



## **China and the Making of an Alternative Order: Figuring Out the Indian Debate**

**Speaker: Dr. Jagannath Panda, Research Fellow, IDSA, New Delhi**

**Chair: M. V. Rappai, Hony. Fellow, ICS**

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Jagannath Panda's presentation was based on an attempt to study the emerging assessments about China's rise in the global world order. The basic contention of the speaker was to highlight the making of an 'alternative world order' as a corollary of the rising influence of the emerging economies around the world, particularly China and India. While China is at the center stage of this new and evolving world order, India is also gaining clout and therefore it was important, according to the speaker, to figure out the Indian position in this equation.

Before going into the main part of his presentation, the speaker provided a brief background of the shifts and changes at the global level that informed his research. Broadly, three debates have been significant – the 'China threat' theory that surfaced in 2001-02 in the Western world, the 'pivot to Asia' policy from 2006-07 that sought to serve the American economic and strategic interests in the Asia-Pacific region, and the more recent 'one belt, one road' initiative that has come from the Chinese side. Spanning over a period of about one and a half decades, India has been caught up in the US-China mutual discourse revolving around these debates and is yet to articulate its own stance. It is only recently that India has upgraded its China debate wherein there has been a surge in the bilateral interactions with China at various levels. The speaker also stressed how world politics has become multi-polar and to some extent Asia-centric. Given the shift, the Indian academic discourse refers to an 'emerging world order'. According to the speaker, a more astute understanding actually points towards an 'alternative world order' that is being shaped with Asia at the center.

The first part of the presentation dealt with an attempt to discern the nature and the indicators of the alternative world order. The speaker argued that the seeds of an alternative order can be

found in the growing clout of the emerging economies and their differing stance on global issues. Some of the important standpoints include – discarding the neo-liberal notion in financial structure; reforming the global economic order (particularly IMF, World Bank and WTO); maximizing the interests of the globalized world; and trying to reduce the existing gap in the North-South divide. Clearly, it is China that has been taking the lead in raising and putting across these viewpoints. The speaker also pointed out some of the recent regional and global groupings/partnerships that indicate the shaping up of an alternative order.

1) **Regional Comprehensive Economic Partnership (RCEP)/Trans-Pacific Partnership (TPP)/Free Trade Area of Asia-Pacific (FTAAP)**

As competing trade liberalizing economic models for regional economic integration, RCEP is driven by ASEAN and TPP is driven by American interests. India is going to negotiate its entry and has to decide about a China-dominated system or a US-dominated system. China has quite perceptively kept all its options open with regard to trade and economic arrangements and might join the TPP model.

2) **Asian Infrastructure Investment Bank (AIIB)**

India recently became one of the founding members of this proposed bank. While both China and the World Bank (WB) have officially refuted any claims about AIIB posing as a challenge to WB/IMF grouping, the very logic behind the formation of this bank actually reinforces those claims. The speaker maintains that AIIB is an alternative to IMF/WB and also to the ADB, in some respect.

3) **Indian Ocean Rim Association (IORA)**

China is only a dialogue partner of IORA but has been building its influence by increasing its funding in the IORA. China has strategic bases in the Indian Ocean and has come to focus on the IORA countries in the past few years.

4) **One Belt, One Road Initiative**

With this initiative, the Chinese are targeting three types of resources: demographic, geographic and economic. The last one and a half year has seen China trying to emerge as a maritime power and this is a major initiative to have a towering presence at least in Asia.

5) **Shanghai Cooperation Organisation (SCO) Expansion**

Chinese are pushing the expansion of membership in the SCO. There has been an attempt to integrate the Central Asian region with the South Asian region. India and Pakistan might soon be inducted as full members. It is also one of the strategies being employed by China to counter American presence in the region.

6) **New Development Bank (NDB)**

The NDB is being developed under BRICS as an alternative mechanism to extract and utilize resources for development within the region. Although initially proposed by India, the lead has been taken by the Chinese. The Presidentship remains with India but the major power of decision-making has been garnered by the Chinese.

In the second part of the presentation, the speaker dwelt on the real meaning behind the pointers towards an alternative world order. It was repeatedly stressed that at this point of time, the alternative order has not arrived, it is in the making and the emerging economies are transitioning towards it. However, there is little doubt that China is leading the course. China is no more the same status quo power. At the same time, India is also becoming a force to reckon with. In fact, India and China are both a major part of the debate pertaining to the new order.

The speaker concluded by recommending the stand that India should be taking in the given scenario. He talked about an ‘alignment minus alliance’ policy that can be adopted by India with regard to China. India can/ should support an alternative order led by China but not a China-dominated or a Sino-centric order.

## **Discussion**

The chair remarked that it would not be in India’s interest to look at a new power equation with China without the United States. India should be seeking a more democratic world order while also looking for viable alternatives to the existing global governance models. A related comment was made regarding the need for a China-led versus China-dominated system. If the prosperity of its citizens is the primary interest, then the current financialization seems like a better model for India.

A very pertinent question was raised regarding the speaker’s argument that emerging economies are turning away from a neo-liberal economic framework. It was argued that instead of a divergence, there has been a clear convergence towards a market-dominated system in all emerging economies. The speaker responded that China’s domestic politics is where one can see a cautious approach towards complete assimilation with the neo-liberal ideology. Political reforms in China and the legitimacy concerns of the party are bringing in a rethinking of the economic model.

Another important query pertained to the difference between a China-led global order and a China-dominated global order. In addressing the query, the speaker retraced the trajectory of China’s growing global influence. The political backing, economic support and leadership that China has exhibited in the African and the Middle Eastern nations showcased the China-led model. However, with the emergence of its ‘go global’ strategy, it is very likely that China takes a call on most issues in a more autocratic manner and this new order could be a China-dominated order.

Some concerns were also raised regarding the military dimension of China’s rise. It was stressed that possibility of war needs to be considered when talking about an alternative world order. Another suggestion was made regarding the China threat theory which could come in the economic dimension wherein the flooding of Chinese goods can derail the local economy. A relevant question in this regard is whether China is going to put its border disputes at the backburner just for the sake of economic gains. The speaker acknowledged that the unresolved disputes along its borders can certainly limit China’s successful emergence as the leader in the

new world order. Since an alternative order is still in the making, how China will deal with security concerns in the region remains to be seen.

An interesting query came up about the usage of the term ‘alternative world order’ in the revisionist writings in China. The speaker informed that the exact phrase cannot be found in the Chinese literature as of now. However, there has been a definite acknowledgement from the Chinese scholars that China is in a commanding position to lead the world. This could be seen as an implicit recognition of the fact that China is going to occupy the center stage in the emerging world order.

*Report prepared by Vaishali Singh, Research Assistant, Institute of Chinese Studies, Delhi.*

### ***About the Speaker***

Dr. Jagannath Panda is Research Fellow at the Institute for Defense Studies and Analyses (IDSA), New Delhi. His research interests are: India-China Relations, China and Multilateral Institutions, and Asia’s Power Politics concerning India and China. He can be reached at: [jppjagannath@gmail.com](mailto:jppjagannath@gmail.com)

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