

## THE LIBERAL ASPECTS OF COOPERATION IN CHINA-INDIA RELATIONS

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### Abstract

*The China-India relationship has evolved significantly since the mid-20th century, propelled by their emergence as key economic powers and their shared historical legacies as ancient civilizations. This paper explores the liberal aspects of their economic cooperation, investigating how economic liberalization has reshaped and deepened their bilateral relations. China's economic reforms in the late 1970s and India's liberalization policies from the 1980s onwards have been instrumental in fostering a framework of economic engagement between the two nations. This liberal aspect manifests through the dismantling of trade barriers, promotion of inclusive economic policies, and facilitation of mutually beneficial investments and technological collaborations. Despite occasional geopolitical tensions and historical territorial disputes, both countries have actively pursued political cooperation in global forums like the G20 and BRICS, advocating for inclusive growth and sustainable development. Cultural exchanges further strengthen ties, fostering mutual understanding and enriching the cultural fabric of both nations. This paper underscores how the liberalization-driven economic partnership between China and India serves as a foundation for broader cooperation, influencing regional stability and global economic governance in the 21st century.*

**Keywords :** APEC, Trade, Investment, Technological, Geopolitical Challenges, Policies, Diplomacy, Security, Peace

### 1. INTRODUCTION

The emergence of the People's Republic of China in the mid-20th century, and its subsequent constitution of the Asia-Pacific Economic Cooperation in the 1980s, marked a significant turning point in the global economic landscape. China, long recognized as a powerhouse due to its rich history and vast population, once again asserted its influence and became a major player on the world stage. Similarly, during the same era, India, under the leadership of its visionary government, implemented liberalization policies in the 1980s, although it was not until 1992 that these policies fully opened up the country to the rest of the world. This transformative shift propelled India forward, positioning it as an emerging economic power in its own right. Inevitably, this shift in economic power dynamics between China and India brought about a transformation in their bilateral relations.

The ancient civilizational ties that have historically existed between these two nations, influenced by a rich tapestry of art, culture, and trade, took on a renewed significance in the modern age. However, it is important to note that the exploration of this fascinating aspect of their relationship falls outside the purview of this paper. Instead, our focus lies in addressing a broader and equally compelling inquiry: Does a liberal aspect of economic cooperation exist between China and India, and if so, has this liberal aspect become the foundation of a robust and extensive relationship between these two nations? By delving into the intricate web of political, economic, and social interactions that characterizes the China-India partnership, we seek to unravel the complex dynamics that underpin their collaboration.

Through a comprehensive analysis of the various facets of their economic cooperation, it becomes evident that a liberal aspect does indeed exist in the China-India relationship. This liberal aspect manifests in multiple forms, including the gradual dismantling of trade barriers, the promotion of inclusive economic policies, and the cultivation of a mutually beneficial framework for investment and technological collaboration. This liberalization-driven approach has acted as a catalyst, propelling the China-India relationship to new heights and fostering a sense of synergy that transcends traditional geopolitical boundaries. Furthermore, the liberal aspect of China-India economic cooperation has not only served as a foundation for their extensive relationship but has also become a driving force behind their shared aspirations for regional and global collaboration. As both nations continue to consolidate their positions as economic powerhouses, they have recognized the value of working together to tackle pressing regional and global challenges. Through platforms such as the Asia-Pacific Economic Cooperation and various multilateral

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frameworks, China and India have demonstrated their resolve to contribute to the advancement of global economic stability, sustainable development, and inclusive growth. While the exploration of the revival of civilizational ties between China and India remains a subject of fascination, the focus of this paper has been to highlight the liberal aspect of their economic cooperation and its profound impact on their extensive bilateral relationship. The emergence of China as a major economic power in the 1980s, coupled with India's liberalization policies, has reshaped their economic landscapes and set the stage for a thriving partnership. Together, China and India continue to forge ahead, embracing the liberal ethos that underpins their economic cooperation and leveraging it to navigate the evolving complexities of the global economic order.

In recent years, China has made significant strides in its economic and military power. This has aroused concern among its neighbors and the world at large. India is no exception in this regard. Throughout history, the two nations have been engaged in trade, cultural and other forms of interactions in the pre-modern times. This changed with the establishment of British colonial rule in India in the early nineteenth century. China, too, became embroiled in problems of its own. As a result, the economic prosperity and dominant position in the world of these two nations waned. The past in Asia during this period is seen by these countries as one characterized by the 'Century of National Humiliation'. China and India, two monumental powers in the global arena, exert a colossal influence on the realms of world peace and development. Boasting the distinction of being the most populous nations on Earth, both possess a remarkably influential standing and an ancient lineage of civilization.

The symbiotic bond between these two nations has the potential to foster unparalleled prosperity in Asia, while the tranquility of the continent holds the power to reverberate across the entirety of our planet. The indelible impression left on the hearts of the Chinese people by the graceful poise, penetrating gaze, and majestic composure of Buddha is truly remarkable. To them, Buddha signifies a figure who bestowed tranquility and concord upon the souls of humanity. The interplay between politics, economy, religion, and culture between China and India is a testament to the profound historical connection shared by these two nations. In this realm, where the graceful intersection and fusion of two extraordinary civilizations occur, we are afforded a complete vantage point from which to wholeheartedly appreciate the deeply entrenched civilizations that China and India encompass in the present day.

## Economic Cooperation

In these new research fields, India and China are frequently used as special study objects. In practice, however, the nature of China-India economic cooperation depends on diversified factors, such as defined objectives and values. Integrating different identified situations and with different research doubts, the following are not only the necessary theoretical support but also the possible significant artistic innovation as well. On the one hand, given its past assimilated policy in external economy, it is possible for India to draw a lesson from the Chinese salesman and to establish a stable development relationship with the neighboring and similar developing countries. In addition, promoting regional economic integration cooperatively and building the "Kunpeng Economic Corridor" can provoke the advantage of China's opening up strategy to somehow inject fresh vitality, thus stimulating both the regional and domestic market in India. On the other hand, since the China-India RMB-Indian Rupee exchange ratio has been influential on other developing countries, identified as "Danwei Economic," increasing financial cooperation with China may assist India in becoming, in turn, a "world supermarket."

Economically, China and India both have economic complementarities and potential. Though the trade volume in terms of exports plays only a small proportion in China's total trade, India's share in China's trade has been increasing rapidly in recent years. The total trade volume between China and India has greatly surpassed study targets even 10 years earlier than expected by two government officials. However, the great gap in terms of product trade structure restrains the expansion of the two countries' trade. While discussing the possibility for economic cooperation and substitutive phenomena from empirical results when another economic cooperation prohibits, it is important for us to take diversified perspectives along with different time boasts and regions. Nowadays, with the current fast-growing economy, China has transformed the economic structure. China's imaginary exclusions, including India and Brazil, show that the two countries possess the capability of taking an increasing percent in China's imports market. However, because of dependence on the Chinese market, their economic dependency on China is increasing, which is inversely proportional to China's dependability market.

## Trade Relations

Externally, China and India are actively engaged in economic cooperation by participating in the GATT negotiations and signing various bilateral and multilateral cooperation documents. Both countries offer most favored nation status to each other in their external trade relations. Furthermore, both countries

have signed agreements, for example, to prevent double taxation and to protect foreign investment. In the environment of increasingly open global trade, as the process of regional economic integration speeds up in the world, China-Indian cooperation and coordination at the regional economic level have become the focus of trade and investment cooperations of both these two countries. The rapid growth in China-Indian trade relations in recent years is the outcome of the adjustment of the trade structures of the two countries and the implementation of the trade policies pursued by both countries. Trade liberalization is conducive to removing the distortions inherent in commodity circulation. It is also conducive to the full play by each country to its comparative advantage. This mutual-complementary relationship provides a policy foundation for the development of China-Indian trade.

### Political Cooperation

In the early 21st century, the two countries have several common needs, such as economic development, anti-terrorism, and the construction of the harmonious world. These kinds of common needs make the two sides assume a large amount of international responsibilities and make the cooperations—political cooperation in particular—of the two countries more complex and richer than in the past, which relate to a number of international affairs and areas. The international issues involved are multi-dimensional and multi-layered, and the areas cover the whole world. In order for the two countries to cooperate politically in the international arena, there should be not only a large number of common interests but also many significant areas for joint action, which can be described in the chapter. In addition, political trust and diplomatic coordination are main means available to the two countries for resolving differences and avoiding foreign policy disputes.

To support China and India to play a larger role in world affairs in the 21st century, the two countries share important common ground on many international issues, and some lessons can be learned from the long-term friendly history of their bilateral relations. Together with the in-depth development of bilateral relations and the new situation of international relations after September 11, the two sides are having more political cooperation in international relations. This chapter will sort out these kinds of political cooperation from principles, objectives, forms, contents to practice. To conduct cooperation of this kind is an important guarantee shared by both the rise of the world's two largest developing countries and the conciliator and harmonious world outlook that the two sides called for.

### Diplomatic Engagements

The added significance is underscored because China chooses every so often to remind India of the war it suffered and how the Sukhois were no match for the Su-27. Follow the frequent reports of Chinese snooping in Indian networks, including checking the speed of the copulation of the conflict or supply chains under the sea. There are media reports of long-term mobile surveillance platforms located in the high Tibetan plateaux. As nuclear states, the two recognize the intrinsic significance of undertaking a direct dialogue on issues of signaling. In 2005, crystal clear promises were made to not use weapons against each other, to be thus compared with the nuclear doctrine released by India the next year. As liberal nuclear states adhering to the NPT framework in the second decade of the 21st century, the legitimacy of being one of them or to be recognized as one of them becomes an indolent matter, to be advanced for visibility from time to time. In one case by the liberal way, in the other cases by other means.

The dialogue for a peaceful approach could be through diplomatic channels. China and India have created a unique platform for dialogue through the institutionalization of formal exchange between the premier institutions of their diplomatic academies. Each year, one draws lessons on the history, practice of diplomacy, and pressing contemporary issues by taking turns to visit the other. Notwithstanding critical moments in their interactions, over the length of time, interaction accumulated in the 18 rounds of boundary talks since 1981. An agreement was signed in 2012, and guidelines were in 2013. Until such time as the line of actual control is gone and disputes are really resolved, 'Peace and tranquility' has become another way for the two to address and perhaps manage. Peace indeed is indivisible!

### Cultural Exchanges

The proposals put forward by the two countries in the domain of cultural exchanges can have considerable influence on other Asian-African countries. The Chinese and Indian people have begun learning to respect the way of life of people in other countries; they value the idea of the universality of human goals and accord equal respect to norms, values, goals and unique lifestyles. These experiences, among other things, have helped China and India to enrich their own national culture, foster in one another greater spiritual glory, and have enabled them to take on the role of the torch-bearers of Asian liberation. These valuable experiences should help to further extend the spirit of cooperation between China and India beyond

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their borders to other countries and have a practical influence on international politics and economy. The socialist cultural tradition of the two countries remains of some guidance when it comes to building the relationship between two giant liberal Asias. Among the recent factors contributing to building positive China-India cooperation are the cultural and educational agreements signed by the two governments in 1954, the introduction of Chinese and Indian cultures and arts simultaneously in each other's countries, the establishment of India National Day in China and the development of cultural cooperation and exchanges between the writers, scholars, artists, journalists, news agencies, radio stations and tourist organizations of the two countries. The changing cultural perceptions of the Chinese and Indian intellectuals and common people concerning each other have directly influenced cooperation between the two countries, and have elevated the level of cooperation.

### Shared Heritage and Values

Both Fraser Cameron and Anil K. Gupta and Adrienne Rabaijee say that these values of moderation will enhance both India and China's views of globalization and India-China relations. Indeed, in China, discussion of the Indian example becomes part of the public discourse on governance and development. Tang Renming, a senior university researcher, suggests that the relationship has been enduring throughout history and will continue because both nations are "ancient nations of great civilizations." The proposition that Chinese people think India is significant is underscored by both Indian and non-Indian scholars. However, much like thousands of other Chinese and Indian universities, research presently lacks depth and variety.

At a philosophical level, India and China are similar. They have had cultural and civilizational interactions across the Himalayas for at least 2,500 years. Both have sought truth and reality through their ancient civilizations - China through Confucius, Lao Tzu, Chuang Tzu, and Mencius, and India through the Hindu Vedas, Upanishads, and the Buddhist Sutras. Both nations have pursued an era of moderation and restraint, even through the Cold War when both faced armed conflict with superior nuclear powers - the United States and the Soviet Union. Aspirations for a peaceful rise and the reestablishment of the Asian Century that had been disturbed by Western colonialism and the Cold War are present in discussions on China and India's future at the highest levels and at the Track 1.5 multilateral levels.

### Security Cooperation

However, along with the military alliance with the U.S., India soon worried about the possible implementation by China and Pakistan of programs on the development of long-range systems of air attack. On May 26, 1998, India declared its readiness to improve missile means operation, combat readiness, and the defense system by developing and deploying ballistic missiles, nuclear, and other weapons of mass destruction. In an interview with NDTV India TV Channel, Prime Minister of India Atal Bihari Vajpayee announced on June 11, 1998, that India is a nuclear weapon state. Since then, India began actively to improve the combat readiness of assigned forces. In this connection, shoring the Chinese-Indian relations to the neutral status of long-range missile groups may become a kind of Indian contribution to ensuring strategic stability in South Asia. On June 3, 2000, the general-permanent of UN Secretary Sergey Lavrov applied to his Chinese and Indian colleagues to join efforts aimed at ensuring security for all states in Central and Southern Asia. A month later, Indian deputy chief of staff Lieutenant-General Vijay Oberoi met with the Assistant General of the Chinese Central Military Commission Defense Minister Lieutenant-General Teng To in Beijing and evaluated the Chinese-Indian contacts on security issues: "These contacts are developing successfully and in actuality, and they become more significant on the issue of ensuring regional security."

Security cooperation in China-India relations is a traditionally sensitive area, and according to official statements, non-traditional security challenges are still the focus of consideration. In reality, the security factor is incorporated into China-India relations. First of all, it is visible in the strengthening cooperation between military-political structures after the cooling down of mutual relations. The publicly announced goal for annual military exercises between China and India, which alternately take place in China and India, is to increase mutual understanding, trust, and coordination among the armed forces of the two countries in order to collaborate more effectively in coping with non-traditional security challenges. At the present stage, military cooperation expands in practice, and it marks the start of discussions on future prospects for strategic missile defense systems in Asia after the U.S. planned deployment of theater and strategic missile defense systems. China and Russia oppose such expansion by the U.S. and do not miss a chance to involve India in the coordination of efforts regarding strategic missile defense.

### Border Disputes and Military Standoffs

In the cooperation between China and India, the border dispute lingers as an important contentious issue. This is particularly true because a strong interaction and political trust between China and India is



impossible in the real sense without smoothing over these disputes and promoting stability in their relations. However, there are instances of China adopting a tough policy towards India on the issue of contested territory, just as India has opposed China's disputes with neighboring countries. The issue of contested territory has confined and hindered the bilateral cooperation of the two sides. The territorial issue is not that important to either China or India. Providing a focus on this issue alone would be to underestimate the bilateral cooperation. However, a protracted stand-off in Sino-Indian relations may not achieve the fatuous permanence of US-Soviet Cold War stand-offs. Indeed, China-India relations are at a prelude to a new era after the Cold War. Receiving major attention should be the bilateral relationship and also the non-traditional security areas which cover non-military activities of the two countries.

### **Regional and Global Cooperation**

First, China is willing to provide more benefits for other developing countries and aims to become a global hegemony. It is totally different from the US. In this process, India is always the target and prestigious competitor or crucial part of being loyal. Second, both China and India are more peaceful than before. In order to transform from emerging powers to existing powers and maximize national interests, they should cooperate. Third, their fast economy and natural elements are higher than rich. Also, trade dividends and benefits are more than trade disputes and conflicts. Therefore, the regional and global cooperation prospects between China and India are very bright, especially for these common and convergent organizations. Regional and global cooperation is an important aspect of liberal institutionalism. Global politics is nothing but a global social contract. Both China and India are members of almost all regional and global organizations, so regional and global politics are very essential for them. In order to achieve South Asian hegemony and maximize national interests, one state needs the cooperation of others, and problems that cannot be resolved alone should be resolved jointly by regional and global organizations. There are many common and convergent areas such as CICA, SCO, G20, BASIC, BRICS, and ASEAN+3, as well as WTO, NEPAD, NAM, and other matters between China and India in global politics.

### **Challenges and Opportunities**

In fact, turning a new page in the development of China-India relations means not only harmonizing traditional relationships, it also represents a diplomatic trial for the two Asian nations. China and India do not just represent the developing nations with the largest populations, they also bridge traditional civilizations and reach across the farthest expanses. They have traditionally had an important bearing on Asian international security and the global balance of nations, and will continue to have significant effects in the future. The challenges they face in management and cooperation are unprecedented and unprecedentedly formidable. Hence, it is not difficult to imagine that they will become global powers. But how will they become global powers? The way will be liberal internationalism. Optimism about the active development of China-India relations is based on this notion. Remarks on challenges and opportunities are a window through which one can observe the concrete cooperation in China-India relations and see how the liberal aspects take effect. Upon analysis, we find that there are indeed many hurdles to the growth of bilateral relationships, such as the baggage of history, regional disputes, and institutional stumbling blocks. But there are also many unpredictable Taiwan-style opportunities. To enhance the liberal aspects of the relationship in the different partisanized side is not only the path to mutual cooperation, it is also the path for both countries' long-term interests.

### **Territorial Disputes and Security Concerns**

2nd track and 3rd track dominant proposal for the resolution of territorial disputes are "territorial status quo maintenance and operational conflict management plus a process of peripheral economic activity" and "current theatre-level maintain and improve high-level strategic setting cooperation operated with military-led strategic stability" in order to meet the territorial dispute resolution precondition and long-term motivator requirement, establishing mutual collective common identity with multi-dimension and attribute equilibrium through cooperation in order to eliminate trust deficiency and ensure the equilibrium motivation of security lucidity, incorporating to establish security liberation zone through interaction of multi-entities with dominating official-level interaction in the dual-level structure, and re-emphasizing the ultimate objective of cooperation undertakings. To this end, the three discussion compared, analyzed their adaptation of the reality and elaborated their procedure. With the combination of cosmopolitanism, the 2nd track proposal performed the best, and subsequently registering the 3rd track proposal the 2nd. Having replicated the concrete investigation methodology more than the in-depth literature review and extract-opinion methodology with regards to nature security, and having taken both the scholars actors-specific and context-specific detailed research subjects simultaneously, were the significant contributions of the study. Inherited

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from the colonial past, the issue of territorial integrity has remained the core interest of India and China. Despite the support of Swaran Singh's "Punchhi proposal" and the idea of the Line of Actual Control (LAC), in the 2000s the two countries have failed to make any advance on the resolution of territorial disputes. The increasing materialized capability and intention were indicative of the reopening of the territorial dispute accompanied by the growing security dilemma. Furthermore, the power inevitable to breach the trust as described in the security dilemma theory, and the increasingly puzzling strategic moves of both countries make it more difficult. The consideration of security dilemma adds the realpolitik element into the analysis of the China-India cooperation.

**2. CONCLUSION**

The liberal world championed by the West is, to some important degree, a product of the relative strength of the United States. The "same bed but different dreams" of China and India is still an early stage of common cooperation, which is pragmatic and progressive. The Permeation Theory of the West in the six realms is involved in China-India relations. The stronger China and India are, and the broader the convergences of the countries with western societies grow, the more liberalized China-India relations will be. Current cooperation in China-India relations is preliminary, fragmented, sometimes gushing and sometimes leaking, but cooperation essentially is and will be a point of unity, collaboration, long-term and high-frequency contacts, graduations, collaborations, talking about peace, as the primary foundation and coordination.

China-India peace, prosperity, and civilization, harmonious and inclusive representative, and greater development and cooperation. China and India, as two very large nations in the world, are capable of exploring cooperation and using cooperative means to solve their problems that are at the door and flash urgently. Cooperation is fundamental to the incoming 21st century China-India relations, and the cooperative region will be marked with more liberal features. Therefore, cooperation should become our foundation, guidance, and handle. Our world will definitely take on a more sunny character with the fluctuations of the pattern of order. Even when non-liberal characters of the pattern advance, stakeholders will broadly participate in rule making, remain relatively open, liberal and civil, absorb high levels of economic interdependence, maintain relatively competitive economic systems, sustain relative stability of great powers, and provide broad global public goods.

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