

RSIS Commentary is a platform to provide timely and, where appropriate, policy-relevant commentary and analysis of topical and contemporary issues. The authors' views are their own and do not represent the official position of the S. Rajaratnam School of International Studies, NTU. These commentaries may be reproduced with prior permission from RSIS and due recognition to the author(s) and RSIS. Please email to Mr Yang Razali Kassim, Editor RSIS Commentary at RSISPublications@ntu.edu.sg.

China-India Engagement: Towards A New-Normal?

By P S Suryanarayana

Synopsis

Sino-Russian bonhomie enables India to become a member of Shanghai Cooperation Organisation at Moscow's initiative and China's welcoming manner. India's entry may catalyse a new strategic variable in today's polarising geopolitics.

Commentary

THE "SHANGHAI SPIRIT" has yet to become a universal alternative to the "Washington Consensus," which helped create current global institutions. Unfazed, China and Russia, co-founders of the Shanghai Cooperation Organisation (SCO), say mutual trust and equality among nations and the pursuit of their common development can produce "win-win" outcomes for all.

Implicit in this diplomacy is the dismissal of the "Washington Consensus" as a "zero-sum game" that unduly benefits the United States and the West. In this polarising milieu, India became a full-fledged member of the SCO at its summit in Qingdao (China) on 9 and 10 June 2018.

India is associating itself with the "Shanghai Spirit" without being very vocal. Therefore, Indian Prime Minister Narendra Modi's latest talks in Qingdao with Chinese President Xi Jinping must be seen in light of India's current quest for "strategic autonomy".

Quest for Stable Ties

Eager to retain its "privileged" Indo-Russian partnership, Modi is seeking strategic entente with Washington and a stable new-normal in the Sino-Indian equation. Reciprocating Modi's sentiment on ties with Beijing, Xi said in Qingdao that their

informal summit at Wuhan (China) in April was “a new starting point”. Modi described the Wuhan meeting as a “milestone”.

The “Wuhan Spirit” of cordiality and candour permeated the Xi-Modi meeting in Qingdao on 9 June. Two agreements that pleased India were signed. China would now increase agricultural imports from India by including “non-basmati” rice in the basket.

To allay concerns that China’s harnessing of its rivers bordering India might cause environmental and economic problems for India, Beijing would provide systematic hydrological data.

Popular and Political Dynamics

India, in turn, promised to fast-track the opening of a Bank of China branch in Mumbai. Staying on the same page, Xi suggested an updated bilateral trade target of US\$100 billion by 2020. Towards this end, he would “encourage” India’s top pharmaceutical companies to register in China for marketing high-quality medicines.

Acknowledging India’s soft power in a niche area, Xi noted the popularity of the Hindi film “Dangal” and of the Telugu-based movie “Bahubali” in China. With this as springboard, he proposed a new “People2People Mechanism” to promote two-way exchanges. India agreed.

As for political exchanges, Chinese defence and public security ministers will visit India in 2018 itself. Special Representatives will further discuss the intractable Sino-Indian land boundary dispute. On a higher strategic plane, Xi emphasised the need for continuous communications at all levels and accepted Modi’s invitation for a follow-up informal summit.

Mixed Signals

Away from bilateralism, Xi and Modi agreed to identify a joint capacity-building project to be implemented in Afghanistan. China and Pakistan, India’s western neighbour, had already agreed to build a connectivity project in Afghanistan.

Now, Modi voiced generic support for inter-state connectivity projects, but displeased China by remaining opposed to its prestigious Belt and Road Initiative (BRI). At the SCO summit on 10 June, India conspicuously did not join other members in supporting the BRI in the Qingdao Declaration.

India’s opposition to the BRI rests on two counts. First, Delhi does not acknowledge that BRI projects are conceptualised and executed according to international norms of transparency and financial viability for both China and its partner-countries.

Secondly, BRI’s China-Pakistan Economic Corridor runs through an area which Islamabad controls and India regards as its own sovereign territory.

Test of Neighbourliness

With Pakistan too becoming a member of the SCO on the same day as India did, speculation is rife as to whether and if so how this could shape relations between these two uncomfortable neighbours. Addressing this aspect in a television interview on 10 June, Chinese Foreign Minister Wang Yi did not discount the negative force of “existing and historical unresolved issues and conflicts” between India and Pakistan.

Importantly, in his view, SCO “provides [them with] a better platform and opportunities for building relations”. Above all, India and Pakistan “shoulder responsibility to implement” the SCO’s internal Treaty on Good-Neighbourly Relations, Friendship and Cooperation, Wang Yi observed. He did not explicitly offer China’s good offices in this regard.

Unsurprisingly, Chinese commentators are looking out for the nature and scope of India’s likely participation in SCO’s upcoming military exercise “Peace Mission 2018.” Indeed, the potential attitudes of India and Pakistan towards their own contentious anti-terror issues, now under the SCO canopy for the first time, go beyond commentators’ curiosity.

Emerging Cross-currents

Overall, though, the China-India equation rather than the India-Pakistan engagement is likely to shape the organisation. Because the SCO’s co-founder Beijing often shepherds Islamabad on the international stage, Pakistan-India issues may well be subsumed under China-India interactions in this forum.

For a new start in Sino-Indian cooperation within SCO, India made common cause with China in opposing trade protectionism as Beijing sought to respond to a “trade war” “ignited” by Washington. However, there is a risk of geopolitics trumping such basic Sino-Indian economic consensus if China continues to cherish its ties with Pakistan in the same manner that US treats Israel. Two aspects of China-India geopolitics are therefore noteworthy.

First, Chinese diplomatic sources have confided that it was Russia, not China, that proposed India’s admission to SCO. Later, China acquiesced despite its delicate ties with India. Compelling reasons were Beijing’s current bonhomie with Moscow, and China’s continuing efforts to create a new type of international relations.

Secondly, a mere coincidence is important as another geopolitical reality. When Modi took his seat at the SCO summit in China on 10 June, the Indian Navy had already joined the US and Japanese navies for the latest high-end Malabar exercise at Guam in the Indo-Pacific theatre.

China is generally known to be less than enthused at the trilateral war-games of these countries. Significantly in this regard, Senior Colonel Wu Qian, spokesman for the Chinese Ministry of National Defence, disclosed on 28 June that “China is concerned about the Malabar 2018 naval exercise held by the US, Japan and India”. For Xi, new complicating factors are the current turbulence in Sino-American relations and the symbolic choice of a substantive venue for this military exercise. Given such cross-

currents, China-India relations inside and outside the SCO can be a major variable factor in global geopolitics, moving forward.

P S Suryanarayana is a Visiting Senior Fellow with the South Asia Programme, S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore. He is the author of 'Smart Diplomacy: Exploring China-India Synergy' (2016).

Nanyang Technological University

Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798
Tel: +65 6790 6982 | Fax: +65 6794 0617 | www.rsis.edu.sg