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**China's Contemporary Social and Economic Interaction with India in
Border Areas: Models and Challenges**

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of Doctor of Philosophy (PhD)

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DEFINITIONS

Confidence building measures (CBM)	–	actions taken to reduce fear of attack by both (or more) parties in a situation of tension with or without physical conflict
Crore	–	in the Indian numbering system denotes ten million and is equal to 100 lakh or 1,00,00,000 with the local style of digit group separators
Lakh	–	is a unit in the Indian numbering system equal to one hundred thousand. In the Indian convention of digit grouping, it is written as 1,00,000
Land Custom Stations (LCS)	–	is a large facility providing transit, customs and immigration and cargo handling services for goods and passengers traveling between Northeast India and its neighbours
The Line of Actual Control (LAC)	–	a demarcation line that separates Indian-controlled territory from Chinese-controlled territory, formed after the 1962 war
Rs	–	rupee, the official currency of India

NOTATIONS AND ABBREVIATIONS

AAGC	- Asia Africa Growth Corridor
ACD	- Asia Cooperation Dialogue
AIIB	- Asian Infrastructure Investment Bank
ASEAN	- Association of Southeast Asian Nations
BADP	- Border Area Development Programme
BBIN	- Bangladesh-Bhutan-India-Nepal
BCIM EC	- Bangladesh-China-India-Myanmar Economic Corridor
BDCA	- Border Defence Cooperation Agreement
BIMSTEC	- Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BJP	- Bharatiya Janata Party
BRI	- Belt and Road Initiative
BRO	- Border Road Organisation
BSF	- Border Security Force
CBM	- Confidence building measures
CCP	- Chinese Communist Party
CICA	- Conference on Interaction and Confidence-Building Measures in Asia
CPEC	- China Pakistan Economic Corridor
CPWD	- Central Public Works Department
CTA	- Central Tibetan Administration
DONER	- Ministry of Development of North Eastern Region
FDI	- Foreign direct investment
FTA	- Free Trade Agreement
GDP	- Gross domestic product
GST	- Goods and Services Taxes
IMF	- International Monetary Fund
IR	- International relations
ITBP	- Indo-Tibetan Border Police
JEG	- Joint Economic Group
JNU	- Jawaharlal Nehru University
JWG	- Joint Working Group
JSG	- Joint Study Groups
LAC	- The Line of Actual Control
LCS	- Land Custom Stations
MoD	- Ministry of Defence
MOU	- Memorandum of Understanding

NDB	- New Development Bank
NEFA	- North-East Frontier Agency
NEI	- Northeast India
PLA	- People's Liberation Army
PLAN	- People's Liberation Army Navy
PM	- Prime Minister
PoK	- Pakistan-occupied Kashmir
RSS	- Rashtriya Swayamsevak Sangh
SAARC	- South Asian Association for Regional Cooperation
SCO	- Shanghai Cooperation Organisation
SED	- Strategic Economic Dialogue
SR	- Special Representative
SWC	- Southwest China
TAR	- Tibet Autonomous Region
UN	- United Nations
UN's WESP	- UN's World Economic Situation and Prospects
UNMCSR	- UN Maritime and Continental Silk Road City Alliance
US	- United States
USSR	- Union of Soviet Socialist Republics
WTO	- World Trade Organization

INTRODUCTION

The relevance of research. China and India are two adjacent civilizations that are among the most populous and fastest growing economies in the world. At present, both are influencing the global order and contributing to discussions on the emergence of a new wave of globalisation. Inspired by the concept of the Silk Road, China combined a number of pre-existing projects and commenced an ambitious development ‘initiative’ to provide a strong link between domestic imperatives and global orientation. China is facilitating several mass investment projects with a large number of participants, including the Belt and Road Initiative that became a symbol of Chinese-led globalisation. For India, connectivity also became a key driver for developing its domestic and global ambitions. Despite having relatively less economic power, India began promoting its alternative connectivity through the projects such as the Blue Economy Vision 2025 and the Asia-Africa Growth Corridor.

Institutionally, these initiatives are underpinned by the establishment of the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund within the BRI, Contingent Reserve Agreement and New Development Bank (NDB), both under the BRICS mechanism. They have contributed to the creation of structures that are more inclusive of, and oriented towards, a Global South international order.

Economically, these ambitions are well supported. China today is the second-largest economy by nominal GDP, whereas India is the sixth largest, albeit the IMF projecting it to become the fifth-largest economy by 2019 [1]. In a short-term scheme, according to the UN’s World Economic Situation and Prospects (WESP) 2019, India will continue to remain the world's fastest-growing, largest economy at 7.6% GDP growth in 2019-2020. This will position India ahead of China, which has the forecast to grow 6.3% during the same period [2]. Thus, China and India’s bilateral relations, as well as their foreign affairs became globally significant.

Nevertheless, bilateral China-India relations is far from being stable and friendly, since the contemporary period of China-India relations experienced different stages of interaction. Beginning with the slogan "Hindi Chini Bhai Bhai" (India and China are brothers), the relationship was spoiled in 1962 with the border war that still has a decisive impact on the development of bilateral politics. Even though a rapprochement in relations softened their hostile attitude towards each other during the 1980s, and the economic liberalisation opened new horizons of economic partnership, which led to a present stage of relations full of competition and rivalry, China-India relations still have a number of issues that complicate fully-fledged bilateral cooperation. Among these strategic discrepancies are unsettled border issue, Dalai Lama’s asylum and activities of Tibetan refugees in India, in addition to Pakistan, which has always been a factor in China-India relations. In particular, the long-lasting territorial dispute in the Eastern and Western sectors deserves special attention, as the border issue is among the major obstacles of the bilateral relations that impact the development of the China-India cooperation. As a consequence, these strategic divergences led to the ongoing frictions, including the China’s opposition to Indian membership in the Nuclear Suppliers Group, lack of support for the candidacy of India to be included as a permanent member of the UN Security Council, continual blocking of India’s bid to

include in the UN blacklist the Islamic fundamentalist group Jaish-e-Mohammad and annoyance on Dalai Lama's activities - including his visit in April 2017 to Arunachal Pradesh.

Undoubtedly, these contradictions, directly and indirectly, influence the development of bilateral cooperation, especially at the local level. However, the interaction between China and India are mostly attracts from the global and regional perspectives, yet their own borderlands lacks significant attention. We used to discuss China and India as global and regional powers, which attempts to play a leading role in global politics. Both are using emerging institutional mechanisms, including their connectivity visions, albeit their own connectivity at common border areas are not maintained. Certainly, the main reason for that is the status of the disputed border regions. As a result, a sufficient level of interconnectedness and socio-economic interaction in the border regions impeded by the bilateral and regional political approaches of both China and India. The lack of interest paid to the border districts is demonstrated in the socio-economic indicators of the border regions, in particular in the border districts of Arunachal Pradesh, which is disputed by China and administered by India. Specifically, in Arunachal Pradesh, economic indicators of the border districts that has a higher dependence on traditional agriculture, has a higher incidence of poverty. A wide infrastructure gap between the majority of border districts and border blocks in comparison to the State average is a reality of Arunachal Pradesh. Of high importance, the gap is wider in the cases of road density, connectivity, and medical and educational facilities [3, p.30]. The same situation on the other side of the borders, in the bordering districts of Yunan and Tibet provinces. Consequently, due to the disputed boundaries and remoteness of border regions, the border areas suffer from the absence of reliable basic infrastructure amenities and lose their capacity of connectivity from their contiguous regions, which might be more efficient, for example, in purchasing their everyday needs across the border rather than from the centre of their states or provinces. In addition, there are multiple opportunities coming from this interconnectedness. For instance, Arunachal Pradesh has a huge capacity for hydropower generation, whereas the bordering districts of Tibet has a deficient in power. Thus, the potential of grid-connectivity can be implemented by supplying hydropower from Arunachal Pradesh to China's south-west regions.

Nonetheless, in the current circumstances, ordinary opportunities of the interconnectedness of the border regions is a kind of fantasy for the near future in these regions. The reason lies in the political underpinnings of the border issue. By political underpinnings, it is meant the complex of factors that influence the border interaction. Thus, we cannot claim that the border issue is the only factor that difficult the border interconnectivity, because the other factors like geopolitical situation, domestic and foreign politics, position of leadership, influence of other states, etc. have direct implications to the development of the border relations and conditions. Therefore, the thesis aims by analysing China's relations with India at multilateral, bilateral and border levels, to show the model of China-India interaction and factors that challenge respective socio-economic interaction in the border areas.

Accordingly, the main hypothesis of the thesis is that at multilateral and bilateral levels, the Sino-India relations are comprehensively developed compared to the

interactions in the borderlands. Even though, stability and security of the borderlands are vital for regional and global ambitions of both, socio-economic development of borderlands remains underdeveloped. Nevertheless, historically, the interaction in these areas existed and flourished, when a natural social exchange between the tribal societies was provided, which simultaneously maintained a satisfactory level of socio-economic development of the border areas. At present, both consider conditions in the borderlands from the political prism, rather than socio-economic, therefore even though both understand that the settlement of the borders is a political issue and only certain political motives could settle the border in the future, none of them care about the interaction and connectivity of the borderlands.

For Central Asian states, which perceive China as a neighbouring power and India that includes Central Asia in its “extended neighbourhood”, based on its Connect Central Asia policy, it is important to understand the essence of China-India bilateral relations, their vulnerable issues and strategic visions. China and India are among the largest trading partners of the Central Asian states and both have deep historical and cultural roots with the region. Consequently, at the bilateral level, China and India present strategic players in the region in a number of aspects, which proves the need for an in-depth study of the China-India model of interaction. At the multilateral level, since the last expansion in 2017, India became a member of the SCO, in addition to China and Russia, thus the SCO became the main platform for interaction of Eurasian regional powers. Also, cooperation within the CICA is another example of China and India’s engagement in the region. Therefore, an increasing interest of both China and India will give the Central Asian states an opportunity to manoeuvre between major powers based on their interests. Consequently, taking into account the geopolitical shifts in the global political stage, which is argued as the “power diffusion” or the globalisation 2.0, the significance of the regional powers as China and India, is expected to grow in the global arena, on which Central Asian states have their own promises and interests. Accordingly, it is vital to explore and understand the essence of China-India relations from various perspectives.

The purpose of research is to examine China’s interaction with India in socio-economic sphere in the bordering areas in comparison to other levels of interaction during the contemporary period, and to define the models and challenges of border interaction. Therefore, the study has following **tasks**:

- To analyse theoretical and conceptual framework of the China-India relations;
- To analyse the concept of the border and value of disputed borders for both China and India from historical, political and socio-economic perspectives;
- To examine to what extent the multilateral and bilateral institutional efforts of China and India influence the improvements in the socio-economic interaction in the disputed border regions;
- To provide a historical analysis of the roots of the boundary issue and evolution of the dispute, which forms the politics of states on the border interaction;
- To analyse the economic interaction between China and India to assess their level of economic interdependence;

- To examine institutional and individual efforts of leaders towards the global governance and their role in the process of globalisation 2.0, and to assess to what extent these measures influence the socio-economic conditions in the border regions;
- To examine the types of interaction in the boundary areas and impact of militarization to that interaction;
- To evaluate internal and external factors that influenced the formation and development of the positions on the territorial dispute and the overall bilateral relations;
- To describe perceptions in China and India on the China-India relations in general and concerning the border issue.

The subject of research – China’s multilateral, bilateral and border relations with India during the contemporary period.

The object of research is China’s socio-economic interaction with India in the disputed border regions.

Theoretical and methodological basis of research is based on the international and local scholars’ research on general China-India relations and on the border issue in the China-India relations. In the thesis, the historical overview; comparative analysis (of political, economic and social development of China and India); systematic analysis of the official governmental documents; in-depth interview with academics, scholars and practitioners of the studied countries; media-content analysis; participation in discussion meetings within the frames of local research programmes and international fellowships were used.

The theoretical framework is based on a comprehensive approach. With the emergence of China and India as powerful actors in global governance, it calls the need to theoretically understand this trend. However, the existing analysis of international relations (IR) theories can suggest an only fragmental understanding of this process. Therefore, this thesis uses different approaches of Western IR in order to explain various periods of interaction between China and India. Particularly, the new globalisation trend, which explains the shift of global power towards Asia, has a more coherent approach towards the Asian view of IR. Meanwhile, the economic interdependence, as well as the value of territory played a decisive role in determining bilateral relations between China and India during the XXth century. Therefore, by analysing the IR and Asian IR theories, the study uses a comprehensive approach by combining the theories of globalisation, economic interdependence, and territorial disputes. In addition, the macro-level IR theories were applied fragmentary.

Research historiography. Due to the political and economic rise of China and India, the international community has carefully examined their bilateral relations. However, scholars use different concepts in evaluating the China-India relations, as well as in the border issue, therefore, the scholarship that focus on the China-India relations, particularly within the border issue perspective, are divided into several groups.

The first group consists of pro-Indian scholars, who advocates for Indian positions in the China-India relations. In particular, their approach is shaped with the Indian position during the emergence of the border issue and the border war in 1962, consequently the publications are mostly justifying the Indian position from various perspectives. Among the prominent works are Steven A.Hoffman with his book “India

and the China Crisis” [4], John W. Garver’s “Protracted Contest: Sino-Indian Rivalry in the Twentieth Century” [5], Mohan Malik’s “China and India: Great Power Rivals” [6] and M.L. Sali with “India-China Border Dispute: A Case Study of the Eastern Sector” [7], and others.

The second group of researchers analyses bilateral issues from the pro-Chinese perspective. Pro-Chinese researchers are providing China’s perspective of the border issue and roots of the Chinese approach in the border issue, they also provide the documental evidence that shows the basis of the border alignment during the pre-independence times. Neville Maxwell is among the most prominent international scholars that advocates Chinese position in his book “India’s China War” [8]. His idea is well supported by Alastair Lamb in his “The China-India Border: the Origins of the Disputed Boundaries” [9]. From Chinese scholars, Zhao Weiwen’s (赵伟文) “印中关系风云录 (1949-1999) (Record of the visits of India-China relations (1949-1999)” [10], Xu Yan’s (徐燕) “中印边境战争的历史真相 (The historic truth of the Sino-Indian border war)” [11], Liu Xuecheng “The Sino-Indian Border Dispute and Sino-Indian Relations” [12], and Zhang Mingqiu’s (张明秋) “中印关系研究 1947-2003) (Research of Sino-Indian Relations 1947-2003)” [13] gave an insightful information on the Chinese decision-making process during the post-independence period.

The third group of scholars suggest neutral position and aim to be more objective in analysing the issues. Researchers by acknowledging positions of both sides, developing a more neutral perspective to the development of China-India relations. Jonathan Holslag with “China and India: Prospects for Peace” [14] and “Asymmetrical Threat Perceptions in India-China Relations” [15] by Tien-sze Fang are among the most-cited. Research articles and papers presented by Swaran Singh [16], Srikanth Kondapalli [17, 18], Alka Acharya [19], David Scott [20], Ke Wang [21] also contribute to a diverse understanding on the China-India border issue.

The fourth group presents China-India relations through the historical perspective and provides invaluable insides to the legal basis and origins of bilateral cooperation. The works in this group are mostly focusing on the pre-independence era, thus the objects of their study are China and British India, and hence they are scrutinizing the pre-history of existing challenges. A.G. Noorani’s “India-China Boundary Problem, 1846-1947: History and Diplomacy” [22], “Shadow States: India, China and the Himalayas, 1910-62” [23] by Bérénice Guyot-Réchard, M. Taylor Fravel’s “Strong borders, secure nation” [24], Nimmi Kurian’s “India-China Borderlands: Conversations Beyond the Centre” [25], as well as articles and books by Claude Arpi [26], Karunakar Gupta [27], examine origins of the border disputes from the British-colonial times. Meanwhile, the historical perspective of the contemporary period is presented by Shivshankar Menon in his “Choices: Inside the making of India’s foreign policy” [28], Tan Chung’s “Himalaya Calling. The Origins of China and India” [29] and others.

The fifth group considers China-India interactions through the prism of their global rise and study this phenomenon from the vantage of globalisation. The

publications are mostly focused on the era of the so-called Chindia when the rise of China and India pushes the shift of the power to the Asian continent that caused a new wave of development of China and India. Amardeep Athwal [30], Amitendu Palit [31], Astarita C [32], Lam PengEr and Lim Tai Wei [33], Shalendra D. Sharma [34], Deepa M. Ollapally [35], Gillian GOH Hui Lynn [36], Wen Zhou [37], Joe Thomas Karackattu [38], Kishan S. Rana [39] and others examine China-India economic and global cooperation.

The sixth group is the publications of the local and near neighbourhood historiography, which incorporates the post-Soviet understanding of China-India relations. Even though in the local historiography the China-India border issue was not examined widely, there are scholars that work on the contemporary China-India relations. In particular, L.G.Yerekesheva [40], K.Sh.Khafisova [41], E.U.Baydarov [40, p.96], E.I.Rudenko [40, p.55] have researched the present relations between China and India. Whereas, China's foreign politics are well presented in the works of N.A.Aldabek [42-44], N.Mukhametzhan [45, 46], K.L.Syroezhkin [47, 48], A.S.Kaukenov [49] and India's external relations are presented in the publications of K.T. Gabdullin [50], L.G.Yerekesheva [51-53] and others.

Among the Russian scholars, T.L.Shaumyan [54-56], F.V.Terehov [57], V.S.Kuznetsov [58], A. I. Ivanko [59] and others investigated the China-India border issue deeply and provided the basis for the study of this problem in Russian. Interestingly, due to the Soviet legacy, these researchers framed their approaches based on the Indian perspective. Meanwhile, the other works could be divided into the scholars that are focused on the Chinese foreign policy, through which they cover the Sino-Indian border issue. M.C.Kapitsa [60, 61], S.G.Luzyanin [62], M.L.Titarenko & V.E.Petrovsky [63], M.I.Sladovsky [64] are prominent scholars that study the Chinese perspective of the Sino-Indian relations. Yu.P.Nasenko [65], G.P.Kolyhalova [66], G.B.Goroshko [67], S.I .Lunev [68] among others examine the relations through the Indian perspective.

In general, international and Indian scholars do a major research on the China-India border relations. The studies of Chinese scholars are not relatively widespread due to several reasons: firstly, because of the outcomes of the 1962 war, when China easily won the war, the border issue became insignificant issue for China in relations to India, comparing to Indians, which consider it as among the most sensitive issues in bilateral cooperation. Secondly, when the archival documents became open after the 50-years of prohibition, the juridical basis of Chinese position was justified, therefore Chinese scholars do not need to search a verification. In addition, because of the restricted access to the Chinese literature due to their internal rules, and a limited knowledge of Chinese language, it challenges the access of resources in Chinese language. Therefore, the thesis mostly based on the prominent classical readings of international and Asian scholars, which comprehensively studied the border perspective of China –India cooperation.

In addition, because of the limited study, on the border issue in China-India relations in the local literature, the thesis aims to provide an international perspective on the China-India issues, by emphasizing controversial approaches and their consequences in policy implementation, as well as to explain roots of the positions of

two Asian countries. Thus, the study aspires to fulfil the existing gap of limited representation of the Sino-Indian border issue in the local literature by introducing an international perspective.

The information base. In the thesis, wide ranges of sources were used that can be qualified as follows:

The *first group* of sources comprises the historical records and documentary materials, collections of documents and separate publications on the origins of the boundary issue between China and India. It also includes legal treaties during the British India period that is in the appendixes of [69, 70], the Atchison Archives, proceedings of the Simla Conference and reports of the Officials of the Government of India and the People's Republic of China on the Boundary Question. All this important collection of documents on the origins of the boundary issue are well presented in the personal site of Claude Arpi, a scholar that devoted his life on the history of India and the Himalayas [72].

The *second group* of sources consists of the official and governmental documents that define the juridical basement of the border issue during the independence period of both states. It includes momentous events in the bilateral history, as the Official History of the 1962 Indo-China War, Henderson Brooks Report, Panchheel Agreement and other valuable legal documents that are available at [72]. In addition, the bilateral agreements signed between China and India on the boundary settlement since 1993 also included in this group.

The *third group* of sources composes a valuable original correspondence, speeches, memoirs and other announcements of the leadership of both China and India, such as the correspondence of Nehru with Zhou Enlai [71], Deng Xiaoping speeches [10], Shivshankar Menon [28] memoirs, media and other announcements and speeches of leadership [70, 73].

The *fourth group* is the reports and data from the international originations and government sources that are used to assess the level of economic engagement of both sides [74-79]. Also, the data given by the government resources and from the media announcements are also included in the respective group [78].

Thus, the sources used by the author are sufficient and legitimate for the analysis of the problems posed in the thesis, allows revealing the goal and objectives of the research and ensuring the scientific accuracy of the conclusions.

The scientific novelty of this research is in an attempt to develop an analytical picture of the China-India interaction in the borderlands through the analysis of all levels of China-India cooperation. The study by examining China and India interaction has developed several new approaches, particularly:

- The thesis theoretically framed the ongoing China-India relations in the border areas through the combination of the elements of theories of globalization, economic interdependence and territorial disputes;

- The study by scrutinizing China-India relations from the multiple levels, such as global, regional, bilateral and border levels formulated a relatively new perspective that demonstrates the extent of socio-economic interaction in the borderlands in comparison with other levels of interaction;

- The historical analysis of the roots of the border issue explained the positions of both sides and perspectives for their decisions on the border interaction, which is not presented in the local historiography;

- The analysis of factors, including geopolitical factors, key regional issues, and leadership perceptions presented the background of the decision –making process on the border issue;

- Examination of individual perceptions of the present leadership and academics presented the picture of the development of the border interaction in the near future.

The main provisions (results) to be defended

1. An evolution and development of China-India relations in general and on the border issue require the complex theoretical approach that combines the elements of theories of globalization, economic interdependence and the value of territory.

2. A comprehensive approach to the China-India relations from the multiple levels, such as global, regional, bilateral and border levels, shows to what extent the other levels of relations influence and difficult the socio-economic interaction in the borderlands. In addition, it was revealed that the socio-economic interaction in the border areas could not be studied without the consideration of peculiarities of other levels of interaction.

3. Different approaches of both countries on the concept of the border and the border interaction are deeply rooted in history. Historical background, such as the emergence of the territorial dispute, 1962 border war and positions on the border issue were among the major reasons for the limited socio-economic interaction in the borderlands that was interrupted after the independence.

4. It was revealed that key regional issues such as the China-Pakistan-India triangle, Tibet issue and the Cold War geopolitics influenced the development and formation of China-India border relations.

5. By examining individual foreign policy perceptions of leaders during the present times it was justified the hypothesis that the priorities for the global leadership of both China and India are among the major factors that influence the development of conditions in the border areas and interaction between the locals in the borderlands in a short-term perspective.

The practical significance of the research lies in the necessity to understand bilateral relations between Asian giants, which have a strategic partnership and comprehensive relations with Kazakhstan (China from 2005 and India from 2009). China is the second largest trading partner of Kazakhstan and India is among the top ten trading partners of Kazakhstan [80, 150]. Furthermore, Kazakhstan works with China and India within the multilateral platforms and mechanisms, including CICA and SCO. Kazakhstan by following its multi-vector foreign policy, had integrated its national programme Nurlı Zhol with the Chinese BRI and implementing several projects within the BRI, whereas with India is exploring the potential of connectivity through the Kazakhstan-Turkmenistan-Iran railways and the International North-South Transport Corridor. Hence, based on the foreign policy concept of Kazakhstan, both China and India represent key players in the region, while Kazakhstan's multidimensional strategy is aimed to continue further deepening of cooperation with China and India.

In practice, the importance of understanding China-India relations was shown in the case of Chinese and Indian oil companies' involvement in Kazakhstan. In 2005 and 2013, ONGC Videsh Ltd, the overseas investment arm of India's state-owned Oil and Natural Gas Corporation, was not successful in entering Kazakhstan's oil sector, when it failed to become a shareholder in the development of the Kumkol and Kashagan oil fields, losing both times to the China National Petroleum Corporation [81]. Even though in Kazakhstan, the question was with the obligations of the contracts, in Indian press it caused a wave of negative sentiments as another failure of Indian diplomacy to China. Thus, it is important to consider the specificity analysed in the thesis, when engaging with China and India.

Accordingly, the results of this research could be used in designing regional Asian, Indian Ocean and/or Asia-Pacific policy. In addition, this research's results will help to increase awareness of the nature of China-India relations, especially when negotiating in the multilateral platforms and consortiums. The understanding of the essence of Sino-Indian relations will also help in dealing with other countries as Pakistan, Bhutan, Myanmar and others. Moreover, by connecting historical legacies with contemporary changes, this research will provide a clear understanding of the motives underpinned beneath decisions that can help to anticipate further steps. Also, the research could be used in developing courses, such as a contemporary history of China and India, the geopolitics of Asia and an international relations of Asia.

Approbation of research results. During the study, the author had won three fellowships, in addition to the research internship within the doctoral programme. The fellowships, field works and research internships during the study were:

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- 2nd PhD School – Berlin, Germany, February 2018;
- Research Training Stay in Berlin at CIFE and IEP – February- March 2018.
- 3rd PhD School – Tbilisi, Georgia, August 2018.

2. Fudan Fellowship Programme, Fudan University, Shanghai, China

Fudan Fellow in International Politics (Chinese Politics and Diplomacy) - May - June 2017.

3. ITEC programme. Within the ITEC fellowship, a fieldwork was at the Jawaharlal Nehru University, New Delhi. ITEC programme was in Certificate Course in Strategic Management for Emerging Markets, International Management Institute (IMI, Delhi), India - August– September, 2017

4. Doctoral internship in the Centre of Development Studies, the Cambridge Central Asia Forum, University of Cambridge, United Kingdom - October 2015 - April 2016.

The research findings of those fellowships were presented within the framework of fellowships at the following research seminars:

1. Muratbekova A. "The border issue in Sino-Indian relations", Cambridge Central Asian Forum Seminar Series, Easter Term 2016. University of Cambridge, UK. February 22, 2016.

2. Muratbekova A. "China-India relations from Kazakhstani perspective", Lecture within the Fudan Fellowship, Institute of International Studies and Politics, Fudan University, China. June 21, 2017.

3. Муратбекова А.М. "Экономическое взаимодействие Китая и Индии (на примере региональных инициатив БКИМ и Морского Шелкового пути)". Научный семинар по проекту «Индия, Китай, Центральная Азия: глобальные, региональные, страновые аспекты». Институт Востоковедения им.Р.Б.Сулейменова. 15 декабря 2016.

4. Annually, at the EUCACIS PhD Schools.

In addition, basic provisions and research results were presented at the 8 international conferences:

1. Muratbekova A. The Role of the Shanghai Cooperation Organization in Post Soviet Space / Central Asia // International Conference «Central Asia and the South Caucasus in Transition: International Perspectives», 30 – 31 August 2018. Ilia State University, Tbilisi, Georgia.

2. Muratbekova A. Seizing the BRI: Central Asian view of challenges in South Asia // 7th Workshop on EU-China Relations in Global Politics. Nazarbayev University, Astana. 24-27. April 2018.

3. Муратбекова А.М. Основные направления экономического сотрудничества между Китаем и Индией // Международная конференция «Индия и Китай как возвышающиеся мировые державы: последствия для Центральной Азии». - Институт востоковедения им. Р.Б. Сулейменова. - 25 сентября 2017

4. Muratbekova A.M. China's economic initiatives in Central Asian countries and its impact to Eurasian region// The Fifth Regional Conference of the Central Eurasian Studies Society. – Kazan Federal University, Kazan, Russia.- 2-4 June 2016

5. Муратбекова А.М. Один пояс-один путь: новые векторы взаимодействия стран Южной Азии // Международная научно – практическая конференция «Экономический пояс нового шелкового пути»: сотрудничество и устойчивое развитие сопредельных государств на пространстве шелкового пути».- КазНУ им. аль-Фараби.- 18-21 мая 2016 г.

6. Muratbekova A. The Sino-Indian relations: unresolved border issue and its impact on bilateral cooperation // Third Research Forum on Central Asia.- University of Cambridge, UK. -11 March 2016.

7. Muratbekova A. Different Approaches to the Study of Territorial Dispute between China and India// 18th International Conference on Political Sciences and International Relations. -London, UK – 18 January 2016.

8. Муратбекова А.М. Китай-Индия: новая парадигма взаимоотношений // XXII международная научная конференция студентов, аспирантов и молодых ученых «Ломоносов - 2015».-Московский Государственный Университет им. Ломоносова, Россия. – 13-17 апреля 2015.

Publications. There are 9 publications, including 3 articles in the journals, recommended by the Committee of Control of Science, 1 article indexed in the Scopus,

2 chapters of the book, 3 proceedings of the international conference. Two papers in the international journals were accepted last year and are in line to being published in late 2019.

Structure and volume of the thesis. The structure of the thesis is designed to cover three evolutionary periods of relations: the historical perspective of pre- and early independence years, the contemporary period and the present stage.

The thesis consists of an introduction, five chapters, conclusion, list of references and appendices.

1 THEORETICAL FRAMEWORK

1.1 Introduction to Asian international relations

Knowledge, it seems, must precede theory, and yet knowledge can proceed only from theory. This looks much like the dilemma suggested by the Platonic proposition that we cannot know anything until we know everything.

Kenneth Waltz [82, p.8].

With the rise of Asian countries as China and India, which have a strong position in regard to regional and global affairs, the so-called “Asian Century” become an important phenomenon of international affairs. Both China and India are making huge progress in being involved with and influencing the global order. The economic and political growth of China and India have a significant and far-reaching impact on global politics that sustain their aspirations as long-standing global presence. If China’s impact on the global economy is more visible, with a massive investment projects involving a large number of participants, India is also enjoying partnerships within its own region, as well as making serious attempts to achieve global recognition and advancing its representation for global governance.

Moreover, both Asian giants have a remarkable early civilizational history. For instance, the two countries contributed nearly half of the world income in 1820, with the lowest level in 1950, when their share was less than one-tenth, albeit the projection for 2025 is expected to have a total share of roughly one-third of the global GDP [83, p.1]. China will become one of the world’s biggest cross-border investors by the end of the current decade and the Indian economy, according to IMF forecasts, will expand as the fastest growing economy in the upcoming years. Thus, with the economic growth of China and India, ambitions and opportunities for playing more significant roles in the global affairs will increase for both countries. In addition, there are multilateral platforms such as G20, BRICS, SCO, where China and India play leading roles as emerging powers. Consequently, global activities led by China and India have contributed to the rise of emerging powers and stimulated a shift in gravity of globalisation towards emerging nations.

In the light of this, the emergence of China and India as powerful actors in the global governance calls the need to theoretically understanding the trend. When two non-Western countries are becoming substantial actors in the global governance system, there is a need to explore how this trend is explained in existing theories. However, the existing analysis of IR theories can suggest only fragmental understanding of this process. Therefore, this research will consider why there is such a shortcoming.

Perhaps, one of the factors is that theories of IR were based on a western-centric model, which was developed by Western scholars from XX century based mainly on the role and policies of the Western countries. Meanwhile, China and India have developed numerous theories articulating the role of states from an endogenous perspective. Confucius, Sun Zi, Legist School in China, Kautilya and Arthashastra Canon in India provided the understanding of the role of leader and the art of war from the Asian perspective. Thus, the Asian perspective for what constituted good state

policy existed for thousand years and the specificity of these policies were held in high regard for all aspects of political, social and cultural life.

Particularly, Confucian elements of power, order and state can be found in contemporary Chinese IR theories. The Confucian concept of harmony remains one of the central concepts related to power for China today. Similarly, Indian statesman Kautilya set the principles of empire-building and the mandala theory (sphere of influence), which advances ideas of how a king should manage alliances and relations with neighbours.

Later, during the 1300-1900, the Asian international system was more intensive and extensive. Historically, relations were hierarchic, more peaceful, and more stable than those in the West have [84]. China's imperial mixture with the ruler's leadership, the elite's self-doctrination and the bureaucracy's self-regulation created a self-sufficient government. Also, imperial China's approach to foreign relations was assumed to have been moulded by ideological preconceptions of an ideal world order [85]. In the case of India, international system was divided into pre-colonial and colonial periods. If the pre-colonial period prevailed by a *moralpolitik*, where legitimacy was achieved through the recognition of others, a *Mahabharata* became an evidence of Indian identity. Meanwhile, when the British Indian government was involved in India's foreign policy, the role of foreign policy was framed under the colonial policy.

Another key question during the colonial period concerns the empire's geographic and geopolitical thought, as both states do not have distinct empire borderlands. If the British India territory was maintained by organizing expeditions with Durand, McMahon, MacDonald and other officers, then Chinese scholars by the middle of the nineteenth century also succeeded in creating a standardized lexicon for world geography. For instance, as Mosca observed "Qing scholars and bureaucrats gained an increasingly clear picture of what was occurring in India, they realized that their own state was vying for power with foes equally formidable". However, "Qing statesmen and scholars never conceived a comprehensive "grand strategy," even at the loosest and most abstract level, one of the reasons their judgments of Qing interests differed so far from the estimations of their neighbours" [85, p.103]. Therefore, it is essential to consider their understanding of strategy and borderlands.

Further, during the post-independence period, the Bandung Conference was a first attempt to formulate the Asian perspective of IR by gathering the newly independent Asian states in addition to African nations. However, only after the mid-1990s, with the rise of Asian countries, Asian IR became more representative among scholars [86].

Consequently, it is true to say that with the rise of emerging Asian states, this has led to the development of Asian IR in the context of developing non-Western approaches to the study of foreign affairs. Even though the debates in theorizing the Asian IR were intensified, there is no unifying pan-Asian school or theory of IR. The impetus of Asian IR comes from a historical shift from economic nationalism, security bilateralism, and authoritarian politics in the post-war period, as well as from economic interdependence, security multilateralism, and democratic politics of the post-Cold War era [87, p.76].

Katzenstein assumed that “theories based on Western, and especially West European experience, have been of little use in making sense of Asian regionalism”. Although, his remark concerns the study of Asian regionalism, it could be applied to the Asian IR in general [88, p.5]. Furthermore, IR theory is based on the studies of the western model of viewing the world, which implies ‘too narrow in its sources and too dominant in its influence’ [89, p.2]. Hence, on a regional scale, the theory is not fully developed yet [87, p.78]. Following this, it needs to determine common attributes of Asian and Western IR approaches. Samuel S. Kim stated that historically there were two distinct interstate systems in Asia: the Sinic system in East Asia and the Indic system in South Asia. If the Chinese tribute system and the Japanese imperial system were flourishing, the Indic system was excluded during the British rule. He describes ‘the Indic system, which lasted from the fourth to the eighteenth centuries, still weighs on the South Asian subcontinent although the region is now comprised of six sovereign states’. During the Cold War, India remained mostly outside the bipolar system by advocating its Non-Aligned Movement. Similarly, the traditional “Sinocentric” system continues to cast its shadow as China undergoes its fourth “rise” in history [90, p.36].

Accordingly, Samuel S. Kim proposed two ‘back to the future’ images of an evolving Asian system. The dominant realist “back to the future of Europe’s past” school, with predictions that Asia was primed for a revival of a classic great-power rivalry as Europe experienced. Consequently, Asia’s future is seen as a repeat of Europe’s war-prone past. Another approach is a Sinocentric “back to the future of Asia’s past” school. Admitting the Sinocentric past, Huntington concluded that it ‘will be Asia’s future’, even as “China is resuming its place as regional hegemon’. Thus, the Sinocentric hierarchical past, not Europe’s multipolar past would guide and ensure future stability [90, p.35].

Admittedly, Michael Yahuda assumed that the three principal IR theories- Realism, Liberalism, and Constructivism – do not successfully identify and explain the interaction between various developments and characteristics of the current situation in Asia [91]. Moreover, ‘the challenge for theoretical writings on Asian IR is to reflect on and conceptualize dynamic processes. Although scholars do not stop at testing Western concepts and theories in the Asian context but generalize from the latter in order to enrich a hitherto Western-centric IR theory’ [87, p.76].

Meanwhile, the development of Chinese IR theory becomes a topic of national importance due to China’s global growth ambitions. If Chinese officials emphasize Confucian heritage as an official rhetoric, scholars are combining traditional Chinese political thoughts according to both idea and geography. There is a growing literature on the Chinese view of international affairs, while the theoretical basis of China’s politics is based on Leninism thoughts. In particular, Lenin’s argument that the world was in an era of war and revolution, meaning imperialism was a form of war and that only proletarian revolution could eliminate imperialist war [92, p.235]. The post –Mao era for a long time was also based on Leninist-Marxist-Mao Zedong thoughts of the worldview. Therefore, Chinese scholars are attempting to develop a Chinese School of IR, based on the metaphysical Chinese worldview. Others are rejecting this approach, by stating that it should be “Scientific universalism” rather than cultural specificity [87, p.75].

The Indian dimension to the International Relations, particularly during the Cold War, gravitates toward the concept of non-alignment. The Nehruvian reforms turned the Indian IR into a tool of national power. As Bengali sociologist and political theorist Benoy Kumar Sarkar, in his 1919 article “weaved the teachings of Kautilya and Kamandakiya Nitisara into a rearticulation of the doctrine of mandala (later appropriated by Nehru), which he described as underlying the “Hindu idea of the ‘balance of power’” [93]. On the contrary, Navnita Chadha Behera [94] rejects the notion of creating an Indian school of IR, suggesting that out of concern that such an undertaking would result in a ‘self-other binary’, which simply pits Indian IR (self) against Western IR (other) [86, p.119].

Therefore, for the study considering the Asian perspective of IR, it is important to explain the approaches underpinned in understanding the relations between states. However, those approaches of Asian IR only partially explain contemporary development of China and India and the Chinese and Indian approach of IR do not fully provide a universal understanding of the context of Asian IR. Consequently, this thesis uses different approaches of Western IR in order to explain different periods of interaction between China and India. Probably, the new globalisation trend, which explains the shift of global power towards Asia, has a more coherent approach towards the Asian view of IR. Further, the economic interdependence, as well as the value of territory played a decisive role in determining bilateral relations between China and India. Thus, those approaches are chosen to explain to what extent the value of territory, economics and global aspirations impacted on the resolution of the border issue. Accordingly, the next part focus on the new globalisation trend and its influence to the formation of Asian IR, as well as foreign politics of China and India.

1.2 Theoretical approaches of globalisation

Since the aim of the thesis is to determine the model of China-India border interaction during the independence period, and pointing out existing challenges that impacted this interaction, there are several explanations of cooperation. My main argument is that the globalisation amplified the China-India global, regional, and bilateral interaction, whereas at the borderlands interaction remains with insignificant changes. At the same time, globalisation by diminishing the meaning of the borders decreased the value of the border, albeit do not influenced to the development of border interaction. Due to the globalisation, the importance of border interaction became less significant as the globalisation already maintained the global supply chain management. Thus, excluding the importance of border interaction for indigenous people, for others the border interaction became less valuable, as the main cooperation mechanisms happens through the large entities, as the Kolkata or Shanghai international ports in the case of China and India cooperation. The thesis argues that the globalisation made important progress in maintaining bilateral Sino-Indian cooperation to a new strategic level of cooperation, whereas at the border level the interaction remains the same, since the value of borderlands is shifted due to established technologies and logistics. As an outcome, the development of other regions and border regions are extremely different.

Therefore, approaches of globalisation are discussed in order to understand the theoretical framework of globalisation's impact on the general development of China-India relations that also impacted the resolution and reassessment of the territorial dispute [95].

Meanwhile, debates within the IR theories have turned more squarely to the theoretical significance of the concept of globalisation. Most definitions are rooted in realist or neo-liberalist assumptions. Realists see globalisation in terms of the relative distribution of power [96]. To realists, territoriality still matters, and sovereign territorial states constrain globalisation. Neo-liberals explain globalisation as the elimination of government-imposed restrictions on transnational movements of goods, capital and people [97, 98]. While, neoliberalism is seen as the main driver of globalisation, the globalisation itself can be seen as both the effect of, and the move towards, global neoliberalism [99]. Constructivists argue that globalisation is an idea that is socially constructed and as such is capable of being acted upon and can be reconstituted by state agency. There is not just one concept of globalisation, but rather a diverse interaction of material and ideological possibilities [100]. For the institutionalist tradition, the world is the environment and nation-states, as well as multinational corporations and international organizations, are the organizations embedded in it [101]. Moreover, globalisation is interpreted by various dimensions - social, physiological, geographical and economic. Dr Nayef R.F. Al-Rodhan [102] collected 150 definitions of globalisation, and more than half of them referred to economic dimensions. Based on all of the collected definitions, he concluded that "globalisation is a process that encompasses the causes, course, and consequences of transnational and transcultural integration of human and non-human activities".

Smith advocates that globalisation is a complex historical process, which manages to unify the continents [103]. It is equally a "cultural, political and technological process and also an economic one." While Ştefanachi [104] suggested that globalisation became a favoured term after the end of Cold War, most researchers refer to as an evolutionary process, a historical transformation or as a multidimensional reality.

According to Bello [105], globalisation is the accelerated integration of capital, production, and markets globally, a process driven by the logic of corporate profitability with two phases. The first phase occurred in the early 19th century until WWI while the second, commencing the early 1980s, is still unfolding in the present day. If neoliberals depict the first wave of globalisation as the dominance of nationalist capitalist economies and constraints on trade and capital flow, the second phase was pure neoliberal ideology with a focus on privatization, deregulation, and trade liberalization.

Another suggestion is that the first age of globalisation was in the 1880s and early 1930s, when international trade grew to expand markets and cement the industrialization of the US. The World Bank, International Monetary Fund, and World Trade Organization institutionalized global financial systems by means of the Washington Consensus, and economic liberalization led to the rise of emerging markets [106].

Stiglitz [107] offers a critique of globalisation not by opposing globalisation per se, but the set of doctrines imposed by the Washington Consensus, whereas the three main institutions that govern globalisation (the IMF, the World Bank, and the WTO) are the Washington-based institutions pushed by the American model. He asserts that globalisation was accompanied by the creation of new institutions that have joined to work across borders.

Meanwhile, with the rise of emerging powers like China and India, their global engagement in world politics, the discourse on the historical transformation of globalisation became more frequent. Lionel Barber, described Western-dominated globalisation as Globalisation 1.0, being represented by the era between the 1970s and 2007, an age of continuing “mini-revolutions” brought about by dynamic economic, political, and technological changes. The benefits of the Western-dominated Globalisation 1.0 system over the past 30 years led to the rise of the emerging economies. Globalisation 2.0, however, includes the interdependence of several identities or cultures characterised by new forms of non-Western modernity; it has made borders porous to information, foreign investment and popular culture, but also to cyber crime, pollution and human trafficking [108].

Eric X. Li, believes that Globalisation 1.0 is a globalisation based on universality, with Wall Street, Silicon Valley, and Hollywood acting as a Holy Trinity for this idea. The core of Globalisation 2.0 is a prioritisation of the basics of human civilization and a belief that each civilization is unique [109]. While, Zhang Yunling agreed that Globalisation 1.0 emerged after WWII, focusing on connectivity via multilateral and regional cooperation, attempts to create new regional strategies ultimately led to Globalisation 2.0, especially with the launch of China’s Belt and Road Initiative in 2013 [110].

Consequently, globalisation 2.0 represents the rise of emerging markets or the transition of globalisation to dynamic markets. While initial globalisation was a time of Western institutional dominance, the world is witnessing a reappraisal, not a repudiation, of globalisation. The phenomenon of the new globalisation is that the engine of globalisation has shifted east to Asia and the strong nationalist leadership, assertive diplomacy and institutional endeavours became driving forces of that trend. Existing global mechanisms in politics, security, finance or trade, are struggling to respond to reforms and reshape the global governance rules. As it is shown, that shift of globalisation to Asia gave a huge impetus to the shifting of China-India relations to a new level of competition and rivalry based on their global ambitions with local needs. Thus, the recent trend of globalisation and the new globalisation explain the development of China-India relations since 2010s, when both were strong enough to show more decisive voice in global affairs. This trend is seen in the multilateral agenda’s of both countries and their expected role in the world affairs.

1.3 Economic interdependence

If globalisation 2.0 explains interaction during the present stage of 2010-2018 years, the economic reforms and opening up years are well explained by the economic interdependence theory. It is believed that the rapprochement of the border issue and establishment of strategic cooperation was an outcome of the “first economics, then

politics” strategy [111]. The growing economic interest between the states, as well as an interdependence on commerce, emerged the interest in the rapprochement of the relationship based on economic interdependence, which mitigate political conflicts. Thus, economic interdependence of states that have positive expectations for the future, by experiencing the positive value of the trade, becomes an incentive for future peace [112, 113].

In particular, Albert Hirschman [114] in his book *National Power and the Structure of Foreign Politics* was among the first, who developed the theory of economic interdependence. Also, much work has been done by other scholars to analyse the influence of economics and peace on interstate conflicts, and implications for territorial disputes. For instance, references to successful trade and commerce being incompatible with war can be found in the works of Montesquieu, Kant, John Stuart Mill, and Windrow Wilson. These thinkers insisted that economic interdependence suppresses the political initiatives of states. Based on the theory of dispute, interdependence means states demonstrating resolution without military violence [115]. Rosecrance argues that modern conditions push states to be “trading states” rather than “territorial states”, showing that trading states recognize that they do better through trade than through trying to assimilate large tracts of land [116]. Copeland’s [112] theory of economic interdependence and war shows that if states have positive expectations for future trade they have incentivize for continued peace. Holslag, however, [113] shows that economic security rather than military or territorial security has become a core principle of strategic planning in China-India relations. Because, bilateral trade, stability, and predictability were necessary for attracting foreign investors. Thus, growing economic exchanges foster political relations, which was demonstrated during the Sino-Indian rapprochement in the early 1980s when both states needed economic cooperation. This came because of internal reforms and external geopolitical factors in the region.

Theoretically, the debates have a liberal, realist and mercantilist approaches. The liberal school of IR argues that the economic interdependence lowers the likelihood of war by increasing the value of trade over the aggression, articulating that trade and commerce offer a mechanism for a conflict-reducing effect. Early in the eighteen century, Montesquieu suggested ‘peace as a natural effect of commerce’, while Kant at the end of the 18th century, wrote that the ‘spirit of commerce, which is incompatible with war, sooner or later gaining the upper hand in every state’. John Stuart Mill in the mid-19th century suggested that trade and commerce is the principle guarantee of peace [38, p.693]. Further, Barry Buzan indicated that the core element of the liberal position is “a liberal economic order makes a substantial and positive contribution to the maintenance of international security” [117, p.598].

Meanwhile, the argument that the free trade ‘unites’ states, making each equal to the prosperity and happiness of both was first made by Richard Cobden in the 1850s. Norman Angell further developed this argument in 1933 in his book *The Great Illusion*. He believes that states must choose between the new way of thinking of peaceful trade, or the ‘old method’ of power politics. By destroying the trading bonds, war becomes “commercially suicidal” [112, p.8]. Additionally, Richard Rosecrance gave the extensive update to the Cobden-Angell thesis of interdependence. He implied that

states must choose whether they will be “trading states” to promote wealth through commerce, or “territorial states,” are which preoccupied with military expansion [116, p.8].

On the contrary, realists argue that the economic interdependence not only fails to promote the peace but also actually heightens the likelihood of war. A shift in power relations is seen as a potential source of military conflict [114]. Neorealist, Kenneth Waltz, suggests that the anarchic structure of international politics makes states worry about their vulnerability and want to control the resources upon which they are dependent. Meirsheimer assumes that interdependence will lead to greater security competition while trying to extend their political control to the sources of supply [118, p.7]. Moreover, he shows that states expand their source of supply with the source of their customers. Keohane and Nye [119] argue that economic interdependence can be a source of economic power for a less dependent state. Wagner [120] states that bargaining theory shows that asymmetrical economic interdependence does not apply when one bargaining party is able to exercise political influence over the other.

Consequently, the difference between liberals and realists lies in their emphasis on the benefits versus the costs of interdependence. Copeland extended the liberal and realist views of interdependence and war while synthesizing the strength of both. By fusing the theory of economic interdependence with liberal insights, the theory demonstrated how the benefits of trade give incentives for avoiding war. With a realist view, the potential costs of war can cut the future positive value of trade relations [112, p.6].

David C. Copeland’s theory of trade expectations suggests that as long as the high level of interdependence can be maintained, there is a reason for optimism. Also, Copeland shows that ‘great trading partners will always continue to be great trading partners simply because of both benefits’.

Except for liberalists, realists and neorealist mercantilist imperialism represent a reaction to the dependence of states. According to Copeland, mercantilist states ‘reduce their fears of external specialization by increasing internal specialization within a now larger political realm’. Moreover, as one of the core representatives, Montesquieu claimed:

The natural effect of commerce leads to peace. Two nations that trade together become mutually dependent: if one has an interest in buying, the other has an interest in selling; and all unions are based on mutual needs.

Quoted from [121, p.836]

Thus, economic interdependence, depending on the variation of the distribution of political-military capabilities and power relations, underlie an apparent effect of economic exchange on military antagonism. Therefore, this study describes the China-India relations during the 1980s-2010s from the liberalist perspective of economic interdependence theory. However, during the last decade with the nascent global ambitions of China and India, it is also seen that the realist perspective of economic interdependence shifted the economic value of peace. Hence, this thesis applies several theories to a specific period as the changing geopolitical and economic values of states forced them to change the strategy and politics of relations.

1.4 The value of territory and the concept of border

During the early independence years, the value of the territory had a higher degree of importance because territorial integrity was vital to defend immature independence. The study emphasizes that the value of the territory varies depending on the internal and external factors over time and during the later period of economic interdependence and rising global ambitions, had fluctuated significantly. Meanwhile, early independence years until the economic reforms in the early 1980s were featured by a high value of the territory that could be explained through the theory of territorial disputes.

The theory of territorial disputes argues that territorial disputes are more war-prone than other conflicts, which was evidenced during the 1962 war, can be applied during the early independence years. During this period, the border conflict was an outcome of a unilateral approach and a personalization of politics. As time passed and the policies of the countries changed due to the shift in the geopolitical situation, the issue of territorial conflict also changed [111, p.8].

Meanwhile, territorial disputes bring national sovereignty and territorial integrity to the centre of state interests. Territorial disputes is defined as a conflicting claim by two or more states over the ownership of the same territory. This includes offshore lands, but excludes maritime disputes [24, p.10]. Thus, according to the theory of territorial disputes, disputes involving territory are more war-prone than other conflicts [123-126]. Territorial disputes are also a fundamental underlying cause of interstate wars in the modern global system and the use of power politics can be regarded as the more proximate cause of war [112, p.123]. For instance, Wiegand observes that the theory of territorial disputes as a bargaining leverage shows that in some cases it may be efficient to “play the border card”, depending on the value of the territory [127, p.4]. Whereas, Vasquez’s theory shows how territorial conflict has effects at both international and domestic levels. States tend to take additional measures in security, which leads to an increase in security, threat perception, and hostility [126, p.123].

Another approach is Mandel’s [128] study, suggests that when low technology states that are members of two opposing blocs, ethnic disagreements tend to escalate into war. Future explanatory concepts may undergo significant changes because of the complexity of states as economic components and military capabilities [128, p.452]. Most scholars agree that how states will act depends on the value of the disputed area; the more valuable territory, the more a state will pay when considering compromise or concessions [122, 111].

Thus, during times of crisis, the value of territory increases. During peacetime, the value of territory moves to the value of the borderlands. This point raises several questions: How do states define the concept of the borders? How does the border depend on the value of a territory? Is there is any universal understanding of the border? Is the value of territory depends on the value of the border areas?

Generally, border studies developed in different ways. Initially, starting from the studies of the hard territorial line separating states within the international system, it was developed to the contemporary study of borders, focusing on the process of bordering, through which territories and peoples are respectively included or excluded within a hierarchical network of groups, affiliations, and identities [129-132]. Thus,

the attention moved from the study of the evolution and changes of the territorial line to the border itself, which more complexly understood as a site at and through which socio-spatial differences are communicated [133, p.672].

Julian Minghi, by overviewing the boundary studies in political geography in 1963 and Victor Prescott, in 1965 by describing the geography of frontiers and boundaries did two classical works on the border studies and boundary. At the contemporary stage, Newman suggested that the research agenda on the border studies divided into two categories. The first is the delineation of concepts and ideas that are not part of traditional studies of boundaries – the notion of inclusion, exclusion, non-geographic boundaries, institutional management of boundaries, trans-boundary movements etc. Second, is the use of concepts taken from the traditional study – as the historical evolution of the borders, notions of borderlands, as well as complex processes of demarcation and delineation of borders [130, p.16].

Lord Curzon observed that “the idea of a demarcated frontier is itself an essential modern conception, and finds little or no place in the ancient world... it would be true to say that demarcation has never taken place in Asiatic countries except under European pressure and by the intervention of European agents.” [8, p.5].

Because the focus of this study is on the political dimension, which includes economic, socio-cultural and environmental elements, it is assumed that the agenda is relevant to a traditional concept of boundaries. The political understanding of the border focuses on and links the state and state sovereignty. The analyses point to the linear conceptualization of the border when a dividing line, transitions and indifferent zones have to give way to clear conditions. This is taken up critically, primarily in post-colonial and post-modern debates [134, p.2].

Moreover, the inherently contested nature of borders is itself a socially constructed character [25, 130]. Hurrell [135] describes this process as a growth of societal integration within a region and undirected processes of social and economic integration. Besides the close connection of the ecosystem in the borderlands with their common security, resources, livelihood, and identity, are mostly studied as a national project rather than as subregional phenomena [25, p.10]. Borders are the institutions that have their own set of internal and external rules and govern the extent of inclusion and exclusion, trans-boundary movements and the degree of permeability of border regions [136].

On the other hand, borders characterized by instability, “lend[s] them such symbolic power”. Borders must necessarily be unstable if they are to be understood – as “socio-territorial constructs and the outcomes of social praxes and discourse” [134, p.3].

Nonetheless, politico-military understanding of borders as being geographical markers hide the complexity that the border regions encompass. Scott highlighted the need for vernacular knowledge that is a form of knowledge embedded in local experience [136]. Thus, the geopolitics of knowledge reduces the borderlands to being research peripheries. Borders are often conceptualized as passive locations and as actors lacking agency [25, p.14].

Thus, systematizing the border studies, according to Lüthi and Rürup [137] it can be as follows. First, borders are changeable and are constructed politically, socially and

culturally in specific historical contexts. Second, it is these constructed borders that produce differences, and thus assert inclusion/exclusion. Third, that they are products and producers of discourse and conflicts that bear witness to power dynamics and hierarchies in the drawing of the boundaries [134, p.3].

Moreover, because the IR generalization ignores the multiplicity of the meaning of the border, there is a need to conceptualize border within its own political, economic, social and cultural specifics. An intentionally simplified categorization of the border misses its rich cultural, social and historical layers of identity. Borders often have been conceptualized as passive locations and as actors lacking agency. While for those living in the borders, it is both invisible and integral aspects of their social existence [25, p.14]. Border regions resonate with stories of how states are unsuccessful in ‘enclosing people bent on crossing the borders [138, p.202].

Another issue is with the notion of how the states interpret border and boundary. The notion of the political frontier associated with the area around the borders that separate states. Frontiers translated to borderlands to reflect the sphere of activity, which is directly affected by the existence of a border [130, p. 16].

Meanwhile, from the Indian perspective, the notion of the border and boundary was described by the former National Security Advisor and Foreign Secretary Shivshankar Menon. He was engaged in the decision making of N. Rao government to obtain a legal Chinese commitment to maintaining the status quo on the India- China border during 1993s. Menon assumed that the boundary is a line agreed upon by the states, and marks the limits of a sovereign jurisdiction. It is a line agreed upon by states and normally delineated on maps and demarcated on the ground by both sides. A border is a zone between two states, nations, civilizations. It is also an area, where people, nations, and cultures intermingle and are in contact [28, p.8].

Interestingly, in May 2016, the Indian government released a draft of “The Geospatial Information Regulation Bill, 2016”, according to which anyone who publishes inaccurate map showing disputed territories, like Arunachal Pradesh, Aksai Chin, and Kashmir as lying outside the Indian borders will be fined ranging from Rs. 10 lakhs to Rs. 100 crore and/or imprisonment for a period of up to seven years [139]. Moreover, in the Indian declaration form for all visitors, the ‘maps and literature where Indian external boundaries have been shown incorrectly’ is included in the list of prohibited items [140, p. 18]. Therefore, those measures show the level of importance of the existing boundaries for the Indian government and sensitiveness of the boundary issue.

The Chinese view on the border issues was framed by Fravel [24]. He explained that China’s behaviour with territorial issues is rooted in two theories: sources of cooperation or escalation. The Chinese have three generic strategies depending on the conditions: (1) do nothing and delay settlement; (2) offer concession and compromise; (3) threaten or force [24, p.5].

The Chinese and Indian notion of the boundary are investigated to explain how the understanding of the boundary influenced the development of border relations, as well to the settlement of the border issue. Throughout the history, the conception of boundary or frontier was used from different perspectives, which caused a

misunderstanding in the border settlement. Thus, it is needed to investigate in detail Chinese and Indian concepts of border in detail in the Chapter 5.1.

To sum up, it could be concluded that while studying various approaches of IR, the author came to the conclusion that in order to analyse the China-India relations during the contemporary period, one theoretical approach cannot fully cover comprehensive relations between China and India. Therefore, the study choose three theoretical approaches that explain China-India relations during the different periods. The core of those theoretical approaches are underpinned in the value of the territory, whereas the concept of globalisation, the theory of economic interdependence and theory of territorial disputes are considered through the evaluation of the value of territory. Consequently, those theoretical approaches by considering macro-theories of IR developed a relatively new approach for China-India border relations based on the assessment of the value of territory during different periods. However, it needs to provide an explanatory framework for borderlands to rethink borderlands to the centre of the study and count the complexity of border communities. Unfortunately, as the study shows in the current realities, it is hard to consider China-India border relations from the border perspective, because the border issue depends on the other levels of cooperation and positions of both countries, thus it is impossible to consider the border interaction in the centre of the study as an ordinary border interaction.

2 METHODOLOGICAL FRAMEWORK OF RESEARCH

2.1 Methods of analysis of Sino-Indian relations

After reviewing the above-mentioned theories and studies that give theoretical explanations to the relations between China and India in general and in the borderlands, the thesis developed a deductive or a top-down approach, which contributes to examine the China-India socio-economic interaction in the borderlands during the contemporary period. The main hypothesis is that during the new globalisation era both China and India are keen to play an active role in the global arena, hence the border relations and issues in the border regions are depended on the global strategies of China and India. Further on, it is described the reasons underpinned in this hypothesis, whereas it should be emphasized that the major argument of the hypothesis was developed after the Doklam standoff in summer 2017 when in the face of the BRICS Summit, two leaders found a compromise on the border issue and in the aftermath reconsidered their border conditions. Thus, the main aim of the developed top-down approach is to show how the conditions in the border areas are considered at the other levels of interaction and how the other factors and approaches of both governments and leadership influence the development of the border interaction. Figure 1 visualizes the main factors of the top-down approach.



Figure 1 - Top-down approach of Sino-Indian cooperation

As mentioned, the turning point in defining this top-down approach to assess the impact of general Sino-Indian relations to the conditions in the borderlands was an empirical case that happened during the Doklam standoff in summer 2017. The worst crisis in the last three decades between China and India happened in the Doklam Plateau, in the India-Bhutan-China tri-junction. The conflict started when Bhutanese soldiers detected China's construction activity on what is considered disputed territory between China and Bhutan on the Doklam Plateau. The Doklam Plateau is near the Siliguri corridor, a thin strip of land south of Doklam that could cut off mainland India from its Northeast states, including Arunachal Pradesh. But the involvement of Indian

troops in the conflict between China and Bhutan was based on India's obligations from the treaty signed in 1949 "to be guided by the advice of the Government of India in regard to its external relations" [141]. Therefore, the conflict became between China and India, rather than between China and Bhutan. Nevertheless, when the BRICS Summit was scheduled for September 2017 in Xiamen, the event became important for finding a solution to the standoff. Because of the fact that for President Modi, it would be difficult to attend the Summit, and for President Xi to hold a Summit without an Asian leader meaning an end of the BRICS, a mutual decision was declared for Indian and Chinese troops to disengage and to withdraw from the part of the Doklam a week before the Summit. Taking into account that both leaders are keen on presenting themselves as global leaders, and advancing BRICS is one of the key platforms to fight against the agenda-setting monopoly of the Western powers, a compromise on a border escalation was found quickly before the meeting. Thus, Doklam standoff was an important case in terms of showing that both leaders desired development of their global agenda and are keen to work collectively to reconcile Asian multilateralism. For the model, from the top-down perspective of the Doklam standoff, we learned that multilateralism is a key interest of China and India when the strategic interest of sides is touched. Yet, this is one side of the story.

Another side is that after the Doklam crisis, both Indian and Chinese governments resumed their attention to the social conditions in the borderlands. The Doklam crisis was also a good occasion to reconsider the border conditions. In particular, after the standoff, when the troops were experienced difficulties with maintaining their basic needs due to the inadequate infrastructure, including roads, basic amenities, water supply, electricity, and other shortages in harsh geographical conditions, the military personnel raised their worries at the high parliamentary level (Indian side, Chinese made on the governmental level) on the efficiency of military activities in the case of conflict due to the above mentioned shortages [271, 272, 273]. As a result, both Chinese and Indian governments made decisions to refurbish their border roads, to develop border infrastructure and to install more advanced border technologies, which is indeed a big step forward for the development of the border regions. These measures also give hope that because of the competing nature of China and India, border areas will also benefit from the competition for the advancement of their military conditions.

On the other hand, the reason to examine the socio-economic interaction in the borderlands through the top-down three-level analysis is underpinned in the following practical circumstances that difficult the grass-root level analysis.

Firstly, it should be noted that the border regions are highly militarized areas and disputed areas require special permission for visit, whereas the data provided on this areas has significant disparities between the research reports and governmental data. Concerning the visit, in the disputed Arunachal Pradesh of India, since 1998, it was introduced an Inner Line Permits (ILP) for domestic tourists and Restricted Area Permits (RAP) for foreign tourists. If an ILP can be obtained only in several points as Delhi, Kolkata, Shillong, Guwahati, and Dibrugarh, the RAP is issued by the Ministry of Home Affairs, Government of India. The procedure of obtaining both ILP and RAP is very complex and time-consuming, and for foreign tourists, it is allowed to visit only in a group of at least three people with a maximum period of thirty days [142, p.223].

In regard to Aksai Chin, a disputed territory in China, it also requires a permit to Tibet, however as it is discussed in chapter 5.2.1, it is difficult to reach this ‘no man’s land’ where hardly any kind of interaction could be evidenced due to natural geographic barriers.

Consequently, restrictions to visit places under study, challenge the comparison of real conditions in the borderlands with the statistical data. In addition, the data provided on the social indicators of the Indian border regions are mostly outdated or in a limited scheme, therefore it also reveals difficulties in checking the accuracy of statistical data. From the Chinese side, the data given only on the provinces without specification of the border districts. Thus, the author chooses to colligate the data from the reports and governmental resources with the qualitative researches in order to provide the general picture on the situation in the border areas.

Also, socio-economic conditions of the border people are highly dependent on the politics of both sides and positions on the border issue, accordingly it is impossible to consider the development of border interaction without consideration of the political context of both sides. Consequently, socio-economic development of borderlands could have a future in a form of Chindia, a term coined by Indian Member of Parliament Jairam Ramesh, in regard to the connectivity of border areas, but again is extremely dependent on the political will of governments. Therefore, during the present times, it is impossible to consider China-India relations in the border areas without all other levels of cooperation, because the border interaction depends on the external factors, rather than internal.

Additional circumstance that helped to study the China-India border interaction from the three-level approach was influenced by the results of the in-depth interview with Chinese and Indian academics, specialized in the China-India relations. Due to the restricted rules in the disputed territories, the lack of interaction with indigenous people was compensated by conducting in-depth interviews with the academics and experts from the major Chinese and Indian cities. During the June-August 2017, the author had conducted a field study in China at Fudan University, Shanghai and in India at Jawaharlal Nehru University in New Delhi with a duration of one month in each country. The aim of the field study was to understand Chinese and Indian perceptions on the border issue, the real situation in the border areas and to find out their positions towards the existing issues of bilateral cooperation. It should be noted that the period of field studies coincided with the Doklam standoff, hence the interest in the China-India border issue was considered with great interest among the expert communities. Also, during the field study, it was interesting to explore both nation’s feelings concerning globalisation 2.0 and their respective country’s role in this process. With the curiosity to investigate those questions, the author had a series of in-depth interviews with the prominent experts in the China-India relations. The interviews were conducted with the number of senior academicians from the academic institutions and think tanks. Overall, in India, it was conducted 8 in-depth interviews, whereas in China was interviewed 3 experts and had plus 3 online interviews afterwards. Thanks to those interviews, this study documents perceptions on how Chinese and Indians feel and deal with the sensitive border issue.

In addition to that, the author had spent half a year at the University of Cambridge, UK and visited several times for a month the Institut für Europäische Politik, Germany with the aim of developing the theoretical and methodological framework of this study. During these fellowships, the author had conducted a number of interviews with the experts from the University of Cambridge and the Stiftung Wissenschaft und Politik (SWP) in Berlin. The aim of the interviews was to discuss the applied methodological and theoretical approaches. Therefore, these interviews are not included in the thematic analysis, as the focus was different from the field interviews.

Because of the fact that the interviewed experts had expertise in various themes, emphasis on the interview was given to those areas. Also, even though all interviewees had the same questionnaire, which includes 12 general questions, the choice of the questions was up to the interviewee. Consequently, the aim of the interview was not to compare the perceptions from both sides, but rather to explore the general feelings of the expert community on the existing issues in China-India relations. The questionnaire and data about the interviewees are included in Appendix A and B.

Subsequently, the thematic analysis was chosen to identify patterns of themes in the interview data. The field interviews were taken around one hour and was recorded, later transcribed by the author. Based on the analysis, the coding was devised. Interviews were conducted with the condition that the names will not be disclosed unless specific cases that agreed upon with the authors.

Transcripts were analysed using thematic analysis, a qualitative method used for 'identifying, analysing and reporting patterns (themes) within the data' [143]. Braun and Clarke suggested that it is the first qualitative method that should be learned as 'it provides core skills that will be useful for conducting many other kinds of analysis' [143, p.78]. Thematic analysis can be used through the different perspectives, while the study uses the constructionist method that examines the ways in which events, realities, meanings, experience and so on are the effects of a range of discourse operating within the society. Braun and Clarke had distinguished between two level themes, semantic and latent. With a semantic approach, 'the themes are identified within the explicit or surface meanings of the data and the analyst is not looking for anything beyond what a participant has said or what has been written'. Whereas, the 'latent level goes beyond the semantic content of the data, and starts to identify or examine the underlying ideas, assumptions, and conceptualizations – and ideologies – that are theorised as shaping or informing the semantic content of the data' [143, p.77]. The study used the semantic approach, it seeks to identify the features that gave a particular form and meaning.

Thus, the provided analysis aims to understand the general trend and mood of China-India cooperation from academia's perspective. As a result of the study, 6 overarching themes emerged from a detailed thematic analysis of the texts of the interviews, which are shown in the Appendix C.

In general, the emphases between the Chinese and Indian sides were on different subjects. Particularly, Chinese scholars are examining China-India relations through the China's global rise prospect and competition with the US, while Indian scholars tend to see relations with China through the historical perspective. The 1962 war continues to play an important role in developing relations. Concerning present-day

politics, it was also mentioned that China's overall projection is viewed through the US-China rivalry, while India focus on the competition with China. Both Chinese and Indian scholars presented nationalistic opinions in dealing with each other rather than neutral opinions.

Consequently, the model of interaction was elaborated with the influence of the academic perceptions of both sides, as well as on the public discourse shown in the media's of China and India. Also, the design was influenced by the discussions at the Indian Institute of Chinese Studies, Fudan South Asian Centre, Cambridge Central Asia Forum seminars, as well as during the participation in a multiple international platforms.

As a result, the analysis of the model covers the main events of the multilateral and bilateral engagement, which are further discussed in chapters 3 and 4 in detail. Also, in order to compare with the implications on the ground per se the borderlands, the model shows the measures taken after the crisis. It proves that even though the conflict did not properly impact the bilateral and multilateral relations, in the borderlands it pushes to the development of infrastructure and improvement of social conditions of indigenous people, thus the conflict directly impacted on the socio-economic conditions of the borderlands.

In addition, it should be noted that the core of this approach is in the value of territory, which has been fluctuating depending on different periods, as well as external and internal factors. When the value of the territory had a higher degree of importance to defend immature independence during the early independence years, the issues in the border areas were crucial and were discussed at the high governmental level. Whereas, when both states turned to be a trading states, the value of territory were shifted towards the benefits of commercial relations, which was an incentive to open a trading posts, in addition to developing other confidence-building measures. Therefore, the recent stage of relations, which framed under the globalisation 2.0 era, defined the multilateral agenda ahead of long-lasting bilateral issue.

Further, there is a need to clarify external and internal factors that directly impact the value of territory. It should be noted that aspects such as time, geopolitics, international or regional environment etc. also influence the value of a territory. Thus, in order to show how the border issue depends on both international and domestic issues, the Sino-Indian internal and external factors are categorized below in table 1.

Table 1 - Categorization of factors

Internal factors	External factors
Personalization of foreign politics	Pakistan factor
Territorial integrity	Geopolitical games and the US-USSR/Russia factor
Dalai Lama's asylum and the Tibet issue	Tibet card
Economic interdependence	Globalisation
Security issue	Institutional commitments (BRICS, SCO)
Personal ambitions of leaders	Global and regional "connectivity" approaches

To sum up, the proposed top-down approach, by considering internal and external factors that impact the relations, allows exploring the contemporary China's relations with India in the borderlands from the new globalisation perspective, which explains how the current strategic priorities of states influenced the improvement of conditions in the borderlands. Taking into account that the main argument of the thesis is to show to what extent the global, regional and bilateral engagement of China and India impact on the conditions in the disputed border regions, the model assess the development from the top-down approach in the following paragraph 2.2. Furthermore, on the institutional level, the value of territory is examined through the frequency of institutional interaction, which is the amount of meetings within the frame of working groups, joint statements, agreements and other activities. While, the negative impact as the military escalations, standoffs, crisis etc. also included in the analysis.

Thus, the proposed model was designed based on the implications of Doklam crisis, on the perceptions of the Chinese and Indian academics, on the relevance of themes in the international expert community and based on the media discourse about the China-India relations. In addition, because the official data provided in the border regions, for instance, in Arunachal Pradesh differs from the data in the research papers, the author chooses to use less statistical data, but more narratives, because it was difficult to check the accuracy of official data. In chapter 5.3 in the case of roads, it is shown the differences in paper and in reality regarding the existing roads, therefore the author had evaluated the impact in the borderlands through the official announcements and governmental discussions, rather than through the statistical information.

2.2 Model of China-India interaction

'India and China are two adjacent civilizations developed under the umbrella of the towering Himalaya and the Qinghai-Tibetan plateau' [29, p.1] that has a remarkable history of interaction with different periods of rivalry, antagonism and brotherhood. Economically, both China and India contributed to the global development, by providing goods and resources by being dependent, independent and interdependent. For instance, the economic weight of China and India 'in 1820 contributed nearly half of world income. In the 1950s, their share was less than one-tenth; ... and the projection is that by 2025 it will be about one-third of the global GDP' [83, p.1]. At the borderlands, interaction also experienced periods of flourishing trade, religious interaction and family ties, overlapping with the times of war, closure of borders and a lack of any interaction.

During the contemporary period, when the rise of China and India has led to a shift of global structural power towards Asia, relations between the two Asian giants entered a new phase. Therefore, this study identified that interactions at various levels has different approaches and outcomes depending on the other variables. The aim of the model is to analyse how global and bilateral engagement impacted the rapprochement of the border issue? Do the global ambitions of both states influence the social wellbeing of those in the borderlands?

In order to analyse the factors that shape the conditions at the borderlands, the proposed model assesses the three levels of interaction: multilateral, bilateral, and border. In particular, by analysing the multilateral and bilateral cooperation, this study

examines how this two-level cooperation influenced the development of interaction in the borderlands, and accordingly the consequences of the socio-economic development to/in the boundary regions. The proposed model is visualized in the figure 2.

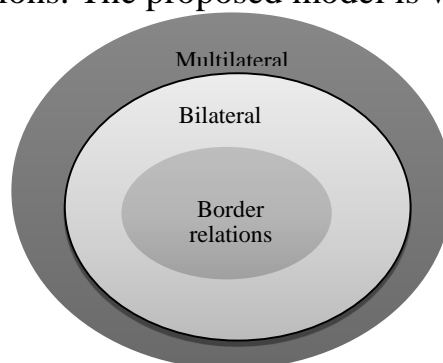


Figure 2 – Analysis of the model of China-India interaction in border areas in 2000-2018

Meanwhile, the contemporary period is defined the 2000-2018 years because of the following reasons:

Economic rationale. India started its reforms more than one decade later than China. Unlike China, however, India already had a long-track record of foreign direct investments and trade relations. The early 2000s was a period, when both countries passed several stages of reforms and crises with China’s “overheating” in 1993-94 and Asian crisis of 1998. Thus, both were gradually stabilizing their economic development in the 2000s. Also, the 2000s are characterized by the boom of economic development for both China and India, with GDP growth rates of 8,5% and 3,8% relatively in 2000, while the highest was in 2007 with 14,2% and 9,8% [74].

China’s entry into the WTO in 2001 was an important event in terms of integration into the world economy and facilitating global trade expansion. For China, it marked the culmination of decades of economic reforms and transitioning from a command economy into a market-orientated economy. India’s reforms helped the Indian economy recover with a real GDP growth and at an average rate of 6% in 1990s, before increasing to an average of 8,75% in 2000-2006, and an unprecedented rate of 10,3% in 2010 (table 2).

Table 2 - Annual percentage growth rate of GDP

Country Name	Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
China	8,5	8,3	9,1	10,0	10,1	11,4	12,7	14,2	9,7	9,4	10,6
India	3,8	4,8	3,8	7,9	7,9	9,3	9,3	9,8	3,9	8,5	10,3
Note - World Bank Data [74]											

Thus, the 2000s are used as a starting point for the model because of a relatively stable economics and a period when the output from economic reforms seen and both countries became among the fastest-growing economies in the world.

Political Impact. Economic interdependence between China and India led to the warmth of bilateral cooperation and interaction. Even though the border rapprochement was started in the early 1990s with the signing of agreements on maintaining peace and tranquillity along the Line of Actual Control in 1993 and 1996, actual warming of relations truly became apparent in the early 2000s. This coincided with the eve of economic boom when both states shifted to the development of political ties having maintained sufficient economic reforms. The China-India strategic partnership built in 2006 and their “shared vision for 21st century” in 2008, were among the steps towards strengthening these bilateral ties.

Consequently, the development of all critical issues in line with improving the economic wellbeing of nations created a positive outcome, which influenced an equilibrium of Sino-Indian interactions. In terms of political implications, the realization of economic reforms, as well as policies for regional development led to changes in the political arena. Joint Statements in the new millennia became more frequent compared to previous periods. Also, meetings on both bilateral and multilateral levels became an important platform for decision-making. Hence, the timeframe of the new millennia was chosen to show when recent changes of economic prosperity influenced the political ambitions of both countries.

Globalisation factor. Global integration of China and India into the global market significantly strengthened their external position. In the 2000s, globalisation was already widespread in Asia, with Japan, South Korea, and Singapore as leading Asian nations in terms of globalisation. However, numerous accounts show a symbiotic link between new globalisation and China and India’s economic renaissance. Undoubtedly, ‘globalisation has been and continues to be a singular powerful engine behind China’s and India’s spectacular growth’ [34, p.107]. Despite different political inheritances, both states successfully have ridden the globalisation wave.

Subsequently, so far in the new millennia, China and India have played a substantial role in the development of globalisation by providing goods and, increasingly, services.

Therefore, the model of interaction covers a period of 2000-2018 due to the economic, political divergences before those times. Despite, this selection does not imply that since 2000, both countries had a similar level of development. Also, the wave of globalisation with the input of both China and India, plays a significant role in foreign affairs and in their border relations.

Multilateral framework. The first level of analysis is the multilateral relations between China and India. Over the last two decades, due to the rapid progress in technology and the development of economic integration processes, the international community became interconnected and interdependent. Globalisation raised the importance of international cooperation and created a growing global awareness of international institutions. As a rising powers, China and India not only integrated into the international institutions, but also challenged the existing structure of global affairs. Both rising powers raised their influence by molding an emerging Asian

multilateralism. Moreover, both are using various forms of multilateralism in order to facilitate bilateral cooperation. They are successfully engaged in the SCO, BRICS, BRI, ACD, Russia-India-China Triangle as well as involved in dialogues such as the ASEAN Regional Forum and East Asia Summits. Within these institutions and engagements, both promote their commitment to multilateralism and democratic international relations. Before BRI, both were developing the BCIM project, BASIC, in addition to China's engagement with the SAARC.

Currently, both China and India are making good progress in being involved with, and influencing, the new global order. China is operating several mass investment projects with a large number of participants, and India is enjoying partnership within the region. The founding of new non-western blocks with huge financial capital and security capacity, such as BRICS, SCO, New Development Bank, and AIIB, has forced the world to consider the emerging rising powers more seriously.

Moreover, if before, the assessment of dynamics of bilateral cooperation was measured through the frequency of bilateral visits, in the 21st century, the multilateral arena became the main platform for dialogue. For instance, in 2010, Prime Minister Singh announced during the visit of Premier Wen to India, that even though the previous visit of Premier Wen to India was in 2006, Singh had met Wen and Hu Jintao about twenty times during the last five years [16, p.156]. Similarly, during the tenure of current leaders, Xi Jinping paid an official visit to India in September 2014, reciprocally Modi had a return visit in May 2015, May 2016 and April 2018. However, leaders annually held bilateral talks in the sidelines of multilateral platforms as the G20, the BRICS and the SCO Summits. Particularly, during 2016, both leaders had bilateral negotiations in the backstage meetings of the G20 Summit in Hangzhou, the BRICS Summit in Goa, and the SCO Summit in Tashkent. While in 2017, Modi and Xi met during the SCO Summit in Astana, G20 Summit in Hamburg and during the BRICS Summit in Xiamen [75].

Thus, both China and India are among the initiators and participants of many multilateral platforms. Moreover, their engagement within multilateral frameworks was successful in sustaining peace and avoiding serious confrontation. Swaran Singh believes that an "expanded mutual trust and understanding at the multilateral level is expected to have a positive impact on the nature of historically complicated bilateral equations" [16, p.157]. The general concern that the expanding interface of China and India at multilateral platforms provides a positive spin-off to their bilateral perceptions and issues made it important to incorporate into the proposed model. The model analysed the level of impact of multilateralism to the development of border issue and impact on the wellbeing of borderlands.

Direct interaction of China and India in multilateral forums will be discussed in the Chapter 3.2 in detail, with the case study of BRI, BRICS and SCO as successful tools for penetrating their interests and balancing bilateral issues. Meanwhile, new institutions that were established with a support of China and India since 2000, is listed in table 3. The importance of those institutions is that if, China and India were enjoying membership within the Western structures previously, nowadays mostly China is attempting to establish new organisations with Beijing at the heart of them. Hence,

China and India have enough sources and political will to establish new structures of the emerging world.

Table 3 - Membership of China and India in international institutions and dialogue platforms of emerging countries

Name of the IO	China	India	Share of China and India
Shanghai Cooperation Organization (SCO)	Founding member since 1996, transformed into an IO in 2001	Observer since 2005, full membership in 2017	China - 20,6%, India - 5,9%
BRICS	The first Summit was in 2009		
BRICS New Development Bank	Founded in July 2015 – Both are founding members		Equal share of all members
Asian Infrastructure Investment Bank (AIIB)	Founded in December 2015 – initiated by China	Founded in December 2015 - founding member	China - 20,6%, India - 7,5%
Note - Compiled by the author			

In addition to the new institutions established by Asian giants, more evidence of multilateralism and ambitions towards global governance is seen in the Foreign Direct Investment outward flows of China and India. Figures 3 and 4 show the percentage of FDI outward flows of China and India in a world total.

From 2000-2007, China's average FDI outflow was 0,8% of the world FDI outflow, in 2008-2014 it was around 6%. After the launch of BRI it reached 8-12,6% in 2015-2016. India's outward flow is 0,6 % of world FDI outward flows from 2000-2016. The highest percentage was seen in 2008-2010 with an average 1,35% of share of the world FDI outward flow.

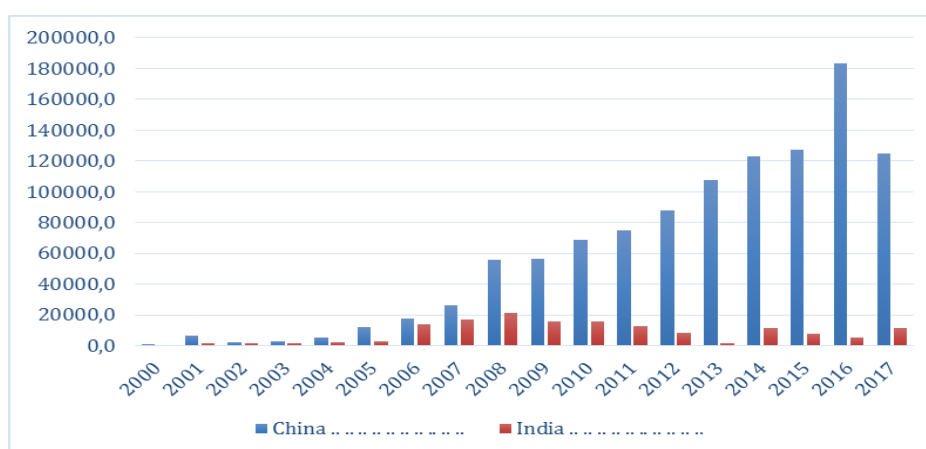


Figure 3 - Annual FDI Outward flows in US dollars at current prices in millions

Note - UNCTAD [76]

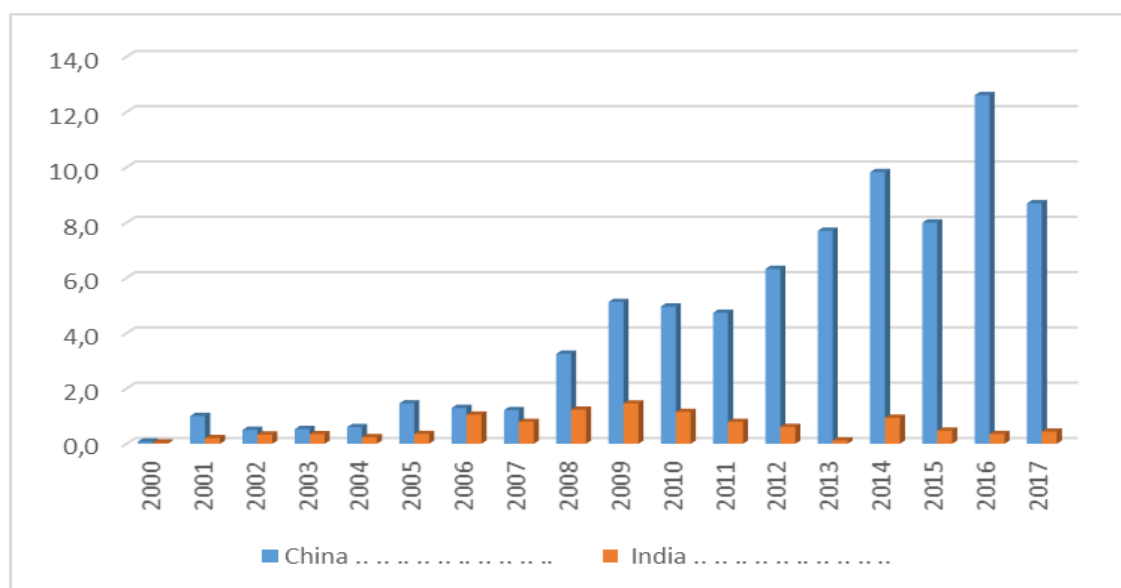


Figure 4- FDI Outward flows percentage in total world

Note - UNCTAD [76]

Meanwhile, China demonstrates a strong position in the world affairs. Xi Jinping's speech at the G20 Summit in Hanzhou, in the Davos Forum 2017 confirms his commitment and strong defence of globalisation and China's role in this process. India, on the other hand had also remarkable results in world affairs. For major powers, such as the US, Japan, and Australia, India is an alternative power to balance China and partner for strengthening their positions in the region. Since the early 2000s, the Indian political elite rediscovered norm-based multilateralism with renewed zeal. Currently, norm-based multilateralism continues to guide India's policy-makers, and, by increasing multilateralism, it improves institutionalization of mutual trust and understanding [16, p. 158-160].

Thus, at the multilateral level, Sino-Indian multilateral engagement has been showing relative success, and expects further enlargement due to the forthcoming projects within the BRI and Indian projects that involve both states. Consequently, multilateral cooperation between the Asian giants is experiencing period of enhancement and strengthening of positions, which will be further discussed in the chapter 3.

Bilateral interaction. The global ambitions of China and India encouraged them to develop bilateral cooperation as well. Since the 2000s, efforts to set aside their differences to enhance their cooperation is evidenced. Economic self-sufficiency and social stability are the key aspects of China and India's global ambitions. From economic interdependence, both nations changed their perceptions and transformed their bilateral dialogue. Political and strategic relations improved since 2003, when Prime Minister Vajpayee visited China and signed a Declaration on Principles for Relations and Comprehensive Dialogue. Strategic and Cooperative Partnership for Peace and Prosperity, signed in 2005, is another important milestone in the evolution

of relations and deepening of strategic trust. The 2008 Mutual Shared Vision for the 21st century furthermore reflects common perceptions and desires for purposefully cooperating in the future.

Another important event was in 2003, when China and India found a stable compromise on border disputes over Tibet, which affected their strategic partnership. India officially recognized Tibet as a part of China and China reciprocally acknowledged Sikkim as an integral part of India.

Accordingly, since 2003, bilateral meetings at the heads of state and ministerial levels became more frequent with joint statements or communiques almost every year. Moreover, sideline discussions during traditional multilateral meetings offered an alternative space for discussing common issues.

If the early 2000s was a period of economic development when both nations were keen to maintain stability to attract investments and integrate into the global market, the leadership changes since 2013 are important to note in terms of changing perceptions and moods in China and India. Xi Jinping and Narendra Modi both are nationalist, ambitious leaders aiming to strengthen their position on the global map. Especially, since the launch of BRI in 2013, when China officially abandoned its “lying low” strategy towards the “great rejuvenation of the Chinese nation”, Beijing’s assertive diplomacy forced Delhi to play an active role in international affairs. Moreover, Chinese partnership with Pakistan in the CPEC project, Chinese ambitions in the Indian Ocean Region and in the South China Sea prompts India to propose alternative ‘connectivity’ for the region. Either way, both leaders have a common goal – to reshape existing “Washington Consensus” to address better needs and aims of developing countries.

Hence, it is seen this shift of focus since 2013, both at multilateral and bilateral levels and affected by the new globalisation trend, growing ambitions of emerging powers and the wave of nationalism in the Western countries.

It should be emphasized that the Chinese-Indian interaction in 2000s and early 2010s, when politics were following trading states ambitions, before the launch of the BRI, is well explained by economic interdependence theory. Since then, China and India relations have been conducted under the larger matrix of the BRI and will be discussed comprehensively in the Chapter 3.2.

Even though the vivid shift of the bilateral relations stemmed from the competition for growth to the completion for influence, peace and tranquillity along the disputed areas is, a prerequisite for further development. Thus, if before, externally border stability was needed to attract investors, currently it is needed to sustain an Asian pivot in the global arena.

In terms of economic cooperation, booming commercial relations encourage bilateral cooperation as well. Both China and India’s growing position in the world is impressive. China as a “world factory” in 1990 produced less than 3% of the world’s manufacturing output when measured by value. By 2015, it produced roughly 25%. India as a “world office” shares 61% of its GDP in the service sector, making India the leading IT exporter [144].

Meanwhile, Sino-Indian commercial relations are developing very rapidly. From around US\$ 200 million in 1991, they grew to US\$ 60 billion by 2010 before reaching

a new peak of US\$84,4 billion in 2017. The figure 5 shows the overall bilateral trade between China and India.

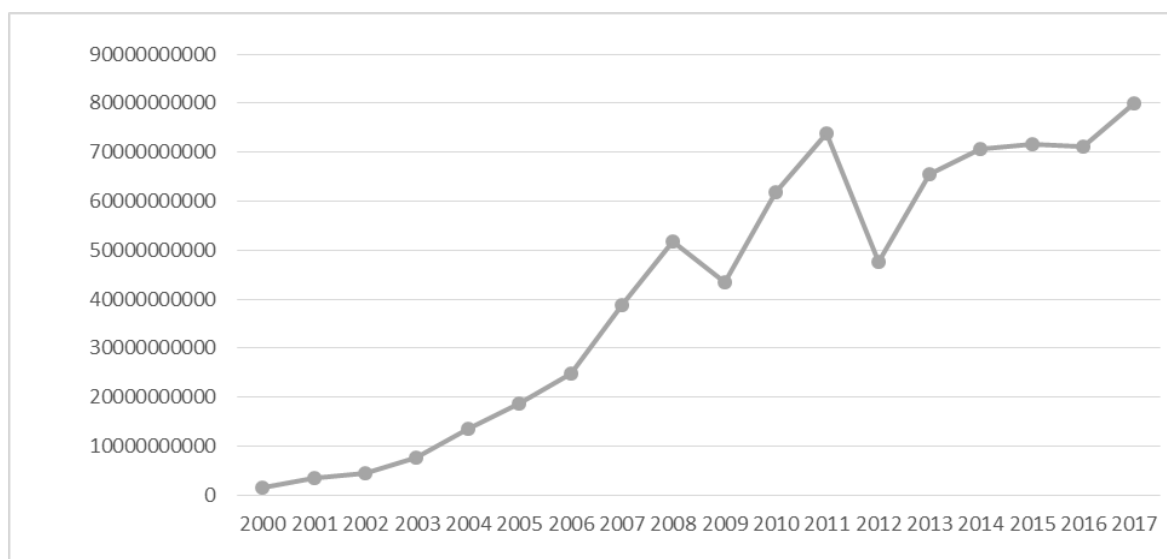


Figure 5 - Bilateral trade of China with India, in US dollars

Note - UN Comtrade [77]

If dynamic growth of bilateral economic cooperation led to the development of political agenda and rapprochement of strategic issues as a border issue, then trade balance is still a negative value for India. If in 2003-2005 it was a trade imbalance for China, since 2006, the trade imbalance for India is growing. Since 2009, more than US\$100 mln (with the highest US\$373 mln) was shown in bilateral trade trends. With the highest landmark volume of trade in 2017, trade deficit continues to remain high - \$51.75 billion - registering a growth of 8.55% year-on-year in 2017 [78]. Also, almost half of exports from India to China consist of primary sources, while China's exports to India are more diverse and high-valued products, resulting in a negative trade balance for India as well.

Meanwhile, China is the number one trading partner of India, while India is the eleventh largest trading partner of China [1]. The figure 6 shows the trends in Sino-Indian commercial relations.

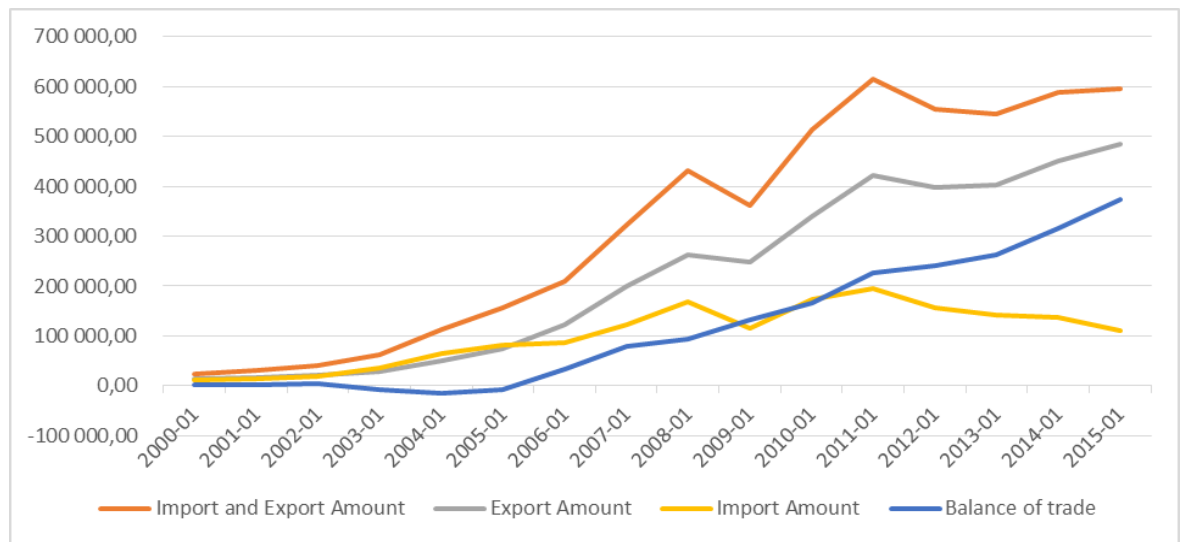


Figure 6 - China's Export and Import amount and trade balance with India, in unit millions

Note - National Bureau of Statistics, China [79]

At the institutional level, mechanisms for commercial relations were developed in line for engagement with the global market. Agreement on the Avoidance of Double Taxation from 1994, Customs Agreement from 2005 and Bilateral Investments Agreement 2006, eased commercial relations between nations.

In terms of economic development of the internal regions, China's "West Development Programme," launched in 1999, aimed at reorienting the growth vigour towards the western regions of China. Institutional innovations for socio-economic development was implemented in the 12 western provincial-level regions such as Sichuan, Yunnan, and Tibet, provinces, which share borders with India. India's "Look East Policy," launched in early 1990s, aimed at fostering economic engagement with eastern neighbours and forging strategic partnerships with the countries of Southeast Asia and the Far East. Northeast provinces, including Arunachal Pradesh, assumed the role of bridging the space between mainland India and Southeast Asia. Activities to develop transportation links, infrastructure, opening trade routes, as well as facilitating border trade and transit points, led to serious implications for the welfare of the region. Consequently, both programmes of regional development were designed to reduce regional disparity and raise the socio-economic profile of the border regions. Accordingly, economic and commercial engagements fostered Sino-Indian bilateral cooperation and developed interstate trade relations.

Border interaction. Meanwhile, the socio-economic interaction at the borderlands between China and India is not included in the agenda of multilateral and bilateral relations. They are usually framed under the confidence building measures rather than as a factor of development of interaction between states. However, it should be noted that the border interaction is a significant factor that measures the level of trust between neighbours. Therefore, at the border level this study describes the socio-economic development in the disputed territories.

The Eastern Himalayans stretched from Arunachal Pradesh, across Naga, Chittagong Hills to the south-western regions of China, today's provinces of Yunnan, Guanxi, Sichuan and Guizhou. These provinces share a history, geography, and languages such as the Moh-Khmer and the Tibeto-Burman family of languages. Alternatively, the Digaru Mishmi Tribe, which inhabit both sides of borders, share same culture and dialogue. They even have matrimonial relations on the other side of borders. Thus, "transborder subregion, which intersects the global-national space, comprises multiple intra-national regions ...near borders that stretch across the national-local spaces" [25, p.27].

Border relations between China and India are interconnected along the two routes in the Eastern and Middle sectors, providing topographic contiguity of borders. One is in the Southwestern region of China and Northeast region of India. Another connects through the multilateral cooperation of border regions and is framed under the BCIM-EC project. This study focused on the interaction that goes through the upper contiguity of borders in the Eastern sector, whereas the Western sector, due to its high mountainous terrain, difficult to interact. Overall, there are three types of border interaction between China and India:

- *Economic*: Land Custom Stations (LCS);
- *Military*: Border Personnel Meeting points;
- *Religious*: Pilgrimage.

These types of interaction are pass through the following border posts:

Land Custom Stations:

- Lipulekh Pass: Gunji (Uttarakhand) – Pulan (TAR)
- Shipki La Pass: Namgaya Shipki La (Himachal Pradesh)- Jiuba (Zada Country, Ngari Prefecture, TAR)
- Nathu La Pass: Sherathang (Sikkim) – Renqinggang (TAR)

Border Personnel Meeting points:

- Chushul (or Spanggur Gap), Leh district, Ladakh
- Nathu La, Sikkim
- Bum La Pass, Tawang District
- Kibithu, Anjaw District, Arunachal Pradesh
- Daulat Beg Oldi, Ladakh, Jammu and Kashmir

Official **Himalayan crossing point for Indian pilgrims** (marked with star):

- Nathu La, Sikkim
- Lipulekh Pass, Uttarakhand

The economic and social interaction took place only through the LCSs, whereas all other border posts are militarized and closed for any types of interaction. The border trade at the LCS was touched above and in Chapter 5.2, while the map 7 is included for visual understanding of the region.

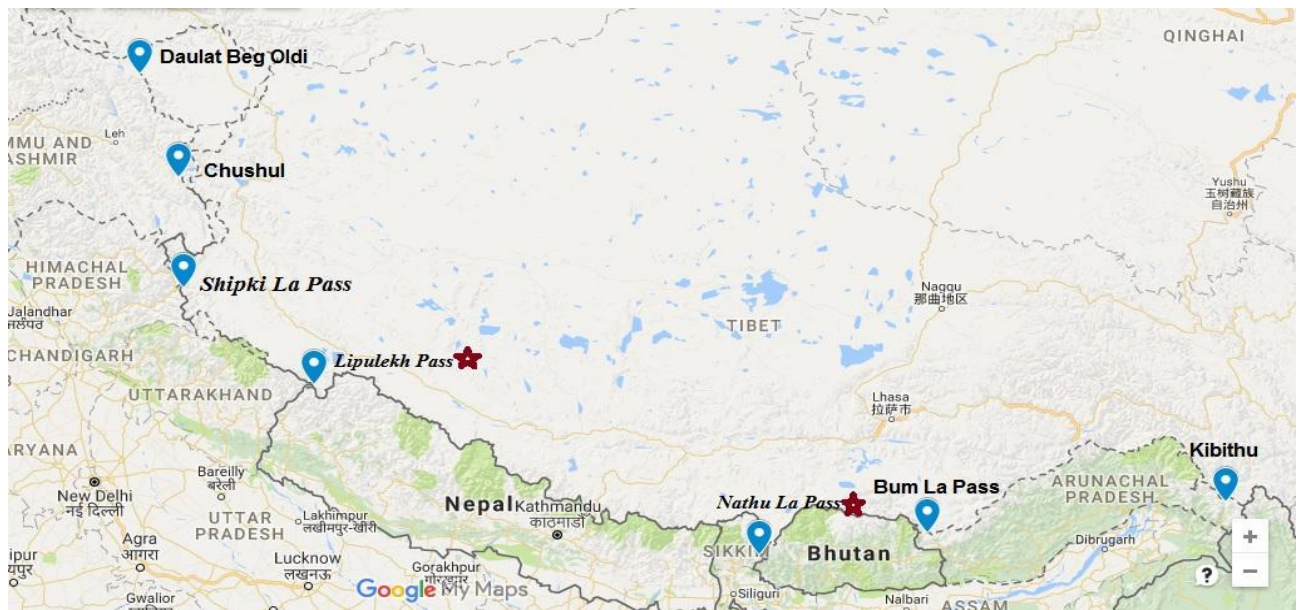


Figure 7 - Map of China-India border interaction

In general, the Sino-Indian borderlands are settled with local tribes. Southwest China's Yunnan province is a home to 25 out of total 56 minority groups in China and one-third of China's total population. Similarly, India's northeast regions contain 200 tribal communities out of 635 in the whole India [154, p.26]. Northeast states of India share 98% of its territory with China, Myanmar, Bangladesh, Bhutan and Nepal. Both southwest of China and northeast of India are the gateways to Southeast Asia and the Chinese mainland. In addition, both regions, due to their distant frontiers, have little connection and remains remote with their mainland civilization.

In this context, overland bilateral trade has direct implications for the people in the borderlands, also considering that both Southwest China and Northeast India are underdeveloped regions and far from the mainland. If the Southwest contributes only 16% of China's GDP, India's Northeast shares only 10% of India's GDP. Yet, the NEI region is a home to 30 million people living below poverty level, out of a total of 120 million in India [154, p. 27]. The map 8 below provides a general idea on the development of Indian and Chinese provinces in 2014.

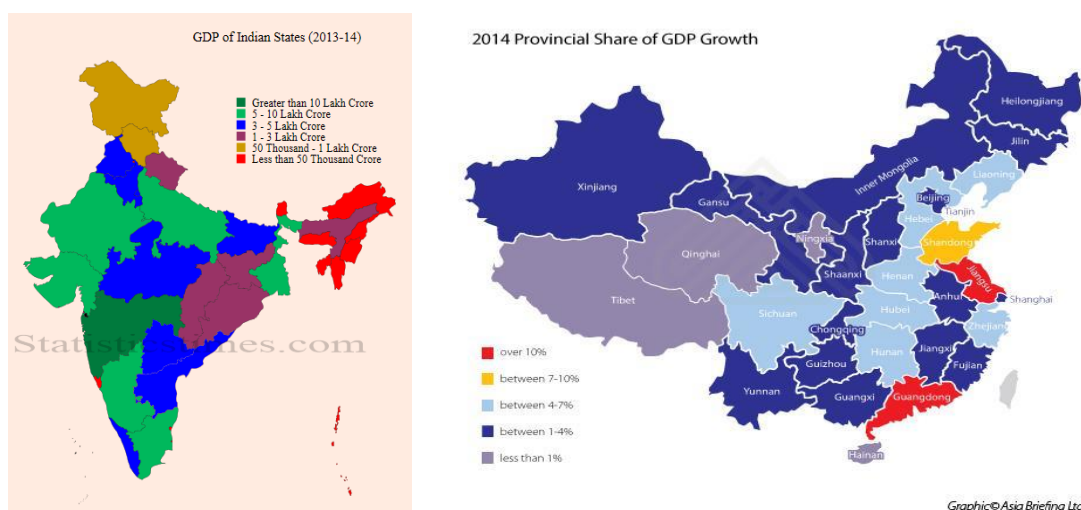


Figure 8 - Indian and Chinese States/Provinces by GDP share in 2014 [147, 148]

Social development of borderlands. Despite the tremendous growth of the economic figures at multilateral and bilateral levels, socio-economic development of borderlands remains backward and underdeveloped. This study chose to focus on the Arunachal Pradesh, a disputed territory administered by India in the Eastern sector. According to the last official statistics from 2014, that develops studies every five years, the development of the region remains slow and inefficient [3, 142, 260, 261, 267].

Arunachal Pradesh is one of the most fertile regions in the greater Tibetan area. More than 80% of Arunachal Pradesh is covered by evergreen forest, with rice, maize, millet, wheat, pulses, sugarcane, ginger and oil seeds all grown in this area. The region is rich in mineral resources, dolomite, marble and others. The Brahmaputra River, which runs through Arunachal from Tibet, serves as a major source of irrigation and has large hydro energy potential. Additionally, the region is full of beautiful scenes that has a great potential for tourism [25, p.33].

The state includes 2.55% of India's landmass, but shares 11.65% of India's total international boundary. Arunachal shares with China eight districts 30.96% or 3488 km border territory. Most of border districts have a higher percentage of tribal population, more than 54.3%, which is higher than the state average. Some districts have the highest concentration of tribe population. People living in the border districts situated in the upper hill ranges have a lower life expectancy, lower literacy level and a comparatively high concentration of tribal population relative to those who living in the plains and valleys. Five border districts have an expectation of life below 50 years, which is less than the state average. Nine out of twelve border districts have a higher percentage of workers engaged in the agricultural sector. Thus, economic indicators of the border districts have a higher dependence on traditional agriculture and have a higher incidence of poverty [3, p.30].

Moreover, economic backwardness follows from inadequate infrastructure. Roads, as a basic mode of access and communication in the hilly and terrains, have the lowest road development index in India with only 38,53% of the villages in the State

connected by road. Electrification of the region is a little higher than the State average (54,69%). Educational and health infrastructure are lower compared to the State average. Border districts such as Kurung Kumey, Upper Siang, Lower Dibang Valley and Anjaw have only one school per 100 sq. km. Even nine border districts do not have a single primary health centre or a sub centre per 100 sq. km. Drinking water is another indicator of basic needs. Further, the border districts had no drainage facilities and most of the tapped water supplying untreated water and only 32,19 % of villages in Arunachal Pradesh covered under the drinking water supply. Thus, people in the border districts find it difficult to access basic services [3, p.12].

Consequently, the lack of sufficient facilities and low development indicators in the border areas, challenges the social interaction in the borderlands. In order to maintain a natural social exchange, the adequate infrastructure should be maintained, especially considering the stressful environmental conditions where the indigenous people live. Further discussions on the socio-economic development of the borderlands is discussed in detail in chapter 5.2.

Economic interaction. One of the important aspects of bilateral economic cooperation when topographic contiguity is provided is the border trade. Since the historic visit of Rajiv Gandhi in 1988 to Beijing to facilitate bilateral cooperation, improvements on the border issue have gradually been implemented. Some examples of this cooperation include signing of agreements to maintain peace and tranquillity along the Line of Actual Control, organizing Joint Study Groups to establish a mutually acceptable solution on the border issue, and signing of agreements to avoid double taxation forced to develop bilateral cooperation at the border level. Signing of MoU on the Resumption of Border Trade on December 1991 and the Protocol on Entry and Exit Procedures for border trade on July 1992 were the institutional steps towards enhanced commercial interaction in the borderlands.

However, border trade is projected as a confidence-building mechanism, hence the overall turnover of the border trade does not play a significant role in commercial relations between China and India. In particular, the annual volume of the total border trade has never crossed the one million dollar mark. Moreover, the border trade is conducted through the barter system and no customs duties are levied on these commodities. Yet, barter trade happens only from one way due to the lack of guidance from the Chinese side to fully participate in trade [151, p.33].

As was mentioned, there are three posts, allocated for the border trade, particularly the Lipulekh Pass that has been operating since 1992, Shipki La Pass started to operate in 1993 and the largest post Nathu La Pass opened during the visit of Vajpayee to China in July 2006. Before the 1962 war, the Nathu La Pass accounted for 80% of border trade, because of the ‘mutually dependent agro-trader-pastoral economy’ [38, p.695].

All three passes have a list of tradable items, but are outdated and not realistic in the current context. The travel season continues from May to November and is affected by time limitation for crossing the pass and returning. Because of the lack of customs authorization to check the ‘unlisted items’, a considerable amount of informal and illegal trade happens in the border passes, especially regarding the cigarettes and other prohibited items.

Furthermore, there is a permit fee for each vehicle. Poor transportation

infrastructure limits travel speed and capacity. Airport connectivity is only in West Bengal and there is no connectivity of towns in Arunachal with its capital Itanagar. The direct flight in this area goes through Kolkata-Kunming only.

Because of the unprepared infrastructure facilities, as well as harsh weather conditions, the main direction of the Sino-Indian bilateral trade happens through Kolkata and Shanghai or, alternately, through Mumbai and Guangdong ports where the time for dispatch of the cargo takes almost a month. For instance, Tibet's international trade goes through the Tianjin port, which is nearly 4,400 km from Lhasa, while the overland distance from Kolkata through Nathu La in India is about 1,200 km. Thus, in terms of transit, the existing route is not efficient [38, p.693].

Meanwhile, the Nathu La Pass has the potential to provide more opportunities for trade and interaction if the sufficient conditions will be maintained. Particularly, Nathu La Pass could connect isolated landlocked state Sikkim with the Northeastern states. Whereas with the West Bengal as a trading centre of the Siliguri, Sikkim can become a major dry port, catering to both sides from the trade with Tibet. Yet, at present, the high projection of Nathu La failed to deliver expected outcomes.

Therefore, the border areas are socio-economically backward regions, located far from the mainland, suffers from acute scarcity of primary consumer goods, especially in the mountainous and plateau regions surrounding the Eastern Himalayan [1, p.35]. Consequently, the socio-economic interaction between China and India in the border regions remains poor and vulnerable.

Institutional challenges. Another problem in providing connectivity and interaction in the borderlands is the militarization and definition of the Line of Actual Control (LAC). Since the 1980s, there were a number of initiatives aimed at establishing mechanisms of interaction in the border districts. Among them are border talks, the Joint Working Group on the border issue, and Special Representatives Meetings, while on economic cooperation, there are seven mechanisms of negotiations between China and India. Along with institutional mechanisms of cooperation, a number of agreements were reached to maintain peace and tranquillity along the borders. Initially, the 1993 and 1996 agreements were aimed to maintain confidence-building measures along the LAC, yet the border settlement was not on the agenda of those agreements. Further, the agreement from 2005 determined the political parameters and guiding principles of the boundary issue, which was followed with the 2012 agreement on the working mechanism for consultation and coordination on the boundary issue. The latter Border Defence Cooperation Agreement (BDCA) signed in 2013 specified the prevention of incidents involving military reinforcement. Also, within those mechanisms, flag meetings, communication channels, meetings of the border personnel, as well as exchanges and cooperation between military personnel and administrative bodies were determined. Notably, during the informal summit in Wuhan in April 2018, the “strategic guidance” to respective militaries to manage and defuse confrontations during patrolling and maintaining tranquillity along the LAC was ordered [156]. Further, in late August 2018, the defence ministers discussed the possibility of a revision of the 12-year-old bilateral defence agreement with an aim to set up a new mechanism for military cooperation. Those measures expected to prevent any future clash due to miscalculations in their political moves. The border agreements

list, as well as mechanisms of border cooperation is analysed in the chapter 4.2. and visualized in figure 9.

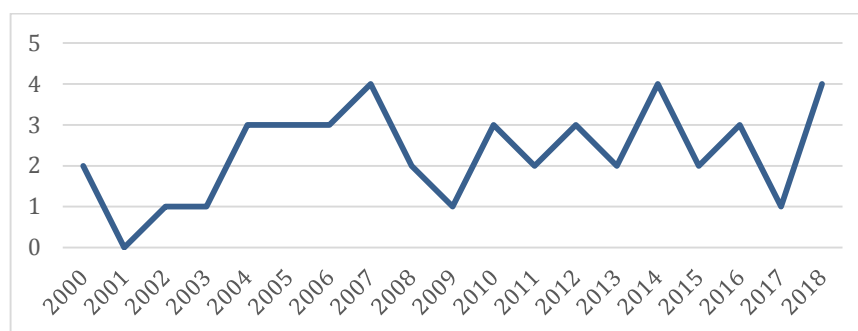


Figure 9 - Dynamics of the institutional arrangements on the boundary issue

Note - Compiled by the author

Meanwhile, even though peace and tranquillity along the borders were maintained, there is no commonly delineated Line of Actual Control (LAC) between India and China. Due to the difference of perception of the LAC, cases of transgression are still an issue in developing cooperation, which is a barometer for the level of trust in the frontier regions. Even the terminology is different, “incursions”, “intrusions” or “violations” continue to be reported in the media. The Indian government, denying that there have been Chinese intrusions along the LAC since 2010, prefers to call them “transgressions”, whereas if Chinese were walking around with banners ‘this is our territory’, it is calculated as simple ‘transgressions’ [152].

Initially, the Line of Actual Control first appeared in the letter of Zhou Enlai to Jawaharlal Nehru in December of 1959, since then, the LAC became a legal concept in the Sino-Indian agreements signed in 1993, 1996, 2012 and 2013. At present, the perceptions of the LAC differ in many places, from a few metres to tens of kilometres. The LAC starts in the northwest of the Karakoram pass and ends at Arunachal Pradesh, while intrusions usually take place in areas such as Asaphila, Longju, Namka Chu, Sumdorong Chu, and Yangste in Arunachal Pradesh, Barahoti in Uttarakhand, and Aksai China and Demchok in Ladakh [153]. Therefore, undefined LAC cause security problems for the border people.

Main findings. Based on the study done above, it could be assumed that at multinational and bilateral levels, the Sino-Indian relations developed comprehensively comparing to the interaction at the borderlands. Even though, stability and security of the borderlands are vital for regional and global ambitions of both China and India, socio-economic development of borderlands remains underdeveloped. Despite both introduced regional development strategies for their distinct border regions, India’s social well-being in the borderlands with China have not improved far from the conditions of the 2000s.

India’s development of ‘connectivity’ in rivalry with China, still lacks its ‘connectivity’ infrastructure in its bordering regions with China. Since the launch of the BRI, India also promoted its alternative ‘connectivity’, such as the Asia-Africa Growth Corridor, International North South Transport Corridor, ITI-DKD-Y Corridor.

Additionally, the Mausam project and Spice Route are aimed at providing a multimodal network of ship, rail, and road route for moving freight by connecting India with other regions. However, at borderlands, especially in the districts of Arunachal Pradesh, hard and soft infrastructure have huge implementation issues and the border area has not been sufficiently developed. Although both states understand, that they should prudently and discreetly deal with sensitive issues, including the border dispute, and should not allow such issues to restrain the further development of bilateral ties. A willingness to develop local people's living conditions in these districts still does not factor into a decision maker's thinking.

Consequently, from the top-down perspective, China and India as global players are putting global and multilateral agenda ahead of bilateral issues, hence, do not consider the conditions at the borderlands as a challenge for cooperation. Besides, both consider conditions in the borderlands from the political prism, rather than socio-economic, therefore even though both understand that the settlement of the borders is a political issue and only certain political motives could settle the border in the future, none of them care about the interaction and connectivity of the borderlands. Furthermore, based on the data of the socio-economic conditions in the borderlands, it could be assumed that the value of borderlands do not play a significant role due to the uncertain status of this territory. Thus, from the top-down perspective, it could be assumed that the global and bilateral development of the Sino-Indian interaction do not impact the socio-economic conditions in the borderlands.

On the other hand, the recent case in Doklam, in summer 2017 proved that the global ambitions might push states not only to find a compromise when strategic issues are touched, but also to reconsider the situation at the borderlands. This happens from both Indian and Chinese sides. The Indian government, after the Doklam crisis drew attention to the real infrastructure conditions in the borderlands, when during the parliamentary session in December 2018, the panel strongly advocated enhancing the level of priority of border roads construction. As consequences of the standoff, it was revealed that several sectors depend on single access routes, which are a risky proposition in times of conflict. In Arunachal borders, even the Indian troops have to walk for days without proper all-weather shoes and suitable tents, to reach the LAC [152]. Subsequently, the Indian government decided to construct 44 "strategically important" roads along the India-China border to ensure quick mobilisation of troops in case of a conflict, which will also help to improve the life of indigenous people [155]. Yet, another problem is in the quality and time of implementation of these projects, as the governmental companies already missed several deadlines, so more time is needed to determine how infrastructure will be implemented. Either way, it became clear that because of the threat from the Chinese side, the Indian government would develop its infrastructure facilities in the borderlands. Before, the government believed that by limiting the level of socio-economic development at the borderlands, indigenous people would provoke less negative sentiments due to the low level of awareness.

Likewise, even the Chinese are more prepared for the connectivity facilities in its side, they also started to improve by purchasing satellite equipment in border posts. About the military and armament competition between China and India, and its

implementations in the borderlands discussed in Chapter 5.3

Accordingly, the consequences of the crisis showed that even though the decision was made favouring the multilateral platform, the implications on the ground became among the important issues for both governments. Both Chinese and Indian government increased the improvement of border regions that affect the socio-economic development of the borderlands.

If the standoff showed the importance of conditions at the borderlands in the case of a direct confrontation, the issue with transgressions still not under the government's attention. Even though transgressions do not count as a direct military threat, it is complicated accommodation and interaction of the border locals. Because of the undefined LAC, indigenous people troubles not only to cross the borders, but also to come closer to the borders. Moreover, in a majority of cases, border locals cross the line, without knowing about it. As consequences, the cases of transgressions are not declining over the years. In particular, the number of transgressions by Chinese troops along the LAC was recorded 273 times in 2016 and, in 2017, more than 426 times, especially during the Doklam standoff. In 2018, until the end of August, the number of transgressions reached 170, which is shown in figure 10 [157].

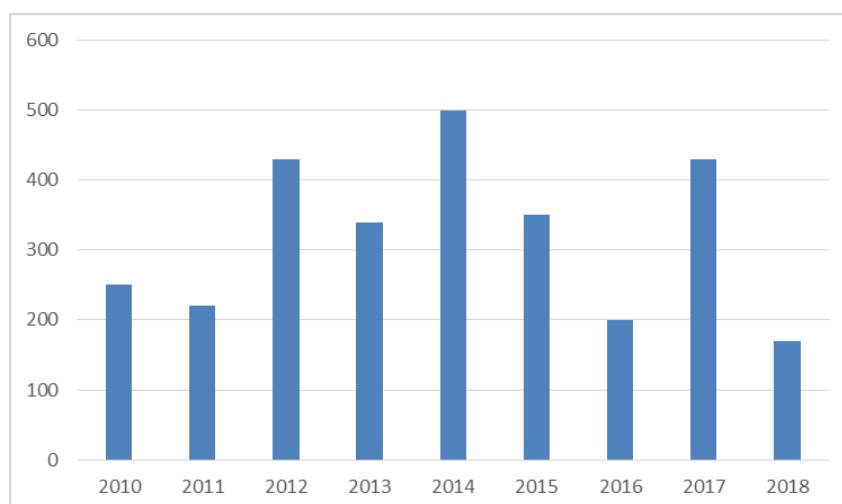


Figure 10 - Number of China's transgressions of Indian borders [157]

Note – In 2018 the data was announced only until August 2018.

Therefore, along with maintaining peace and tranquillity along the LAC, mechanisms supporting indigenous people's interaction should be developed. The clarification of the LAC is an essential issue for all stakeholders. Hence, the existing institutional approaches of border negotiations do not directly influence cases of incursions, and, by this does not increase the level of trust in the border regions. Transgressions in the boundary and militarization cause difficulties for indigenous people, thereby challenging their socio-economic engagement. As figure 11 shows, the level of institutional interaction between China and India does not depend on the incursions in the frontier lines.

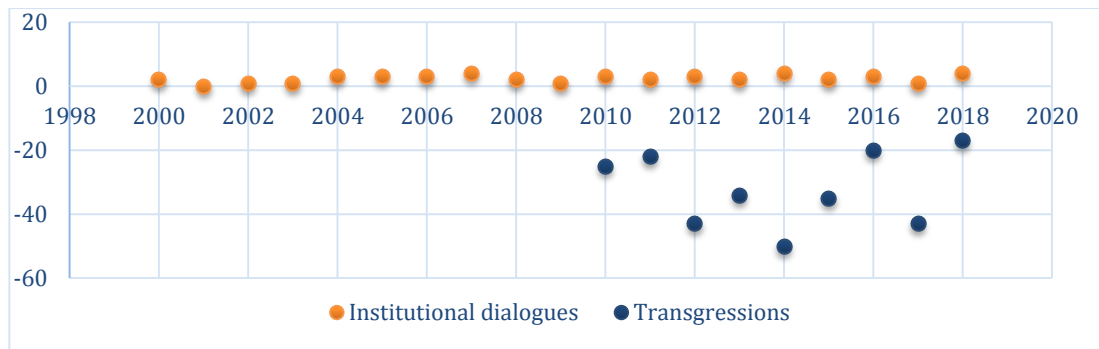


Figure 11 - The impact of institutional arrangements on the border incursions

Note - Compiled by the author

To sum up, the study shows that the multilateral and bilateral cooperation between China and India has fascinating results, comparing to the border level, where improvements are displayed only in a limited direction. Overall, due to the undefined borders, as well as undefined institutional mechanisms as the LAC, the indigenous people are suffering from the appropriate connectivity and infrastructure. Consequently, the aim of the study to show to what extent the multilateral and bilateral engagements are seen in their disputed regions, explored that due to the status of the borders, the level of militarization, and the governments' decision to treat the region as a peripheral and underdeveloped, the level of interaction extremely limited and challenged with the mentioned issues. However, historically the interaction in these areas existed and flourished, when a natural exchange of social interaction between the tribal societies was provided.

Therefore, we should not forget Jean-Francois Huchet's recognition that "the border issue is a kind of barometer of bilateral relations", should be considered more seriously [146]. Credibility and utility of local governance mechanisms should be seen not only from the state's perspective but also from multiple stakeholder prospect. Border settlement mechanisms as a notion of territoriality also should institutionalize peace and interaction between neighbouring states. Moreover, subregional interaction should also be seen as a transnational ethnic social network, which is one of the forms of social capital. It is needed to rethink Sino-Indian transnational neighbourhood and respective roles of Northeast India and Southwest China. Under this rubric of engagement, there is a potential for both China and India to provide institutional mechanisms that will help identify areas of cooperation and facilitate dialogue in the border regions [25, p.127]. Either way, the proposed model showed that globalisation, especially globalisation 2.0, contributed to the improvement of general Sino-Indian relations, yet development indicators in the regions that provide connectivity between China and India are hardly evidencing those rapprochements.

3 CHINA AND INDIA IN GLOBALISATION 2.0.

3.1 Geopolitics of South Asia from historical perspective

3.1.1 The Tibet issue

Geopolitics, based on the interaction between geography and power, asserts a deep understanding of this reciprocity. It enables to understand the environment and how international politics was shaped during a certain period, as well as how important it was for the actors. Also, geopolitics provide the context for decisions made whether it is local or global. Therefore, when discussing relations between China and India, it is crucial to understand the international context, which directly influenced the dynamics of relations. The chapter focuses on the major geopolitical issues, which influenced the development of bilateral Sino-Indian ties, as well as to the border issue. The Tibet issue, which is assumed as an integral part of the China-India border issue is significant actor in the forming the China-India border interaction. Whereas the China-Pakistan-India triangle, in addition to geopolitical background during the Cold war/post-Cold war times also are essential themes that discussed in the following sections.

Meanwhile, Tibet took an important place in the China-India politics starting from the early XX century. Tibet, or, the Chinese name of Xi Zang, translates into “Western treasury” due to its vast natural resources, and geopolitical significance, played a major role in defining China-India relations. Depending on the period, the status of Tibet played a direct or indirect role on the development of border relations between China and India. It used to be a bargaining chip due to the host of the spiritual leader of Tibet, the Dalai Lama, and his numerous followers, which give Delhi a stake in the matter. For China, Tibet introduces concerns regarding its sovereignty and territorial integrity, it is a core interest, sensitive and intractable internal issue in which no foreign countries are allowed to interfere. However, India, with the government-in-exile in Dharamsala led by the Dalai Lama, holds a strong stake in the Tibet question. Thus, in studying the China-India border relations, it is essential to cover the Tibet issue and to examine the influence of Dalai Lama and the Central Tibetan Administration (CTA) in India, to track the evolution of the border dispute and its consequences that were affected by the Tibet question.

The Tibet Autonomous Region (TAR) was established in 1965 and spans 1,2 million sq km, accounting for one-eighth of the total area of China and one-third of India. It is the second largest of China’s autonomous regions and provinces after Xinjiang [158]. From the beginning of the twentieth century, Tibet was disputed between British and Chinese. In order to open Tibet for trade, the British invaded Tibet and forced the Lhasa Convention on Tibet in 1904. When Mongolia was divided into Outer and Inner Mongolia between China and USSR in 1911, and Outer Mongolia became a buffer zone, Tibet also was intended to serve as a buffer zone for British interests between China and India. However, the Simla Conference of 1914 failed to bifurcate Tibet into the buffer zone, because Chinese did not recognize the Simla Convention. This became an event of unfinished history and resulted in the indeterminate status of Tibet. It has since been a subject of contention between Chinese, Tibetans and Indians.

In the 1950s, a key source of contention between China and India has been the Tibet issue. The signing of the 'Seventeen-Point Agreement for the Peaceful Liberation of Tibet' on May 23, 1951 led to the recognition of Chinese rule in Tibet. However, the uprising of March 1959, when Tibetan leader, Dalai Lama and 120 thousand of his followers went in exile in India instead of cooperating with Chinese government was a turning point of the agreement. The Indian government in 1960 admitted the government-in-exile with the Dalai Lama as its leader and accommodated them in Dharamsala, Himachal Pradesh of India.

Initially, India inherited British privileges over Tibet, when China and India started negotiations on the status of Tibet in 1953. The legal framework of Tibet's interaction with India began with an agreement on trade and discourse between India and Tibet, signed in April 1954. By 1956, it was clear about India's involvement in China-Tibet relations, when the Dalai Lama and Panchen Lama visited India to attend the celebration of the 2500th anniversary of the birth of Buddha. Chinese Premier Zhou Enlai aware that the Dalai Lama was seeking exile in India, flew to Delhi to persuade him to return to China. In his response to Zhou, India's Premier Nehru made it clear that India not consider the stay of Dalai Lama, yet, if requested, India could offer an asylum and urged the return of Dalai Lama to China, while emphasized that India did not support Tibet's independence [15, p.8].

According to Chairman Mao Zedong, "The Dalai Lama's plans to launch a rebellion started just after his return from Beijing in 1955. He prepared this rebellion for two years - from early 1957, and until his return from India, in 1958" [158]. However, according to Nehru's response to the Chinese premier Zhou Enlai, regarding granting the refugee, "the decision to give asylum to the Tibetans was a sentimental move, not political" [159].

Therefore, even though Indians recognized in explicit terms that Tibet is a part of China and that Dalai Lama cannot carry out political activities in India, Beijing remained suspicious of India's Tibet policy. The establishment of the Central Tibetan Administration (CTA) in Dharamsala, in contradiction to India's promise of prohibiting anti-Chinese political activities, allowed a government-in-exile to occur. Moreover, the international promotion of the Tibetan issue remains significant to bilateral relations. The Dalai Lama is treated as a religious leader, who's activities for "the struggle of the liberation of Tibet and the efforts for a peaceful resolution instead of using violence" was recognized in international society, especially when in 1989 he received the Nobel Peace Prize.

In that sense, China's point of view is that no matter how India recognizes Tibet's status, providing accommodation to the government-in-exile violates the agreement on Tibet. Tibetan diaspora in India, led by Dalai Lama, continues to promote anti-Chinese sentiments and campaigns for recognizing Tibetan rights. Consequently, any activities by Indian Tibetans are considered anti-Chinese, which leads to India being seen as supporting such activities [15, p.10].

Nevertheless, India's official position towards Tibet has changed over time: from Tibet as an independent country (1911-1949), Chinese "suzerainty" over Tibet (1950-1954), Chinese "sovereignty" (1959-1988), Tibet as an autonomous region of China (1988-2003), and finally to "Tibet as a part of China" - since 2003 [6, p.139].

Meanwhile, for the Indian government, more than 200,000 Tibetan expatriates registered with a refugee status raises important question. If the older generation of Tibetan refugees viewed asylum as a temporary state, nowadays young generation advocate permanent citizenship in India. Moreover, young Tibetans use more extreme approaches in advocating pro-independence movements. Also, since a new generation of Tibetans have grown up in India as refugees, many have lost their sense of Tibetan identity and hope for possibly returning to their homeland. Most Tibetans live separately in 40 settlements of India and have tenuous link to the host country itself. The government's attitude towards giving them citizenship has been stern despite having lost its case in the Delhi High Court in 2018, which ruled that the state must give citizenship to all Tibetan refugees born between 1950 and 1987. It will be equally important to devise a mechanism for those born after 1987 as many now are in their twenties, living in limbo and socio-economic insecurity [160].

Thus, there are several issues that underpin the Tibet issue in the China-India relations: the status of Tibet, government-in-exile in India, Chinese military presence in Tibet and the border dispute.

In terms of security, Tibet is a strategic point of military forces. The presence of Chinese strategic forces in the Himalayas adds another dimension to India's China threat perception. China's PLA, located in Lhasa, can reach all along Indian borders, including New Delhi and other large cities in the north. The military arsenal of China, located in Lhasa contains, at least 120 000 Chinese troops and 10 military airfields and remains among the largest in China [161].

Although India has major concerns regarding the military build-up in the Himalayas, Chinese military deployment is an internal affair of China. According to the Global Times, "China is upgrading its Western Theatre Command in order to confront any threat from India" and "the Western Theatre Command is mainly responsible for mountain warfare at the border area with India" [161].

However, the border dispute in the Himalayas that covers part of TAR in Aksai Chin, in the long term, is not a major factor of relations in Tibet. Nonetheless, strategic issue plays a significant role in the Tibet issue, and influence other factors that lead to India's decision-making policy. The religious sentiment of Indians is an important issue for them, as India is a birthplace of Tibetan Buddhism, and spiritually connected with Tibetans more than politics.

On the other hand, there are several intentions of Indian government to use the Tibet card with the CTA, refugees, and the Dalai Lama. There are more popular ideas as that "Tibet is not a card politically and strategically, but that we have an obligation to the Tibetan people and their culture" [162]. According to Srikanth Kondapalli, "India has played the Tibet card, at least twice in recent times... in 1987 and 2003, when China began supplying arms to the Royal Nepalese Army, India did play the Tibet card. In 2003, foreign secretary Shyam Sharan went to Dharamshala to meet the Dalai Lama. It was a message to China: Don't interfere in our backyard." [159]. However, public opinion, suggests that the Indian public accuses the state for playing the "Tibet card" in order to appease China.

Meanwhile, the Foreign Secretary of India in May 2018 issued a directive calling government officials to stay away from the celebration of the 60th anniversary of the

Tibetan government-in-exile in India, as such step would further deteriorate India's relations with China. Although India's Ministry of External Affairs said in a statement that there was "no change" in the country's position on the Dalai Lama, keeping officials from celebratory events is a subtle hint that India wanted to improve ties with Beijing [162].

Since the Bharatiya Janata Party (BJP) adopted a more muscular approach to China than its predecessors did, the Indian government understands that there is no 'Tibet card' for India to play and putting a distance with the CTA. Modi's government informed Beijing that it is distancing from the Tibetan events and began to outreach to stabilize relations with China. Thereby, shelving the Tibet card in order to normalize relations after the Doklam standoff. This was influenced by domestic reasons, including the general election in May 2019. Modi was keen to ensure that China will not cause trouble as he moves into the election [159].

However, regardless of severe warnings from Beijing, there are still provocative actions of Dalai Lama in India's soil. After the November 2016 visit of the Dalai Lama to the Tawang monastery, China stopped recognizing Indian passports of people born in the state [163]. Instead of usual visas, it issued travel permits stapled into their passports. The dispute escalated as both countries included maps in newly issued passports showing the conflicting claim [164]. Even though the Dalai Lama had visited Tawang before, the frequency of the meetings and visits of the past four years appeared to be part of a systematic strategy, rather than periodic, undirected meddling [159]. The last visit of the Tibetan spiritual leader to Tawang in April 2017, led to China reacting strongly, accusing India of "openly" using the Dalai Lama "as a diplomatic tool to win more leverage" [145]. China's Ministry of Foreign Affairs called India "to immediately stop its erroneous move of using the Dalai Lama to undermine China's interests" which "not only violate India's commitment on Tibet-related issues but also "severely hurts" the bilateral relationship [165]. India's response was that "the government has clearly stated on several occasions that His Holiness, the Dalai Lama, is a revered religious leader who is deeply respected as such by the Indian people. No additional colour should be ascribed to his religious and spiritual activities and visits to various states of India" [166].

On the issue with the Dalai Lama, Beijing acts aggressive regarding every country intervening in separatist activities. Another recent case was in November 2016, when the Dalai Lama visited Mongolia. China closed its border with Mongolia, imposed fees on imports, and levied additional charges for the transit of commodities. This compelled Mongolia to ask for an apology and to assure that the Dalai Lama will never be invited to Mongolia again [167].

During the Doklam standoff in the summer of 2017, there were an incident with the Tibetan flag, a pro-independence symbol adopted by the Tibetan government-in-exile when it was unfurled on the shores of Bangong Lake, in Ladakh, India [168]. This sparked wide speculation of Tibetan activities in India.

During the last decade, the 2008 Beijing Olympic was hampered by Tibetan protesters. Tibetans, who planned to reach Tibet border on foot travelling from Dharamsala, followed the March 2008 demonstration on the 49th anniversary of the 1959 uprising. The Indian police arrested around 100 Tibetans in order to stop

provocation as they could cause serious implications for India-China relations. From the Chinese side, the riot started on March 14, 2008 brought on by aggravations from the PLA. A degree of order was maintained but violent arrests were made soon after.

By hosting the spiritual leader and his many followers, India can use Tibet as a bargaining chip. Also, because India is a democratic country, it must take into account civilian concerns regarding Tibet.

Meanwhile, taking into account the power gap between Beijing and Dharamsala, the Dalai Lama chose an indirect approach to challenge Beijing's control over Tibet by accusing China of damaging Tibetan culture, ethnicity, religion and environment. The Dalai Lama continuously calls for 'self-rule' or 'high degree autonomy,' which is inscribed in China's constitution. Notably, he did agree to withdraw activities to establish Tibet's independence, with a demand of 'authentic' autonomy of Tibet. International assistance for the Dalai Lama's activities, international propaganda campaigns against Chinese rule in Tibet, organized overseas protests, especially when Chinese leaders' travels to Western countries, underpin and aggravate efforts of the Tibetan government-in-exile. In addition, the Nobel Peace Prize in 1989 was seen as a part of international conspiracy over China.

For the Chinese, the Tibet issue is an internal matter and foreign intervention in Tibet is the root cause of the Tibet problem. The Chinese side does not see the issue of Tibetan nationalism and argues that the word 'independence' only started after the British invasion. Moreover, China's CCP has continuously worked on the development of Tibet, including major documents on Tibet: Tibet—Its Ownership and the Human Rights Situation (1992), New Progress in Human Rights in the Tibet Autonomous Region (1998), The Development of Tibetan Culture (2000), Tibet's March Toward Modernization (2001), Ecological Improvement and Environmental Protection in Tibet (2003), Regional Ethnic Autonomy in Tibet (2004), Protection and Development of Tibetan Culture (2008), and Sixty Years Since Peaceful Liberation of Tibet (2011) [15, p.11].

On the occasion of celebrating the 50th anniversary of the establishment of the TAR in 2015, China issued a White Paper titled, "Successful Practice of Regional Ethnic Autonomy in Tibet." According to the paper, Tibet's GDP soared from 327 million Yuan in 1965 to 92.08 billion Yuan (\$14.5 billion) in 2014, a 281-fold increase [169]. After the ethnic conflicts in Tibet in 2008 and in Xinjiang in 2009, Beijing decided to focus on enforcing new policy packages in Tibet and Xinjiang and change the development from infrastructures to improving the livelihood of all ethnic groups in the Western provinces of China. The cornerstone of the new policy was economic growth and modernization of all ethnic groups. Additionally, infrastructure is an important aspect of Chinese policy of integrating poorer parts of western China with richer parts in the eastern China. The government's aim has been to use economic development to pacify oppositional western parts of the country.

Also, there are ongoing demographic shifts in Tibet due to a growing Han Chinese population. Encouraging mixed marriages, labour migration continues to raise Han Chinese population numbers. The industrial development of Tibet and building new transportation networks, including railways, improves access to previously remote areas. With the rise of China's power and development of Tibet's socio-economic

conditions, Tibetan independence acts against the purpose of Tibetans. Hence, the Tibet card is gradually losing its value.

Given the Dalai Lama's age, the future movement of Tibetans in exile is becoming more uncertain. The Dalai Lama attempted to split political and spiritual leadership roles, in order to legitimize a more representative governance of the exiled Tibetan community. If the spiritual incarnation will be based on the concept of reincarnation, political succession remains the vacuum of leadership. The charismatic and internationally recognized current Dalai Lama, is an important figure of the so-called "Middle Way" approach for dealing with Beijing. However, along with the global rise of China, the Dalai Lama's international activities have weakened over the years. The Central Tibetan Administration proposed a strategy for returning to dialogue with Beijing with a "Five-Fifty Vision". It is a five-year strategy of for the Dalai Lama's return to Tibet and prepares for a 50-year struggle to "fulfil the aspirations of the Tibetan people" if needed [170].

Nevertheless, Beijing's position on the Dalai Lama is that it will never accept conditions of Tibetan autonomy proposed by the Dalai Lama. Another question was raised as to whether the Dalai Lama wants to return to China and start a dialogue on the settlement of exiled Tibetans and succession of the Dalai Lama. For India, the Dalai Lama brings little benefit and merely undermines China-India relations. Anyway, the Tibet issue continues to play among the major cards in dealing on the border issues, while the activities of Dalai Lama is losing its popularity among the wider public. Consequently, even though the asylum of Dalai Lama was among the main reasons of worsening China-Indian relations and occurrence of the territorial dispute, at present, due to mentioned factors, Dalai Lama losing its support among the strategic stakeholders, including the Western authorities.

3.1.2 Geopolitics of the China – India – Pakistan triangle

The India-China-Pakistan triangle is one of the most volatile and difficult relationships. Rooted in the partition of British India in August 1947, the contemporary history of long-lasting dispute over Kashmir shaped the geopolitics of South Asia. Hence, the Pakistan factor is investigated in this section as it has a long-term impact on the development of China-India relations, as well on the conditions in the borderlands.

A core issue in the triangle China-Pakistan-India is the ownership status of Jammu and Kashmir, which during the British Raj was a Muslim-majority kingdom ruled by a Hindu maharaja. The newly formed Pakistan pressured the indecisive Kashmiri Maharaja Hari Singh to join the new state of Pakistan, whereas under the pressure from guerrilla fighters, deployed by Pakistanis, the Kashmiri king secured protection in India with a promise to join newly established India. The agreement was sealed by the Institute of Accession on October 26, 1947 [171]. However, Pakistan had its own rationale in including Kashmir to Pakistan. The Muslim majority of Kashmir's population was a main *raison d'etre* and people of Kashmir were not consulted when Maharaja Hari Singh signed an agreement with India. Thus, the presence of Indian Army was the result of a request by Kashmiri King, not the people of Kashmir [172].

These contradictory positions led to the first war over the control of Kashmir between newly independent India and Pakistan during October 1947 - December 1948. The United Nations resolution on a cease-fire on January 1, 1949 announced India's control over two-thirds of the original Jammu and Kashmir state, and Pakistan was left with one-third of the territory. However, Pakistan was not satisfied with the ceasefire decision and requested the UN Security Council to arrange a vote by the people, which never took place.

In August 1965, the second war over Kashmir ended a month later with an UN-mandated ceasefire. The third war in December 1971 resulted in the creation of the new state of Bangladesh. For Pakistanis, this was a humiliation and betrayal, particularly by the Western allies. The fourth conflict was stimulated by nuclear tests in 1998. In May 1998, India detonates five nuclear devices in tests, while Pakistan detonated six. Both were punished with international sanctions, while in February 1999, the Indian Prime Minister signed a major peace accord with the Pakistani counterpart in Lahore, India [171]. In creating a history of conflict in the independence period, India and Pakistan have mobilized their militaries around the idea of a threat of war from one another.

Meanwhile, China is always been a factor in India-Pakistan relations. China-Pakistan relations is famous for their "all weather friendship" and strategic partnership, yet witnessed phases of manoeuvring of China between India and Pakistan. When in 1949-1958, the spirit of «Hindi Chini Bhai Bhai» (India and China are brothers) characterized India-China relations, both were suspicious of Pakistan because of its US alliance commitments. As Nehru believed, "China and India together could moderate the efforts of Super Power 'imperialism' in Asia". The golden period of China-Pakistan relations came in 1959-1989, when the two powers were in tacit alliance against India. With the end of the Cold War, China moved to a more neutralist stance between India and Pakistan. Since the Modi's leadership, China has tilted once again more decisively towards Pakistan by deepening its economic infrastructure investments and strategic partnership relations [171].

Nevertheless, the early 1950s was a period of formation for newly independent China, India and Pakistan. The Cold War shaped the geopolitics of South Asia in a way to make China-India relations prosper, whereas both were close to the Soviet Union and wary of the US. China, being a part of the communist movement, and India advocating non-alignment, admired Soviet economic reforms. During the Sino-Soviet alliance and Sino-Indian cordiality, Beijing avoided endorsing its position over Kashmir, even though the USSR did in 1955.

Meanwhile, Pakistan, as an US ally, was treated with suspicion. The US viewed India as the country that destined to play a major role on the world stage. However, because of India's proximity to the Soviet Union and Persian Gulf, the US government tilted its strategic interest towards Pakistan and established Pakistan as a frontline state in a global effort to contain the Soviet Union. Pakistan-US relations in the "special relationship" mood continued during the 1954-1965, when the US provided military aid for up to \$750 million in a return for hosting a US Air Force in Peshawar, Pakistan [172, p.39]. With the granting of asylum to the Dalai Lama and escalating border conflict, China-India relations further deteriorated, albeit Beijing avoided taking sides

on the Kashmir issue. China gradually moved towards Pakistan, whilst Beijing used the Kashmir issue to obtain leverage with both India and the United States. China's support for Pakistan's national security during the Kashmir conflict was characterized as an "all weather friendship" "tested by adversity". Chinese military assistance, and enhancing military-industrial capabilities, improved its Pakistani relations, even during times of conflict escalation in Kashmir [5, p.7].

The Sino-Pak Boundary Agreement of March 2, 1963 marked a major breakthrough in trilateral relations. This controversial agreement meant that Pakistan ceded its territory claimed by India to China, and Pakistan recognized China's sovereignty over the land in Northern Kashmir and Ladakh. Nowadays, this has become a main objection of India's participation in the BRI, particularly because the CPEC goes through the India claimed territory.

Noteworthy, China did not intervene during the 1965 and 1971 India-Pakistan wars, albeit the US-Pakistan relations worsened during these wars. India and Pakistan both used US military equipment to fight each other in the 1965 war. In order to stop the fighting, the US decided to put an embargo on the supply of military equipment. This embargo affected Pakistan more since it was highly dependent on the US spare military parts. Subsequently, Pakistan turned to China as a primarily military supplier and the US lost its stake in the course of the events in Pakistan [172, p. 38].

Beijing's official position on Kashmir issue in 1964-1980 was in line with Pakistan's, which insisted that the people of Kashmir were entitled to an exercise of self-determination over whether to join India or Pakistan, based on the UN resolution in 1948 and 1949. After Deng Xiaoping came to power, China's position on Kashmir also changed with an objective to reduce tension between Chinese neighbours. In June 1980, Deng Xiaoping publicly stated that the Kashmir issue was a bilateral issue that should be resolved peacefully. Since then, Beijing avoided tilting India's position, stating that it was the role of the UN resolution to solve the issue. By the early 1990s, the almost universal formulation of China's position was that Kashmir is a bilateral matter that should be solved peacefully between India and Pakistan [5, p.8].

In addition, from 1979-1989, Pakistan worked with the US and China to prosecute the insurgent war against the Soviets in Afghanistan. During this time, China decided to stay close to Pakistan in order to control Uighur separatists.

Since the disintegration of the Soviet Union, China has adopted a neutralist strategy towards India and Pakistan. The visit of Rajiv Gandhi to Beijing ushered in a new era of Sino-Indian relations and a rapprochement of the border issue. In addition, the economic growth of India, made India a more attractive market for Chinese goods. The concern in Beijing that Islamabad supports radical Islamic groups in Afghanistan and Pakistan prompted the decision to shift towards India. Additionally, limiting US influence in India was among the China's interest in warming relations with India.

After 9/11 events, Pakistan's renewed partnership with the US gave Pakistani leaders hope that heightened international fear over the India-Pakistan war and fanning Islamic terrorism will lead to stronger international pressure on India over Kashmir. When tensions in India-Pakistan relations spiralled in May 2002, Islamabad looked to Chinese support. Yet China's position was that India and Pakistan should settle differences peacefully and bilaterally [5, p.10].

The fact that China emerged as Pakistan's largest military supplier urges New Delhi to maintain strategic balance in the subcontinent. During the period of 2007-2011, Pakistan received 64% of the total volume of Chinese military export, as well as support for conducting joint counterterrorism military exercises [172, p.40].

Meanwhile, when Xi Jinping went to Islamabad in April 2015, Beijing returned its tilt towards Pakistan. Since Modi took office, his foreign policy has been geared toward constructing an anti-Chinese coalition with the US, Japan, and Australia. Modi's vision statement emphasized military and defence ties and worries of Chinese activities in the Northeast and Southeast Asia, subsequently tilting Beijing's cooperation with Islamabad. Whereas, Beijing unveiled a massive infrastructure investment plan for Pakistan, with initial commitments of \$64 billion. In addition, China-Pakistan Economic Corridor was announced as the BRI's "flagship" project, increasing investments several times.

Thus, Beijing has vacillated during the last century between Pakistan and India on the Kashmir issue, giving significant leverage with New Delhi. Pakistan, as a guide to the Muslim World and situated between the Gulf and the Middle East, plays a significant role in regional politics, whereas in Sino-Indian relations, the impact of Pakistan is decisive. For India, Pakistan is always a negative factor in regard to every state, yet China acknowledging that use Pakistan card in some cases. Consequently, while considering Sino-Indian relations it should be remembered the Pakistan factor that sometimes formulates the whole agenda of bilateral Sino-Indian cooperation. Also, at the multilateral platforms, China provides diplomatic support to Pakistan, which causes issues in its relations with India. For instance, China three times blocked India's bid to include Masood Azhar, the chief of Pakistan-based Jaish-e-Muhammad group to the UN Sanctions list as a "global terrorist" before lifted its objection in May 2019 aftermath of the Pulwama attack in February 2019 [173]. Similarly, when India applied for the full membership to the SCO, China promoted Pakistan to balance India in the organisation. To the development of border interaction, Pakistan undoubtedly has its weight due to elusive hostility and threat between China and India because of the hostile nature of Pakistan and India relations. Moreover, the fact that Pakistan ceded part of India-disputed Kashmir territory to China, where at present CPEC within the BRI is implementing further complicate already controversy triangle.

Accordingly, for the examination of the border relations, it is vital to consider Pakistan factor since it has a strong implication for the security and threat perception in the borderlands, which directly and indirectly affect the socio-economic conditions of the border people.

3.1.3 The US/USSR (Russia) factor in China-India relations

The geopolitics of the China – India – Pakistan triangle always has been affected by two other powers – the US and the USSR/Russia. During the Cold War, these exogenous powers manipulated this triangle geopolitics, which shaped subsequent geopolitics of South Asia. In the escalation of the border dispute, the US-USSR relations also impacted the Sino-Indian border dispute both directly and indirectly. Thus, the historical perspective of the US-USSR cooperation with China and India are

described in order to understand the environment and background circumstances within which the decisions were made.

According to Garver, Moscow used its relations with India in order to enhance the Soviet position through diplomatic initiatives in South Asia. This also worked to restrain India's relations with the US and western countries, as well as to influence the Non-Aligned Movement through India. India, on its side, tried to exploit contradictions between the Soviets and the United States by manoeuvring between the Soviets and China to secure its own "leadership position" in South Asia. Meanwhile, China operated between Soviets and Americans, aiming for a Chinese "friendship." This was intended to manoeuvre both superpowers to assist Chinese objectives vis-à-vis India's [178, p.56]. In addition, China sought support for its resistance to pressure the Soviet Union, when the US aligned with China and its anti-Soviet rationale in order to constrain the Soviet threat in Asia. Consequently, the geopolitics of the China-India-US-USSR relations played significant role in forming Sino-Indian relations, in addition to the bilateral issues between states.

Both China and India began planning their national development in the 1950s and were influenced by the perceived success of the Soviet Union's rapid industrialization of a rural economy with little external assistance [30, p.77]. Both China and India's development model was adopted from the Soviet Union, before officially being negated by Chinese leadership in 1978. This was a historical turning point and reversal of direction of the 1949 decision [174]. India, on the other hand, remained deeply integrated with the Soviet Union until its collapse.

China's relations with the Soviets and India began to worsen almost simultaneously in the late 1950s when China introduced the doctrine of "three enemies" – "imperialism, revisionism and reaction", led by the USA, the USSR and India [182, p.60]. China's territorial claims with the USSR and India started to worsen bilateral relations, leading to a conflict over territories in 1962 and 1969. Since both China and USSR were victims of China's territorial claims, it led to a natural to deepening of Soviet-Indian links for strengthening security in the border areas. While, the Sino-American cooperation has been characterized by periods of confrontation (1964–69 and 1989–97) and cooperation (1972–88 and 1997–2003), simultaneously occurring, during periods of intense Sino-Soviet hostility (1964–86) and periods of Sino-Soviet/Russian amity (1989–2003) [178, p.60].

China-USSR relations. Sino-Soviet relations were built on three historic meetings of the communist leadership. The first important set of events were visits between Joseph Stalin and Mao Zedong in 1949-1950. This led to the signing of the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance on February 14, 1950. The treaty ushered in ten years of friendly relations and cooperation between the two communist states. Another important event was the meeting between Khrushchev and Mao Zedong in 1959 in Beijing, which led to a deterioration of bilateral cooperation and to an open confrontation between the two communist parties. Rapprochement after thirty years of hostile relations was only in the late 1980s, soon after Gorbachev and Deng Xiaoping declared normalization of bilateral ties in May 1989 [175].

Meanwhile, discrepancies in Sino-Soviet relations started in 1956 when the XX meeting of the Soviet Communist Party declared a negative assessment of Stalin's

activities. The Chinese disagreed with the report, especially when Soviets harshly criticized the political course of the USSR and other communist parties. The Chinese side had two major contradictions: the critique of communist ideology and the willingness of Soviets to dictate China's politics and to make China dependent on Soviet diplomatic and military affairs [175, p.13].

In October 1957, Khrushchev, promised to aid Chinese development of nuclear weapons, but rescinded this pledge in June 1959. Despite the fact that Khrushchev did attempt to use aid advantage to pressure Chinese leaders in the late 1950s, he did not terminate the aid programme. In total, during the period of 1949-1965, USD\$2 billion in goods and services went to China [176]. However, Moscow sharply exacerbated the situation when 1600 Soviet specialists abruptly were returned from China in early 1960 [180]. Thereafter, there was an illegal movement of people from Xinjiang to the USSR. In 1962, 67 000 Chinese people crossed the borders that further volatile the conflict [177]. Consequently, during the 1960s, Sino-Soviet relations became hostile, especially after the border clash in the Far East in 1969.

Later, the USSR became concerned over the Sino-American coalition, as well as the Chinese convergence with Japan and other Asia-Pacific countries. A strategy was adopted by Mao Zedong in 1973, confirming that "the so-called "continuous line," running from China to Japan, Pakistan, Iran, Turkey and Europe to the US and the "vast area" of land comprising all the countries on both sides of the line, known as the "international united front against (Soviet) hegemonism" [174, p.57]. The "Soviet threat" that was formed by Mao Zedong's "diplomatic strategy," leading to an anti-Soviet front based on the misjudgement of the Soviet threat. Thus, the assessment of the Soviet threat formulated during the 1970s was among the main reasons of taking a long period before the Chinese Policy was changed in the early 1980s towards the Soviets [174, p.60].

Meanwhile, the Soviet invasion in Afghanistan damaged worldwide attitudes towards the USSR. The Afghan issue put aside the Sino-Soviet rapprochement, when Deng Xiaoping stated that "close cooperation between the US and China in deterrence of Soviet Union would maintain long period of peace in the world" [175, p.56].

Simultaneously, it was clear that the Japanese-Chinese-American axis was directed against the Soviet Union, therefore Moscow began to strengthen links with China's other southern frontiers. After the Soviet-Vietnamese treaty in 1978, Moscow linked India and Vietnam in anti-Chinese mutual security threats.

Likewise, the Soviet invasion to Afghanistan in December 1979 increased Chinese concerns over South Asia. Afghanistan, as a stepping-stone to Iran, Pakistan (including Baluchistan), meant that Pakistan's province offered important port access to the Indian Ocean and the Persian Gulf. If the Soviets were aiming at gaining strategic superiority over the United States directly, then Moscow's southern strategy was also part of the strategy to encircle China [175, p.58].

In the face of the Soviet threat, Beijing moved quickly to support Pakistan. The United States and China cooperated in aiding Pakistan, while China provided political, diplomatic and material support for Pakistan. The mounting concern of China's leaders was about the increasingly aggressive Soviet foreign policy emerging in the wake of

the American defeat in Vietnam. In an effort to thwart Soviet expansionism, Beijing launched a new stage of active diplomacy [178, p.56].

China's Soviet policy began to change in 1979. Influenced by fundamental changes in internal politics, Chinese leaders took an approach of developing economic prosperity through an appropriate foreign policy. After the US government announced a double-track policy towards China and Taiwan, Chinese leadership decided that if China overestimated the role of Sino-American partnership, it would pay an exorbitant price to prevent Soviet expansion [178, p.57].

By the mid-1982, Deng Xiaoping began to consider new approaches on the Soviet and the US relations, believing that stable Sino-American relations would normalize Sino-Soviet ties. Soon after Gorbachev took office, Soviets also showed a desire to reconcile Sino-Soviet relations. The open appeal to reconsider Sino-Soviet cooperation was announced by Gorbachev during the Vladivostok speech in 1986.

Another factor in the convergence of Sino-Soviet ties was the rapprochement of the Sino-Indian relations. Moscow needed to ameliorate Sino-Soviet cooperation, otherwise, there was a probability for Soviets to be in the same situation as in 1959 - to choose between India and China [174, p.55].

For India, when the Soviets invaded Afghanistan, India faced a hostile Pakistan-China-United States front, making India less likely to support Soviets to pressure Pakistan to terminate support for the Afghan Mujahedeen. Consequently, this improved Sino-Indian and Pakistani-Indian relations.

Meanwhile, Gorbachev, who was also moving towards a rapprochement of Sino-Soviet relations, wanted to ensure that Soviet-Indian ties continued to be a "major Soviet foreign policy initiative". Before the Vladivostok speech in 1986, Gorbachev also praised India, in order to exclude the deterioration of Indian status [178, p.77].

One of the examples of cooperation during this period was the agreement for a railroad connecting Xinjiang with Kazakhstan to be built. The agreement for its construction was reached in 1988 in Dostyk. One of the final acts of Sino-Soviet cooperation was in 1991, when 90% of Sino-Soviet borders were established and an agreement on the East sector of borders was signed before the collapse of the USSR.

India-USSR relations. Diplomatic relations between the USSR and India were established prior to the official proclamation of independence. Overall, Soviet/Russian-Indian relations had several stages of development. Lounev categorizes them into eight periods: 1) 1947 – 1955; 2) 1955 – 1971; 3) 1971 – 1979; 4) 1979 – 1988; 5) 1988 – 1991; 6) 1991 – 1996; 7) 1996 – 2000; 8) from 2000-the present day [181].

Generally, Soviets preserved India as a counterweight to China in the Asian "balance of power" game. Thus, India was needed to contain Chinese influence in South Asia and American presence in the region [176]. The relations started in 1953, when the Soviet Ambassador M.Menshilov made an offer to India to supply military equipment if Pakistan was to be supplied by the US, because the US and Pakistan were contemplating a deal on the "defensive military aid" to Pakistan. As a result, PM Nehru decided to sign a trade agreement with the Soviets to purchase steel, equipment of mining and oil industry in 1955 [172]. In 1959, Moscow authorized a loan nearly five times higher than in that of 1955, and the Soviets began their economic assistance to India. It was announced that India purchased military equipment, helicopters and

planes “for use in the Ladakh area”. In addition, the Soviets enhanced their diplomatic relations and military capacity [181]. Further, during the mid-1950's, Indo-Soviet cooperation on strategic issues strengthened. In particular, the Indian public supported the Soviet statement of recognizing Kashmir and the Portuguese colony of Goa as constituent parts of India [180]. Also, if in 1960s India was closer to the USSR than to the US, after the 1971 war it made a definitive tilt towards the Soviets.

The India-Pakistan war in 1971 further consolidated Indo-Soviet relations and Soviets started to consider events in South Asia through the Indian prism. As the US National Security Council noted, “it is evident that the Soviets have designed India as a primary target in Asia”, while “the Soviets economic offensive is aimed at gaining influence over the Indian economy and directions of its policy”. During the period of 1954-1975, India was the largest beneficiary of Soviet credits and grants, which amounted to 18% of the total Soviet aid in non-communist developing countries [181, p.38].

Consequently, India was perhaps the most positive example of the USSR's relations with non-socialist states. This economic aid led to the foundation of India's heavy industries, oil refineries and other public sectors. Soviets also provided diplomatic support, using their veto power at the Security Council at least three times to reject anti-Indian resolutions [185]. During the 1970s, with the assistance of Soviet specialists, 36 new oil and gas deposits were discovered in India. These amounted to 60% of India's oil and gas deposits [182]. Following the secret visit of Kissinger to Beijing in July 1971, the March 1971 revolt in East Pakistan, subsequently led to 10 million refugees arriving in New Delhi. Whereas, with the Sino-American-Pakistani axis to support the military regime in Pakistan, Soviet-India interests converged in USSR and India in the signing of a 20-year Treaty of Peace, Friendship and Cooperation in August 1971, which legitimized the deepening of “special relations”.

However, Indian and Soviet interest regarding strategic issues did not always align. For example, if the Soviets refused to support Indian position in the territorial dispute with China -proposing to resolve the issue through friendly negotiations- I.Gandhi then refused to support Brezhnev's concept of Asian Collective Security. When India conducted a nuclear test in May 1974, it became the first non-UN Security Council nation to do so. India did not inform USSR in advance and in 1976, India played the China card when it exchanged its ambassadors to the annoyance of the Kremlin.

Nevertheless, India was deeply dependent on Kremlin as 'the largest supplier of military hardware and licenser of critical components for many of the weapons manufactured in India.' The Soviets were also a significant source of oil and petroleum products and 'the largest importer of Indian commodities' [182, p.78]. After the death of Chinese leaders, there was an anticipation of rapprochement of Sino-Soviet ties. However, by 1979 it was clear that a new structure of anti-Soviet bloc - the Sino-American-Japanese axis were formed.

Accordingly, economic and military cooperation between Indian and the USSR expanded substantially during the 1980-1984 with large Soviet trade credits and range of top-of-the-line military equipment. Indira Gandhi was aware of the potential dangers

posed by the introduction of Soviet forces into Afghanistan and hoped to limit the flow of American and Chinese armaments to Pakistan [179].

China-US relations. In 1950, the British Labour government accorded diplomatic recognition of the PRC after extensive consultations with the US. However, the US government decided to wait for the final collapse of Taiwan before Washington considered establishing diplomatic relations with Beijing [183]. China's communist government was seen as aggressive, threatening the security of its non-communist neighbours. Therefore, the US constructed offshore military alliances along the eastern and western borders of China. Washington maintained close relations with Japan, South Korea and the Nationalist government of Taiwan, encouraging Taiwan to refrain from entering into diplomatic relations with Beijing. The United States pursued a so-called "wedge strategy", taking a tougher stance toward communist China rather than the Soviets in order to encourage a split between two communist parties [184].

The US policy of non-recognition of China changed and rapprochement happened only in the early 1970s. Obsessed with secrecy, the Nixon Administration leveraged a Sino-Soviet split by using secret communication channels. Partially facilitated by Pakistan, this worked to leverage Chinese military power and disrupt India's military advance during the 1971 Indo-Pakistan War. The U.S.'s National Security Adviser, Henry Kissinger, implied that the US would quietly support Chinese military actions near the borders with China [182]. However, the US tried to do what Khrushchev feared in 1963, attempt to tilt relations Beijing against Soviets [174, p.60].

During the 1970s, the Chinese supported Naga and Mizo rebels in Northeast India by giving military training, shelter and weapons. Moreover, Beijing supported Pakistan on the Kashmir issue by providing weapons to both Pakistan and Bangladesh before resuming the supply of military hardware to Pakistan.

Meanwhile, Sino-American diplomatic relations were officially established in January 1979. Two month later, US Congress adopted the Taiwan Relations Act. When Ronald Reagan came to power in 1981, the US government declared to pursue a double-track policy towards China, which had serious implications for Sino-American relations [174, p.60].

Either way, when the Soviets entered Afghanistan, Beijing supported Pakistan in the face of Soviet threat. China and the US agreed to cooperate in aiding Pakistan with China supplying small arms to Afghan refugees in Pakistan and increasing the Chinese supply of heavy arms to Pakistan. In that sense, while China provided political, diplomatic and military support, it avoided the possibility of producing a major war [174, p.61].

However, the Chinese and US's political interests had points of divergence. Dissatisfaction of the US included human rights policies in China and the sale of missiles and nuclear technology to countries in the Middle East. The historical event that fixed human rights as a core U.S.-China issue was the violent restraint against student demonstrators in Beijing on June 4, 1989. Since then, the United States has criticized Chinese human rights violations worldwide [184, p.61]. On its turn, the Chinese took issue with the continued American arms sales to Taiwan, criticizing Americans for global foreign policy in which Americans neglected the interests of stakeholders. Despite the changes in Sino-US relations over the last thirty years, the

twenty first century ushered in a new level of relations between the first and second largest world economies.

India-US relations. During the Cold War, US-India relations were characterized as a “cold peace”. It was a period when the United States established a containment policy that aimed to prevent the Soviet Union from expanding its power and position after the Second World War. Initially, India pursued a neutralist foreign policy rather than aligning with the US or the USSR. Nehru believed that there should be more room for “attempted cooperation” between two superpowers [186].

From security perspective, India was not among top issues for the US. It was articulated that the Kashmir conflict was a serious dispute, but not one that concerned priority US national interests. After the Korean War, Americans were interested in containing the Soviets through the security alliances with Pakistan, making Pakistan a central element in the US security policy.

During the 1950s and early 1960s, India was positioned as one of the important countries, when economic aid was transferred as a basis for political structure and defence. Before the war of 1962, positive US-India relations were apparent, but changed in the face of geopolitical threats. Kennedy described the conflict “if something happens to India, it would be a destructive blow to the balance of power” [186, p.40]. Consequently, when Nehru turned to the US to ask for a military support during the 1962 war with China, Kennedy was ready to provide military assistance.

Soon after the outcomes of 1965 Indo-Pakistan war, it was clear that India was expanding and strengthening its forces for the fight against Pakistan. Fighting with communists would put decades of heavy American investment in military equipment against China at risk. Thus, from 1946 to 1966, India was receiving \$6810,2 million from the USA in economic aid, in addition to large amounts of food under the 1954 Agricultural Trade and Development Act [188,p.91]. Thus, resuming US military aid in the South Asia region was seen as “in a short term, the region less important for the US interests rather than Japan and Western Europe. While, in a long term, this area poses no threat to the US security” [188, p.92].

After the unravelled relations between the US and India, other non-security issues appeared during the 1970s. Even India’s nuclear test of 1974 was among a “low key issue” in the American agenda. During the 1971 Indo-Pakistani war, the US disagreed with India’s support of East Pakistan’s bid for independence and continued to support West Pakistan. The main aim of the United States during that period was to stabilize nuclear powers within the international framework and to contain Pakistan.

During the PM Desai tenure in 1977, he attempted to correct an unbalanced alignment with the Soviet Union and to improve relations with the US and China. At the same time, he maintained cordial ties and a “genuine non-alignment” with the Soviets [178, p.80]. However, the Soviet invasion to Afghanistan affected to the US’s policy in the region. Pakistan became a frontline state against Soviet expansions and Pakistan, connecting to the South Asia and the Middle East, became a key country. Bilateral cooperation with the US subsequently was significantly improved by supplying US military equipment. After the withdrawal of Soviet troops from Afghanistan, US interest in India and South Asia declined as the US became preoccupied with situation in the Eastern Europe. Further, during the Kashmir incident

in 1989, there were a threat of nuclear confrontation and it was the first time, when the US interfered in South Asia affairs directly. Pakistan was positioned as a preferred partner in South Asia in preventing further development of nuclear arm race [188, p.99].

Since the collapse of the Soviet Union and liberalization of Indian market, US-India relations have taken a different direction. President Clinton opened relations and India-US relations reached a new high, cooperating in diverse areas. The rise of Asian powers in China and India shifted the US policy towards India, changing both political and economic implications of cooperation.

If during the Cold War, India was not a first-tier force in containing the Soviet threat, then the 21st century, India became a balancing power for Chinese activities in the Indian Ocean region and globally. Thus, Indian-US cooperation is seen from the China threat prism. Generally, India faced six choices for how to deal with the strategic environment in Asia: nonalignment, hedging, internal balancing (that is, building indigenous defence capabilities), regional balancing, alignment with China, and closer alignment with the United States [187].

Post-cold war geopolitics. The geopolitics of the 21st century was affected by the rise of emerging powers across economic and political levels. Overall, the geopolitics of the post-Cold War traditionally have been divided into two periods: until Sept. 11, 2001, and from 9/11 until the present. China and India during the 1990-2000s were famous for their extraordinarily rapid growth of the export-oriented economy. Their foreign policies also came to be framed under their economic interests. Since the early 2010s, both states became more mature in the global arena, simultaneously becoming strong players attempting to play a more significant role in global governance.

Sino-US relations experienced periods of close economic partnership until the recent trade wars. In terms of geopolitics, the states have fundamental disagreements on the issues related to human rights, positions towards North Korea, Iran and Syria. Nowadays, China is treated as a strategic competitor to the US and rival power in the Indian Ocean region and worldwide. Thus, the economic transformation of China became a competing force against the US and other Western powers, thereby also challenging existing global structures. Undoubtedly, with the launch of the Belt and Road Initiative, China already has shifted the balance of power in its direction, which are discussed in the chapter 3.2. Moreover, the Sino-US relations under the BRI matrix can be characterized as strained and competing. The United States has maintained a reliance on Japan and India as partners for balancing regional geopolitics. Accordingly, India attempts to play a significant role in Asian affairs, becoming the balancing force to China in that respect. India's alternative initiatives, as well as the pivot of the US administration towards India evidence Indian efforts in this sphere.

India-US relations in the post-cold war period can be characterized as optimistic and stable. India, by developing its economic conditions, arranged more active foreign policy with the regional and global powers. The United States also developed strategic partnership with India, yet there are still ongoing bilateral issues that need to be resolved. Overall, the present India-US relations are framed under the strategic partnership, with India being a balancer in the Indian Ocean region.

Regarding Russia's relations with China, since the end of the Cold War, Sino-Russian relations share the same goal of reorienting the Western-dominated global order. Russia has strategic relations with China and is interested in exporting its energy resources, maintaining economic interaction, and developing its infrastructure projects within the BRI projects and Chinese investments. Also, both are cooperating in Central Asia, Russia's Far East and the Arctic.

Russia-India relations are developing within the non-Western world and are based on the historical good ties. In July 2018, they upgraded their traditionally close relationship to a "special privileged strategic partnership." Meanwhile, Russia-India economic ties developed within three approaches: military-technical cooperation, space technology and nuclear energy. Even though Russia-India relations are advancing with less intensity relative to previous periods, India is still dependent on Russia's military technological cooperation, with 60% of its military equipment imported from Russia [187].

To sum up, geopolitics as an important element of both internal and external politics was discussed in order to understand the political background of the decisions made in the Sino-Indian context. Especially, when the Soviet Union and the United States were the decision-makers in world affairs, Asian states were developing their own agenda based on the geopolitical environment of great powers. In addition, the development of China-India border relations was highly dependent on the regional geopolitics and security conditions in the neighbourhood. Accordingly, the study finds important to consider the historical background of the geopolitical games in the region in order to understand the underpinnings of the decisions made between China and India. The geopolitical background since independence also helps to acquire conditions when the decisions to rapprochement or distancing between China and India was formulated that affected the border status as well.

3.2 Global and regional institutional cooperation between China and India (BRICS, BRI, SCO, BCIM)

The rise of China as the second largest economy in the world and India as the sixth largest secured their position in the global economy and forced to improve bilateral cooperation as well. In this regard, China-India bilateral dialogue had become among the most important in the Asia-Pacific region and in the world. China and India are seen as emblematic of a new, ambitious, and nationalistic Asian landscape, which has increased their engagement at the multilateral level. Both coordinate their stances and strategies within the multilateral platforms, such as the G20, BRICS, SCO, and other dialogue platforms and annual events such as the Shangri-La Dialogue, East Asia Summit. China's Belt and Road Initiative with 60 participating partners and the establishment of the Asian Infrastructure Development Bank have increased China's involvement in global affairs and multiplied its engagement with other states. Whereas, India, by empowering its economic strength and active participation in global politics, advanced its relations with other regional and global actors as well. Therefore, at the global level, both China and India play an important role.

Meanwhile, with the proactive diplomacy of both China and India, their engagement at the multilateral level became more frequent and significant for the

development of bilateral cooperation. For instance, during 2018, President Xi and Premier Minister Modi, since their informal summit in Wuhan in April 2018, met separately to discuss joint efforts three times on the margins of the multinational events. Some of these events included the SCO Summit in Qingdao in June, the BRICS Summit in Johannesburg, South Africa, in July and the G20 Summit in Buenos Aires, Argentina, in November-December. Similarly, in 2017, Modi and Xi met on the sidelines of the SCO Summit in Astana, the G20 Summit in Hamburg and the BRICS Summit in Xiamen, while in 2016, leaders met on the margins of the G20 Summit in Hangzhou, the BRICS Summit in Goa, and the SCO Summit in Tashkent. Notably, Xi Jinping paid an official visit to India in September 2014, and Modi had a return visit in May 2015 and May 2016, in addition to their informal summit in Wuhan in 2018. These were among the first bilateral events after the post-Doklam relations [189]. Thus, negotiations on the sidelines of the multilateral events became the key platform to discuss major cooperation issues between China and India.

Besides being a place for negotiations and an important mechanism of interaction, those multilateral platforms provided a new level of interaction with other powers. If the G20 is the group of emerging powers, where all 20 states have an equal voice, the BRICS, as well as the SCO are emerging institutions, where China and India's voice are among the major, moreover those organizations were established without Western powers, thus promoting non-Western structures. Indeed, the role of China in this organization is significant, while India is also promoting its decisive diplomatic efforts. Thus, the author believes that the China-India global and regional cooperation should be studied within the matrix of the China-India border relations since multilateralism plays a prominent role in molding bilateral cooperation. Admittedly, an impact of the multilateral engagement between China and India was witnessed during the Doklam standoff in summer 2017, when the BRICS summit in Xiamen helped to resolve border tensions after a series of negotiations. Accordingly, the multilateral cooperation between China and India are considered as the present day geopolitics that became a major factor in developing the bilateral agenda of both states.

Moreover, the ambitious Chinese Belt and Road Initiative provides room for cooperation and competition. The strategic interests of India support and contradict India's participation in the BRI, while India also acts as an alternative power in the Indo-Pacific. Thus, by examining the significance of China's BRI, and India's projects within the BRI, the chapter will give an analysis of China-India cooperation during the contemporary period. Also, this chapter describes India's alternative projects that raise its role in the Indo-Pacific region, prompting a power shift of the US, Australia and Japan towards cooperation with India.

Belt and Road Initiative. Since the Belt and Road Initiative was launched, China has made a significant effort in playing an active role in global governance. India, as a competitive global power has developed its own way of 'connectivity'. Furthermore, the China-India cooperation has been formulated under the larger matrix of the BRI, hence it is vital to examine the China-India relations within the initiative. However, India today is opposed to a China-led BRI due to the China Pakistan Economic Corridor (CPEC), which violates Indian sovereignty. An opposition of Indians met

both at an official and local level, with strong protests of CPEC-flagman project of BRI.

Admittedly, China's main instrument to implement the country's rejuvenation goes through the BRI. The project includes two continental and maritime roads, affects 4.4 billion people, has a total economic volume of US\$21 trillion which is 63 and 29% respectively of world totals [190, p.39]. Six grand economic corridors were launched within the "Silk Road Economic Belt" and the "21st century Maritime Silk Road" initiatives: the Eurasian Land Bridge, China-Pakistan Economic Corridor (CPEC), China-Mongolia-Russia, Bangladesh-Myanmar-India-China (BCIM), China-Central Asia-West Asia, and China-Indochina peninsula.

China has made a significant effort to promote BRI. More than 100 states have shown their interest in BRI and more than 30 agreements have been signed. International organizations are also interested in the projects within BRI; the United Nations established the UN Maritime and Continental Silk Road City Alliance (UNMCSR), and the United Nations Development Program signed an agreement with the government of China to create a common Silk Road economic zone [190, p.9]. The First BRI Forum in May 2017, won global recognition, with 29 heads of state, 1,500 delegates from over 130 countries, and 70 international organizations in attendance [191].

Meanwhile, India positions itself as the Asian power, which can compete or balance China. Taking into account India's growing economic, military and demographic trends, as well as the reawakening national pride of Indians, it is difficult for India to slide into China's orbits without resistance. In the times of growing global ambitions of China, and frictions in the West, the potential of India's growing power might balance China's dominance in the region. It is also worth mentioning that India's nuclear weapons programme is aimed at defeating China, rather than Pakistan. However, Beijing sees itself as a superior, unrivalled civilization-state [192].

Consequently, India, as a rival emerging power, competing for both by land and by the sea in the region, remains sceptical of BRI. In particular, is India's official opposition to the China-Pakistan Economic Corridor (CPEC), which passes through the Pakistan occupied Kashmir territory. The BRI Forum in May 2017, which gathered all heads of states in the region, was boycotted by India due to the sovereignty issues in the CPEC project. Yet Delhi's approach towards BRI remains largely ad hoc and opportunistic, rather than strategic.

Admittedly, taking into account that China's GDP is 4.8 times larger (2.4 times when adjusted for purchasing power parity) compared to India [193], it is difficult for India to compete in the infrastructure investment sector. However, Narendra Modi, with his policy attempts to develop India's connectivity in the region. One of the significant programmes launched by Modi's government, "Neighbourhood First," encourage cooperation with a direct and external neighbourhood by providing their own connectivity in the region.

Regarding the BRI, India has several concerns. The official position is that the BRI's project CPEC goes through the Pakistan-occupied Kashmir (PoK) territory. China is financing the project that on land is claimed by both India and Pakistan. The Indian Foreign Secretary Jaishankar proclaimed India's official position before the BRI

Forum in May 2017 “....the issue for us is a sovereignty issue” [195]. In addition, CPEC was announced as a “flagship project of BRI”. While having interviews with Indian scholars, the question was raised “why CPEC became the “flagship” project and not BCIM?” and “how Indians could accept BRI, if CPEC is a “flagship” project that means that India accept PoK?” [194].

The second is the military concerns; India threatened that projects built within the Maritime Silk Road for commercial purposes could be potentially used for military purposes as well. The Indian Ocean Region is one of the world’s strategically important routes due to its transportation of more than 80% of the world’s seaborne trade in oil transits. Also almost all of the world’s major powers have deployed substantial military forces in the Indian Ocean region. China’s first overseas military facility hosts are in Djibouti, Somalia and the Pakistani port Gwadar is evolving as a Chinese outpost. Karachi and the Seychelles already utilized by PLAN for replenishment and refuelling [196]. Thus, active involvement of China in the Indian Ocean threatens India’s security.

The third concern is that India sees itself as an emerging global power and rival to China. Being included in the BRI means that India accepts China as a regional power, and, in effect is being gathered under the umbrella of Chinese allies. If India is included in BRI, it should follow Chinese rules. Yet India promotes itself as an alternative power to China. Moreover, Indians see BRI as a national Chinese initiative. BRI was presented as a “more unilateral decision” compared to the Asian Infrastructure Investment Bank (AIIB), which was preceded in detailed consultations before joining. The key issue for India in BRI is whether China will build connectivity through a consultative process or will be based on unilateral decisions [197].

The last concern, and probably the one of the most important for all BRI partners, is the issue with the price Chinese might demand if a return of debt repayment will be impossible. When “Sri Lanka handed over its southern port of Hambantota to China in December 2017, many saw it as a cautionary tale for other nations that are eagerly accepting Chinese help to build grand infrastructure projects” [198]. For India, this case obviously raises concerns, due to growing strategic and economic presence of China in the Indian Ocean Region.

Nevertheless, India was involved in three out of six BRI projects: China-Pakistan Economic Corridor (CPEC) in the west, Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) in the east and Trans-Himalayan railway linking Kathmandu to Lhasa in the north.

The ***China-Pakistan Economic Corridor (CPEC)*** is the “flagship project” of the BRI. With a \$62 billion investment, it aimed at expanding and upgrading Pakistan’s infrastructure and providing transportation corridors. The CPEC includes roads, development projects and power plants connecting China’s Xinjiang Autonomous Region with Gwadar port in the South-western Pakistan. The issue in the CPEC is that it passes through the Pakistan-occupied Kashmir (PoK), a territory with a long history of dispute between India and Pakistan. The situation worsened in the early 1960s when Pakistan “gifted” China 1942 square kilometres to build the Karakoram Highway, which connects Lhasa in Tibet with Kashgar in Xinjiang [213].

Academic and policy community of China supposed that Beijing should not choose between India and Pakistan, and that there is “no need to focus on old problems: what is required is “new thinking and methods” [199, p.82]. While China’s cooperation in CPEC will allow “Pakistan to play a more important role in the economic landscape of South Asia”. Except opposition with CPEC, Beijing is open to work together with India to success with BRI, adding, “India’s poor infrastructure is a challenge for Asian nations to become interconnected,” [200].

Meanwhile, CPEC could solve China’s “Malacca dilemma”, which gave China more space to pursue maritime interests, freedom of navigation, trade and energy security of the region.

Apart from India’s opposition to BRI due to sovereignty issues, and because China determined CPEC as a flagship project, Indians perceived other projects within the BRI in the shadow of CPEC. There were talks that China could rename the CPEC [201], but Beijing shows an unwillingness to address India’s sensitivities, including the CPEC. Another project, which was included as a component of BRI, without asking member states is BCIM that will be discussed later.

Meanwhile, Sino-Pakistan cooperation with the “1+4” structure, was launched to develop four key areas as transport infrastructure, energy and industrial cooperation and Gwadar port as a core of the project. Chinese investments could “push Pakistan’s GDP growth rate to above 6% between 2016 and 2018, while China increased its investments in CPEC several times since it was first announced at US\$46 billion in 2015, rising to US\$ 54.5 billion in 2016, and to US\$62 billion in 2017” [199, p.87].

Besides CPEC’s economic and social benefits, investments are given in a form of concessional loans, which questions what kind of profit Chinese investors gain from the project and what China might demand if a return of debt repayment will be impossible. The terms of contracts are closed for public because China is not providing grants or aid, but concessional loans that should be paid back [199, p.89]. The project also allows various types of tax exemptions for Chinese companies.

Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) [194] is another project that involves India in the BRI. BCIM-EC, earlier known as the ‘Kunming Initiative’, established in 1999 to promote trade and economic development in the region, stretches from southwest China, Kunming, to eastern India, Kolkata, via Myanmar, India’s Northeast region and through Bangladesh. India is very sensitive to the proposed ‘China–Bangladesh–India–Myanmar Economic Corridor’, through which Chinese influence could penetrate into the northeast regions of India and threaten its security” [202].

Within the BCIM, Joint Study Groups (JSG) on governmental level were established to investigate and implement realization of the project. However, opinions over whether it needs to have a Joint Study Group were divided among members: Chinese believe that all preliminary studies had to be done because JSG is a slow-going process. India insists that it should be scrutinized appropriately before starting the project; Bangladesh and Myanmar, having less power but in being pragmatic, welcome the project realization. India is also promoting its BBIN (Bangladesh-Bhutan-India-Nepal) project, which was turned from SASEC, a subgroup of BIMSTEC.

India worries about BCIM for several reasons. An important point is that the Northeast region of India is mostly isolated and cut off, development indicators in these areas are declining, and insurgency groups control most of the part of the region. Manipur and Nagaland have tense security issues because of the parallel governments in states. Security perspective in the Northeast force India to be cautious in cooperating with external powers in order to develop the region because some separatist groups could use this for their own purposes. Also, instability in Myanmar made huge concerns for India. Thus, Northeast of India is a troubled periphery with many insurgency groups controlling the provinces and having border issues with neighbours. While, the official government strongly advocates its “Act East” Policy, the region still has poor conditions, because Delhi prioritizes developing the centre and has less willingness to connect overland.

However, locals from the Northeast of India have positive expectations from the BCIM. Northeast is populated by various local tribes, which has related tribes in Myanmar, China’s Yunnan, Jianxi provinces. For them, it is better to cooperate based on common cultural heritage, rather than to militarize the region. Some ethnic groups are separated from both sides of the borders having natural economic zones, which became cut off because of borders. Although “Look East” Policy developed the region to some extent and enhanced border trade, it was not fully implemented due to strict regulations. Also, because of the restricted official border trade, there are big informal trade markets with Bangladesh, Myanmar. Here they suffer from a deficit of relevant infrastructure, especially hard infrastructure rather than soft infrastructure.

Moreover, the Indian government did not build relevant infrastructure to connect Myanmar, Bhutan tri-junction with the north part of Assam, as Delhi worries about opening this route. Border trade with China is also restricted to certain listed goods. Yet the list is out of date and there are huge Chinese markets in the region because of informal trade of Chinese goods through Myanmar.

Thus, for the region, it is important to implement the BCIM EC, which will open more opportunities for Indians to develop. For the Northeast, the question of development is more significant, rather than definition, regardless of whether the project is a part of BRI or not. It should be emphasized that the BCIM was developed in 1999 as a Kunming Initiative, with a focus of developing the region, while the issue of the BRI’s CPEC project, which happens later, is less significant for locals.

Trans-Himalayan railway designed to reconnect Tibet with the sub-continent. There were documents that 12 trans-Himalayan routes linking India with Tibet that were in active use before 1947. The Trans-Himalayan railway will connect Tibet with the northern part of India and Nepal to shorten the journey of Chinese goods from inner provinces of China [197]. Nepal and China ‘principally agreed’ to construct a trans-Himalayan railway network via Tibet and extend it to Kathmandu. While Chinese Premier Li recalled that the rail links from Lhasa to Shigatse had already been completed and that they were being extended further up to Gyirong near the Tibetan border with Nepal. The Chinese side also stated that extending it towards Nepali territory was not a problem [203]. This trans-Himalayan route does not have a potential economic scale but performs as an important geopolitical aim of connecting Tibet. For

India, this route will open another connectivity of the Tibetan region, albeit India so far did not claim any interest in the project.

BRICS. The establishment of BRICS is a good example of integration among emerging economies, when along with leaders' personal ambitions and foreign policies, international institutions of cooperation among rising powers are established to challenge the global order led by the West.

The acronym BRICs (Brazil, Russia, India, China) was coined by Goldman Sachs economist Jim O'Neill in 2001 to indicate the safest developing countries for investment. Several years later, on the margins of the UN General Assembly, the diplomatic efforts of BRIC countries became a political reality. In 2009, the First BRIC Summit was held in Yekaterinburg in Russia, with a focus on improving the global economic situation and reforming financial institutions. In 2010, South Africa formally joined the bloc, and "S" for South Africa was added to the BRICS acronym. In 2011, the BRICS Forum became an independent international organization encouraging political, economic, and cultural cooperation between BRICS nations.

Nowadays, BRICS economies have grown rapidly, with their share of global GDP rising from 11% in 1990, to almost 30% in 2014. BRICS account for over 40% of the world population, hold over US\$4 trillion in reserves, and account for over 17% of global trade [204]. The BRICS Strategy positions the bloc as a platform "to promote peace, security, prosperity and development in a multipolar, interconnected and globalized world". All five states are in the G20 group and, thus, BRICS supports the G20 promotion of political-economic development and cooperation to accelerate future global development.

Meanwhile, the institutionalized financial capacity of BRICS in a form of New Development Bank (NDB) and the Contingent Reserve Arrangement was a crucial attempt to set new principles of economic relationships among emerging economies. The NDB was established in July 2014, during the Sixth BRICS Summit in Brazil, and was designed to support infrastructure investments in BRICS states and in Africa. Additionally, the NDB promotes flexibility for developing countries from the International Monetary Fund (IMF) and the World Bank. BRICS, by developing financial instruments and South-South cooperation, promote a strong source of empowerment. New partnerships under the new "BRICS Plus" arrangements provide strong possibilities for robust growth in developing nations, and the Summit in Xiamen, in 2017, showed that both India and China could act as major investors and beneficiaries to overcome bilateral difficulties when the need to work on global partnerships was acknowledged.

Grounded in South-South cooperation, BRICS has become an important source of global growth and political influence. If the BRICS platform promotes South-South cooperation in developing commercial, political, and financial organisations, the newly established New Development Bank (NDB) and Asian Infrastructure Investment Bank (AIIB) are challenging existing financial structures and putting competitive pressure on isolationism and protectionism in the developed world.

The momentum generated by such initiatives "outside" the system drives convergence dynamics within the expanded multilateral development finance system, creating strong forces and reputational incentives that should work to increase

efficiency on all sides. The roles of China and India in these institutional mechanisms are major. China has 20,06% of the voting share in AIIB, and India has 7,5%, while in NDB, both have equal shares. China, as the second largest economy in the world, led AIIB's formation among 57 country-partners. India, a founding member of AIIB, despite having strategic contradictions within the BRI project, has worked together with China on improving existing financial conditions within NDB and BRICS.

Thus, financial institutions such as the Shanghai-based NDB and Beijing based, China-led AIIB are new mechanisms driven by global and regional financial cooperation. NDB, with initial authorized capital of US\$100 billion, and AIIB, with the same amount, are meeting demand for huge infrastructure investments in developing countries. The AIIB invests in Asia, and NDB supports projects in Asia and Africa. Both are devoted to reducing global and regional poverty alongside their other priorities. Therefore, China and India promoting the global structural changes to the existing mechanisms, so far are providing a significant support to the implementation of those projects.

Shanghai Cooperation Organisation [205]. Full-fledged membership of India and Pakistan in the SCO turns the organisation into the largest regional organisation, with 44% of world population, total GDP \$33 trillion and the territory that covers about 40 million square kilometres or 26,6% of the total area of the globe [206]. Indeed, such a size commits certain obligations. Due to the geographic coverage, SCO links Asia Pacific and Atlantic region, South Asia and the Middle East, and opens broad opportunities for connectivity and cooperation. In security terms, SCO has four nuclear powers or half of the members have nuclear weapons. In cultural aspects, its members have a vast cultural area with nearly 15 % of global cultural landmarks from UNESCO's World Heritage List [205,206].

SCO became an important actor in international arena and in Asian region [207, 208, 209]. It had a primary focus on settling the border issues, after successfully resolving it, it focused on security issues, when it was gradually transformed into economic dimension of cooperation. Due to the growing role of China and Russia's confrontations with the West, both were interested in the expansion of the SCO by the inclusion of India and Pakistan. Central Asian states with a less political voice, but with pragmatic economic concerns welcomed the acceptance of India and Pakistan as huge emerging markets [210]. Especially, India was a top interest for Central Asian member states, because of historical trade links to this country and enormous market of energy consumption.

Meanwhile, the fully-fledged membership of India and Pakistan to SCO in 2017 ushered the new stage of the SCO development. Summits in Ufa (2015), Tashkent (2016), Astana (2017) finalized the admission of India and Pakistan to SCO, which has new implications for the organization [205]. Nevertheless, China as a second largest economy in the world has the strongest position within the organization, likewise, the SCO is seen as a China-led organisation. From a geopolitical perspective, for China, the SCO is an important tool of penetration to Central Asian states. Furthermore, the security issue, along with the economic rationale is the key interests of China in the SCO. China was initially interested to solve its border issues with post-Soviet states, then to maintain security and stability in the Western borders of China, and acquire

energy resources of Central Asian countries. Within the “Shanghai Spirit”, these issues were resolved and energy resources secured first with the SCO, now within the BRI projects. Subsequently, to promote economic cooperation, the BRI as a main tool of Chinese diplomacy became priority direction of cooperation within the SCO mechanisms as well. Noteworthy, “the SCO was seen as China’s first experiment in creating an institutional “condominium” in a specific region in partnership with another major power”. As Zhao Huasheng stated, “China has contributed to the SCO most, both politically and economically, has made it a natural duty to keep the organisation moving forward, considers the SCO first and foremost a unique instrument to implement its interest in Central Asia and beyond” [211, p.436].

Before the accession of India and Pakistan to the SCO, China had two main concerns regarding the acceptance of India acceding to the SCO [212]: first, the aspiring state should not have conflicts over territories with member states (India and China have a territorial dispute in Western and Eastern Sector); second, accession should take place without any violation of UN Security Council resolutions. Both India and Pakistan created their nuclear weapons by being not signatories of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). A compromise was found during the summit in Tashkent (2016) which was possible because of Russia, which is in need of new members and global support after the Crimea crisis. Consequently, China decided to support Pakistan to balance India.

On the other hand, after the launch of the BRI and AIIB, the need to build a regional financial structure with Chinese capital became irrelevant and China agreed to admit India, in a pair with Pakistan, to have its Southeast Asia ally as a balancer. Despite that, according to Chinese diplomats, Beijing is fully aware of antagonistic relations between India and Pakistan, which could paralyze the SCO functioning.

Whereas India, with the full membership, achieved a greater visibility in the Eurasian region affairs. For a long time, India has been as a ‘fence sitter’ in terms of its foreign policy in West and Central Asia [207, p.468]. Accordingly, building bridges between Central and South Asia is among the top concerns of India in the SCO. For India, the SCO is a dialogue platform for regional cooperation in economic and security issues, where India interested in deep and sustained engagement with Central Asian states. While security concerns in the Af-Pak region is among the volatile issues within the framework of the organisation. India will balance between China or Russia’s dominance, also by playing a significant role as an ally of the US. In that sense, India will add credibility to the SCO by balancing an anti-American mood of other members. In addition, geopolitically, the admission of India will help refocus interests from the West towards Russia and Asian states.

Accordingly, if during the Cold War period, the relationship was framed under the geopolitical constraints, at present multilateral agenda of both China and India play an important role in drawing bilateral strategy. Since the phenomenon of the new globalisation is that the engine of globalisation has shifted east to Asia and the strong nationalist leadership, assertive diplomacy and institutional endeavors became driving forces of that trend, thus it is essential to consider multilateral institutions, which gave a huge impetus to the formulation of the border agenda. When both states became

strong enough to show more decisive voice in global affairs, regional and global initiatives of both China and India plays a critical role in enlarging their bilateral engagement, whereas bilateral issues including the border issue are considered under this trend. In addition, the examination of regional and global institutional intentions of China and India helps to compare their approaches with their own connectivity in their common borderlands, to assess how their common border regions develop in comparison with their multilateral agenda.

3.3 Emerging aspirations of leadership –Xi Jinping and Narendra Modi

Global activities of China, India and other emerging powers have contributed to the rise of nationalist movements, from vocal demonstrations to powerful leadership positions in many Western countries. As nationalist movements cause a dissociation of the West, emerging countries of the East are promoting their grand strategies under nationalist leadership.

Meanwhile, Xi Jinping came to power with the idea of the “China dream” and with the aim of promoting his “community of common destiny” to rebuild China’s historically central position. Hindu nationalist leader of India, Narendra Modi, carried his personal stamp with the manifesto to “fundamentally reboot and reorient the foreign policy goals, content and process, in a manner that locates India’s global strategic engagement in a new paradigm” [214, p.7]. Thus, China and India, by domestically moving towards nationalist concerns, are performing impressively in the international arena by being driving nations in terms of building new financial and global structures. In other words, the ‘Strongmen Era’, when changing times have boosted the public demand for more assertive leadership seen in the strong leaders of China and India. Moreover, in 2016, the Financial Times published that the “strongman” style of leadership was gravitating from East to West, and growing stronger across the world – from Russia to China and from India to Egypt – macho leadership is back in fashion” [215]. Thus, the paragraph further studied the role of Xi Jinping and Narendra Modi in shaping internal and external politics, while focusing on their global, regional and local ambitions. The role of leaders is important to understand development and feature of cooperation between two neighbouring powers and to understand their position towards the bilateral cooperation, including the resolution of the border issue.

Xi Jinping’s win-win politics [220]. China, sharing the same goal of “power and prosperity”, Chinese leaders nevertheless followed different roads. Mao Zedong attached great importance to class struggle and world revolution; Deng Xiaoping engaged in reform and opening up; Jiang Zemin deepened reform and strengthened China’s ties with the outside world; and Hu Jintao focused domestically on the scientific way of development and externally on the diplomatic policy of peaceful rise [216]. Meanwhile, Xi Jinping is a charismatic and proactive leader; his foreign policy agenda involves constructive engagement with international institutions.

During the inaugural speech after the appointment as General Secretary of the CCP Central Committee in November 2012, Xi Jinping proclaimed his “China Dream”, which is a confirmation of the return of strong politics. In the contrast with Deng’s dictum, which was “to hide capabilities and lie low”, Xi Jinping revised China’s

international strategy and advocated a “community of common destiny”. The newly developed approach to international affairs took an active stance towards the global and regional order, strengthening existing networks, and making initial attempts to ensure regional and global order.

The welcome speech of Xi Jinping, during the G20 Hangzhou Summit in September 2017, further demonstrated China's vision of the influence over global political and economic structural changes. It was also Xi Jinping, who delivered a strong defence of globalisation at the Davos World Economic Forum in January 2017. Apparently, the landmark 19th National Congress of the CCP that has revealed Xi Jinping as the leader of the superpower, with the important change to the constitution, has confirmed a cornerstone of a ‘new era’ under his stewardship. Definitely, Xi Jinping, by enshrining in the constitution along with Mao Zedong and Deng Xiaoping consolidated his power and role of a sole leader of global China for coming years. Those goals was implemented by the Foreign Minister Wang Yi, who expanded the notion of a “major power diplomacy with Chinese characteristics” by “building a new type of international relations with win-win cooperation; building a global network of partnership; pursuing an Asia-Pacific dream; pursuing a vision of Asian security” [217, p.5].

In September 2016, Xi Jinping held a CCP members meeting to discuss issues related to global governance, which demonstrates the high level of interest of the Chinese political establishment in playing a more active role in global governance. In September 2016, the G20 Hanzhou Summit confirmed the Chinese position, while also creating an important opportunity to confirm its role in global governance. The First Belt and Road Initiative Forum held in May 2017, was a further step showcasing the active role of China in global affairs, which became a primary tool of Xi to institutionalize Chinese influence worldwide. The BRI Forum won global recognition, with 29 heads of state, 1,500 delegates from over 130 countries, and some 70 international organizations in attendance [190].

Xi Jinping’s political ambitions in terms of the country's regional role was emphasized during his speech at the fourth CICA Summit in May 2014, where he launched the “New Asian Security Concept”, which aimed to establish new regional security cooperation architectures. China’s increased involvement in international society and active participation in multilateral organizations and platforms such as BRICS and the G20 show its desire for the involvement of “Chinese characteristics” in global diplomacy.

In that sense, the difference between China and other global powers is that China it is not only ‘growing up’ within a milieu of international organisations, but also actively use these institutions in order to promote its global power status [218].

Xi s landmark address at the 19th National Congress in October 2017 set ambitious tone and declared “a new era” under his leadership. For the international community, the main takeaway from his speech was that China become more outward looking in international politics as well as asserting proactive role in global politics, and confident with their commercial and military capacity over the years. According to Xi’s vision, China has two stage plans to achieve centennial goals of becoming “fully developed

nation” by 2049. Primarily domestic objectives were laid out for 2020-2035 years, to “basically realise socialist modernisation”, while “becoming global leader in innovation”. The second stage, 2035-2045 years will set more outward-looking agenda, when China will become “a global leader in terms of comprehensive national power and international influence”. Moreover, by 2035, “modernisation of national defence and forces will be basically completed”, while in 2049 the PLA will be “fully transformed into a first-tier force” [219].

In addition, Xi highlighted that one of major achievements in his first term is the “steady progress in the construction of islands and reefs in the South China Sea”. China will continue to “enhance its cultural soft power through presenting a true, multi-dimensional and panoramic view of China”. These steps will prompt China to “strive for the great success of socialism with Chinese characteristics for a new era, and work tirelessly to realize the Chinese Dream of national rejuvenation” [73]. Therefore, while China’s ambitions burn bright, the willingness to offer an alternative to the Western liberal international order shows that China is optimistic that relative international forces are becoming more balanced, and trending in its direction. Thus, as an ambassador Ma Zhengang told “We are seeing an unprecedented transition of China’s role, which will not be confined to domestic interests but demonstrate more interest in having a greater say on global issues” [219].

Modi and India’s foreign policy [220]. The economic growth of India presents huge opportunities for the country. It will revive to almost 8% over the next four years and will become fourth-largest economy in 2022 [221]. Whether India would promote new aspirations to be a ‘leading power’ rather than a ‘balancing power’ depends on the international development of India. Especially, Modi’s tenure, who is being pragmatic and geared towards the driving domestic economic development, has promoted global ambitions of his country. Modi’s speech at Davos in 2018 confirms his stand as a global statesman and the national leader, when he advocated a bigger global role for South Asian nations and promoted to investors success of reforms.

Noteworthy, Indian modern diplomatic history can be divided into three distinct phases. The Nehruvian era of “Forward Foreign Policy” and “non-aligned movements” featured key initiatives of founding foreign policy. The intermittent pragmatism of the second period was overseen by the tenures of Lal Bahadur Shastri and Indira Gandhi. With the opening of the Indian economy in 1991, a new phase of economic diplomacy was thus developed. Liberalization policies had a major impact on India’s foreign economic policy, with a new focus on the development of the country through external relations. In the 1990s, there was also a transition from idealism to realism, as India previously guided by the principles of idealism moved to emphasising power politics.

Narendra Modi, former Chief Minister of Gujarat and a Hindu nationalist, became the 14th Prime Minister of India in May 2014. He was accused of anti-Muslim pogroms in 2002 and was banned from entering the US during his tenure in Gujarat. He is a life-long member of the right wing conservative Rashtriya Swayamsevak Sangh (RSS), an organization that is closely allied to the BJP, whose pre-1947 history reflected Hindu nationalists demanding not only India’s independence, but also the creation of “Hindustan” a land just for Hindus. Modi’s tenure is more decisive and

proactive in global politics compared to his predecessors. Modi has developed Hindutva politics (Hindu-ness), which symbolizes the aggressive face of Hindu nationalism; Hindutva is seen as a basis for true national security and the global recognition of India [214]. In his domestic politics, Modi promoted the campaigns “Clean India”, “Make in India” and “Digital India”, which encourage sanitation and local production at a national level. Internationally, during his foreign trips, he promotes his “Make in India” and “Digital India” campaigns worldwide to attract investors.

Modi’s foreign policy has been characterized by great energy, and is driven by personal ambition with exceptional dynamism. The easing of the “non-aligned” past and development of multilateral affairs, based on a strategic geo-economic vision for India is one of the main directions of his tenure. Indian foreign policy under Modi has encouraged proper integration of domestic economic interests, with an increase in FDI and the promotion of “Make in India” and “Digital India” campaigns, despite domestic issues; an important shift under Modi is the realist approach of *realpolitik*, which is aimed at benefiting India’s global position.

Modi came to power with a “neighbourhood first” agenda. His inauguration campaign was associated with developing relationships with the South Asian Association for Regional Cooperation (SAARC) countries. In May 2017, India launched the “South Asia Satellite” to develop communication services and support the region. Updating the “Look East” policy to “Act East” in 2014, the government improved the regional connectivity of North Eastern states of India with their neighbouring countries. The government aims to improve cooperation in the region through the development of Chabahar port and the launch of the Bangladesh-Bhutan-India-Nepal (BBIN) Transport Network. As part of the “Act East” policy, the India-Myanmar-Thailand trilateral highway project promotes the revival of historic ties between India, Myanmar, and Thailand, strengthening regional connectivity and enhancing economic integration with the Mekong sub-region. The project is likely to be a game changer for India-Mekong ties and the wider Southeast Asia. The “Go West” strategy aims to develop infrastructure projects in Chabahar port. Chabahar port allows Pakistan to be bypassed, opening sea-land routes to Afghanistan and Central Asia. Chabahar is 72 km away from Gwadar, a Pakistani port invested in by China.

Modi’s foreign policy engagement is also witnessed in the country's relationships with Japan, the first country outside immediate neighbourhood Modi visited after he took office. Modi’s “Act East” policy allowed cooperation with Japan to develop into a civil nuclear deal. India and Japan are also working on the Asia Africa Growth Corridor (AAGC), with Japanese investments of US\$30 billion and US\$10 billion from India. Joint support of the development of the Trincomalee Port in Sri Lanka and Japan's interest in Chabahar Port also shows that the bilateral engagement of India-Japan ties has acquired global significance.

On top of this, Indian relationships with the US have had remarkable success. Declaring the outcomes of Mr. Modi’s visit to the US, in June 2017, Donald Trump noted that relationship between India and the United States has “never been stronger, has never been better” [222]. However, issues with H1B visas for Indian workers and

standards and technical regulations that affect Indian exports remain contentious issues.

Thus, Modi's 2014 election manifesto of the Bharatiya Janata Party (BJP) by carrying his personal stamp, declared a 'fundamentally reboot and reorient the foreign policy goals, content and process, in a manner that locates India's global strategic engagement in a new paradigm' [224] implementing in those years successfully, despite, there are strong oppositions to programmes and strategies.

Despite all domestic challenges, inequality and poverty, India enjoys a global recognition and strengthen its position in global politics. Under Modi "globalising and revolutionising India's foreign policy like no other prime minister since Jawaharlal Nehru" [225]. Having a legacy of pluralistic, democratic and secular society, it is need a big effort and time to reform the country. Besides an ample political will of Modi's government, various factors challenge to convert initiatives into reality, including the highly complex political environment. There are three challenges for India among others in order to impact to global governance: India's conservative, permanent foreign policy bureaucracy resisted Modi's attempts; despite frantic economic growth, India still have low capacity to invest projects abroad; while the majority of BJP members in the National Parliament, it still has to contend with the country's federal structure, which gives states run by other parties a wide latitude to frustrate the BJP. Thus, Modi had done tremendous steps towards strengthening India's position in the world [223].

Consequently, Xi Jinping and Narendra Modi's leadership approaches and vision of the future of their states are studied to show the personal approaches of both leaders. Undoubtedly, leadership does play an important role, in particular, if during the early independence period Chairman Mao and Pandit Nehru formed the very essence of bilateral cooperation, and because of the positions of leaders, the border issue emerged. Later on, rapprochement in the border issue was reached during the Deng Xiaoping management, while nowadays President Xi and PM Modi articulate the status of the border issue and conditions in the borderlands. Therefore, the individual factor in politics is considered in order to explain based on the leadership visions, current perspectives on the border issue and to prospect development of the border regions from a short-term perspective.

4 FROM MULTILATERAL TO BILATERAL: IMPLICATIONS FOR STATES

4.1 Evolution of Sino-Indian bilateral cooperation

“China and India, standing in the Asian continent, have been neighbours created by Heaven and constructed by Earth. Viewing the entire human history, there are four great cultural systems inclusive of those of Chinese and Indian, which may be described as half of the cultural treasury of humanity. This is terrific”.

Ji Xianlin (1911–2009) [29, p.1]

Despite the deep historical and cultural ties in the past, China-India relations had experienced different periods of collaboration, stagnation, rapprochement, and competition during the last seven decades. From the early days of establishment of diplomatic relations, the border issue became among the cornerstone issues that shaped bilateral engagement between China and India. However, there were periods, when the territorial dispute shifted from being on the top agenda of bilateral dialogue due to various internal and external factors. As such, could be the periods of economic liberalization, later on, the growing global ambitions of both emerging powers, while the early independence years, as well as decades of pre-reform era, were featured with the highest interest in the territorial dispute. Thus, this chapter aims to analyse the China-India relations starting from the independence period until nowadays, with a special focus to the territorial dispute. Undoubtedly, the emergence of the unresolved border dispute influenced the development of bilateral ties, therefore it needs to examine the origins of the border issues. It should also be emphasized the role of geopolitics during the various periods like the territorial value was varied due to the geopolitical games between the great powers. The Tibet issue, geopolitics during the Cold War, in addition to the China-Pakistan-India triangle should be kept in mind while discussing the evolution of the border issue. Furthermore, the impact of the economic liberalization on the dispute will be further described within the next 4.3 chapter, in order to understand the economic interest of states in evaluating the value of the territory. Therefore, in order to analyse the full picture of the escalation of the border dispute and the value of the territory during the contemporary period, the bilateral cooperation had been analysed through the various prisms, including political, economic and historical, whereas, in the next chapter 5.1, the origins of the borders studied from deep historical perspective of the pre-independence period.

Meanwhile, the 1950s for both India and China was a fundamental period, when both Nehru and Mao see themselves as defenders of national unity and integrity, therefore were eager to defend immature independence and sovereignty. Mao declared that a strong China needs to control the territory that the Qing dynasty had governed at the height of its power, while Nehru identified Indian territory with the former imperial realm [15, p.18]. As a result, the value of the territory was overestimated during the early independence years [122].

Nevertheless, the 1950s, in China-India relations is often called as “Chini-Hindi bhai bhai” (China-India are brothers), due to the emerging good relations between neighbours. Among the first attempts to draw bilateral relations was the signing of the

“Five principles of peaceful coexistence”, also known as the Panchsheel Treaty in 1954, albeit India had pursued another goal – by including in the agreement “mutual respect of territorial integrity and sovereignty”, eliminate the border issue from the agenda of the bilateral dialogue. Further, the 1954 Agreement on Trade and Intercourse between India and Tibet included several passes that would be used for border trade, which seemed to confirm Indian view of the lack of territorial dispute. Another sensitive year, in terms of raising international status for both China and India was in 1955, when the Bandung conference gathered newly independent Asian and African leaders. At the conference, Nehru stressed the importance of Non-Aligned movement to dissociate from the Cold war, whilst China proposed to stop challenging world polarization and to invite the socialist camp to join the Bandung movement [228].

Meantime, the first signs of cartographic aggression were seen in July 1954, when Nehru circulated a memorandum on the Sino-Indian borders and called for the publication of Indian official maps with “firm and defined” international borders [227]. The Chinese side, also published Chinese maps in 1954 in Chinese textbook, which showed India claimed territories [9, p.43]. During this time, India’s approach in the border issue was shaped in the form of Forward Foreign Policy as the “India’s idealism”, according to which the border was settled by custom and usage in the West and juridical in the East [15, p.17]. On the contrary, China adopted a position that the border had never been formally delineated, therefore called India for negotiations to compromise based on traditional customary lines.

Interestingly, even though it was the time without any satellite devices, Srikanth Kondopalli, professor of Chinese Studies from JNU, India, narrated an inside story of revealing the first noncompliance of the boundary lines [229]. In September 1957, Indian ambassador in Beijing came to a barber to make a haircut, and because there was a queue, he sat on the corner to read a newspaper and figure out on the front page of People’s Daily an article about the new road. Chinese newspaper published that 1,200 km motorway road from Tibet to Xinjiang, through the Aksai Chin region, had already finished. It was crucial and caused a lot of debates and perturbations among Indians. Indian Government reacted to the discovery of the highway in Aksai Chin road in a note to Beijing on October 18th, 1958 [228].

Prior to that, in February 1951, India annexed one of the most significant monasteries in Tibet, Tawang, which was strategically important for India. China drew no protest for this annexation, however during the 1962 war, China re-occupied Tawang and after a couple of weeks returned it to India [15, p.56].

Subsequently, the series of letters were exchanged between Zhou Enlai and J. Nehru in 1959-1960. In January 1959, Zhou Enlai, for the first time mentioned China’s claims over the McMahon Line and Aksai Chin and called to negotiate the entire boundary. Zhou Enlai also mentioned that India was following British imperialism on the boundary issue and called to withdraw an imperialist policy [232]. During the visit of Zhou Enlai to India in 1960, Zhou suggested that China might accept the McMahon Line, if India accepts the status quo in Aksai Chin [233].

Thus, in the late 1950s, it was clear that the territorial dispute between China and India exist, and albeit India refused to negotiate, China was firm to settle the border through negotiations. Whilst, the triggering point that changed the attitudes of both

countries was the asylum of Dalai Lama in 1959. After accepting government-in-exile in India, tensions around the border dispute increased. Accordingly, from September 1959 to March 1960, around 30 notes, 8 letters, and 6 memoranda were exchanged between New Delhi and Beijing over the boundary issue [15, p.56]. China called to maintain the *status quo* for the time being, but India refused to accept the temporary *status quo*.

Consequences of the unilateral approach of the Indian government and Chinese aggressive policy was the war of 1962. The pre-war period was from 19 October, featured by relieving the Dhola Past, and removing PLA from Thagla Ridge. The war phase was from October 20 till November 17 in NEFA and Ladakh [6, 23]. After the military victory, when Indian troops were pushed back, Chinese government announced a ceasefire and voluntarily withdrew 20 km behind the LAC, which they expanded in 1959 and proposed to hold a meeting. In addition, Chinese released more than 600 personnel and returned the equipment that had been captured during the fight. However, Indian side considered it as a propaganda and passed a resolution to recover every inch of Indian territory from Chinese occupation [99]. During the course of the conflict, two Indian divisions were in the war theatre, facing at least five Chinese divisions [28, p.33]. Thus, the PLA went through the Indian Army “like a knife through butter” [230, p.12]. Subsequently, since 1962, Sino-Indian relations were characterized by mutual antagonism, rivalry, distrust and hostility [14, 55, 53, 231].

Notwithstanding, positions on the 1962 war has different perspectives. If some believe that China started the war, because of the fear that India could help to Tibet’s independence, others suggest that China urged to teach India. Either way, below are cited the most controversial perspectives on the border war of 1962.

‘China was arrogant with feeling of superiority; was a revolutionary power in aggressive mood; historically tended to be expansionist when strong internally; fundamental attributes influencing policy toward India were Sino-centrism and nationalism; was reinforced by isolation of West toward China; on the subject of India, Chinese were paranoid and possessed of a one-track mind, therefore not interested in border settlement accepted by India’.

Hoffmann, 1990 [4, p.55]

‘India created a border dispute, refused to negotiate it, and then attempted to make good claims by armed force. China’s reactive use of force was justified, strategically and politically, indeed Indian policy had left Beijing no realistic alternatives’.

Maxwell, 2014[8, p.92]

Thus, while considering the positions of China and India towards the border issue, it should always be included two different approaches on the same issue, which also described in the literature of pro-Chinese or pro-Indian authors.

Either way, after the 1962 war, China and India withdrew their diplomatic missions and suspended all relations. For Indians, the border war became a vivid example of the “China threat”. Before the 1962 war, when Nehru was romanticizing

the foreign politics and advocating a non-aligned movement, the concept of defence was not very well appreciated in India. Subsequently, after the war, India's political and military perceptions had dramatically changed and all political issues were orientated towards China, including the 1964 nuclear test of China that increased this "China threat". Moreover, rivalry channelled through Pakistan, which China continue to actively support with its military assistance and economic cooperation [7, p.16].

Following the conflict with India, China tried to build up an image that it is eager to resolve peacefully the border dispute. Before 1960, China was endeavouring to open negotiations over the disputed borders, but the Tibetan revolt increased the cost of contesting land with India, Nepal and Burma. Thus, in order to pacify Tibet, China was seeking for peaceful relations with neighbours to secure its borders to limit external support for the revolt and recognition of its sovereignty over Tibet. As a result, China signed a border agreement with Burma and Nepal in 1960, Mongolia in 1962, Pakistan in 1963. During the 1960-64, China attempted to compromise in eight disputes, reaching boundary settlement with six neighbours. Overall, since 1949, China used force in six out of twenty-three territorial disputes [24, p.23].

4.2 Rapprochement of the border relations

The international context, including the Indo-Soviet strategic friendship signed in 1971, which pushed Beijing to avoid the strengthening of the Soviet-India relations, as well as the 1971-72 visits of Kissinger and Nixon in Beijing that led to the improvements of the Sino-American relations made some adjustments to the relationship between China and India. Internally, in China, 1971 was a year of vulnerability in Tibet, when people suffered from the economic and social policies of Mao, the terror of Red Guards and PLA, whereas India, under Indira Gandhi was intervening to turn East Pakistan into Bangladesh. Apart from that, with the warming of Sino-American relations, the US warned India and the Soviet Union against further offensive operations in Bangladesh and it seems that Chinese leaders had their fear that Tibet can face the same challenges as the East Pakistan. These internal and external factors influenced the reconsideration of positions of both China and India toward each other and in 1976, Beijing and New Delhi re-established their diplomatic missions. In addition to the mentioned changes in the geopolitical scenario, easing of the Cold War also impacted a rethinking of relations between China and India.

Moreover, turn to economic liberation in China in 1978 and in India in 1991 shifted the attitude of political issues, and the "importance" of the border as a playing card to determine the position and power of the country was shifted towards the priorities of economic cooperation. In other words, as D. Copeland showed, an incentive for future trade benefited to the rapprochement of the border issue [112]. Additionally, the 1980s, as Holslag pictured, was a period of depersonalization of foreign policy, when Gandhi and Deng did not use their position to nourish personality cult [14]. Therefore, the economization of foreign politics shifted realpolitik approaches of Beijing and New Delhi and changed perceptions toward each other and the economic security rather than military or territorial security became a core principle of China and India's strategic planning.

Understanding that without peace at the border it is hard to attract foreign investors, China first needed stability and predictability. Easing of the Cold War, shifting values and development strategy of the countries led to the warming of Sino-Indian relations and to sitting at the table of negotiations to settle the border issue as a core issue challenging bilateral cooperation. The urgent issues were to define the Line of Actual Control (LAC), to implement the Confidence Building Measures (CBM) and to institutionalize the mechanisms of negotiations on the boundary issue.

Negotiations at ministerial and deputy levels on the border issue officially began in 1981, but until 1987, eight rounds of the border talks were held without any results due to substantial differences of views. Rajiv Gandhi's visit to Beijing in 1988 ushered a new stage of China-India relations, when the Joint Working Group (JWG) on the border issue was established. Joint Working Group focused mostly on initiating confidence-building measures that could maintain peace and tranquillity along the border rather than settling it, because both sides agreed that it is not time to reach an agreement on border resolution (See table 4).

In total, from the 1980s, there were three stages of negotiations regarding the border issue. The first stage started in the 1980s during the eight rounds of border talks until the historical visit of Rajiv Gandhi to Beijing in 1988. The second stage covers 1990s, including the short break, followed after the India's nuclear tests in 1998. While, the third period started in 2000s, with establishing the Sino-Indian strategic partnership and appointing Special Representatives [233].

However, some scholars suggests that the early proposals to adopt the CBM was initiated by China in the late 1950s, particularly, in 1959, when China proposed officially to withdraw their military forces 20 km from the LAC, and not to send armed personnel into the disputed areas [14]. In 1959 and 1962, India rejected the concept of the LAC, arguing that Chinese concept disconnect series of points on the map [122]. In Zhou's letter to Nehru, in November 1959, he wrote "to put it concretely in the eastern sector in the so-called McMahon Line, while in the middle and western sector it coincides along the traditional line" [234]. Whereas, others assume that the first formal discussion on the boundary was held in April 1960, in Delhi, between Chinese Premier Zhou Enlai and Indian PM Jawaharlal Nehru. Two more rounds of discussions were held in 1960, although, the talks failed to resolve the differences. Nevertheless, formal discussion on the boundary issue was rekindled in 1981, with the visit of Chinese Foreign Minister Huang Hua to India, to meet with Indian PM Indira Gandhi [231].

International context in the early 1990s also led to rethinking of approaches on the boundary issue of both nations. Tiananmen massacre in May 1989, urged China to avoid provocations and India's foreign policy that was forced to change since the collapse of the USSR pushed to cooperate in a post-Cold War world. Accordingly, aware of the complexity of the border issue, sides established institutional mechanisms of negotiations. As a result, the India-China Diplomatic and Military Expert Group, under the JWG, reached an agreement on the maintenance of peace and tranquillity along the LAC in 1993 and confidence building measures in the military field along

the LAC in 1996. These two documents were a base for further negotiations and unlike previous discussions maintained peace along the border.

However, to achieve significant results, the Joint Working Group that consists mainly of department directors was not enough. In 2003, during the state visit of PM Vajpayee to China, countries agreed to appoint deputy ministerial level special representatives on the border issue. India appointed National Security Advisor, while China appointed its first Deputy Minister of Foreign Affairs as the first special representative. After the five rounds of negotiations in 2012, sides signed an agreement on establishing a working mechanism for consultation and coordination on China-India border affairs. The Special Representatives dialogue hence played a critical role in settling the border issue, one of the examples of which was seen when the Doklam crisis was set-off to an end on August 28, 2017. An agreement signed in October 2013 on border defence cooperation was another step towards the border settlement. This agreement indicates measures to implement border defence cooperation and mechanisms of meetings for further regulation of border issues.

Thus, there were three mechanisms of negotiations on the boundary issue, where India's policy was changed from non-negotiation to negotiation. As was mentioned the eight rounds of border talks produced no feasible results, whereas the 14 rounds of the JWG on the border issue resulted in establishing CBM to maintain peace and tranquillity along the LAC, yet excluded the discussions or recommendations on the settlement of the border. Further, since 2003, there were 20 meetings of the Special Representatives (SR), which discussed a framework for a boundary settlement, based on the "political parameters and guiding principles". Consequently, the main institutional mechanisms working on the border issue is the Joint Working Group, with the subdivisions of India-China Diplomatic and Military Expert Group, and Special Representatives on the border issue. The major outcomes of these institutional mechanisms are shown below in table 4 and 5. Whereas, the key result of dialogue platforms were the agreements that are listed in table 6 below.

Table 4 - Institutional mechanisms of border negotiations

Name of dialogue	Meetings	Major results
1	2	3
Border talks	1. 10-14.12.1981 2. 12-20.05.1982 3. 28.01-2.02.1983 4. 25-30.10.1983 5. 17-20.09.1984 6. 4-10.11.1985 7. 21-23.07.1986 8. 16-18.11.1987	Level: Ministerial and deputy level <i>Main results:</i> the first four dealt with "basic principles" and the last four with "the situation on the ground" [235]

Continuation of the table 4

1	2	3
China-India Joint Working Groups on the border issue	9. 30.06-4.07.1989 10. 30-31. 08.1990 11. 12-14.05.1991 12. 20-21.02.1992 13. 27-29.10. 1992 14. 24-27.06. 1993 15. 6-7.07. 1994 16. 18-20. 08. 1995 17. 16-18.10.1996 18. 4-5.08. 1997 19. 26-27.04. 1999 20. 28-29.04. 2000 21. 31.07-1.08.2001 22. 21-22.11. 2002 23. 30.03.2005	Level: Deputy Director-General/Joint Secretary level <i>Main results:</i> - During the 7 th round, sides agree to reduce their military forces along the LAC; - During the 11 th round, measures to maintain peace and tranquillity along the LAC was obtained
Special Representatives Meetings	1. 23-24.10.2003 2. 12-13.01.2004 3. 26-27.07.2004 4. 18-19.11.2004 5. 9-12.04.2005 6. 26-28.09.2005 7. 11-13.03.2006 8. 25-27.06.2006 9. 16-18.01.2007 10. 20-22.04.2007 11. 24-26.09.2007 12. 19.09.2008 13. 7-8.08.2009 14. 29-30.11.2010 15. 16-17.01.2012 16. 28.06.2013 17. 10-12.02.2014 18. 23.03.2015 19. 21.04.2016 20. 22.12.2017 21. 24.11.2018	<i>Special Representatives:</i> Chinese State Councillor/Deputy Foreign Minister and India's National Security Adviser. <i>Main results:</i> - During the 5 th round, sides reached an agreement on the political parameters and guiding principles for settlement of the boundary dispute; - During the 17 th round the Working Mechanism for Consultation and Coordination was established; - During the 18 th round was implemented a border defence cooperation
Note - Compiled by the author		

Table 5 - Other bilateral platforms

Name	Date	Main results
Annual Defence and Security Dialogue between India and China	1 st round - November 2007; 2- December 2008; 3-January 2010; 4- December 2011; 5-January 2013; 6-February 2014; 7- October 2015; 8- November 2016; 9-November 2018	Level: Defence Secretary of India and China's Deputy Chief of Joint Staff Department of the Central Military Commission Aim: to expand military cooperation and to identify new avenues of engagement
India-China High Level Mechanism on Cultural and People-to-People Exchanges	1 st meeting - December 21, 2018 in New Delhi	The meeting co-chaired by the External Affairs Minister Smt. Sushma Swaraj and H.E. Mr. Wang Yi, State Councillor and Foreign Minister of China, was taken during the Informal Summit between Prime Minister Modi and President Xi Jinping in Wuhan in April 2018. The High Level Mechanism will bring all the existing bilateral cultural and people-to-people engagements between India and China under one umbrella and, thus, add more substance and purpose to the efforts on both sides to promote greater cultural and people-to-people exchanges between them.
Note - Compiled by the author		

Table 6 - List of agreements on the boundary issue

Date	Agreement
1	2
September 7, 1993	Agreement between the Government of the Republic of India and Government of the People's Republic of China on the Maintenance of Peace and Tranquility Along the Line of Actual Control in the India-China Border Areas
November 29, 1996	Agreement between the Government of the Republic of India and the Government of the People's Republic of China on Confidence Building Measures in the Military Field Along the Line of Actual Control in the India-China Border Areas

Continuation of the table 6

1	2
April 11, 2005	Agreement between the Government of the Republic of India and the Government of the People's Republic of China on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question
April 11, 2005	Protocol between the Government of the Republic of India and the Government of the People's Republic of China on Modalities for the Implementation of Confidence Building Measures in the Military Field along the Line of Actual Control in the India-China Border Areas
January 17, 2012	Agreement between the Government of the Republic of India and the Government of the People's Republic of China on the Establishment of a Working Mechanism for Consultation and Coordination on India-China Border Affairs
October 23, 2013	Agreement between the Government of the Republic of India and the Government of the People's Republic of China on Border Defence Cooperation
Note - Compiled by the author	

Clarification of the formal features of the boundary. Generally, both China and India based on the Agreement on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question set a three-step procedures: first to agree on the political guideline principles, second to create a framework for resolution on discussions, and finally conduct a survey, delineation, and demarcation of the boundary. According to Dai Bingguo, China's Special Representative during the 2003-2013, after 2005, border negotiations that have conducted nine rounds of talks entered the second stage and SR meetings did achieve some progress, but it is still have not reached a consensus on resolution framework all along [236]. Thus, Sino-Indian border negotiations entered the most difficult second stage, as the issue lasted for more than 60 years, with a period of military aggression, hence it is uneasy to resolve it in a short period.

Overall, there are two different positions to settle the border issue between China and India. China's position was formulated in 1979 (based on Zhou Enlai's suggestion), when Deng Xiaoping assumed that India and China could adopt "one package deal". It means that China would accept the McMahon Line, in return for India's acceptance of the *status quo* in Aksai Chin. Since then "one package deal" is the basic principle of China to settle the border dispute [237]. India, refused to accept the package deal, insisting that the border should be examined by "sector wise examination" investigating each sector separately, on the basis of maps, historical usage, records, and actual positions of the armed force [15, 111].

According to S. Menon, former Foreign Secretary of India, who was involved in the drafting of the 1993 border agreement, for India, it was logical to try to impose peace along the border, while leaving to the future the more politically difficult task of settling the boundary. Indian side purposed to determine the *status quo* at the LAC, irrespective what was said in the past, as there were two lines left from 1959 and 1962. The 1993 agreement created an expert group of diplomatic and military personnel on the alignment of the LAC and finally maintained the *status quo* on the border. Apart from this, sides agreed that CBM should be based on the concept of “mutual and equal security” rather than on parity. Hence, the 1996 agreement that detailed the military confidence-building measures was a “direct offshoot” of 1993 agreement that maintained peace and tranquillity along the borders. However, “neither the LAC nor the boundary is agreed upon by the two countries, let alone delineated on a map or demarcated on the ground”. [28, p.22].

Meanwhile, the term “Line of Actual Control” was useful to China in 1950-1980s in providing a shifting, open-ended concept of the status quo. By 1992, it was clear that the *status quo* unlikely to be changed militarily in the immediate future. The alignment of the LAC, differs in around 20 places, from a few meters to kilometres. Thus, the Sino-Indian LAC is a concept, whereas the process of the LAC clarification was stalled since 2002, which still does not have an agreed-upon delineation of the LAC [28, p.22].

During the early talks of the JWG, on the agenda was dominated the CBM, but after 1999, the focus was shifted towards the clarification of the LAC. During the eighth meeting of the Expert Group of the JWG in November 2000, sides for the first time officially exchanged the maps, depicting the 545-km middle sector of the LAC. During the next meeting, in June 2001, delegations reviewed the other side’s map and exchanged views about the differences. Overall, China and India spent more than a year in exchanging maps in a less-controversial middle sector of the border. However, sides failed to keep the promise to exchange maps for the western sector. Later, when Chinese side revealed that Indian maps were beyond the consensus, they call off the process of exchanging maps [15, p.56].

Moreover, even though both China and India are interested in the early solution of the border issue, they have different expectations concerning the timeframe. If India is keen to resolve the boundary as soon as possible, China calls to show patience and allow the time to solve the issue.

Indian former Foreign Secretary A.P.Venkateshwaran privately and publicly in the late 1980s, was spoken of “lost opportunities” for settling the border dispute [232]. According to Dai Bingguo, China’s Special Representative during the 2003-2013, India and China lost several opportunities to resolve the border issue. The first was during the visit of Zhou Enlai in India in 1960; the second case happened in 1979 when the package deal was offered to the Foreign Minister Atal Bihari Vajpayee; while the latter case was during the PM Rajiv Gandhi’s meeting with Deng Xiaoping in 1988 [233].

Dai Bingguo stated that the old package deal was “If the Indian side takes care of China’s concerns in the eastern sector of their border, the Chinese side will respond accordingly and address India’s concerns elsewhere”. However, the new package

appeals different from the one that was offered. According to the new, Chinese wanted the populated Tawang tract in Arunachal Pradesh and want to go beyond the old Macartney-MacDonald line in Ladakh, thus the proposal requires India to cede territory it holds at present [236].

However, India's approach is that the limits of administration were determined for the last 300 years, thus India considers it as "historical demarcation". Accordingly, there are no any reasons to demarcate it again [8]. Meanwhile, during the 2003 visit of PM Vajpayee, he proposed that India could admit the "package deal", but there was no response from the Chinese counterparts. Meantime, if in 2015, India was hoping to complete the next step in settling their border dispute, the Doklam standoff completely changed this plan.

Nevertheless, the Chinese government remains loyal to the principle that the settlement requires time and patience. Since the border settlement cannot be solved in terms of favourable to China, the Chinese will wait until the right time comes. While India, under the current institutional mechanisms, adopted a more constructive approach when negotiating with China. Indians are more enthusiastic to clarify the LAC alignment to address its security challenges. Because of constant military clashes, India at present is more interested in resolving the disputed territories.

Nevertheless, China improved its border infrastructure in the 1980s and 1990s, whereas India did so in the past ten years. They were strengthening border infrastructure and military preparedness, while, the terrain on the Indian side was much harder.

Either way, China's approach on resolving the boundary issue differs depending on the country. China settled borders with 12 out of its 14 neighbouring countries, leaving unsettled the boundary with India and India's satellite Bhutan. The major reason that the issue persists is that China's reasonable requests (in the east) have not been met. Yet, as Menon mentioned, "settling the boundary, through technical possible, is politically unlikely" [28, p.38]. Probably, Indian approach, determined by Nehru in a reply to Zhou Enlai, that "after the Indian Supreme Court had recently made a landmark decision on unrelated border issues with Pakistan, any agreement on boundary changes had to pass through the process of a constitutional change in India's parliament" still valid today [232].

Nevertheless, booming economic relations, as well as the global engagement of China-India in shifting the world power, lead to the peaceful negotiations, which has promoted strategic trust and have created conducive conditions for the restoration, improvement, and development of bilateral relations. However, the institutional mechanisms for negotiations became an annual high-level dialogue that no longer focused on the border settlement, thus at present, the border interaction neglected from the agenda of dialogue mechanisms.

4.3 Economic interdependence as a driving force of cooperation

According to the IMF, in 2016, China and India's Gross Domestic Product (GDP) based on purchasing-power-parity held the first and third place in the world respectively [238]. In 2015, their total GDP occupied 18,5 % of the global GDP, in

addition to the combined population of over 40% of the global population [239]. Furthermore, according to the IMF forecast, the economic growth of both China and India in the upcoming years will be among the highest among the emerging economies. However, before becoming the fastest growing economies of the world, both were in the list of the underdeveloped countries during the previous decades. Consequently, the need to develop economics ushered a new level of China-India cooperation, which directly impacted the territorial issue as well. With the opening to the world, both needed first, to secure their foreign investment and second to cooperate with the largest markets in the region, thus economic interdependence was the main driver of the changing Sino-India relations in the 1990s. As the economic theory proves, the economic security rather than military or territorial security is a core principle of strategic planning, while bilateral trade, stability, and predictability are necessary for attracting foreign investors. Therefore, as the study suggests, the economic interdependence led to the warming of political conflicts and prevailed the value of territory due to the economic benefits [241]. Accordingly, the chapter focus on the general economic relations between China and India, their commercial relations, as well as on the institutional mechanisms of cooperation in order to understand the figures underpinned in the economic benefits of bilateral cooperation.

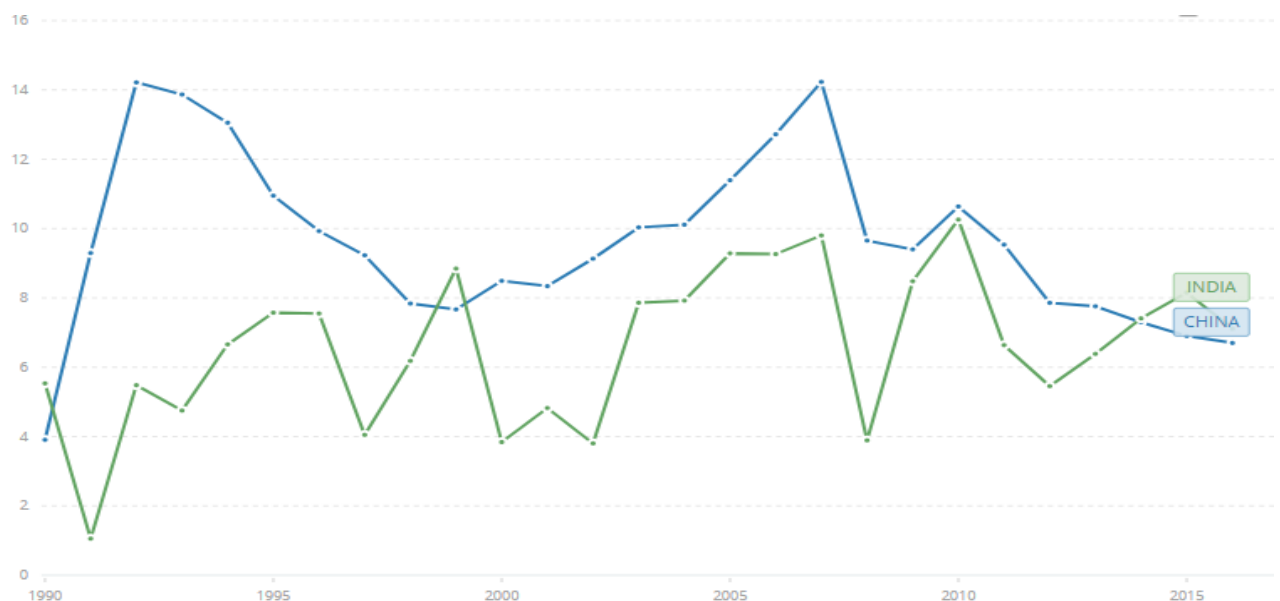


Figure 12 - GDP Growth in China and India in 1990-2017 (annual in %)

Note - World Bank [242]

Nevertheless, China and India started to liberalize their economies by opening up to foreign investment and to the international market in 1978 and 1991 respectively. Both countries, since the 1990s, became outward looking in their economic policies and implemented reforms to deepen their economic integration with the world. Both are members of the WTO- China since 2001 and India as a founding member. Even though India's national development started a decade later than China's, today both are

among the world's largest economies. Figure 12 shows the general growth trend of China and India since the implementation of reforms.

Meanwhile, China and India resumed their trade relations officially in 1978. In 1984, countries signed a Trade Agreement (Most Favoured Nation Agreement) that provided initial mechanisms for trade. Agreement on the Avoidance of Double Taxation signed in July 1994, Customs agreement from 2005 and bilateral investment agreement from 2006 are among the further legal frameworks of cooperation. In addition, agreements on the Resumption of Border Trade from December 1991, the Protocol on Entry and Exit Procedures for Border Trade signed in July 1992, and to resume border trade through Nathu La Pass provides a border trade mechanisms. Although there are certain barriers to trade and investment, both countries are welcoming a Free Trade Agreement that will be based on complementary and comparative advantage. The FTA is on the agenda within the different platforms, such as JEG, SED. However, even though India interested to finalize a Bilateral Investment Promotion and Protection Agreement (BIPA) with China, it still hesitant to sign an FTA [240].

The present economic interaction was accelerated since the Prime Minister Atal Behari Vajpayee's visit to China in June 2003, when the two sides set up a joint study group to examine how China and India could expand trade and cooperation. Based on the agreements signed, due to the reduction and elimination of trade barriers, the commercial relations between China and India showed rapid growth, especially when China, in 2008, surpassing the United States, become India's largest trade partner. Also, the dynamic growth of both countries facilitated the development of bilateral cooperation, which recorded among the highest both in China and in India.

Consequently, Sino-Indian commercial relations have expanded dramatically. The value of bilateral trade increased from US\$200 million in 1991 to US\$60 billion in 2010, and reached a new historical peak of US\$ 84,5 billion in 2017, albeit the amount of bilateral trade stagnated of around US\$70 billion for the last several years, despite the forecast of reaching US\$100 billion in 2015 [245]. However, in aggregate terms trade remains low, regarding the total percentage of the trade.

India remains the seventh largest export destination for Chinese products, while being 24th largest exporter to China [237]. Figure 13 below shows the dynamics of overall India-China commercial relations.

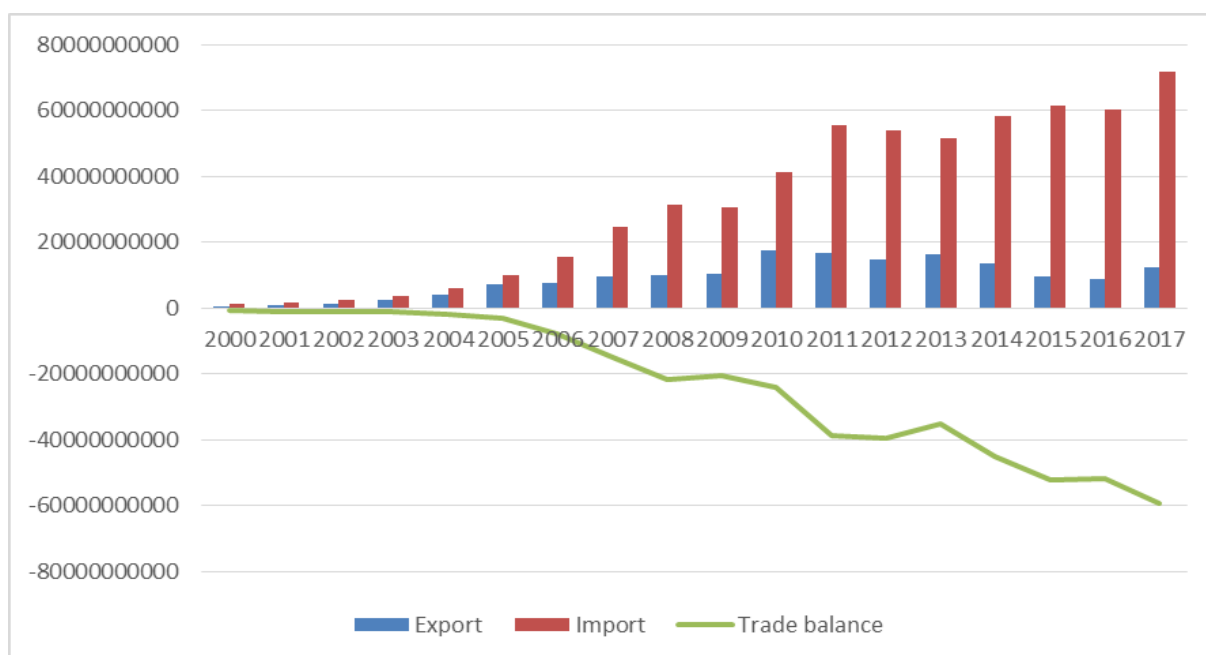


Figure 13 - India's trade in goods with China, in USD millions

Note - UN Comtrade [243]

Meanwhile, Indians are dissatisfied with the trade imbalance with China. Even though the Chinese Minister noted, that India's exports to China have increased by 40%, easing the imbalance in 2016-2017, the trade deficit remains around the US \$51 billion. India mainly imports raw materials to China as against Chinese exports of manufacturing goods to India. The obstacles for Indians are caused by Chinese barriers in the forms of changing the certification rules, registration processes, and specific channels for imports. Meantime, half of the exports from India to China consist of primary sources, while China's exports to India are of more diverse and high-value products [30, p.49]. Traditionally, India's export basket consists of iron ore, primary, and semi-finished iron and steel, in addition to machinery and instruments, processed minerals and cotton yarns. China exports to India mainly electronic goods and organic chemicals, silk yarn and fabrics, machinery and inorganic chemicals [244]. Thus, an inability to compete with Chinese manufactured goods causes major concerns for Indian policymakers.

On the other hand, India has a comparative advantage in services, albeit significantly lags behind China in the manufacturing sector. India's strengths in software and services complement the hardware and manufacturing prowess of China. In fact, manufacturing goods accounts for only 17% of India's GDP, while the same constitutes more than 30% of China's GDP [244].

Consequently, with the expanding of bilateral trade and mutually beneficial commercial relations, the improvement of the political environment was also witnessed, including the strategic border issue. Developing bilateral relations is beneficial to both India and China in terms of economic security, attracting foreign investors, and ensuring state stability and security. It is believed that improvement of

China-Indian relations and rapprochement of the border issue was a result of the economic interdependence of states. However, it should be noted that India is not the only country that has economic interdependence relations in addition to the strategic divergences. For instance, China has close and successful commercial relations with Taiwan and Japan, also has serious strategic contradictions on the territorial issues that are far from being settled.

Institutionalization of economic cooperation. With the improvement of Sino-Indian economic cooperation, the necessity of institutional mechanisms became apparent. Thus, more than 30 dialogue platforms on the economic, political, cultural and socio-economic issues on the highest level, including ministerial, governmental, business and local levels are operating nowadays. The major pillar of the institutional framework are:

- at the Ministerial level – the India-China Joint Group on Economic Relations and Trade, Science and Technology that named in short as the Joint Economic Group (JEG);

- at the Secretary level - the Joint Study Group (JSG, which was set up in 2003, during the Vajpayee visit to Beijing);

- at the Joint Secretary level - the Joint Working Group (JWG) [246].

In particular, the Joint Study Group (JSG) composed by officials and economists aimed to examine the potential complementarities in expanded trade and economic cooperation, while the Joint Working Group, working from 1984, focused on promoting mutual trade and commerce. The JWG also supported by the Joint Business Council that represent business interests of the non-state sector from both India and China. In February 2003, a mechanism to discuss trade-related issues was framed within the Joint Secretary level, in addition to the launch of the financial dialogue and cooperation mechanisms to strengthen this dialogue [30].

Since Premier Wen visited India in December 2010, the India-China Strategic Economic Dialogue (SED) became one of the efficient mechanisms to discuss various regional and multilateral institutions and frameworks, including BRICS, BASIC, G-20, and RIC. At the SED, sides also shares common interests on reforming the global financial institutions like the IMF, WTO and World Bank. Thus, SED mostly aimed to discuss macroeconomic and global economic issues [246]. Table 7 below collected major platforms that provides an institutional framework of bilateral cooperation.

Table 7 - Institutional Framework for India-China Economic Relations

Name	First and last rounds	Representatives	Major issues discussed
1	2	3	4
Joint Economic Group (JEG) - The Joint Group on Economic Relations and Trade, Science and Technology	1 st session – September 1989; 11 th session- March 2018.	Ministerial level. Indian Minister for Commerce and Industry, and the	The JEG promotes economic, trade, scientific and technological

Continuation of the table 7

1	2	3	4
		Chinese Minister for Foreign Trade and Economic Co-operation	relations between India and China.
India-China Joint Study Group (JSG)		Secretary level.	Present a report and recommendation on comprehensive trade and economic cooperation
India-China Joint Working Group on Trade (JWG)	3rd meeting – November 2016;	Director General/Joint Secretary level.	Investment, enhancing cooperation in Industrial parks
India-China Strategic Economic Dialogue (SED)	1st meeting - September 2011; 2 nd meeting- November 2012; 3 rd meeting - March 2014; 4th meeting – October 2016. 5 th meeting- April 2018.	the Planning Commission of India and the National Development and Reform Commission (NDRC) of China	A mechanism of import. Discuss global economic condition and the macroeconomic situation at the domestic level; mid- and long-term developmental plans.
India-China Financial Dialogue	1 st meeting - April 2006; 2 nd – December 2007; 3 rd – January 2009; 4 th – September 2010; 5 th –	Finance Secretary, India and Vice Minister of Finance, China	infrastructural investments, sustaining Asia's economic growth conditions and establishing closer coordination

Continuation of the table 7

1	2	3	4
	November 2011; 6 th – September 2013 7 th - 2014; 8 th meeting- August 2016		
India-China Joint Business Council	On an annual basis	the Federation of Indian Chambers of Commerce and Industry (FICCI) and the China Council for the Promotion of International Trade (CCPIT)	cooperation by the industrial and commercial enterprises of the two countries in trade and economic fields
NITI Aayog-DRC Dialogue	MOU signed in May 2015; 1st dialogue - November 2015; 2nd dialogue - November , 2017; 3 rd - December 2017; 4 th - October 2018	NITI Aayog of the Government of India and the Development Research Centre (DRC)	discuss key macro- economic issues impacting both countries and areas of mutual interest
Note - Compiled by the author, based on Indian Embassy in Beijing, Report of the Joint Group on Economic Relations and Trade, Science and Technology			

Thus, as mentioned above, developing bilateral economic relations is beneficial to both India and China in terms of economic security, attracting foreign investors, and ensuring stability and security. Through the development of bilateral commercial relations, China and India not only improve their bilateral climate but also provide opportunities to fuel their respective economies. Moreover, during the growing global ambitions of both states, the interaction at the bilateral level will help to increase the trust at the multilateral platforms that will help to gain more support from the neighbouring power. The outcomes of the border trade are discussed in the following chapter 5.2.

5 CHALLENGES OF RECIPROCAL RELATIONS IN THE BORDERLANDS

5.1 Historical origins of the cartographic records of the disputed boundaries

China-India boundary covers a distance of around 4,056 km. Yet, around 2000 km of this borderline is undefined and remain among the main challenges of bilateral cooperation. During the contemporary history of both nations, the interaction almost from the beginning was spoiled with the territorial dispute. Thus, the unresolved boundary between the two Asian most populous nations appeared to be among the key issues in the contemporary Sino-Indian relations. Accordingly, this chapter aims to scrutinize the historical roots of the boundary to understand the essence of existing challenges. In addition, the chapter focuses on the current issues in these disputed borderlands. In particular, the socio-economic development of the border areas, as well as the militarization of this area is examined in order to understand obstacles that challenge an interaction of the border people. Also, as the consequences of those impediments, the conditions to implement a full-scale border trade is explored.

Meanwhile, conventional Sino-Indian boundary along the Himalayans are divided into three sectors: western, eastern and middle sectors (figure 14). The western sector covers an area of Aksai Chin, which India claims as a part of Ladakh, but at present administered by the Khotan county of Xinjiang Autonomous Region. The eastern sector disputed in the McMahon line that is now Arunachal Pradesh, Northeast state of India. The middle sector is the junction of Tibet-Kashmir-Punjab borders and Nepal-Tibet-Uttar Pradesh borders. The middle sector was agreed in general in the 2000s, during the exchange of maps, whereas the eastern and western sectors have serious differences in determining the frontier.



Figure 14 - Map of the disputed regions between India and China [247]

In the eastern sector, China claims over 90 000 sq. km of India's Arunachal Pradesh, questioning the legitimacy of the McMahon Line. Arunachal called by Chinese as "Southern Tibet", considers as a part of Tibet's three districts: Monyul, Loyul, and lower Zayul, whereas India determines it as Arunachal Pradesh, which before 1987 was the North-East Frontier Agency of Assam.

The western sector covers the territory of Aksai Chin, where India claims over 38000 sq. km as part of the Indian province Jammu and Kashmir. In addition, in this sector, India has pretension over the 5180 sq. km territory, which was ceded by Pakistan to China in 1963 within the border agreement [111].

The roots of the boundary dispute origins from the British colonial times, when in 1846, Britain added to its Empire the State of Jammu and Kashmir. Thus, in the western borders, British India became neighbouring with China. It was also the times of the “Great Games”, when Tibet was employed as a buffer zone between British India and Russia. At least, British wanted to consider Tibet as a buffer zone, because for Chinese, Tibet was always under their protectorate. Either way, Russia’s expansion in Asia, especially in Central Asia and reaching the Afghan frontiers alarmed the British, so the boundary issue was in the minds of British authorities.

Under these circumstances, the British aimed to keep Russians as far as possible and establish fortified frontiers, but there were different tactics on the setting policy in London and Delhi. Particularly, the two principal schools of British frontier policy were: the forward school that desired to see Russian threat directly and as far away from the plains as possible. The moderate school, which was keen to establish boundaries in a remote and immensely difficult area, where the limits of British power could be easily supported by interposing a third power. Nevertheless, both shared a common purpose - the creation of a linear boundary [8, p.5].

In the foothills, Britain converted Nepal, Sikkim and Bhutan as Curzon described in 1907 as ‘a chain of protectorates’, thus the boundary was satisfactory for them [22].

Aksai Chin. Snowy mountainous and glaciers region of Aksai Chin in the eastern Pamirs, where the Karakoram, Kuen Lun, and Hindu Kush ranges meet, was not a practicable place for surveying the boundary line for demarcation. However, in the nineteenth century, the western borders with China, did not much concern the British, although, the northwest British boundary was an alternation of the forward and moderate schools. The British were focused on the Afghanistan boundary and with the expectation of the Russia threat, British officials were swung between moderate and forward policy for decades [8, p.5].

When Kashmir fell to Britain in 1846, the British started to set Kashmir as the “guardian of the northern frontier, without the hostility, expense and added responsibilities which its annexation would involve”. The British proposed to the Chinese government to demarcate the boundary, wrote a letter to both Lhasa and to the viceroy in Canton, because during these times, there was no British mission in Beijing, and it was difficult to contact with the Chinese Government. Since the Chinese did not reply or send any officials, the Tibet-Ladakh border was impossible to demarcate in 1846. Yet, in order to print the official map of the British suzerainty, surveys of the frontier region were launched, and the British officials were instructed to draw a map of their boundary [9, p.5].

Accordingly, in the north-western part of the British India, several surveys conducted during the XIX century. Particularly, the Great Trigonometrical Survey of India began in Kashmir in 1855, W.H. Johnson’s Trigonometrical Survey of India, started in 1865, G.W. Hayward’s (1868) and T.D. Forsyth’s (1874) surveys conducted in the area between Maharajah of Kashmir and the province of Khotan [9, p.6].

However, due to the conflicting definitions in the surveys, those maps questioned the correctness of the information that was described. For instance, Johnson showed the Kuen Lun Range as a boundary between Kashmir and Khotan, whereas Forsyth advocated the Karakorum Pass. Hence, the forward school was favoured the Kuen Lun Range as the boundary, while the moderate school defined the Karakorum range as its boundary.

Noteworthy, the boundary issue was concerned only within the Indian Government, and the British knew that the boundary was undefined, without any talks on the “traditional customary line”, which caused only in 1958-59. Another important area, which emerged as a major issue in the dispute between China and India later, was the Changchenmo valley. The valley in Aksai Chin, which was shown under the British territory, was occupied by Chinese only in October 1959, when the territorial dispute occurred [22, p.34].

Nevertheless, during the 1890s, the Chinese began to fix their own southern frontiers. They presented a claim over the Aksai Chin in 1896 to Macartney. Chinese officials showed an atlas, where the Johnson Line put Aksai Chin within the British territory. Chinese objected to that and told to Macartney that Aksai Chin was Chinese territory. On his turn, Macartney reported to London about this and commented that “probably part was in Chinese and part in British territory”, with which the British agreed [9, p.17].

Meanwhile, the forward school in London was urging to include within the Indian empire the Aksai Chin, and the Macartney-MacDonald Line was a compromise between the forward school that was proposed to the Chinese in 1899. Later, the British unofficially learned that the Chinese had no objection to these boundaries, because they had never replied to the proposal of 1899. Meantime, the British, during the early 1900s were adhered to the 1899 proposal, aimed to establish Aksai Chin as a part of Tibet, not Xinjiang [9, p.78].

Nonetheless, since the 1899 proposal, there were not any historical records showing the British attempts to demarcate the boundary line in the north-west. Moreover, according to all the cartographic exercises during the nineteenth and twentieth century, the actual situation on the frontiers did not change much since the British invasion of Kashmir in 1846. Overall, the British had two official attempts to define the boundary – in 1846 and 1898, but China never responded to that [22, p.34].

In 1905, London with Calcutta modified in a small degree the Macartney-MacDonald line, which China accepted in 1963 under the boundary agreement with Pakistan [22, p.34]. A revolution that broke out China in 1911 forced the British government with the decision that India should not take any action on the boundary until the necessity arises. In the mid-1912, there was a threat of collapse of Chinese power, Outer Mongolia became independent and Tibet de facto also became independent. Therefore, since the early XX century, the British government did not consider the north-western boundaries of the British Empire.

Yet, Aksai Chin continued to be been, bleak, hostile and empty as usual... In 1940-41, the government of Sinkiang leaned towards the Soviet Union, and conducted a survey of Aksai Chin with the help of Russian experts [9].

The McMahon Line. The northern part of the British boundary was the belt of mountainous, densely jungle area with thinly populated tribal settlements. During the second half of the nineteenth century, the tea-planters of the Brahmaputra valley were seen as risk resources to be exploited. In order to control commercial penetration, the British drew an Inner Line in 1873, which no one could pass without a pass or a license. It was an administrative boundary, which served as a barrier to prevent unlicensed travel. The Outer Line, running along the foothills, coextensive with the southern border of Bhutan, was an international boundary, recognized in London, Delhi and Assam on the British side, and Beijing and Lhasa on Chinese side [8, p.67].

Meanwhile, as was mentioned the British pre-occupation of its northern borders was dominated by the threat of Russian advance towards Tibet. Curzon believed that like the north-west boundary, Tibet became a board for the “Great Game”, which Younghusband’s mission in 1904 to Lhasa had confirmed.

During the first decade of the XXth century, Chinese policy towards Tibet had changed, when they extended their military presence and tried to reduce British influence over the Indo-Tibetan frontiers. Britain’s reaction was formed by forward school, with a recommendation to ‘a more active patrolling policy and improvement of the trade routes to the principal villages’. Subsequently, during the 1911-12, several expeditions were sent to tribal areas to advance the north-eastern borders, whereas the collapse of Chinese power in Tibet in 1911-12 gave an opportunity to the British to prevent future threats along the boundary [8, p.67].

Therefore, Britain entered negotiations with Tibetans without an intermediary of Chinese with the aim to make Tibet likewise Afghanistan, a buffer state accepted by Russia and Britain, by signing the Anglo-Russian Convention in 1907. Thus, after the collapse of the Qing Empire, the British needed a parallel arrangement between the Chinese and British to maintain the status of the buffer state - Tibet.

With that purpose, the British convoked the Simla Conference in October 1913, where China attended under constraint and Tibet with alacrity. Notwithstanding, the north-eastern boundary was not on the agenda, at least was not concerned in London. The British efforts at the Simla Conference were to get China to accept the Inner and Outer Tibet, similarly as it was with Afghanistan and Mongolia, buffer states between Russia and the British Empire [8, p.70].

At the Simla Conference, Sir Henry McMahon, who accompanied Durand twenty years ago with a mission to demarcate the Durand Line, represented the British side; the Chinese side was introduced by Chen I-Fan or Ivan Chen, an experienced diplomat, who served in London; and Lonchen Shatra was from the Tibetan delegation [70].

Overall, there were two conferences at Simla, the tripartite conference working on the division of Tibet to Inner and Outer Zone; and a secret one, keeping Ivan Chen the Chinese representative out of negotiations on the boundary issue. In 1913-14, Henry McMahon and Lonchen Shatra were secretly negotiating on the division of Tibet and the northeast boundary as a package deal. As a result of their arrangements, the map attached to the draft convention had two lines, red and blue. The red line showed Tibet as a geographical and political unit, the blue line divided Tibet into Inner and Outer Zone. On the map, the Tawang Tract remained as a part of Tibetan territory [111].

Simultaneously, under McMahon's pressure, Chinese representative Ivan Chen initiated the draft convention with a clear understanding that 'to initiate and to sign are different actions', but the Chinese government instructed to declare it as invalid. Ultimately, Chen refused to sign the document, and later, in July 1914, Henry McMahon and Lonchen Shatra amended the convention to bilateral. In this draft, the Tawang Tract also was fallen within the Tibetan territory [9, p.79].

At the end, the Simla Conference ended as Maxwell described, 'diplomatic hugger-mugger', with two participants in what was meant a tripartite conference, signed a secret declaration; with one text of draft convention initiated by three and another text initiated by two parties [15, p.39]. While there were three maps related to the Simla Conference and all of them showed the McMahon Line differently.

Consequently, "Simla Conference produced no agreement to which the Government of China was a party" [8, p.44]. Even the Dalai Lama challenged Nehru by saying that "...if you deny the sovereign status of Tibet, you deny the validity of the McMahon Line" [232]. In the final report, Henry McMahon wrote, "It is with regret that I leave India without having secured the formal adherence of the Chinese Government to the Tripartite Agreement" [8, p.44]. Either way, it should be noted that McMahon was able to draw the line with a reasonable degree of precision thanks to the surveys and mapping done during the last two years. His alignment was to put the boundary sixty miles northward, shifting it from the strategically important foot of the hills to the crest line of the Assam Himalayas.

After the conference, during 1914-1935, on the official maps by the Survey of India, the McMahon Line was shown as an Outer Line. Tibetan government continued to exercise administrative jurisdiction as they did before. "The McMahon Line was, in effect, forgotten," wrote Maxwell [8, p.46]. The original edition of the authoritative Aitchison's Treaties, Volume XIV, 1929 edition did not refer to the McMahon Line, but with regard to matters on the Sino-Tibetan frontier, concluded that the Chinese Government refused to proceed to the full signature of the Simla Convention [8, 9].

However, the history of the Simla Conference was not ended with that. In 1935, the British officer Olaf Caroe, almost 'by chance' discovered the secret documents of the Simla Conference and realized that it could be a matter of dispute in the future. He suggested to the London Government that steps should be taken to show the McMahon Line as an official boundary, pointing to the atlases of The Times and Survey of India that still shows the boundary as Chinese did. The proposal to revise the official Aitchison Treaties was approved in London and the original version was withdrawn and replaced by the new edition of volume XIV, published in fact in 1937, but with an imprint of 1929. Three copies of the original version were left in Peking Library, Harvard University library and in the India Office [8, 9, 111]. The revised new edition showed that the Simla conference negotiated an agreement on the status of Tibet and the Sino-Tibetan boundary.

The Survey of India in 1937 began to show the McMahon Line as the north-eastern boundary, but with 'undemarcated' status, albeit not all cartographers were responsive and afterward some of the atlases showed boundary at the foot of the hills. Only ten years before the transfer of the Indian Empire in 1947, the McMahon Line started to implement from the atlases to the ground. Posts were established in several

posts in the tribal territory, piloted by Assam Rifles, while Tibetan administration was extruded from those areas [9, 10, 11].

Later, during the series of letters on the boundary issue between Zhou and Nehru, in the letter from 8 September 1959, Zhou wrote that ‘the so-called McMahon Line was a product of British policy aggression against the Tibet Region of China and had never recognized by the Chinese Central Government and is therefore decided illegal’ [71].

Independence. India gained independence on August 15, 1947, and China on October 1, 1949, so the crucial question was to what boundaries China, and India would be based. Before the independence, interests in the Indian subcontinent was formed from the British rationale, whether the Great Game threat from China or Russia might challenge the British investments, while India’s interests were not counted in decision-making policy. With the Indian Independence Act of 1947, decreed by the British Parliament, the successor of British India was an independent India, and Pakistan became the seceding state. Thus, Indian boundaries became a new national identity. In the Act, however, boundaries were not defined, by specifying in a different way “the territories: that were to form part of the new Dominion”, whereas provision for ‘the boundaries’ was made only for the provinces of Bengal and Assam [22, p.22].

Indian Government continued the British policy in a number of questions. In particular, Curzon’s ‘chain of protectorates’ were among them, where India consolidated its influence. In Tibet, India continued the British policy in supporting de facto independence of Tibet since 1911. In addition, in the Act, it was listed the 1914 Anglo-Tibetan Convention, concerning Tibetan relations with China and Great Britain, as well as the Indo-Tibetan Boundary Agreement of 1914, which is the Assam-Tibet boundary, also known as the McMahon Line. Meanwhile, the Aksai Chin in the Ladakh province of Jammu and Kashmir was not part of British India, even though it was under the British Empire [21, p.122].

Nevertheless, the Indian Government showed that unresolved territorial issues in the northern borders were in their inheritance. The Chinese Nationalist Government was complained several times during 1945, regarding the British inroads into the tribal territories beneath the McMahon Line, which was rejected by the statement that northeast was an Indian territory [4, 10].

Meanwhile, the establishment of the People’s Republic of China and its marching into Tibet in 1951, alarmed political elite of India to reappraise fundamentally the Chinese policy. In 1949, the situation in the North-Eastern Frontier Agency (NEFA, from 1987 Arunachal Pradesh) was as the British left, while in February 1951, Indian officials moved towards Tawang. Twenty additional posts were set in NEFA, whereas the modification of the McMahon Line was based on the alignments that McMahon drew. Thus, ‘Indian decision was to refuse to open the question to negotiation when or if the Chinese did raise it’ [8, p.75].

Consequently, Nehru’s approach was adopted in ‘making no direct communication to China on the McMahon Line’ and therefore, during the negotiations on the new agreement on trade and intercourse in Tibet, India made no mention and avoid the boundary question. It was suggested that if China did not argue the boundary, they tacitly agreed that it was settled.

While Chinese approach to the boundary issue with neighbours was emphasized by Zhou Enlai at the Bandung Conference in 1954: "...we have not yet finally fixed our borderline and we are ready to do so.... As to the determination of common borders, which we are going to undertake with our neighbouring countries, we shall use only peaceful means and we shall not permit any other kinds of methods...." Certainly, Chinese and Indian maps showed different boundaries, however, Chinese stated 'it was natural that the two countries should hold different opinion regarding the border' by thus calling to negotiations [8, p.79].

Noteworthy, China's major boundary issues origins from the period of Qing Empire's decline, which created ambiguity of China's sovereignty after China's independence in 1949. If the Han core was relatively easy to govern, because of the inherited administrative system that began during the Ming dynasty, the territories, which were not under the control of PRC in 1949, became a major challenge for its territorial integrity [11, p.85]. Therefore, China's key different position on the boundary issue with India was formulated after the Tibetan revolt in 1959, when China faced the largest revolt in its frontiers that threatened thirteen percent of its territory [12, p.143]. Fravel assumed that "without the Tibetan revolt, China probably would not even have entered into negotiations with India, Nepal, and Burma in 1960" [24, p.24]. Maxwell also pointed out that China already de facto recognized the McMahon Line, hence no urgent boundary issues was pending during the 1950s.

Consequently, it is seen fundamental differences in approaches: India decided that it would itself find its borders and impose them, whereas Chinese called to open discussions to determine borders with neighbours.

5.2 Current socio-economic development of borderlands

Steeped with the romanticism of the Silk Route and trans-Himalayan pilgrims, the Himalayan region today are divided highly in the mountains and undergoing a wide-range transformation from a political and economic push towards the sovereignty of provinces [25, p.2]. Socio-economic interaction between China and India in the border areas takes place through the Northeast of India (NEI) and Southwest China (SWC). Those regions are less developed regions, yet with rich resource endowments.

The subregions of Northeast India and Southwest China situated in the Himalayan high hills. The northeast region of India has 4,500 km long international borders, with only 22 km link to the mainland India, through the Siliguri corridor in the West Bengal. The eight states of Northeast India accounts 7,9% of the total area of the country, with 44 million population, which is 3,65% of the whole country population. There are more than 160 scheduled tribes and over 400 tribal and sub-tribal groupings in the NEI. Southwest region of China with 19,5% share of the total population and 57,3% of total area, contributes to the 11% of the country's GDP [25, p.2]. Both regions are symmetric in their economic dimensions, as both are endowed with mineral resources, hydropower, basic social and physical infrastructure facilities, whereas the geographic isolation keeps these regions far away from the economic development [248].

The central governments of Southwest China and Northeast India make considerable efforts to develop the region. There are regional development programmes launched in order to facilitate the development of regions. Chinese West

Development Strategy from 2000 was a push for Tibet and Yunnan provinces, while India's 'Look East Policy', then the 'Act East Policy' provided a new wave of development of the peripheral regions. Both programmes were directed to reduce the regional disparity and to improve the socio-economic profile of the region. The Chinese side is governed and funded by the central government, while the NEI states governed under the Planning Commission, State Council and the DONER (Ministry of Development of North Eastern Region).

Therefore, further the paper analyses the socio-economic conditions of the most crucial territory for both China and India – their border areas. Sealed with the undemarcated and disputed status, the border regions have been developing based on the political geography rather than the economic advancement of the region. The border regions in the Western, Eastern sectors differ in their climate, geographic conditions, albeit both remain among the isolated and less developed regions of their countries. However, even in this harsh geopolitical and geoeconomic conditions, commerce plays a crucial role not only for purchasing the daily goods but also as a form of interaction of indigenous people. Consequently, further, the chapter focuses on the border trade in the Sino-Indian borders, and then examine the social development of the disputed regions and underpinnings of social interaction in the border regions. It should be noted that the border trade operates in the Central sector, borders of which was principally agreed in the early 2000s, whereas the interaction in the disputed territories in the Eastern and Western sectors remains limited to border personnel meeting points. Hence, the chapter discuss the border trade in the Central sector and socio-economic peculiarities of the disputed border areas- Aksai Chin and Arunachal Pradesh.

Border trade. Border trade is an important economic activity that contributes to the development of the region. The significance of the border trade can be seen at different levels: at the global level as a “high visibility- low cost” image building exercise. At the bilateral level, border trade is a major confidence-building measure, especially when there are a territorial dispute and cross-border relations suffers from a trust deficit. At the local level, it contributes to the economic prosperity of the remote border areas and has a positive impact on the economic well-being of people in these borderlands. Consequently, due to the remoteness of the borderlands, with a lack of access to commercial centres, cross-border trade is vital to buy and sell daily necessity goods. Moreover, historical socio-cultural ties and economic complementary that people share in the borderlands provide them a natural milieu for economic interaction. Thus, border trade provides better border management that maintains regulation of the traffic of goods and people across the international borders [249].

China-India border trade that historically was concerned as a part Himalayan of ecosystem was disrupted after the 1962 war and was resumed only after the historic visit of Rajiv Gandhi in 1988 to Beijing. Rapprochement of relations and series of meetings within the JWG resulted in re-opening of border passes. Two documents that provided the legal basis of the border trade were the Memorandum on the Resumption of Border Trade signed on December 13, 1991, and the Protocol on Entry and Exit Procedures for Border Trade signed on July 1, 1992. Based on these agreements Lipulekh Pass was opened on July 14, 1992, and Shipki La Pass resumed since

September 7, 1993. Both passes were selected in the middle sector, as the least contentious part of the boundary [251].

Following the strategic partnership relations, in 2003, India expressed an interest to expand border trade to other areas, and Sikkim was chosen as a next border pass. During the PM Vajpayee visit to China in 2003, the MoU on expanding border trade was signed on June 23, 2003, by two sides and Nathu La Pass started to operate since July 6, 2006. Accordingly, there are three Land Customs Stations (LCS), which facilitate border trade between China and India (figure 17):

- Lipulekh Pass: Gunji (Uttarakhand) – Pulan (TAR)
- Shipki La Pass: Namgaya Shipki La (Himachal Pradesh)- Jiuba (Zada Country, Ngari Prefecture, TAR)
- Nathu La Pass: Sherathang (Sikkim) – Renqinggang (TAR).

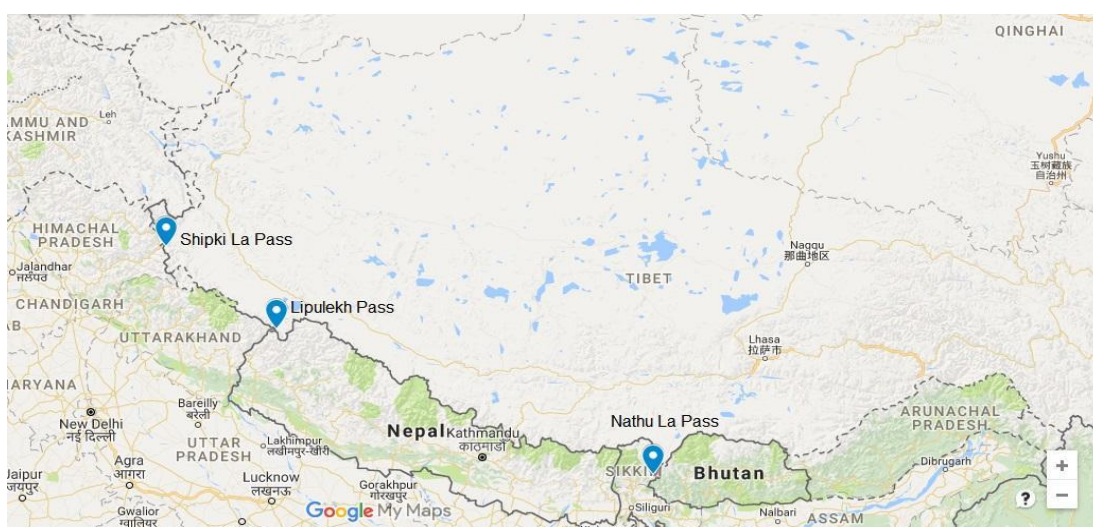


Figure 15 - Map of China-India border trade posts

Lipulekh Pass – located at an altitude of 5,450 metres above the sea level in Pithoragarh district of Uttarakhand connects the Kumaon region of Uttarakhand with the old trading town of Taklakot in Purang district of China's Tibet Autonomous Region. The pass had been a route for pilgrimage and trade since 1954 and the first of the three Indian border posts to be opened for trade with China in 1992 after the disrupt of the war in 1962. Indian traders have traditionally come to sell carpets, bamboo, matchboxes and packed sweets, while bringing back readymade garments, jackets, and raw wool. Traders make the journey across the 17,000-foot-high Lipulekh Pass to Purang in order to carry out their business.

Shipki La Pass – at Namgya village on the Indian side of Shipki La pass and at Namgya Jijubu village on the Tibet side of the pass carries out official trade between two sides. The pass was opened in 1994 as one of the recognized cross-trade routes, which before the 1962 war was used for barter trade in food grains, butter, salt, wool, woollens, high-value spices, precious stones like Tibetan turquoise, Tibetan gold and others. During the 1962 war, the pass was among the routes, where Tibetan refugees fled the highlands to seek refuge in India. It was also used for a pilgrimage to Mount

Kailash, the closest route along Satluj River gorge to the holy site for Hindus [252]. Beside the official trade, constant reports on the illegal trade are caught here.

Nathu La Pass – is the shortest land pass for trade, located at 4,545 meters above the sea level between Tibet's Yadong County in Xigaze Prefecture, and India's Sikkim State. The pass was revived for trade after the visit of Prime Minister Vajpayee to China, when the MoU on expanding border trade was signed on June 23, 2003. Finally, after 44 years of disruption, on July 6, 2006, the cross-border trade at Nathu La pass was resumed. At present, in Sherathang, 5 kilometres away from the pass, the Indo-China Border Trade Mart located, where the main trade proceeds.

The Nathu La pass operates 80% of total China-India border trade, has an opportunity to become a major dry port, by serving Siliguri trade centre in the West Bengal and remote areas of Tibet. The distance between Gangtok, the capital of Sikkim and Nathu La Pass is nearly 55 kilometres. The major items of export from India are a vegetable oil, rice, processed food, canned food, textiles, copper items, and the major items of import to India includes blankets, readymade garments, carpet and quilts [254].

In 2015, the Chinese side agreed to use the Nathu La Pass for Indian pilgrims to pass through Tibet annually, which allows taking a shortcut to reach Mount Kailash, a sacred place for four religions (Bön, Buddhism, Hinduism, and Jainism) and undertake the Kailash Mansarovar pilgrimage. Before, pilgrims climbed over Qang La Pass, which is 5,200 meters above the sea level on the China-India-Nepal border, usually covered by snow and steep. Notably, the Indian nationals have made the pilgrimage through this pass to Tibet every year since 1981 [253].

Furthermore, Nathu La is also one of the four officially agreed border personnel meeting points between the Indian Army and the People's Liberation Army of China for regular consultations and interactions.

Meanwhile, the cross-border trade in these three trading posts is conducted tax-free, with no customs duties and on a barter system. Also, on the barter system, mutual trust is a key issue, which is based on the centuries-old traditional trading relationship, when bonds were based on honour and verbal agreements. For instance, the oldest inhabitants of Kinnaur village can still recall their ancestors' tales of times when lasting trade partnerships were established to span many generations [255, p.254]. Also, Indian traders should apply to the Trade Office to issue passes to enter TAR and they authorized to trade without acquiring the Import Export Code number (IEC) for the value of each transaction that not exceed 25 000 lakhs. Due to harsh weather conditions in winter, the trading season in all three passes continues from May until the end of November, four days a week, from Monday to Thursday. An official trading list contains 44 items – 29 items for export and 15 for import. In May 2012 the trading list was expanded by 7 items for export and 5 items for import.

The cumulative volume of border trade, during the period of five years 2012-2016 shown in figure 16 and table 8, the data based on the official announcements from the Times of India and Hindustan Times newspapers. In the graphic, the year 2017 is not counted because the Doklam standoff that disrupted trading season almost after the beginning of the season, the trade was possible only for two weeks and as a result traders incurred losses. With the start of trade in 2018, traders from both sides were

optimistic, however, in the diagram, the year 2018 is not included due to the consequences of the standoff, which changed the trade dynamics for a while, anyway, table 9 covers the full data during the 2012-2018 years.

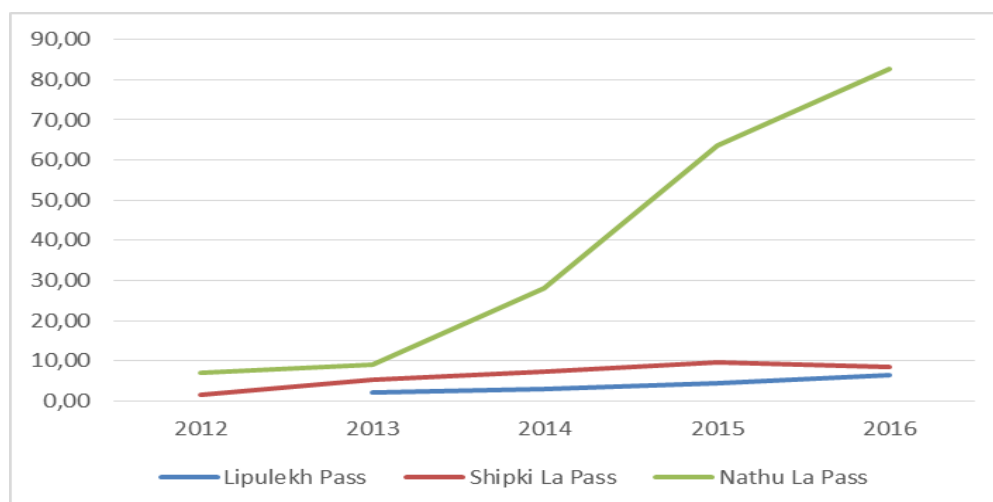


Figure 16 - Overall China-India Border Trade

Note - Times of India, Hindustan Times

Table 8 - Overall China-India border trade in Crores* (Rs.)

Year	Lipulekh Pass	Shipki La Pass	Nathu La Pass
2012	NA	1,4	7
2013	2,00	5,33	8,9
2014	3,05	7,32	28
2015	4,36	9,72	63,68
2016	6,50	8,59	82,68
2017**	6,02	0,59	NA
2018	6.55	2.85	31.44

Note - Times of India, Hindustan Times
 *In the Indian numbering system crore denotes as ten million
 **Due to Doklam standoff trade was suspended

Indian traders expressed a lot of enthusiasm in the resumption of the cross-border trade, which is evidenced in the number of people participating in economic interaction. However, Tibetans pay less interest in the cross-border trade with India. The 'unsuitable' location of the trading centres, poor transportation facilities and relatively poor economic condition of Tibetan village people are among the reasons for the little representation or disinterest of Tibetan traders [249].

In addition, a decent road and communication facilities are essential in order to flourish trade. Yet, transporting merchandise in a landslide-prone terrain is among major issues for traders. Also, Chinese authorities do not allow transportation with

traditional animals like mules and horses. After crossing the pass, traders should hire Chinese vehicles to carry goods that add an extra fee to the costs [256].

Absence of currency exchange in the border passes also adds inconveniences for traders. Indian traders have to pay Rs 11 for one Yuan, while the current rate is Rs 9.89 for a Yuan (2018). Traders submitted a memorandum to the central government and local trade officer to set up a currency exchange centre in Gunji (Shipki La Pass), but nothing has been done in this regard so far [257].

Besides, outdated tradable items list hinders the border trade flow. There are many complaints on the restricted list of commodities. If Indians keen to increase the volume of trade through the border trade routes, the list should be updated or abolished, otherwise illegal trade will be the only option of trading. As an example, high-profit goods like Chinese electronics are among the favoured item for Indians, rather than officially allowed items. In addition to consumer goods with high demand that not in the list, illegal trade include prohibited items as cigarettes and opium. Consequently, flourishing illegal border trade could impact to the security of the region. In addition, due to exiting social problems of the region and political underpinnings, a significant volume of bilateral trade is not expected in the China-India borders in the recent future. Consequently, the present day border trade between China and India in the Central Sector is seen as a confidence-building measure rather than an instrument of commercial interaction between the border people. As a result, the volume and quality of the border trade leave much to be desired.

5.2.1 The case of Aksai Chin

Aksai Chin is a disputed area in the extreme northeast of Ladakh, administered by Khotan county of Xinjiang. It is an adjacent territory, uninhabited highland, which in the past was visited only in a search of salt and occasional hunting. According to the records, in 1717 the Tsungar invaders of Tibet traversed it and there were many reports cited by travellers about the Aksai Chin, but the area was so remote and during the nineteenth and early twenties centuries those reports frequently differed even with its location. In 1896, the British Agent in Kashgar admitted “Aksai Chin was a general name for an ill-defined and very elevated land and it was probably part of Chinese and part of British territory” [258, p.201].

During the contemporary period, 38 000 sq. km of Aksai Chin is contested by India. Historically, high altitude Himalayas formed a natural, almost impenetrable, barrier between India and China, therefore Aksai Chin is reachable only from the Chinese side. There were two agreements on which China and India base their position: the Johnson Line from 1855 that placed Aksai Chin under the Indian control, and the Macartney-MacDonald Line (1899) that classified it as the Chinese territory.

Aksai Chin, a land of ‘no man’, strategically important for China due to the road that connects Tibet with Xinjiang. Called as a China National Highway 219 (G219) it stretches 1,455-kilometers between Yecheng in Xinjiang and Shiquanhe township in Tibet along the China's western borders. The road began to build in 1951 and was completed in 1957. Originally the road was no more than gravel and dust, but before the Olympics in 2008, when Beijing expected unrest from Tibet and Xinjiang, the road was repaved with asphalt [259].

In Chinese, this road, known as a “Sky Road” lays in the highest section of the world, 5, 248 meters above sea level at Jieshan Daban in Ritu County. The terrain of this area is extremely harsh, with a few signs of life, settled only by odd Tibetan antelopes, wolves, and other wild animals. There are also “the valley of death” in a place called Sirengou, where construction workers and travellers died due to the altitude sickness and buried along the stretched road between Jieshan Daban and Dahongliutan areas [259]. Also, the road ends in the south-western Xinjiang, which has experienced a number of violent attacks and tensions in the region. The point where the road ends, Yecheng county, is a home of 500 000 people, mostly populated by Uighurs and only 6 % by Han people. Travellers share that most of the truck drivers in the highway are Uighur or Tibetan people, who do not speak any Chinese [259].

Noteworthy, the G219 highway is the only all-weather road that connects underdeveloped regions of Tibet with Xinjiang with a capacity to mobilize troops and carry military vehicles. Although there are no coaches passing through the no man's land, the G219 does pass through a number of important historical and religious sites of pilgrimage for Hindus and Buddhists.

Consequently, Aksai Chin is an uninhabited area that is reachable only from the Chinese side, has no border interaction with India. The Karakoram Range of the Himalayas to its west forms a natural barrier between China and India. There is no information about the socio-economic development of Khotan County, as a difficult geographical terrain makes impossible to live there.

5.2.2 A socio-economic portrait of Arunachal Pradesh

Located in the extreme northeast corner of India, Arunachal Pradesh also called as the ‘Land of the Dawn-lit Mountains’ is among the few states in India that borders with three countries. The predominantly hilly area of 83 743 sq. km, is the largest in the North-east region with 32,83% share, which is around 6, 76% of India’s land area. Numerous rivers and streams, forming a complex of hill system of Shivalik and Himalayan origin, cross it. The State consists of seventeen districts, out of which twelve have international borders. Particularly, it shares an international boundary with China (1060 km) in the north, Bhutan (160 km) in the West and Myanmar (440 km) in the East. Itanagar, capital of the State situated in Papum Pare district, other ten districts borders with China. Arunachal populated with 0,11% of India’s population, inhabited by 26 major tribes and more than 100 sub-tribes, each having their district, culture, dialects and customs [260]. The population of the state is 1,382,611 of which over 70% comprise Scheduled Tribes, living in 17 towns and 3863 villages (Census 2011) [142, p.23].

Arunachal Pradesh received its statehood on February 20, 1987, which at the time of independence was called as the North-eastern Frontier Tracts and in 1954 was changed to the North Eastern Frontier Agency (NEFA). In 1972, the NEFA was given a status of a Union Territory and in 1974 the capital city was moved from Shilong to Itanagar. Before independence, the State was administered indirectly with a fair degree of autonomy, and after the independence the state also mostly remained isolated. Establishment of direct administrative structures and institutional infrastructure in Arunachal developed slowly, with huge differences in inter-tribal structures. In

addition, the operation of Inner Line Permit (ILP) aggravated the development of the state, as it needs the permission of the government for outsiders to enter and prohibits owning any fixed assets in the State [261].

Thanks to the Inner Line Permit that was introduced by the British in 1873 to prohibit movement between the Brahmaputra Valley and the surrounding mountains, that secured the British tea plants by keeping tribal people in the hills, the tribal communities in the remote Arunachal preserved their unique culture and nature. Since then, Arunachal Pradesh continues to be a restricted area with a need for special written permission. Even Jawaharlal Nehru, India's first prime minister was claimed 'a strong attachment to the tribal people' that was seen in his policy to balance between ensuring isolation and over administering. In particular, Pandit Nehru had followed five fundamental principles, namely "First, people should develop along the lines of their own genes and we should not avoid imposing anything on them; second, tribal rights in land and forests should be respected; third, we should try to train and built up a team of their own people to do work of administration and development. But, we should avoid introducing too many outsiders into the tribal territory; fourth, we should not over-administer these areas. We should rather work through, and not in rivalry to, their own social and cultural institutions; five, we should judge results, not by statistics or the amount of money spent, but by the quality of human character that is evolved" [142, p. 5]. Therefore, Arunachal Pradesh was always treated exceptionally because of its socio-economic and cultural diversity.

Arunachal Pradesh is unique due to its specified culture and traditions. Historically, tribal communities in Arunachal Pradesh have lived in harmony with nature, using natural resources in an equitable and sustainable manner within their own system. For instance, around 80% of the population lives in rural areas, thus still preserving their agricultural system and dependence on farming [262, p.166]. Moreover, the dependency on the forest is also very high among the households living in the mountainous areas. In particular, in the study done in 2013 in 12 villages of Arunachal Pradesh, 34.93% of the total consumption expenditure of relatively poor households was derived from the forests [142, p.153].

The state historically was a tradition-bound society. Yet despite that the 26 major tribes have common Mongoloid features, geographic isolation has brought among them certain distinct characteristics in languages, custom, and dress. Based on their socio-religious affinities, tribal groups are divided into three cultural groups, namely, Buddhists; the central group, who worship Donyi-Polo - Adis, Apatanis, Nyishis, Tagins, and Galos; and the group who practice an elementary form of Vaishnavism – Noctes and Wanchos of Tirap. Their languages also differ varying from the Tibeto-Burman family to Indo-Chinese-languages [142, p.23].

In terms of economy, Arunachal Pradesh is considered as one of the backward states in India [3, 142, 260, 261, 267]. The continuous isolation and separation from the main economic development of the country led to the backwardness of the state if compared with the total country's progress. In addition, the state is among the Special Category States that solely dependent on financial and non-financial support from the central government under the Central Assistance for Plan investment due to its poor resource base. Also, by being dependent on grants-in-aid from Centre, Arunachal

remains among the main recipients of the poverty alleviation programmes from the government, since 33,47% of its population lives below the poverty line according to the Census India 2011 that is higher than the country average [250, p.10].

Meanwhile, one can argue that the modernization is a largely post-independence phenomenon in Arunachal Pradesh. For instance, at the time of independence, according to the Techno-Economic Survey of Arunachal Pradesh, “there were only 2 primary schools, 13 health units and only 2 jeepable roads in the territory covering 168 km” [142, p. 6]. In 1981 the literacy rate was 25.55%, in 2001 it reached 61.67 %, and in 2011 the literacy rate was around 65.38%, albeit still did not reach the country average of 73% [142, p.133]. Nevertheless, in 2016, there were 1,825 primary schools, 12-degree colleges (mostly private, though the government has announced one more addition) and 1 central university [263, p.170]. In addition, tribal people except for the Monpas and the Khamis until recently were not familiar with the written word, passing the knowledge from generation to generation verbally, whereas at present they are trained mainly in English [142, p.23].

In terms of health facilities, before 1947 there was no single modern infrastructure but people were healthy with exposure to nature and natural food habits. Tribal foods have medical values and local beverage was prepared with a few herbs that are rich in vitamins and minerals [142, p.25]. Even though in 2016, there were 3 general hospitals, 12 district hospitals, 31 community health centres, 78 primary health centres, 376 sub-centres, 37 homeopathy dispensaries, 2 Ayurveda dispensaries, 39 dental units and 4 Hansen disease sanatoria [263, p.170], most of health care facilities are not well equipped with basic infrastructure as buildings, specialists, equipment and drugs [263, p.18]. Physical inaccessibility due to difficult terrain, low density or small habitations, altitude and climate variations, poor road connectivity difficult rendering sufficient health services.

Further, the issues of sanitation in villages exacerbate the hygiene of the people. In the traditional tribal houses that made from wooden, bamboo and tako leaves, the lavatory is attached where the pigs are kept to act as scavengers [142, p.25]. The government under the Rural Sanitation programme had constructed low-cost pour-flush latrines, yet at present, the water supply availability is below the prescribed norms.

Meanwhile, tradition economy of Arunachal was based on cultivation, hunting, and gathering. Around 80% of the population in the state live in rural areas, while their agricultural system basically consists of subsistence farming. Yet if some tribes are famous for their settled cultivations, almost all have a rich tradition of weaving and handicrafts. With the ongoing reforms in the region, wide-ranging changes in the structural transformation of the economy had made, including the diversification of workforce, rapid urbanization and gradual integration with the national and regional economy took place [263, p.170]. Consequently, the ongoing shift in the growth trajectory of the indigenous population of the state emerged rural-urban migration. On the other hand, ‘while the identity of individuals in terms of caste, religion, ethnicity, gender, and language has been found to have significant bearing on the way economic exchange takes place in India’, the development of the tribals or the tribal areas has largely been seen as the development of infrastructure [263, p.168].

In terms of transportation, if during the independence, there were less than 100 km of roads, in 1987 the road length was 3419 km, while at present it stands around 18 000 km. However, road density remains among the low, consisting of 21.9 km per 100 sq.km comparing to India's average 73 km per 100 sq.km. Only 45% of villages are connected by road, while the first passenger railway service was started only in 2014. Besides, inadequate capacity, poor geometric, poor riding quality, weak and distressed/semi-permanent bridges and lack of wayside amenities challenges decent communication [263, p.14].

In the borderlands, the state has 33-border blocks that have an average altitude of more than 2000 meters and high slope gradients, while 22 blocks borders with China and four of them with China and Bhutan. Those border blocks are worse off comparing to the State average. Based on the infrastructure indicators, eight border districts have a lower road density than the state average of 17 km per 100 km, whereas villages are only connected by footpath. Consequently, there is a huge infrastructural gap between the majority of bordering districts and bordering blocks, comparing to the State average. Moreover, because of the construction of a road in hilly terrains is very difficult, the construction costs 3 to 4 times higher than the average road, local people have to walk long distances in order to avail of medical facilities or to access education [3, p.8].

Despite that Arunachal Pradesh has been shaped by a concern for national security, border roads are in poor condition, even without proper roads near the LAC. India increased its troops in the borderlands, but roads make logistics and supply lines difficult to maintain in this region. In addition, dangerous air routes through mountains make it difficult for air traffic to flow in this mountainous terrain. Also, the movement of people across the borders is a huge issue for local people. There are tribes that exist in both sides of borders, with the same cultures and dialogues, even with the matrimonial relations and relatives on the other side of the border. However, due to the regulations and the undefined status of the territory, the movement of local people are restricted [260].

On the other hand, Arunachal is witnessing slow but constant progress. According to the speech of the Deputy Chief Minister of Arunachal Pradesh, Gross State Domestic Product estimated to be Rs. 24,624 crore in 2017-18 growing from a level of Rs. 22,099 crore in 2016-17, with an annual growth of 11.4%. Comparing to the growth level of Rs 11062.69 crores in 2011-12, a gradual development was tracked [264]. Below in figure 17 and 18, is the key development indicators of Arunachal Pradesh.

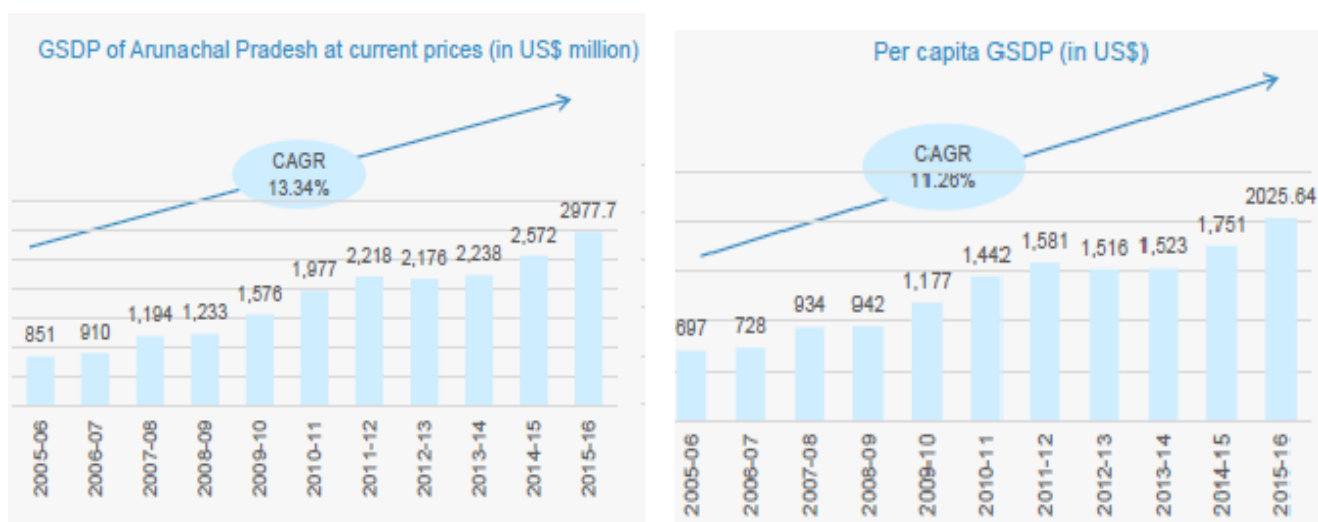


Figure 17 - Gross State Domestic Product of Arunachal Pradesh in US\$

Note - Arunachal Pradesh. Land of the Rising Sun. IBEF Report. February, 2017 [264].

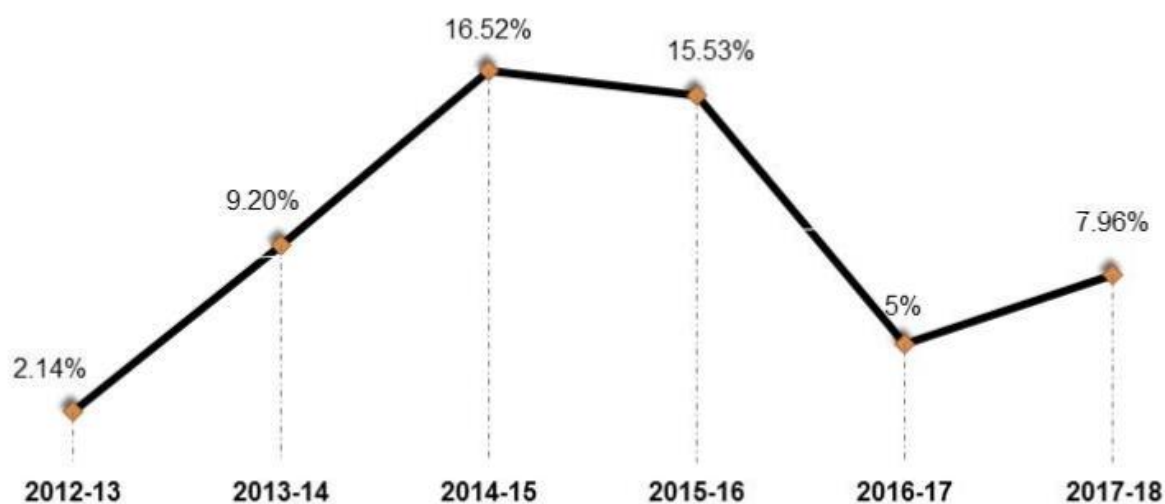


Figure 18 - Percentage change in Gross State Domestic Product (GSDP) (at constant process)

Note - Arunachal Budget [265]

Table 9 - Key Development Indicators of Arunachal Pradesh

Economic indicators* 2015-2016 years	Arunachal Pradesh	India
1	2	3
GSDP as a percentage of all states	0,1	100
GSDP growth rate (%)	11,4	7,1
Per capita GSDP (US\$)	2025,64	1546

Continuation of the table 9

1	2	3
FDI equity inflows	0,094	288,51
Social indicators **		
2011 year		
Literacy rate (%)	65,38	73,0
Birth rate (per 1000)	19,3	21,6
Workforce participation Rate: Total (%)	42,47	39,80
Workforce participation Rate: Rural (%)	44,10	41,83
Workforce participation Rate: Urban (%)	36,97	35,31
Note - *- [264]; ** - [266]		

Moreover, during the last two decades, the government had been implemented various schemes and programmes to implement the reforms and transform the tribal communities into modern settlements, namely:

- a) National Rural Employment Guarantee Scheme (Assured jobs);
- b) Sarwa Shiksha Abhiyan (Education for all);
- c) Mid –day Meal Scheme;
- d) Drinking Water Mission;
- e) Integrated Child Development Services;
- f) National Rural Health Mission;
- g) Bharat Nirman (Rural Infrastructure, mainly Road, Electricity, Potable Drinking Water, Sanitation etc.;
- h) Indira Avas Yogna (Shelter for the Poor);
- i) Border area Deveopment Fund (BADP);
- j) National Health Mission (NHM) etc. [268, p.10].

Even though these programmes were covered under the MP/MLA Local Area Development Fund and aimed to provide the basic human needs for maintaining a decent standard of living, high penetration of corruption and bureaucracy at different levels in most cases fails the socio-economic objectives.

It is well seen in the infrastructure development of the state. The state suffers from inadequacy of development infrastructure, communication and transportation facilities. For instance, in 2016, the Centre for Monitoring Indian Economy Index for infrastructure development evaluated Arunachal 44 scores out of 100 of the national average. As of March 2017, out of total 7,582 habitations in the State, 38 % were fully covered with a drinking water facility, whereas 62% were still partially covered to have access to safe and adequate drinking water within a reasonable distance under the National Rural Drinking Water Programme (NRDWP) [269, p.3].

Also, admitting that gradual changes are tracked in the development indicators of states, authorities create challenges because of the spatially uneven process. The gradual economic differentiation of the indigenous population led to the emergence of neo-rich mobile class, trading and business community, contractors and government services that takes part in the access to the resources of the State. In addition, districts near the centre and urban cities have better infrastructure facilities than the interiors.

Thus, even though the Gross State Domestic Product is witnessing a growth over the last years, most of the districts in Arunachal Pradesh still are backward, with lack of transport and communication, lack of health facilities, erratic supply of energy, almost without a potable water supply, with sanitation problems, frequent landslides isolation and remoteness of the area. In addition, the district has a higher dependence on agriculture, but due to the low agriculture productivity, have a high performance of poverty [248].

Noteworthy, the Border Area Development Programme (BADP) was launched in 1993-94 as a Centrally Sponsored Scheme, to facilitate the development of the Western Border States of India. In Arunachal Pradesh, it was introduced in 1997-98 with a provision of Rs. 4 crores that increased to 47,8 crores in 2007-08 years. The BADP aimed to remove critical gaps in physical and social infrastructure and to strengthen economic conditions of remote borderlands. However, according to the survey, the villagers had never heard about the BADP and therefore, not much was implemented through this programme [3, p.33].

Nevertheless, since the end of the Doklam standoff, China and India developed programmes to update their border facilities. The Chinese government concentrated on the development of the Western Tibet (Ngari in Tibetan) by building a new model of villages on the Tibetan side of the borders. Those developments were officially linked to 'poverty alleviation' and 'defence of the borders', whereas locals anticipated being the 'Guardians of the Sacred Land and Builders of Happy Homes' [270]. On the Indian side, in late September 2018, India announced the launch of its 100th airport, just 40 miles away from the Doklam Plateau. The airport holds immense strategic significance in connecting border regions with the centre. Other Indian measures to detect military activities along the Himalayas include purchasing a remotely piloted aircraft system that can operate at an altitude of more than 5,500 meters above the sea level [271]. Hence, despite developing mechanisms to exclude future conflicts in the Himalayas, both nations strengthen their preferential in the case of standoffs.

Last but not least, it should be reminded that bringing modernity to Arunachal Pradesh does not mean bringing harmony to the region. Because Arunachal Pradesh is unique not only due to its political geography, but also because of its goldmine flora and fauna, its unparalleled altitudinal range that provides sanctuary to a fabulous array of exotic and alarming creatures. Snow leopards, royal Bengal tigers, Burmese rock pythons, and other animals, in addition to 20% of species of India's fauna, and numerous National Parks and Wild Life Sanctuaries that home the largest number of animals and species in India is the main specificity of Arunachal [142].

For instance, with the wave of modernization, the construction of mega-dams was initiated to use an enormous untapped hydro potential of the region. Even though as a result 56% of the village has been electrified, which bring modern provision for indigenous people, local NGOs have huge concerns regarding the existence of other creatures [268, p.13]. In addition, because of corruption and low quality of implementation, the electrification is provided rather on paper, as in reality provision of electricity is limited to several hours per day thus do not change the life of indigenous people dramatically.

Consequently, for the restricted region as Arunachal Pradesh, which has a two centuries-long tradition of permission to enter the region, traditions and customs of tribal societies created favourable conditions for wildlife to live. For instance, because of the belief in the superiority of tigers, tribal people treat tigers as friends, as a result, the population of tigers is increasing year by year compared to other regions. On the other hand, the Indian government uses this peculiarity of the region for its security purposes. Particularly, the National Parks were initiated in the bordering regions with the dual purpose- to navigate and secure its borderlands and to isolate the region and keep remote those areas.

To sum up, development of the 'land of the dawn-lit mountains' should be considered carefully based not only on its economic and security characteristics but also considering rules of its tribal societies and diverse flora and fauna. Certainly, the status of the disputed territory imposes certain challenges to the development of the region, yet the region has a long history of its unique ecosystem that is constructed based on the harmony between people and nature. Either way, the modernization of the district should be essential to make life easier, yet need to preserve existing conditions for other inhabitants as mammals and species. Also, political challenges in Arunachal include besides the disputed territory, India's own issues with corruption and low-quality implementation.

5.3 Militarization and infrastructure issues in the borderlands

Overall, as it was discussed earlier, Sino-Indian border interaction proceed within the three main directions: economic interaction that connects through the Land Custom Stations (LCS) and operates the border trade; religious interaction that connects major religious sites of the Tibetan Buddhism; and military interaction that controls borders and proceed activities based on bilateral agreements. As the economic and cultural interaction was studied in the previous paragraph, this section focuses on the military dimension of cooperation that in addition to its functions of maintaining peace and tranquillity in the border, intricate interaction of indigenous people. It should be noted that besides a number of agreements signed between China and India to maintain confidence-building measures along the borders and to demilitarize the region, the militarization of the borderlands also difficult the socio-economic development of the border regions due to its restrictions. Thus, the aim of this section is to analyse current military conditions and to answer to the question to what extent the militarization impact on the socio-economic development of the region and role of infrastructure conditions on that process.

China-India military relations or competition framed within a number of issues that formulate the military strategy of both countries. Besides the border security in the disputed areas of the Sino-Indian borders, states have concerns in Kashmir, disputed territory between India and Pakistan. Beijing constantly supports Islamabad's intention to develop its military potential, including the purchase of ballistic missiles and nuclear cooperation. Thus, India's strategy in the north-west borders concerned within the China-Pakistan threat. On the other hand, China's border security in its south-western borders depends on the stability of Tibet and Xinjiang, two autonomous regions that are famous for their separatist moods. Hence, on the India related concerns, Beijing

developing its strategy based on the needs of its internal security first. On the top of this, both China and India are nuclear powers, in addition to Pakistan, thus the military and security issues in the border regions of this tri-junction have the nuclear factor in their military competition.

Regarding the militarization of the border areas along the LAC, China and India signed in 1993 an agreement to gradually reduce military forces and armament along the LAC; in 1996, they agreed to undertake mutual military exercises, to avoid any large-scale military exercises on both sides, and to prevent air intrusions. In addition, there were several other arrangements that were conducted afterwards to maintain CBM along the LAC. Furthermore, in 2013 sides signed a Border Defence Cooperation Agreement that was aimed to avoid any face-offs between troops along the LAC and evolved mechanisms to maintain peace and tranquillity along the boundary. In particular, the agreement implemented the border personnel meetings regularly at the LAC to sort out disputed issues. Two sides established a Border Personnel Meeting sites in all sectors, telephone contacts and telecommunication links at mutually agreed locations along the LAC. At present, there are five Border Personnel Meeting points: Chushul (or Spanggur Gap), in the Leh district of Ladakh, Nathu La Pass in Sikkim, Bum La Pass in Tawang District, Kibithu in Anjaw District, Arunachal Pradesh and Daulat Beg Oldi in Ladakh, Jammu and Kashmir. These meeting points are visualised in the map 19 below. Moreover, sides are organizing cultural activities, non-contact sports events and small scale tactical exercises in order to enhance understanding and cooperation between the border defence forces.

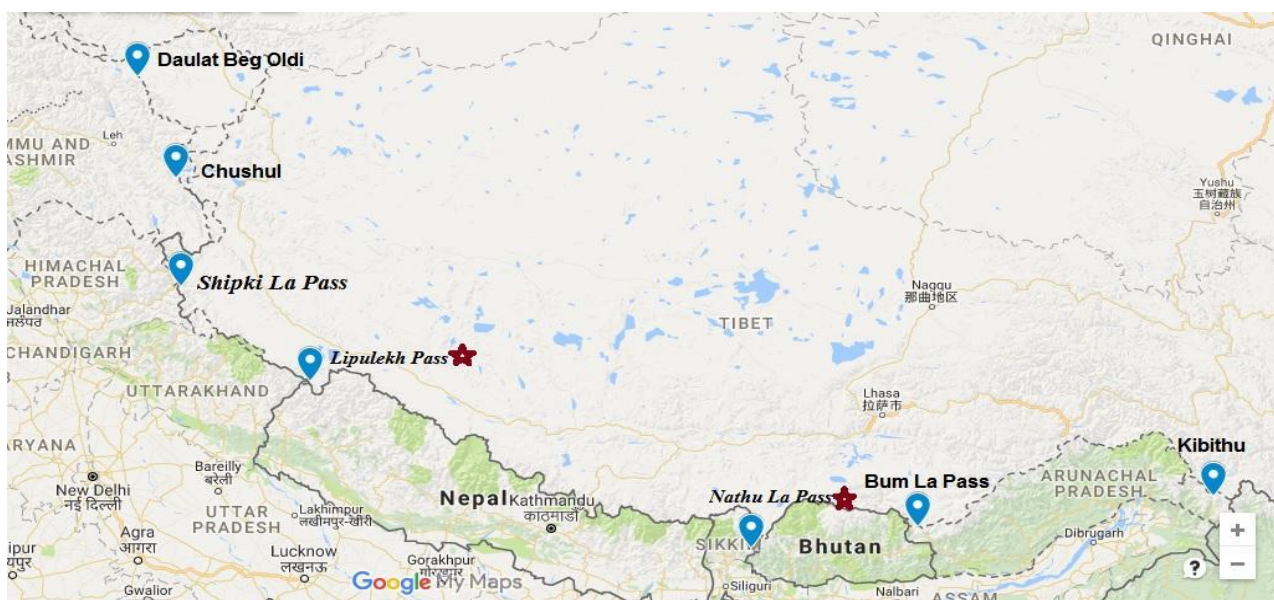


Figure 19 - Map of China-India military interaction

However, even though since then the military exchanges intensified and the confidence-building measures were developed and formalized, there is still 4 000 km of the Line of Actual Control that is not determined, due to which cases of clashes and transgressions took place in the border areas. There are around 20 places where claims overlap: Samar Lungpa, Trig Heights, Depsang bulge, Kongka La, Pangong Tso,

Spanggur Gap, Mount Sajun, Dumchele, Demchok, Chumur in eastern Ladakh, and Namka Chu, Sumdrong Chu, Yangste, Asaphilla, Long Ju, Dichu in Arunachal Pradesh, and Kaurik, Shipki La, Barahoti and Pulan Sunda in the central sector [270]. The attempts to determine the LAC was started in the early 1980s, however, still fails to resolve.

Notably, according to the 2005 Protocol on the agreement from 1996, the commission specified the zones of patrol and their actions in the case of entering the claimed territory. According to the standard operating procedures, first, the soldiers should display “This is Indian/Chinese territory”, thereafter the second banner should caution “Turn around and go back to your side”. Cases, when these banners had to be shown in the media is called as the “faceoff” [271].

Despite those measures, pressure on the LAC remains constant. For instance, the number of transgressions by Chinese troops along the LAC was recorded in 2016 as 273 times, in 2017 more than 426 times, especially in the wake of the Doklam standoff, while in 2018 until the end of August the number reached 170 [272]. Thus, albeit a number of transgressions is not an indicator of tensions and cannot be scored as a crisis, it still slows down an ordinary border interaction between locals. Admittedly, the direct military threat and disputed borders complicate the demilitarization.

Meanwhile, the last massive troops' mobilization and escalation of the crisis happened in summer 2017, when the Doklam, or Donglang in Chinese, at the trijunction between India, Bhutan and China that gained a global attention. The issue was that in mid-June 2017, Bhutanese noticed Chinese personnel extending the unpaved road on the Doklam Plateau, which is considered as disputed between China and Bhutan. Bhutan, on its turn, alerted India, because it has no diplomatic relations with China, to halt the contraction work. For India, Doklam is a buffer zone between Siliguri Corridor and China, which is surrounded by the Chumbi Valley of Tibet, Bhutan's Ha Valley, and Sikkim, consequently strategic segment for Indian security. China on its side, stated that the construction is an internal affair on its own territory. As a consequence of contradictory positions, India sent its troops, acting on behalf of Bhutan, which resulted in a few hundred troops from China and India, prepared around the construction site. Overall, around 3000 troops from each side were involved in the Doklam area. In addition, Beijing carried military exercises in Tibet shortly as the crisis began, whereas India was busy by bringing artillery and light tanks to counter a potential Chinese attack. However, a 73-day standoff was ended with a compromise to halt the construction work several days ahead of BRICS summit in Qingdao. Thus, during the most recent border crisis between China and India, the global ambitions of rising powers played a crucial role.

Prior to Doklam, among the serious clashes since the 1962 war was the Sumdorong Chu incident in 1986, when 200 000 Indian soldiers were sent to the valley north to Tawang due to the new helicopter platform built by Chinese. Therefore, albeit the large border clashes happens very seldom, there is still a risk of escalation between raising powers, which pushes states to modernize and update their military forces near the borders. Notably, Chinese troops in the immediate border area are located in the Military Regions of Chengdu and Lanzhou, which comprise 18 Group Armies, around 20% of the country's total military manpower. In the Indian side, the Eastern

Command, based in Kolkata and Northern Command, in Udhampur are authorized to secure the Chinese and Pakistani borders [274].

At present, from the Indian side, four infantry mountain divisions (each with over 12,000 soldiers) under the 3 Corps (Dimapur) and 4 Corps (Tezpur), with two more divisions in reserve, are tasked to defend the Arunachal Pradesh [270]. In addition to New Delhi, which is only 213 miles from the Tibetan frontier, the troop density in Tawang (Chinese claimed territory) is relatively high compared to other regions. Also, Indian troops conduct long-range patrols to “physically dominate” in the disputed areas. Besides, the Indian Air Force has placed its advanced air assets along the LAC, in addition to two mountain strike corps. Noteworthy, Indian defence plan of the border regions was established in 1963 after the war, when Indian defence expenditure increased from 2% of GDP to 5% and accordingly 10 mountain divisions were established along the Himalayan boundaries, which was upgraded by Soviet and US armaments. Thus, the Himalayan frontiers are the key defence region and the Indian Army is continuously advancing its Mountain Strike Corps that are a first tier security task for the country.

Meanwhile, China’s People’s Liberation Army (PLA), according to its recent military modernization strategy “by the end of the first stage in 2035, aims to basically complete the modernization of national defence and forces”; and by the second stage until 2049, will “fully transform its PLA into a first-tier force” [274]. Based on this strategy that was announced at the 19th Congress of the Chinese Communist Party (CCP), China constantly increasing its defence budget year by year. Consequently, China’s massive military expenses allows PLA to modernize its defence capabilities at all fronts with its technological force modernization. Besides, border security, China is developing its naval security by building or refurbishing deep-sea ports in the Indian Ocean region.

In the boundary districts, PLA has two units in Lanzhou and Chengdu. During the crisis time, PLA’s Air Force from the Lanzhou Military Region is possible to fly against Punjab, Himachal Pradesh and Uttarakhand and from the Chengdu Military region against India’s Arunachal Pradesh regions. However, China does not need tactical aircraft near borders, as it has aerial firepower with ballistic missiles from the PLA’s Rocket Forces. Moreover, Chinese missile units in Xinjiang and Tibet could hit targets across the northern part of India, albeit India has no ballistic-missile defences, India’s ballistic missiles are dedicated to the nuclear mission, not for the traditional war [272]. Nevertheless, the border areas that have extremely difficult terrain made almost impossible to operate the aircraft because of its high altitude and extreme weather patterns.

Based on the defence strategies of both India and China, in order to maintain good army service, the infrastructure along the LAC expected to be advanced. However, India’s infrastructure conditions remain poor and underdeveloped in the border regions. During the last 2018 Indian parliament’s Standing Committee on Defence, the Indian vice chief of army claimed to the serious concerns and lack of adequate allocation of funds for the Army for 2018-19, by comparing with Chinese, which has decent strategic roads and infrastructural development along the northern borders [274]. Even though the 73 Indo-China Border Roads along the northern borders were

approved for the construction in late 2006, by the end of the financial year 2012, only 16 of planned roads was completed. In addition, it was planned that 27 roads will be completed by December 2022, yet recently the government raised a question whether the deadlines will be kept. These border roads include the roads in the states of Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and Arunachal Pradesh that share their borders with China. Furthermore, 172 of the 176 new Border Out-Posts (BoPs) is expected to be refurbished. Again, even though the construction and refurbishment works are planned from the early 2000s, in reality, the implementation process in most cases still introduced only in papers [275].

Therefore, because of the high military presence in the borderlands, and low interest among the government authorities, the socio-economic development of the region remains underdeveloped, which was described in chapter 5.2. In addition to those infrastructure issues on the Indian side, the multiplicity of agencies that control the borders cause difficulties. The Ministry of Home Affairs and the Ministry of Defence, represented by the Army, the Indo-Tibetan Border Police (ITBP), the Border Security Force (BSF) and the Assam Rifles are involved in maintaining a China-Indian frontier. Hence, due to the multiplicity of controlling agencies, lack of infrastructure and lack of coordination slow down the interaction in the border region among the military personnel, as well as between indigenous people. Moreover, the “forces guarding the border have for years been suffering lack of optimum technological, infrastructural and logistical support — a thing available aplenty across the border to Chinese troops.” [274].

On the contrary, from the Chinese side, a single unified commander for the Tibetan Autonomous Region (TAR) is responsible for the boundary areas, moreover after the Doklam crisis, the Tibet Military Command’s rank was elevated to one level. As of the border infrastructure, China significantly enhanced its infrastructure conditions along the borders. If India still planning on paper the advancement of infrastructure facilities in the border areas, China already developed its border regions and along the LAC. China’s road construction and improvement project were started in the early 1990s, and by the end of 2000, more than 1000 permanent bridges and 22 500km of roads was put in place across Tibet [272]. Hence, a network of internal integration systems were well ahead of India’s.

Therefore, the lack of hard and soft infrastructure in the India border regions that lacks requisite roads, bridges and inter-valley connectivity led to shortages of artillery, helicopters, drones and other specific tools, makes the security issue more vulnerable for India, which also has a direct impact on the socio-economic development of the whole region [267]. Taking into account India’s initiatives with other regions, it questions when the border facilities will be implemented at a full scale. Besides plans on the development, Indians still fails to provide a prosperity of the region. For instance, in March 2017, out that of the 61 projects (3,409.27 kilometres) of 73 roads allotted to the Border Roads Organization (BRO) and 12 roads to the Central Public Works Department (CPWD) and other civil organizations, the BRO had completed only 12 roads by 2012, and out of the remaining 46, only 7 were finished in March 2016. Whereas, in total only 22 roads out of 73 were completed as of March 2016 [276].

Fortunately, the positive effect of the Doklam crisis was that the issues with the road and other hard infrastructure were listened carefully in the Indian government and from now on is under the government strategic control. Also, finally, the Se La tunnel, which is the 12,04 km all-weather tunnel under Se La, the critical high-altitude mountain pass, which connects Tawang to the rest of Arunachal Pradesh and the Indian mainland was launched its construction in February 2019 [277]. The tunnel will be strategically important, because it will allow faster troop mobility along the borders and will provide all-weather connectivity between Tawang and Arunachal Pradesh [278].

To conclude, the militarization of the borderlands has multiple impacts on the socio-economic development of the border regions, for both disputed and non-disputed regions. Undoubtedly the overall sensitivity of the bordering regions are dependent on the geopolitical frameworks of both governments, as well as on the military dispositions along the borders. Admitting that the existing issues with the border status reflect the development of the Himalayas frontiers, the life of the ordinary indigenous people are complicated due to existing strict rules, harsh weather and altitude conditions. Therefore, the natural interaction of the border people, including the paternal relations, especially among the tribal groups that mostly populated there, are deteriorating due to the militarization and decision of the government to keep the region underdeveloped.

CONCLUSION

China and India are the major players in the Asian continent that attracts global attention. We used to discuss China and India from their remarkable economic growth and emerging political ambitions perspective, their current leadership with Xi Jinping and Narendra Modi affirms their countries course on the global governance with their nationalist politics. Their epochal initiatives ushered a new era of interaction, crafted by their visions of ‘connectivity’. Through the global and particularly Eurasian ‘connectivity’, China aims to achieve win-win cooperation that will allow building a ‘community of common destiny’ and by 2049 will allow becoming the “great modern socialist country”, or “fully developed nation”. Whereas India, aspires to be a balancer to China in the Asia-Pacific region, also made ‘connectivity’ among its priority directions of development with the other global actors.

Thus, both being flagships in ‘connectivity’, still did not maintain their own ‘connectivity’ to each other. China, by advocating benefits of connectivity all around the world and India, declaring itself as a balancing provider of ‘connectivity’ in the Indian Ocean lacks even the determined Line of Actual Control in their boundaries. As the thesis examined, their impressive FDI outflows can be hardly seen in their borderlands. So why this happens? What are the reasons for such a downgraded interest in the territories that are the cornerstone of their contradictions?

First of all, it could be explained based on the research done, that the boundary might be settled when the certain political motives need the clarification of the frontiers, albeit in a medium-term it is far from being projected. Moreover, Shivshankar Menon, the former Special Representative, who participated in the drafting of the 1993 border agreement, stated, “We have done whatever technical work has to be done. Now it is a question of a political decision” [28, p.30]. Thus, acknowledging that in a recent future the disputed borderlands will not change its de jure status, its value as an integral part of the country is not assured. It follows with the political, military and security threats. Advancing social well-being of indigenous people, as well as providing ‘connectivity’ thus have political and security implications. As consequences, those disputed border regions remain cut off and underdeveloped.

Second, the aftermath of Doklam standoff showed that the efficient way to be heard on the socio-economic issues of the border regions to the central government, is the threat of a direct confrontation. In the face of military mobilization and direct security threat, the Indian government finally launched programmes to develop infrastructure in the borderlands by firstly controlling the implementation of the construction of roads.

Furthermore, the Northeast states of India, as well as bordering regions of Tibet and Xinjiang are famous for their insurgencies and claims for broad autonomy. Thus, the socio-economic development of borderlands has internal implications for the countries, which also influence the decision on the development of social conditions of border areas.

Finally, similarly to the economic interdependence times, when both China and India were interested in attracting investors, and stable situation in the country was a primary condition, nowadays, for the sake of global governance during the time of

structural power shift of the West to the East, both China and India mitigating their existing challenges. Thereby, politically, at present, the boundary issue is dependent on the global imperative approaches of both China and India.

As a result, Himalayan boundaries that divide two fastest-growing nations in the world remain unsettled and cut off. In addition, as the study showed, the level of militarization in those areas is increasing year by year.

Nevertheless, by summarizing each proposed task the author's conclusions are:

1. **The theoretical approach that combines the elements of theories of globalization, economic interdependence and the value of territorial disputes analysed contemporary China's relations with India in the borderlands** and explained how the China-India relations are developing nowadays and how theoretically these relations are framed. By analysing the international relations theories, as well as the Asian IR theories, the study came to the understanding that the Western approaches do not fully explain the interaction between the Asian states. Therefore, the study uses comprehensive approach by combining the theories of globalisation, economic interdependence and the theory of territorial disputes, which were applied during the specific periods, whereas the macro-level international relations theories were applied fragmentary.

2. **A comprehensive approach to the China-India relations from the multiple levels, such as global, regional, bilateral and border levels, showed to what extent the other levels of relations influence and difficult the socio-economic interaction in the borderlands.** The author believes that the globalisation and intention of global governance will be a strong impetus to the collaboration and will alleviate existing challenges. Both China and India's current leaders are emblematic of a new, ambitious, and nationalistic Asian landscape and despite their bilateral divergences, China and India can cooperate through global structures to contribute to the development of their nations and the liberalization of non-western structures in the process of globalisation 2.0. The prediction is that the Asian global order, by developing in the most populated regions, will contribute to decreasing the number of people in poverty and unemployment levels on a global scale. Indeed, both countries are working on infrastructure investments at national, regional, and global levels and if they will finally collaborate on their own frontiers, the socio-economic conditions of their own peripheries will collaborate much better.

Admittedly, the newly established structures as the AIIB and the BRICS New Development Bank will provide the 'software of integration' by establishing financial pillars, while the BRI and India's alternative initiatives provide the 'hardware of integration' of the emerging world. Asia will be a core in this process. In that context, China-Indian borderlands need to be considered not as passive locations and as actors lacking the agency, but as an integral part of the state, the barometer of the level of development of the country. Being the biggest beneficiaries of globalisation, which promotes their own strategies towards global integration both China and India have to take more attention to their distressed boundaries.

3. **The historical analysis of the border issue explained roots of China and India's positions towards the boundary issue, their perceptions of the border**

concept, attitudes towards the settlement and reasons underpinning in their official positions on the boundary. By exploring historical roots of the boundary issue and evolution of the settlement of the boundary, it could be summarized that the territorial dispute had existed all the times, however, the turning point, which amplified the importance of the boundary issue was underpinned in the initial positions of states during the early independence years. Despite the political segmentation, the geographical location naturally divided the borders, by making reachable from one side and unreachable from the other.

Moreover, when the states achieved their independence and the process of delineation and demarcation of borders started, due to multiple internal and external challenges, India adopted its irredentism approach, which still impacts the bilateral cooperation. Even when the cartographic trickery of Olaf Caroe was revealed, India continued to claim the McMahon Line as the legitimate one. China, on the other hand, territorial claims of which mostly occurred during the times of the Qing Empire's decline, acknowledged the existence of the territorial claims after the independence and called neighbours to negotiate on the border settlement. In that context, it is interesting to examine the roots of the disputes and attempts to settle the borders. It is also important to analyse the current day politics and perceptions towards each other because the historical legacy of boundary issue still impacts the current politics directly. Particularly, almost everybody in India, concerning the relations with China, start with the 1962 war, which humiliated the Indian nation. Therefore, for considering the China-India relations it is vital to know the historical roots of the dispute, the evolution of the issue and approaches reached on that. It is also important to be aware of the media image of those issues, as relations are still very politicized and it is essential to remember the essence of these challenges.

4. The research provided **an extensive understanding of the surrounding environment, geopolitics and internal issues that directly impact the development of bilateral China-India cooperation.** Geopolitics provide the context for decisions made whether it is local or global. Therefore, when discussing relations between China and India it is crucial to understand the international context, which directly influenced the dynamics of relations. Particularly, the Tibet issue, which is assumed as an integral part of the China-India border issue is a significant actor in the forming of China-India border interaction. Whereas the China-Pakistan-India triangle, in addition to the geopolitical background during the Cold war/post-Cold war times are essential themes to be aware that was discussed in the following sections. Consequently, Tibet and Pakistan as a major factor in the China-India relations, in addition to the geopolitical games during the Cold war/post-Cold war period, are crucial to consider when examining the China-India relations. .

5. The study assessed **how the individual perceptions of leaders during the present times are based on the priorities for the global leadership** of both China and India and are among the major factors that influence the development of conditions in the border areas and interaction between the locals in the borderlands. The politics of Xi Jinping and Narendra Modi plays a crucial role in determining present-day

politics and to prognosis the development of border relations in a short term perspective.

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APPENDIX A

“CHINA’S CONTEMPORARY SOCIAL AND ECONOMIC INTERACTION WITH INDIA IN BORDER AREAS: MODELS AND CHALLENGES”

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Questionnaire

Questions:

1. Name, Position of the Expert
2. Could you please indicate the most interesting three topics on China/India?
3. Do you believe in Chindia?
4. If yes, then do you make efforts to popularize the cooperation between India and China nationally and globally?
5. From your point what are India’s/China’s expectations, strategy and activity as SCO member? Will the membership in SCO help to solve China-India border issue?
6. What are the priorities of India/China in economic cooperation with China/India?
7. Do you think India will benefit in cooperation within Belt and Road Initiative?
8. Why BCIM project doesn’t have feasible results? Does India support BCIM project? Why?
9. What is the real reason of Doklam standoff and how China and India will achieve resolution?
10. How do you think, India and China could cooperate in Central Asia?
11. What do you know about the socio-economic interaction in the border regions between China and India?
12. What are the main issues that challenge the development of the socio-economic indicators in the border areas?

The conducted interviews were recorded and transcribe later, but the results are confidential unless agreed upon with the interviewee.

APPENDIX B

Information about the participants of the interview

№	Country	Position	Location of interview
1.	India	Professor	On-site
2.	India	Professor	On-site
3.	India	Professor	On-site
4.	India	Expert	On-site
5.	India	Expert	On-site
6.	India	Research Fellow	On-site
7.	India	Expert, Practitioner	On-site
8.	India	Research Fellow	On-site
9.	China	Professor	On-site
10.	China	Professor	Online
11.	China	Research Fellow	On-site
12.	China	Research Fellow	Online
13.	China	Postgraduate	Online
14.	China	PhD candidate	On-site

APPENDIX C

The main themes of the thematic analysis

1. Doklam standoff. Since the interview were conducted in the very centre of the Doklam crisis between June and August 2017, the majority of discussions began with the ongoing crisis. *Media received pressure on the bilateral ties; Chinese media under the state control, while Indian is free; China has capacity to use the force, but unlikely to go to a war; sides have to compromise on the border issue; road construction with the military capacity; Doklam issue started several years ago; India should not involve to the China-Bhutan relations* were the sentences that show the perspectives pertaining to the Doklam issue. It should be considered here, that the interviews in China were conducted in June, during the early days of Doklam crisis, when the escalation was not developed so far. In the case of India, interviews were in August when the positions were already exacerbated by the military reinforcement.

2. Belt and Road Initiative. According to interviewees, BRI is nowadays among the themes that formulate bilateral relations, which was followed by opinions as *70% of population is against BRI and 30% in favour of the BRI (strategists, government officers, scholars); why should India be a junior partner?; China should consider India's claims over BRI; Silk Road is not Chinese, it is Eurasian; India chose selected participation in the BRI; India could gain benefits from infrastructural development; India was among the AIIB's founding members; India should carefully consider benefits of the BRI; India will gain a huge benefits from the infrastructural developments within the BRI; India should focus on the benefits of the BRI, not on the old political issues.* In general, there are more positive expectations from the BRI than negative from both sides.

3. Northeast India. The most sensitive issue, in terms of development, is the Northeast India where Arunachal Pradesh is situated. Some of the mentioned positions were *lack of infrastructure, implementation is a big problem; slow process of implementation; separatism movements in the NEI; opening of the Nathu La was not as successful as expected; NEI isolated and cut off; development indicators are declining; India don't want to connect overland"; illegal border trade is huge; security perspectives and insurgencies in the borderlands; deficit of infrastructure; low level of social infrastructure; restricted rules for the border trade; lack of civil interaction in Arunachal Pradesh, whole area is militarized; before 2009 were more cases of transgression; Arunachal Pradesh Minister proposed a trade post, but China rejected; Tibetans are not interested to develop border trade, because it is more beneficial in the Myanmar side, Chinese products are soured to India markets through Myanmar; India need to develop its facilities, not China.* Thus, these very pessimistic perspectives confirm the level of development of the borderlands and consequences of the global politics to the borderlands.

4. BCIM Economic Corridor. Another issue involving the Northeast India is the Bangladesh-China-India-Myanmar Economic Corridor, has following opinions: *People are welcoming the BCIM; BCIM is a part of BRI; China proposed projects*

within BCIM, but India rejected; India has alternative corridors; Why CPEC is a flagship project, not BCIM?; Instability in Myanmar affect to BCIM development, etc. Overall, the issue with the implementation of the BCIM is described in chapter 3.3 in detail based on the interviews, because among the interviewees were two members of the governmental Joint Working Group.

5. Globalisation and economic cooperation. Economic interdependence and new globalisation were among the frequent topics of discussion, including the different aspects of cooperation. *Era of consumerization pushed relations to another level; globalisation became a trigger of developing China-India relations; India structurally cannot import much to China; trade deficit; economic relations has a positive effect* were mentioned during the discussions.

6. Chindia. Chindia was a provocative question to understand the position towards the thaw of relations between rivalling states. *Don't believe in Chindia* was the main answer; whereas *important components are Buddhism and historical linkages; the term has a limited appeal; based on the environment issues; settling differences; finding commonalities* were more neutral description of the Chindia. In general, Indians were more open to discuss Chindia, rather than Chinese, who do not assume Chindia as a real term for discussions.