

Teaching China in India

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Speaking Notes

S. Menon

Dr Manoharan,
Ladies and Gentlemen.

Thank you for asking me to speak to the valedictory session of your ten-day capacity building program for teachers of China-related undergraduate courses in India. My congratulations to Christ University, to the Harvard Yenching Institute, and to the United Board for Christian Education in Asia for having arranged this very useful and timely course, and on the quality of the lecturers that you have arranged for it.

I was also most impressed by the comprehensive nature of your programme, by the study materials you have assembled and gone through, and by the choice of the four themes of China's economic growth, governing China, Chinese society, and globalizing China. Only such a comprehensive view of China, both from the inside out and from the outside in, will enable us to understand China and to increase mutual understanding with China.

I said before that this is a timely program. I say so because sadly, it is my sense that we in India are no better, and maybe worse, at understanding China today than we were in the sixties when I first began studying China. When I first went to China as a diplomat in 1974, the minuscule Indian community in China, consisting largely of fellow-travelers, could be counted on the fingers of one hand. Today over 14,000 Indian students study in China, tourists and business travelers ensure that flights between us are full, and we have contacts across the board. And yet the narrative in India on China is simplistic, binary, and of a relationship that is doomed to fail and end in conflict, at least within political and journalistic circles, and increasingly among the public. Clearly, more contact does not always automatically translate into more understanding.

Why is this so?

I sense that a significant cause is our failure to build sufficient academic expertise and experience on China in India. Sadly, the same phenomenon is visible on the Chinese side where the quality of expertise on India has declined in the last three decades. A contributing factor has been the fact that these were also the decades when China and India underwent their growth spurts, concentrated on growing their economies and on joining the globalized world, and were preoccupied with the US and the west. Opportunities outside academia seemed much more attractive to potential young scholars, and commercial demand for expertise and language skills channeled students into other fields in both countries. It would be ironic if the current slow-down in both economies, which some economists see as an inevitable return to the mean, led to a revival of interest in academic scholarship on the other.

I also said that this is a very useful program. Why? I say so because the significance of India-China relations is growing, not just to both countries but to the region and the world, which makes mutual understanding between India and China increasingly important. Let me try and explain:

1. **Economically**, India and China accounted for 17.67% (in nominal terms) or 25.86% (in PPP terms) of global GDP in 2016. This, of course, is less than their share of global population of 37.5% but represents a significant shift in global economic weight. The proportions of the global economy accounted for by the advanced and emerging economies flipped between 1980 and 2015, with the latter now accounting for over half of global GDP and well over half of growth in the global economy. Most of this has been at the expense of Europe, since the US share of global GDP has stayed roughly the same. Within Asia, China and India had become half of total Asian GDP by 2014. My point is that there has been a considerable shift in economic power in the world. In effect the world economy is now multipolar, from being dominated by the US immediately after WWII, to the G-7 western economies accounting for almost 2/3rds of the global economy in the late seventies and eighties, to this state today. What happens between India and China therefore now has a broader economic significance, particularly at a time when the world economy has yet to find a new equilibrium after the crisis and depression of 2008.
2. India-China relations also matter to the development and **transformation of India and China**. China is India's largest trading partner in goods and is a factor in the world economy that India must understand and deal with if we are to be successful in transforming India. For China too, India is her sixth largest export market, a neighbor, and a country with the potential to affect outcomes that matter to China. Both countries share a periphery. Our periphery is also China's and vice versa, and it is therefore important, if we want a peaceful periphery and an enabling external environment, that we should know each other and work together. Should India and China not manage their

relationship and fall into adversarial confrontation both countries would pay a price in lost opportunities to develop themselves. I would go even further. If China were to fail, it would depress the world economy, destabilize our neighborhood, and likely produce humanitarian catastrophes, all of which would have adverse consequences for India. The same is true in reverse for China if India were to fail. We and the region have an interest in each other's economic success and social stability.

3. **Politically** too, the balance of power has shifted in the world, and is no longer aligned with the economic order. Militarily, the US is still overwhelmingly dominant. She spends more on defence than the next ten powers combined. But political power is a function not just of capability but of intent and will. And in the last few years, starting with the last administration, the US has shown an unwillingness to maintain regional balances and to pay a price to sustain the global order that she and the rest of the West put in place after WWII, or to provide global public goods on the scale that she did earlier. In other words, the world is still unipolar in military terms but is confused politically. And the political dynamic is different from that of a multipolar global economy.
4. What this means in practice is visible around us in the **Asia-Pacific**. Security in east and south-east Asia has traditionally been provided by a hub-and-spokes arrangement centered on the US. But that arrangement is no longer capable of dealing with issues as we see with maritime disputes in the South China Sea and the East China Sea, and the North Korean nuclear weapons program. The resolution of issues now depends not on a global or world order — which is no longer visible and lacks an active leader now that Trump is withdrawing from the world — but on local balances of power in which emerging and local powers are much more important. In north-east Asia that means China, Japan and Korea together. In Southern Asia and the Indian Ocean region that means India. And in south-east Asia that means ASEAN, particularly Indonesia, and China and Japan and others like Australia and India. In the last two decades, when China and India were the two greatest beneficiaries of globalization, both accumulated hard power and agency in the international system. If we wish to continue the long peace in Asia from which we have benefited, India and China should work together rather than at cross purposes. Besides, if you look at the new agenda of security issues that technological developments have thrown up or enabled — cyber security, the militarization of outer space, the contested freedom of the seas, global terrorism, climate change and energy security — they all require cooperative international solutions just when the world polity and economy seem least capable of producing them. Each of these issues is beyond the capacity of individual states to solve and requires trans-boundary solutions.

Sadly, just when it is much more important that India and China work together or, at least, understand each other well and manage their differences, their relationship is under stress.

For three decades, India and China have operated on the basis of a *modus vivendi* or strategic framework that was worked out in the eighties. That framework succeeded in keeping the peace. It enabled both countries to develop their relationship and to cooperate internationally, while concentrating on their own development and other concerns. As the world became unipolar with the collapse of the Soviet Union and the US became the sole superpower, both sides agreed formally in the Rajiv Gandhi visit to China in December 1988 that they would discuss the boundary question but not change the status quo or use military means, that they would not allow differences like the boundary to prevent the development of their cooperation in other areas, and that they would cooperate in international fora. This was successful. In 1993 we signed a Border Peace and Tranquility Agreement which has kept the peace since. Not one shot has been fired on the India-China boundary since 1975 and no-one has died on it in forty-three years. Trade has gone up from US\$ 2 billion to over 73 billion. We have worked together in the WTO, on climate change and on other international issues.

But the last few years have seen multiple signs of stress in the relationship between India and China, and ultranationalism has risen in both countries. China, which went along with the NSG exemption in India's favor in 2008 is now opposing our membership of the same group. China, which urged Pakistan to set aside differences and cooperate with India in the nineties, is now committed in an unprecedented way to Pakistan's occupation of our territory in Kashmir and to the Pakistan Army's arms buildup, both conventional and nuclear. China, which used to advise Nepal to recognize geography and work with India, is much more active in our neighborhood in trying to oppose its integration and closeness with India.

To some extent these new frictions in the relationship are because both India and China have changed, and now define their interests in more expansive ways. A prime example is the South China Sea. In 1991, when we began reform and accelerated our integration with the world economy, a little less than 18% of India's GDP was external merchandise trade. By 2104 that figure was up to 49.3%. And while most of it went west to Suez in 1991, by 2014 much of it went east, through the South China sea. In the same period, China, a large proportion of whose trade also passes through the same sea, defined a nine-dash line that sought to make the entire sea Chinese waters, and defined this as a "core interest" for China. As a consequence today freedom of navigation in the South China Sea is a vital interest for India and our assertion of this irritates a China who is militarizing the area by reclaiming and building islands and putting military facilities on them.

Something of the same dynamic also explains events and friction over Chinese actions in Doklam and India's reaction to the Belt and Road Initiative.

For me the SCS is only one example of why we need a strategic dialogue with China in order to arrive at a new *modus vivendi* or strategic framework for the relationship. Will this be easy? No. Is it necessary? Most certainly. And even if we are not immediately successful in arriving at a new strategic framework for the relationship, the very effort of talking through core interests and red lines and of indicating sensitivities and explaining why they are important to each side will contribute to better understanding between India and China.

Finally, in the 21st century it is not enough that the modern nation-states or governments of India and China improve their mutual understanding and better know how and why the other perceives the world or acts in a certain way. In a democracy like India what governments do or avoid doing is often determined by their perception of public opinion. Certainly, for many years after 1959 we were inhibited in our policy responses to China by our government's sense of the popular mood. In China too, policy is sensitive to public opinion, though perhaps to a less direct and visible degree. In today's hyper-nationalist age, when every extreme opinion is amplified by social media and the ICT revolution, it becomes all the more important that the public also know reality and the truth.

And that is where you come in, as teachers, as public intellectuals and as shapers of popular opinion, not just among your students but amongst the general public. So while I congratulate you on having completed this programme, I also wish you all the best in taking what you have learnt here to your students and the public. May you be most successful in your role in improving understanding of China in India and, I hope, understanding between India and China as well.