

## China and South Asia Crisis Management in the Era of Great Power Competition

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Until very recently, China had been seen as an important and constructive force in the crisis management in South Asia in the event of an India-Pakistan military crisis. Part of the perception originated from historical evidence, such as China's shuttle diplomacy between India and Pakistan after 1998, and such as after the 2008 Mumbai attack. But more importantly, the perception is based on the belief that China, with its vast stake in the region's peace and stability, will be objective in its assessment and management of the crisis, even if it may not be completely neutral between India and Pakistan. Following that logic, the increasing risk to which China is exposed due to its Belt and Road investments and infrastructure development in the region will draw China even more into third-party crisis management in South Asia.

This belief has become increasingly challenged due to the shifting power balance in the region and, more broadly, among China, the United States (U.S.), and India in their trilateral interactions. Although China is interested in preventing a nuclear war, under that threshold, its interest in crisis management is constantly subject to its definition of its national interest in the changing regional power balance and great power dynamics. With the deepening U.S.-China great power rivalry, the growing signs of alignment between the U.S. and India, as well as a weakening Pakistan, the foundation of China's policy towards South Asia—a perceived balance of power between India and Pakistan and China's advantage as a superior third party—is disappearing rapidly. With the deteriorating U.S.-China relations and great power competition, China's instinct is to preserve its strategic leverage. In addition, with the border skirmishes between China and India continuing to flare up, China itself might become a party to the regional conflict.

## China and Crisis Stability in South Asia

The nuclear arms race in South Asia reflects the geopolitical competition between India and Pakistan, with China as a looming factor affecting the calculations of both. Since their nuclear tests in 1998, both countries have been keen on advancing their nuclear capabilities and nuclear deterrence. India has completed its nuclear triad after introducing a strategic nuclear submarine into service in 2016.<sup>1</sup> Pakistan has continued to develop tactical nuclear weapons for use on the battlefield which it threatens to deploy in the event that India implements its “Cold Start” doctrine.<sup>2</sup>

China is still in the process of developing its nuclear triad, although, by sheer numbers, China’s arsenal of 320 nuclear warheads is significantly larger than India’s of 150.<sup>3</sup> Both countries are growing their arsenals. Compared to the previous year, the numbers of warheads of China and India increased from 290 and 130-140, respectively. There are different narratives as to whether India is trying to catch up to China with regard to its number of nuclear warheads. However, the controversial May 2020 proposal inside China to grow its nuclear arsenal to 1,000 warheads did catch the attention, and imagination, of all nuclear and arms control experts worldwide.<sup>4</sup>

Despite the fact that India and Pakistan have so far maintained delicate strategic stability based on nuclear deterrence, what people are most concerned about is crisis escalation between the two, triggered by skirmishes in disputed Kashmir or attacks launched against India such as the 2008 Mumbai attack. Given that India observes a policy of “retaliation only,” the concern about a nuclear war between India and Pakistan rests primarily with Pakistan’s disadvantage in conventional warfare and its stated potential to resort to nuclear retaliation to defend its territory. In that scenario, a nuclear war will ensue.

Conventional wisdom dictates that the peace and stability of South Asia are highly important for China’s national security as a part of its immediate periphery. As the Chinese desire to maintain a relatively stable neighbourhood, any nuclear crisis between India and Pakistan will first and foremost threaten China’s assets, access, and transportation networks through the region. For that reason, China as a tradition has pursued dialogues, de-escalation of tensions, as well as diplomatic negotiations for crisis management in the past when such skirmishes arose between the two. These actions, at the minimum, constitute China’s primary model of crisis management between India and Pakistan.

But under the surface of crisis management, China has long viewed the delicate balance of power between India and Pakistan as the cornerstone and foundation of stability in the

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<sup>1</sup> Dinakar Peri, “Now, India has a nuclear triad,” *The Hindu*, 18 October 2016, <https://www.the-hindu.com/news/national/Now-India-has-a-nuclear-triad/article16074127.ece>.

<sup>2</sup> Zachary Keck, “Pakistan Wants ‘Battlefield’ Nukes to Use against Indian Troops,” *The National Interest*, 6 February 2015, <https://nationalinterest.org/blog/the-buzz/pakistan-wants-battlefield-nukes-use-against-indian-troops-12200>.

<sup>3</sup> Shaurya Karanbir Gurung, “India, China Increased Nuclear Weapons since Last Year: SIPRI,” *Economic Times*, June 16, 2020, <https://economictimes.indiatimes.com/news/defence/india-increased-nuclear-arsenal-in-2019-but-has-fewer-weapons-than-china-pakistan-sipri-report/articleshow/76384026.cms?from=mdr>.

<sup>4</sup> Hu Xijin, “China Needs to Increase Its Nuclear Warheads to 1,000,” *Global Times*, May 8, 2020, <https://www.globaltimes.cn/content/1187766.shtml>.

region. This is not just because a disproportionately empowered India could develop more nuclear weapons and disrupt the strategic stability between the two; but, more importantly, it is because a disproportionately disadvantaged Pakistan will be, in the Chinese view, more likely to resort to nuclear weapons to offset its weaknesses in all the other aspects. In this sense, China sees the strengthening of Pakistan, through economic endeavours such as the China-Pakistan Economic Corridor and through security cooperation such as arms sales, as a component to a regional stability strategy.

China's crisis management role in South Asia has been a relatively recent phenomenon. Prior to the 1999 Kargil crisis, China did very little, seeing crisis management and mediation primarily as the responsibility of the U.S. It is probable that China saw the stakes being raised exponentially after the nuclear tests of India and Pakistan in 1998 since a nuclear war could actually break out. Since then, China's shuttle diplomacy became much more visible, first with just Pakistan, and later with India too. When the 2008 Mumbai attacks brought India and Pakistan once again to the brink of war, Chinese Vice Foreign Minister He Yafei served as a special envoy, shuttling between New Delhi and Islamabad and urging dialogue in a bid to deescalate hostilities.<sup>5</sup> That could be seen as the peak of China's crisis management in South Asia.

Most Chinese experts see China's role in crisis management in South Asia as limited compared to that of the U.S. China understands its lack of neutrality, or at least so in the Indian perception. Therefore, the Indian acceptance of a Chinese mediation role between India and Pakistan as a biased mediator could be a moot point to begin with. Nevertheless, China has an innate interest in preventing a major conflict in South Asia with the potential to evolve into nuclear disaster. This interest has prompted Beijing to resort to multilateral coordination, great power coordination, and bilateral engagement with both India and Pakistan to manage the crisis between the two.

However, this conventional wisdom about China's role in South Asia crisis stabilisation has become increasingly challenged by the changing internal politics in and bilateral relations among China, the U.S., India, and Pakistan, which will deterministically affect crisis management differently in the future than in the past. Washington and Beijing are more deeply invested in India and Pakistan, respectively, just as they are viewed with greater distrust in Pakistan and India, respectively. Much has changed in New Delhi. Prime Minister Narendra Modi's reaction toward provocations is very different from those of Prime Ministers Manmohan Singh and A.B. Vajpayee. More importantly, the introduction of the Indo-Pacific Strategy and potential India-U.S. alignment have significantly changed China's perception of India. These will inevitably have a major impact over China's assessment and approach to future crises in the region.

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<sup>5</sup> I-wei Jennifer Chang, "China's Kashmir Policies and Crisis Management in South Asia," *U.S. Institute of Peace*, 9 February 2017, <https://www.usip.org/publications/2017/02/chinas-kashmir-policies-and-crisis-management-south-asia>.

## China's Views of Changing Regional Dynamics

The Doklam standoff and the introduction of the Indo-Pacific Strategy by the Trump Administration are two key events that have changed the Chinese view of South Asian regional power dynamics in the past three years. The Doklam standoff was a watershed event in China's policy toward India in recent history. Although both countries refrained from further escalation after the 72-day standoff, India's assertiveness forced China to reassess India's strategic capability and resolve. And China began to seriously consider the realistic threat or, at the minimum, the obstacle that India poses to China's regional strategies.

The external environment of China-India relations has not helped. The growing alignment and cooperation between India and the U.S. since the introduction of the Indo-Pacific Strategy three months after the Doklam standoff both exacerbated China's strategic anxiety of an emerging anti-China coalition in the region and deepened its suspicion of India's intention and policy at the same time. While China bears a genuine desire to improve relations with India, the security dilemma and structural conflict between the two countries have translated into an equally genuine distrust and anxiety over India's potential actions that could undermine Chinese national interest. Beijing is worried that an India-U.S. alignment would hinder China's access in the Indian Ocean, facilitate the strengthening of regional networks aimed at containing China such as the Quad among the U.S., Japan, Australia, and India and, last but not least, diminish China's regional prestige and leadership given the elevated role of India as portrayed and endorsed by the U.S.

While China experienced a short period of engagement with India to try to prevent the momentum of India-U.S. alignment in 2018 and 2019, such engagement quickly encountered major problems on the ground. The most direct factor is the disputed border between the two countries. As repeatedly shown by the "tent confrontations" and repeated standoffs, most recently during the Ladakh crisis, China's preferred friendship with India is constantly subject to the constraint of the most fundamental problem between them: the three sections of disputed border.

China has traditionally tried to shelve the border dispute with India due to an inability to negotiate mutually acceptable solutions through diplomatic channels. This conventional approach is predicated on three assumptions: 1) India will be forced to focus on its northern border region, hence be bogged down as a continental power; 2) China will outgrow India at an even faster pace and the power gap will become so large that India will eventually succumb to China's superiority; and 3) India is so entrenched in its strategic autonomy that alignment with the U.S. is out of the question. However, as the events in recent years have shown, none of the three assumptions is unequivocally valid anymore. India's completed nuclear triad, naval development, and dominance in the Indian Ocean suggest that India is not being completely bogged down on its northern border; China's growth has slowed down and the gap with India could shrink rather than widen; and India could choose to align with the U.S. on various fronts even if an alliance is not on the cards.

Meanwhile, the rising frequency and intensity of border confrontations, standoffs, and clashes are taking larger and larger tolls on China's preferred relationship with India. While China wants to save costs and minimise resources on India (in order to focus on the U.S.),

the border disputes and the associated nationalistic sentiment has also bogged down China in its western frontier, distracting it away from its primary theatre of the West Pacific. In the view of Beijing, with the U.S. enhanced interests in India swaying India's preference, the border disputes have deepened India's momentum to cooperate with the U.S.

### Implications for Future Crisis Management

What this essentially points to is the exacerbation of the security dilemma and strategic distrust between China and India as the result of the border disputes and the growing signs of India's cooperation with the U.S. These have critical implications for the future of crisis management in South Asia. Despite this hope that a well-positioned China with major stakes in regional peace and stability will fulfill the role of peacemaker, China's perception of the changing regional dynamics is undermining that prospect. Simply put, the changing dynamics on the subcontinent dampen the prospect of China playing a helpful and constructive role in a future India-Pakistan crisis. In the 2019 Pulwama crisis, China publicly called for de-escalation and restraint as usual, but some have raised questions regarding information Beijing shared with Pakistan. (At the same time, China has been speculating about information that the U.S. may have shared with India regarding China.)

China may increasingly view South Asia as a zero-sum game, with any perceived win for India registering as a loss for Beijing and vice versa. As a result, China may be inclined to manipulate the game to improve its strategic payoff vis-à-vis the U.S. and India. In that case, the best that the world can hope for might be for China to not become a spoiler.

As the recent border standoff has demonstrated, the probability of a conflict between China and India is increasing. It may not yet have surpassed the likelihood of an India-Pakistan conflict as the most dangerous potential on the subcontinent. However, it does raise the question as to what role Pakistan will play in a future crisis between China and India, or what utility Pakistan will play in China's strategy to counter India in such a conflict scenario. During the Ladakh clash, China had already emphasised the skirmishes that India was having with Pakistan and Nepal along their respective borders at the same time, alluding to the possibility of closer alignment between China and India's other neighbours to counter-balance New Delhi. It is well-known that for many years Pakistan has attempted to convince China to treat India as a threat and strengthen its security relations vis-à-vis India. While China will still strive to manage its *de facto* ally's expectations, the rising hostility between China and India will provide Pakistan with more room for manoeuvre and manipulation.

People used to expect China to play a constructive role in South Asian crisis management because the peace and stability of the region is of significant importance for China's national interests – a peaceful periphery, the safety of Chinese assets, and preventing the dangers of a potential nuclear disaster. China is believed to be capable of that role not because of its neutrality, but because only objective assessment and policies could advance China's interests. However, if the list of priorities within China's national interests in the region has changed, and if countering India and advancing China's claims in the disputed territory have emerged as the most important agenda items for China, future crisis management in South Asia will have to adopt a vastly different framework and follow quite different priorities.

The U.S.-China relationship significantly impacts the future of China's role on the subcontinent. Even in the best of days in U.S.-China ties, China is unlikely to play a sole or even leading third-party mediator role in a future India-Pakistan crisis. A key variable that could tip the scale in China's pragmatic cost-benefit analysis on the utility of playing a more active management role is whether the U.S. advocates Chinese involvement in a future India-Pakistan crisis. If Washington pursues Beijing to jointly manage a crisis in South Asia, China would be willing to cooperate as it will offer Beijing some leverage in the turbulent relations with Washington.

Souring U.S.-China relations allude to the dampening of cooperation between the two powers that is often seen as key to de-escalation. While cooperation combating South Asian crises may have seemed a possible venue for rare engagement, amidst the trade war and Chinese fears of U.S.-India strategic alignment, U.S.-China coordination on issues of strategic importance to both countries may be impossible. Instead, the more likely scenario would be both the U.S. and China hedge alongside their respective South Asian partners and risk dismantling crisis management mechanisms or creating risk-acceptance. In the midst of a changing power equilibrium and external alignment in South Asia, a China that feels defensive and vulnerable is unlikely to be as helpful as the U.S. would like to see. Preventing great power competition from spoiling crisis management in South Asia is essential.

## Conclusion

Two parallel realities interact in charting the future of China's approach to crisis stability on the subcontinent: shifting great power dynamics and the specific crisis dynamics in question. Beijing's distrust and hostility toward India still run deep, and vice versa, while China continues to try to stabilise ties with India and prepare for future disruptions. Meanwhile, China's approach to preventing serious escalation has changed as the Pakistan-India power equilibrium shifts and as China and the U.S. solidify their engagement with their respective sides of that equilibrium.

Juggling the dueling priorities and national interests of the four key actors is China's challenge moving forward. Preventing uncontrollable conflict between India and Pakistan is a key Chinese interest. As long as the crisis is under that threshold, China is more likely to prioritise other national interests specifically vis-à-vis the U.S. and India in the current climate.

## The Author

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