

**Institute of Chinese Studies – China Institute of Contemporary International Relations**  
**Consultations**

**Chair:** Amb. Ashok K. Kantha

**Speakers:**

Dr. Fu Mengzi, Vice President, CICIR

Dr. Hu Shisheng, Director of Institute of South Asian Studies, CICIR

Mr. Xu Xiaotian, Director of the Institute of Maritime Studies, CICIR

Dr. Guo Chunmei, Senior Researcher of Institute of Southeast Asian Studies, CICIR

Mr. Zhang Xinbo, Assistant Researcher of the Institute of Maritime Studies, CICIR

Mr. Wang Se Assistant Researcher of the Institute of South Asian Studies, CICIR

**Date:** 15 April 2019

**Venue:** Conference Room II, India International Center

The Institute of Chinese Studies (ICS) – China Institute of Contemporary International Relations (CICIR) Consultations on April 15, 2019, aimed at discussing the crux of India-China relations in a rapidly changing global environment. In face of transitioning and unpredictable geopolitical relations, India and China emerge as the two fastest growing economies in the world, and it is important that stability is achieved in the relations so that both countries are able to leverage their competencies towards achieving their goals of acquiring global prominence.

The consultations began with the chair, Amb. Ashok K Kantha, Director of ICS, welcoming the Chinese delegation and introducing the audience to the topic, highlighting its caveats and the need to indulge in such a discussion. The introduction was then taken over by Dr. Fu Mengzi, the Vice President of CICIR, which is an influential group of think tanks based in China. He highlighted the need to take a bipartisan approach to analyze any disputes between India and China in order to reach mutually beneficial outcomes, and the importance of creating an understanding between the two growing powers.

## **Session on India-China Cooperation and Connectivity: Maritime Dimension**

The conference began with a session on India-China Cooperation and Connectivity, with a special focus on the Maritime Dimension. The topic was first addressed by Mr. Xu Xiaotian, Director of the Institute of Maritime Studies, CICIR and Vice Admiral Shekhar Sinha. Mr. Xu Xiaotian talked about China's views on maritime cooperation with India and the potential benefits that can be accrued to both countries if they cooperate. In recent times, both India and China have been attempting to become maritime powers and this creates a unique window of opportunity to engage in a quid pro quo and become a crucial part of the global ocean governance structure.

He reminded the audience of the establishment of a maritime cooperation dialogue mechanism between the two countries in 2014. The first round of dialogues was held in February 2016, in New Delhi, while the second round of dialogues was held in July 2018, in Beijing. This allowed for an in-depth exchange of views and ideas on the countries' concerns and needs and led to important conclusions over the exchange of science and technology, and exploration initiatives.

Mr. Xiaotian concluded his remarks by putting forth two suggestions over the possible future steps that the countries can take so as to reach more positive outcomes. The first was the strengthening of communications over maritime strategies. He emphasized the need to move on from a zero-sum game mentality towards mutual aid and development through both official and unofficial channels. His second suggestion was to promote practical cooperation between the two countries in five crucial ways:

- i. Establish common interests with regard to existing rules and jointly establish new rules over issues beyond the purview of international jurisdiction.
- ii. Strengthen naval exchanges in terms of joint patrols and exercises, and sharing of best practices.
- iii. Indulge in non-traditional security cooperation, for example in anti-piracy and search and rescue operations.
- iv. Find ways to promote multilateral cooperation over maritime issues in the Indo-Pacific region.
- v. Increase cooperation between regional and maritime governments.

Mr. Xiaotian's address was followed by Vice Admiral Shekhar Sinha, who began by recognizing the importance of the five points raised by Mr. Xiaotian in regards to building better maritime relations. However, Vice Admiral Sinha claimed that since maritime falls under an umbrella of broader bilateral relations, some points will be harder to achieve than others. He conceded the importance of the cooperation between the two nation-states, owing to the heavy reliance of both on sea links as drivers of economy and security. Vice Admiral Sinha contended that rather than waiting for official channels to open, there is a need to begin maritime cooperation between private entities. It is only by identifying citizen-centric common interests that the two countries

can move towards establishing a balanced and mutually beneficial agreement over the management of maritime affairs.

He claimed that the starting ground and perhaps the easiest platform for the countries to establish cooperation on would be global ocean governance. The importance of the blue economy to both countries can create a space for mutual development of strategies to deal with issues such as ocean acidification, eutrophication, sustainable fishing, and plastic pollution management. Vice Admiral Sinha also emphasized on the need to find convergence between the two countries on international forums such as ASEAN and the UN Ocean Conference.

The discussion following the two speakers raised several important points. The commitment of both countries to become maritime powers warrants the diversion of resources to creating cooperation. However, both rounds of maritime cooperation dialogues in 2016 and 2018 failed to materialize into visible outcomes. So it becomes increasingly important for bilateral relations to focus on developmental cooperation.

The discussion also highlighted the need for India to learn from Chinese coastal management practices in terms of both ecological and economic returns. The discussion ultimately turned towards the crucial question of the need for confidence building mechanisms between the two countries. Taking into account the new ports being built by China in the Indian Ocean as a part of its Belt and Road initiative, it becomes imperative that the two countries are able to put aside biases and indulge in strategic discussions over ways to foster trust.

In light of the diplomatic, strategic and geopolitical connotations attached to maritime affairs, it becomes crucial that India and China are able to negotiate an outcome that is conducive to the goals of both countries, while not compromising on the strategic, economic and security concerns of either side.

*This excerpt was prepared by Vidushi R Singh, Research Intern, Institute of Chinese Studies, Delhi.*

### **Session on Indo-Pacific Debate**

The session began with the discussion on the origin of the Indo-pacific concept. The topic was first addressed by Dr. Hu Shisheng, the director of Institute of South Asian Studies, CICIR and Dr. Manoj Joshi, a distinguished Fellow of Observer Research Foundation. Dr. Hu Shisheng discussed the vision of Indo-Pacific region from a Chinese scholar's point of view while stating the critical roles of US, Japan, Indonesia & India in the region. He highlights the change in the Theoretical writings from Indo - Pacific concept to Indo – pacific strategy, as the world has always perceived it be a strategic region while China still looks at it as the conceptual means. Dr. Hu Shisheng further specified the one target that the china thinks is being pursued by the US Administration. As stated by Peter Navarro while imposing the restrictions that “US sees the next 5 years as the final opportunity to restrict China from taking dominance and thus the restrictions on investments come at a crucial stage”. China understands the targeting policies of

US and the strategic rivalry being developed in the region through continuous navigation by the US navy. These strategies have significant consequences as the imbalance of power takes place in the Asian region.

He further specified the approaches being implemented by the US in the process, while the first being the Defence & Military approaches. In response to the man built Islands by China on Fiery Cross Reef near the Spratly Islands that is now the site of lookout towers, military barracks and runways to handle Chinese military aircrafts, US has increased its navigation in the South China Sea by deploying more than two US navy warships in the international waters. He further states the encouragement policies being executed by US with its allies to initiate more free navigation from its partners. US also claim to make this an international issue by involving allies like United Kingdom, India, Australia and Japan. Dr. Hu Shisheng further highlights the developing US relations with Taiwan and Japan in respect of South China Sea while forcing them to increase the defence budget. He concludes the first approach by emphasizing on the rising Defence budget & expenditure in the last few years. The second approach being the Economic means in terms of redefining and changing laws of the tributary system and targeting the Belt & Road initiative of China. US bring Japan & Australia on board for the infrastructure plans in the Indo-pacific region in response to the growing trade routes from China. Japan's strategic understanding of the Bay of Bengal has been seen through its continuous promotion and investment on the infrastructure projects and Big B Plan in Bay of Bengal. He also highlights the significant changes in the names of the organizations as the US military command for Asia and Pacific region is now called the Indo – Pacific Command. Dr. Hu Shisheng also highlights the economic significance of Trade war as it reduces the China's resource capacity while affecting the products being traded.

Dr. Hu Shisheng further expands the discussion to the three guiding principles in these approaches. The first principle being the Rule based order for privacy protection from China as the China focuses on the western Pacific origin and free aviation. The second being the Free & open order being supported by China in terms of international trade. China shows its requirement of free navigation in the western Pacific region as due to the development of the naval military actions by the US in presence of its allies while the similar concern is being shown by US in South China Sea.

Dr. Hu Shisheng states the four major players US, India, Australia, Japan and ASEAN (in future) that have been playing a crucial role in the Indo- Pacific Region. He highlights the competition of formulating rules and Laws that is being taking place in the region for a while. Dr. Hu Shisheng concludes by stating the initiatives of China in stabilizing relations with US & Japan while also realizing the significance of India as the only nation not abiding to the pressure from US and being rational in its decisions.

Next Dr. Manoj Joshi, a distinguished Fellow of Observer Research Foundation highlights the output of the Geopolitical significance as the changing of the name from Asian-Pacific to Indo –

pacific region takes place. He clears the rivalry in the visions from both US & China as the China's vision of being in the middle while community of common destiny derived from the chao dynasty concept of all under the heaven. As the growth of Belt & Road Initiative by China's investment affects India as China's geo-economics activity is taking the form through Geopolitical assertion. The target countries see BRI as the way to their economic corridor, increasing investments for the infrastructure projects while also realizing the growing interdependence with China. The US seeks the vision of Free & Open Indo-pacific region followed by Japan through Build Act that states the growing investment plans to 60 billion in coordination with Japan. Manoj Joshi further highlights the role Japan in the infrastructure projects in the region as China and Japan agreed to cooperate in 50 infrastructure projects in relation to their indirect commitment to Belt and Road Initiative. The developing US naval exercises with Australia, India, Korea & Japan are seen as the strategic Principle Security Networks. He argues that the Chinese scholars dismiss the Indo-Pacific security measures as they are just means to contain china but the Chinese Military activities in the south China Sea has led to its consolidation as their major focus is on building security architecture through SCO and CICA.

The fourth vision emphasizes on the centrality of ASEAN & its significance in the Indo- Pacific region as mentioned in various summits. As the ASEAN in itself is divided in terms of the concept of Indo- pacific region as there has been no clear statement on the concept. India has clearly stated through its policies that it does not restrict the Indo-pacific region under the geographic countries or limited member groups. Dr. Manoj Joshi further states the India's claim to equal access under International Laws in the region in terms of free spaces in the sea, freedom of navigation and peaceful settlements of the disputes under the democratic rule based international order. Dr. Manoj Joshi shifts the focus to the Quad formed in 2007 highlighting the four way dialogue between US, India, Japan and Australia that took place in 2017. He states that the Quad is not a military alliance but still understands the imbalance of power in the region. He concludes by emphasizing the need of looking at the major issues in international terms instead of binary terms as the world's economic interdependency grows with Japan's involvement into Belt and Roads Initiative.

*This excerpt was prepared by Kuldeep Saini, Research Intern, Institute of Chinese Studies, Delhi.*

### **Session on Future Trends of India-China Relations**

The Institute of Chinese Studies (ICS) – China Institute of Contemporary International Relations (CICIR) Consultations were, held on April 15, 2019, aimed at discussing the crux of India-China relations in a rapidly changing global environment. In the face of transitioning and unpredictable geopolitical relations, the two nations are among the maximum contributors to the global economy, and it is very crucial to see relations between the two nations. The third session of the conference was aimed at discussing “Future trends in India China Relations.”

Speaker Ravi Bhootalingam started his presentation by saying that future is based on hope and the hope is based on facts and logic and according to him he feels that there is a lot of potential for improvement of relations between India and China. Currently, India and China have a trade value of around \$100 billion, and gradually there is a reduction in the trade deficit for India also. Approximately 15 years ago the trade value was around \$2 billion which indicates that the trade engagement between two nations is increasing rapidly. However India- China's current value of trade is still one- third of China- Korea trade value, one- fifth of China-US trade value and so is with Vietnam and Japan. He drew attention to how even with all the geo-political issues going on between China with these nations, China is still successful in managing the trade balance.

He said that nations should be able to maintain a balance between geopolitical issues and geo-economics issues. On the one hand, geopolitical issues create negative feedback if not solved, geo-economics issues can create positive feedback and voluminous possible benefits can be transferred through it. This is because once any nation increases economic connectivity to generate a positive outcome, this can create an environment where geopolitical issues can be resolved. This will, in turn, lead to proliferation of trust. The trust can be developed and sustained only through greater connectivity and interaction between the nations. He said that there are some concrete steps which can be taken to boost the level of trust.

For the first suggestion, he informed that recently many of the researches about globalization show how the process of globalization is becoming more and more regionalized. More significant trade and investment activities are undertaken in large regions like the European Union (EU), The Association of Southeast Asian Nations (ASEAN), and Russia, etc. Long distance investment and trade practices are also carried out but are increasing at a lower rate than the regionalized globalization. Hence it is important to pay attention to regionalism because India and China along with the neighbors are also the fastest growing countries in the world.

Secondly, regional comprehensive programmes should be set up because in the long term these will help to transfer greater benefits for both the nations. He explained that how there are different models of globalization present and these models must be deeply introspected to see why a particular model is working or not. Then all the questions should be catered to see what emerging countries want. There should be potential collaborations through cooperative projects so that it is visible to people and a cooperative narrative can be created. There should be a good choice of an accommodating project in a neighborhood country to show that India and China are building a narrative of collaboration and cooperation.

Stating example of India- China's step towards climate he asserted that just like the collaboration by India and China on climate issues these nations should also collaborate for science and technology since they have largest scientific manpower and hence can create a huge impact. There is a lot of scope for India China tourism as there are no political issues and it is an untapped sector. Further better connectivity can be brought through virtual platforms since

internet penetration is increasing in both nations. This potential of the internet and increasing usage of Chinese apps in India and Indian apps in China can create positive attitudes.

Speaker Fu highlighted that it was Prime minister Modi's visit which enabled betterment of relations. He used 5 T's to explain relation between two nations - Tibet, Terrorism, Trade, Third side perspective and trust. Dr. Fu elaborated that how these 5T's are very crucial and listed some suggestions for better relations:

1. Focusing on improving economic relations
2. India providing a Third party perspective and maintaining good relations with nations amidst issues between China – US, China- Australia so and so forth.
3. Gradually developing Confidence-Building Mechanisms

He said that China sees India as a dynamic country and both the nations can further contribute to the global economy. His observations were that global power structure is changing very rapidly. India China relations may enter a new stage where they can reach a position where they will achieve a stable position. He predicted that in the next 20 years if the relations are strategically managed, then India and China can be the largest economies of the world. This would be beneficial for Asia and Indo- Pacific and hence, in turn, the global space.

*This excerpt was prepared by Bhavana Giri, Research Intern, Institute of Chinese Studies, Delhi.*

#### **Disclaimer**

This report is a summary produced for purposes of dissemination and for generating wider discussion. All views expressed here should be understood to be those of the speaker(s) and individual participants, and not necessarily of the Institute of Chinese Studies.