan blamed India for supporting the militants and terrorists in Afghanistan. On the other hand India asked for a greater effort on the part of Pakistan in punishing those guilty for attacks in Mumbai in 2008.

China and India both have major treaties with third parties India with US and China with Pakistan which ensures their stability and increase their power. A Strategic Partnership with India was analysed by the Bush administration in 2001 and in 2004 the U.S.-India 2004 Next Steps in Strategic Partnership (NSSP) tool announced cooperation in civil nuclear technology as a main goal of India – US relation. In 2005 president Bush announced that he will work to obtain “full civil nuclear energy cooperation with India”<sup>41</sup>. In 2008 the Congress approved the document called United States-India Nuclear Cooperation Approval and Non-proliferation Enhancement Act. The Act could justify China's intention to supply Pakistan<sup>42</sup>. While their bilateral relation is a positive one, India and US both want to have a special relation with China based on cooperation.

## Conclusions

As long as China and India aspire to become the most important powers in the region, US seem to have an important role in making sure that none of them will obtain this. In the meantime India's defence budget has not been debated by the civil society and its goals might therefore be questioned. China and India both have major intern problems. For India is the major poverty issue, although is the world's largest democracy, while China is an authoritarian state who lacks internal legitimacy<sup>43</sup>. India is prone to be a status quo power while China might become a revolutionary power. The power that China and India are gaining leads them to seek resources and maybe methods to dominate the region. First and foremost, they both are facing the same challenges in climate change and security matters. The most likely issues of cooperation will continue to be trade and economic matters. They face a border issue that seems far from being clarified. At a South Asian level China and India don't agree on Pakistan's role. China supports Pakistan through economic measures strengthening its role as India's neighbour while India, on the other hand used it relation with US to increase its presence in the region. On a global level, China has a more stable economic growth although it is limited by its authoritarian regime and India might have more values in common with the West states. China has tried to increase its global role primarily through economic measures. Despite their economic and trade cooperation, China and India's relation should not be viewed through the lens of neo-liberalism but more through a realist perspective.

After his visit in India, in December 2010, Chinese Premier said: “The China-India boundary question has a historical legacy. It will not be easy to resolve this; it requires patience. Only with sincerity, mutual trust and perseverance, we can get a fair, reasonable and mutually acceptable

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<sup>39</sup> Pakistan, Embassy of The United Staes Islamabad, Press Release, U.S. Continues Coalition Support Fund Reimbursements, May 26, 2010. <http://islamabad.usembassy.gov/pr-10052603.html>, (accessed February 15, 2011).

<sup>40</sup> Sandeep Dikshit, I have come to bridge differences: Salman Bashir, The Hindu, Feb 25, 2010, <http://www.thehindu.com/news/national/article112940.ece>, (accessed February 15, 2011).

<sup>41</sup> Kerr, Paul K. "U.S. Nuclear Cooperation with India: Issues for Congress: RL33016." Congressional Research Service: Report (December 17, 2009): 1-43. International Security & Counter Terrorism Reference Center, EBSCOhost (accessed February 16, 2011).

<sup>42</sup> Kerr, Paul K. "U.S. Nuclear Cooperation with India: Issues for Congress: RL33016.", 10.

<sup>43</sup> Coates, B. E. „India, Chindia, or an Alternative? Opportunities for American Strategic Interests in Asia”, 275.

solution<sup>44</sup>. India can be US's important partner for stability in South Asia in the meantime China can use Pakistan to balance with India's rising. Anyway, it is certain that the both countries maintain a realistic approach<sup>45</sup> to their relation increasing their military spending because they don't have that mutual trust. However, their relation can still be improved through cooperation in a larger institutional framework such as SAARC or ASEAN.

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