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**Research Report**

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SWP Comment, No. 39/2020

**Provided in Cooperation with:**

Stiftung Wissenschaft und Politik (SWP), German Institute for International and Security Affairs, Berlin

*Suggested Citation:* Wagner, Christian (2020) : The Indian-Chinese confrontation in the Himalayas: A stress test for India's strategic autonomy, SWP Comment, No. 39/2020, Stiftung Wissenschaft und Politik (SWP), Berlin, <https://doi.org/10.18449/2020C39>

This Version is available at:

<https://hdl.handle.net/10419/256634>

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# SWP Comment

NO. 39 JULY 2020

## The Indian-Chinese Confrontation in the Himalayas

A Stress Test for India's Strategic Autonomy

*Christian Wagner*

The confrontation between Indian and Chinese troops in the Himalayas, which has been ongoing since the beginning of May, has escalated into the most serious crisis in relations between the two countries in 45 years. On 15 June, for the first time since 1975, 20 Indian and an unknown number of Chinese soldiers were killed in an incident. The current crisis, unlike previous ones, has wider territorial and political dimensions. It shakes the previous border regime and strains the relationship of trust that was laboriously built up between Prime Minister Narendra Modi and President Xi Jinping. The confrontation is also a test of India's strategic autonomy. This cornerstone of Indian foreign policy also includes the claim to an independent role in the geostrategic tensions between China and the United States in the Indo-Pacific.

The unresolved border issue in the Himalayas has been a burden on Chinese-Indian relations for decades. India suffered a military defeat in the border war with China in 1962, which still has an impact in many political discussions today. In the course of their political rapprochement from the late 1980s onwards, the current Line of Actual Control (LAC) was established in 1993. However, it is not clearly defined, as there are competing territorial claims on as many as 18 places.

The current confrontation in the western sector of the Ladakh region, which belongs to Kashmir, differs in several ways from earlier ones. Firstly, this time there are territorial violations not just in one, but in five places. Secondly, it appears that far

more Chinese troops are involved than in previous incidents. Thirdly, China is now claiming areas, such as the Galwan Valley, that were previously not disputed. The current confrontation seems to be due to a mixture of regional factors, such as the Kashmir conflict and growing geostrategic tensions between China, the United States, and India in the Indo-Pacific.

### Kashmir and Its Consequences

Many Indian experts see the Modi government's decision in August 2019 to dissolve the state of Jammu and Kashmir as a trigger for the current crisis. In the course of the reorganisation of Kashmir, two new union





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territories were created — including Ladakh — which are administered from New Delhi. In addition to Pakistan, China had protested against this decision at the time and had pushed through an informal meeting of the United Nations Security Council on the Indian decision. China sees its interests being threatened in the Aksai Chin region, which belongs to Kashmir (see map). The People's Republic has occupied this region, which contains an important access road to Tibet, since the border war of 1962.

Since August 2019, India has continued to expand its military infrastructure in Ladakh, while at the same time reaffirming its historical claim to the whole of Kashmir. The China-Pakistan Economic Corridor, the largest single project of the Chinese Silk Road Initiative, also runs through the Pakistani part of Kashmir. The Chinese territorial violations can thus be seen as a reaction to Indian policy in Kashmir in recent months.

China's territorial gains to date are a serious strategic problem for India. Chinese control of the Galwan Valley threatens India's main supply road, which runs along

the LAC and Shyok River from Darbuk to Daulat Beg Oldie in northern Ladakh (see map). There, near the Karakorum Pass to China, India maintains an airfield at an altitude of about 5,000 metres, which is of utmost importance for the supply of Indian troops on the Siachen Glacier. The glacier is the highest war zone in the world, where Indian and Pakistani troops have faced each other since the mid-1980s.

### India, China, and the United States in the Indo-Pacific

The current confrontation is also related to the geopolitical rivalries in the Indo-Pacific between China on the one hand, and India and the United States on the other. India refuses to join the Chinese Silk Road Initiative, through which the government in Beijing has massively expanded its influence in India's neighbourhood in South Asia and the Indian Ocean in recent years. This applies not only to Pakistan, which is a strategic partner of China, and to countries such as Sri Lanka, Nepal, and Bangladesh,

but also to the island states in the Indian Ocean.

Starting in 2017, India — together with Australia, Japan, and the United States — revived the Quadrilateral Security Dialogue (Quad), which was created in 2007. Since then, the four states have expanded their political, economic, and military cooperation to address China's geopolitical ambitions and its Silk Road Initiative.

Despite the rapprochement with the United States and increasing tensions with China, India continues to emphasise its strategic autonomy. This includes the claim to an independent role in the geopolitical tensions between China and the United States in the Indo-Pacific. In recent years, India and China have also repeatedly cooperated, for example in the Shanghai Cooperation Organisation. Within the Quad, India has advocated an inclusive understanding of the Indo-Pacific, which, in contrast to the United States, has always included China.

In China there is not only resentment about India's decision on Kashmir but also growing criticism of India's rapprochement with the United States and its closer military cooperation. The recent claims on areas along the LAC are also partly seen as "revenge" for the Doklam crisis of 2017. At the time, China had pushed ahead with infrastructure projects in an area that Bhutan also claimed; India had prevented these projects by intervening. From this perspective, the current incidents at the LAC are a kind of "punitive action" by which the Chinese leadership signals its dissatisfaction with India's behaviour.

## Challenges for India's China Policy

Prime Minister Modi's statement on 19 June that there had been no violation of Indian territory underlined the desire to continue with the current policy towards China, despite the gravity of the current crisis. However, India's China policy now faces much greater challenges.

Firstly, the border regime, which was established in the 1990s, is being called into question. Following their rapprochement at the end of the 1980s, India and China signed five agreements and developed a number of confidence-building measures with regard to the LAC, such as a ban on the use of firearms in the event of incidents. Since 1989, the two states have maintained a joint working group to clarify the border's alignment. Both sides also appointed special representatives for the border issue — by 2019 they had met 22 times in total.

Secondly, the current crisis is a setback for Prime Minister Modi as well. After the Doklam crisis of 2017, he established close personal relations with President Xi like he had with no other head of state or government. With informal summits in Wuhan in 2018 and Mahabalipuram in 2019, they sought to overcome the strategic differences between their states. Possible territorial losses would also be a stress test for Modi's nationalist Bharatiya Janata Party (BJP), since it stands for the territorial unity of the country more strongly than any other party.

Thirdly, the crisis once again shows that India has few options to put pressure on China. The People's Republic, with which India has its largest trade deficit, has been its most important trading partner for years. In 2019 China was the third-largest market for Indian exports. Chinese technology companies have invested more heavily in Indian start-up companies in recent years. In November 2019, the Indian government withdrew at the last minute from the Regional Comprehensive Economic Partnership agreement, which would have increased the trade deficit with China.

Even before the crisis, the Indian government had already tightened the conditions for foreign investors — a move that was mainly directed against Chinese companies. Nationalist groups associated with the BJP called for a boycott of Chinese goods. They feel encouraged by Prime Minister Modi's new economic policy credo of self-reliance. The aim is to reduce imports and stimulate domestic production. As a reaction to the

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ISSN 1861-1761  
doi: 10.18449/2020C39

(English version of  
SWP-Aktuell 63/2020)

tensions, the clearance of Chinese imports to India has been delayed, among other things. Indian state companies in turn cancelled orders to Chinese companies. Indian companies, however, pointed out that they were highly dependent on Chinese imports, which could not be compensated for without higher costs. Given the structure of trade relations, India's restrictions on Chinese companies could even prove counter-productive. Furthermore, the Indian government banned Chinese apps at the end of June, and Prime Minister Modi deleted his official page on the Chinese platform Weibo.

## Prospects

Despite the looming détente along the LAC, both sides are strengthening their military presence in the region. Further escalation is threatened not only by incidents such as the one in the Galwan Valley, but also by territorial violations elsewhere along the more than 3,400-kilometre-long border. In addition, a new dispute is looming between China and Bhutan, which led to the Doklam crisis with India in 2017. Pakistan's involvement in the conflict would have even greater potential for escalation.

The big challenge for India and China is to find a solution that is in line with their tactical and strategic interests. India is interested in establishing the status quo ante and a stable border regime without moving parts of the LAC to the west. This would allow Modi to continue his current China policy. The alternative would be to turn more strongly to the United States, as demanded by many security experts. However, this would undermine one of the pillars of Indian foreign policy: the concept of strategic autonomy. For it would also mean admitting that India alone is not in a position to counter the threat from China. For a nationalist party such as the BJP, which has taken up the cause of economic and foreign policy autonomy and the claim

to act on an equal footing with China, this would be a bitter defeat with presumably far-reaching domestic and foreign policy consequences. China, for its part, does not want its successes at the LAC to encourage India to turn to the United States, which it has always tried to prevent. This could also set in motion a militarisation of the Quad, which India has always rejected. Beijing would then have paid dearly for its tactical gains in the Himalayas: with a strategic setback in the geopolitical tensions with the United States and the Quad in the Indo-Pacific.

In view of its economic and military inferiority to China, India will massively expand its arms cooperation with European partners as a result of the crisis. After years of close military cooperation with France, New Delhi will increasingly bring this request to the attention of German policy-makers.

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