

# India-China in Shaping Regional Economic and Security Architecture

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**Abstract-** The growing strength of India-ASEAN relations has created unease for China with the improvement of India-US relations. China's main concern is that the new focus of US foreign policy toward the Asia-Pacific region - the so-called "pivot" - is aimed at containing China's rise. This paper is oriented towards assessing as to why India needs to involve China in shaping the future of Asia as the powerhouse of the world so much so that the world is redrawing its focus in Asia. India and China need to acknowledge each other's strengths and weaknesses and contribute to shaping regional economic and security architecture. It is also in India's interest to develop a strategy and build a peaceful environment conducive to both India and China's aspirations rather than to be perceived by China to have any kind of a role in the so-called US led containment of China.

**Index Terms-** India ASEAN relations, India China relations, US Rebalancing, Regional Economic and Security Architecture, US Pivot Policy

## I. INTRODUCTION

It has been said that 21<sup>st</sup> century belongs to Asia.<sup>1</sup> Home to emerging economies such as China, India, ASEAN, Japan and so on it has been said that Asia is going to be the centre of world trade and politics, with China increasingly challenging US dominance. In an Asian Development Bank report, it has been said that Asia would account for over half of global output by the middle of this century with the additional three billion Asians expected to enjoy living standards similar to those in Europe today.<sup>2</sup> In this context, with US having been embroiled with the Middle-East for long, needed a new direction and focus to restructure its foreign policy, keeping in mind its dwindling economy and China's growing assertiveness. It has been argued that US had never left Asia, nevertheless it is a significant shift in US's foreign policy. The economic and security architecture of East Asia and South-East Asia in particular will largely depend on how US-China relationship plays out in the future. The underlying assumption is whoever controls Asia will control the world. China has been very critical of US's Asia pivot or rebalancing through its official and non-official responses<sup>3</sup>. US is

wary of China's potential and assertiveness in the South China Sea dispute and it has been very difficult for both the countries to find a common ground in most aspects. The much hyped G-2 model did not take much shape either. There have been recent reports that China will overtake US<sup>4</sup> in Purchasing Power Parity (PPP) though China downplayed<sup>5</sup> the reports.

In this context, it is interesting to note with the urgency with which India and ASEAN are forging close strategic ties. India and ASEAN upgraded their relationship into strategic partnership in 2012. ASEAN countries have always called upon India to play a greater role in Asia. India being a reluctant power seems to lack vision, unlike China, in its foreign policy initiatives. China and ASEAN signed their Free Trade Agreement in 2002, and their trade amount to 400 US billion dollars<sup>6</sup> while India's trade with ASEAN amounts to 80 US billion dollar and is expected to reach 125 US billion dollar by 2015.<sup>7</sup>

With China dominating the ASEAN market and the presence of Chinese diaspora wielding considerable amount of influence, most ASEAN countries has been very suspicious of China's intentions in the South China Sea dispute.

US response towards South China Sea dispute, which involves its allies, has been very cautious, basing its arguments on freedom of navigation. However, the US rebalancing in Asia is a policy-shift in direct response to China's rise. US has been very vocal about wanting India to play a pivotal role in shaping Asia's security and economic architecture and has been very supportive of India's Look East Policy.

What is happening in the region today is a classic example of power politics.

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[http://www2.gwu.edu/~sigur/assets/docs/BalancingActs\\_Compiled1.pdf](http://www2.gwu.edu/~sigur/assets/docs/BalancingActs_Compiled1.pdf) (assessed on 5 August, 2014)

<sup>4</sup> The Guardian. 2013. 'China poised to overtake US as world's largest economy, research shows', 30<sup>th</sup> April,

<http://www.theguardian.com/business/2014/apr/30/china-overtake-us-worlds-largest-economy> (assessed on 16 May, 2014)

<sup>5</sup> The National Interest. 2014. 'Why Does China Downplay its economic might', 16 May, <http://nationalinterest.org/blog/why-does-china-downplay-its-economic-might-10382> (assessed on 5 July, 2014)

<sup>6</sup> Economic Times. 2013. 'Target \$125 billion India-Asean Trade by 2015', 2013, [http://articles.economicstimes.indiatimes.com/2013-10-29/news/43495849\\_1\\_10-nation-asean-bloc-india-asean-trade-brunei-darussalam](http://articles.economicstimes.indiatimes.com/2013-10-29/news/43495849_1_10-nation-asean-bloc-india-asean-trade-brunei-darussalam) (accessed on 5 July 2014)

<sup>7</sup> English People Daily. 2013. 'China-ASEAN trade to Bloom on New Target', 2013, <http://english.peopledaily.com.cn/90883/8421398.html> (accessed on 6 August 2014)

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<sup>1</sup> British Broadcasting Cooperation. 2009. 'Does the 21<sup>st</sup> Century belong to Asia', 18 November, <http://news.bbc.co.uk/2/hi/programmes/newsnight/8366465.stm> (accessed on 1 August, 2014)

<sup>2</sup> Asia 2050, 'Realizing The Asian Century | Asian Development Bank', <[www.adb.org](http://www.adb.org)>, (accessed on 26 April 2013)

<sup>3</sup> See Eliot School of International Affairs. 2013. 'Balancing Act: The US rebalance and Asia-Pacific Stability', August,

In this backdrop of power-play between US and China, the paper attempts to examine the various factors which can engage both India and China in the maintenance of regional economic and security architecture in the region. The paper is divided into three parts. The first part of the paper analyses US's Asia pivot policy and India, China and ASEAN's perceptions and responses to it. The second part of the paper will examine US, India and ASEAN's perception of China's growing assertiveness. The third part of the paper will examine what is at stake for India and China and why both the countries should contribute in shaping regional economic and security architecture.

## II. US'S REBALANCING ACT AND ITS PERCEPTIONS

The announcement of 'Pivot to Asia' strategy by US in 2010 marked a new direction for US foreign and strategic policy in the Asia Pacific region. The 'Pivot to Asia' strategy was intended as a new direction for US foreign and strategic policy in the Asia-Pacific region and was also a policy designed under the assumption that US policies in other regions namely Middle East and Europe were winding down.<sup>8</sup> Though the military aspect of the policy has been highlighted, the other important aspects of US's Pivot Policy include, improving relations with its traditional allies in Asia Pacific, building partnership with emerging powers including India, economic factor, engaging with multilateral institutions such as ASEAN and promoting universal values.<sup>9</sup> US plan to deploy 60 percent of its navy in the Asia Pacific waters. However, critics have questioned US's disciplined commitment towards Asia Pacific in the light of budget cuts in military spending. The East Asian region, and Southeast Asia in particular lie at the core of the US Rebalancing towards Asia strategy.

The Obama administration has made efforts to replace the word 'pivot' with a more toned-down word 'rebalancing'. Hillary Clinton used the word 'pivot' in a *Foreign Policy* article she wrote in November, 2010. An example would be National Security Advisor Thomas Donilon in his speech 'The United States and the Asia Pacific in 2013' at the Asia Society, the word "pivot" was not mentioned even once and replaced it with 'rebalancing'.<sup>10</sup>

Rebalancing seems to represent a holistic US policy encompassing military, trade, commerce, diplomacy, security and other aspects. US rebalancing towards Asia strategy and consequent Chinese responses is being increasingly referred to as the 'New Great Game' with an East Asia twist and generated debates on the likely future of global and regional politics.<sup>11</sup> As

for Washington's rebalancing and its military dimensions to it, Beijing considers it as an euphemism for contain China policy. So far the responses from Southeast Asia is concerned, it seems to be largely influenced by the South China Sea issue. This could be seen in the Annual Regional Ministerial meeting at Phnom Pehn in July 2012, where Cambodia, Laos, Thailand and Myanmar were either silent or supportive of Cambodia's pro-China stance of not including South China Sea issue in the joint declaration, where as Philippines and Vietnam objected to it.<sup>12</sup> The Philippines, Thailand and Vietnam have welcomed the US's move; countries such as Indonesia and Malaysia have given measured response.<sup>13</sup> It is well known at Southeast Asian countries which are in direct territorial conflict with China have been doubtful of China's regional aspirations. But these countries cannot go whole hog in embracing US's rebalancing act considering China is their biggest trading partner.

It seems Southeast Asian countries are divided on accommodating both China and US's interest in the region. It looks like US is aware that whoever controls Asia is going to control the world politics eventually. Thus, Beijing's aspirations to be a dominant power are challenged by US's rebalancing act. India, Vietnam and Burma have improved relations with the US in recent years. It looks like the countries are wary of China's rising and do not want to disrupt economic relations with China, at the same time they seem to want to balance China's might by positioning themselves in US's loop. It can be argued that countries such as Vietnam, Philippines and Singapore and others which have officially supported or quietly acknowledges US rebalancing has got more to do with rebalancing China rather than be in agreement with US policies. Countries in the region are adhering to the balance of power theory in embracing a less-threatening power. However it is interesting to note that countries such as Malaysia, Indonesia, Thailand (a formal US ally) have been walking a tight rope not having been openly supportive of US or China.

During the past six and a half decades, Southeast Asia has been vitally dependent on US leadership for maintaining regional stability and security. In 1967, five key Southeast Asian states joined together and founded ASEAN. All were anti-Communist in orientation and either formally allied with or inclined toward the United States.<sup>14</sup> However, after the end of the cold war Southeast Asian engagement with the US was not at the peak and the US rebalancing act is a major policy shift.

China has reacted at two levels to the US rebalancing act. At the official level, Chinese government representatives and official media have accused US of playing double standard game by openly supporting its allies that that have maritime and territorial disputes with China, despite assuring China that it supports China in wanting to solve the South China sea issue amicably with the respective countries. It is pertinent to note that in the recently held ASEAN Regional Forum, 2014, in Myanmar US's call for a freeze in South China Sea issue was met with a

<sup>8</sup> Clinton Hillary. 2013. 'America's Pacific Century', *Foreign Policy*, 10 November, [http://www.foreignpolicy.com/articles/2011/10/11/americas\\_pacific\\_century](http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century) (accessed on 26 June 2013)

<sup>9</sup> Campbell, Andrews Brian. 2013. 'Explaining the US 'Pivot' to Asia', August, Catham House Occasional Paper, The Asia Group

<sup>10</sup> Remarks By Tom Donilon, National Security Advisor to the President. 2013. 'The United States and the Asia-Pacific in 2013' <http://www.whitehouse.gov/the-press-office/2013/03/11/remarks-tom-donilon-national-security-advisory-president-united-states-a> (assessed on 23 August 2014)

<sup>11</sup> RSIS Commentaries. 2012. 'The New Great Game: ASEAN's Balancing Act?', 17 January, <http://www.rsis.edu.sg/publications/Perspective/RSIS0142012.pdf> (accessed on 16 June 2014) (Accessed January 17, 2012).

<sup>12</sup> Op.cit. See Eliot School of International Affairs

<sup>13</sup> Op.cit. See Eliot School of International Affairs

<sup>14</sup> Thayer Carlyle. 2011. 'The Rise of China and India: Challenging or Reinforcing Southeast Asia's Autonomy?', in Ashley J. Tellis (ed) *Asia responds to its rising power*, National Beureau of Asiatic Research, Seattle and Washington DC, pp. 315

cool response.<sup>15</sup> In China's non-official responses against US rebalancing, allegations of a conspiracy to contain China have been leveled against US.<sup>16</sup>

It has been debated that India is in a unique position of being wooed by both the US and China.<sup>17</sup> So far India has been very cautious in its official responses to US rebalancing. The possible reasons could be it does not want to upset China, India's largest trading partner with which it has a huge gap in military capacity, though it is considered one of the main balancing power to China in Asia. The other plausible reason is that India does not want to disrupt the balance of power in the region by playing a third wheel to the power tussle between US and China to gain regional supremacy. In his bilateral discussion with the US Defense Secretary, the Indian Defence Minister sought to caution his counterpart about hastening the process of strengthening the multilateral security architecture in Asia-Pacific, suggesting instead that it be allowed to develop at its own pace.<sup>18</sup>

### III. PERCEPTIONS TOWARDS CHINA'S GROWING AGGRESSIVENESS

China's growing assertiveness can be broadly associated with three issues. First, it could mean China's challenge to US hegemony. Secondly, it could mean China's increasing non-negotiable stand in its 'core issue' of sovereignty and territorial integrity. Thirdly it is often associated with China's new naval strategy to control South-China Sea. A number of unofficial foreign and Chinese observers have increasingly identified South China Sea issue as China's core interest, though there have been no official statements.

South China Sea is a contentious issue between many South-East Asian countries, and classifying South-China Sea issue as China's core interest sends out a very staunch message to regional and global powers. Most Southeast Asian countries are wary of China's intentions in the South-China sea issue, however their responses have been rather mild, not wanting to upset a regional power such as China as discussed above. It is well known that China's military spending has increased multiple folds over the years and so is the case with the Southeast Asian countries.<sup>19</sup> This arms race is most likely to continue considering the economies of Southeast Asia and China are growing. According to an opinion survey among Asia's 'strategic elites', China is perceived to be a threat to peace and security in Asia in next 10 years.<sup>20</sup>

India, a significant power in Asia which cannot be ignored, has been very cautious in its response towards the South China Sea issue. India and China have ongoing border issues and there is a widening gap in its military capabilities. Moreover China is India's largest trading partner. India has always spoken on the lines of open access to navigation. However, it is pertinent to note that if China controls the South China Sea it invites China in the Indian Ocean which is accessible from the Malacca Straits.<sup>21</sup> This is of concern to India. India ignored China's warning and signed a deal with Vietnam in 2011 for oil exploration off the coast of South China Sea. However India's response has been measured on trade and resource considerations.

The elevation of India's engagement with the ASEAN to strategic partners was well received by the ASEAN community. In an editorial *The Nation* of Thailand it was said that, "It took two decades for the leaders of ASEAN and India to have the courage to say that they are strategic partners in the truest sense of the world...In the past, ASEAN also wooed China, thinking that it would help to strengthen the regional security. However the rising tension in the South China Sea accompanied by Beijing's tough talk has recently changed the thinking within the region. ASEAN wants to make sure that along with US, India will walk side by side with the grouping to increase its support when it is placed on a line-up with China. In similar vein, ASEAN's increased engagement with India will intensify in proportion to the degree of cooperation the region gets from Beijing on the code of conduct for the South China Sea and other areas."<sup>22</sup>

For some ASEAN countries, greater interaction with India could help dilute Chinese influence in line with the organization's philosophy of engaging all interested powers and not being dominated by any single country. For example, Indonesia and Singapore's proposal to bring Australia, India and New Zealand into the East Asian Summit was widely perceived as a way to dilute 'Chinese dominance' in regional architecture.<sup>23</sup> India's move to deepen its ties with the ASEAN countries have certainly caused significant concern to China as it has maintained that some kind of axis is in operation in the region, which will have deeper implication for the security environment particularly in Asia. The ex- Indian Prime Minister, Dr Manmohan Singh has reiterated several times that 'ASEAN is the heart of Look East

<sup>15</sup> Mooney Paul, Wroughton Lesley. 2014. 'U.S. Call for South China Sea 'Freeze' Gets Cool Response from China', 9 August, <http://www.reuters.com/article/2014/08/09/us-asean-southchinasea-idUSKBN0G904O20140809> (accessed on 15 August 2014)

<sup>17</sup> Gordon Sandy. 2012. 'India: Which Way Will the Swing State Swing', 24 June, East Asia Forum

<sup>18</sup> Chari PR. 2012. 'Antony and Panetta: A Shakespearean Drama', 13 June, <http://www.defpro.com/news/details/36438/> (accessed on 25 July 2014)

<sup>19</sup> CSIS Report. 2009. [http://csis.org/files/media/csis/pubs/090217\\_gill\\_stratviews\\_web.pdf](http://csis.org/files/media/csis/pubs/090217_gill_stratviews_web.pdf). (assessed on 12 June 2014)

<sup>20</sup> *Ibid*

<sup>21</sup> Mary Carras. 2014. 'The Impact of Chinese Maritime Policies on India',

*Foreign Policy in Focus*, 1 July, <http://fpif.org/impact-chinese-maritime-policies-india/> (accessed on 23 August 2014)

<sup>22</sup> The Nation. 2012. 'ASEAN Woos India During Uncertain Times', 23 December, <http://signin.nationmultimedia.com/opinion/Asean-woos-India-during-uncertain-times-30196641.html?PHPSESSID=2a4e9b5fb6f34ffc150218911ae1eb38> (assessed 23

November 2014)

<sup>23</sup> Dick K Nanto. 2006. 'East Asian Regional Architecture: New Economic and Security Arrangements and U.S. Policy', <<http://fpc.state.gov/documents/organization/75280.pdf>> (accessed on 13 April 2014)

Policy<sup>24</sup> and the whole dynamics of India-ASEAN relations provide credibility to India's Look East Policy.<sup>25</sup>

ASEAN and India have also much to gain from security cooperation as India shares maritime borders with Indonesia and Thailand, and land border with Myanmar. In the sea, the primary shared security interest is protecting the Strait of Malacca, which connects the South China Sea to the Indian Ocean, and is one of the world's busiest sea routes carrying vital goods and energy security of India and ASEAN.

In the words of Masagos Zulkifli, Singapore's Senior Minister of State, "India's presence in ASEAN would create a more prosperous, peaceful and stable region and with India emerging as a global power, the relationship has become more indispensable to ASEAN"<sup>26</sup>. ASEAN's perception is to engage India to dilute the Chinese influence in South East Asia on the basis of the philosophy that by engaging all interested powers such as Korea, China, Australia and India, the region will not be dominated by any single power.<sup>27</sup> When Indonesia and Singapore proposed to bring New Zealand, Australia and India into ASEAN summit it was widely perceived as a way to dilute Chinese influence.<sup>28</sup>

To curb China's growing military influence in Southeast Asia, India and selected ASEAN countries began holding joint military exercises. ASEAN's economic success and mutual unease over China's rise are said to be responsible for bringing India and ASEAN together. ASEAN had no defence-related problem with India, but was conscious of China's ambitions and intentions in Southeast Asia. India and ASEAN countries seem to have common problems with China.

In this context, the growing friendship between India and the US has caused China to allege that it as an attempt by the leadership of the US to engage other parties to leverage it for its own strategic interests. China's main concern is that the new focus of US foreign policy toward the Asia-Pacific region - the so-called "pivot" - is aimed at containing China's rise.<sup>29</sup> China's 'String of Pearls' policy in the Indian Ocean is said to be aimed at countering US moves in the region and also India's growing influence over the ASEAN countries.<sup>30</sup> The String of Pearls refers to the network of Chinese military and commercial facilities and relationships along its sea lines of communication, which extend from the Chinese mainland to Port Sudan.<sup>31</sup> India has avoided any reference to China being the reason for deepening of ties with the ASEAN countries over trade and

investment and has always rationalised it in terms of complementarities in their economic structure. According to former Indian Ambassador to Thailand, Pinak Ranjan Chakravarty, "The process of integration that is undertaken through FTA is not just economic, but is closely tied to the shape the evolving regional security architecture may take in the future."<sup>32</sup>

#### IV. US NUDGING INDIA

It is well known that there has been a paradigm shift in India-US relations after the signing of the Indo-US civil nuclear deal. It is seen by some observers as strategic move from both US and India's side to harness India's potential in global and regional politics. US and China have always shared a uneasy relationship, and it was clear that US sees India as a potential ally in Asia to counter China.

US's renewed call on India to play a key role in Asia-Pacific affairs was evident in President Obama's speech in the Indian Parliament in 2010. He said, "India and the United States can partner in Asia. Today the United States is once again playing a leadership role in Asia-strengthening old alliances; deepening relationships, as we are doing with China; and we are reengaging with regional organisations like the ASEAN and joining the East Asia Summit—organisations in which India is also a partner. Like your neighbours in South-East Asia, we want India not only to 'Look East'; we want India to 'Engage East' because it will increase the security and prosperity of all our nations."<sup>33</sup>

On Hilary Clinton's visit to India, she said, "Much of the history of the 21st Century will be written in Asia which, in turn, will be influenced by the partnership between the US and India and its relationship with neighbors."<sup>34</sup> President Barack Obama in his address to the Australian Parliament in November 2011 welcomed India's 'look east' policy and urged India to play a greater role as Asian power.<sup>35</sup> The US ex-Secretary of Defence Leone Panetta in his address at the Institute for Defence Studies and Analyses in 2012, said defence cooperation with India as a 'linchpin' in US rebalancing strategy.<sup>36</sup>

<sup>32</sup> The Bangkok Post. 2010. 'In Pursuit of Mutual Prosperity', 16 August, [http://www.bilaterals.org/spip.php?page=print&id\\_article=17890](http://www.bilaterals.org/spip.php?page=print&id_article=17890) (accessed on 6 August 2014)

<sup>33</sup> Rediff News. 2010. 'The Critical Points that Obama made in Parliament', 8 November, <http://www.rediff.com/news/report/obama-visit-the-critical-points-that-made-in-parliament/20101108.htm> November 8 2010 (accessed on 11 July 2014)

<sup>34</sup> Hindustan Times. 2011. 'As China looms large US tells India to lead Asia', 20 July, <http://www.hindustantimes.com/India-news/Chennai/As-China-looms-US-tells-India-tolead-Asia/Article1-723313.aspx> (accessed on 4 July 2014)

<sup>35</sup> National Affairs. 2011. 'US President Barack Obama's speech to parliament', 17 November,

<http://www.theaustralian.com.au/national-affairs/obama-in-australia/obamas-speech-toparliament/story-fnb0639u-1226197973237> (accessed on 21 October 2013)

<sup>36</sup> Binod Singh. 2011. 'Clinton's India visit reached no consensus on fighting terrorism', *China Daily*, July 27, [http://www.chinadaily.com.cn/opinion/2011-07/26/content\\_12985144.htm](http://www.chinadaily.com.cn/opinion/2011-07/26/content_12985144.htm) (accessed on 18 August 2014)

<sup>24</sup> Assam Tribune, 'PM for Fast Track Open Skies Policy' <<http://www.assamtribune.com/scripts/details.asp?id=oct2509/at02>>, accessed on May 18<sup>th</sup> 2013.

<sup>25</sup> Rajiv Sikri. 2010. 'Challenges and opportunities in South East Asia: India's options and Challenges', SEARP seminar held on 5 March 2010, New Delhi. 6.

<sup>26</sup> Keynote address by the Minister of State for Foreign Affairs Masagos Zulkifli at the inaugural session of the Delhi dialogue IV, 13 February 2012, New Delhi, <[http://www.mfa.gov.sg/content/mfa/overseasmission/new\\_delhi/press\\_state\\_ments\\_speeches/2012/201202/press\\_20120213.html](http://www.mfa.gov.sg/content/mfa/overseasmission/new_delhi/press_state_ments_speeches/2012/201202/press_20120213.html)>

<sup>27</sup> Amitav Acharya. 2009. 'Constructing a Security Community in South East Asia: ASEAN and the Problem of Regional Order', Routledge, London and New York, 73

<sup>28</sup> *Op.cit.* Dick K Nanto

<sup>29</sup> The Washington Times. 2005. 'China Builds up Strategic Sea Lanes', 17 January, <http://www.washingtontimes.com/news/2005/jan/17/20050117-115550-1929r?page=all> (accessed on 4 May 2014)

<sup>30</sup> *Ibid.*,

<sup>31</sup> *Ibid.*,

Though it been perceived that China prefers a multipolar world order at the global and regional level, it seems to be reminiscent of its past glory of middle kingdom. US seem to can't afford to just watch and see China having an upper hand in the South China Sea issue. Southeast Asia is the US's third-largest Asian trading partner after China and Japan (and the fifth-largest partner overall). It is also the largest destination for US investment in Asia. Most of this trade takes place through South China Sea.

#### V. WHAT IS AT STAKE FOR INDIA AND CHINA AND THE WAY FORWARD

The Indian Ocean region and South China Sea, has become economically, strategically and politically important for all the powers. The Chinese media has referred to it as the second 'Persian Gulf' because of its oil resources.<sup>37</sup> It is one of the world's busiest international sea lanes. Over half of the world's merchant fleet sails through it.<sup>38</sup>

It has been predicted that India and China's maritime interaction will grow and both the countries should not afford to delay in finding complementary grounds of cooperation and look beyond border issues. It is evident that both China and India would not want to play second fiddle to the US in shaping regional economic and security architecture.

While the long-running boundary dispute across the Himalayas has remained at the focus of attention for most observers, the fast-expanding engagement - and encounters - between their navies as they spread their presence across the Indian and Pacific Oceans has sometimes been ignored.<sup>39</sup> With China under President Xi Jinping paying more attention to 'going west', and as India 'looks east', there will be more interaction in the Indian and Pacific oceans.<sup>40</sup>

In the economic front, both the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP) will pose political challenges for both China and India. It is well known that both RCEP and TPP will influence ASEAN and its free trade agreement (FTA) partner countries, including China and India, and this will indirectly impinge on China-India relations as the region will witness new dimensions of power politics.<sup>41</sup>

A secure and prosperous Asia Pacific region is conducive to both India and China's rise, therefore it is both in China's and India's interest that that they work together for a stable regional

economic and security architecture. Both China and India need to do away with mutual suspicion of containing each other. As former Prime Minister Manmohan Singh in his speech in Beijing puts it "We should engage with each other in a spirit of equality and friendship and with the confidence that neither country is a threat to the other. This is the essential premise of India's external engagement. Our strategic partnerships with other countries are defined by our own economic interests, needs and aspirations. They are not directed against China or anyone else. We expect a similar approach from China".<sup>42</sup>

However, the trust deficit still looms large in India-China relations but there are also growing non-traditional security challenge which require cooperation from both the countries, and for comprehensive security, comprehensive solutions are required. Security and military cooperation need be encompassed with economic cooperation, for a stable regional economic and security architecture.

Officially China has called on India to joining hands in shaping regional economic and security architecture and clarified its stand on the South China Sea issue. In an official speech by Chinese Vice Foreign Minister, he said, "On issues of territorial sovereignty and maritime interests, China does not believe in provoking others. Nor would we allow provocation against China's principles and bottom line. On the issue of South China Sea, China's claims that its activities is legitimate and should not be seen as an attempt to gain regional supremacy."<sup>43</sup>

In international politics, it is now recognised that regionalism is nothing but an expression of a common sense of identity and purpose for initiation of collective action by the concerned member states within a geographical region to benefit from the ongoing process of globalisation, both India and China cannot ignore this. Hence regional cooperation has assumed greater significance and has motivated states to cooperate with each other to resolve common problems or achieve certain objectives beyond the capacity of individual national attainment.<sup>44</sup>

With the world redrawing its focus on Asia, US and China has had a very uneasy relationship. India should restructure its focus and involve the powers in the region in shaping the future of Asia as the powerhouse of the world. The concept of regionalism has a very important role to play in the regard. Rather than accepting being nudged by the powers outside the region such as the US to take leadership in shaping the future of Asia, India should have a firm stand of its own. India need to look within the region for cooperation in today's world of regionalism to foster goodwill partnership. India and China need

<sup>37</sup> Jian Yang, 2011. *The Pacific Islands in China's Grand Strategy: Small States, Big Games*, Palgrave Macmillan, pp.40

<sup>38</sup> Rosenburg, David. 1999. The South China Sea. Accessed at <http://www.middlebury.edu/SouthChinaSea/> on 23 February 2002.

<sup>39</sup> Krishan Ananth. 2014. 'In Indian Ocean Water, Chia show Maritime Prowess', 23 March, <http://www.thehindu.com/news/international/world/in-indian-ocean-waters-india-china-show-maritime-prowess/article5819007.ece> (accessed on 1 August 2014)

<sup>40</sup> Ibid

<sup>41</sup> Panda P Jagannath. 2014. 'Factoring the RCEP and the TPP: China, India and the Politics of Regional Integration', 12 February, <http://www.tandfonline.com/doi/abs/10.1080/UwHTAmKSzuE#.VAIUqfmSxOw> (accessed on 4 August 2014)

<sup>42</sup> The Hindu. 2013. 'Manmohan Singh's Speech on India-China Relations at the Central Party School, Beijing' 24 October, <http://www.thehindu.com/news/resources/manmohan-singhs-speech-on-indiachina-relations-at-the-central-party-school-beijing/article5268097.ece> (2 January 2014)

<sup>43</sup> Ministry of Foreign Affairs of the Peoples Republic of China. 2013. 'Speech by H.E. Vice Foreign Minister Liu Zhenmin' 3 December, <http://www.whitehouse.gov/the-press-office/2013/03/11/remarks-tom-donilon-national-security-advisory-president-united-states-a> (assessed on 4 May 2013)

<sup>44</sup> Weigall David. 2002. 'International Relations-A Concise Companion', Arnold Publishers, Great Britain, 191

to acknowledge each other's strengths and weaknesses and contribute regional economic and security architecture.

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