

The Sino-Indian Boundary Dispute: Sub-National Units as Ice-Breakers

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Introduction

The Sino-Indian boundary dispute is one of the oldest remaining disputes of its kind in the world and given the “rising” of the two powers in the international system, also potentially one of the most problematic. While the dispute has its origins in the British colonial era under geopolitical considerations of “the Great Game,” where Tibet was employed as a buffer between British India and the Russians with little or no thought to Chinese views on the matter. The dispute has two major sections – in India’s northeast and in India’s northwest. The Simla Convention of 1914 involved the British, Chinese and the Tibetans but the eventual agreement between Britain and Tibet in which the alignment of the Tibet-Assam boundary was agreed upon in the form of the McMahon Line was not recognized by China. And today, this disagreement continues in the Chinese claim over some 90,000 km² of territory in Indian control covering the province of Arunachal Pradesh. Arunachal, which the Chinese call “Southern Tibet,” includes the monastery town of Tawang, birthplace of the Sixth Dalai Lama, and a major source of contention today between the two sides. Meanwhile, in the Indian northwest – originally the most significant part of the dispute – the Chinese managed to assert control over some 38,000 km² of territory in the 1962 conflict. This area called Aksai Chin by the Indians and considered part of the Indian province of Jammu and Kashmir, was the original *casus belli* between the newly independent India and the newly communist China, when the Indians discovered in the late 1950s that the Chinese had constructed a road through it connecting Kashgar with Lhasa.

The 1962 conflict between China and India was a short one,¹ but permanently scarred the psyche of the Indian political, bureaucratic and military leadership. From a high of friendship and desire to jointly turn the world around for the better in the immediate aftermath of World War II and independence/liberation, Asia’s two giants entered a period of “cold peace” in which the Indians in a sense tried to block out the Chinese from their worldview and strategic planning for the longest period and which also suited the Chinese, given their preoccupations with internal upheavals, Soviet revisionism, the Taiwan issue, Japan’s reemergence and of course, American hegemony. While

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¹ For an excellent account of the history of the dispute and an account conflict albeit one that excoriates the Indians, see Neville Maxwell, *India’s China War*, 3rd ed. (Dehra Dun: Natraj Publishers, 1997). For accounts of the conflict from retired Indian military personnel, again highly critical of the political and military leadership, see Brig. (retired) JP Dalvi, *Himalayan Blunder* (Bombay: Thacker and Co. 1969) and Maj. Gen. (retired) DK Palit, *War in High Himalaya: Indian Army in Crisis, 1962* (London: Hurst, 1991).



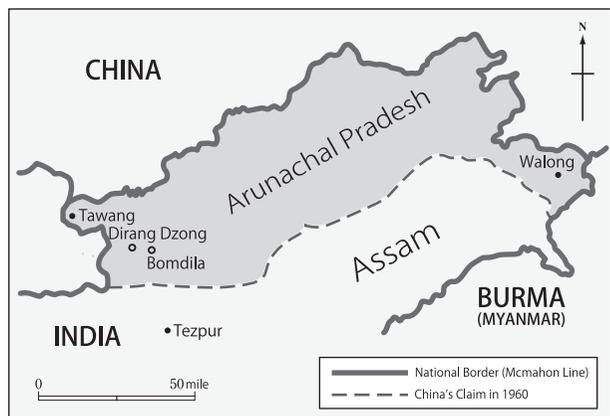
diplomatic relations were reestablished in the late 1970s, and a major breakthrough visit of Indian Prime Minister Rajiv Gandhi to China took place in 1988, it was only in the 1990s, in the post-Cold War era and following India's own economic opening up and liberalization that the relationship began to grow again in both the political and economic planes.

Today, however, even as much is made of the growing economic relationship between the two countries, there are regular reports in the Indian press of Chinese "incursions" across the Line of Actual Control (LAC) between the two countries. Meanwhile, even on the economic front, the relationship has

shown signs that things were increasingly unsatisfactory. For the Chinese, economic discontent has arisen because of the continued Indian reluctance to enter into a Free Trade Agreement (FTA) and discrimination against Chinese companies and investments on security grounds; and on the Indian side, there are apprehensions owing to the rather unbalanced nature of the relationship with India exporting raw materials and importing manufactured goods from the Chinese, the growing trade deficit and the opaque Chinese pricing and regulatory mechanisms. Thus, the two countries appear to be at a stage where the initial momentum of rediscovering and reestablishing contacts with each other that began in the 1990s – and any goodwill or accommodation that ensued as a consequence – have run out. In the context of their simultaneous rise economically and politically, and of the substantially changed geopolitical environment post-9/11, the two countries need to find new ways to both resolve their long-standing boundary dispute and to provide their relationship with the ballast necessary for cooperation Toward sustained regional and global peace and stability.

Boundary Negotiations – The Story So Far

After the 1962 conflict, the first negotiations between China and



India on their boundary dispute began in December 1981, following the visit of Chinese Foreign Minister Huang Hua to New Delhi. Talks continued until November 1987 but the final two years of this phase also saw tensions in the wake of India's Operation Chequerboard and establishment of the state of Arunachal Pradesh. It took the visit of Indian Prime Minister Rajiv Gandhi to Beijing in December 1988 to revive talks with an agreement reached to set up a joint working group (JWG) on the boundary question. The JWG had its first meeting the same month and met five more times until June 1993, resulting in the September 1993 Agreement on the Maintenance of Peace and Tranquility along the LAC in the India-China Border Areas.² Regulations on the work of the India-China Diplomatic and Military Expert Group were agreed upon in 1994 and talks continued with the group meeting three times in 1995 and being tasked in the November 1996 Agreement on Confidence Building Measures in the Military Field Along the Line of Actual Control in the India-China Border Areas to assist the JWG "in devising implementation measures under the Agreement."³

The next major movement on the boundary negotiations came following the visit of Indian Prime Minister Atal Behari Vajpayee to China in June 2003, when the two sides agreed to appoint Special Representatives (SRs) to "explore, from the political perspective of the overall bilateral relationship, the framework of a boundary settlement."⁴ The April 2005 Agreement between the Government of the Republic of India and the Government of the People's Republic of China on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question⁵ soon followed, signed during the visit of Chinese Prime Minister Wen Jiabao to New Delhi. Since then, however, substantial progress has been hard to come by.

During Indian Prime Minister Manmohan Singh's visit to China in 2008, the two sides, for the first time, formulated their own drafts on a possible framework agreement involving territorial concessions as a way towards eventual resolution of the boundary dispute. While this may be interpreted as a forward movement, the positions themselves appear to indicate little change. New Delhi insisted that the final settlement of the boundary issue could not involve transfer of settled populations, while Beijing is believed to have proposed the division of populated areas into larger and smaller segments based on population size and then considering some displacement. This Chinese

² Ministry of Foreign Affairs, Government of the People's Republic of China, "Agreement between the Government of the People's Republic of China and the Government of the Republic of India on the Maintenance of Peace and Tranquility along the Line of Actual Control in the China-India Border Areas" (7 September 1993), <http://www.fmprc.gov.cn/eng/wjb/zzjg/yzs/gjlb/2711/2712/t15915.htm>

³ Ministry of Foreign Affairs, Government of the People's Republic of China, "Agreement Between the Government of the People's Republic of China and the Government of the Republic of India on Confidence Building Measures in the Military Field Along the Line of Actual Control in the China-India Border Areas" (29 November 1996), <http://www.fmprc.gov.cn/eng/wjb/zzjg/yzs/gjlb/2711/2712/t15914.htm>

⁴ Ministry of Foreign Affairs, Government of the People's Republic of China, "Declaration on Principles for Relations and Comprehensive Cooperation Between the People's Republic of China and the Republic of India" (25 June 2006), <http://www.fmprc.gov.cn/eng/wjdt/2649/t22852.htm>

⁵ Ministry of External Affairs, Government of India, "Agreement between the Government of the Republic of India and the Government of the People's Republic of China on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question" (11 April 2005), <http://mea.gov.in/treatiesagreement/2005/11ta1104200501.htm>

position in effect, suggests a continuing claim to Tawang. Both sides did agree to put the Tawang issue aside for the moment and to concentrate on areas where there is "least disagreement," but it appears that the SR mechanism has not succeeded in reducing differences or bridging gaps in perceptions in any significant manner. The most telling indication of this is surely in the fact that the SRs found it necessary to set up another working group to look at the two different drafts of the framework⁶ – a process that adds one more, larger tier to the negotiation process with perhaps all its attendant delays and complications. This appears to suggest that the two sides have been unable to completely break free from their mutual suspicions and are unable also to attempt new ways of dealing with the dispute.

In all, before the appointment of the SRs, eight rounds of border talks had been held between 1981 and 1987 and an additional 14 meetings of the JWG between 1988 and 2003. Meanwhile, the SRs have held 14 rounds of talks so far, with the first taking place in October 2003 and the last in November 2010.

Sub-National Units as Ice-Breakers – The Rationale

There is today in India a greater willingness to understand China from an Indian perspective rather than through viewpoints adopted from the West. This has been helped along, no doubt, by the greater interaction between their peoples since the end of the Cold War and because of growing economic ties. Meanwhile, a new generation of political leaders, government officials and scholars is coming to the forefront that is also more willing to judge than Indian prime minister Jawaharlal Nehru and his cohort for their actions that led to the 1962 conflict. At the same time, a more pragmatic and realistic assessment of China has also meant that Indian policymakers while still heavily preoccupied by events in India's west – whether Pakistan and Afghanistan or the Western world – is now extremely attentive to developments involving China, its rise and implications for India. Meanwhile, Chinese interest in India has been growing, even if it still lags substantially behind the level of Chinese involvement with the West. However, Chinese interest in India today goes beyond the pre-1962 associations with culture and movies and encompasses matters such as India's prowess in software as well as its growing economy and the potential competition this entails for China in the military and energy security domains.

Thus, despite the sometimes positive changes in their views of each other over the decades and the substantial growth in many areas of their relationship, there are also several new bases for suspicions and apprehensions. These factors inevitably also affect Sino-Indian boundary negotiations, which have been going on for some 30 years now. Indeed, it can be stated without exaggeration that the full potential of Sino-Indian relations continues to remain unexploited owing to suspicions and mistrust arising from the unresolved disputes between them. The two nations have sought to resolve the disputes on the basis of national interest considerations based on both domestic constraints as well

⁶ Pranab Dhal Samanta, "Delhi, Beijing agree on roadmap to settle border," *Indian Express* (16 January 2008), <http://www.indianexpress.com/story/261973.html>

as geopolitical factors. However, it is the contention of this paper, that the two nations have really only considered their national interests in the domestic dimension only from a larger central government perspective rather from the perspectives of and advantages to be derived at the sub-national level. Resolution of the disputes will require an approach that better acknowledges domestic realities and the correlation between these realities and economic globalization on the one hand and between these realities and geopolitical developments on the other.

Domestic Realities – Economic Development of the Peripheries

The takeoff point for such an alternative approach is in China's realization, evident for some years now, that its western regions suffered from serious problems that cannot be solved only by central government initiatives and that greater integration with the larger domestic market would take time given factors such as distance, lack of physical infrastructure and differing economic structures within the country. While the Western Development Strategy (WDS) serves as a public and symbolic demonstration of the central government's concern with national unity, inequality and poverty,⁷ Beijing and the provincial capitals involved have also increasingly begun to look towards neighbouring countries as a means of achieving access to markets and speedier economic development. In particular, where Xinjiang, Tibet, and Yunnan are concerned, greater attention began to be paid to developing linkages with the countries to the south.

In India too, similar realization has dawned on the central government. India's Look East Policy (LEP) is primarily a foreign policy agenda that prioritizes India's interactions in the economic and political spheres with the countries of Northeast and Southeast Asia. However, there has been increasing acknowledgment that this foreign policy strategy cannot succeed if it overlooks India's main physical connections to these regions, namely the Indian northeast. The northeastern Indian provinces like many of the provinces on China's periphery with Central, South and Southeast Asia are minority-dominated and economically underdeveloped when compared to the rest of the country and New Delhi now hopes to utilize the LEP to emphasize development in the Indian northeast.⁸ In fact, both along the LAC and Line of Control (LOC, between India and Pakistan in Kashmir), there are increasing complaints that India's central and provincial governments face from border communities regarding the fruits of development not reaching them in the form of access to good road and communications infrastructure which in turn deprives them of access to education, health and other facilities – basic necessities that China appears to provide comparatively more effectively.⁹

⁷ Barry J. Naughton, "The Western Development Program," Barry J. Naughton and Dali L. Yang (eds.), *Holding China Together: Diversity and National Integration in the Post-Deng Era* (Cambridge: Cambridge University Press, 2004), pp. 253-295.

⁸ For more on this aspect including a comparison of Chinese and Indian policies in their minority-dominated peripheries, see Jabin T. Jacob, "Border Provinces in Foreign Policy: China's West and India's North East," Dilip Gogoi (ed.), *Beyond Borders: Look East Policy and North East India* (Guwahati: DVS Publishers, forthcoming).

⁹ Author's interviews in Ladakh, August 2007, and Arunachal Pradesh, December 2008. In fact, on the Indian side, physical infrastructure development in the region was first deliberately not undertaken owing to fears of the

Domestic Realities – Changing Dynamics of Centre-Province Relations

Over and above the lack of progress in boundary negotiations and the realization in both capitals that more needs to be done to ensure both equitable and sustainable economic development in their peripheries are larger centre-province dynamics at play in China and India. These dynamics are little-studied and even less-understood in terms of their potential to affect both internal political development and the respective foreign policies of these countries. It is these dynamics that give still greater heft to the idea of using provinces as part of the solution to the boundary dispute.

The central governments of China and India are today engaged in the twin tasks of governing the most populous nations in the world and managing increasingly complex economic systems. In the process, Beijing and New Delhi have to find a balance between decentralizing the provinces and maintaining sufficient control over the polity. How they go about doing this in an era of increasing globalization will be the key question that will engage observers in the coming years. What is evident, however, is that increasingly, the central governments in both China and India have to acknowledge provincial pulls and pressures while formulating both domestic and foreign policies.

There are both opportunities and challenges involved in the devolution of powers from the centre to the provinces. Both China and India are, constitutionally speaking, fairly rigid, unitary states. In the Indian system, the constitution lays down more clearly the division of powers between the centre and the provinces but until the advent of liberalization and market reforms in the early 1990s, it was the centre that dominated exchanges. Today, both Chinese and Indian provinces derive leverage from several sources – some of which are common to both countries, such as increasing globalization and the opening up of the respective national economies, while others are country-specific.

In China, in the post-reforms era, provinces have acquired greater weight in decision-making vis-à-vis the centre that while not always immediately obvious is increasingly an important factor at play. The provinces do not have powers that inherently belong to them by law; instead, whatever powers they exercise are delegated from the centre and they are constantly lobbying the centre for resources and for greater flexibility in formulating and implementing policy. Further, the fragmentation of authority in the political administrative hierarchy makes it fairly easy for one actor to frustrate the adoption or successful implementation of important policies, because units (and officials) of the same bureaucratic rank cannot issue binding orders to each other.¹⁰ In India, the specific factors include the rising presence and influence of regional parties in the political coalitions required for the formation of the central government, the movement for increased powers of governance at the village level and the demands for further reorganization of the provinces in India.

That said, both China and India are ultimately modern nations with strong centralizing

Ministry of Defence and other central government ministries of possibly providing the Chinese additional advantages in case of an attack. However, this attitude is changing with New Delhi carrying out long-delayed development in response now, to China's own massive infrastructure development in Tibet.

¹⁰ The provinces are ranked the same as ministries in the Chinese central government and the State Council thus cannot impose its orders on the provinces.

tendencies that result from their history of colonialism and fragmentation. Their provinces too, are aware of this history and the majority, including those wishing to secede, actually seek not so much independence as greater autonomy and control over their resources as well as freedom of action in the economic sphere. And even as discussion of foreign policy issues and their implications is largely controlled and initiated in the national capitals, and seldom in consultation with the provincial capitals, there is now increasing talk of and demand for closer economic interaction between Tibet and India's Ladakh region of Jammu and Kashmir or of China's Yunnan province with India's northeast. These demands carry several implications for both Beijing and New Delhi. Despite strong central governments, both in China and India, centre-province relations continue to evolve in a process involving both cooperation and confrontation. The challenge, however, is to ensure that the process is directed towards mutual benefit for all concerned.

How therefore, can both economic development and the redress of political grievances be achieved in these regions of China and India while the two countries simultaneously try to resolve their boundary disputes? Can the respective processes of evolving centre-province ties in China and India be brought together at their borders? Can this provide a breakthrough for both countries in resolving mutual suspicions and the boundary disputes that have kept them apart for several decades now?

In Application – Tibet and Ladakh-Sikkim-Arunachal

Given the fact that years of prioritizing national security considerations over political accommodation and economic development in their provinces have not really led to the fulfillment of any national security objectives, the time has come to examine if prioritizing the latter set of considerations to the benefit of their border provinces can ensure peace and stability between China and India. The solution to both the political and economic discontent of Chinese and Indian provinces as well as to the unresolved boundary dispute between the two countries could be to allow their provinces greater freedom to interact with each other in terms of people-to-people and economic contacts.

China's problems in Tibet are too well-known to need enumeration here. The Tibetans' protests in March 2008 that affected not just the Tibet Autonomous Region (TAR) but also Tibetan areas in the neighbouring provinces of Qinghai, Sichuan, and Gansu (and the Xinjiang riots the following year) have brought home to Beijing that its belief in economic development as the panacea to separatist tendencies is misplaced. In India meanwhile, as hinted in the previous section, democracy itself is found to be insufficient, if the basic needs of life in the form of economic development and better standards of living are not met within reasonable timeframes.

What is argued here is that in order to ameliorate the political grievances of Tibetans that are worsened by inequitable and unbalanced state-driven economic development of the region, Beijing will have to acknowledge that there is a greater role to be played by India in the political stabilization and economic development of Tibet. India, meanwhile, will have to acknowledge that greater economic integration with China, one of the world's most important economic engines and India's

largest and most important neighbour is inevitable and cannot be held back due to misplaced security considerations. Both nations will have to increase their openness to each other in political and economic terms.¹¹ Further, this will have to be a process that will also need to take place at the sub-national level led by the provincial economies, often the border provinces and regions themselves at the heart of their dispute.

Economic issues involving Tibet could bring India and China closer together. Beijing has through the Western Development Strategy (WDS) tried to ensure economic development in Tibet and to some extent this has succeeded with the region witnessing double-digit growth over the last few years.¹² However, as the protests of March 2008 showed, Tibetans do not seem to think economic prosperity alone is sufficient or even that it has benefited them to the full extent possible. Against such a background, it is important to draw some lessons from the economic history of the region. In the past, Tibet was connected to the rest of the world and even to the rest of China through India. This was a connection that was not just cultural and religious but extended also into the economic and political realms. While the present Chinese government has made great efforts to improve Tibet's linkages with the rest of the country, in a more globalized world, the Tibetan economy will need more than just the distant markets of China's eastern coast to grow and develop. Indian markets to its south provide Tibet and indeed other western Chinese provinces, with additional options. Southwards too, lie the region's shortest access routes to warm waters and the outside world.

Similarly, the Indian provinces of Uttar Pradesh and Bihar as well as several Indian border provinces of Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and several Northeast Indian provinces, have additional opportunities for economic growth if they are linked to the larger Chinese economy overland through Nepal and the Tibet region. Uttar Pradesh and Bihar are among the most populous Indian provinces but also among the most economically backward. Unlike in the case of China, where the coastal provinces' location further helped along their economic growth and integration with the rest of the world, these Indian provinces have very little opportunities for external linkages except for the just as weak and even smaller economies of Nepal or Bhutan. However, developing linkages further onwards with the Chinese economy through Tibet and Sichuan could conceivably provide additional opportunities.

Developing greater cross-border economic linkages, allowing for greater freedom of movement for Indian and Chinese tourists and pilgrims into each other's countries via Tibet, better communication and transport linkages and opening consular and commercial offices along the Sino-Indian border are essential steps in such a process. The boundary dispute would not be an obstacle to such interactions if both countries displayed the requisite political will to agree on and implement a resolution.

¹¹ For more on this aspect, see Jabin T. Jacob, "For a New Kind of 'Forward Policy': Tibet and Sino-Indian Relations," paper presented at Revisiting the China-India Border Dispute, University of Westminster, London (2-3 June 2010).

¹² "Trashing the Beijing Road," *Economist* (22-28 March 2008), p. 28.

Trading Routes – Current Situation and Potential

On the Ladakh side in the western sector of the dispute, there is the potential of opening a route across the LAC for trade and pilgrimage between the two sides. Currently, Hindu pilgrims to Mt. Kailash and Lake Manasarovar take the difficult Lipu Lekh Pass from the Uttaranchal province of India, a trip that is some 45 days long through mostly mountainous terrain. However, the trip to the holy sites could be done in just 4 days of driving through relatively flat terrain beginning in Leh, the capital of Ladakh and passing through Demchok on the LAC. However, here there is both support and opposition from local populations on the Indian side. Support is forthcoming because of the economic benefits that are expected from increased tourist arrivals from the rest of India and even outside. Opposition, however, exists because Ladakh has hitherto been a magnet for the better-off tourists from the West because of its exoticism and similarity to Tibet, and local operators are afraid of losing their exclusivity and appeal if more tourists from the Indian mainland were to come. Environmentalists too are concerned because new roads will have to be constructed and will pass through fragile, high-altitude desert ecosystems.¹³

On the Chinese side, there is opposition to greater interaction in this sector owing to the religion factor. The Ladakhis are Buddhists and any opening up of the region, it is believed, will have consequences also for Chinese control over Tibet.¹⁴ For the moment, therefore, illegal trade is still carried out all year round. In fact, during the winters, the Tibetan nomads engaged in this activity find it even easier on account of the rivers and streams being frozen. Ladakh is poorly integrated to the rest of the Indian economy and is not even served by an all-weather road to the rest of the country. As a result, simple household items such as Chinese blankets and tea flasks – some of which are made as far away as Shanghai – are in high demand in Ladakh.¹⁵ That this sort of trade in basic goods goes on illegally and further that even a Chinese product made some 4,000km away from where it is sold still turns a profit is a poor comment indeed on the level of attention that India pays to economic development in its peripheries. At the same time, it also indicates the potential for growth involving the economies of the two countries.

This potential was sought to be exploited with much fanfare in the reopening for border trade in July 2006 of the Nathu La on the Tibet-Sikkim border (which is not disputed). The pass had been closed since the 1962 conflict and its reopening was supposed to mark a new high in Sino-Indian relations. However, the trade here is stymied by outdated regulations including a limited list of goods that can be traded at the border post as well as poor infrastructure on the Indian side. These factors have caused a lot of heartburn in Sikkim and in the local economies that would have benefitted otherwise. There is also a far more convenient pass, the Jelep La that unlike the Nathu La is open year-round and has historically served as a far more effective trade route between Tibet and Sikkim. The reopening of this pass would be a logical step and would also give the economy of the historical

¹³ Author's interviews, Ladakh, August 2007.

¹⁴ There is also a history of Xinjiang's Muslims travelling through Ladakh on their way to Mecca for the Haj pilgrimage. Author's interviews, Ladakh, August 2007.

¹⁵ Author's interviews and observations, Ladakh, August 2007.

trading town Kalimpong in the Indian province of West Bengal, a far greater fillip than has been the case with Nathu La. Nevertheless, the security establishments under the aegis of the Indian Ministry of Home Affairs and to a lesser extent the Ministry of Defence, have managed to block progress on Sino-Indian border trade. This attitude also puts the spanner on bigger plans to connect India with the Qinghai-Tibet Railway both through Sikkim and through Nepal.¹⁶

In the eastern sector, including the Indian province of Arunachal Pradesh, there exist several traditional routes for trade that could be reopened but are not because of security considerations. In fact, given the greater Chinese attention to this side of the dispute in recent years, the chances of any sort of interactions in this region are remote – the western sector and other areas along the non-disputed boundary hold greater promise. There is in addition the problem of the extremely difficult terrain in Arunachal. The central government has only recently undertaken the vital task of constructing a lateral road – the Trans-Arunachal Highway – across the province. Currently, the most important towns and even the capital of the province have no direct road links with each other and travelers often have to go back down to Assam province in order to get on a road connected to another Arunachal town. In this situation, even if trade across the borders was to be conducted it would be very limited indeed and of benefit only to the local communities involved rather than the larger national economies. The same situation affects trade and interactions between Arunachal Pradesh and Bhutan (the only other country with which China has unresolved land boundary disputes).

By highlighting the economic importance of Tibet in Sino-Indian relations, several other political problems too can be tackled at the same time by both countries. For China, greater interaction between Tibet and India will not only improve prospects for its economic development but also alleviate the sense of being under cultural siege that Tibetans currently suffer from and mute Western criticism of Chinese policies. For India, meanwhile, greater access to Tibet will close a painful chapter begun during colonial times but reinforced by 1962 of being denied access to important cultural and religious sites and memories. Just as important as moving beyond its past for India is to ensure that the benefits of its economic growth are more equitably distributed within the country. Also, India has to be open to the idea of closer dealings with its neighbours, including China as an alternative or additional means to achieving this latter goal.

Conclusion

The interactions proposed between China and India are designed to act as both confidence-building measures and economic development strategies for their border areas which have long suffered from neglect and political upheaval. While political instability in these regions, particularly on the Chinese side in Tibet and Xinjiang and on the Indian side in Northeast India have many reasons, including economic ones, the strategies of both countries has employed to date have been far

¹⁶ For more see, Jabin T. Jacob, "The Qinghai-Tibet Railway and Nathu La – Challenge and Opportunity for India," *China Report* Vol. 43, No. 1 (January 2007), pp. 83-87.

from adequate. The shortcoming of the Chinese approach has been of privileging economic growth without considering political grievances, while on the Indian side, political problems are sought to be dealt without a concurrent economic strategy for development in place. Both approaches could use greater international contacts across the (disputed and recognized) boundaries to alleviate both political and economic isolation of the respective border communities. Sub-national interactions across the disputed and international boundaries could work in a number of policy areas including economic interactions involving trade, tourism and the sale of excess power, water resources management. Given that these regions are often cut off from the rest of the respective national systems during the winters or during natural disasters, sub-national units could also conceivably utilize health and other facilities across the border during times of emergency.

Simultaneously, this is a strategy that also helps economic growth and possibly also political stability in the smaller neighbours that surround China and India. Xinjiang, Tibet and Yunnan in China, India's Ladakh, Himachal Pradesh, Uttarakhand, Sikkim and the rest of Northeast India as well as the nations of Nepal, Bhutan and Myanmar could all benefit economically if not also politically as well. The competitive infrastructure build-up for military purposes by both China and India along the LAC could thus very well be turned towards attaining economic objectives.

This sort of approach would certainly not be anything new as far as China is concerned. It has followed an extremely flexible policy of opening up its border province of Yunnan, for example, to Myanmar and the Indochina countries.¹⁷ While this has of course, been in an environment that has been largely favourable to Chinese foreign policy and security objectives, it remains for Beijing to make the leap now also with respect to Tibet and Xinjiang to garner the same advantages and benefits. Similarly, on the Indian side, there is a need for greater openness to China and flexibility of thinking in order to overcome the boundary dispute and to ensure both development and stability in the South Asian region.

¹⁷ See Jabin T. Jacob, "Transnational Linkages – The Provinces under Globalization," *The Provinces in China: Provincialism, Regionalism and Transnational Linkages since the 1990s*, unpublished PhD thesis (Jawaharlal Nehru University, New Delhi, 2008).