



POTENTIAL CONSEQUENCES OF THE CHINA-INDIA BORDER DISPUTE

The border dispute that started on May 5, 2020, along the Line of Actual Control (LAC) on the border of China and India, the two most populous countries in the world, cause the existing tensions in Beijing-New Delhi relations to increase again. In particular, on June 15, 2020, a clash took place between soldiers of the two sides in the Galwan river valley in the Ladakh region. The deaths of 20 Indian and 43 Chinese soldiers in the conflict is the first such bloodshed in the last 45 years in the border region. As the situation developed, in September 2020, after a series of meetings between high-level Chinese and Indian officials on border issues, the parties reached a consensus on reducing tensions in the border area. According to the agreement, the countries were supposed to withdraw their military units. However, we can see that they have not withdrawn troops and military equipment they had previously shipped to the region. For five months, the border dispute has been threatening not only China-India relations but also peace and stability in the Asia-Pacific region, and it is uncertain how long it will last. Although it is unlikely for the China-India border dispute to turn into a potential large-scale war, it does not seem easy to ensure peace and tranquility in the border area in the near term.

Looking at the historical background, we can see that the endless border dispute between China and India dates back to the second half of the 20th century. The border dispute between China (People's Republic of China) established in 1949 and India established in 1947 led to the China-India Border War in 1962, along with the Tibet issue. After the war, the countries returned to their pre-war borders. The ongoing sovereignty conflicts over the border area of more than 120,000 square km led to various border disputes in 1967, 1975, 1987, 2013, 2014, 2015, 2017, and 2020. Therefore, the unresolved border issues between China and India, which have a common border of approximately 2,000 km, continue to be the most sensitive issue in the relations between the two countries. It is noteworthy that Beijing and New Delhi refused to accept Washington's offer to mediate in various dialogue and consultation mechanisms launched since May 2020, which shows that the countries want to resolve border

conflicts among themselves without turning them into a border war. The reasons for this can be found in the global geo-economic environment in general and the current trade-economic relations and strategic priorities of China and India in particular.

From a geo-economic perspective, the global economic recession, especially in the last few years, slowed the export-led economic growth of both China and India. Beijing strived to focus more on economic activities after the China-United States trade war, which resulted in a trade agreement for the benefit of Washington, whereas New Delhi accelerated its efforts to save millions of people from poverty by providing economic growth. In addition, it is obvious that the negative impacts of the coronavirus outbreak, which began in January 2020 and then turned into a global pandemic, slowed the economies of China and India further. It can be stated that the aforementioned negative effects of the geo-economic environment also constitute an obstacle to the escalation of the bilateral border dispute. Under such adverse economic conditions, a possible full-fledged border war between Beijing and New Delhi may damage both countries. Moreover, the fact that a potential border war is likely to break out in the Himalayas, which is the world's largest mountain range with harsh climatic conditions that could bring a significant economic burden to these countries. This environment caused by both ongoing economic issues and coronavirus reduces the possibility that the two countries would go into a large-scale war.

From the perspective of current China-India trade and economic relations, the escalation of the border dispute between the parties into a potential border war would be to the detriment of both countries. As it is known, China is India's largest trade partner, whereas India is China's ninth-largest trade partner in the world and major trade partner in South Asia. In 2019, bilateral trade between China and India totaled \$85.49 billion. In particular, China's exports to India were \$68.37 billion, while imports from India stood at \$17.13 billion. As of December 2019, Chinese investment in India reached \$8 billion.

A potential border war may cause additional problems for the strategic interests

of both Beijing and New Delhi since it may escalate many regional issues. For China, a potential border war with India may not only endanger security and stability in the Tibet region but also foment China-Bhutan border disputes. For instance, it is no coincidence that the news of the death of an ethnic Tibetan soldier serving in the Indian army emerged during the China-India border conflict. Taking into account that today around 100,000 ethnic Tibetans live in India and that there are soldiers of the Tibetan origin serving in the Indian army, Beijing may also face the Tibet issue in a possible Sino-Indian war. For India, it is to be expected that a possible border war with China would escalate the border disputes with Pakistan and Nepal, both of which have good relations with China. For example, in June 2020, when the China-India border dispute became more acute, similar border conflicts between India and Nepal emerged. On the other hand, a possible border war between China and India, which are the members of the Shanghai Cooperation Organization, may harm this regional security organization. In summary, China-India border conflicts have become more frequent in recent years, with Beijing and New Delhi strengthening efforts to increase their global and regional influence as two significant economic powers. From this perspective, it seems unlikely that the border dispute between China and India, which regard each other as rivals, can be easily resolved. It is clear, however, that China and India will not engage in a major war, at least in the short term. Nevertheless, it is noteworthy that in recent years, both countries have increased various transportation infrastructure projects in disputed areas under their control. In particular, Beijing's project to channel the water of the Yarlung Tsangpo river, which flows from Tibet to India through China and then into the Indian Ocean via the Ganges, to East Turkistan, may cause new tensions between the two countries in the coming period. Therefore, it can be stated that the future of border disputes between China and India at a certain level will depend on the political-economic and strategic priorities of Beijing and New Delhi, as well as on the global geo-economic and geopolitical environment.

Politics, Foreign Affairs, and Security

- The presidents of Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan made a joint statement on the events in Kyrgyzstan. The Central Asian leaders expressed serious concern over the situation in the brotherly nation, expressing hope that all Kyrgyz political parties and civic circles will make necessary efforts to ensure peace and tranquility and to resolve problematic issues in accordance with the country's constitution. They also stressed that Kyrgyzstan's wellbeing was an important factor of regional security and sustainable development of Central Asia (Akorda, 09.10.2020).
- President of Kazakhstan Kassym-Jomart Tokayev visited the peacekeeping training center in the Almaty region to observe the first ever complex peacekeeping exercise of the country's armed forces. The exercise involved more than 1,000 military personnel and over 100 units of combat and special equipment. President Tokayev also examined the model peacekeeping base and the classes designed for engineering, linguistic, tactical and medical training (Akorda, 08.10.2020).
- During his official visit to Hungary, Minister of Foreign Affairs of Kazakhstan Mukhtar Tileuberdi held talks with his counterpart Peter Szijjarto. The parties discussed ways to develop bilateral cooperation and interaction between regional structures, in particular the Eurasian Economic Union (EAEU), the European Union, the Visegrad Four, and the Central Asian Five. Tileuberdi also visited the European office of the Cooperation Council of Turkic Speaking States in Budapest and got acquainted with its activities (MFA of Kazakhstan, 09.10.2020).
- U.S. Under Secretary of State for Political Affairs David Hale, Foreign Minister of Afghanistan Mohammed Haneef Atmar and Foreign Minister of Turkmenistan Rashid Meredov held the first trilateral meeting via teleconference. The parties discussed mutual issues of concern including political, security, and economic matters. They agreed to intensify cooperation on regional security, economic growth, and development, and called on the international community to support the Afghan peace negotiations (U.S. Department of State, 09.10.2020).
- The foreign ministers of Russia, Armenia and Azerbaijan held trilateral consultations in Moscow and reached an agreement on a ceasefire in Nagorno-Karabakh. The conflicting parties agreed to stop hostilities with the humanitarian aim of exchanging prisoners of war and other captured persons as well as to exchange bodies of victims. According to the document, Armenia and Azerbaijan also agreed to begin practical talks on the peace settlement with the mediation of the OSCE Minsk Group co-chairs (TASS, 10.10.2020).
- The OSCE organized a workshop in Tashkent on the role of the parliament in the oversight of the security sector for 20 members of the Oliy Majlis of Uzbekistan. Participants were briefed on the main actors and principles of good security sector governance, as well as concrete tools for parliamentary oversight. They discussed existing mechanisms for the security sector oversight in the context of Uzbekistan's 2016 Law on Parliamentary Oversight (OSCE, 06.10.2020).

Economy, Finance, and Energy

- During an online press briefing, Minister of Agriculture of Kazakhstan Saparkhan Omarov announced that funding of the agrarian science in the next three years will be increased by 2.3 times up to 50.4 billion tenge (117.2 million US dollar). To promote the development of the agrarian science and training of specialists, the ministry opened 22 knowledge outreach and consultation centers. It is also planned to develop 36 research and technology programs in 10 priority research directions (Kazinform, 06.10.2020).
- Business Ombudsman of Kyrgyzstan Robin Ord-Smith expressed deep concern in connection with the wave of criminal activity that the business community had faced in the aftermath of the events in the country. Entrepreneurs and investors became subject to attacks, robberies and looting of property. In Ord-Smith's view, such actions violate the fundamental principles of Kyrgyzstan's legislation on the rule of law and the right of private property, while causing colossal damage to the economy and the international image of the country (Kabar, 09.10.2020).
- According to the press service of Uzbekistan's leather industry association Ozcharmsanoat, in 2020, the geography of exports of footwear produced in the country expanded. Such countries as the United States, the United Arab Emirates, Kuwait, Latvia and Moldova opened their markets for Uzbek footwear products. According to customs statistics, since the beginning of 2020, 23.7 million pairs of shoes worth \$27.98 million were exported, which is a 91% increase compared to the same period of 2019 (UzDaily, 10.10.2020).
- According to the forecast of the European Bank for Reconstruction and Development, the GDP of Azerbaijan will decrease by 3% in 2020, but will grow by 2.5% in 2021. The country is expected to return to the level of its 2019 GDP per capita by 2025 or earlier. At the same time, the combined assets of the Central Bank and the State Oil Fund reached nearly \$50 billion, which is more than the projected 2020 GDP (AzerNews, 07.10.2020).
- The EAEU member states expect to achieve nearly full self-sufficiency in major agricultural products, except for fruits, in 2021. Currently, domestic production fully satisfies the EAEU's demand for cereals, sugar, vegetable oils, pork, eggs, and mutton, while self-sufficiency in potatoes and beef is within reach. At the same time, the self-sufficiency rate for fruits will remain low (45%) in the near future. It is expected that the EAEU's overall output of agricultural products will increase by 12.2% in 2021 in comparison with 2018 (BelTA, 09.10.2020).
- Under the agreement on political cooperation, free trade, and strategic partnership signed between Ukraine and the United Kingdom, about 98% of all Ukrainian goods will have preferential access to the British market. In particular, quotas for some goods will grow from 13% to 20%, which will stimulate Ukrainian exports. The UK plans to liberalize access for the remaining 2% of Ukraine-produced goods from 2023 (Ukrinform, 09.10.2020).

Society and Culture

- The Embassy of Kazakhstan in Mongolia hosted the event titled "The Creative Evening of Abai and al-Farabi" dedicated to the anniversaries of the two thinkers. Local officials, diplomats, journalists and prominent figures of the Kazakh diaspora listened to Abai's songs and poems and watched documentaries about the lives and works of Abai and al-Farabi. During the event, the book "Abai's Book of Words" translated into Mongolian was presented (Kazinform, 05.10.2020).
- The U.S. Centers for Disease Control and Prevention (CDC) delivered \$8,356 worth of laboratory supplies that will be used to conduct tests for COVID-19 to Tajikistan's State Scientific Research Institute of Preventive Medicine. The donation is part of the \$1.69 million assistance package pledged by the CDC to support Tajikistan in combating the COVID-19 epidemic. The CDC has been supporting the ministries of health in Central Asia since the beginning of the outbreak by organizing trainings and providing technical assistance (U.S. Embassy in Tajikistan, 05.10.2020).
- The OSCE Project Coordinator in Uzbekistan handed over ultraviolet antibacterial system equipment to the Scientific Research Institute of Virology of the Ministry of Health of Uzbekistan as part of the pandemic-related humanitarian aid. The equipment will be used in the healthcare system to prevent the spread of COVID-19 in the country. In particular, it will help to disinfect air and surfaces at hospitals, which can protect medical personnel from contracting novel coronavirus when carrying out their duties (OSCE, 06.10.2020).
- Canada will assist Kazakhstan, Kyrgyzstan and Tajikistan to cope with the COVID-19 crisis by contributing 750,000 Canadian dollars to the International Federation of Red Cross and Red Crescent Societies (IFRC). This contribution is comprised of a C\$250,000 assistance package to each of the three countries aimed at alleviating the devastating impact of the pandemic on the most vulnerable population groups. The IFRC will provide social support and mental health services, as well as training for volunteers (Asia-Plus, 09.10.2020).
- During the seventh meeting of the Ukraine-Turkey joint commission on tourism, the two countries agreed to jointly develop and promote tourism products, including on international platforms. In particular, the parties will create common tourist packages and four-season recreation and rehabilitation resorts. They also agreed to apply common quality standards at tourist sites and interact in the field of conference industry and business tourism (Ukrinform, 09.10.2020).
- UNICEF and the government of Turkmenistan signed a five-year plan to procure vaccines and vaccine related equipment worth \$83 million. High-quality vaccines will protect Turkmen children from 14 vaccine preventable diseases and will ensure the continuity of the immunization program in Turkmenistan. Turkmenistan also expressed its willingness to participate in the global COVAX facility, which is aimed at cooperation with vaccine manufacturers to provide countries with equitable access to licensed vaccines against COVID-19 (Parahat.info, 05.10.2020).