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978-1-107-02005-4 - Chinese and Indian Strategic Behavior: Growing Power and Alarm

George J. Gilboy and Eric Heginbotham

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## CHINESE AND INDIAN STRATEGIC BEHAVIOR

This book offers an empirical comparison of Chinese and Indian international strategic behavior. It is the first study of its kind, filling an important gap in the literature on rising Indian and Chinese power and American interests in Asia. The book creates a framework for the systematic and objective assessment of Chinese and Indian strategic behavior in four areas: (1) strategic culture; (2) foreign policy and use of force; (3) military modernization (including defense spending, military doctrine, and force modernization); and (4) economic strategies (including international trade and energy competition). The utility of democratic peace theory in predicting Chinese and Indian behavior is also examined. The findings challenge many assumptions underpinning Western expectations of China and India.

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# Chinese and Indian Strategic Behavior

*Growing Power and Alarm*

GEORGE J. GILBOY

ERIC HEGINBOTHAM



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*To our parents and our wives*

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## Preface

China and India are large, rapidly developing countries with the potential to emerge as superpowers in the twenty-first century. The two states share key similarities including large populations, nuclear weapons, rising economic and military power, troubled borders, internal security challenges, domestic inequalities, incomplete economic reforms, and uncertain ambitions. Despite the uncertainties they themselves face, the rise of China and India – in particular the growing relative power of China – has inspired alarm in the United States. Some American political leaders and strategists advocate sharply divergent policies toward China and India. China is viewed as a potential competitor more than a potential partner, whereas the reverse is true of India. Washington “hedges” against Beijing while it seeks to increase Indian power and enlist New Delhi as a partner in that hedging. Yet American choices may not be as simple as defining enemies and allies. Both China and India will present the United States with sustained challenges as well as opportunities in the coming years, and Washington will need nuanced, if distinct, approaches to each.

The purpose of this book is to create a framework for objective assessment of the strategic behavior of the world’s two most important rising powers. The book fills an important gap in the literature on rising Indian and Chinese power and American interests in Asia by presenting a side-by-side comparison of Chinese and Indian international strategic behavior in four areas: (1) strategic culture; (2) foreign policy and use of force; (3) military modernization (including developments in defense spending, doctrine, and force modernization); and (4) economic strategies (including international trade and energy competition). We do not examine the origins of U.S. policy toward India and China, nor do we evaluate the effectiveness of those policies. However, our analysis challenges key arguments

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that support a recent sharpening divergence in the U.S. approach toward the two countries.

These four issue areas have been selected for three reasons. First, they offer a wide cross-section of observable strategic behavior, providing comparative context across issue types. This framework permits a systematic and rigorous examination of some of the most prominent challenges America will face as China and India continue to develop in the twenty-first century.

Second, these issues have been singled out by many U.S. policy makers and scholars as areas where China is prone to unusually problematic or aggressive behavior. To some observers, China's strategic culture and tendency to use force make China more likely to challenge American interests in Asia. Movement toward a more offensive military doctrine and rapidly increasing and nontransparent defense budgets are said to differentiate China from other rising powers. China is also seen as willing to flaunt international political and economic norms in its pursuit of economic growth. In contrast, there is less discussion, and almost no prominent criticism, of Indian behavior in similar areas. Shared democratic values are seen to make India more likely to behave in ways commensurate with U.S. interests than nondemocratic China.

Third, this framework allows us to separate Taiwan-related issues from wider questions about general patterns in Chinese behavior. The challenge of Taiwan, which could potentially draw the United States into a war with China, places Sino-U.S. relations in a unique context. As a result, the essential question for many U.S. observers has become identifying and neutralizing the challenge posed by Beijing's military modernization. In the case of India, questions are posed across a greater range of issues, but most frequently revolve around strategic opportunities for collaboration with New Delhi in the context of rising Chinese power in Asia. This approach to India tends to leave both potential conflicts of interest and opportunities for non-security-related collaboration underexplored. As in all analytical endeavors, the questions asked often decisively shape the conclusions. While not claiming a monopoly on good questions related to China or India, this book does ask a uniform set of questions about each country and evaluates the behavior of both against a common standard.

To clarify and prioritize challenges and opportunities with both rising powers, the United States needs a more balanced framework for assessment. This study, then, aims to create a standardized framework for evaluating the international strategic behavior of Asia's two rising powers.



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**Findings**

This study finds that the broad patterns of Indian and Chinese strategic behavior are not widely divergent – strong evidence that in the twenty-first century, the United States faces a complex, dual challenge from Asia’s rising powers rather than a simple, singular challenge of balancing China’s growing relative power. The two rising powers are equally wont to pursue and defend their interests. Their patterns of strategic behavior are similar to that of other great powers. In some respects, they pursue policies of greater integration with the international status quo compared to other rising powers in history. However, both are willing to use state power, including force, when they perceive key interests to be at stake. There are important differences between the two, but those differences do not reveal Beijing consistently more prone than New Delhi to pursue its own narrow self-interests, use force, or build military power to secure its objectives.

These findings do not imply that U.S. policy should treat China and India identically. Nor does evidence of similar strategic behaviors put to rest concerns about U.S.-China frictions or preclude a closer U.S.-India relationship. Instead, the comparisons provide a better understanding of Chinese and Indian interests and capabilities and the means Beijing and New Delhi use to achieve their objectives. This, in turn, will help clarify American interests relative to both emerging powers. Even though past behavior does not dictate future trajectories, it provides an empirical baseline for making policy judgments. The book concludes with suggestions on how the United States might adjust its current policies to avoid potential pitfalls in its bilateral relationships with China and India and advance broader U.S. interests in Asia. In the remainder of this preface, we summarize the analysis and implications for U.S. policy.

***Strategic Culture***

Strategic culture is an inherited body of political-military concepts based on shared historical and social experience and often embodied in classic military texts. Strategic culture may shape leaders’ interpretation of international events and preferences for responses. Several U.S. analysts have argued that ideas codified in China’s classic texts on strategy shape modern Chinese leadership thought in ways that may incline Beijing toward the frequent use of force, an emphasis on deception and duplicity, and a preference for offense. This analysis has gained influence in official circles and has found at least passing reference in official U.S. national security documents.

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Comparison of the core texts in Chinese and Indian strategic thought provides no grounds for expecting markedly different behavior from China and India. Elements of a calculated realism, as well as idealism, are found in both traditions. Classic Indian texts, like the *Arthashastra* and *Mahabharata*, paint an even more vivid picture of a zero-sum world of conquest than Chinese texts such as *Sun Zi Bingfa* (*The Art of War*). Chinese classics are not clearly more influential in today's China than Indian classics are in today's India. The classical traditions of both countries must also share space in today's leadership curricula with many modern (including Western) works on strategy and politics. References to ancient Chinese texts are thus not sufficient grounds to differentiate American expectations about modern Chinese or Indian strategic preferences or behavior.

### *Foreign Policy: Use of Force and Border Disputes*

Indian and Chinese foreign policy trends, propensity to use force, and border dispute behavior do not justify starkly differentiated views of the two nations. In recent years, both China and India have followed similar – and, from an American perspective, largely desirable – foreign policy trajectories. According to the University of Michigan's data on Militarized Interstate Disputes (MIDs), China has been involved in more militarized conflicts than India since 1949. But the behavior of both countries has changed over time, particularly China's since its reform and opening began in 1978. From 1980 to 2001 (the last year covered by the Michigan database), the frequency of Chinese and Indian use of force has been equal. Both Beijing and New Delhi have made concerted efforts to resolve border disputes over the last fifteen years. In some respects, China has moved further in negotiating territorial and border issues than India, notwithstanding Beijing's recent assertion that its "core interests" are at stake in territorial issues. An analysis of Indian and Chinese voting records in the UN General Assembly shows that on a number of key international issues, those two nations are often more closely aligned with each other than either is with the United States. Nevertheless, despite a number of similarities, on several issues, such as Taiwan, nuclear weapons proliferation, and stability in South and Central Asia, China and India present quite different challenges to U.S. policy.

### *Military Doctrines, Force Modernization, and Budgets*

China's military policies have been singled out by U.S. officials: China's defense budgets are opaque and growing at an extraordinary pace; China's military doctrine has become more offense-oriented; and PLA acquisitions

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are extending China's reach and enhancing its power projection capabilities. These issues raise questions about China's intentions and ambitions. However, parallel comparisons to Indian military policy suggest that China is not unique in any of these areas.

India's defense spending is lower than China's in absolute terms, but higher as a percentage of GDP, even with off-budget items included. The extent of China's defense spending has been distorted in much Western reporting. Often this is a result of errors in calculating off-budget spending and conflating actual spending with notional equivalents based on the inappropriate use of purchasing power parity (PPP) multipliers. If applied to Indian defense spending, PPP adjustments would have a greater relative effect in magnifying India's "equivalent" military spending. However, India is seldom subject to such analyses – an inconsistency in methodology that skews comparisons of the two states.

In recent years, both countries have been moving toward operational military doctrines oriented more toward offensive action. Comparing the two, Indian operational doctrine is more offensive than China's and explicitly calls for preemptive attack under a range of circumstances. Currently, the United States appears to view Indian doctrinal developments as less threatening. Yet the United States has broad interests in Asia in addition to dealing with a rising China, including a critical interest in a stable Pakistan and the avoidance of intensified security competition in South and East Asia. In this context, more ambitious Indian strategies and more offense-oriented Indian doctrines, potentially enhanced by U.S. arms sales and support for India's rise to great-power status, may exacerbate region-level security dilemmas in Asia.

China has made significant strides in modernizing its military. China is developing a military with fewer but better units and weapons systems. China is also developing some capabilities to project power beyond its immediate periphery and the approaches to Taiwan. Some of these, such as conventional missile strike capabilities, are potentially more threatening than others because they could exacerbate general security competition with both the United States and other states in Asia. Like China, India is also rapidly modernizing its forces as its economy grows. In some areas of naval and air power, India already possesses greater power projection capabilities than China and has more experience using them. Although they are both producing new capabilities and considering some new roles for their militaries, Chinese and Indian force modernization programs continue to focus primarily on traditional security scenarios. For China, it is Taiwan (and thus the United States), and for India, it is Kashmir and Pakistan,

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although both New Delhi and Beijing also view each other as potential security concerns.

*Economic Strategies: Development, Trade, and Energy*

China began its economic reforms and integration with the global economy more than a decade earlier than India. China's economy is more open and integrated with the global trade and financial system. China's economy is about four times the size of India's at market exchange rates, and its trade with the United States is about ten times the size of U.S. trade with India. The scale of the Sino-American bilateral economic relationship tends to exacerbate the intensity of economic disputes with China. In contrast, the smaller size of the U.S.-India economic relationship means that trade and investment disputes have not yet become politically sensitive, although pundits often exaggerate India's relative economic importance. U.S. trade and investment disputes with India and China are similar, including barriers to trade and investment, state support for domestic firms, official corruption, and widespread intellectual property violations. These problems are also proportional to the size of the two economies, indicating that trade conflicts with India may intensify as economic ties grow. Both China and India have used mercantilist strategies to back their diplomacy.

Chinese and Indian international energy market behaviors are not markedly different. With government support, Indian as well as Chinese firms pursue energy investment opportunities in "rogue regimes" including Sudan, Myanmar, and Iran. Neither Indian nor Chinese investments threaten to disrupt world energy markets.

*Regime Type and Strategic Behavior*

Democracy forms a strong common attraction between the United States and India. The lack of common democratic values and institutions is seen to put U.S. relations with China on a path toward conflict. In both official and academic discourse, common democratic values are also seen to help ensure that U.S. and Indian foreign policy and security interests will converge and that democratic India will be a force for peace in Asia. These expectations are based on an extension of an international relations concept called democratic peace theory. However, tests of both the logic of democratic peace theory and the empirical evidence to support it reveal serious doubts about the application of the theory to general foreign policy behavior. There is, for example, no theoretical or empirical support for predicting that the foreign policy interests of individual democratic states will

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converge or that shared democratic values will tend to promote alignment on issues of international security.

**Conclusions and Recommendations**

Having assessed Chinese and Indian strategic behavior along these axes, we offer eight suggestions for observers and policy makers. First, the results of this study indicate that official U.S. political-military and techno-economic threat assessments and academic studies of rising Indian and Chinese power should make greater use of comparative context to improve analysis and policy recommendations.

Second, evidence from a side-by-side comparison of actual Chinese and Indian strategic behavior counters expectations of stark differences in international behavior based on regime type. A nuanced realism that accounts for historical, cultural, and moral differences – while recognizing the primacy of material interests in security – is a better guide to expectations and foreign policy.

Third, the analysis highlights the dangers of Asia's nested security dilemmas. The United States has prioritized global and system-level challenges such as terrorism and a rising China. However, Asian neighbors still see each other as primary security threats, and U.S. policies designed to address perceived global challenges can have unsettling or destabilizing effects at the regional or subregional level.

Fourth, although America's India policy should not be defined by India-Pakistan rivalry alone, the United States must take account of Pakistan in both its India and China policies. American arms and assistance to support a rising India as a balance to Chinese power could spur a regional response from Pakistan, which could further impoverish Pakistan and exacerbate instability there. India-Pakistan rivalry also plays out in Afghanistan.

Fifth, the findings indicate there may be potential for U.S. regrets in its engagement with India. India's domestic politics remain susceptible to persistent suspicions about U.S. intentions and threats to Indian sovereignty. These limit the prospects for Indian alignment with U.S. foreign policies regardless of U.S. provision of geostrategic support to India. Further, some Indian conceptions of India's own security interests and its global role could challenge American interests in the future. Indian leaders envision Indian primacy in the Indian Ocean and South Asia, seek to increase Indian influence in central Asia, support an offensively oriented conventional deterrence strategy vis-à-vis Pakistan, and retain doubts about India's interest in the U.S.-led international trade and financial system.

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Despite its limitations, India's policy of strategic partnership with Iran offers one example of these different views. Motivated by shared interests, competition with Pakistan, and a strong desire to develop foreign policy autonomy and status, India actively develops trade and investment ties with Iran. The two countries have some limited defense cooperation. India upgraded Iran's Kilo-class submarines in 1993, signed the New Delhi Declaration with Iran in 2003 providing for further defense cooperation, conducted joint naval exercises with the Iranian navy in 2006, and allowed Iranian officers to participate in exchange programs in India in 2007. Like Beijing, New Delhi views Iran's nuclear program differently than Washington does.

Sixth, the United States should rebalance and deepen its engagement with New Delhi. Both India and the United States would benefit from increasing bilateral trade and investment, lowering trade barriers and encouraging market reforms, broadening exchanges on education and energy-environment technologies, and improving diplomatic alignment on multilateral approaches to security, global trade, finance, and climate change issues. Trade, investment, and support for market reforms will help reduce poverty and make India wealthier. Increased wealth will provide the strongest support to India's goal of becoming a great power. Stronger economic and political relations would give greater substance to the potentially powerful logic for closer U.S.-India security cooperation.

Seventh, the findings suggest that the United States should apply a consistent approach to international behavior it finds objectionable. For example, policy discourse in the United States frequently identifies the issue of energy investment in "rogue regimes" as a China problem. Indian firms, among others, are also major players in the same countries. A consistent approach will enhance U.S. credibility and the efficacy of American diplomacy.

Finally, with regard to China, the most important steps for meeting the long-term China challenge are domestic: revitalizing American manufacturing, technological innovation, and human capital advantages that underpin relative wealth and military power. The United States should respond appropriately to evolving Chinese military capabilities and ensure that it maintains American military superiority in Asia. American leaders should take steps to curb mutual suspicion and reestablish a minimum of trust in Sino-U.S. relations. At the same time, the United States must prioritize among issues that represent conflicts of interest, particularly Taiwan. The salience of other Sino-U.S. disputes and connections between them should be examined before they are considered part of a systemic Chinese challenge to American power. Managing the Taiwan issue – and, more

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*Preface*

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broadly, China's rising power in Asia – will require not only U.S. deterrence, but also U.S. diplomacy. Those efforts will be most effective when U.S. assessments of China and India are based on cross-national, empirical comparison of international strategic behavior rather than comparison to an idealized norm.

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Abbreviations

AEW	Airborne Early Warning
AIP	Air-Independent Propulsion
AMRAAM	Advanced Medium Range Air to Air Missile
ASAT	Anti-Satellite
ASBM	Anti-Ship Ballistic Missile
ASEAN	Association of South-East Asian Nations
ASM	Anti-Ship Missile
ASW	Anti-Submarine Warfare
AWACS	Airborne Early Warning and Control System
BOE	Barrel of Oil Equivalent
BRIC	Brazil, Russia, India, and China
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance
CAGR	Compound Annual Growth Rate
CCP	Chinese Communist Party
CIA	Central Intelligence Agency
CNSA	China National Space Administration
DRDO	Defence Research and Development Organisation
E&P	Exploration and Production (petroleum)
EEZ	Exclusive Economic Zone
EMP	Electro-Magnetic Pulse
FDI	Foreign Direct Investment
FMCT	Fissile Material Cutoff Treaty
FTA	Free Trade Agreement
G-20	Group of 20
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
HMS	Her/His Majesty's Ship

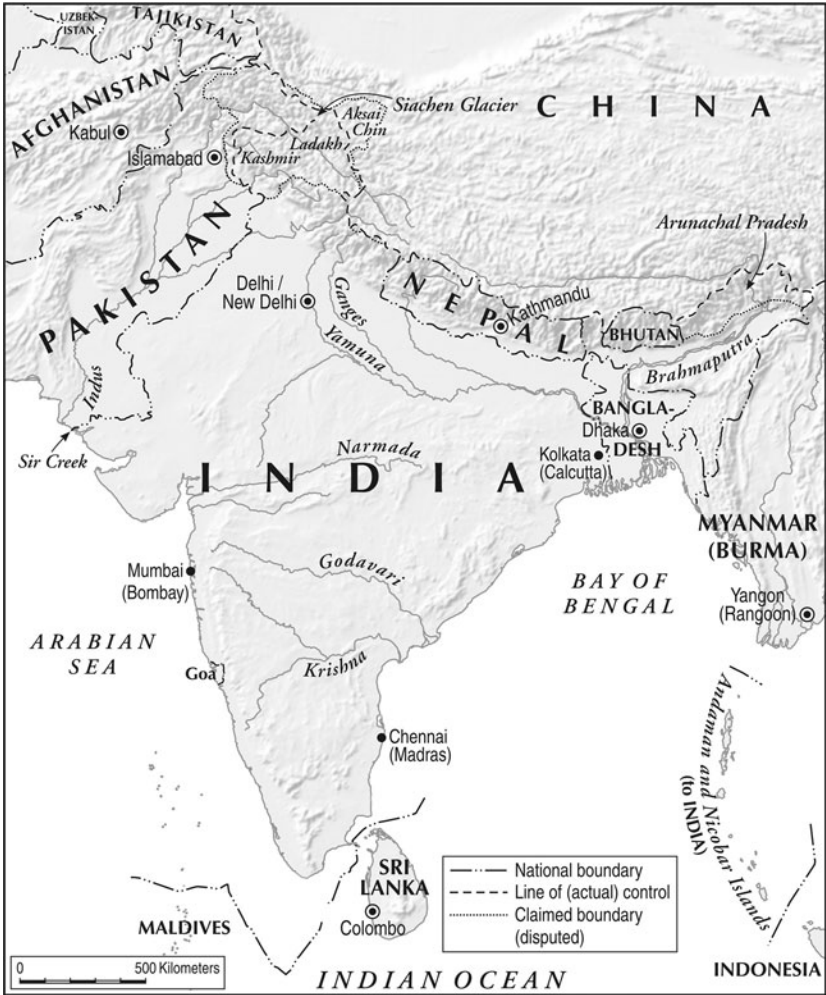
IAF	Indian Air Force
IBSA	India-Brazil-South Africa Forum
ICBM	Intercontinental Ballistic Missile
IIPA	International Intellectual Property Association
IISS	International Institute for Strategic Studies
IMF	International Monetary Fund
IN	Indian Navy
INS	Indian Navy Ship
IOC	International Oil Company
IPR	Intellectual Property Rights
IRBM	Intermediate Range Ballistic Missile
ISRO	Indian Space Research Organization
KMT	Kuomintang (or Guomindang)
LAC	Line of Actual Control
LACM	Land Attack Cruise Missile
LCAC	Landing Craft Air Cushion (amphibious assault hovercraft)
LCM	Landing Craft, Mechanized (amphibious assault landing craft)
LNG	Liquefied Natural Gas
LOC	Line of Control
LPD	Landing Platform Dock (amphibious assault transport dock)
LSM	Landing Ship, Mechanized (amphibious assault landing ship)
LST	Landing Ship Tank (amphibious assault tank landing ship)
M&A	Merger and Acquisition
MER	Market Exchange Rate
MFN	Most Favored Nation
MID	Militarized Interstate Dispute
MOU	Memorandum of Understanding
MTCR	Missile Technology Control Regime
NAM	Non-Aligned Movement
NATO	North Atlantic Treaty Organization
NOC	National Oil Company
OECD	Organization for Economic Cooperation and Development
OTH	Over the Horizon (surveillance system)
PACOM	Pacific Command
PAP	People's Armed Police
PLA	People's Liberation Army
PLAAF	People's Liberation Army Air Force
PLAN	People's Liberation Army Navy
PPP	Purchasing Power Parity

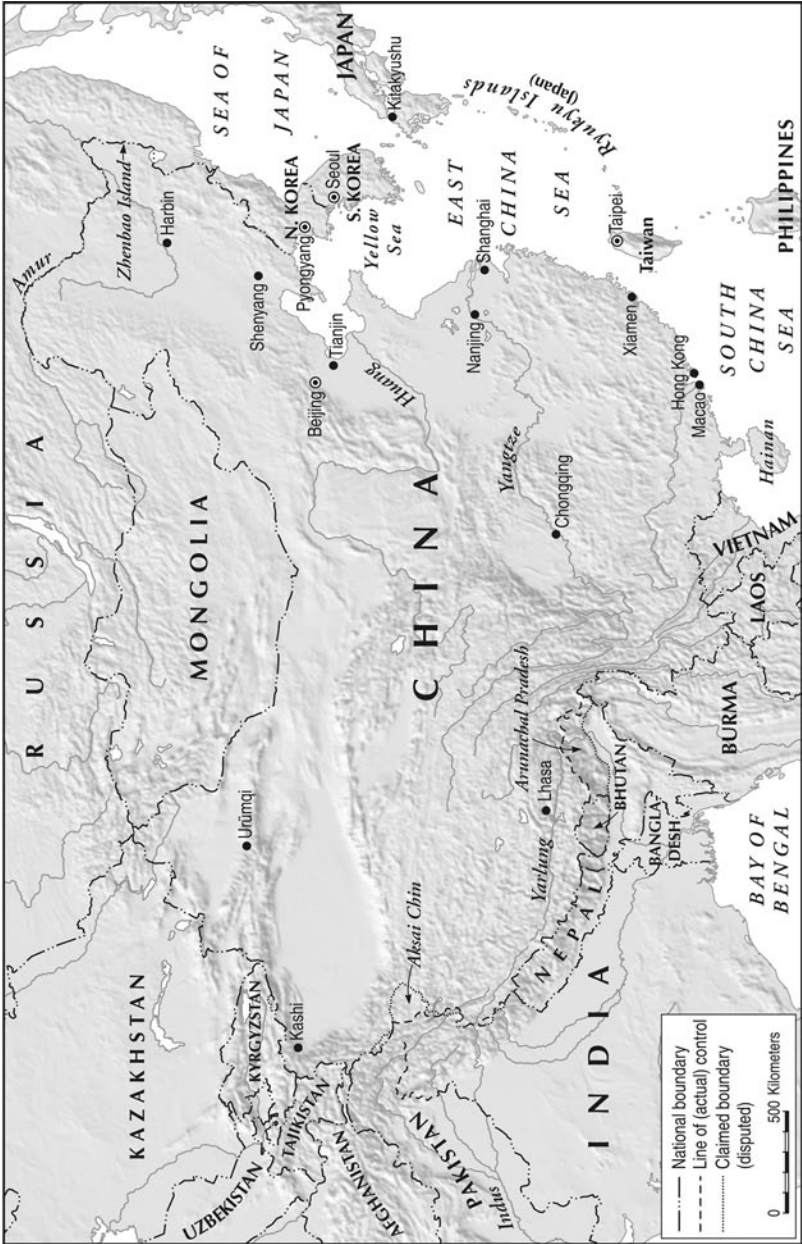
*Abbreviations*

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PRC	People's Republic of China
QDR	Quadrennial Defense Review
RBI	Reserve Bank of India
RMB	Renminbi
Rs.	Rupees
SAARC	South Asian Association for Regional Cooperation
SAM	Surface to Air Missile
SIPRI	Stockholm International Peace Research Institute
SLBM	Submarine-Launched Ballistic Missile
SRBM	Short Range Ballistic Missile
SS	Ship, Submersible
SSBN	Ship, Submersible, Ballistic, Nuclear
SSG	Ship, Submersible, Guided Missile
SSK	Ship, Submersible, Diesel-Electric
SSM	Surface to Surface Missile
SSN	Ship, Submersible, Nuclear
TIV	Trend-Indicator Value
TOW	Tube-launched Optical-tracked Wire-guided Missile
TT	Torpedo Tube(s)
UN	United Nations
UNCLOS	UN Convention on the Law of the Sea
USCC	U.S.-China Economic and Security Review Commission
USD	U.S. Dollar
USSR	Union of Soviet Socialist Republics
VLS	Vertical Launching System
WMD	Weapons of Mass Destruction
WTO	World Trade Organization

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Map 2. China and the Asian Continent



Map 3. China and East Asia