

## Costly Competition: India Playing into China's Hands

As Beijing lures New Delhi into a game of catch-up, India wastes resources that could be better spent elsewhere

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*Everything is going as China has wanted with its India strategy since April. The situation has been evolving as Beijing predicted.*

*In other words, whatever China wants India to do, India does.*

Because of its opaque governance system, it is normally hard to predict China's long-term strategy and its short-term tactics. To attempt to do so, one needs to depend on the Chinese state-run media. One may also rely on the reports of Chinese think-tanks and occasional writings in Chinese media.

However, in the case of India, China's long-term strategy seems reasonably clear.

Beijing no longer considers India a competitor, because its economy and military capabilities lag far behind China's. But Beijing does see India as a possible future rival. Therefore, it wants to create hurdles for India's evolution as a future competitor, say 30 years from now.

According to the projections of various international organizations, China's rivalry will not be with the US but with India by 2050 or beyond. For example, the World Economic Forum [has forecast](#) that the Indian economy will surpass that of the US by 2030. However, Standard Chartered Bank recently revised its [prediction](#) that India would become the world's second-largest economy by 2050.

Indian strategists and policymakers have been overly excited that India will be the world's largest economy by 2050. But they have failed to take concrete policy initiatives to ensure this economic growth trajectory.

This is why [Indian strategists claim](#) they are dealing with a different era in which the world order is being rebalanced.

This is mentioned here and there in a recently published book by Indian External Affairs Minister Subramanyam Jaishankar, *The India Way: Strategies for an Uncertain World*.

Indian policymakers have a penchant for thinking far beyond their real economic, military, and diplomatic capabilities.

As well, territorial nationalism plays a crucial role in India's domestic politics. The

government cannot compromise with any other country over disputed territory. If it did, it would lose votes in the next election.

Beijing appears mindful of both of these weak points in the Indian psyche.

Whether China wants to resolve or prolong the border issue, it seems to be prioritizing fulfillment of its long-term strategic objectives. And it seems clear that Beijing wants neither an India that is too weak nor one that is too strong.

According to Jaishankar, the same is true for the West: A weak India is not in the West's interest, but neither is an economically and strategically strong India. Jaishankar mentioned the ["Goldilocks principle"](#) in a speech at the Atlantic Council a year ago. This is where an established superpower tries to keep middle powers or aspirant superpowers neither too strong nor too weak.

Naturally, China wants to be the leader and India a follower, in Asia now and globally in the future.

Jaishankar has rightly mentioned in his book that while the US has fought many wars and not won a single one, China is winning on all fronts without fighting a single battle.

Thus China wants to win on all fronts against India without firing a single shot.

Beijing wants to gain the upper hand over India strategically while resolving the border dispute. If that cannot be done quickly, China will prolong the border standoff in Ladakh. However, if India perceives this strategy as a weakness and attacks China, Beijing will retaliate strongly.

So, what does China want to achieve by pressuring India on the border as it has done for the last eight months?

First, China wants to drive India into a costly strategic competition.

For example, China has been commissioning aircraft carriers into service. In response, India will feel obliged to buy expensive aircraft carriers from other countries, thinking beyond its actual financial capacity and need.

But China has been developing the capacity to build its own carriers, while India would need to procure such warships from abroad. If India were to buy a USS Gerald R Ford-class aircraft carrier from the US, it would cost about [\\$13 billion](#).

India's current defense budget is [\\$73.65 billion](#). So procuring two aircraft carriers just to match the Chinese would soak up about one-third of the total defense budget. Meanwhile, China's home-grown shipbuilding industry would be localizing its military infrastructure and creating manufacturing jobs.

China will also test missiles of various ranges, forcing India to buy a defense system to counter these.

Second, China wants India to compete with it in military capabilities. China has vowed to [modernize its military](#) in its 14th Five-Year Plan. It has promised to make its People's Liberation Army world-class. After China builds a world-class PLA, India will be under

pressure to modernize its military in parallel.

India will be forced to increase the size of its military to compete with China. This will increase defense spending sharply.

Third, for the modernization of the Indian Air Force, Navy, and Infantry, New Delhi will waste enormous financial resources on military and logistic supplies.

Because of India's territorial nationalism, a political situation will be developed whereby the government spends scarce financial resources on irrational projects such as constructing a road or airport in the high Himalaya, or buying aircraft carriers.

Fourth, as a result of the three factors mentioned above, India has to focus on border protection instead of prioritizing economic growth, job creation, and poverty reduction.

Thousands of schools, hundreds of universities, hundreds of hospitals, thousands of kilometers of roads, the same amount of railways will be forgone in the name of territorial defense. Scarce economic resources that could have been used to develop infrastructure and public goods will be squandered to protect barren land in the Himalaya.

About 21% of India's population lives on less than \$2 a day and about 60% earn less than [\\$3.10 a day](#), the World Bank's median poverty line. India's priority should be to lift this population out of the vicious cycle of poverty. To do so, India needs to double the national income every six to seven years, ensuring fair distribution. India needs massive investment to accelerate economic growth.

The Chinese seem to understand that India will not make economic expansion and poverty reduction a priority. It will instead spend money to buy a caravan of tanks on the land, an armada in the sky, and fleets in the ocean.

China wants India to stray from its economic priorities. The Indians will defend the border by pouring enormous financial resources into the Himalayas.

By doing so, China wants to prevent India from setting priorities for economic growth. It also intends to create delays and obstacles in policymaking and planning and their practical implementation to transform the Indian economy.

Instead of industrialization, procuring technology from abroad, innovation, and job creation, India will be forced to waste resources to defend its borders and sea lanes.

China also wants India to de-prioritize invention, innovation, and research and development in science and technology because of a lack of resources.

Last, China wants to divert India's national energies and effort. The country's politicians, administrative leadership, army, media, intellectuals, and the general public all seem to be preoccupied with border disputes with China.

This will make India directionless and destination-less for the future.

If India makes such a mistake, China will become the world's uncontested economic and military power beyond 2050.

India's participation in the recent Quad meeting, the Malabar Naval Drill, its opting out of the Regional Comprehensive Economic Partnership (RCEP), and signing the Basic Exchange and Cooperation Agreement for Geo-Spatial Cooperation (BECA) with the US – all is going as China expected.

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