

Double Trouble: A Realist View of Chinese and Indian Power

Washington sees Indian power as part of the solution to the challenges posed by the rise of China. But an objective assessment of Chinese and Indian national interests and international actions suggests it is far more likely that each will pose significant challenges to U.S. interests, albeit of different kinds. India will be no less likely than China to pursue vigorously its own interests, many of which run counter to those of the United States, simply because it is a democracy.

Over the last decade, Washington has sharpened its hedging strategy toward China, now reinforced by the Obama administration's "rebalancing" toward Asia. On one hand, Washington works with Beijing on common problems such as counterterrorism, some economic issues, and the challenge of North Korean nuclear weapons. On the other hand, U.S. policy works to balance Beijing's power in Asia, especially when Chinese activities might destabilize or otherwise directly challenge the interests of the United States or its Asian partners.

Meanwhile, the United States is seeking to increase Indian power and enlist New Delhi as a partner in its hedging strategy against China. In the past decade, Washington has sold nearly \$10 billion of advanced military systems and weapons to India, has negotiated arms and technology transfer agreements with New Delhi, and has initiated an expanding program of joint military exercises. The 2008 U.S.–India civilian nuclear deal reversed long-standing U.S. nuclear nonproliferation policies and provided India with greater international access to nuclear fuel and nuclear technology.

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Unlike its relations with many other partners, the United States has not secured reciprocal diplomatic or security commitments from India in exchange for this support. Instead, Washington has made a bet that these diplomatic, military, and technology down payments will deliver a voluntary return from New Delhi in the future. It has bet that a more powerful India will help the United States directly oppose worrisome Chinese policies, indirectly balance China by drawing away Beijing's attention and resources, and provide net security benefits in South Asia and beyond. In their focus on China as the reference point for U.S.–India relations, many in Washington gloss over serious bilateral U.S.–India differences in areas such as dealing with rogue regimes, nuclear nonproliferation, and trade.

China is the more powerful of the two rising powers and has greater potential to emerge as a peer competitor of the United States. However, conflicts during periods of power transition are not limited to those between the dominant state/s and the single most powerful rising state. Lesser rising powers can—and historically have—compounded the diplomatic, economic, or military challenge to the

status quo. For example, throughout the Napoleonic Wars, a rising France benefitted from the efforts of lesser European powers such as Russia and Prussia to strengthen their own positions against neighboring states, rather than balancing against France.¹ Similarly, not only did the less powerful revisionist states of Japan and Italy join with Germany to form the Axis prior to World War II, but states as varied as Thailand, Hungary, Bulgaria, Romania,

and the Soviet Union also sought to take advantage of the chaos during the first phases of the war to partner with the Axis and pursue their own agendas—at substantial cost to the Allies. Indeed, some international relations theorists have postulated that “bandwagoning for profit” has historically been more frequent than commonly recognized.²

Chinese power will present an enduring concern for India, and New Delhi is unlikely to join with Beijing in a comprehensive challenge to the status quo. Yet a nuanced realist perspective predicts that a more powerful India will vigorously pursue its own interests, and many of those interests will be closer to China's than to those of the United States. Like China, India is a developing state that views growth and development as a critical security interest. Both differ from the United States and other advanced industrial economies on how the benefits of trade, investment, and finance should be divided. And, also like China, India is a rising power trying to secure a wide range of political, economic, and military interests relative to the dominant states in the system.

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For this reason—and because India is weaker than China, shares a long border with it, and wants good relations with Beijing—India is unlikely to take decisive measures to balance Chinese actions that concern the United States. To the contrary, India may add to U.S. diplomatic discomfort. India could take positions closer to China’s on key issues such as Iran policy, nuclear nonproliferation and arms control, global trade, and climate change. To be sure, both competition and cooperation will characterize the Indian relationship with China. But India’s growing power will make China–India alignment, where it occurs, more effective in countering Washington’s preferred policies.

In this essay we focus on material interests and the balance of relative power—backed by side-by-side empirical comparisons of actual Chinese and Indian international behavior—to assess the likely consequence of rising Chinese and Indian power for U.S. interests. Empirical comparisons of Chinese and Indian international behavior are essential for drawing meaningful conclusions about global threats and opportunities.³ Comparison also imposes a reality check on ideologically-based expectations of future Chinese and Indian behavior, such as the theory-based assumption that common domestic values and systems (i.e. democracy) will naturally cause diverse nations such as the United States and India to find common ground on international security issues.⁴

The evidence suggests that, rather than a hopeful future where the two rising Asian giants balance each other to the benefit of the existing superpower, the rise of China and India is more likely to present compound challenges. These will include maintaining workable multilateral institutions and global governance regimes, dealing with troubled states and rogue regimes, dampening regional security competition in Asia, and managing strategic nuclear arms dynamics and nonproliferation. The United States has gotten core features of its China policy right. We recommend a new approach to U.S.–India policy, however—one that rebalances a relationship that is currently heavily skewed toward security cooperation and lacks sufficient reciprocity or political-economic ballast.

Rather than simply balance China’s rise, India’s rise will likely compound challenges facing the United States.

Chinese and Indian Strategic Behavior: the Track Record

Below, we compare key features of Indian and Chinese foreign and strategic behavior. These include the two states’ evolving role in global governance (including their UN voting records), defense spending and military doctrine, use

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of force, and foreign economic policies. While this review is not comprehensive, it is focused on areas where the United States finds Chinese behavior most objectionable and, if anything, should therefore favor India. Past behavior is no guarantee of future trajectories, but these comparisons do provide insight into the

enduring national interests that will continue to shape Chinese and Indian international action for the foreseeable future.

Global Governance

China and India both present a mixed record of cooperation with the United States on issues of global governance. Both have joined the rules-based, liberal, post-World War II global economic and political order. They participate in international regimes that govern global politics, security, trade, and finance such as the United Nations (UN), the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank. Few rising powers in history have been as fully invested in the institutions of global politics and economics.

Despite their support for the current system and many instances of cooperation with the United States, both rising powers increasingly challenge Washington's ability to achieve its aims within international institutions. Both oppose U.S.-led interventions in the internal affairs of other countries, and instead support a stricter interpretation of state sovereignty. Both see the current global trade and financial system as providing excessive benefits to developed countries. And both wish to change institutions and rules governing the global economy to direct more benefits to developing nations. These patterns are evident in three areas: voting at the United Nations, global trade and investment negotiations at the WTO, and multilateral negotiations on energy and climate change.

Voting records in the UN General Assembly show that on a number of international security issues of interest to Washington—including votes on “rogue regimes” and the proliferation of weapons of mass destruction (WMD)—India and China are often more closely aligned with each other than either is with the United States. In most of these cases, alignment between China and India reflects mutual concerns about the precedent that censure votes might establish in undermining the concept of absolute state sovereignty. Both fear such precedents might affect their own freedom of action in dealing with separatist challenges, such as those in Tibet and Kashmir. Through 2012, China and India voted in agreement with one another on 73 percent of the 22 UN

General Assembly resolutions adopted on human rights in Iran; the United States and China voted in agreement on only five percent, and the United States and India never voted in agreement. India and China voted in agreement on eleven of twelve resolutions on human rights in Sudan adopted between 1992 and 2012; India voted with the United States only once, and Beijing never voted with Washington. India voted in agreement with China on all four resolutions adopted on human rights in Myanmar; neither country voted with the United States.⁵

UN General Assembly voting on WMD proliferation also reflects Chinese and Indian differences with Washington. In this case, a relatively large number of abstentions (especially by India) presents a mixed picture of cooperation and opposition. China and India voted in agreement on 31 percent of the 62 WMD resolutions adopted through 2012, and only voted in opposition to each other on 3 percent. China voted in opposition to the United States in 52 percent of these WMD votes; New Delhi did in 40 percent.

Voting in the General Assembly and other UN bodies also shows that both China and India can cooperate with the United States on contentious issues. For example, both countries joined the United States at the International Atomic Energy Agency (IAEA) to censure Iran for its nuclear weapons program in 2009 and 2012.⁶ However, both sought to dilute the strength of these resolutions and prevent material UN action, while confirming Iran's right to a civilian nuclear program. In another example, India joined the United States and other nations at the UN High Commission on Human Rights in voting to censure the Sri Lankan government for human rights violations in 2012 and 2013, abandoning its former opposition to such a measure.⁷ However, New Delhi joined Washington only after considerable diplomatic pressure and after working successfully to dilute the strength of the original U.S. draft resolution.⁸

The process of securing alignment on global security issues with both India and China is likely to remain difficult. Like China, India refused to support UN approval for intervention to protect civilians and rebels fighting against Libyan dictator Muammar Gaddafi in early 2011. In early 2012, India voted with the United States in the UN Security Council to condemn the Syrian government for human rights abuses in its ongoing civil war. However, prior to the vote India worked to ensure that this resolution, unlike the 2011 Libya resolution, would not permit foreign intervention. Despite this assurance, China joined Russia in vetoing the 2012 Syria resolution.

India's position on many other global governance issues is not appreciably closer to that of the United States than China's. For example, the Doha Round of trade talks broke down in 2008 over differences between developed nations (led by the United States and the EU) and developing nations (led by India and

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China) over agricultural trade. India's representative to the Doha talks, Kamal Nath, was dubbed "Mr. No" by negotiators from the United States, Europe, and Brazil.⁹ India also worked closely with China at the 2009 Copenhagen meeting on climate change to prevent a U.S.- and European-backed agreement restricting greenhouse gas emissions.¹⁰ According to India's then-minister for environment Jairam Ramesh,

India "saved China from isolation" at the Copenhagen talks, and helped make reaching an agreement impossible. He went on to say, "Given our English skills and our more cussedness in negotiating skills we bailed the Chinese out of many a difficult situations [sic]."¹¹

Trade and Energy

In the realm of trade and climate change negotiations, China and India share fundamental economic interests in rapid development, and they reject trade proposals deemed to threaten politically sensitive sectors such as rural agriculture. Likewise, they reject binding limits on greenhouse gas emissions that they believe would threaten their ability to grow and catch up with developed economies. In some cases, India and China have simply stalled or disrupted international negotiations. In others, the price paid for securing their cooperation is a diluted UN resolution or decision that results in less effective multilateralism.

Bilateral U.S.–India trade frictions are likely to become more salient.

U.S. consumers and workers reap huge benefits from trade with China and India. Nevertheless, the United States also faces trade problems with both countries, and the economic impact of trade

disputes is roughly proportional to the size of the two economies. Trade disputes with China are more prominent and show few signs of easing. Yet as the Indian economy grows and as U.S. trade with India becomes larger, India is unlikely to emerge as simply a less problematic trade and investment alternative to China. Rather, bilateral U.S.–India trade frictions are likely to become more salient.

At present, the magnitude of Sino–U.S. trade works to ensure greater focus on bilateral imbalances. At nearly \$536 billion in 2012, total U.S.–China trade was almost nine times the \$63 billion in U.S.–India trade the same year. The United States has a large deficit with China, which reached \$315 billion in

2012. By comparison, the 2012 U.S. bilateral trade deficit with India was only about \$18 billion.¹²

Despite the difference in economic scale, China and India are the focus of similar levels and types of trade complaints. Data from the WTO tell part of the story: as of early 2013, China was the respondent in 30 trade complaints under the WTO trade dispute mechanism.¹³ India faced 22 trade disputes at the WTO. However, India's international trade is only about 20 percent the size of China's, giving it a higher ratio of trade complaints for the size of its total trade. The United States accounts for a large share of the complaints against India (30 percent), but it is responsible for an even larger share against China (50 percent)—a ratio that may be indirectly influenced by political and security tensions between Beijing and Washington. Not counting U.S. complaints against each country, India received more WTO trade complaints than China.¹⁴

China's record of settling WTO disputes and implementing WTO recommendations is mixed at best, but Beijing has a better track record than New Delhi. As of 2013, Beijing had either made settlements or implemented WTO findings in 73 percent of its trade disputes. In comparison, New Delhi had settled or implemented WTO findings in only 59 percent of its disputes.

China and India also pose challenges to U.S. interests on the issue of intellectual property rights (IPR). The International Intellectual Property Association (IIPA), a private-sector coalition of trade associations representing U.S. copyright-based industries, claims that U.S. companies lost nearly \$10 billion to IPR violations in China in 2011.¹⁵ Levels of piracy are high in India as well, prompting the IIPA to place India on its priority watch list along with China. Estimates of losses from piracy and copyright theft in India, at \$3.3 billion in 2012, were about one-third the size of estimated losses in China—in an economy one-quarter the size.¹⁶

A comparison in the energy sector tells a similar story. Fear of rising energy import dependency has underpinned both Chinese and Indian government support for overseas oil and gas investment, led in both cases by state-owned energy firms. China has oil and gas investments in a number of countries with governments that oppress their own people. These include Cuba, Iran, Sudan, and Syria. India (among other countries) also invests in, or seeks to invest in, every "rogue" nation where China is involved.

In Sudan, the Chinese oil company CNPC has a 40 percent stake in the Greater Nile Petroleum Operating Company, and the Indian firm ONGC has a 25 percent stake in the same company. India's ONGC also has a 24 percent stake in White Nile Petroleum Corporation in Sudan. Both China and India secured natural gas investments in Myanmar well before a recent round of political and economic reforms there.

Both China and India have significant track records of using force on their respective peripheries.

China is Iran's largest trade partner and its largest oil importer. Chinese firms such as Sinopec, CNOOC, and CNPC have been the most active in seeking large-scale energy investment opportunities in Iran (although the implementation of most projects has been repeatedly delayed). India's relations with Iran receive less

international scrutiny than the China–Iran relationship, yet New Delhi also maintains a close relationship with Tehran. India is Iran's second largest oil importer, and senior Indian leaders personally promote Indian investment in Iran.¹⁷ In July 2010, the Indian Ministry of External Affairs proposed a list of “creative mechanisms” to help Indian firms circumvent sanctions while continuing to do business with Iran.¹⁸

The dual challenge of dealing with China and India on Iran was illustrated by their responses to tightening U.S. and European sanctions in 2012 and 2013. Partly in response to sanctions and partly for its own reasons, China reduced purchases of Iranian crude by about 50 percent in early 2012. In contrast, India took the opportunity to buy what China did not, and increased its Iranian oil purchases by nearly 40 percent in early 2012. For the entire year of 2012, Japan and South Korea reduced purchases of Iranian oil by 40 percent, while China and India reduced purchases by only 14 percent. When the United States and Europe tightened sanctions on trade insurance companies—causing Indian oil importers to cut back shipments in March 2013—the Indian government established a \$360 million import re-insurance fund to assist Indian companies to continue importing Iranian oil.¹⁹

China's energy relations with rogue regimes are problematic, yet India's choice of trade and investment partners is no more discerning than China's. India's state-supported trade and investment behavior is also similar to China's—a disappointment for at least some U.S. foreign policymakers who promoted stronger U.S.–India ties.²⁰

Use of Force and Disputed Areas

Neither China nor India has any record of international conquest, but each has a significant record of using force on its periphery, often in disputed border regions.²¹ China's recent escalatory behavior in the East and South China Seas has raised the risk of an armed clash there. Both Beijing and New Delhi may become more willing to contemplate the use of force as they redefine their interests in line with growing relative power.

Data from the University of Michigan's Correlates of War (COW) and Militarized Interstate Disputes (MIDs) databases illustrate historical use of force patterns. According to the COW data, India has fought five wars since independence in 1947: four with Pakistan (1947–1948, 1965, 1971, and 1999) and one with China (1962). China has been involved in four wars since the Communist Party gained power in 1949: Korea (1950–1953), India (1962), and Vietnam (1979 and 1986–1987). The MIDs data tracks the use of force short of war through 2001 and includes a significantly larger number of incidents. Between 1949 and 2001, China was involved in the use of force more often (80 times) than India (49). Breaking the 1949–2001 period into two parts, 1949–1979 and 1980–2001, allows us to compare the two countries over the period prior to China's reform/opening and after. The data show China used force slightly more than twice as often as India prior to 1980. Between 1980 and 2001, however, China's frequency in using force was the same as India's (20 times each).

In the maritime realm, Chinese behavior has prompted global concern. China's willingness to accept risk in order to demonstrate administrative control over contested areas in the East and South China Seas has increased the potential for armed clashes. Recent Chinese behavior may have a variety of (difficult to decipher) domestic sources and international drivers, but doubtless the post-2009 upsurge in maritime tensions is also related to the adoption of the UN Convention on the Law of the Sea (UNCLOS). UNCLOS brought a number of disagreements to a head by requiring formal maritime claim submissions from China and other Asian states. In addition to territorial disputes, Beijing claims the right to refuse other nations access to its Exclusive Economic Zone (EEZ) for such purposes as military surveillance and marine scientific research.²² Since 2002, Chinese ships have harassed the U.S. Navy surveillance ship *Bowditch*, and in March 2009 Chinese vessels confronted a U.S. Navy ocean surveillance ship, the *Impeccable*, when it was operating in international waters claimed by China as its EEZ.

India has been involved in far fewer maritime disputes. But of interest to Washington, India's position on its EEZ rights is closer to China's than to that of the United States.²³ Like China, India has protested U.S. surveillance activities in its EEZ, including the activities of the *Bowditch* in 2001 and 2004.²⁴ However, because U.S.–India relations are not marked by the military sensitivities seen in the U.S.–China relationship, New Delhi's position has received less attention in the United States. This could change as Indian power grows, especially if India deploys long-range ballistic missile submarines or exerts greater prerogative in the Indian Ocean.

Defense Budgets and Military Doctrine

Both China and India are rapidly modernizing their military forces and dedicating greater resources to military budgets. Neither country's security policies are fully transparent, and both countries have moved to adopt more offensive doctrines in recent years. None of this by itself means that either country will become more assertive or willing to use force, but in the Chinese case, military modernization would make it a more capable foe in the event of conflict with U.S. regional allies or partners. And specific military developments in both countries could indirectly challenge U.S. interests by exacerbating regional security competition and undermining crisis stability in Asia.

Defense spending has increased rapidly in both countries over the last decade. China's official defense budget increased by 161 percent in real (i.e. inflation-adjusted) terms between 2003 and 2013—an average annual growth rate of 10.1 percent. India's official defense budget did not grow as fast, but still increased by 73 percent in real terms between 2003 and 2013 for an average of 5.7 percent per year. Notably, China's larger economy also grew faster than India's in real terms over 2003–2013, at an average annual rate of 10.3 percent compared to India's 7.7 percent.²⁵

Neither China nor India includes all defense-related expenditures in official defense budgets. That is not unusual, and other countries (including the United States) follow the same practice. In the Chinese and Indian cases, some types of defense-related spending can be found in other parts of the government budget or reasonably bounded based on other budget categories. In a detailed study, we created a “full defense budget” estimate for each country's 2010 defense spending (excluding only expenditures on intelligence functions and nuclear weapons).²⁶ China's estimated 2010 full defense spending (at \$113.3 billion) was 44 percent higher than China's official defense budget. India's 2010 full defense spending (at \$43.2 billion) was 41 percent higher than the official defense budget.

If the proportion of items excluded from official defense budgets has remained roughly constant in both countries three years later, this would yield an estimated full 2013 Chinese defense budget of roughly \$171 billion (versus an official budget of \$119 billion)—or about 2.6 times as large as India's estimated full defense budget of \$66 billion (versus an official defense budget of \$46.8 billion). With an economy four times the size of India's, China's estimated full defense spending is lower than India's as a percentage of GDP, at roughly 1.8 percent versus 2.5 percent.

Beyond increasing defense spending, India and China are also adjusting their military doctrines. Changes to Chinese operational guidelines starting in 1993 led to greater emphasis on seizing the initiative and combining offensive and defensive action, even in the context of campaigns that were defensive in nature

at the strategic level. The Chinese navy has edged away from coastal defense towards a greater emphasis on defense-in-depth and blue water naval capabilities.

However, comparative perspective is often overlooked in discussion of Chinese military doctrine. Most militaries worldwide prefer doctrines that emphasize offensive action. Viewed from this perspective, changes in Chinese military doctrine may represent a convergence of Chinese thinking with international military norms rather than the development of something unusual. The same may be said of India.

In India, offensive action and preemption have become the *sine qua non* of military operational guidelines. Frustrated by its inability to respond quickly to incursions and terrorist attacks, the Indian army rolled out a “Cold Start” doctrine in 2004. Under Cold Start, India would launch division-sized battle groups quickly after a provocation, before international diplomatic pressure could force both sides to de-escalate. Indian sources have denied that Cold Start is officially sanctioned military doctrine, but the Indian military is undeniably shifting overall toward more offense-oriented operational preferences. The official *Indian Army Doctrine* stipulates, “Defensive plans at every level must be offensive in nature,” and plans should be coordinated to “aid deception and pre-empt the enemy.”²⁷ India’s 2007 *Maritime Military Strategy* also emphasizes offensive action, highlighting power projection (including expeditionary forces); securing India’s interests in the Indian Ocean, the Middle East, and the “East” of Asia; and littoral warfare (i.e. strike capabilities) to support land forces in war.²⁸

Several aspects of Chinese military doctrinal development could challenge U.S. interests. A more offensive doctrine, together with the systems and training to implement it, could make the PLA a more dangerous foe if Chinese grand strategy moves toward conquest. Even in the case where China’s strategic aims remain more restrained, doctrinal developments could work to undermine crisis stability, particularly if China fails to work with others on crisis management and “rules of the road” for peacetime patrolling.²⁹ Finally, the PLA’s current emphasis on conventional missile strike capabilities, anti-satellite weapons, and cyber warfare poses new challenges for crisis escalation management.

There are also reasons for the United States to be concerned about developments in Indian military doctrine. The primary near-term challenge concerns the effect of those developments on an unstable, nuclear-armed Pakistan. Islamabad has its own reasons for provocation and military build-up, but the combination of Indian military modernization (with new offensive strike capabilities) and offensive doctrines will likely prove to be an enduring distraction for Pakistani leaders who should instead focus on domestic reform.

India’s insistence on maintaining strategic autonomy and an “all azimuths” deterrence posture are recurring principles in Indian strategic thinking,

including maritime strategy and nuclear weapons doctrine. Strategic autonomy refers to India's traditional foreign policy of avoiding alliances or formal security agreements (its Cold War mutual security cooperation treaty with the Soviet Union, signed in 1971, was an exception).³⁰ All azimuths deterrence is discussed primarily in the nuclear realm, and refers to military preparations and deterrence capability against all nations, including Western nations, that might threaten New Delhi's interests in the South Asia region. For example, in 1998 and 1999 Indian officials (including Defense Minister George Fernandes) cited the U.S. military presence at Diego Garcia as one potential threat requiring India to develop a longer-range nuclear deterrent.³¹

Even though direct U.S.–India conflict is highly unlikely, the fact that Indian leaders feel at pains to develop and debate these ideas is evidence of serious domestic political constraints on India's ability to work closely with the United States in diplomatic, let alone military, affairs. Further questions about “all azimuths” doctrines may arise as India develops and deploys weapons systems with interregional and intercontinental ranges.

The United States and the Rising Powers

Comparing international strategic behavior shows important similarities between China and India. This should not be surprising. Both states appear to be acting to maximize their relative power and interest, as realist theory would expect them to do and just as many rising powers have done before them. Each has a mixed record of cooperation and conflict with the United States. Certainly, a comparison of the empirical track record of Chinese and Indian behavior does not reveal an India that consistently acts to counter Chinese power in ways that the United States would prefer.

Instead, China and India—each for its own reasons—often oppose preferred U.S. policies and approaches on international security and human rights issues. Both countries want to see greater limits on U.S. global power. Both countries have an interest in a relatively open international trading system, but seek to adjust the way global wealth is generated and shared. The two countries have similar trade and investment disputes with the United States, and the scale of those disputes is roughly proportional to the size of their economies. Both are willing to invest in “rogue” regimes such as Iran, Sudan, and Syria. Both show a willingness to employ force in response to challenges and opportunities, and both are building more powerful military forces as their countries become richer.

For the United States, rising Chinese and Indian power portends double trouble. Washington will be able to work with New Delhi and Beijing on a variety of issues, but overall, securing U.S. global interests will become more

complex and more difficult. Difficulties will emerge across the full panoply of global issues, but several stand out. These include maintaining workable multilateral institutions and global governance regimes, managing troubled and troublesome states, dampening intensified regional security competition in Asia, and problems associated with nuclear weapons and nonproliferation.

Although China and India are active players in multilateral institutions and global governance regimes, their growing power may usher in an era of increased multipolarity at the expense of effective multilateralism. They have yet to develop effective capabilities for leading in the global commons, but both are increasingly willing and able to organize diplomatic coalitions within multilateral institutions to defeat proposals they deem inconsistent with their interests. Moreover, the growing battle within global governance regimes is not merely about substantive outcomes. Both China and India are engaged in what will likely be a drawn out struggle to change the rules of these institutions to reflect their own interests. In other cases, the two have demonstrated a willingness to set up competing institutions, as they have done by proposing a so-called BRICS bank.³²

Rising Chinese and Indian power will also complicate international responses to troubled states and “rogue” regimes. This is evident from the cases of Libya (where both refused to support U.S. and European intervention at the UN), Syria (where both continue to oppose international intervention), and Iran (where both continue to provide political and economic support to the Tehran regime).

Regional security competition in Asia may also intensify. China and India are developing naval and air forces with greater range and capability, as well as more offense-oriented operational doctrines. Military power is only one factor influencing security competition, but these forces will make it possible for both countries to engage in and sustain conflict farther from their borders. Mixed with varying degrees of nationalism and domestic public pressure, the mere possession of a longer military reach will also represent a growing temptation for both Chinese and Indian leaders to consider using force.

China–India security competition may dampen the propensity for Beijing and New Delhi to cooperate with one another in opposition to the United States on political and economic issues. But in an Asia characterized by nested security dilemmas, U.S. efforts to reinforce India’s position vis-à-vis China could also have unintended secondary consequences. U.S. military support for India may narrow the gap between India and China, but it will simultaneously widen gaps

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between India and Pakistan. Pakistani responses, whether they include intensified nuclear arms racing or strengthening ties to terror groups, could undermine regional and global stability. At the same time, U.S. military support to India may also invigorate China's interest in providing strategic support to Pakistan.

To the extent that New Delhi does work to balance Beijing, the consequences for the United States will prove mixed. Indian diplomatic and military outreach to Southeast Asia and energy investments there could provide Southeast Asian states with new options in the face of Chinese pressure, an outcome Washington might welcome. But these ties might also encourage risk-taking by India's Southeast Asian partners, increasing the odds of a clash in which India would likely take on little military responsibility. This might then leave the United States with difficult choices about its own involvement.

China-India security dynamics may also make U.S. efforts to reduce the number and role of nuclear weapons in global politics more difficult. China has sought to build an assured nuclear second-strike capability against the United States. But with fewer than a hundred strategic nuclear weapons capable of being delivered to the United States, Beijing has not sought parity with the far larger U.S. arsenal. However, it is not clear that Beijing will tolerate a drive for nuclear weapons parity by New Delhi. As both sides work toward a multiple independently-targetable reentry vehicles (MIRV) capability, a nuclear arms race between China and India is imaginable. And to the extent that Indian nuclear power grows, an unstable Pakistan will make every effort to ensure that it too can match Indian nuclear capabilities, with unpredictable consequences for both Pakistani solvency and international stability.

Irrespective of whether China and India become engaged in an active nuclear competition, the United States will face new concerns as both countries further develop nuclear capabilities and doctrines. Washington may come to view developments in Indian nuclear doctrine in a new light once India develops ballistic missile submarines and intercontinental missiles with the range to reach the United States.

Recalibrating an India Policy

How should Washington respond to a world where both of the rising powers in Asia present real, if distinct challenges? We focus our suggestions on the United States' India policy for two reasons. First, after several decades of debate, the United States has essentially gotten its China policy right. There is a consensus in Washington that the United States should continue to seek cooperation with China through broad and deep political, economic, and military engagement. There is equal consensus that China's growing power and its assertiveness on

some issues also warrant U.S. hedging and a robust military and diplomatic posture in East Asia. Second, because India is the newer rising power and poses no direct challenge to U.S. security (thus avoiding the scrutiny China has attracted), Washington's India policy is less mature and balanced than its China policy.

The United States should follow a policy of building reciprocal commitment and reciprocal investment with India. Building stronger U.S.–India ties is an end in itself, and the relationship must stand on its own as mutually beneficial, not as a relationship of strategic convenience for one side or the other. Since the 1990s, U.S. India policy has been led by cooperation on security affairs, mainly with a view toward strengthening India as a geostrategic counterweight to China. India, too, has had some utilitarian goals for the U.S. relationship, particularly to improve its global status and develop its nuclear program.

As a result, the provision of U.S. arms and geostrategic support to India has deliberately outpaced the development of a shared vision on fundamental international political issues, to say nothing of commitments for mutual support. New Delhi and Washington still remain at loggerheads over how to respond to critical international problems such as Middle East security after the Arab Spring or Iran's nuclear program. Even with respect to China, an obvious area of mutual concern, there is no clarity on how (or why or under what circumstances) the United States and India would actually support each other in a crisis. And there remains a wide gulf between India and the United States on international economic, energy, and environmental issues.

India idealists in the United States have argued that U.S. down payments on future Indian behavior have been necessary to persuade India to cooperate with the United States at all. However, geostrategic support and security assistance are likely to pay disappointing dividends without first building a foundation of common political, economic, and military interests upon which specific agreements can be developed that allow both sides to benefit.³³ Reciprocity, not hope, is the bedrock of stable and mutually beneficial relations between nations.

A more realistic and pragmatic policy would moderate the pace and intensity of arms and security cooperation until the United States and India have developed a core of common interests and a common vision of how newfound Indian military power would enhance security for both countries. The inability to agree on fundamental policies and on commitments to cooperative action is a sign that the two sides should slow down efforts to create a pastiche of strategic cooperation based primarily on arms sales and training for India, and instead work to build common ground. For a start, in the security field, India should commit to granting U.S. forces regular base access for logistical and specified contingency purposes, and make mutual commitments on interoperability.

Even more importantly, the two sides should create a more balanced relationship by increasing mutual commitments to trade and direct investment. The most important economic agenda item should be improving reciprocal market access for trade and investment in both countries. Asking India to further reform and open up its economy will help make India richer and more competitive, and it will permit the United States to have an Indian trade partner as open to investment by U.S. companies as China is. More trade and direct investment will also help build political and economic coalitions in India which support good relations with the United States, complementing the Indian diaspora's influence in the United States. For the United States and India to ensure a sustainable partnership, both Washington and New Delhi must recognize that reciprocal political and economic alignment should provide the basis for greater military and geostrategic cooperation—not the other way around.

Notes

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