



INSTITUTE OF CHINESE STUDIES

ICS-Sponsored Special Panel ‘India’s Policy towards China in the Changing Global Context’ as part of the AAS in Asia conference

Panelists: Amb. Shyam Saran, Amb. Shivshankar Menon, Amb. Ashok K. Kantha and Dr. Jabin T. Jacob

Date: 06 July 2018

Venue: Conference Room I, II & III, Kamaladevi Complex, IIC

The ICS-sponsored panel at the AAS in Asia saw a packed attendance. The institute’s Director, Ashok K Kantha in his opening remarks said that the panel would be ‘conversational and not a set piece’, thus setting the tone of the conference. The topic of the special panel focused on India’s China policy in the changing global context, the current scenario and the future trajectory. He laid down five fundamental questions to guide the flow of the discussion: to discuss the definite features of the global situation and how the developments would influence India’s foreign policy, the current scenario between India and China post the various summits such as Wuhan and Qingdao, the structural changes that facilitate India and China relations, India’s engagement policy vis-à-vis China and, the future trajectory of India’s relations with China.

Amb. Shyam Saran commented that with respect to the current global situation, the changes do not indicate a marked departure from the past. Recent events, however, has demonstrated a shift in the geopolitical center from the Trans-Atlantic to the Trans-Pacific region with the increasing role of US in both the G7 and the Singapore summits. He also remarked that the phenomenon of globalization can be slowed down but would not come to a complete halt. He commented that the world is in a phase where there is a ‘push back’ on the forces of globalization and, the United

States the ‘custodian’ of globalization has become a threat to the very phenomenon. Thus countries such as India, China, Japan and Russia are reacting to such changes. Many countries, especially in the Southeast Asia have resorted to various balancing strategies especially that of ‘hedging’, in order to safeguard their own interests and calls their strategy as ‘running with hares and hunting with hounds.’ This has also led to the opening up of new spaces for rising nations, leading to the creation of opportunities where India could expand its interests.

Amb. Shivshankar Menon argued that the sudden ‘retractionist/isolationist’ mode that the United States has entered into, is not specific to Trump regime but had its beginning under the Obama administration. This was done in order to maintain US supremacy. The region of Asia-Pacific witnessed the largest arms race in history where China’s rise is cited as one of the reasons. Amb. Menon supports the viewpoint that today no centrality exists in the global order, rather multiple powers exist. In militaristic terms, the US spends more (superseding many countries in terms of military budget) and thus remains the predominant power. The global events have become localized as the political competition among powers has caused strategic confusion (issues such as China’s Rise, the issues pertaining to Korean Peninsula etc.) He mentions the ‘two and a half’ problem in Southeast Asia, where most of the countries are bipolar in nature, shows a certain inclination towards China. Those countries are mostly resorting to internal and external balancing, along with hedging, which according to Amb. Menon, is the ‘new normal.’ When questioned about the likelihood of influence of such events affecting India-China relations, he answered that although these events are influential to a certain extent, they do not drive the relations. China’s rise has been exemplified in the discussions.

Dr. Jabin T. Jacob carried the discussion forward by commenting on the various geopolitical, economic drivers behind China’s Belt & Road Initiative (BRI). He referred to the project as ‘heavy weathered prognoses’ and does not rate the BRI project as a complete failure or success. The BRI project has been in the scene for quite some time and collates China’s grand narrative of building strong ties in her neighbourhood. In economic terms, China promotes BRI due to its overcapacity in production (new markets) and also give a ‘push’ to sell the ‘Chinese Model’.

Discussions took place on the concept of ‘Indo-Pacific and its significance’, Amb. Kantha commented that the Indo-Pacific is indeed a new geopolitical construct and not a strategy or club (as PM Modi had remarked in the Shangri La Dialogue this year). Amb. Saran argued that there

have been no crystallized positions with reference to the geo-strategic connotation of the term 'Indo-Pacific'. India should have an integrated view of how it views the Indo-Pacific wherein the geography of India seems befitting. Amb. Menon viewed Indo-Pacific as a purely maritime concept and that the creation of the concept solely due to the 'China factor' is insensible. He stated few reasons to support his argument: the Western Pacific is dominated by the US, South China Sea is dominated by China and East China Sea is contested waters between Japan and China. Interestingly, he points out that India's economic interests are far greater in the South China Sea (about 40%) than through the Straits (less than 15%). Thus, according to him, due to the lack of immediate security solution, it would be in India's best interest if she works with partners individually. Dr. Jacob commented that the concept of Indo-Pacific does not scare the Chinese and is not limited to the Quadrilateral Security Dialogue (QUAD).

The recent Wuhan Summit was also discussed in detail. The Wuhan Summit marked a 'new beginning' in the India and China relations, representing a truce or understanding where the interests of both the countries lies in working together. The core interests of these countries are not hundred percent conflictual in nature. On the questions pertaining to the structural challenges between the two countries, Dr. Jacob commented that the presence of two large countries with their own ambitions would be a cause of friction between India and China. With reference to India's strengths, he said that India has a number of strongholds but there should be more awareness and utilization of those elements. He focused on the internal problems India faces and commented that the country should raise its capacity, internal expenditure and develop a strong economy. He also highlight that there is not enough equality of opportunity for the citizens. Without dealing with these faltering issues, India would not rise up the ladder in the global order.

Amb. Menon said though it is unrealistic to compete with China in each and every aspects, India, could certainly develop on its own strengths and use it to their advantage. He pointed out that with the recent rise in new authoritarian leaderships and their reliance on ultra-nationalism to attain legitimacy their rule, the capacity of governments to deliver has gone down. The result of this is a lessened ability to negotiate and to make compromises while handling thorny issues.

The intensive discussion was followed by an interactive Q&A where the panel members entertained varied questions from the audience. The questions ranged from the maritime domain,

nature of the summits, role of US in India and China relations, mutual perceptions and misperceptions of India and China and how each of the country views the other.

About the Panelists

Ambassador Shyam Saran is an Indian career diplomat who is a Member of the Governing Council of the Institute of Chinese Studies and Life Trustee of the India International Centre. He joined the Indian Foreign Service in 1970 and rose to become the Foreign Secretary of India. Earlier, he served as India's Ambassador to Myanmar, Indonesia and Nepal and as High Commissioner to Mauritius. Upon completion of his tenure as the Foreign Secretary he was appointed Prime Minister's Special Envoy for Indo-US civil nuclear issues and later as Special Envoy and Chief Negotiator on Climate Change. A respected commentator and writer, he has recently authored the book entitled *How India Sees The World: Kautilya to the 21st Century*.

Ambassador Shivshankar Menon is an Indian diplomat, who is Chairman of the Advisory Board of the Institute of Chinese Studies and a distinguished fellow at Brookings. His long career in public service spans diplomacy, national security, atomic energy, disarmament policy, and India's relations with its neighbours and major global powers. Menon served as National Security Adviser to Prime Minister Manmohan Singh and the Foreign Secretary of India. Prior to that, he was Indian High Commissioner to Pakistan and Sri Lanka and Ambassador to China and Israel. He is the author of the book entitled *Choices: Inside the Making of Indian Foreign Policy*, published in 2016.

Ambassador Ashok K. Kantha is currently the Director of the Institute of Chinese Studies. A career diplomat, Kantha was Ambassador of India to China until January 2016. Prior to this, he was Secretary (East) at Ministry of External Affairs in New Delhi. His previous assignments include High Commissioner of India to Sri Lanka and Malaysia, Consul General in Hong Kong, Deputy Chief of Mission in Kathmandu (Nepal), and Joint Secretary (East Asia) in Ministry of External Affairs. In his diplomatic career spanning over 38 years, Kantha specialized in Asian affairs, with a particular focus on China.

Dr. Jabin T. Jacob is a China analyst based in New Delhi and Associate Editor of the academic journal, *China Report*. He was formerly Fellow and Assistant Director at the Institute of Chinese

Studies, Delhi. Jacob holds a PhD in Chinese Studies from the School of International Studies, Jawaharlal Nehru University, New Delhi and has spent time as a student and researcher in Taiwan, France and Singapore. Jacob's research interests include China-South Asia relations, and centre-province relations in China. Jacob's latest work is a co-edited volume, *China and its Neighbourhood: Perspectives from India and Vietnam*.

The Report is prepared by Prarthana Basu, Research Assistant, ICS.