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## INDIA'S STRATEGIC PUSH: COUNTERING OR ENABLING EQUILIBRIUM AGAINST CHINA

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Recently, India stated that it would set up a satellite tracking and imaging centre in Southern Vietnam that will give Hanoi access to pictures from Indian Earth observation satellites that cover the region, including China and the disputed South China Sea. The move has the potential to heighten tensions between the two countries and China. Both India and Vietnam have long running territorial disputes with China – Vietnam is also one of the several Southeast Asian nations involved in a territorial dispute with China over the South China Sea.<sup>1</sup> It is also worth noting that India-Vietnam strategic engagement is not a recent undertaking since during the United Progressive Alliance (UPA) government, both the nations embarked upon a mission to strengthen their naval ties and establish a sustainable maritime presence. Indian naval war ships had already been granted permission to drop anchor at the Nha Trang port in southern Vietnam – this assumed great significance as the Indian Navy is the only foreign

navy in the world to have been granted such a privilege at a port other than Ha Long Bay near Hanoi. This action facilitated the presence of the Indian Navy in the South China Sea and enabled a greater strategic role in Southeast Asia. This move may be seen in the light of India as well as Vietnam's growing concerns over China's military capabilities coupled with its assertiveness in its territorial disputes and its ever-increasing presence in the region.<sup>2</sup>

Clearly, India-Vietnam engagement is being perceived by China as a counter measure towards its interest in its vicinity. So the larger question remains as to whether this strategic push by India is a move towards countering China's influence in the region or to rebalance the power equation in the region by initiating equilibrium? China is undeniably involved in the process of naval modernisation and expansion and the future could see its naval base being set up in Gwadar and very soon even in the Indian



Ocean Region – despite China's repeated commitments that it would restrict its naval expansion within its vicinity.

Furthermore, India and China share a very cordial relationship which has been elevated to a strategic and cooperative partnership. However, this cooperation between China and India is much skewed since Chinese markets are still not open to Indian goods unlike the Indian markets, which are flooded by Chinese goods. China has been able to segregate its economic relations with that of its strategic relations when it comes to India – despite the fact that today China is India's largest trading partner and India is witnessing huge inflow of Chinese investments. It is also pertinent to note that the recent slowdown in the Chinese economy provides India with a greater impetus to act as a regional balancer to China's ever-growing influence. According to the World Bank's Global Economic Prospects, China Gross Domestic Product (GDP), between, 2016-2017, would fall below 7 percent while India could see a GDP growth of 7.5 to 8 percent.<sup>3</sup> Even the International Monetary Fund (IMF) in its World Economic Outlook has forecasted China's growth of 6.3 percent in 2016 and 6 percent in 2017.<sup>4</sup> Additionally, in its July 2015 forecast, IMF stated that India will be the world's fastest growing economy for the second consecutive year in 2016 at 7.5 percent, which would be higher than China's 6.8 percent. According to the IMF, the slowdown that China is facing reflects several factors, including lower

commodity prices and tighter external financial conditions, structural bottlenecks, rebalancing in China and economic distress related to geopolitical factors.<sup>5</sup>

The current prospect that India faces in the realms of its economic growth give it the necessary push to establish its role as a regional balancer. However, the reality remains that there is still a gap between India and China, which has widened drastically over the decades. Despite the prevailing gap, India needs to be much more vocal in extending greater support to countries like Afghanistan by providing the necessary security to its South Asian neighbours. This may be done to ensure that external entities such as China are kept at bay from its vicinity. India should look into its interest first and rationalise before making any commitments to initiatives such as China's One Belt One Road (OBOR) initiative – despite the fact that China is keen on India's participation – or the Bangladesh-China-India-Myanmar Economic Corridor (BCIM).

It must be understood that the reason why China has been able to create this cloud of influence globally and particularly in India's neighbourhood is because of the huge economic growth it has been able to achieve and sustain over the last few decades. Therefore, in order to counter this growing Chinese influence it is essential that India does the same, that is, continue to grow economically and with the current scenario where all economic forecast are

in its favour, it must take full advantage. This would not ensure any kind of a counter to China's position, since in the present time, this great influence of China globally is a reality and India must live with it. However, in the short term, India, through its economic push, would enable the establishment of equilibrium in the region, if not ousting of China's position – enabling its neighbours to jump onto the bandwagon of India's economic growth. This equilibrium is what India should seek and try to achieve in the short term.

***Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS]***

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#### Notes

<sup>1</sup>"India to Build Vietnam Satellite Centre", *ALJEZEERA*, January 25, 2016, <http://www.aljazeera.com/news/2016/01/india-build-veitnam-satellite-data-centre-160125041647767.html>, Accessed on January 27, 2016.

<sup>2</sup>"Vietnam Naval Chief Visits India to Foster Defence Ties", *Defence Now*, <http://www.defencenow.com/news/223/vietnamese-naval-chief-vists-india-to-foster-defence-ties.html>, Accessed on January 27, 2016.

<sup>3</sup>"Global Economic Prospects", *The World Bank*, <http://www.worldbank.org/en/publication/global-economic-prospects/summery-table>, Accessed on January 27, 2016.

<sup>4</sup>"IMF Cuts Global Growth Forecast as China Slows", *The Hindu*, January 20, 2016, <http://www.thehindu.com/business/Economy/imf-retains-indias-gdp-forecast-for-2017-at-75/article8124019.ece>, Accessed on January 27, 2016.

<sup>5</sup>"India's Economic Growth to Beat China in 2016: IMF", *The Hindu*, July 9, 2015, <http://www.thehindu.com/business/Economy/imf-predicts-indias-economic-growth-to-beat-china-in-2016/article7404159.ece>, Accessed on January 27, 2016.