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## The Triangular Dynamic in Asia: The U.S., India, and China

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One of the questions sometimes posed is whether we should expect a bilateral or trilateral future for the United States, China, and India. I believe it is more likely that we will see a *triangular* future evolve among the three countries as they pursue one another on a bilateral basis.

### Three Bilateral Relationships

The U.S. wants a closer partnership with India because it believes that the two share common values and interests and that India can play an important stabilizing role in Asia. India is pursuing relations with the U.S. to support its own global ambitions and, more specifically, to gain access to advanced and sensitive technologies to fuel its economic growth and military prowess. India and China seem to have reached the conclusion that they need peaceful borders with each other in order to expand themselves internally, pursue their regional interests, and fulfill their own global aspirations. The two countries also realize that their global images are boosted by adopting a cooperative approach toward one another, thereby furthering the phenomenon referred to as “Chindia” (the idea that the combined rapid economic growth of the two most populous countries in the world will make Asia the new center of global economic and political activity).

Each of the three bilateral relationships (U.S.–India, India–China, and China–U.S.) is mutually reinforcing in that an expansion or improvement in one relationship will likely lead the third country to pur-

### Talking Points

- It is likely that we will see a triangular future evolve among the U.S., China, and India as they each pursue one another on a bilateral basis.
- Each of the three bilateral relationships is mutually reinforcing in that an expansion or improvement in one relationship will likely lead the third country to pursue better relations with the other two.
- Although Washington and New Delhi share some of the same questions and concerns regarding China’s rise, Washington respects that New Delhi is unwilling to allow itself to be used as part of a China containment policy.
- Given India’s more active involvement in shaping the political and economic environment in Asia, the U.S. will need to begin factoring India into its broader Asian policies and seek multiple forms of engagement in the region that include India’s participation.

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sue better relations with the other two. We have already seen this with regard to the impact of improved U.S.–India relations on China’s calculations vis-à-vis its ties with India. Beijing was caught off guard by the Bush Administration’s July 2005 announcement that it would extend civil nuclear cooperation to India and viewed the new U.S. policy as aimed at checking Chinese power in the region. It now seems to believe, however, that its best defense against any possible U.S. attempt to use New Delhi to contain it is through its own pursuit of better relations with India. For its part, India has long valued its strategic autonomy in international affairs and chafes at any assertion that it would play such a role at the behest of the U.S.

At the same time, India and the U.S. share similar concerns regarding China’s future strategic direction. The Indian military and security establishment—with lingering memories of the China–India 1962 border war that led to a humiliating defeat for the Indians—are particularly suspicious about China’s long-term intentions. These suspicions are the main impetus behind India’s nuclear and advanced missile programs.

The U.S. should guard against the potential for India and China to cooperate in promoting a “multi-polar” world order, i.e. countering perceived “U.S. hegemony.” Each country, of course, would have to weigh the cost of any such efforts to its relations with the U.S. and the potential impact on other important goals that it might share with the U.S. in the region. India’s hosting of a meeting of the foreign ministers of India, China, and Russia in February marks the first time that it has hosted such a high-level trilateral meeting. The fact that this meeting followed closely on the heels of Russian President Vladimir Putin’s tirade against the U.S. at the Munich Conference on Security Policy raised some eyebrows in Washington. In a February 14, 2007, joint communiqué, the three ministers said their trilateral cooperation was not directed against any other country.<sup>1</sup> Still, the U.S. should watch closely for any potential signs that the grouping seeks to undermine U.S.

objectives of supporting democracy, free trade, economic prosperity, and nuclear nonproliferation in Asia.

## U.S.–India Relations

The U.S. and India have been rapidly expanding ties during the last seven years. President George W. Bush’s signing of the Henry J. Hyde United States–India Peaceful Atomic Energy Cooperation Act of 2006 on December 18, 2006, was a milestone for the relationship. The civil nuclear accord signals a new era of trust and cooperation and removes a long-standing source of tension between Washington and New Delhi.

There are still hurdles to cross before civil nuclear cooperation can take effect. Talks to establish a “1-2-3 agreement” to govern the terms of civil nuclear trade have stalled. These negotiations are proving more time-consuming than was originally expected. However, there is still hope that with continued cooperation and good-faith negotiations, language for the text of the agreement can be hammered out in a way that satisfies both countries’ core concerns. India is worried that the language in the Hyde Act could be used by a future U.S. administration to place restrictions on its nuclear program. New Delhi’s concerns stem from its past experience in dealing with Washington on the U.S.-supplied Tarapur nuclear power reactor. India lost access to U.S. nuclear fuel supplies for the Tarapur reactor following its 1974 nuclear test and resulting U.S. legislation that imposed new requirements on U.S. nuclear exports to non-nuclear weapon states.

Although the civil nuclear initiative has consumed relations between the U.S. and India over the last two years, there are numerous other areas where ties are expanding. In June 2005, the U.S. and India signed an historic defense framework agreement that calls for expanded joint military exercises, increased defense-related trade, and the establishment of a defense and procurement production group. The U.S.–India Knowledge Initiative on Agriculture, launched in July 2005, aims at

1. International Herald Tribune, “India, Russia, China Say Trilateral Talks Will Promote International Peace,” February 14, 2007, at [www.ihf.com/articles/ap/2007/02/14/asia/AS-GEN-India-Russia-China.php](http://www.ihf.com/articles/ap/2007/02/14/asia/AS-GEN-India-Russia-China.php) (April 24, 2007).

establishing cooperation in agriculture-related science and technology to help reduce poverty and hunger. A CEOs Forum between the two countries meets regularly to look at ways to expand economic and trade ties.

The U.S. views India's growing economic and political influence as a positive development for the balance of power in the region. As Asia increasingly takes center stage in global affairs, Washington should seek ways to work with New Delhi and to build partnerships in this vital region. India is expanding its strategic vision in Asia and has already begun to broaden its engagement throughout the region. Broadening Indian engagement across the globe, especially in Asia, is in the U.S. interest and should be encouraged. As a fellow democracy without hegemonic interests, India's increased economic and political involvement in Asia will help to ensure that one country does not dominate the area and will encourage stability in a region that accounts for one-quarter of U.S. trade and investment and almost half of the world's population.

That said, Washington and New Delhi will not always see eye-to-eye. One issue on which Washington and New Delhi find their policies diverging is about how to prevent Iran from acquiring nuclear weapons. Although India voted against Iran at meetings of the International Atomic Energy Agency in September 2005, and again in February 2006, it continues to view Iran as a major source for its growing oil and gas needs and pursues such deals accordingly. India also wants to maintain good relations with Iran for geo-political reasons involving its need to keep distance between Islamabad and Tehran and to ensure Iran does not create disturbances among its own large Muslim minority population.

### India–China Relations

India and China are in the midst of a rapprochement that has led to an upsurge in bilateral trade during the last five years and a series of high-level visits aimed at increasing cooperation. In just four years, China and India have quadrupled the volume of their annual bilateral trade to almost \$20 billion. The increasing U.S. attention to India over the past

several years—especially Washington's decision to extend civil nuclear cooperation to New Delhi—has contributed to Chinese interest in developing closer ties to India and to its acknowledgement that India is a rising major Asian power.

China and India face many hurdles in improving ties, such as continuing Indian suspicions about China's special ties and military and nuclear transfers to Pakistan. Lingering border disputes between the two Asian giants also continue to hinder relations. The diplomatic dynamics that preceded Chinese President Hu Jintao's visit to India in November 2006 were a reminder that New Delhi and Beijing face serious obstacles to establishing a genuine partnership. Days before Hu's arrival in New Delhi, the Chinese Ambassador to India proclaimed the Chinese government's position that the Indian state of Arunachal Pradesh is Chinese territory. Although the remarks were downplayed in New Delhi, the diplomatic outburst points to continuing tensions between the two countries.

Energy has been both a source of cooperation and competition between China and India in recent years. They are two of the world's fastest-growing energy consumers, with China importing about 40 percent of its energy needs and India importing 70 percent. Bidding wars over energy resources have inflated prices for energy assets and prompted the two countries to agree to joint bidding in third countries. Their energy competition is also reflected in their assertions of naval power. As India reaches into the Malacca Straits, Beijing is creating a "string of pearls" surrounding India by developing strategic port facilities in Sit-twe, Burma; Chittagong, Bangladesh; and Gwadar, Pakistan to protect sea lanes and ensure uninterrupted energy supplies.

While China is developing closer ties to South Asian nations Sri Lanka and Bangladesh, India also is becoming more integrated into the multilateral institutional structures of Southeast Asia. New Delhi became a full dialogue partner of the Association of Southeast Asian Nations (ASEAN) in 1995, joined the ASEAN Regional Forum in 1996, and became a member of the East Asia Summit in December 2005. India's trade with ASEAN coun-

tries has risen from \$2.4 billion in 1990 to \$23 billion in 2005.

### **Conclusion**

There is a broad logic to the pursuit of closer U.S.–India strategic ties. Although Washington and New Delhi share some of the same questions and concerns regarding China’s rise, Washington respects that New Delhi is unwilling to allow itself to be used as part of a China containment policy. Given

India’s more active involvement in shaping the political and economic environment in Asia, the U.S. will need to begin factoring India into its broader Asian policies and seek multiple forms of engagement in the region that include India’s participation.

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