

# India is waging the wrong war and that's bad for Europe

China and India are locking horns: literally.

Border guards got involved in a scuffle in recent weeks and threw stones at each other. Fighter planes and helicopters were then dispatched to the border.



In the race for power between the two Asian giants, China is winning

When two nuclear powers fly into each other's heads, it is always serious, especially since they waged a brief border war in 1962.

But as India reigns over a protracted dispute over some stretches of a sparsely-populated border area, China is quietly winning the battle that really matters, the battle for prosperity and power. And that has major consequences for Europe.

This is immediately noticeable in the border region itself. In recent years, China has built, at lightning speed, modern infrastructure in Tibet. Last year alone, 2,000km of road, 150km of railway, and more than 100 bridges and tunnels were built.

Until a few years ago, places like Nyingchi, Shigatze, and Ngari were a meeting place for shepherds, yaks, and some traders.

Today they are large cities with an airport. Naturally, this civil infrastructure is also militarily relevant, in order to keep unrest among the Tibetans under control and to keep an eye on India.

President Xi Jinping summarised it as follows: “To govern the country, it is necessary to govern the borders, and to govern the borders one must first stabilize Tibet.” China has succeeded in this.

However, things are more difficult on the Indian side. The 73 new roads that had to be built along the border have been delayed for 10 years.

The difference between the neat new cities in Tibet, with their rows of brand new apartments, artificial football pitches, and wide avenues on the one hand, and the Indian cities on the other hand is enormous.

That is not surprising. Although Tibet is one of the poorest areas in China, Indian people are on average three times poorer.

India is trying to bridge the gap. Prime minister Narendra Modi has accelerated building military power along the border. Just like during last year’s Kashmir crisis, he showed his muscles.

But Indian troops are facing shortages. The 17th Mountain Corps, responsible for scaring China, has insufficient troops, artillery, helicopters, and ammunition.

Plans to establish an additional corps were stowed away. While China has dozens of armed drones flying over Tibet, India has hardly any. China’s official defense budget is already five times greater than India’s today.

# China is winning

China is also rapidly gaining influence in and around the entire Indian Ocean. Jawaharlal Nehru, the political father of modern-day India, once argued that whoever dominates the Indian Ocean determines first the future of maritime trade and then also the future of India itself.

Chinese shipping companies have become dominant players in the Indian Ocean. Chinese fishermen are active throughout the region. A handful of ports are controlled by China.

Several years ago, a Chinese investor bought a small island in the Maldives, Feydhoo, near the southern tip of India. Chinese dredgers made the island four times bigger, and the Chinese navy is permanently there.

In the race for power between the two Asian giants, China is winning.

Where economic production between China and India was more or less equal in 1990, the Chinese economy is now five times larger.

Although the world had high hopes for the economic reforms introduced by current prime minister Modi, the actual economic growth in India has been slower than the one in China during the past two years.

Last year, China still attracted three times more European investors.

That's the reason why, for the time being, India has benefited little from the trade war between Beijing and Washington. And this year again, European, Japanese, and American investors are planning more projects in China.

It is doubtful that India will be able to respond to this change in the balance of power. Modi himself seems to realize that.

Europeans and Americans might be good at promising cooperation, but their companies are more easily deterred by corruption and instability in India than by Chinese authoritarianism.

While its soldiers flexed their muscles, India quietly accepted two major credit lines from the Asian Infrastructure Investment Bank and the BRICS Bank, two institutions that have China as their main lender.

Modi has also not yet restricted the operations of the Chinese telephone company Huawei, despite American pressure.

India's relative weakness has immense consequences for Europe.

If India would be able to welcome as many investments as China, the balance of power in Eurasia would be much more in equilibrium, and China's growing influence would not be the threat it is today.

But as long as European companies continue to choose the certainty of the Chinese dictatorship over the volatility of India's fragile democracy, that is not going to change soon.

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