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JOINT WARFARE  
STUDIES

GL/31/25

# INDIA-CHINA RESET: THE WAY AHEAD

ORGANISED BY CENJOWS  
11 SEPTEMBER 2025

**INDIA–CHINA RESET: THE WAY AHEAD**  
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**ORGANISED BY CENJOWS ON 11 SEP 2025**

**Backdrop**

India–China relations have historically oscillated between cautious cooperation deep mistrust, rooted in unresolved boundary dispute, strategic rivalry, and divergent geopolitical visions. In the recent past, efforts at a “reset” gained traction, reflecting both countries’ recognition of the need to stabilise ties amidst global uncertainty, economic compulsions, and growing external pressures. The backdrop of this reset is the continuing border tensions, the fallout of the 2020 Galwan clashes, and the broader churn in the international order marked by the US–China rivalry, tariff wars, and a shift towards multipolarity.

**Why a Reset Now?**

Several converging factors made a reset desirable. The Kazan Summit, the 34th Working Mechanism for Consultation and Coordination (WMCC), and the 24th round of Special Representative talks on the boundary issue all provided avenues for disengagement at remaining friction points. New general-level mechanisms for border delimitation and confidence-building sought to reduce the possibility of escalation. Additionally, both sides recognised that prolonged hostility was unsustainable, given the economic costs, stalled trade opportunities, and the need to address global challenges collaboratively. The tariff war by President Trump has also been a factor in speeding up the reset process.

However, sticking points remained prominent, Chinese military build-up in Ladakh, support for Pakistan through arms supplies and the CPEC corridor, and India’s strategic outreach through the Quad and other partnerships. These structural contradictions continue to limit the scope of reconciliation. Reset Dynamics in 2025

The Modi–Xi summit in 2025 symbolised renewed intent on both sides to carefully recalibrate ties. India articulated a framework built on mutual respect, trust, and sensitivity, while pushing for reduction of trade deficits, fair trade practices, and cooperation against terrorism. India sought tangible deliverables such as expansion of trade and investment, more direct flights, eased visas, and resumption of cultural linkages like the Mansarovar Yatra. At the same time, India reiterated its strategic autonomy, making clear that it would not succumb to third-party pressures.

For China, the reset coincided with the 75th anniversary of India–China diplomatic relations. Beijing lifted export curbs on critical commodities like fertilisers, rare earths, and tunnelling machinery, positioning itself as a reliable economic partner. China emphasised that border disputes should not overshadow broader ties, framing India as a “partner, not rival,” while viewing India as a stable development partner in an increasingly unreliable global market, especially given China’s frictions with the US.

### **Strategic Postures and Historical Legacies**

The reset is complicated by the weight of history. Since the annexation of Tibet in the 1950s and the unresolved ambiguities of the McMahon Line, both sides have carried the baggage of mistrust. The 1962 war, particularly Chinese aims to secure the Western theatre and inflict a decisive blow in the East (Tawang sector), left scars that continue to influence Indian strategic thinking. The persistence of disputes at places like Barahoti, Demchok, and Yangtse, coupled with China’s incremental encroachment strategy, have perpetuated tensions.

China’s strategy towards India has been dual: engaging selectively on global issues like climate change and WTO negotiations, while retaining strategic levers such as unresolved borders and proxy leverage via Pakistan. Its infrastructure

push in Tibet and the PLA's expeditionary posture underlines its determination to sustain coercive options.

### **Regional and Geostrategic Factors**

China's broader strategy—manifested through the Belt and Road Initiative (BRI), the China–Pakistan Economic Corridor (CPEC), and the China–Myanmar Economic Corridor (CMEC)—has direct implications for India's security. These initiatives expand Chinese strategic space, straddle Indian Ocean SLOCs, and increase pressure on India's periphery. Beijing's growing influence in Nepal and Bhutan adds further vulnerabilities for India, particularly around the Kalapani–Lipulekh dispute and the Doklam plateau near the Siliguri corridor.

India's counterstrategy has been to reinforce infrastructure and military readiness along the LAC, strengthen partnerships like Quad and RIC, and develop alternative connectivity projects such as the Kaladan Multi-Modal Transit Project and the Trilateral Highway. Simultaneously, India has sought to expand its influence in the Bay of Bengal and Indian Ocean through naval exercises, partnerships, and potential bases in the Andaman & Nicobar.

### **Trust Deficit and Challenges**

Despite reset efforts, the trust deficit remains formidable. Key challenges include:

- China's continued support for Pakistan and the sovereignty challenge posed by CPEC.
- Border dispute and avoidance of LAC demarcation.
- Strategic encirclement through the "String of Pearls" in the Indian Ocean.
- India's stalled entry into the NSG due to Chinese opposition.
- Emerging concerns over water security with China's dam projects on the Brahmaputra.

These unresolved issues highlight that any reset remains tentative and vulnerable to disruption.

## **The Way Forward**

For India, sustaining the reset requires a careful balance between engagement and deterrence. Strengthening border infrastructure, pursuing vibrant village programmes, reducing overdependence on Chinese imports, and enhancing naval presence in the Indian Ocean are crucial. International partnerships—whether Quad, BRICS, or RIC, must be leveraged to diversify strategic options. Equally, India must sustain dialogue mechanisms with China, even if core issues remain unresolved, to prevent miscalculation and keep channels open.

China, for its part, must recognise that long-term stability in Asia cannot be achieved by coercion or containment of India. Mutual accommodation, economic interdependence, and conflict avoidance will be key to shaping a stable relationship in a multipolar order.

## **Conclusion**

The India–China reset in recent past reflects pragmatism amid rivalry. While structural divergences endure, both sides are compelled by geopolitical realities to seek limited cooperation. The road ahead will be uneven, with frequent setbacks, but the attempt to stabilise ties is a recognition that competition need not translate into perpetual confrontation. The reset, therefore, is less a resolution and more a fragile equilibrium, an attempt to manage differences while cautiously expanding areas of cooperation.