

India-China Relations: Scenario 2014

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By 2014, President Xi Jinping would have completed one year in office. He has quickly consolidated his position and ensured that he along with Premier Li Keqiang will stay in power for full ten years until 2023. In the recent plenum, Xi outlined China's direction for economic reforms and foreign policy priority for the next decade. It is believed that Xi's policies will be as decisive for China as Deng Xiaoping had unveiled.

India too hopefully will have a new political leadership equally powerful to carry out forceful reforms measures long overdue. The global slowdown apart domestic political debacle has plunged India into a deep economic crisis in 2013.

The India-China relations story at 2013 end had a more positive than negative tone. China's new leaders exhibited "positive vibes" and surprisingly affable attitude towards the Indian counterpart; missing since the 1950's bonhomie. The Depsang incident though overshadowed good part of the story; the exchange of visits by leaders indicated the importance of the relationship. Premier Li chose India as his first overseas stop. This was a deliberate choice.

The pronouncements of their intent to deepen ties with India as China's "strategic choice" along with promise to make "greater efforts" to resolve boundary issue is a welcome move. For, President Xi, the Chinese and Indian "dreams" are inter-connected and mutually compatible. Equally positive voice came from the Indian leadership for rejecting the relevance of "containment" idea in favour of "cooperation" that could bring more gains instead. The overall message was; time for confronting and containing each other is over and the wisdom should lay in cooperation and benefiting from achievements for the common good. Two clear signs were visible; a) the "strategic partnership" launched in 2005 was yielding enduring results in a broad spectrum, b) leadership has gained higher level of confidence.

It should be easy for the new Indian leadership in 2014 to build on these achievements.

But the questions whether India should join with others to offset China's influence or

should it cooperate with China will confront the new leadership. Pressures will mount not to be soft on China. The Chinese media will also view Indian infrastructure buildup as provocative. But, it is the lingering differences over boundary dispute that may continue to threaten India-China story, though interim measures are in place to manage the differences, until a final solution and hopefully this is sustained. The challenge in 2014 for the strong leadership both in China and India would be to make more steps towards finding a mutually acceptable boundary settlement. Both on the boundary and trans-border rivers issues, there could be an out-of-the-box thinking available should it be explored.

To be sure commerce will continue to drive the engine of relationship, but challenge before the next leadership is to resolve trade imbalance \$40 billion against India. Significantly, India has overcome past apprehensions and is getting more receptive to the Chinese proposals. The Border Defence pact is a case in point. The prospects of a Regional Trade Agreement (RTA), Regional Comprehensive Economic Partnership (RCEP), setting up industrial zones and aligning the (BCIM) Economic Corridor are being positively looked into. Importantly, new Indian leadership will do well learning from China's experience of spurring internal economic development with regional and global linkages.

China's influence in South Asia, encircling India, forays into Indian Ocean et al continue to loom large and creates mistrust. However, a view has come around the point that strategic partnerships with other countries must not be seen directed against each other. On the strategic front, the global powers so far tended to pitch India as a countervailing force against China. India was particularly seen as a linchpin in the US's "pivot-Asia" strategy. Surely, a closer relationship with Japan and US may have served some purpose, but reliability on the US as a partner and a balancer has come under scrutiny recently. Moreover, the idea of India joining the contestation in the Asia-Pacific is being viewed as a 'development fraught with uncertainty' and best stay out of it. The leadership would do best to recognise the overlapping than conflicting interests in this uncertain global strategic environment.

To team up to expand the strategic opportunities, new leadership could build upon the existing strategic mechanisms on economic, defence and regional issues. They could start with impending issues such as Afghanistan, Central Asia, West Asia and terrorism. This could be a welcome departure from the past and should be followed without a zero-sum perception. A calibrated move by India and China for working together in Afghanistan in post 2014 could become a harmonizing effort. Both have high stakes in the stability and

capability to sort the Afghan mess. Similarly, both could fill the strategic vacuum in West Asia for the common good. Not just for the energy security interest, the anarchy there (radicalism, terrorism, arms proliferation and sectarian conflict) could spread across Asia through violent Jihadi means.

The convergence on a broad range of global issues exists and that should be leveraged to broaden understanding. Already, globalization process is infusing rivalries among nations in the security domain. China through its recent reforms seeks to alter the rules of global economic competition beyond trade and investment. As China and India ventures out globally they should jointly seek to initiate new norms of global relationship including striving for the removal of strategic disparities that for long induced global terrorism.

The overarching obstacle is the trust deficit, a strange though for two nations having shared three thousand years of civilizational partnership. Tendency has been to accentuate the mistrust by media while focusing only on the negatives. The aberration caused by the 1962 needs to be overcome. Of course the greater opportunity lay in benefiting from economic relationship that can generate greater trust, especially among the public. But some beginning has to be made to revive the civilizational aspects of relationship. Nothing much has been done to remove the shadow of ignorance about the shared cultural and spiritual past. China seems already taking steps to revive the spirit of that relationship. Can the new leadership pursue the cultural channel to revive the India-China bond and intimacy of the twelfth century pre-Bakhtiyar Khilji days? There could be broader strategic communication beyond leaders and diplomats to include people from every walk of life, including people from border regions.

If the new Indian leadership pursues the twin economic and cultural route there will be greater chance for improving the relationship. He could focus on bridging the gaps i.e., lack of market access, trade imbalance, treatment of Indian labour, visa restrictions on Chinese labour et al. To be sure, 2014 will bring to the surface greater opportunities for the leadership on both sides to embark on a road to solve the long festering India-China strategic dilemma for the common good.

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