

India's Perception and Misperception of China-led Developmentalist Paradigms: Making Sense of India's Attitude Towards China's Belt and Road Initiative

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II

Abstract

This paper is aimed at two interrelated objectives. Firstly, it explores the shaping of India's perception and misperception of China using the asymmetry theory. Secondly, it relates these insights to India's behavior towards China-led developmentalism, the Belt & Road initiative, showing that India's reluctance to be part of China's initiative is rooted in mistrust, misinterpretations of information, and a lack of information. Ever since the deterioration of the Sino-Indian relationship due to the border war, India has established a deep-rooted distrust of China, which affects how new information regarding China is evaluated. It is therefore likely that misperceptions emerge. The asymmetric relationship between China and India amplifies the misinterpretation of information due to the vast difference in attention span. Further reasons for the emerging of misperceptions can be seen in historical memory and a lack of day-to-day interaction.

Keywords: China, India, Belt & Road, Sino-Indian relations, developmentalism, asymmetry theory

1 Introduction

The Silk Road Economic Belt and the 21st-century Maritime Silk Road (MSR), also commonly referred to as the Belt and Road initiative (B&R), is China's ambitious program of enhancing large-scale cooperation with its neighboring regions. China's development proposal cannot be understood as a fixed plan, but as an ongoing process. Although much has been said and written about the initiative since its announcement in 2013, a certain degree of vagueness still remains, which is at least partially due to the initiative's work-in-progress character. The initiative's vagueness translates into a variety of competing interpretations and understandings which create a favorable setting for wrong conclusions and misperceptions.

In order to underline the open and inclusive nature of the project, the Chinese government has welcomed scholars, think tanks, and universities from all around the world to contribute their ideas and suggestions for the B&R. While the number of plans and ideas is huge, there remains a lot of disagreement and uncertainty on what the B&R should achieve, exactly, and how it should be used. Some Chinese scholars themselves have criticized the fact that, as of yet, there is no coherent understanding of the true aim of the project.¹ So far, the initiative provides various aims, but they are not explicitly defined yet and leave room for interpretations. This vagueness, which some scholars suggest hides the true intention of the B&R, leaves nations reluctant to show all too much excitement. India is no exception to this. Despite the fact that China has already allocated India a role within the B&R, India has still not expressed its full support. Although the most comprehensive and precise outline until now, *Vision and Actions on Jointly Building Silk Road Economic Belt and*

¹ François Godement, "One Belt, One Road': China's great leap outward," ECFR.EU, June 10, 2015, accessed May 19, 2017, http://www.ecfr.eu/publications/summary/one_belt_one_road_chinas_great_leap_outward3055.

21st-Century Maritime Silk Road,² released in 2015, repeatedly emphasizes the inclusive and mutually beneficial character of the initiative, India is having a hard time understanding, let alone trusting this China-led developmentalist paradigm. India's hesitant attitude reflects its general attitude towards China: caution.

This paper argues that India's cautious China strategy reflects misinformation and misinterpretation. There is clearly a lack of understanding between India and China; even Indian Prime Minister Narendra Modi pointed out, during his China visit in 2015, that "Indians and Chinese don't know each other well, much less understand each other."³ In addition, this paper argues that this lack of understanding results in distrust in the relationship, and that this distrust leads to India's cautious behavior towards the B&R. But where does this lack of understanding emerge from? This paper outlines the asymmetric features of Sino-Indian relations and how structural misperceptions lead to the inability to relate to each other, hindering a deeper engagement. Three dominant factors contributing to India's general perception and misperception of China are introduced: historic memory, lack of day-to-day interaction, and the economic relationship between the two nations. All three factors reveal the asymmetry of the Sino-Indian relationship, which, since its revival, has been a mixture of competition and cooperation. Now that the B&R factor has been added, its impact on the complicated relationship nexus is yet to be understood.

As early as 2002, John Garver points out, in his paper "Asymmetrical Indian and Chinese Threat Perceptions", that the asymmetric perceptions of mutual threat are a characteristic of Sino-

² National Development and Reform Commission (NDRC), "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road," March 28, 2015, accessed May 19, 2017, http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html.

³ Tanvi Madan, "Modi's trip to China: 6 quick takeaways," Brookings, July 28, 2016, accessed May 19, 2017, <https://www.brookings.edu/opinions/modis-trip-to-china-6-quick-takeaways/>.

India relations.⁴ Garver explains this phenomenon through China's public media and its role in the political system, and secondly through the measurement of the status quo, which is acceptable for China, but not for India.⁵ Garver understands that the Sino-Indian relationship is shaped by the asymmetry of perception and misperception. Although many of Garver's findings cannot be called outdated, the B&R factor must be taken into account in order to understand present Sino-Indian relations. Furthermore, Garver's focus lies on the role of the media in the creation of threat perception, which certainly is an important factor, but not the sole one.

This paper hopes to gain a deeper understanding of the perceptions and misperceptions within the Sino-Indian relationship, specifically in the context of the B&R, by incorporating the framework of Brantly Womack's asymmetric theory into the discussion. Applying this asymmetry framework will help to understand reactions coming from India and to analyze them in order to gain insight in India's possible role within the B&R. Asymmetry theory, unlike theories of realism and neo-realism, does not assume that the more powerful side can force their will onto the less powerful side. While Womack places his concept of asymmetric relationships in a variety of contexts, including unipolarity, multipolarity, strategic triangles, civilizational clashes, and power transition, he has not used his research to consolidate or further develop his idea of asymmetry in inter-state relations and how this affects state behavior. This paper aims to fill this gap by applying Womack's asymmetry theory in an inter-state scenario, in order to gain a deeper understanding of Indian thinkers' own perception and misperception of Sino-Indian relations. In addition, mainstream international relations theory, for the most part, does not acknowledge the influence of perception and misperception on policy decisions, nor does it try to understand perception and misperception. Asymmetry theory therefore offers a more comprehensive approach, since it is not only open to

⁴ John Garver, "Asymmetrical Indian and Chinese Threat Perceptions," *Journal of Strategic Studies* 25, no. 4 (2002).

⁵ John Garver, *Protracted contest: Sino-Indian rivalry in the twentieth century* (Seattle: University of Washington Press, 2001).

understanding perception and misperception, but also tries to explain situations which are favorable for the emerging of such. Furthermore, asymmetry theory acknowledges asymmetric relationships, which most states find themselves in. The asymmetry theory so far has not gained much attention, and it has rarely been used to explain state behavior. The theory provides us with a framework on how misperception between nations of unequal terms emerge, and thus it is a suitable approach to explain India's hesitant behavior towards China-led B&R.

In order to structurally break down and evaluate the Sino-Indian relationship, this paper will consider the factors of this relationship in the subsequent paragraphs.

As pointed out by Chinese scholars, reactions towards the B&R from Indian strategic thinkers can be seen as a sit and wait process until more understanding and clarity about China's intentions is gained.⁶ However, as the understanding of China's intentions is tinted by India's perception and misperception, it is less a sit and wait process for better understanding, and more a sit and wait for India's decision-makers' interpretation of China's intentions. It is important to understand how Indian thinkers comprehend China's actions, since they strongly influence India's answers to China-led developmentalism. The literature outlines that India sees the B&R project as a hegemonic project with Chinese dominance.⁷ Should we understand India's cautious B&R behavior as resulting from misinterpretation of information, or are the concerns backed by realistic implications?

In his paper "The hedging prong in India's evolving China strategy", Hoo Tiang Boon analyses India's threat perceptions of China in order to get a better understanding of India's hedging

⁶ Godement, 13.

⁷ Harsh Pant, "Evolving balance of power in the Asia-Pacific and India's changing role," in Power transition in Asia, ed. David Walton and Emilian Kavalski (London: Routledge, 2017).

behavior.⁸ Boon highlights that a growing Chinese presence in South Asia is becoming a more dominant factor in the Indian threat perception. Although Boon outlines the primary sources of India's current threat perception towards China, the analysis is limited to perception and does not take India's misperception into account. Furthermore, Boon highlights that a growing Chinese presence in South Asia is becoming a more dominant factor in the Indian threat perception, and calls for more discussion on this topic. This paper will expand on Boon's discussion by considering India's perception as well as its misperception; it seeks a deeper understanding of the Sino-Indian relationship by not limiting itself to the perception of threat.

Perceptions toward major powers from both the public and elites can function as a base on which a country's foreign policy can be formulated. Robert Jervis, who provided a foundation in perception studies in his book *Perception and Misperception in International Politics* (1976), explains how perception and misperception influence political decision-making. It has to be acknowledged: perception matters. People's perception, as well as perception in general, has a high relevance for the balance of power within a region, as well as for the power within each country. Although perceptions are difficult to measure, international opinion polls of elite and public views can help to identify current trends.⁹ Perception and misperception are both the result of interactions between different parts of information, which joined together create a picture. Once, from the available definitions of a situation, a wrong one has been chosen, the foundation for misinterpretations has been laid. Perceptions have been transformed into misperceptions.¹⁰ Misperception is the gap between an objective environment and the person's subjective

⁸ Hoo Tiang Boon, "The hedging prong in India's evolving China strategy," *Journal of Contemporary China* 25, no. 101 (2016).

⁹ Robert Jervis, *Perception and Misperception in International Politics* (Princeton, NJ: Princeton University Press, 1976), 15ff.

¹⁰ Yaacov Y. I. Vertzberger, *Misperceptions in foreign policymaking: the Sino-Indian conflict, 1959-1962* (Boulder, CO: Westview Press, 1984), 8ff.

understanding of that environment. This paper seeks to answer what differences perception and misperception can make for the Indian participation in B&R, China's grand strategy initiative, and how these perceptions emerged.

As David Walton points out in his introduction to *Power Transition in Asia*, "To be sure, the focus on great power relationships is to be expected. Nonetheless, there is a paucity of material focusing on how small and middle power nations are dealing with the substantial changes in the region."¹¹ Therefore, it should come as no surprise that most of the work on responses to the B&R on a larger scale focus on the U.S. response to it. An in-depth analysis of the impact of the B&R on China's relationship with a regional power, whose sphere of influence is foreseen for activities on the basis of the B&R, is insufficient. This paper assists in making sense of the reactions coming from India. It thereby aims to draw India's misperceptions and the reality closer together, and to help understand the gap between the objective environment of the B&R and Indian observers' understanding of it. An extensive literature review, document analysis of speeches, reports, and surveys are used to gain a better understanding.

One of the most significant features of the Sino-Indian relationship is the varied attention given to each other, and to each other's actions. The asymmetry of power, as described by Womack's asymmetry theory, creates a distorted perception on the one hand, while on the other hand producing a characteristic perspective of the more vulnerable smaller state's anxious over-interpretations, and of the larger state's tendency to give its attention preferably to larger regional and global concerns, as attention affects the behavior of both states.¹²

In chapter 2, the structure of China and India's asymmetric relationship will be elaborated on, and asymmetry theory will be introduced in more detail. Chapter 3 will turn towards India's

¹¹ David Walton and Emilian Kavalski, *Power transition in Asia* (London: Routledge, 2017), 1.

¹² Brantly Womack, *China among unequals: asymmetric foreign relationships in Asia* (Singapore: World Scientific, 2010), 2.

perceptions and misperceptions of China and analyze these in order to gain a better understanding of India's reactions to China-led developmentalism. After gaining an understanding of the nature of the asymmetric relationship between the two countries – which is driven by India's perception and misperception, impacting their cooperation – and the factors influencing it, chapter 4 will analyze India's B&R understanding. By outlining two main considerations – geoeconomic and geopolitical – Indian attitudes towards the B&R are analyzed. Subsequently, this paper will analyze the B&R activities in South Asia and in India, and their impact on India in particular. India's perceptions and misperceptions about the B&R are discussed in order to bring them closer to the actual reality of the B&R, and the final chapter concludes with possible future reactions towards the B&R.

2 China and India: Asymmetric Partners

In the early 2000s, the scholar John Garver was among the first to delve into the asymmetrical feature that makes the Sino-Indian relationship so distinguishable. Although his findings are insightful, by applying the asymmetric theory drawn up by Womack, which provides a theoretical framework for the problems lying within the Sino-Indian relationship, a deeper understanding of the roots and causes of perception and misperception within this relationship can be gained. The central question of this paper is whether India's perception and misperception shapes the relationship between China and India, and vice versa.

One of the most significant features of the Sino-Indian relationship is the varied attention span the countries give each other and each other's actions. This varied attention span can be explained using asymmetry theory. The asymmetry of power leads the smaller state to perceive any actions taken by the larger state as an immediate threat directed towards itself; "Attention affects behavior".¹³

Asymmetry theory is based on the understanding that disparity in power and capacity creates a structural divergence of perception and misperception. This results in structural misperception of each other's intentions, which can lead to mistrust and misunderstanding. Structural differences in perspective lead to structural differences in perception and misperception.¹⁴

Western international relations theory likes to understand normal relations as either symmetric or hegemonic. The hegemonic relationship is characterized by managing and protecting the hegemony's power, through which conflict can arise. The main focus here lies on great power,

¹³ Ibid, 4.

¹⁴ Ibid, 83.

and on the possibility of war as an outcome of conflict. Whereas these are legitimate considerations, most relationships between states are marked by differences of capacities.¹⁵ Western international relations theory understands asymmetry as a peripheral factor, but disregards that most states are not great powers, but are in fact in asymmetric relationships with other states.

In any relationship between two parties which differ in economic and military capabilities, as well as in population and general size, differences in opportunities and risks will emerge for each participant. Therefore, the larger side, to which the importance of the relationship is relatively small compared to its other bilateral engagements, will pay less attention to the relationship. For the smaller participant, the importance of the relationship is comparably larger, therefore its exposure to risk, as well as opportunities, is much greater. In addition, the smaller side has less control over the relationship. This leads to a disparity of attention for the relationship between two nations. Womack even goes as far as stating that an asymmetric relationship is not one relationship, “but rather two distinct sub-relations: that of A to B, and that of B to A.”¹⁶ The distinction in two sub-relations is important, as it emphasizes that the other side has a different understanding of the relationship in general, as well as a different understanding of the self-image of the counterpart. Differences in perspectives will naturally lead to differences in conclusions. Therefore, under-attention from the larger participant and over-attention from the smaller participant is likely. The larger side cannot appreciate the smaller side’s concerns, arising from its over-attentiveness, as the smaller side similarly cannot appreciate the larger side’s lack of coordination in policies towards itself. Asymmetry theory sees this imbalance between over- and under-attention as the major cause for structural misperception.

¹⁵ Ibid, 5.

¹⁶ Ibid, 267. Womack uses A as a reference to the larger state, B for the smaller state.

The larger side seeks assurance that its status quo as a relative power is not being challenged. At the same time, the smaller side wishes for its identity and interests not to be threatened. Should the larger side try to maximize its advantages without paying attention to the smaller side's interest, or even to the smaller side's disadvantage, the smaller side will feel endangered and seek to counterbalance the aggressive behavior of the larger side.¹⁷ Asymmetry theory does not assume that the more powerful side can force their will onto the less powerful side. Therefore, the focus of asymmetry theory is on the real and continuing problems which occur during the course of an asymmetric relationship. While realism always has the possibility of war in mind, asymmetric theory sees war as a very unlikely outcome. Although exchanges between the two sides are not equal, they take place in a stable environment of international relationships, which means war is an unlikely outcome.

Physical proximity makes asymmetry a stronger factor for neighboring states, given that distance often plays an important role in the definition of the general importance of a relationship. In our case, China is the larger participant in the bilateral relationship and India the smaller one. India is China's second largest neighbor, China India's largest. Due to their physical proximity, encounters in history were frequent, which created a historic memory of each other. Naturally, their geographical location is a factor that ignites perception and misperception. In this realm, asymmetry theory acknowledges the importance of history, context, and location when examining interstate relations.¹⁸ Historical enmity can be a fixed source of perception and misperception, due to the fact that the degree of enmity deriving from the same historical event has a high chance of remaining unchanged over time. If nations are physically near each other, the emerging of historical enmity is

¹⁷ Ibid, 274.

¹⁸ Walton, 194.

more likely, since a closeness in location increases the likelihood of encounters.¹⁹ Naturally, not all asymmetric relationships end in misperceptions. Furthermore, the intensity of misperception can vary. There are ways to prevent or at least alleviate systemic misperception, but in case it does arise, it will fit into the pattern of asymmetry theory.

According to Womack, there are two basic techniques for managing an asymmetric bilateral relationship. For nations to not get caught up in a concatenation of misunderstanding and misperception, they should minimize potential issues leading to misperception and control the escalation of misperception.²⁰ The challenge of managing an asymmetric bilateral relationship is to establish ways through which both sides have the opportunity to gain a deeper understanding of the situation and the other side's views. Asymmetry theory seeks to make sense of structural features at the root of day-to-day diplomatic interaction. Reinforced day-to-day interaction can lead to convergence, and it is therefore an important factor in enhancing mutual understanding and breaking the circle of structural misperception. "The common ground of deference and autonomy is mutual respect."²¹ Both sides of an asymmetric relationship need to figure out how to live together. The asymmetric characteristic of an asymmetric relationship does not mean the relationship is dysfunctional, but that negotiations should be the point of convergence. Establishing mutual understanding and mutual benefit is therefore of core interest for managing an asymmetric relationship.

¹⁹ Tien-sze Fang, *Asymmetrical Threat Perceptions in India-China Relations* (New Delhi, India: Oxford University Press, 2014), 199.

²⁰ Ibid, 267ff.

²¹ Ibid, 5.

3 The Emergence of India's Perception and Misperception

Why do India's perception and misperception matter for China's B&R initiative? A matching mindset of perceptions and expectations enhances mutual trust, which is arguably a positive factor for the general Sino-Indian relations and the B&R especially. Once we understand India's perceptions and misperceptions of China, we can analyze them along with China's expectations of the B&R and India's prospective engagement in it.

Perceptions of the countries' mutual history differ, which leads to misperception and may negatively impact future engagements. Knowing and understanding the past is an important tool to understand the present.²² This paper therefore sees historic memory as an important factor in shaping Indian thinker's China picture. In addition, perception and misperception formed in the past deliver important guidance and become a significant factor in the development of present and future views. In other words, they are the starting point for the creation process: "Treating a country like an enemy is a good way to create an enemy."²³ If misinterpretation of information is the basis of misperception and new information is interpreted on the basis of previous misperception, a vicious circle is created, which is difficult for decision-makers to break.²⁴ People have a tendency to evaluate new information according to their pre-existing beliefs. New information can be utilized as a conformation for the validity of already established pictures. This behavior fuels decision-makers' tendencies to not just evaluate new information based on already existing beliefs, but also to use it as conformation of such beliefs and established policies. Alternatives are often prematurely

²² Vertzberger 1984, 10.

²³ Quansheng Zhao and Guoli Liu, *Managing the China challenge: global perspectives* (London: Routledge, 2009), 242.

²⁴ Vertzberger 1984, 59.

excluded.²⁵ Misperception is therefore fueled by decision-makers' tendencies to funnel new information into their pre-existing picture.²⁶

Just like Hoo Tiang Boon, scholars often do not distinguish between perception and misperception, but only take India's threat perception into account. The definition of misperception is to understand or perceive a situation, an intention, or someone's behavior incorrectly. It is the misinterpretation of information. Robert Jervis identified perception as a variable in analyzing international politics and foreign policies. He outlined common forms of misperceptions as perceptions of centralization, overestimating one's importance as influence and target, the influence of desire and fears on perception, and cognitive dissonance.²⁷ This paper views the use of the term misperception the way most scholars treat threat perception as the expectation of harm to the assets or values of the state. Misperceptions are not limited to threat, but also include other factors, as identified by Jervis. The term misperception can therefore give us a broader understanding of India's concerns.

Although threat perceptions do not always have to be based on incorrect assumptions, India's tendency to over-attention, based on the asymmetric feature of the Sino-Indian relationship, increases the possibility of misinterpretation of information, leading to structural misperception of China's intentions, actions and capabilities. The Indian government has remained silent regarding its B&R participation, although China formally invited India as early as 2014. Indian politicians have mentioned multiple times that their reluctance to participate is based on China's perceived reluctance to provide more information on the B&R. Despite authoritative voices in India demanding more information, they remain unwilling to participate in events touching on the subject

²⁵ Jervis 1976, 181.

²⁶ Robert Jervis, "Hypotheses on Misperception," *World Politics* 20, no. 3 (April 1, 1968): 455.

²⁷ Robert Jervis 1976, 17.

of the B&R, and do not acknowledge the work-in-progress stage China's initiative is currently in. Thus, while authoritative Indian voices demand for information, only non-authoritative thinkers accepted China's invitation for a B&R summit in May 2017. The Indian government refrained from sending a delegation to Beijing, and only members of Indian think tanks attended some meetings.²⁸ In addition, India criticized China's initiative and openly warned of unsustainable debt due to the B&R. Despite Indian figures having given much of their attention to China's development project, their interpretation of information, or the perceived lack of such, leaves them reluctant to gather new information on the matter. In order to underline the theory that India's misperception can be explained through the asymmetry theory, three core causes for India's China picture will be outlined in the following sections: historical memory, day-to-day interaction and economic relationship.

3.1 Historical Memory

Modern Sino-Indian relations have had a cooperative and unanimous start. India was one of the first countries to acknowledge the One-China policy in the 1950s. The Sino-Indian friendship was reflected by the slogan of that time "Indians and Chinese are brothers - Hindi-Chini Bhai-Bhai".²⁹ But with the rising disagreement over Tibet, a natural buffer zone between India and China, the rhetoric emphasizing friendship and cooperation was abolished. With the Tibet question weighing heavy, Sino-Indian relations deteriorated drastically, resulting in the border war of 1962, which was won by China. After the border war, Indian strategic thinkers stopped seeing China as a potential

²⁸ Sanjeev Miglani, "India skips China's Silk Road summit, warns of 'unsustainable' debt," *Reuters*, May 14, 2017, accessed May 19, 2017, <http://www.reuters.com/article/us-china-silkroad-india-idUSKBN18A07L>.

²⁹ Sergey Radchenko, "The Rise and Fall of Hindi Chini Bhai Bhai," *Foreign Policy*, September 18, 2014, accessed May 19, 2017, <http://foreignpolicy.com/2014/09/18/the-rise-and-fall-of-hindi-chini-bhai-bhai/>.

partner, and started seeing their neighbor as a potential rival. Diplomatic relations were cut off until 1976, and it took even longer for high-level visits to resume.

The perception that China is India's major threat and rival has not gone away even 55 years after its shaping, and gave the Indian Ministry of Defense reason to present China as India's most potent threat in their annual reports for many years.³⁰ In contrast, even after India's nuclear tests in 1998, the justification for which being the perceived threat from China, India was hardly mentioned in China's defense reports.³¹ The lack of concern for India in official Chinese defense statements underlines the asymmetry at the heart of the interaction between these two neighbors. Chinese decision-makers' perception of India as a threat is limited, whereas Indian decision-makers' fear of China is rather enhanced. This asymmetry in attention leads to an asymmetry of misperception. With historical memory weighing heavily onto the relationship, it adds another factor for vague suspicion transforming into misperception.³²

In the Indian mind, the border war is a historical relic of China's betrayal of the friendship between the nations, and the living memory that China is not shy to show aggression in order to occupy India's territory.³³ Although since the normalization of the relationship China has repeatedly attempted to reassure India that its intentions are only of a peaceful nature and that China and India do not pose a threat to each other, in the eyes of Indian thinkers still, India has suffered from China's expansionism and containment in the past, so it is not unlikely that it will suffer from it again in the future. This deep-rooted mistrust – which leads to misinterpretation of information and therefore shapes misperception up until today – finds its emerging point in the history of the 1950s

³⁰ Manoj Joshi, "George in the China shop," *India Today*, May 18, 1998, accessed May 19, 2017, <http://indiatoday.intoday.in/story/china-is-the-potential-threat-no.-1-says-george-fernandes/1/264241.html>.

³¹ Garver 2002, 113.

³² Fang, 3.

³³ Fang, 7.

and 1960s, which can be seen as the point of departure for the process of shaping misperception. Although the normalization process of the relationship has gained effectiveness since the 1980s, when Indian Prime Minister Rajiv Gandhi visited Beijing – the first high-level visit since the re-establishment of diplomatic relations – the border issue remains unresolved.

China's defeat over India and the humiliation India experienced laid the foundation for the asymmetric relationship. Before the historical events of the 1950s and 1960s, China and India's engagement with each other was on equal terms. Both nations were similar in size, population, and military and economic capacity. Both nations sought leading roles in the world order.³⁴ The status quo of the relationship was a balanced one. With China's triumph over India, the status quo was shifted in its favor. India, which perceived a superior status for itself in the international arena due to its historically central role in Asia and its geopolitically and geostrategically convenient location, incorrectly ascribed itself a high level of power and low level of vulnerability. The credibility of India, who desired to be a leader among developing countries, was undermined by the border war.³⁵ China taught India to fear its neighbor, and that its capacities and capabilities were greater than those of India.³⁶ Whether or not this was true is of little importance to this paper; what is important is that India perceived it as such. The shift in India's perceived power status changed its focus, and with it its perception and misperception of China. A sharp decline in bilateral relations followed the border war, leading to maladaptation, and the gap in understanding between China and India's perceived version of China consequently grew.

Although the avoidance of confrontation along the border has been for the most part successful, the mere maintenance of the issue is not enough to change India's negative picture of

³⁴ Lorenz Lüthi, "Sino-Indian Relations, 1954-1962," *Eurasian Border Review* 3, no. 1 (2012), accessed May 19, 2017, src-h.slav.hokudai.ac.jp/publicn/eurasia_border_review/Vol3SI/luthi.pdf, 96.

³⁵ Yaacov Y. I. Vertzberger, *World in Their Minds: Information Processing, Cognition and Perception in Foreign Decisionmaking* (Stanford, CA: Stanford University Press, 1990), 285.

³⁶ Fang, 9.

China. In addition, the possibility of misinterpretation of information and the emerging of misperception cannot be minimized. Despite China's success in settling border issues with its neighbors in the past, in the Sino-Indian case China's negotiation rhetoric has gotten tougher.³⁷ In order to improve a relationship based on mutual trust and mutual understanding, the engagement with each other needs to be intensified, but who would want to make friends with an aggressor or a betrayer? The picture of China as an aggressor and a traitor, shaped by the events of the 1950s and 1960s, still weighs heavily on the relationship and influences India's politics towards its neighbor. The negative picture of China deriving from the border war of 1962 is unlikely to vanish, since it has been translated into an ongoing dispute.

China's attempts to counter India have been by far more successful over the past decades than vice-versa. Therefore, the created status-quo is in favor of and acceptable for China, but not for India. Indian decision-makers' unrest about the status quo of the bilateral relationship is strongly reflected in their policy decisions towards China. But unlike India, China is satisfied with the existing status quo and does not see the border dispute as a security threat. "Vulnerability to China is positional rather than a result of China's current behavior or intentions."³⁸ Due to the historic memory of aggression and betrayal, India sees its vulnerability to China in China's behavior and perceived intentions. Jervis points out that "...when others' actions hurt or threaten the perceiver he is apt to overestimate the degree to which the behavior was a product of internal forces and was aimed at harming him."³⁹ The influence of historical memory from the events of the 1950s and 1960s are reflected in other aspects of India's perception and misperception. The attention Indian

³⁷ John Garver, "The Unresolved Sino-Indian Border Dispute," *China Report* 47, no. 2 (2011): 102.

³⁸ Womack, 2.

³⁹ Jervis 1976, 349.

observers give Chinese activities is far greater than the attention Chinese observers give Indian activities, which fits into the pattern of smaller state behavior according to the asymmetry theory.

Three of China's activities which are the most discomforting to India are the Sino-Pakistan friendship, China's growing influence in the South Asian region and the resulting growing cooperation with India's smaller neighbors, and the expanding Chinese activities in the Indian Ocean Region (IOR). To India, both the South Asian region and the greater IOR are understood as a traditional sphere of Indian influence. India often understands the Indian Ocean as its natural zone of influence, as evidenced by its name. China's activities in the IOR have been observed and commented on closely by Indian observers. Often China's activities are condemned as a kind of encircling. In 2005, a U.S. consulting firm coined the term *String of Pearls*, which was gladly picked up by Indian thinkers and policymakers in order to refer to China's encircling activities in the IOR. China's activities in the IOR contribute to India's misperception of an encircling by China and a perceived long-term Chinese strategy to undermine India's traditional position of dominance in the IOR.⁴⁰ Although Beijing has openly encouraged smaller South Asian nations to step up against India's claim of dominance, it refers to its engagement with India's neighbors as a natural development in no way intended to challenge India.⁴¹ China does provide a lucrative alternative to India's dominance in South Asia, and the small South Asian nations are therefore often referred to as the true beneficiaries of Sino-Indian rivalry in South Asia. In case of the Sino-Pakistan relation, India shows twofold wariness, since it also shares a troubled history with Pakistan, which created a similar level of mistrust as China.

All Chinese activities in the IOR, which add to the Indian discomfort, are also, at least to a certain degree, subject of the B&R. A negative view of these IOR activities has gained high

⁴⁰ Ibid, 166ff.

⁴¹ Fang, 126.

recognition among Indian thinkers. Information about the B&R is evaluated based on past experiences, past activities and past perceptions. Misinterpretation of the B&R activities can easily emerge, since new information are evaluated based on past IOR activity-related information. Information regarding the B&R has therefore been included in the vicious circle of structural misperception.

Once misperception has emerged within a relationship, the smaller state will seek ways of self-protection, often in the form of establishing new relationships with other larger states, or deepening already existing ones. These actions, often understood as counterbalance measurements, will be perceived as a threat to the larger state's distribution of power. In order to gain more leverage against China's spread in South Asia and Asia in general, India has intensified its cooperation with other nations, such as the United States, Japan, and the Association of Southeast Asian Nations (ASEAN). Through cooperation with Japan as well as South Korea, India was also able to broaden its presence in East Asia.⁴² These suggested counterbalance attempts are not appreciated by China, which has a complicated relationship with Japan and the United States and does not want India to become too close to these nations. From the Chinese side, India's engagement with the United States, Japan, and the ASEAN is seen as a challenge to the status quo which is satisfying for China. At the same time, China is unable to understand India's similar concerns towards China's deeper economic and strategic engagements with smaller South Asian nations within the Sino-Indian nexus. Despite India's attempts to establish closer cooperation with other non-South Asian nations, it is cautious in order to avoid upsetting China.

⁴² Thorsten Wojczewski, "China's rise as a strategic challenge and opportunity: India's China discourse and strategy," *India Review* 15, no. 1 (2016).

India's concerns are reflected in its security and foreign policy considerations. In order to avoid a too-strong entanglement with China and to discourage China from activities which could harm Indian interests, the Indian government implemented countermeasures. These comprised of the modernization of India's military, especially the navy, deepening of a strategic partnership with the U.S., and the establishment of the *Look East* policy. With the *Look East* policy, India sought new economic relations with other Asian nations. Its approach to ASEAN has been especially successful. The policy, at first an effort for better economic relations, has achieved more and more cooperation in other fields, such as security cooperation. Although China was not the only factor in the decision to establish such countermeasures, China accounted for a large part of the reasoning. Growing Indian military capabilities and deepening cooperative ties with other nations is nowadays understood by Indian policymakers as a way to counterbalance the perceived China threat.⁴³ In addition, by implementing more out-reaching policies, India seeks to gain more recognition and consolidation for its regional power status. Despite the South Asian region being a region of unipolarity, India's impact as a regional power is restricted due to its limited economic and military capabilities. In addition, contrary to the Indian self-understanding of a South Asian natural hegemony, this is not universally recognized in the region. Given that India is not satisfied with the existing status quo, it can be understood as an attempt to alter the existing status quo and minimize Chinese influence in the IOR. Although the extension of its influence is a natural process for a nation who desires high recognition by the international community, there is undeniably an aspect of rivalry.

⁴³ Wojczewski, 43.

3.2 Day-to-Day Interaction

How does India actually perceive China? A 2016 survey done by Pew Research Center⁴⁴ showed that 31 percent of Indians had a favorable view of China, whereas 36 percent had an unfavorable view. But of those 31 percent, only 13 percentage points stated a very favorable view, whereas 22 percentage points of the 36 percent who had an unfavorable view, stated a very unfavorable view.⁴⁵ In a similar survey from 2013 56 percent viewed China's power and influence as a major threat to India, and only 6 percent did not see a threat at all. Therefore, it does not come as a surprise that 37 percent viewed China as an enemy and 21 percent viewed it as a partner.

Although the Pew survey did not find a generation gap in India's opinion about China, it showed how divided Indians are about their perception of China. Furthermore, a geographical divide exists: In India's northern states, 63 percent of participants saw China as a very serious threat while only 36 percent in the east did, and 24 percent in the west. These numbers further underline the argument that the historical memory of the border war and the unresolved border issue are a major factor in the creation of India's China picture.⁴⁶

Another factor causing the great gap of perception and misperception is the lack of mutual understanding. India has little engagement with China. Compared to more than 750,000 Indian students studying abroad in 2015, the number of 13,500 Indian students studying in China seems low. The number of Chinese students visiting an education institute in India is also not very high at

⁴⁴ The Pew Research Center is a nonpartisan fact tank, which conducts public opinion polling, demographic research, content analysis and other data-driven social science research.

⁴⁵ Bruce Stokes, "Hostile Neighbors: China vs. Japan," Pew Research Center, September 13, 2016, accessed May 20, 2017, <http://www.pewglobal.org/2016/09/13/hostile-neighbors-china-vs-japan/>.

⁴⁶ "Indians Reflect on Their Country & the World," Pew Research Center, March 31, 2014, accessed May 20, 2017, <http://www.pewglobal.org/2014/03/31/indians-reflect-on-their-country-the-world/>.

only around 2,000. Although the number of 600,000 Indian tourists visiting China in 2012 does not seem low, China's equivalent number does, with only 160,000 out of 100 million Chinese tourists who traveled abroad traveling to India. The low level of mutual visits is also reflected in the lack of direct flights between China and India. There is only one route, between the capitals Beijing and New Delhi. No route has been established yet between the commercial hubs Shanghai and Mumbai.⁴⁷

These numbers indicate how limited the personal exchange between China and India still is. Even more than two decades after the normalization of the Sino-Indian relationship, neither side has managed to get to know the other one on a day-to-day, person-to-person basis. India has little first-hand experience of its largest neighbor. Given there are only a few Indian journalists operating in China, India's information about China relies heavily on third parties, mainly western.⁴⁸ In addition, commentaries about a Sino-Indian competition in the IOR are not just found within India, but are also fueled by outside observers. As India often derives its information about China from non-Chinese sources, the perception of a Sino-Indian rivalry is picked up from these sources and re-used to fuel the idea of a rivalry in India.⁴⁹ Furthermore, domestic politics and a competitive media landscape are factors that can contribute to hyping perception and misperception in India. John Garver points out that Chinese media systematically downplay India as a threat to China's security interests. Instead, they tend to highlight the successful cooperative elements of Sino-Indian relations and try to mention the conflictual elements as little as possible.⁵⁰ Thus, in China, one will fail to find hyping perception and misperception of India. China's media is government controlled, in

⁴⁷ Jingdong Yuan, "Sino-Indian Economic Ties since 1988: Progress, Problems, and Prospects for Future Development," *Journal of Current Chinese Affairs* 45, no. 3 (2016): 42ff.

⁴⁸ Fang, 3.

⁴⁹ Olivia Gippner, "Antipiracy and unusual coalitions in the Indian Ocean region: China's changing role and confidence building with India," *Journal of Current Chinese Affairs* 45, no. 3 (2016): 122.

⁵⁰ Garver 2002.

contrast with India's. India's open media landscape fuels the promotion of perception and even stronger misperception of China in India. Comparing elite policy journals for the period 1997-2000, Garver found 77 China-focused articles in two Indian journals, but just 19 India-focused articles in Chinese journals.⁵¹

Leaders of both nations are aware of the lack of cultural and person-to-person interaction and are determined to encourage more contact between the nations. China and India both understand that public diplomacy is a key factor for the establishment of mutual understanding and mutual trust. One of the major themes during Prime Minister Modi's visit China in May 2015 was the expansion of more day-to-day interaction. Even though some steps have been taken already, for example a youth exchange program between the two neighbors, still there is space for more interaction. For example, due to security concerns and disagreement over teaching methods, only two Confucius Institutes have been established in India, one in Mumbai and one in Chennai. None of China's culture and language-promoting facilities can be found in the capital, New Delhi, while six Goethe Institutes, the German equivalent, can be found throughout India.⁵²

China is trying to present itself as a non-threatening and non-revisionist rising power, unlike other nations. This peaceful picture China is trying to paint of itself is also strongly reflected in the literature coming from Mainland China regarding the B&R.⁵³ With its own self-understanding, China is trying to reduce India's misperception of its actions as directly aimed at limiting India's influence. China views its own actions in the region of South Asia in accordance with the five

⁵¹ Ibid, 117.

⁵² Goethe-Institut Indien, accessed June 11, 2017, https://www.goethe.de/ins/in/de/index.html?wt_sc=indien. and Hanban, accessed June 11, 2017, http://english.hanban.org/node_10971.htm.

⁵³ 中国一带一路网, , accessed June 11, 2017, <http://www.yidaiyilu.gov.cn/>.

principles of peaceful coexistence⁵⁴, which India agreed to.⁵⁵ Articles from Chinese sources explicitly reject the theory of China as a threat, which is India's misperception that China's actions are directly and negatively aimed towards them, as a way to keep India's power and rise in check. Furthermore, the China threat theory is solely attributed to India's feeling of misperception. The asymmetry of the relationship is ignored by China, and China does not seek to share India's expectations and concerns, but rather condemns India to suffer from a *victim syndrome*.

In his book *Perception and Misperception*, Jervis argues that the roots of many important disputes about policies are in differing perceptions, often because the actors misunderstand the situation without realizing it. Until these conflicts are solved, many futile debates usually take place. The biggest obstacle in these cases is not the conflict per se, but rather the fact that the involved parties are at cross purposes.⁵⁶ Due to China's own understanding of the relationship, it cannot relate to India. Actors are unable to acknowledge that other actors can easily misinterpret their actions, since they believe their own behavior is compatible with others interests. An actor's failure to comprehend that their non-hostile intentions may have been interpreted as hostile enhances misperception.⁵⁷ China's own actions towards India are related to the perception that other states' behavior is comparable to one's own behavior. China's actions reflect how it would like to be treated if it was in India's position. Given this fundamental contradiction in behavioral expectations, understanding the other side's incomprehensible actions and concerns is a challenge. This challenge

54 The five principles are: mutual respect for each other's territorial integrity and sovereignty; mutual non-aggression; mutual non-interference in each other's internal affairs; equality and cooperation for mutual benefit; peaceful co-existence. For further references see: http://www.fmprc.gov.cn/mfa_eng/ziliao_665539/3602_665543/3604_665547/t18053.shtml.

55 Garver 2002, 121.

56 Jervis 1976, 29.

57 Ibid, 355.

can be overcome if there is willingness and the acknowledgment that the other side's concerns may not reflect one's own concerns. Due to the nature of an asymmetric relationship, over- and under-attention play a major role in causing challenges and misperception. Often actors struggle to understand that actions which to themselves seem like a natural consequence can easily be perceived by others as directly aimed against them.⁵⁸ Even though China understands its own activities as being in line with the five principles of peaceful coexistence and sees them as natural behavior of a rising nation, it is unable to comprehend that they appear threatening to India.

China's inability to understand India's concerns is probably best evidenced by the aftermath of India's 1998 nuclear tests. In a letter to U.S. President Bill Clinton, Prime Minister Vajpayee did not directly mention China as the main reason for the nuclear tests, but the references were all too clear: "We have an overt nuclear weapon state on our borders, a state that committed armed aggression against India in 1962. Although our relations with that country have improved in the last decade or so, an atmosphere of distrust persists mainly due to the unresolved border problem."⁵⁹ China's commentary was to underline that there are neither Chinese threats to India, nor Indian threats to China. India's justification of nuclear tests by referring to a Chinese threat, was a clear example for China of India's victimization strategy, a way to gain Western sympathy and strengthen its hegemonic position in South Asia.⁶⁰

In the case of the B&R, both nations seem to have a differing understanding of the initiative's aim. China's own understanding of the B&R is more geoeconomical than geopolitical. Whereas, even though there are Indian thinkers who similarly understand the B&R as geoeconomical, the majority of Indian responses are shaped by a geopolitical interpretation of the

⁵⁸ Jervis 1976, 354.

⁵⁹ "Indian's Letter to Clinton On the Nuclear Testing," The New York Times, May 12, 1998, accessed May 20, 2017, <http://www.nytimes.com/1998/05/13/world/nuclear-anxiety-indian-s-letter-to-clinton-on-the-nuclear-testing.html>.

⁶⁰ Garver 2002, 119ff.

initiative. Since the understanding of the intentions of the B&R differs, it is difficult for China to relate to India's considerations and concerns and eliminate them, and vice-versa.

According to asymmetry theory, establishing a common sense of well-established relations helps to overcome misperception. Building on mutual respect established through diplomatic rituals and common membership in multilateral institutions can help to enhance such well-established relations.⁶¹ Certainly, China and India's membership in multilateral institutions, such as G-20, Shanghai Cooperation Organisation, and others, have had a positive effect on the relationship. Another example of the merging capabilities of Sino-Indian interests is the multilateral development bank Asian Infrastructure Investment Bank (AIIB), which India joined as the largest shareholder after China.⁶² These engagements give the two rising Asian nations the opportunity to meet on an eye-to-eye level, in circumstances where the status quo of the bilateral relationship is rescinded. India and China have started joining their voices in order to demand a bigger saying for the developing world. Furthermore, they deepened their cooperation in many fields, which led to an increase of government-to-government exchange, as well as a significant increase in bilateral trade. The exchange through multilateral institutions has created opportunities to engage with each other, deepen their mutual understanding, and minimize their mutual mistrust. These developments might move existing perceptions or perceived intentions into a positive direction. It can be of assistance in breaking the vicious cycle of structural misperception. Regardless, in the setting of multilateral organizations, they are able to acknowledge that their shared identities as rising nations create similar demand. In multilateral organizations, China and India are able to see their overlapping interests as an opportunity to join their voices together for shared benefit, which they are unable to do in the bilateral relationship nexus.

⁶¹ Womack, 270.

⁶² Kantha.

3.3 Economic Relationship

When it comes to economic advantage, China and India are able to redirect their focus from geopolitics to geoeconomics. India's general China approach of caution is nevertheless also reflected in its economic engagement with its neighbor. However, economic cooperation has been the most successful part of the re-engagement so far. With growing trade, more Chinese goods find their way into the Indian market, but Indian goods, for the most part, still struggle to gain access to the market in China. India represents a lucrative market not just for China, with a rising economy, huge and young population, and a growing, middle class eager to spend.

With references to *the world's factory* and *the world's back-office*, China's President Xi Jinping referred to the joint possibilities China's and India's industries possess.⁶³ With India as a software leader and China as a leading hardware nation, possibilities to get a greater foothold on the world market emerge. In 2005, the term *Chindia*, which describes the capabilities of China and India becoming more successful together, experienced a short popularity and was wildly discussed.⁶⁴ The term *Chindia* remained nothing but a catchphrase, however, for multiple reason, such as the restriction of Sino-Indian bilateral ties.

The Sino-Indian trade has experienced an impressive intensification since the late 1980s. Starting with only \$100 million in 1987, in 2015-'16 bilateral trade volume reached \$71 billion. China and India hoped to meet their bilateral trade expectations of \$100 billion by 2015, which was not

⁶³ Rupam Nair, "Xi sees factory China and back office India as global engine," Reuters, September 17, 2014, accessed May 21, 2017, <http://www.reuters.com/article/us-china-southasia-india-iduskbn0hb2ji20140917>.

⁶⁴ Jairam Ramesh, *Making sense of Chindia reflections on China and India* (New Delhi: India Research Press, 2005).

achieved, but remains the target. India seeks China's financial and infrastructural opportunities, but remains wary of them.

Every mutual visit by high-level leaders brings fruitful results in the economic dimension of the relationship. After his latest China visit in 2015, Modi returned home with twenty-four agreements worth \$10 billion.⁶⁵ Furthermore, the two countries' cooperation in fields from culture to education, and from exchange to trade and investment was underlined. These positive results from high-level visits not only strengthen a win-win cooperation, but also bring mutual trust.

However, the Sino-Indian relationship is not a balanced relationship, which is reflected in the huge trade imbalance. In 2015-'16 the trade deficit India with China has reached \$53 billion. Though China is India's largest trading partner, the same cannot be said for India's status as a trading partner for China. In recent years, India was not even among China's top ten trading partners. India's exports to China in 2014-'15 accounted for \$12 billion, but imports from China made up \$60 billion. In January 2017 alone, the export from China to India rose by 18 percent.⁶⁶ India runs a trade deficit with most of its trading partners, because its own production does not cover the demand of the domestic market. In fact, with other countries, such as Iraq, Switzerland, and Australia, the deficit is much greater than with China. But it seems that Indian thinkers give more of their attention to the trade imbalance with China than with any other nation. An imbalance cannot just be found in the numbers, but also in the quality of exchanged goods. India mainly exports raw materials, such as ores, slag, ash, cotton, steel, and copper. China's catalog of exports to India is far more diverse. The major commodities are electronic equipment, machines, engines, and technical equipment. As early as 2007, a joint feasibility study about a Free-trade Agreement (FTA)

⁶⁵ "24 Agreements Signed Between India and China During PM Modis Visit," May 15, 2015, accessed May 21, 2017, <http://www.ndtv.com/cheat-sheet/24-agreements-signed-between-india-and-china-during-pm-modis-visit-763246>.

⁶⁶ "MOFCOM Department of Foreign Trade Comments on Foreign Trade Situation of China in January 2017," MOFCOM, February 16, 2017, accessed May 21, 2017, <http://english.mofcom.gov.cn/article/newsrelease/policyreleasing/201702/20170202517662.shtml>.

was conducted; nevertheless, a FTA does not seem to be a realistic opportunity in the foreseeable future, given India's reluctance in negotiations.⁶⁷ Whereas Beijing strongly tries to open up new markets, New Delhi seeks to protect its domestic industry.⁶⁸

More trade means more opportunities for Chinese goods to enter the Indian market. Many suggest that China's cheap goods help to raise the living standards of the Indian population, but at the same time, there are concerns that the Indian manufacturing industry cannot compete with China's. The industry sectors in which India is able to compete globally, namely IT, services, and pharmaceuticals, have struggled to enter the Chinese market due to language and tariff barriers. Therefore, although the term *Chindia*, pointing out the complementary nature of China and India, theoretically holds some truth, in practice we see little applicability. At the current stage, China seeks to enhance its own software sector rather than seeking to merge with India's already existing sector. Similarly, Indian pharmaceuticals have had little success in entering the Chinese market. Therefore, the possibility for the two nations to become competitors in complementary sectors is higher than the possibility of joining these sectors together. India is wary of the economic cooperation further transforming into a competition.⁶⁹

Though recently both sides have improved access to each other's markets, India's security concerns have been joined by new-found economic concerns. Every fourth anti-dumping case filed by India is directed towards China. That makes 147 anti-dumping cases between 1995 and 2011. During the same period, China only filed four of these against India.⁷⁰ India's industry is much more vulnerable to Chinese goods than the Chinese industry is to Indian goods.

⁶⁷ Yuan, 55 ff.

⁶⁸ Ibid, 33.

⁶⁹ Ibid, 60.

⁷⁰ Yuan, 54 ff.

India is quick to conclude that every negative action by China is a negative action directed towards itself. Therefore, it should not come as a surprise that India tries to limit China's access to and influence on its market. India would rather limit its own economic prosperity than get too entangled with China. For example, Huawei and ZTE, Chinese telecommunication firms, are not able to bid for contracts to supply global systems for mobile communication lines in Indian zones of border disputes. Indian national security officials expressed their concerns about the possibility that Chinese telecom equipment could be infected with malware or used for spying.⁷¹ Given the historical memory of the Indian border region and the Indian sensitivity towards the disputed area it is logically to suggest that new information regarding this area is evaluated through informations gained by past experiences. Later on, in the summer of 2008, the Indian government prevented Chinese companies from investing in port infrastructure, citing security reasons. Without direct proof, Indian decision-makers evaluated China's intentions in a negative direction.

Even in economic relations, the two nations have to deal with various challenges such as potential competition and the extensive trade deficit. Thus, while there are multiple possibilities for more cooperation between the two, as of now, they are not being put into practice due to a complicated economy-security nexus. National interests, competition, and the trust deficit between New Delhi and Beijing cannot be resolved overnight. As long as the focus of the relationship lies in economic engagement, the rhetoric of the relationship is set on win-win cooperation and mutual benefit; as soon as the focus is being shifted towards geopolitics, however, the rhetoric changes to a zero-sum game mentality. Even though economic cooperation does strengthen the mutual understanding and mutual trust in certain fields, at the same time it fuels existing misperception.

⁷¹ Heather Timmons, "India Tells Mobile Firms to Delay Deals for Chinese Telecom Equipment," *The New York Times*, April 30, 2010, accessed May 21, 2017, <http://www.nytimes.com/2010/05/01/business/global/01delhi.html>.

Although the road to well-established relations is still long, China and India have managed in part to shift their focus away from geopolitics and towards the economy. Most of the time, they are able and willing to detach their deepening, mainly trade-driven engagement with each other from the problems weighing heavily on the relationship. However, even a stronger shift of focus towards economics is not able to alleviate India's misperceptions. Rather, India's ongoing cautious attitudes towards China limit the economic prosperity of the relationship. Economic security concerns are shaped by perception and misperception, and these concerns negatively influence policy considerations by limiting opportunities. Indian thinkers are wary of the fact that the trade with its neighbor is not on equal terms, but strongly favors China. In order to not increase India's vulnerability, Indian decision-makers are not willing to give China access to strategic sectors, since it sees security-related implications. India wishes to protect its domestic industry, gain a better market share for its competitive industries, and shield against China's interference into its traditional sphere of influence.⁷² This behavior is often characterized as securitization of economics.⁷³ As long as India's security concerns are not acknowledged, addressed, and dealt with, bilateral economic ties will be affected by India's policies and political considerations. The Sino-Indian bilateral economic engagement is therefore as fulfilling as the term *Chindia* suggested, but overshadowed by threat, competition, and security perception and misperception. It seems that, in many regards, political and security considerations outweigh economic considerations.

⁷² Yuan, 33.

⁷³ Ibid, 35.

4 India's Perception and Misperception of the Belt & Road

Through the B&R, China seeks to offer assistance for infrastructure construction, enhance trade, and overcome the barriers holding back Asian connectivity by providing a financing platform.⁷⁴ In the *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*, India is mentioned in two out of six outlined economic corridors, which are related to the B&R: the Bangladesh-China-India-Myanmar economic corridor (BCIM) and the China-Pakistan economic corridor (CPEC). Both corridors are pre-B&R, but were later included in the initiative. The CPEC is currently the most developed of the B&R corridors.

Formally, India was invited to join the B&R during the 17th round of bilateral border talks in February 2014. India remained deliberately silent on the matter, implying its reluctance based on lack of details about the initiative. In 2015, India's Foreign Secretary Subrahmanyam Jaishankar remarked on the topic of the B&R, "It is their initiative, so I think it is not for us to welcome it or not welcome it. It is something which is there on the table. To the best of our knowledge, we have not really had a detailed discussion on this subject."⁷⁵ Lack of information has become a standard justification for India's silence. India is unable to acknowledge the work-in-progress status of the B&R, instead perceiving the information gap as Chinese decision-makers' strategy to disguise the hidden intentions of the initiative. India is not just reluctant to comment on its involvement in the B&R, it is also reluctant to join events regarding the B&R.

⁷⁴ Gurpreet S. Khurana, "China, India and "Maritime Silk Road": Seeking a Confluence," *Maritime Affairs: Journal of the National Maritime Foundation of India* 11, no. 1 (January 2, 2015).

⁷⁵ "MEA | Statements: Bilateral/Multilateral Documents." Ministry of External Affairs, Government of India. May 15, 2015. Accessed May 20, 2017. <http://www.mea.gov.in/bilateral-documents.htm?dtl%2F25245%2FTranscript%2Bof%2BMedia%2BBriefing%2Bby%2BForeign%2BSecretary%2Bin%2BBeijing%2Bon%2BPrime%2BMinisters%2Bgoing%2Bvisit%2Bto%2BChina%2Bmay%2B15%2B2015>.

India's behavior towards China-led developmentalism can be described as ambivalent. On the one hand, India actively seeks Chinese investments, while on the other hand, Indian decision-makers are reluctant to express a clear statement regarding the B&R. At the same time, India is a member of the BCIM and strongly rejects the CPEC, since it anticipates activities in areas claimed by India. Three options for India regarding the B&R can be outlined. India could choose not to engage with the B&R in any way. This would mean it would neither participate in it nor criticize it, and remain silent on B&R activities in any regard. Secondly, India could become an active stakeholder of the initiative. Thirdly, India could openly oppose the B&R, not just by not becoming a member, but also by openly criticizing it and trying to prevent Chinese B&R activities in the IOR.⁷⁶ Currently, there are voices coming from India favoring all of the above-mentioned options. In addition, all three options reflect different considerations and are influenced by different perceptions and misperceptions. These considerations can be divided into two main aspects: Geopolitics and geoeconomics which are in juxtaposition of India's policymakers' B&R considerations. Both considerations draw from different points of departure. Whereas for the geopolitical considerations the point of departure is the events of the 1950s and 1960s, for geoeconomic considerations it is the rising economic cooperation of the 2000s. Both considerations are reflected in India's attitudes and responses to China-led developmentalism.

⁷⁶ Hailin Ye, "India's Policy Towards China Under the Mindset of 'Assertive Government'," in Annual Report on the Development of the Indian Ocean Region (2015), ed. Rong Wang and Cuiping Zhu (Singapore: Springer, 2016), 44.

4.1 Geoeconomic Considerations

Geoeconomic considerations concentrate on the support the B&R offers to its stakeholders, which is much-needed especially in the Indian infrastructure sector. It is shaped by a neoliberal viewpoint through which it understands China's B&R discourse as resembling of India's own narrative. Since the point of departure for geoeconomic perceptions can be found in the growing economic development of the bilateral relationship of the 2000s, geoeconomic considerations can draw from positive experiences. This positive perception is shaped by the understanding of Indian B&R membership as an opportunity, just like the growing economic ties had an aspect of opportunity to them. Furthermore, this perception is shaped by the understanding that, in case India decided to distance itself from accepting China's offer, it could position itself as an outsider in South Asia. Which, in addition, could be perceived as standing on the wrong side of China. Not becoming a part of the B&R is seen as more harmful to India's own narrative than becoming a member would be. Those who have a proclivity for focusing on the geoeconomic dimension are highly receptive to the possibilities inherent in the B&R as they are understood to be coincidental to India's own regional narrative. Globalization trends will inevitably lead to the emerging of new economic centers of power in Asia. China's B&R aspiration reflects these trends of globalization.⁷⁷ By opposing the B&R, India would deny itself the opportunity to become an integrated part of the new economic centers of power. Policymakers concentrating on geoeconomic considerations view geopolitical security considerations regarding the B&R as restrictive to India's development.

Policymakers favoring Indian participation in the B&R oppose Indian security considerations, because they understand them as hindering potential benefit. To them, the geoeconomic focus is more important than the geopolitical. Due to historical memory, especially

⁷⁷ Zorawar Daulet Singh, "Indian Perceptions of China's Maritime Silk Road Idea," *Journal of Defence Studies* 8, no. 4 (2014): 141.

the continuing effect of the loss experienced in the 1962 border war, the Indian identity is haunted by a feeling of losing a competition against China. This sense of losing an important match is still present in many Indian thinkers, and by extension in the economic nexus of the relationship. Observers favoring geoeconomics perceive the B&R as an opportunity to not lose another important match, but instead to catch up with the neighbors' development and alter the existing status quo with the help of China-led developmentalism.⁷⁸

In 1999 India, along with Bangladesh, Myanmar and China, joined the Kunming Initiative, which was initially a Track II initiative aimed at enhancing trade and investment between structurally weak regions of the four nations. Later, the Kunming Initiative was renamed to the Bangladesh-China-India-Myanmar Forum for Regional Cooperation. While the other participants moved on to a Track I level, India was reluctant to do so, pointing to security considerations. Although China showed the ambition to make fast progress in regional cooperation, for over a decade the promoted trade and connectivity remained only on paper. India's long-standing caution towards engaging with China, as well as towards opening up the unstable northeast region, hindered fast progress. Due to the asymmetry of the relationship, India's vulnerability to China is greater than vice-versa, and this gave India reason to be reluctant to engage further with China. The call for security concerns and the fragility of the Indian industry in the face of a flood of Chinese goods therefore became India's classic justification. Security considerations regarding China restrained Indian decision-makers' enthusiasm and further restrained them from engaging too deeply in a China-led regional association.

Thus, while since May 2013 the BCIM experienced a revival, and India still acknowledges its membership, the pace of the cooperation process has been slowed by Indian security

⁷⁸ Singh, 143.

considerations.⁷⁹ Although the BCIM is a pre-B&R project, it has been included in the initiative retrospectively. Indian thinkers endorsing India as a stakeholder of the B&R are concerned that security considerations would hinder progress India could make through the B&R, just as the prospects of the BCIM have been hindered in the past. Perceptions cannot be overcome instantaneously. The longer perceptions exist, the more highly resistant to change they are.⁸⁰ In the economic nexus, India can look back on a development leading to a more positive China picture, but despite this, the rigidity of the long-time picture of China as a threat still exists among Indian decision-makers. Although in the geoeconomic realm we see a positive adaptation of perception for the BCIM case, the geoeconomic prospect was not able to overcome Indian decision-makers' China-related security concerns.

In 2015, the Modi government approved the Sagarmala project, which aims at port-led development along the coastlines. The Indian government realized that the nation's underdeveloped and partly non-existing ports and waterways pose considerable economic loss. Much like the B&R, India's Sagarmala project aims at connectivity, coastal community development, and port-led industrialization.⁸¹ The two developmental initiatives could merge in certain areas and together bring greater connectivity for India and South Asia in general. For years, India has been seeking more and more foreign investment, including Chinese investment. Since India is already seeking Chinese investment, and also has overlapping aims and projects, it seems inconsistent to oppose the support offered by the B&R.

⁷⁹ Patricia Uberoi, "Problems and Prospects of the BCIM Economic Corridor," *China Report* 52, no. 1 (2016): 20.

⁸⁰ Vertzberger 1984, 292.

⁸¹ "Sagarmala project to be completed in 5 years," *The Economic Times*, April 15, 2016, accessed May 22, 2017, <http://economictimes.indiatimes.com/news/economy/infrastructure/sagarmala-project-to-be-completed-in-5-years/articleshow/51826345.cms>.

The possible benefits of the B&R for India can be found especially in the development of the Kolkata port and in strengthening the underdeveloped northeastern region. China would be able to gain an alternative route to the Strait of Malacca, which is currently seen as a dangerous transportation bottleneck. It would be a cooperation of mutual benefit, entirely in the spirit of the B&R initiative. Although the opportunities created by Chinese assistance, especially in the port and train infrastructure sector, are acknowledged by scholars focusing on the geoeconomical arguments, India's own responsibility to reduce state capacity constraints should not be neglected. While the geoeconomic focus understands the importance of connectivity as such, it also understands that connectivity has to expand gradually. India still faces great state constraints, with internal development not being completed. For a large part, the hinterland's connectivity with India's ports still has to be structured. While the B&R poses potential benefit for India therefore, India's capacity constraints could reverse these benefits. To a great extent, India has not managed to make its industrial hubs available to South Asia. South Asia's connectivity is among the lowest in the world.⁸² Intra-South Asian infrastructure would underline India's presence in the region, and in addition, by making its own industrial hubs available to the region, India would create benefits in economic terms. Therefore, policymakers point out that India needs to continue to complete its internal development, before the external opportunities posed by China can be explored to the fullest point. Although the benefits to economic prosperity are unquestioned, strategic considerations remain. At the current stage, the geoeconomic community also acknowledges that China's superiority and India's state capacity restrictions have to be taken into account in order for India to turn the B&R to its advantage. Indian thinkers also point out that China should not be India's only option for overcoming state constraints, and it should seek to leave options open for cooperation with other nations and initiatives. In addition, India's geoeconomic considerations are

⁸² "South Asia Regional Integration," World Bank, accessed June 19, 2017, <http://www.worldbank.org/en/programs/south-asia-regional-integration>.

also reflected in the question of which role India would play in the B&R. India seeks to alter the existing status quo of the relationship, and is therefore not willing to be a junior partner to China but seeks to be met at eye level by its dominant neighbor. Although the B&R is understood as an opportunity for greater trade and cooperation, geoeconomic considerations do see constraints as well, and are reflected in India's general caution towards China.

4.2 Geopolitical Considerations

In contrast to the geoeconomic understanding of the B&R are the geopolitical considerations. Mainstream B&R comments found in Indian media, from scholars as well as politicians, are often influenced by geopolitical considerations. They can be broken down into three subcategories. Firstly, the B&R is seen as an attempt to reorder Asia and undermine American alliances in South Asia. In this view, India is advised to avoid depending too heavily on a single political-economic community. If India would decide to become a part of the B&R, it should not close the door to U.S. cooperation and create a too-heavy dependence on China.⁸³

Secondly, considerations are shaped by strategic caution and concerns regarding China's hidden intentions. The economic appeal of the initiative is perceived to disguise greater security-related implications. Indian scholars have pointed out that "Reading the Chinese press would have us think that the OBOR⁸⁴, one of President Xi Jinping's key initiatives, is aimed only at economic rebalancing and at building friendly relationships with China's neighborhood, with no grander

⁸³ Singh, 144.

⁸⁴ OBOR stands for One Belt, One Road, which was the standard reference to the initiative until it was recently shortened into B&R.

geopolitical objective.”⁸⁵ Comments like the above can be found frequently within the Indian B&R discussion. Uncertainty is a common factor for misperception, since there is a tendency among decision-makers to search for alternative meanings of the given information and assign an ambiguity to the information even if there is no hint of such.⁸⁶ Indian observers fear that China’s attempt to construct greater port infrastructure in South Asia is really an attempt to gain military strength in the Indian Ocean. The four projects contributing most to India’s discomfort are the harbor of Gwadar in Pakistan in particular, and harbor projects in Sri Lanka, the Maldives, and Myanmar in general. All of these projects are pre-B&R, but were later included in the project. In this regard, Indian observers perceive the B&R as an updated, more institutionalized version of the *String of Pearls*, which has fueled India’s China concerns for years. “Undeniably, China is seeking access facilities in the Indian Ocean, whether known by the *String of Pearls* nomenclature, or fructified through the MSR Concept.”⁸⁷ Indian observers strongly assume that China seeks to establish military bases in the IOR by funding commercial ports, which later could be utilized for the Peoples Liberation Army Navy (PLAN).⁸⁸ Chinese commercial port activities are perceived to be military activities in disguise. For Indian analysts, the possibility that the Chinese Navy has no greater interest in the IOR is unrealistic, since in their understanding the IOR is of profound strategic interest – despite Beijing underlining that it has no maritime military strategy for the IOR. Indian observers pay close attention to Chinese military activity in general and in the IOR in particular. The paucity of IOR mentions within Chinese military strategy papers, such as the

⁸⁵ Godement, 8.

⁸⁶ Vertzberger 1984, 14.

⁸⁷ Gurpreet S. Khurana, "China as an Indian Ocean power: trends and implications," *Maritime Affairs: Journal of the National Maritime Foundation of India* 12, no. 1 (January 02, 2016): 18.

⁸⁸ Christopher Len, "Chinas 21st Century Maritime Silk Road Initiative, Energy Security and SLOC Access," *Maritime Affairs: Journal of the National Maritime Foundation of India* 11, no. 1 (January 02, 2015): 9.

Chinese Defence White Papers, causes Indian thinkers to strongly assume that China holds interests in a growing PLAN representation in the IOR.⁸⁹ The paucity of information is used as an argument for the suggestion that commercial Chinese activities in the IOR are just disguised military strategy. The B&R, especially the MSR activities, which according to China have no greater military intention, are no exception to these perceptions.

In addition, China does participate in joint exercises for counterterrorism, shipping safety, and seafarers, as well as general maritime security, also in the IOR. These activities further add to India's reservations regarding Chinese IOR intentions, since they are also perceived to be an attempt to increase Chinese military strategic positioning. The naming of such exercises, for example a joint counterterrorism exercise in 2015 in cooperation with Sri Lanka called *Silk Road Cooperation - 2015*, enhances Indian perception about hidden military intentions within Silk Road activities.⁹⁰ People often overestimate the degree of their centrality to others' considerations.⁹¹ In this case, India seems to overestimate the geostrategic importance of the IOR to the PLAN, since there is no concrete evidence for the Indian assumption of China's greater strategic military interest in the region. In addition, India fails to see the obvious military disadvantage for China in the IOR, namely its distance from it. Establishing military bases in the IOR at this point would be overstretching the PLAN.⁹² As mentioned earlier, misperception is the gap between the objective environment and the person's subjective understanding of that environment. Despite military facilitation not being an element of the B&R, Indian observers nevertheless correlate the B&R with Chinese military intentions. The objective environment of the B&R is that it does not foresee any

⁸⁹ Khurana 2016, 17.

⁹⁰ Ibid.

⁹¹ Jervis 1976, 344.

⁹² Jeremy Garlick, "If You Can't Beat 'em, Join 'em: Shaping India's Response to China's 'Belt and Road' Gambit," *China Report* 53, no. 2 (2017): 145.

military activities, however, Indian observers' subjective understanding is that Chinese activities in the IOR have a military component. These assumed military activities are furthermore perceived as directed towards India. Here we see a gap between the reality of the B&R and the Indian perception of the B&R. India assimilates information about the B&R into its pre-existing belief of any Chinese activities in the IOR, such as the *String of Pearls*. Collected misinterpretation, misjudgment, and wrong conclusions can easily be carried throughout the process of information processing with implications for the overall outcome. Often, the information obtained is re-entered into the information processing of related events.⁹³ The understanding of Chinese pre-B&R activities in India's traditional sphere of influence as an encirclement and therefore a threat has been included in the evaluation of Chinese B&R activities in the region. The interpretation and judgment of China's activities as a threat and encirclement is re-used for the B&R information process and shapes the understanding of the initiative.

The third subcategory of geopolitical B&R considerations is the concern that a stronger Chinese presence at India's north, east, south, and west diminishes India's geographic advantage. India sees the establishment of a more fine-mesh Chinese network in its immediate neighborhood as diminishing its traditional advantages, which are based on its central geographic location. Of India's neighbors, Pakistan, Bangladesh and Sri Lanka have already ensured their participation in the B&R.⁹⁴ China is trying to strengthen interconnectivity in South Asia. India has a historical memory of losing a natural strategic buffer zone, Tibet, to China. The newly developed growing ties with China and South Asia reactivate negative sentiments shaped by the historical memory of the 1960s. In addition, through the growing China presence in the region, India's smaller neighboring nations have discovered their hedging capabilities by playing the *China card*. The reinforcement of China's

⁹³ Vertzberger 1990, 8.

⁹⁴ Singh, 137.

sphere of influence within India's traditional geostrategic frontier could further lead the small South Asian countries to pit China against India and vice-versa.⁹⁵ Fears of India's regional ambitions being bypassed by China are strong. In order to contain China's growing dominance in India's perceived backyard, amplified by the B&R, India is scaling up its own engagement in the region. While it remained cautious of China's developmental proposals, India was busy establishing its own projects. The Mausam Project and the Spice Route are attempts to revive India's own ancient trade routes in order to regain linkages with countries in the IOR. Both projects are openly understood as counter-measures, not just for China's B&R, but to undermine the growing Chinese presence in the IOR in general.⁹⁶ In addition, they can be seen as an attempt to challenge the existing asymmetric status quo. While China has shown interest in linking India's projects with the B&R, given India's unwillingness to join the B&R in general it seems highly unlikely that the Modi government will be willing to merge their most significant foreign policy initiative with China's. Modi distinguishes between two types of projects: "There are projects we will pursue individually. There are few such as the Bangladesh-China-India-Myanmar Corridor that we are doing jointly."⁹⁷ Although India is openly committed to the BCIM, it does not recognize the encapsulation of the economic corridor by the B&R. Foreign Secretary Jaishankar stated that, "In the case of BCIM corridor, my recollection is that our understanding to work together on this corridor predates this One Belt, One Road. Whether someone thereafter moves it from this file to that file is their internal business. As far as we are concerned, we have a commitment which, if my memory serves me right, we made when

⁹⁵ Khurana 2016, 21.

⁹⁶ Khurana 2015, 22.

⁹⁷ Madan.

Premier Li Keqiang went to India.”⁹⁸ India understands the BCIM as an independent project, whereas China understands it as part of the interests of the B&R.

In addition to the concern about opening up the unstable northeastern Indian region, raised within the BCIM cooperation, the B&R leads to concerns regarding granting Chinese companies access to infrastructure and port hubs in the country. Given the BCIM Track II approach and focus on peripheral regions, the sub-regional development of the BCIM has been marginalized by the inclusion in the B&R.⁹⁹ India does not acknowledge the BCIM as part of the B&R. By being China-cautious, India did not just hinder progress in the inter-Asia connectivity of remoter, structurally weak regions, but now puts a project attempting to bolster peripheral regions itself into the periphery by not allowing it to become part of a greater initiative encouraging connectivity.¹⁰⁰ As of now, India has underlined its commitment to the BCIM, strongly opposed the CPEC, and maintained silence on the B&R initiative as such.¹⁰¹ As mentioned in the previous chapter, security considerations also hindered fast evolving cooperation through the BCIM. There already, Indian observers repeatedly pointed to concerns regarding the opening up of the underdeveloped northeastern region, and giving Chinese companies access to infrastructure and port hubs.

Despite China’s efforts of pointing to the economic and connectivity focus of the B&R, Indian observers often understand connectivity as just another word for geopolitics. India’s Foreign Secretary, for example, regarded connectivity as having “emerged as a theater of present day

⁹⁸ "MEA | Statements : Bilateral/Multilateral Documents," Ministry of External Affairs, Government of India, May 15, 2015, accessed May 20, 2017, <http://www.mea.gov.in/bilateral-documents.htm?dtl%2F25245%2FTranscript%2Bof%2BMedia%2BBriefing%2Bby%2BForeign%2BSecretary%2Bin%2BBeijing%2Bon%2BPrime%2BMinisters%2Bgoing%2Bvisit%2Bto%2BChina%2Bmay%2B15%2B2015>.

⁹⁹ Uberoi, 25.

¹⁰⁰ Ibid, 38.

¹⁰¹ Ibid.

geopolitics.”¹⁰² Whenever China says connectivity, India understands geopolitics. Even though at the beginning of the 2000s China and India discovered the economical appeal of cooperation, the focus of the Sino-Indian relations have been gradually shifted back to geopolitics.

India and China share the identity of a rising nation, which, contrary to the expected, intensifies misperception in the form of rivalry and threat. China and India both seek to gain global power status and enlarge their influence in international and regional affairs. China’s B&R, but also India-led developmentalism can be understood as part of the quest for gaining status. In recent history, China has been more successful in obtaining status. The sense of losing another race in the competition for status, which causes Indian thinkers - who focus on geoeconomics - to be in favor of participating in the B&R, can be seen as justification for geopolitically-focused thinkers to oppose it. By joining the B&R and submitting to Chinese superiority, India would lose another important race for status. In addition, Indian observers have pointed out the salient lack of regional associations in the B&R which do not include China. To them, this directly translates into a Chinese unwillingness to engage with associations in which China’s influence is limited or non-existing.¹⁰³ To India, a key member in several regional associations, this reflects the Chinese government’s quest of superiority within the B&R, despite their efforts to underline the initiative’s open and inclusive features. In a propaganda video published by *The China Daily* on YouTube in May 2017, it is explained that the B&R is “China’s idea, but it belongs to the world.”¹⁰⁴ Indian observers have raised concerns regarding a superior stance from China within the initiative. Despite the inclusive

¹⁰² Peter Cai, "Why India Is Wary of China's Silk Road Initiative," *The Huffington Post*, September 07, 2016, accessed June 02, 2017, http://www.huffingtonpost.com/peter-cai/india-china-silk-road-initiative_b_11894038.html.

¹⁰³ *Ibid*, 300.

¹⁰⁴ Carlos Tejada, "China's Newest Propaganda Format: Children's Bedtime Stories," *The New York Times*, May 09, 2017, accessed May 24, 2017, https://www.nytimes.com/2017/05/09/business/china-propaganda-bedtime-belt-road.html?_r=0.

nature of the B&R being explicitly highlighted, China's dominant position within the initiative cannot be denied.

All of the above-mentioned security concerns translate into actual strategic implications regarding India's B&R approach. In May 2017, India did not send a delegation of government officials to attend the *Belt and Road Forum* in Beijing. An Indian foreign ministry spokesperson stated, "No country can accept a project that ignores its core concerns on sovereignty and territorial integrity".¹⁰⁵ India is especially troubled about the CPEC, which anticipates activities in sensitive areas, and used it also as a justification for its absence. In general, Indian considerations shaped by geopolitics oppose India's participation in the B&R, or at least urge it to keep other options open too.

¹⁰⁵ Miglani, 1.

5 Conclusion

This paper aimed at two interrelated objectives. First, it presented the shaping of India's perception and misperception through the asymmetry theory. Secondly, it related the insights to India's behavior towards China-led developmentalism, in the form of the B&R. This paper has examined China and India's relationship within the scope of China-led developmentalism. It has been shown that India's reluctance to be part of China's initiative is rooted in mistrust, misinterpretations of information, and the lack of information. Ever since the deterioration of the Sino-Indian relationship, due to the border war, India has established a deep-rooted distrust of China. Based on this distrust, new information regarding China is evaluated in a prejudiced way. The emerging of misperception is therefore likely. The asymmetric relationship between the countries amplifies the misinterpretation of information due to the vast difference in attention span. Due to the asymmetric nature of the Sino-Indian relationship, India remains more exposed to China, which leads to ambivalence in India's China strategy. India remains cautious of risks as well as open to opportunities. In addition, differences in the nations' behavior can contribute to misinterpretation of information, which can lead to a vicious circle of misinterpretation and therefore misperception.

Competition and cooperation are the two dominant modes of behavior among major powers in the economic and security dimension. While China and India have managed to work together in certain situations, such as joining their voices together in multilateral organizations, on other occasions they still appear as strong competitors. The competition and cooperation nexus of the bilateral relationship is also part of India's B&R considerations. As shown above, India's B&R reactions are cautious and ambivalent. Its reactions are strongly linked to two different main considerations, geoeconomics and geopolitics, which are influenced by perceptions and

misperceptions India has gained through past experience, and are further shaped by the day-to-day engagement with China, which is often lacking. As shown by the asymmetry theory, past experience, which shifted the balance of the relationship, gave reasons for Indian over-attention. Furthermore, since India's vulnerability to China is greater than vice-versa, the asymmetry in the relationship is the reason for the asymmetry of the attention span. India, as the weaker participant of the relationship, gives much more attention to Chinese activities. Any activity, whether it is establishing commercial ports in the IOR, or measurements for counterterrorism, is perceived as directed against India. The lack of mutual understanding, partly explainable through the lack of day-to-day interaction, can therefore be another dominant factor for the emerging of misperception.

Although India is interested in cooperation with China and other countries, it only proceeds with it if their national interests align with those of other countries. Therefore India evaluates its membership on a case-by-case basis.¹⁰⁶ In the case of the B&R, national interests motivated by geoeconomic considerations are outweighed by geopolitical considerations. Often these geopolitical considerations are interpreted by means of conclusions drawn from past experiences. Perceptions do not change overnight. Security concerns regarding China are heavily influenced by past experience, and even if the border dispute, which still weighs heavily on the relationship, would be settled, China's negative picture in India will not change immediately. However, settling the border dispute would be a first step in resolving the emerging structural misperception. Giving closure to the perceived Indian humiliation of the 1962 border war would help to break through the circle of misinterpretation and misperception, and help shift the focus towards their cooperation opportunities.

¹⁰⁶ Ashok Kantha, "India is cool towards the new Silk Road - here's why," South China Morning Post, May 15, 2017, accessed June 02, 2017, <http://www.scmp.com/week-asia/opinion/article/2094167/why-india-cool-towards-chinas-belt-and-road>.

Since, on the one hand, India does seek Chinese investment, and joins and opposes Chinese-led projects on a case-by-case basis, reactions regarding the B&R coming from India are ambivalent. India's B&R picture is not just tainted by security considerations which are influenced by past experiences, lack of day-to-day interaction, and unrest with the existing status quo, but also by the uncertainty of China's utilization of its growing influence. In addition, India is unable to acknowledge the work-in progress characteristic of the initiative. At the same time, China is unable to acknowledge the concerns coming from the Indian B&R discourse, and update on information regarding those concerns. Political rhetoric should be backed by action. It is true that planning and preparing for the worst-case scenario might carry the seeds of self-fulfilling prophecies.¹⁰⁷ At the same time, China does not give India the benefit of the doubt, but rather views India's behavior as the result of a *victim syndrome*. Both considerations, geopolitics as well as geoeconomics, mirror China's paucity of information regarding the B&R. Furthermore, they reflect China's shortcomings in eliminating skepticism put forward by other countries. China needs to work on its line of argumentation and needs to realize that its interests can be perceived by others as directed against them. China's political management is failing on alleviating security concerns, as other nations have shown,¹⁰⁸ and economic prosperity alone will not help to erase them.

India has been using an information gap as justification for its silence on the B&R matter. While the B&R's vagueness should be understood as a feature of its work-in-progress status, India understands it as China disguising its true intentions. Where China sees geoeconomical prosperity, India often perceives geopolitical menace. Often Indian decision-makers understand the initiative's

¹⁰⁷ Vertzberger 1984, 296.

¹⁰⁸ Amitendu Palit, "India's Economic and Strategic Perceptions of China's Maritime Silk Road Initiative," *Geopolitics* 22, no. 2 (February 3, 2017): 304.

vagueness as a weakness, even as a possible threat. They fail to see it as an opportunity for members to modify the B&R in their favor. It would be in India's strategic interest to give up its observational stance and start becoming an active co-creator of the B&R project. Unlike the Marshall Plan, which the B&R is often compared to, is not a fixed plan, but a work in progress. Therefore, India's sit and wait strategy is counterproductive. While India demands more information, it is missing the opportunity to become the shaper of these new insights to the B&R. India's attention on geopolitics is out of proportion, which is explainable through the asymmetry of the relationship; however, while India can stay dissatisfied about the status quo, by simply trying to avoid any engagement with China it will not alter it. India expects an operational blueprint, but neglects the opportunity to co-create one jointly with China. Although Indian analysts demand to be engaged in the designing and implementation process of the B&R, they have neglected any opportunity presented to them so far. India needs to be aware that its decision regarding the B&R has implication for future relations with China. As pointed out by strategic thinkers focusing on the geoeconomic nexus of the initiative, India's opposition to the B&R could be perceived as India opposing China-led developmentalism. Not just Sino-Indian relations are constrained by the asymmetry of the relationship and the emerging of misperception, but furthermore it limits Indian decision-makers' willingness to become a stakeholder in the B&R. It seems that, India is only able to become a stakeholder of the B&R if it can separate its geopolitical concerns from its geoeconomic perceptions.

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