



# RCAS Commentary

## China and India Rebuild Trust on the Path to Reconciliation

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## About RCAS

香港亞洲研究中心| The Hong Kong Research Center for Asian Studies (RCAS) is a nonprofit research organization focusing on Asian affairs. It is a newly established institution founded in February 2022 by Dr. Nian Peng in Haikou and subsequently moved to Hong Kong in September 2023. We currently have an international research team with nearly 100 resident/nonresident researchers from China and other countries.

RCAS aims to become a leading research institute and think tank on Asian affairs in the Indo-Pacific region. To date, RCAS has conducted research programs on maritime disputes in the South China Sea (SCS), China's relations with the Indo-Pacific states, the Belt and Road Initiative (BRI), terrorism/counterterrorism in the Afg-Pak region, and so on. It is committed to promoting maritime cooperation, regional integration, and regional peace in the Indo-Pacific region at large.

RCAS has published nearly ten books in Chinese and English and more than 20 papers in SSCI/SCOPUS/CSSCI-indexed journals. Recent English publications include *Populism, Nationalism and South China Sea Dispute: Chinese and Southeast Asian Perspectives* (Singapore: Springer Nature, 2022); *Pakistan's Foreign Policy: Contemporary Developments and Dynamics* (London: Routledge, 2022); *Crossing the Himalayas: Buddhist Ties, Regional Integration and Great-Power Rivalry* (Singapore: Springer Nature, 2021); *The Reshaping of China-Southeast Asia Relations in Light of the COVID-19 Pandemic* (Singapore: Springer Nature, 2021); *Territorial Disputes, The Role of Leaders and The Impact of Quad: A Triangular Explanation of China-India Border Escalations* (2023); *Managing the South China Sea Dispute: Multilateral and Bilateral Approaches* (2022); *China-Pakistan Cooperation on Afghanistan: Assessing Key Interests and Implementing Strategies* (2022); *Hedging Against the Dragon: Myanmar's Tangled Relations with China since 1988* (2021); and *China-Pakistan Conventional Arms Trade: An Appraisal of Supplier's and Recipient's Motives* (2020).

RCAS has also published hundreds of articles, and its researchers have been interviewed in various local and international media outlets, such as *The Diplomat* in the United States, *East Asian Forum (EAF)* in Australia, *Bangkok Post* in Thailand, *Jakarta Post* in Indonesia, *Lian He Zao Bao*, *Think China* in Singapore, *South China Morning Post (SCMP)*, *China-US Focus* in Hong Kong, *CGTN*, *Global Times*, *World Affairs* in China. RCAS researchers have actively participated in international conferences or study visits in the United States, India, Pakistan, Sri Lanka, Nepal, Myanmar, Cambodia, and other places.

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On 23 October 2024, Chinese President Xi Jinping and Indian Prime Minister Narendra Modi held a delegate-level meeting-the first in five years-on the sidelines of the BRICS conference in Kazan, Russia. During the meeting, both leaders endorsed an earlier deal to disengage their militaries along the disputed border, restoring the status quo to its pre-2020 position. Within a week, both sides withdrew troops from border face-off areas.



▲ Chinese President Xi Jinping meets with Indian Prime Minister Narendra Modi on the sidelines of the 16th BRICS Summit in Kazan, Russia, Oct. 23, 2024. (Xinhua/Shen Hong).

Given the potential impact of the China-India relationship on regional and global affairs, the Xi-Modi meeting drew international headlines. Analysts characterised it as a boon for both countries, a cautionary note and a tactical pause rather than a strategic shift in relations. Some credited the outcome to BRICS and Russia, while others viewed it as a blow to the US Indo-Pacific strategy.

China and India have the world's longest and oldest disputed border-the Line of Actual Control (LAC)-inherited from colonial times. They fought a border war in 1962 and have had periodic escalations over this issue ever since. Both countries

hold differing views on the boundary-India considers the LAC to be 3488 kilometres long, while China claims it is 2000 kilometres, arguing its border with Pakistan is already settled.

In the 21st century, China-India relations have come full circle, moving from deeper understanding to heightened tension and back to normalcy. In the mid-2010s, the relationship took a hostile turn after decades of stability. While the disputed border sparked conflict, two new factors proved to be key ignitors.

Nationalist leaders-President Xi Jinping and Prime Minister Narendra Modi-assumed power, setting high goals and pursuing assertive policies. Concurrently, the bifurcation of global politics into a US vs China dynamic fuelled the rivalry. The disputed border, two nationalist leaders and international politics combined in a mutually reinforcing way, escalating the tension.

Nationalistic fervour in China and India extended to soldiers patrolling the disputed border. Troops faced a standoff lasting over 70 days in Doklam in 2017 and a fatal confrontation in Galwan Valley in June 2020, resulting in the deaths of 20 Indians and at least four Chinese soldiers-marking the first fatalities in decades. Following this, the relationship largely remained frozen until the Xi-Modi meeting.

During heightened tensions, both countries viewed each other's policies with concern. New Delhi perceived China's Belt and Road Initiative (BRI) as part of a grand strategy and saw the China-Pakistan Economic Corridor (CPEC)-in which China invested billions of dollars-and China's administrative control of Gwadar Port as a consolidation of a China-Pakistan nexus targeting India.

On the other hand, China regarded India's closeness with the United States, Japan, Australia, Vietnam, Taiwan and other Western countries with suspicion. The Quadrilateral security grouping, which China views as a containment strategy, regained momentum against the backdrop of India's intensifying conflict with China.

India's defence-related agreements with the United States were also concerning for China. These included the agreements to provide reciprocal access to military bases as well as to share geospatial intelligence and enhance the accuracy of military operations. In line with this, the United States rebranded its Asia Pacific strategy to an Indo-Pacific strategy centred on cooperation with India.

It was economic pressures that catalysed China's and India's re-engagement. Following the Galwan fatalities, India's ban on Chinese investment and technology impacted negatively on India's economic growth. This downturn led to unemployment-especially among educated youth, who expressed their frustration in the 2024 general elections-resulting in the ruling Bharatiya Janata Party losing its

simple majority. India's annual economic survey for 2024 pinpointed the need to attract investment from China-causing India's business community to push the Modi administration towards rapprochement.

India's obsession with the BRI as a grand strategy also faded over time. Though New Delhi did not join the BRI, it benefited from its subsidiary, the Asian Infrastructure Investment Bank. CPEC did not take off and Gwadar Port remains far from becoming China's naval hub. In 2019, China also stopped blocking the Pakistani military-backed extremist Masood Azhar from being declared a global terrorist by the United Nations, which abated India's concerns about the so-called China-Pakistan nexus.

Parallel to this, India did not receive the expected US and Western support for its 'Made in India' initiative and industrialisation efforts. The US-led 'India-Middle East-Europe Economic Corridor', meant to counter the BRI, never materialised. Overall, it became clear to New Delhi that achieving great power status requires cooperation with Beijing, prompting an eagerness for reconciliation.

On the Chinese side, Beijing recognised that the success of the Quad and the United States' Indo-Pacific policies primarily hinged on India's role. It was assuaging for China that despite US incentives, India did not sign any formal military alliance and maintained its traditional position of non-alignment. During its own economic slowdown, China could not ignore the large Indian market next door, where trade thrived and reached US\$118 billion in 2023-24 despite geopolitical tensions.

Over the years, Xi and Modi have tempered their ambitious goals with pragmatism. They have gained global exposure and navigated their countries through challenging waters. Through cycles of stability, heightened tension and a return to equilibrium, China and India have learned that conflict undermines their long-term objectives and complicates the boundary issues.

While a breakthrough in their border dispute may remain elusive, the Xi-Modi meeting has put the relationship back on track and this is likely to be sustained..

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## About Author



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