

India and China in 2022

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What does one see when looking at the future of India-China relations? A view of 2022 seems worthwhile after the five informal summits planned between Prime Minister Narendra Modi and President Xi Jinping have been held. Two of these have concluded, three are yet to come—in 2020, 2021 and 2022. A five-year time frame is a reasonable period to consider progress or otherwise.

The first outcome of these five summits is likely to be a gradual, growing mutual respect between two strong leaders who are strong not just in personality but in action too. This mutual respect, even when they differ, augurs well for bilateral relations. The problems are many and the challenges multiple. After five informal summits, with quality time devoted, plus many other meetings at other summits, “mutual respect”, if not “mutual like”, can certainly be expected. If so, 2022 should see incremental growth.

The second outcome, going beyond respect, will be a step by step increase in mutual trust. This will be a major move forward for both countries, dogged by over half a century of mistrust—in fact, a massive two-way trust deficit. It takes many small actions to build trust. It takes one wrong action to destroy trust. Five informal summits, in spite of multiple challenges all-around, should build a growing level of trust. This is a reasonable expectation for 2022.

The third outcome would be mutual understanding on trade. India is faced with a trade deficit of over \$60 billion. There could be a gradual reduction in the trade deficit to \$25 billion, a far more reasonable level and, perhaps, politically palatable (or, can it go in reverse to \$70 billion-plus?). This depends not only on the two governments but also business and industry on both sides — they are the exporters and importers within an environment set by the two governments, especially China in regard to prices and barriers. Real progress on bilateral trade

could be a reality, driven by the two leaders and the respective industries, but it will depend on China.

By 2022, the initial Regional Comprehensive Economic Partnership Agreement would develop further if China (with its huge economy), shows reasonableness towards its smaller neighbours, including India, all of whose economies are far smaller than its own. The “big brother”, China, will need to nurture neighbours rather than overwhelm. Build friends not build fear.

The fourth outcome by 2022 would be on the ground, practical cooperation on terrorism. A road map would emerge in spite of China’s other commitments because terrorism is of serious concern to them, as it is to India and the world. China is wise enough to understand what terrorism can do to hurt them. Terrorism is infectious. By 2022, India and China may be actually acting together on certain issues of common concern.

The fifth outcome would flow from a different area of cooperation. And, this is likely to be investment, two-way, but more into India in the manufacturing industry. As long as there is significant trust deficit, policy and procedures will restrain investment. As this scenario changes, the attitude to bilateral investment will also change. In both countries, respective industries can set up manufacturing facilities, creating jobs and developing technology. This can be a double-headed winner if the process of trust-building, and opening to each other, grows, as is to be expected. Both countries seek “capital” and the picture in 2022 could be somewhat different.

The sixth outcome would be significant: A beginning in defence, military and security cooperation. This can be a troubling area if there is not even a modicum of trust. By 2022, this most sensitive area is likely to be addressed. This is so fundamental to

building strategic cooperation and mutuality of strategic interests. Five informal summits will see a beginning, however small. And, it has to be small.

The seventh outcome will be a rising curve of people-to-people contact, especially in education, training and tourism. The power to issue or not to issue a visa is directly related to bilateral tensions and differences, or a lack thereof. In all likelihood, 2022 should see an unprecedented number of people exchanging visits and getting visas with greater ease and lesser scrutiny. The people-to-people connect will also involve learning each other’s language — Mandarin for Indians and Hindi for the Chinese. More students will travel to each other’s countries for training and education. The “Soft Power” connect is likely to move ahead by 2022.

There will surely be other outcomes but on all fronts it is going to involve tough negotiations. This is different from an earlier Indian thesis, from some quarters, that India should show more and more understanding towards China. The current approach is different. It is based on self-respect, self-esteem, self-confidence and reciprocity. Every step will be hard but will be taken because of an overarching vision of India and China “together”, not “apart”.

The two nations will be upfront, stress mutuality and get mutuality understood and accepted. The progress will be step by step. There will be no romance, no euphoria. But, the aim and objective will be to bring China and India into a deeper and wider engagement with each other.

There will also be areas that will see no progress. But the continuous engagement of the two leaders will make a difference, not only to bilateral relations but to all of Asia and, in fact, the world. This is the big picture in front of Prime Minister Modi and President Xi. The unexpected, unanticipated consequences of plugging away together, setting direction, pointing the arrow and proving the disbelievers wrong.



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