

**TESTIMONY BEFORE**  
**THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE**  
**Director, The India Project & Senior Fellow, Foreign Policy**  
**The Brookings Institution**  
July 1, 2020

Chairman Schiff, Ranking Member Nunes, and distinguished members of the Permanent Select Committee on Intelligence, thank you for the invitation to speak at this hearing on U.S.-China Relations and its Impact on National Security and Intelligence in a Post-COVID World.

Over the last few months, there have been two key developments that have had—and will continue to have—an impact on India’s views of and approach toward China, the United States, and the international order: (1) attempts by the People’s Liberation Army (PLA) to unilaterally change the status quo along the Line of Actual Control (LAC), the de facto boundary between the two countries, which led to a fatal clash on June 15 between the two militaries; and (2) the coronavirus pandemic, and its health and economic consequences.

India’s relationship with China has had elements of cooperation, competition and potentially conflict. When they met in October 2019, Chinese leader Xi Jinping and Indian prime minister Narendra Modi sought to stress the cooperative elements in the relationship, which the two countries have tried to increase over the last two decades. However, the pandemic and the boundary crisis have ensured that the competitive and conflictual elements of the relationship are front and center—and are likely to increase. These past few weeks have demonstrated that despite Delhi and Beijing’s efforts to engage and to stabilize their relationship, it remains a fundamentally competitive one that can spillover into conflict.

The ongoing developments will affect India’s relationship not just with China, but also the United States. They have reinforced and accelerated concerns in India about China’s lack of transparency, its uncertain commitment to the rules-based order, as well as its growing influence in the Indo-Pacific and in international institutions. At the same time, they have led to calls for India to maintain and even increase its partnership with the U.S, and for Washington to play a more sustained and robust role in ensuring a rule-based order prevails. There will also likely be an increased Indian willingness to work with the U.S. at the bilateral, mini-lateral and multilateral levels to achieve that objective and to maintain a balance of power in Asia.

**The China-India Boundary Crisis: A Watershed Moment**

Since at least early May, Chinese and Indian troops have been facing off at multiple points on the remote, rugged, and disputed boundary between the two countries, after the PLA sought to change the status quo by establishing a permanent presence or hindering Indian patrols in territory that both countries claim. This has been followed by an Indian buildup at each of those points in response. On June 15, the situation escalated when Chinese and Indian soldiers clashed at one of the face-off points in Ladakh. At least 20 Indian soldiers died in the skirmish. China has acknowledged casualties, but not

disclosed any figures.<sup>1</sup> While the two sides are continuing their dialogue toward disengagement and de-escalation at the diplomatic and military levels, their troops remain deployed in strength at the boundary, with some reports indicating a continued military buildup. Further escalation cannot be ruled out.

Significance: The current crisis is a significant one. It marks a watershed moment in China-India relations, which could have implications for geopolitics in Asia and American interests. China and India's boundary dispute dates back to the 1950s—and led to the 1962 war between the two countries. However, the June 15 clash led to the first fatalities on the China-India boundary since October 1975 and is the most serious Sino-Indian skirmish since 1967. Moreover, the clash has made clear that the set of boundary agreements, norms and protocols that Delhi and Beijing had put in place between 1993 and 2013 to avoid just such escalation are insufficient, not working, or, as New Delhi sees it, have been violated. Finally, it suggests that Chinese and Indian officials do not have the same view about which stretches of the boundary are settled and which remain contested. Beijing is now claiming sovereignty over the Galwan Valley region, an area that had not been a flashpoint since 1962.

The current China-India stand-off is not the first along the un-demarcated boundary in the Xi Jinping era. The countries' boundary dispute flared up in Ladakh in 2013 and 2014, and the two militaries were also involved in a 73-day stand-off in 2017 in Doklam (near the Bhutan-China-India trijunction). In each case, India accused China of trying to unilaterally change the territorial status quo.

But the military stand-off since early May has been different. It has involved a face-off not just at one location, but Chinese efforts to change the status quo at multiple points in the western sector of the China-India boundary (and one in the eastern sector). Second, the current stand-off involves some territory that has not been contested for decades. A third difference is the scale of the incident, with the deployment of a greater number of troops and military equipment. Fourth, the level of aggressiveness involved has been much higher than in recent skirmishes. Finally, this crisis is taking place even as Beijing has taken an assertive stance on a number of fronts, including vis-à-vis Hong Kong, Taiwan, Australia, Canada, Japan, as well as the South China Sea.

Motivations: Analysts have proposed various possible motivations for the PLA's initial moves at the China-India boundary in the spring. These include: a Chinese effort to incrementally salami-slice or nibble its way to additional territory and present India with a *fait accompli*; a desire to put India in its place; concerns about Indian infrastructure building; Delhi changing the status of Ladakh (separating it from Jammu & Kashmir, and centrally administering it); or India's deepening relationships with the US and its allies. Others have pointed to the broader pattern of Chinese assertiveness.

COVID-19 & the Boundary Crisis: COVID-19 might have had an impact at two levels. At the strategic level, experts are pointing to China's assertiveness on a number of fronts as stemming from either

- (i) Xi Jinping determined to demonstrate resolve or strength—and acting out of insecurity, given domestic concern and international criticism of his regime's handling of the coronavirus pandemic,<sup>2</sup> or

---

<sup>1</sup> For a more detailed look and context for the bilateral relationship, see Tanvi Madan, "A Border Clash Shows How China Is Losing India," *Foreign Affairs*, June 22, 2020 <https://www.foreignaffairs.com/articles/asia/2020-06-22/china-losing-india>.

<sup>2</sup> M. Taylor Fravel, "China's Sovereignty Obsession," *Foreign Affairs*, June 26, 2020 <https://www.foreignaffairs.com/articles/china/2020-06-26/chinas-sovereignty-obsession>

- (ii) Beijing's desire to take advantage of other countries, including the United States, being on the backfoot or distracted due to the coronavirus.<sup>3</sup>

The pandemic also seems to have had an impact at the operational level. While China undertook its annual spring military exercise on its side of the LAC after a short delay, India postponed its exercise in Ladakh due to the pandemic. The PLA is reported to have conducted its initial moves to change the status quo at the LAC by redeploying its troops involved in the exercise. On the other hand, the Indian postponement meant that its military did not have a presence in matching strength on its side of the LAC. Moreover, it reportedly added time for the Indian military to move troops from other locations, who are usually involved in the annual exercise.

Impact on Indian Perceptions & Policies toward China: How the boundary crisis plays out over the next few days, weeks, and perhaps months will affect the nature and extent of its impact.

Delhi will not stop engaging with Beijing, but the nature, extent and expectations of that engagement will change.

The boundary crisis has already hardened official views of China in India. The Indian home minister linked China both to the boundary and health crises affecting the country. The Indian external affairs minister told his China counterpart after the June 15 clash, "this unprecedented development will have a serious impact on the bilateral relationship."<sup>4</sup>

Moreover, the government has made clear that economic consequences will follow that could also have implications for the global technology competition. In a significant move, it has banned 59, mostly Chinese, apps on the grounds that they are "prejudicial to sovereignty and integrity of India, defence of India, security of state and public order." These include TikTok, almost a third of whose total downloads come from India.<sup>5</sup> Furthermore, there have been reports that the government will be changing its procurement guidance for the telecom sector, which could have implications for Chinese companies like Huawei and ZTE.

The boundary crisis will likely weaken the hands of those in policymaking circles that have been arguing for more engagement with China or for the idea that economic ties would help alleviate political strains. Beyond the government, in the foreign and security policy establishment at least, many advocates of these approaches have already shifted to a more assertive stance. There is almost a consensus in the foreign and security policy community, particularly among former officials, that the moment requires a reassessment of India's China policy. Public sentiment on China, already turning

---

<sup>3</sup> Robert A. Manning & Patrick M. Cronin, "Under Cover of Pandemic, China Steps Up Brinkmanship in South China Sea," Foreign Policy, May 14, 2020, <https://foreignpolicy.com/2020/05/14/south-china-sea-dispute-accelerated-by-coronavirus/>

<sup>4</sup> Indian Ministry of External Affairs, "Phone call between External Affairs Minister, Dr. S. Jaishankar and Foreign Minister of China, H.E. Mr. Wang Yi," June 17, 2020, [https://mea.gov.in/press-releases.htm?dtl/32765/Phone\\_call\\_between\\_External\\_Affairs\\_Minister\\_Dr\\_S\\_Jaishankar\\_and\\_Foreign\\_Minister\\_of\\_China\\_HE\\_Mr\\_Wang\\_Yi](https://mea.gov.in/press-releases.htm?dtl/32765/Phone_call_between_External_Affairs_Minister_Dr_S_Jaishankar_and_Foreign_Minister_of_China_HE_Mr_Wang_Yi)

<sup>5</sup> Indian Ministry of Electronics & IT, "Government Bans 59 mobile apps which are prejudicial to sovereignty and integrity of India, defence of India, security of state and public order," June 29, 2020, <https://pib.gov.in/PressReleasePage.aspx?PRID=1635206>

sour due to the pandemic, has deteriorated further because of the killing of Indian soldiers, with calls to boycott Chinese products growing.

The boundary crisis will also likely result in India doubling down on two aspects of its approach to managing China: (1) building its own capabilities, and (2) deepening its relations with its network of partners further and faster—both to enhance Indian capabilities and to balance China. Each of these will have implications for the U.S. So will the kind of trade-offs that India makes (or does not) in the future as it deals with its China challenge, including vis-à-vis how much it spends on defense versus development, whether it prioritizes prosperity or economic self-reliance, the resources it devotes to China versus Pakistan, and how it balances its desire for autonomy versus the necessity of alignment with partners.

### **COVID-19: Reinforcing Indian Concerns about China**

Even before the boundary stand-off, China's handling of the pandemic reinforced the skeptical perception of the country that prevailed in many quarters in India.<sup>6</sup>

The Indian government was measured in its rhetoric about China's response to COVID-19. This reflected Delhi's need to procure medical supplies from China, secure financing from institutions in which Beijing is a key member, and its desire to keep the China-India relationship stable.

Nonetheless, Beijing's approach at home and abroad fueled Delhi's existing strategic and economic concerns. The latter includes overdependence on China for industrial inputs—India's pharmaceutical sector, for instance, sources a majority of its advanced pharmaceutical ingredients from China. The India government has also been concerned about Chinese entities taking advantage of the crisis—and China's own seeming early recovery—to acquire vulnerable Indian companies.

Strategically, Delhi has worried that Beijing will take advantage of the pandemic to increase its influence among India's neighbors in South Asia and the Indian Ocean region, and to portray its system and global and regional leadership role as more effective at the expense of others—including the U.S. and India. Beijing's approach vis-à-vis the World Health Organization (WHO) has also reinforced India's concerns about how China will use its influence in regional and global institutions.

Impact on Indian Perceptions & Policies toward China: Given its China-related economic concerns, there has been an intensification of the desire to boost domestic production or diversify India's suppliers. The Indian government has also announced restrictions on foreign direct investment from countries that share a land boundary with India—a move clearly directed against China. Furthermore, it has reportedly urged the Securities and Exchange Board of India to increase its scrutiny of foreign portfolio investment from China and Hong Kong.

To mitigate its concerns about increasing Chinese influence in its neighborhood, the Indian government has been proactive during the pandemic with diplomatic outreach, economic aid, technical assistance and the provision of medical supplies.

---

<sup>6</sup> This builds on a contribution to the *ChinaFile Conversation*, "How Is the Coronavirus Outbreak Affecting China's Relations with Its Asian Neighbors?" April 26, 2020, <https://www.chinafile.com/conversation/how-coronavirus-outbreak-affecting-chinas-relations-its-asian-neighbors>

Delhi's ability to respond to China portraying itself as a model—and as a contrast to democracies—will depend over time on how India ultimately fares in this pandemic, in health, economic and social terms. In the short term, India's prime minister and external affairs minister have been active in engaging their counterparts around the world. To boost its own image—and perceptions of its reliability in case countries and companies diversify more post-COVID19—India has also lifted or made exceptions to its export restrictions on certain pharmaceuticals. Furthermore, Indian officials have highlighted Delhi's assistance to China, and—while acknowledging Beijing's facilitation—emphasized that most of the supplies India is getting from China is through commercial procurement. Finally, India is engaging with other countries in the Indo-Pacific, bilaterally and with other partners, with whom it is also working with in international institutions.

Beyond the government, the Indian establishment has been far more vocal in its criticism of Chinese behavior during the pandemic. Criticism has focused on Beijing's lack of transparency. Moreover, a number of prominent voices have pointed to the lack of democracy in China as part of the problem—this is particularly striking coming from former officials, who have not tended to comment on the nature of the regime in Beijing or its impact.

With regards to the Indian public, China's missions in India focused their approach on highlighting China's own efforts to tackle the pandemic, the donation of supplies by Chinese companies to India, as well as criticisms of the US response to COVID-19.

However, in the public sphere, the pandemic led to anti-China sentiment going mainstream in a way usually reserved for India's other rival, Pakistan. Many Indians, even before enduring one of the toughest lockdowns in the world, largely blamed China for the origin of the virus, with criticism for its lack of disclosure, its influence at the WHO, its sidelining of Taiwan, the quality of its medical supplies, and what was seen as a Chinese effort to take diplomatic or commercial advantage of the crisis.

### **Implications for the United States**

Over the last few months, while Indian policymakers and the public have seen China as more of a problem, they have largely seen the U.S. as part of the solution.

The pandemic has caused some disruption in U.S.-India relations since it has affected scheduled visits, bilateral and multilateral engagements, as well as the conclusion of a phase-one trade deal.

However, American and Indian policymakers have worked closely, including through conversations at the highest levels, to discuss the pandemic's impact and their response. They have also tried to keep supply lines of pharmaceuticals open, as well manage the fallout for the each other's citizens and businesses.

India also joined two regional mechanisms formed on U.S. initiative. One, at the deputy secretary of state level, involved a regular conversation between the “Quad” countries (Australia, India, Japan, the U.S.), plus New Zealand, South Korea, and Vietnam. The countries used the platform to share information, and discuss repatriation, maintaining supply lines (for pharmaceuticals and medical equipment) and extending visas, as well as to coordinate responses and assistance to other countries. They also outlined future areas of cooperation, including building reliable and resilient supply chains, coordinating in international institutions, and the development and distribution of vaccines. India also

joined a mechanism at the secretary-of-state level that involved the Quad countries, plus Brazil, Israel and South Korea.

India-U.S. relations could also be bolstered by the boundary stand-off. The U.S.-India partnership has been driven in part by shared concerns about China's behavior, and it indeed deepened, particularly in the defence and security sphere, after the last stand-off between the Chinese and Indian militaries in 2017.

Delhi has seen the U.S. as critical to its network of partners in the Indo-Pacific, which also includes U.S. allies like Australia, France, and Japan. India sees the U.S. as crucial to building its own capabilities, as well as ensuring a balance of power in Asia.

Moreover, American capabilities that India has acquired have been deployed during stand-offs with China (including P-8i reconnaissance aircraft and Apache helicopters). In previous crises, the U.S. has also been helpful to India through intelligence sharing and diplomatic support. Since the last crisis, Delhi and Washington's ability to work together has been enhanced due to more dialogue mechanisms, greater habits of cooperation including at the operational level, and the signing of military agreements on logistics support, secure communications and industrial security.

Finally, it has not been lost on Indians that the U.S. has been one of the few countries from which it has heard statements of support, as well as concern about China's assertiveness—this from both the administration, as well as members of Congress from both sides of the aisle.

While India might move into closer alignment with the U.S., it will not put all its eggs in the American basket. This is due to Indian uncertainties about U.S. reliability or the consistency of Washington's China policy, other partners like Russia (a source of military equipment and parts, and a conduit to China), and a desire to maintain India's freedom of action.

Nonetheless, the boundary crisis, in particular, will bring home to New Delhi that the choices it faces vis-à-vis U.S.-China competition will be different than it had available during the U.S.-Soviet Cold War, when it sought to remain non-aligned. This time one of the competitors is an Indian adversary. Thus, Delhi, while striving to maintain its freedom of action, will likely find itself aligned with the U.S. more than it will with China.

The coronavirus and the boundary stand-off have only reinforced for India, as a recently retired foreign secretary put it, that "The world needs balance — at the moment, no country other than the United States has the means to ensure it. At a practical level, its leadership is indispensable."<sup>7</sup> This could mean an Indian willingness to work with the U.S. not just bilaterally, trilaterally or quadrilaterally, but also in international institutions to blunt or balance Chinese influence. Given that India will be chair of the WHO, a non-permanent member of the U.N. Security Council, and hold the presidency of the G20 in 2022, U.S.-India cooperation in this realm could be fruitful.

Nonetheless, it is worth keeping in mind that the current situation, particularly the fallout from COVID-19, could also pose challenges for the U.S.-India relationship. Much will depend on how the health and economic consequences play out. Credible responses to COVID-19 will help each country

---

<sup>7</sup> Vijay Gokhale, "China Doesn't Want a New World Order. It Wants This One." *New York Times*, June 4, 2020 <https://www.nytimes.com/2020/06/04/opinion/china-america-united-nations.html>

see the other as a more attractive partner. Moreover, the nature and effectiveness of each country's response will likely affect both the willingness and ability to take the relationship forward bilaterally, regionally, and globally. But the relationship will also depend on the economic choices (trade, investment, immigration) that the countries make as they seek to recover and re-emerge from the coronavirus. These could be a subject of friction, or they could fuel the relationship further.

## **Conclusion**

First, the boundary crisis remains serious and requires careful watching. The U.S. is probably considering different scenarios. It should also consider what New Delhi might ask of it in each case, whether or not the U.S. is willing to be responsive, and, if it is, prepare for those contingencies. In previous crises, Washington has also played a role vis-à-vis Beijing. However, in the current situation, it is not clear how effective or welcome that might be.

Second, moments like the current one can be clarifying for India, including in terms of which of its partners is reliable. If the U.S. wants to be responsive or to show support to India, it should convey this willingness, while taking care not to escalate the situation. Such responsiveness and support will facilitate a closer Indian alignment with the U.S. in the future. However, Washington should not try to push India into decisions or choices, or let Delhi think it is taking advantage of the boundary crisis—that would be unhelpful, if not counterproductive.

Third, India's desire to reduce its economic dependence on China could benefit American companies. But this space needs to be watched closely—if this leads to a broader protectionism, this could adversely affect American economic interests.

Finally, for partners like India, their willingness to cooperate with the U.S. in the region and globally will depend not just on Chinese missteps but on the U.S. willingness and ability to respond. A robust U.S. response at home and abroad to COVID-19 and to challenges to the rules-based order might help deter certain Chinese behavior; it will definitely make Washington a more attractive partner, increasing countries' willingness to work with the U.S. and burden share.