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Institute of South Asian Studies
National University of Singapore
29 Heng Mui Keng Terrace
#08-06 (Block B)
Singapore 119620
Tel: (65) 6516 4239 Fax: (65) 6776 7505
www.isas.nus.edu.sg
<http://southasiandiaspora.org>



A New Defining Moment in India-China Dialogue

P S Suryanarayana¹

The strategic significance of economic diplomacy pulsates in the Sino-Indian Joint Statement issued on 19 September 2014 following extensive talks between India's Prime Minister Narendra Modi and Chinese President Xi Jinping in Ahmedabad and New Delhi in India. This marks a clear re-configuration of the difficult but dynamic engagement between these two mega-state Asian neighbours, known for their tense eyeball-to-eyeball military 'face-off', albeit without bloodshed, across the Himalayas in recent years. The reconfigured Sino-Indian engagement is designed to build "a closer developmental partnership"² as a core feature of the existing "Strategic and Cooperative Partnership for Peace and Prosperity" in the bilateral sphere.

Not eclipsed by this new diplomatic paradigm of "developmental partnership" are the political and military-strategic aspects of Sino-Indian relationship which the two leaders have now addressed in a forward-looking fashion. The overarching context, going forward, is the expectation on both sides that they should be engaging each other in a positive ambience if

¹ Mr P S Suryanarayana is Editor (Current Affairs) at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore. He can be contacted at isaspss@nus.edu.sg. Opinions expressed in this paper, based on research by the author, do not necessarily reflect the views of ISAS.

² Ministry of External Affairs, Government of India, Joint Statement between the Republic of India and the People's Republic of China on Building a Closer Developmental Partnership, www.mea.gov.in/bilateral-documents.htm?dtl/24022/Joint+Statement+between+t... (Accessed on 19 September 2014)

the current 21st Century is to become an Asian Century. Xi told Modi that “the development of China and India is the key” to the global discourse that “the 21st Century is a century of Asia”.³

With the current Century, in which over a dozen years have already gone by, dominating the minds of both leaders, their perspectives over a final settlement of the long-simmering Sino-Indian border dispute seem to reflect a patient wait for the fullness of time to play out. However, this does not necessarily imply an acute urgency-deficit on both sides. In fact, Xi urged “friendly consultations” for a fair, reasonable and mutually acceptable settlement. In the run-up to that, the two countries should, in his view, “cooperate” and also “manage, and control” the dispute. Moreover, China and India should “safeguard peace and tranquillity in [the] border areas and prevent the border issues from affecting the [overall] development of the bilateral relations”, Xi emphasised.⁴

‘Clarification of Line of Actual Control’

Sharing Xi’s sentiments, Modi, for his part, struck a different, but not necessarily dissonant, note. Modi said he “suggested [to Xi] that clarification of Line of Actual Control [LAC, along the disputed Sino-Indian border] would greatly contribute to [the] efforts to maintain peace and tranquillity”. Going a step further, the Indian leader “requested President Xi to resume the stalled process of clarifying the LAC” and urged “an early settlement of the [basic] boundary question”.⁵ Modi indicated that he discussed with Xi all contentious issues including China’s reluctance to acknowledge Arunachal Pradesh and Jammu and Kashmir as integral units of India, as evident in Beijing’s visa practices towards India. However, the bottom line in the Indian leader’s reckoning was this: “As we discussed how to strengthen

³ Ministry of Foreign Affairs, People’s Republic of China, Xi Jinping Holds Talks with Prime Minister Narendra Modi of India Building Closer Partnership for Development and Achieving Peaceful Development and Cooperative Development Together, 2014/09/18, www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1193332.shtml. (Accessed on 22 September 2014)

⁴ Xi’s dialogue with Modi, as outlined in the document cited in Note 3 above and as monitored in Singapore over China’s state television.

⁵ Ministry of External Affairs, Government of India, Press Statement by Prime Minister during the visit of President Xi Jinping of China to India (September 18, 2014), www.mea.gov.in/Speeches-Statements.htm?dtl/24014/Press+Statement+by+Prim... (Accessed on 22 September 2014)

[bilateral] cooperation, we have also exchanged views on outstanding differences in our relationship in a *spirit of candour and friendship*".⁶ (Emphasis is added).

Obviously, a settlement of the decades-long dispute was neither attempted nor reached during the Xi-Modi meetings, widely seen as a summit of two strong political leaders. Xi and Modi are not counterparts, as a matter of diplomatic technicality. Hence the Joint Statement has not been issued in their names. However, the ground realities trump such protocol issues.

Xi is generally believed to have consolidated his political base in communist China as the most powerful helmsman in the ruling party and the state since Deng Xiaoping, the paramount Chinese leader. Modi, who hails from the 'pragmatic' and 'nationalist' stream of Indian politics, is at the helm as a result of his decisive democratic triumph in the recent general election. Unsurprisingly, therefore, the media reports of a fresh Sino-Indian military 'face-off' at the Himalayan heights, which coincided with the Xi-Modi talks, did not punctuate or derail the summit itself. Not only that. Xi began his India-visit at Ahmedabad in Gujarat, Modi's home-province, on his birthday, providing the two leaders with a rare chance of meeting informally and looking at Sino-Indian relationship through their respective prism of practical possibilities. Xi's accommodativeness towards Modi in this fashion can be traced to the Indian leader's newly-acquired stature at the national level and his frequent visits to China as a destination of choice when he was earlier Chief Minister of Gujarat.

'A Strategic Objective'

Relevant, in this unusual context, is the fine print of the Joint Statement with regard to the border issue as an agenda item. To be sure, there is not even a remote hint of any forward movement towards a final settlement. It has been simply stated that the two sides "reiterated their commitment to seek a fair, reasonable and mutually acceptable solution". This is nothing new at all. The two sides approvingly recalled their own 2005 Agreement on the Political Parameters and Guiding Principles for the Settlement of the Boundary Question. A "commitment to an *early* settlement" has now been "reiterated" in this context of upholding the validity of the political parameters and guiding principles. Obviously, a commitment to an

⁶ Ibid

early settlement, too, is no forward movement. The pursuit of an *early* settlement has now been characterised as *a strategic objective*.⁷ (Emphasis is added, throughout).

In this perspective, surely not a dramatically new Sino-Indian insight, India and China have now retained their faith in all the hitherto-agreed forums for negotiation and stabilisation of the situation on the border – the framework of Special Representatives, agreed to in 2003, and the Working Mechanism, agreed to in 2012. While the Border Defence Cooperation Agreement of 2013 has not been formally cited in the latest Joint Statement, it stands to reason that the two countries have not abandoned this accord, too. In all, it can be argued, therefore, that the latest Xi-Modi talks have not at all broken new ground on the border issue, not to mention anything that could be remotely seen as real or potential breakthrough.

Also reaffirmed now – in a manner not reflective of a new leap of thought or action – is the Sino-Indian recognition that peace and tranquillity along the disputed border will be “an important guarantor for the development and continued growth of bilateral relations”. To be seen in a similar reality check is the latest affirmation that “improved bilateral military ties are conducive to building mutual trust and confidence”. The first round of “maritime cooperation dialogue”, first announced in principle in March 2012, is now slated for later in 2014 itself. This can be interpreted as a slim sign of some forward movement. Other aspects of some positivity are: (1) the latest accord to “hold navy/air force joint exercise at a proper time”,⁸ and (2) the agreement to “hold the fourth joint army training at a mutually convenient time”.

This catalogue of reaffirmations regarding the border issue and mil-to-mil cooperation does not reflect new progress. So, the political breakthrough on these issues is the simple but profound fact that Modi’s very first substantive interaction with China has been held with its highest-ranking leader. In protocol terms, substantive Sino-Indian dialogue is usually held at the level of the two prime ministers. Chinese Premier is the second-ranking chief executive in his country, while India’s Prime Minister is the country’s highest-ranking political leader. The traditional protocol of substantive Sino-Indian summitry at the level of the two prime ministers is a sign of China’s ranking of India at a lower level, relative to the major powers. While this protocol drill for Sino-Indian protocol might continue into the future, the fact that

⁷ Same source as in Note 2 above

⁸ Same source as in Note 2 above

Modi has held his first full-scale summit talks with China's highest-ranking leader is a plus for Sino-Indian dialogue, going forward.

In this perspective, Modi can be seen to have broken through the glass ceiling of politically significant protocol in Sino-Indian state-to-state engagement. However, the latest and benign Xi-Modi Joint Statement, which is bereft of real breakthrough, is somewhat reminiscent of the fine spirit and sentiments of the Jawaharlal Nehru-Zhou Enlai dialogue of the early- and mid-1950s. For a variety of reasons, the Nehru-Zhou spirit meandered towards the 1962 Sino-Indian Himalayan War. Let us fast-forward to the present. For the first time since the 1960s, Modi's party, in no way associated with leading an ill-prepared India to defeat in that War, is now at the helm with a clear parliamentary majority. Seen in this light, Modi is in a position from where he can try to reconfigure India's relations with China in political-strategic terms as well, not just in the economic domain.

In political-strategic terms, Modi's "request" to Xi to resume the "stalled clarification" of the Line of Actual Control will directly impinge on China's relatively new claims on India's Arunachal Pradesh state (province). China sees Arunachal Pradesh as "southern Tibet" and therefore as "Chinese territory". Moreover, with Xi now maintaining golden silence in the public domain with regard to Modi's "request" for an early clarification of the LAC, it becomes clear that India has its work cut out in engaging China on this particular issue. For India, a clarification of the LAC will help both sides to know each other's control-limits, pending a final settlement of the border dispute. For China, by contrast, the LAC-clarification might lead to pre-judging the 'final status' of Arunachal Pradesh, which India has been administering as its integral part.

'One-China, One-India'

Highly relevant to this aspect of LAC-clarification is a disclosure by India's External Affairs Minister Sushma Swaraj, before the latest Xi-Modi summit, that New Delhi had conveyed to Beijing that its 'One-China' policy should be seen in the light of 'One-India'⁹ reality. Her message, while speaking to reporters in New Delhi on 8 September, was that Beijing, which

⁹ Ministry of External Affairs, Government of India, Transcript of External Affairs Minister's first formal interaction with the media (September 8, 2014), <http://www.mea.gov.in/media-briefings.htm?dtl/23982/Transcript+of+External+Affairs+Ministers+first+formal+interaction+with+the+media+September+8+2014> (Accessed on 10 September 2014)

expects the world to accept the 'One-China' doctrine, must be sensitive to New Delhi's 'One-India' policy. It was apparent from her message that Modi had conveyed this to Xi when the two had first met, on the sidelines of BRICS (Brazil-Russia-India-China-South Africa) summit in Brazil on 14 July.

It is also obvious that Modi wants China to recognise Arunachal Pradesh as an integral part of India just as New Delhi had, in 2003, acknowledged the Tibet Autonomous Region as an intrinsic part of the People's Republic of China (PRC). Following that in 2003, the Chinese side had indicated to this author that Beijing would continue to monitor New Delhi's political attitude towards Taiwan, which has 'trade' links with India. For the PRC, Taiwan, currently a non-sovereign and non-state entity near Chinese eastern seaboard, is as much an integral part of China as Tibet is. In addition to these issues are the 1963 China-Pakistan agreement regarding a part of India's Jammu and Kashmir state, and the current military deployments and patrols in the relevant western sector of the disputed Sino-Indian border. Given these complexities, it is anybody's guess whether the LAC can be clarified or defined before a final settlement of the Sino-Indian border dispute becomes possible.

As for other issues, the latest Xi-Modi summit has not resulted in Beijing accommodating India's long-term concerns over China's utilisation of the Brahmaputra (Yarlung Zangbo) waters. However, the two countries have not struck a discordant note either on this issue. More significantly, the two leaders have struck some positive notes on civil nuclear cooperation and amity in the outer space.

Reaching for the Sky

Modi and Xi met just a few days before the successful climax in India's scientific mission of placing a spacecraft in orbit around the Mars. India is now the first Asian country to have accomplished this feat, that too, in the very first attempt. It is indeed of much significance, therefore, that officials from India and China, another major space-faring nation, signed, in the presence of Modi and Xi, a Memorandum of Understanding on Cooperation in the Peaceful Use of Space. Interestingly, Michael Sheehan, a scholar on politics and the outer space, has positively assessed India's overall space policy in these terms: "India's space programme is in some ways the most cost-effective and successful space programme in the

world”.¹⁰ Amplifying, he has written that “the technological feats achieved by the Indian Space Research Organisation (ISRO) are dramatic achievements for a developing country that at the end of the Cold War was still one of the poorest in the world. Even more impressive than that, however, is the consistent way in which India has sought to use space as a crucial mechanism for lifting India’s people out of poverty through education and social and economic programmes”¹¹

Significant, too, in this context is the fact that some of the activities cited in this particular MoU relate to Sino-Indian research-and-development of scientific-experiment satellites, remote-sensing satellites and communications satellites.¹² Long before this MoU, India as well as China had independently pledged to work for the non-militarisation of the outer space, although the two countries are widely believed to possess extra-terrestrial capabilities that could be put to military use. It will, therefore, be interesting to monitor how the promised Sino-Indian cooperation in the outer space will actually develop.

As for Sino-Indian civil nuclear cooperation, the two countries have already had some positive engagement a few decades ago. However, the new context, going forward, is the decision, a few years ago, by the Nuclear Suppliers Group to normalise India’s access to the worldwide civil nuclear market. In a sense, therefore, the promise of Sino-Indian cooperation in this clean-energy domain and in the outer space will be seen as test cases of smart friendship between these two Asian neighbours.

This aspect, by itself, and the overall Sino-Indian cooperation in a host of other spheres, including developmental and military-related engagement, should be seen in the evolving context of an emerging Asian Arc of Power Politics. China will be at the geographical and geopolitical centre of this arc that might extend from Japan in Northeast Asia to India in South Asia. The United States, which regards itself as the “resident” external power in the relevant Asia-Pacific and Indo-Pacific regions, will figure prominently in this emerging arc.

¹⁰ Michael Sheehan, *The International Politics of Space*, Routledge, London and New York, 2007. p 142

¹¹ Ibid

¹² Ministry of External Affairs, Government of India, List of Documents signed during the State Visit of Chinese President Xi Jinping to India (September 18, 2014), www.mea.gov.in/bilateral-documents.htm?dtl/24012/List+of+Documents+signed... (Accessed on 19 September 2014)

The Economic Dimension

Modi's diplomacy, since he assumed office on 26 May 2014, has had a conspicuous economic dimension. During his visit to Kyoto and Tokyo from 30 August to 3 September, he succeeded in securing Japanese pledges of US\$ 35 billion worth investments in India over the next five years. Right now, Xi has pledged US\$ 20 billion worth Chinese investments in India's infrastructure sector over the next five years. China has also agreed to set up two industrial parks, one each in Gujarat and Maharashtra provinces of India. It is not immediately clear whether the proposed investments of the total order of US\$ 6.8 billion in these two industrial parks, as now planned, will be subsumed under the pledge of US\$ 20 billion investments in India's infrastructure projects.

What is clear, though, is that Modi has sought to encourage China and Japan to develop strong economic stakes in India's long-term political stability. China may have, as *quid pro quo*, sought to encourage a traditionally 'nonaligned' India to refrain from becoming a US-friendly swing-state in the Asia-Pacific and Indo-Pacific regions in strategic-military and political terms. India's potential emergence as a US-friendly swing-state will disturb Beijing's position relative to Washington in these two overlapping regions. In such behind-the-scene expectations, which will not be publicly spelt out by the leaders, it stands to reason that India may also hope that China, if it develops strong economic links with India, might even restrain Pakistan's "anti-India" agenda over time. A counter-argument will be that China's India-investments of the order of US\$ 20 billion or more cannot exactly serve as India's firewall against Pakistan, China's "all-weather friend". However, the key point to be noted is that investments and trade can help create a political ambience of some care and caution in state-to-state diplomacy. The latest Sino-Indian move to raise their bilateral trade value to the US\$ 100 billion mark, as quickly as possible, can also be seen through such a strategic prism, in addition to the intrinsic economic value of trade to the two countries.

In any case, all major and emerging powers, including China and India, are expected to keep their powder dry in strategic-military terms, going forward. For Japan, strong ties with India can be of some strategic value in the emerging Asian Arc of Power Politics. The emergence of this arc is being driven by four factors: (1) ascendant China's efforts to set regional and global security-related and economic norms; (2) the persistent China-Japan tensions; (3) the unsettled Sino-Indian equation; and (4) America's continuing efforts to stay ahead of all other countries in Asia and everywhere.

Soft Diplomacy As Well

Such hard-core politics and economics apart, the latest Xi-Modi summit did reveal some soft diplomacy as well. The relaxed ambience in which Xi and his wife, China's First Lady, toured the Sabarmati Ashram and took a stroll along the riverfront in Ahmedabad, accompanied by Modi, has been amply captured in video for public diplomacy. Moreover, the MoU on China's willingness to open an additional route for Indian pilgrims to *Kailash Mansarovar*, a holy Hindu site in Tibet, is a soft gesture that India has appreciated. Another aspect, this relating to soft-power as such – namely, people-to-people exchanges – is sought to be promoted through the designation of (1) India's Gujarat and China's Guangdong as sister-provinces, (2) India's Ahmedabad and China's Guangzhou as sister-cities, and (3) India's Mumbai and China's Shanghai as sister-cities. In all, such a comprehensive Xi-Modi summit has surely turned into a new defining moment in Sino-Indian ties – a positive story, for now.

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