

What Will Modi 3.0 Mean for China-India Relations?

From Tawang to Taiwan, assessing the geopolitical rivalry and geostrategic competition.

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An Indian girl stands for photos with an Indian flag at the India- China border in Bumla, Arunachal Pradesh, India, Oct. 21, 2012.

Credit: AP Photo/Anupam Nath, File

Indian Prime Minister Narendra Modi's small margin of victory in the 2024 general elections crushed his hopes for sweeping National Democratic Alliance (NDA) dominance. There was never a question in this election about Modi's

ability to [win a third term](#). Rather, it was about the magnitude and extent of his victory.

While there has been much debate about the domestic political implications of the election results, there has been less reflection of what a third term for Modi – newly reliant on his coalition to maintain power – means for China-India relations. Despite Modi's disappointed expectations, his foreign policy objectives are unlikely to deviate from their previous trajectory. We examine several significant factors that will continue to influence Sino-Indian relations in light of Modi's narrow win.

Partners and Rivals

India explicitly acknowledges that Beijing remains a formidable adversary – one of two major geopolitical rivals in the region. Compared to Pakistan, China is a stronger, if not the most significant, rival to India's long-standing sphere of influence in terms of diplomacy, politics, and strategic superiority.

China has advanced military capabilities, economic strength, and influence in other South Asian states, including India's neighboring countries. India's long-standing [sphere of influence](#) includes all the South Asian Association for Regional Cooperation (SAARC) member states, except for Pakistan: Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka.

The border dispute frequently overshadows other issues between China and India. The Doklam standoff in 2017 and the deadly clash in the Galwan Valley in 2020 showed that this implicit cold war has the potential to turn into a hot war at any moment unless each side applies self-restraint. The deepening border crisis not only reflects the growing strategic rivalry between India and China, but it also means that Sino-India relations are unlikely to make much progress during Modi's third term. The addition of Indian provinces in the official map of China in 2023 reasserted that the formula of a direct conflict persists and will not [wither away soon](#).

While Modi has urged peace at the Sino-India border, China has continued to advance its strategic infrastructure there, including building new villages in disputed areas, military bases, and expanding roadways and railways. China's overall position and activities along the Line of Actual Control (LAC) suggest that Beijing's intentions are to expand its territory at India's expense. In addition, India and China have translated

their key geopolitical rivalry into a geostrategic competition to control choke points like the Siliguri Corridor, also referred to as the “Chicken’s Neck.”

Beyond the territorial disputes, there is the question of regional influence. China regards South Asia as its backyard. However, as India considers South Asia to be part of its sphere, China sees any [influence](#) it can exert on SAARC member states as a significant strategic gain. India’s foreign policy under Modi has sought to respond to expanding relations between SAARC nations and China. This situation remains relevant during Modi’s third term, given that recently there has been a shift toward China to counterbalance India’s influence over smaller South Asian states. The primary concern for New Delhi revolves around China’s involvement in these countries.

China has arguably uprooted India’s longstanding and overt authority next to its borders and off India’s shores, as demonstrated by China’s activities in [Sri Lanka, the Maldives, and Bangladesh](#), which have all signed on to China’s Belt and Road Initiative (BRI). To Indian analysts, the BRI is entangled with the so-called String of Pearls – China’s goal of establishing a network of military bases that would essentially surround India and sandwich it from the north and the south. Similarly, Beijing’s adamant insertion and occupation of sensitive areas near the [Bhutan-India border](#) is emblematic of its commitment to political and economic expansion.

The third and most significant issue for Modi is the relationship between China and Pakistan. For India, the existence of two nuclear-armed adversaries to the west and east presents a strategic conundrum. Pakistan’s military development along the Line of Control (LOC) can potentially create a gap in the LAC, which China can exploit. India frequently undergoes changes in its military commands, doctrine, and force deployment along the LOC and LAC to keep on top of the security situation along its disputed borders.

Moreover, Myanmar will remain a critical component of the Sino-Indian relationship for Modi. The civil war has had a notable impact on India’s [national interests](#). Mega-projects, including the Kaladan Multi-Modal Transit Transport Project, have either been severely impacted or completely halted as a result of the ongoing armed conflict. However, the conflict has not seriously impacted or led to any attacks on Chinese mega-projects. China’s substantial influence over the dissident

groups in Myanmar, in addition to its existing favorable relationships with the ruling junta, is one of the reasons. China's control of water flows from dams in the region means that Beijing will maintain its influence over the junta.

Areas of Possible Engagement and Escalation

Several other significant areas, such as strategic deterrence, [economic relations](#), and multilateral cooperation, will dictate the agenda and foreign policy challenges of China-India relations during Modi's third term. The Indo-Pacific Strategy, Quadrilateral Security Dialogue, and bilateral security arrangements will certainly prompt India's participation in new undertakings. New Delhi will likely intensify its efforts to mitigate Chinese influence in SAARC states through the use of diplomatic, political, and economic pressures.

India's diplomatic advancement and impressive track record on the global stage, particularly in the Global South, over recent years have built up India's positive image during Modi's tenure. India's international engagements, which have benefited India by reducing Beijing's influence over neutral, small, and middle-power nations, are likely to continue in the coming years, contrasting with China's international engagements and interests.

Nationalism and economics at this particular point present an interesting intersection. Whereas India's economy is stable and strong, China's is experiencing turmoil. Their respective debt-to-GDP ratios strongly contrast, with China's debt-to-GDP ratio having reached a record [287.8 percent](#) in 2023, whereas India's decreased to [18.7 percent](#). Both countries have strong nationalist interests on the domestic front. These factors present an important nexus, resulting in tensions and instabilities that translate into foreign policies and relations.

If Modi attempts to revive his diminishing popularity by exploiting nationalist emotion, it may lead to a diminishing of constraints from both China and India in relation to border disputes, potentially resulting in conflict that could be exacerbated by small political or security moves by either country.

In due course, India may deliberately seek to capitalize on China's economic turmoil. Modi's heightened involvement with his Western counterparts reinforces his position as the most prominent leader in South Asia, even though the recent election results suggest that Modi's popularity and power have peaked. India should carefully consider whatever actions it

takes to counter China, ensuring that it does not inadvertently disrupt the internal stability of its neighboring countries or fuel anti-India sentiments.

India, China, and Taiwan

The relationship between China and India is likely to continue to evolve into a more intricate and competitive landscape following Modi's political win. In this context, India's approach to Taiwan merits special attention.

The Chinese leadership [congratulated](#) Modi the day after his election and expressed their desire to collaborate. So did Taiwan's President Lai Ching-te, who offered his "sincere congratulations" to Modi in [a post on X](#) (formerly Twitter). Modi expressed [gratitude](#) for Lai's message in his own [post on X](#), adding, "I look forward to closer ties as we work towards mutually beneficial economic and technological partnership."

Beijing objected to Modi's interaction with Lai, especially his embracing the possibility of working closely with Taiwan.

S. Jaishankar, India's external affairs minister, has emphasized the potential to strengthen India's relationship with Taiwan in the technology sector, specifically in the important semiconductor sector, which is a growing focus of global competition. Taiwan is a major power in this domain, accounting for [over 90 percent](#) of advanced chip production. Meetings between Indian and Taiwan government officials, as well as industry leaders such as [Foxconn Technology Co.](#) and others, exemplify the potential for and developing the technology partnership that both India and Taiwan have openly discussed, much to China's censure.

Amid strained and deteriorating cross-strait relations, Taiwan has continued apace with its economic and technological engagement with India, and vice versa. While their interactions and lucrative pursuits have already had a negative impact on China-India relations, expansion in this direction will present both opportunities and challenges. Still, Modi has moved beyond mere gestures, explicitly saying that India will pursue the opportunities further.

Nevertheless, the Taiwan-India relationship remains unofficial, and their political connections continue to play a major role in deepening economic cooperation, despite numerous advancements. Taiwan's Indo-Pacific strategy is an important area in which both have prioritised mutual interests, even when clashing with China's.

The India-China-Taiwan relationship triangle also converges with India and China's space ambitions, their geostrategic rivalry, and the crucial semiconductor and technology sector, in which Taiwan plays a key role and is arguably a survival guarantor. Semiconductor technologies play a crucial role in the exploration of space, enabling spacecraft, satellites, and space instruments to operate.

While both India and China are Global South leaders and powers, they have a shared identity as rising space powers. Space power is an essential part of geopolitical competition, but being a space power requires satellites and communication to support military, security, and economic goals, as well as to dominate the battlefield. For example, Beijing's advancing [space activities and capabilities](#) enable it to maintain regular surveillance of India's military positions and operations along LAC without violating Indian territory. India, reportedly, has had to receive [intelligence assistance from the United States](#) to keep apprised of China's movements.

Modi's third term could widen the rift between two economically and militarily powerful nations in the Global South, signalling the beginning of India's shift toward an even more anti-China sentiment in both words and actions. In light of these scenarios, it is reasonable to project that India's relationship with China will become increasingly complex and sensitive in the months and years ahead.

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