



## **STRATEGIC VIEW**

### **EU's Embrace of China Pushes US to Play 'India Card'**

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Chinese Premier Wen Jiabao is about to land in India for a long-announced visit. About time, one might say, considering that China and India are neighbours that have been trying for more than a decade to resolve their boundary disputes. But it looks as though there are some surprises in store.

For months, the visit was announced as an attempt by both sides to take the boundary talks to the highest political level and attempt to resolve them quickly. But in the past week, Wen has been talking less about the disputes and more about a "strategic dialogue on global issues" and a free trade agreement, which has "become a logical agenda item" between the two countries. The Chinese Foreign Ministry issued a statement saying China was ready for a quick and pragmatic resolution of the Aksai Chin (Kashmir) part of the boundary dispute. But, said Wen, even if those talks did not progress, India and China should still climb up to the "strategic high ground" and take a view of the relationship from there.

This is diplomacy with 'unChinese characteristics'! (I mean, where's the famed big stick that Chinese leaders carried?), especially so, considering that for years China has contemptuously dismissed India as a second-rate power that could be contained within South Asia and ignored on the world stage. What has led to this sea-change in China's attitude towards India? And why is it now in such a hurry to enlist India as a partner on global issues that it changed the focus of its Premier's visit at the eleventh hour?

Look back to newspapers three weeks ago. US Secretary of State Condoleeza Rice was in India. What she did there was to outline to Indian Prime Minister Manmohan Singh the Bush administration's plan

for a "decisively broader strategic relationship". It included an offer to sell nuclear reactors, step up co-operation on space launch systems and technologies, sell Patriot missile defence systems, sell and license for co-production F-16 and F-18 combat aircraft and a broadened strategic dialogue to include economic and energy issues.

An unnamed 'Senior US Administration Official Number One' explained to media in Washington what the Rice offer meant: "This year the administration made a judgment that the 'Next Steps in Strategic Partnership (NSSP),' though very important, wasn't broad enough to really encompass the kind of things we needed to do to take this relationship where it needed to go, and so the president and the secretary (Rice) developed the outline for a decisively broader strategic relationship." He added for good measure that, "Its goal is to help India become a major world power in the 21st century. We understand fully the implications, including military implications, of that statement."

Indeed, the significance of Rice's 'offer' can hardly be exaggerated: an American sale of nuclear reactors to India will consign to history the Nuclear Non-Proliferation Treaty as the world has known it. The US President will have to justify to Congress that such a sale is necessary to serve US national interests and that an exception to the 1978 Nuclear Non-Proliferation Act should be made to allow the sale. It seems Bush is ready to go this whole distance; F-16s and F/A-18s are licensed for co-production only to US allies. Now, the Bush administration is ready to allow India to co-produce these aircraft (no sooner had Rice made her pitch, than the Bush administration granted export licences to Lockheed Martin and Boeing to bid to sell the aircraft); in 1998, the US had forced Russia not to sell cryogenic engine technology to India, now the US is ready to co-operate with India on both space launch and satellite technologies; the sale of Patriot missile defence systems will bring India into America's global ring of such defences.

Why does the US suddenly want to "make India a world power" and why announce it now? It is widely agreed that India-US relations have been improving since the end of the Cold War. In early 2004, the Bush administration also started the NSSP initiative to iron out disagreements over high technology trade between the two countries. It brought down the number of sanctioned Indian entities involved in nuclear and space programmes to near zero. But all this constituted no more than normalisation of relations, repair of anomalies. Agreed also is the fact that Indian and US militaries have been exercising jointly, there has been a lot of co-operation between the two navies, the US helped set up the Indian military's Net Assessment Centre, it is said that the US encouraged India to set up its first joint headquarters on

the Andaman and Nicobar islands, and the two militaries now have a broad, institutionalised relationship. But until very recently, all that was supposed to be part of America's desire to put in place a 'hedging strategy' - to "have a friend during a possible confrontation with China in 2020 and beyond", just in case long-time allies Japan and South Korea proved to be unreliable, which they seemed for the most part of the 1990s. India is not America's closest ally, not an ally at all, in fact. Why "make it a world power"? And, again, why suddenly now?

Actually, the basic strategy behind the desire to prop up India is quite simply to build regional balances of power. Remember the draft Wolfowitz-Libby DPG 1992? Its goal of global pre-eminence was to be achieved through three core policies: one, increase US military-technological superiority to a level that would dissuade potential rivals from aspiring to match or compete; two, discourage the other advanced industrial nations (read Europe) from seeking to challenge US dominance or to overturn the international economic and security systems fostered by the US; three, ensure that no one regional power would come to dominate its region to the extent that it would then be able to challenge American primacy on a global level.

Since China is growing far more rapidly into a global economic power than the US expected (especially seen against the slow-down in the US and the stagnation in Europe) and is also rapidly modernising its military, America too has had to step up efforts to contain it. The missile defence programme, the renewed vigour of the space programme and the establishment of military bases all over Central Asia (using the 'war on terror' as an alibi) constitute the military element of that containment effort.

But it is not militarily that China most threatens American global pre-eminence. In fact, China by itself is not a global-scale threat at all. It is the European Union's ever closer embrace of China, especially in the last five years, that has America worried.

Until 1999, despite its high growth rate, China was not vital to Europe, economically. The late Gerald Segal had also pointed out that on most international issues - democracy, human rights, etc - the West did not see eye to eye with China. But those were still the days of heady, high technology-led economic growth in the US, some of which rubbed off on Europe too. The transatlantic relationship was still strong as Clinton kept up the rhetoric of multilateralism. America and Europe continued to partner on 'humanitarian interventions' around the world. The idea of a common 'West' was still alive and China did not yet matter too much. Indeed, China had a stronger economic relationship with the US and the Clinton administration itself was treating China as a 'strategic

partner'. Europe's efforts to build a stronger relationship with China, therefore, were not seen as a threat to the US.

But some time in 2000, the US economy started to falter (and has continued to do so ever since). More importantly, Clinton had given way to Bush. The transatlantic relationship suffered its first serious shock when Bush withdrew unilaterally from the ABM Treaty and announced plans for a multi-layered missile defence system, going far beyond the Clinton administration's plan for ground-based interceptors. It confirmed to many Europeans that the draft DPG 1992 was now driving American strategic policy.

For a while, the events of 9/11 prevented the transatlantic allies from drifting apart. But it was the Iraq war that finally brought home to Europe the fundamental differences over principles and strategic ambitions between the European priorities and those of the Bush administration: pre-emptive wars against pre-emptive diplomacy and conflict prevention; unilateralism against multilateralism; the desire for global primacy for all times to come against the European desire for a multi-polar world order; US military power and the willingness to use it in contrast to European impotence.

Meanwhile, China had not only continued its rapid growth, it had also become a major trading partner of the European Union. Most importantly, it had made all the right diplomatic noises. France and Germany soon came to see China not only as an economic opportunity, but also as a potential partner in the European project for a multi-polar world order in which the effects of US military pre-eminence could be tempered. Forget the small details of democracy and human rights, Europe now sees eye to eye with China on the big global strategic issue – establishing a multi-polar world order. It is with the US, now, that Europe does not see eye to eye -- on not only the big issue but also on many details of economic and security policies.

The decoupling of the US-Europe strategic agenda and the coupling of the EU-China strategic agenda have proceeded so rapidly since the Iraq war that although neither process is complete, or irreversible, the EU has already welcomed China into the Galileo project and is itching to lift the ban on arms sales to China. American analysts have accused European governments of having allowed companies to sell advanced command and control and high-tech warfare equipment and technologies to China, a point of particular concern to the US. Unsurprisingly, to the Bush administration, it has started to seem that the EU is in a hurry to see China rise to being a global power. This European embrace of China has produced an effect on US policy that two decades of high-rate economic growth and military modernisation

in China did not - the US is now in a hurry to build up its own counterweights to China.

The American announcement of a desire to make India a world power and the extent to which it was prepared to go about doing it was a message aimed at Europe more than at anyone else – do not try to balance against US power and influence.

Will India take the US offer? Watch this space for developments. Also, meanwhile, watch Japan very closely!