

How Indian and China can work together – 2019

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...Let me start with the common description of our ties with China as being complex and being characterised as having elements of both cooperation as well as competition. Let me point out that in the case of any two large, neighbouring, countries their relationship is likely to be complex and difficult, as they are likely to have strong opinions on most issues and are unlikely to share identical or similar perspectives on many bilateral or international issues.

..Therefore, while it is going to be one of the most important relationships of the 21st century there is very little doubt that both countries and their governments will have to navigate incredibly difficult waters as they move ahead on their respective paths of regaining their historical, pre-eminent places in the world order. Predictably, there will indeed be ups and downs in this bilateral relationship, but it will also be immensely important for each of our nations to work hard at ensuring a balanced but forward looking approach to our ties.

..This is exactly what we have witnessed and experienced in India -China relations in 2017 and 2018 when we moved from the confrontation at Doklam to dialogue and discussion at Wuhan. Many people have described this as the 'Wuhan reset'. I must share with you that I, personally am very averse to the use of this term, since I believe that both sides -- the Government of India as well as the government of the People's Republic of China -- saw what happened at Doklam, analysed that particular experience, drew their own conclusions from it and then, independently came to the decision that it was much more important to have a relatively harmonious and balanced relationship between the two most populous states on this globe.

Talking to each other was important and this is what happened at the Wuhan Informal Summit between Prime Minister Modi and President Xi Jinping. If the word 'reset' in any

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1 The Director of RGICS, Mr Vijay Mahajan was present at the occasion. The full speech has been reproduced at <https://www.rediff.com/news/special/must-read-how-india-china-can-work-together/20190302.htm> We acknowledge the source: Rediff.Com

way implies that the tensions and ill-temperedness of Doklam was being brushed aside or under the carpet, then I strongly object to this term. If it means the process I have just described of a cool, re-appraisal of the importance of the relationship and a desire to put it on an even keel then I can go along with the use of the term 'reset'.

The Boundary Question between India and China

We are all aware that we have differences of opinion about the boundary between us. We agree that some of these boundary related issues have been left to us by history. But it is for us to resolve these problems and issues and hence we have been discussing them for a fairly long period of time.



Indian and Chinese soldiers attend the celebrations to mark the 60th anniversary of the founding of the People's Republic of China at the India-China border, about 41 km from Tawang district in Arunachal Pradesh, October 1, 2009. Photograph: UtpalBaruah/Reuters

Currently, the Special Representatives of our two countries are attempting a resolution to this Question. There can be little doubt that resolving the boundary issue is incredibly difficult due to the nature of our borders which lie in the mighty Himalayas thousands of metres above sea level. Hence, we must be patient with our negotiators.

India and China have agreed that even while we attempt to resolve the Boundary issue, we shall do our very best at maintaining peace and tranquility on the border. Elaborate and fairly successful standard operating procedures have been put into place to ensure that our armed forces do not get into situations which will raise temperatures in the relatively cool climates of the India-China boundary. Yet, we have had what I call as 'close proximity situations' at Depsang in 2013, at Chumar in 2014 and most recently at Doklam in 2017. Why do such situations take place at all? My analysis reveals that better technologies available to both sides, better roads available to both sides -- yes, let me repeat that despite all the criticism, the Indian armed forces also have better roads on our side of the border as compared to 20 or 25 years ago -- have brought the two armed forces closer on this border than ever before in history.

In this scenario, if any one of the two sides makes an attempt to change the status quo or a set pattern of behaviour, there is an immediate reaction from the other side. This is exactly what happened in each of these instances in 2013, 2014 and 2017. In each case,

the Chinese PLA attempted to change the status quo on our frontier and in each case the Indian Army blocked such an attempt. Once the status quo was resumed, the situation went back to normal, although it may be a new normal. So my advice to the Chinese PLA is – if you want to maintain peace and tranquility in the India-China border areas, do not change set patterns of behavior and do not attempt to change the status quo on the border. Do not take any action which will be out of the ordinary and ring alarm bells on the Indian side. The PLA's patrolling activity must maintain its normal, routine patterns.

The Wuhan “Reset”

As I had said earlier, since both Prime Minister Modi and President Xi Jinping were keen to bring the bilateral India-China relationship on to an even keel, they agreed to meet at an informal summit at Wuhan. The idea of an informal summit meant that there was no need for the bells and whistles of a formal State visit but the two leaders could spend a whole lot of time by themselves, talking to each other on any subject they felt was important for a strategic conversation.

The offer to have the Summit at Wuhan in central China was made by the Chinese side, since they felt they had the facilities for such a meeting there and because Prime Minister Modi had not visited Wuhan before this event. Eventually, PM Modi and President Xi spent anywhere from 8 to 10 hours communicating with each other on some of the important bilateral, regional and global issues of the day. They also spoke to each other about the history and culture of their respective countries and societies, thereby adding to understanding and trust in each other. The importance of being sensitive to the concerns of the other country was an integral aspect of these talks.

The outcome of Wuhan is there for all to see. Naturally, if there was anyone who was expecting a complete transformation in the relationship that was an unrealistic expectation to start with, but those of us who were keen to have some warmth and vigour return, were satisfied with it. If the use of the term ‘reset’ to describe the Wuhan Informal Summit indicated that all issues between India and China were resolved then those who use this term were naturally in for a surprise. However, Wuhan did indicate that the leaders of India and China had the maturity and the intelligence to be able to sit together and work on their differences while expanding the areas of cooperation.

To many of us present at Wuhan, the meeting was a reiteration of our belief that India and China can talk with one another rather than past each other. It was a vindication of our insistence that two ancient cultures and civilisations can reason with each other even on areas of disagreement while being able to cooperate on obvious convergences. One of the understandings emanating from the Informal Summit at Wuhan was the fact that although the governments of India and China have been in close touch over the decades and even though business has boomed over the past few years, the one area of bilateral contact which lacks intensity is people-to-people exchanges.

That is why the High Level Mechanism to boost such contacts was established and held its first meeting this past December. It is led by the foreign ministers of the two countries. Given the fact that India and China are the two most populous nations on earth, that we are ancient civilisations with our own individual ways of thinking, it is very important to foster greater interaction between our peoples. In the ancient past, we had been able to understand each other well due to the monks, sages and scholars who had travelled to each other countries and brought tales which enhanced understanding of the other side.

Today, it is once again necessary for the connect between our people to increase and multiply so that we understand each other better, are able to see the other's point of view and comprehend where the other is coming from. Only such greater interaction and the resultant understanding will provide the basis for a better relationship between us and make each of us more sensitive to the other.

I have had the opportunity of seeing and experiencing China, as an Indian diplomat, over a period of three decades from 1988 to 2018. Not only has China changed due to the fast paced economic growth she has undergone, but more importantly attitudes and behaviour patterns indicate a greater openness amongst the Chinese people towards new ideas, new commodities, new technologies and new products.



Shuai Jiao Baba (Let's Wrestle, Dad), Dangal's Chinese version, was a superhit in that country.

It is this characteristic which has made Bollywood films popular amongst the youth of that country. The Chinese audience is very discerning and only those movies which have good themes, strong story lines and outstanding acting become hits there. Similarly, the rising popularity of yoga in China comes from its obvious health benefits including in cases of serious illness. It is important that we support both these activities since they do enhance understanding amongst ordinary people.

India-China Trade Deficit

A lot has been said and written about the continuously rising trade deficit that India experiences with China. My view is that such a large and expanding deficit is dictated by the very composition of bilateral trade. When we mainly export primary produce to China while importing every kind of manufactured product including iron and steel, electronic items, power equipment and mobile handsets then we will end up with a trade deficit which will increase over time. Even if we are able to sell more basmati and non-basmati rice, sugar, tea, sapota and mangoes to China it will not bridge the trade gap. Therefore, I have argued in the past, that we need to focus not so much on the Balance of Trade in our bilateral payments but on Invisibles.

We need to and must work towards attracting more Chinese tourists to India. This will prove to be a less herculean task as compared with selling more pharmaceuticals or software in the Chinese market where we face huge non-tariff barriers. A public-private effort by India can result in up to 1.5 million Chinese tourists visiting our country by 2020. Our Buddhist trail will be attractive, but so too will our beaches, our mountain resorts, our temples and other historical sites. We must focus our efforts in this direction.

We need to undertake a massive marketing effort in China to ensure that our message of Incredible India goes down from the metropolitan cities to the Tier 2 and Tier 3 cities where the real heft of Chinese tourism abroad comes. The results will be quick and very obvious. They will not merely help us meet our tourism targets but will provide employment to large numbers of our countrymen and women, while balancing out our trade deficit. It will have the additional spin off that understanding of the other country will be enhanced amongst our peoples.

I have been a strong advocate for Indian Universities to attract more Chinese students. We will need to provide these potential students a rationale and a value proposition of why they should study in India rather than in the United States, the UK, Australia or Canada. I believe that value proposition can be as follows: Do your Bachelor's degree in India, learn fluent English in the process and then at the Master's level you will have a good shot at relatively easy admission into and study at universities in any of the Western countries.

Once again we will need to market this well and we shall be surprised at the interest we can generate amongst the Chinese youth. I suspect that the new private universities in India may be able to pull in many more Chinese students in a 3-year perspective due to their cleaner premises, better catering facilities and good faculty and curricula.

Cooperation on Global Issues

Over the past few weeks a lot of attention and indignation has focused on China's objections to the listing of Masood Azhar under the United Nations 1267 sanctions. I am of the opinion that we must have a transactional approach to this issue. Perhaps, China will permit the listing to move ahead if there something we can do for them or offer them in return? If there is, a bargain can indeed be struck. I am confident that our diplomats are already working on such a scenario. I would also like to suggest that amongst international and global issues there are many where India and China do see eye to eye and on which we work together.

All of us recollect the stellar work done by the BASIC countries of India, China, Brazil and South Africa in the context of climate change negotiations. Today, India must devote some energy and persuasion to convincing China to become a member of the International Solar Alliance or ISA. There is little doubt that this will be a win-win proposition as China will benefit from becoming a member and the ISA will gain from China's membership. Now that Japan and Saudi Arabia have recently joined this international organisation, China is very likely to follow suit if we devote some attention and time to them.

On the economic side, I would also like to suggest that perhaps India and China can work together on modernising one of our railway stations. All of us who have travelled in China have been impressed by the nature and state of her infrastructure including her railway stations. Many Indians have admiringly stated that, Chinese railway stations look and feel like airports! Since India is working on modernising her railway stations surely there can be some way we can include China in this effort. We shall have to work on and perfect a financial model which works for both countries and for the firms from both nations involved in this work. If we are able to build and finalise such a model we will indeed be in business!

The subject of trans-boundary rivers is one which has received considerable attention in both India and China. The Brahmaputra, in particular, and Chinese dam building and other construction on that river is a matter of great concern in the lower riparian countries such as India and Bangladesh. The recent experience is that China, although very cagey on this subject, and all the while playing up the fact that they are cooperating even though it is not mandatory for them to do so, has indeed worked with India in several instances particularly when a blockage of the main body of that river in Tibet is likely to burst and cause potential havoc downstream in India.

Chinese and Indian authorities have stayed awake through the night in certain recent cases exchanging data and information on the flood level and in projecting when the flood peak is likely to reach the populated and settled areas in India. In some cases, such warnings and continuous monitoring of the situation has enabled the affected areas in India to either evacuate those segments of its population living in the low lying areas which were likely to be submerged or helped them in putting out a more general alert. Such recent cooperation has been under the radar but needs to be acknowledged adequately. It provides hope that trans-boundary rivers could become an area of cooperation rather than one of contention.

An India-China relationship on relatively even keel, will not and does not restrict our diplomatic space with the rest of the world. In fact, it enhances the scope for India to do more with Russia as well as the United States, with Japan as well as Europe and ASEAN. The only challenge is internal, whether we shall have the bandwidth to be able to expand our interaction with all our partners. I, for one, have little or no doubt about our ability to do more projects with all friendly countries. This matter will continue to require our attention and concerted action so that we are better organised, better prepared and better at implementation.

The Pune Plan of Action on India-China Relations

Many of the ideas I have shared with you this evening on the way forward beyond Wuhan in India – China relations have been given shape, dissected, sharpened and finalised in discussion and debate with friends, colleagues, well-wishers and analysts in Pune.

Therefore, the entire set of suggestions on how India and China can move ahead in the coming months is named by me as the Pune Plan of Action on India-China Relations. It includes:

- Continued, intense high level political interaction since our relationship is driven from the top down. Therefore, I do hope that President Xi Jinping can visit India later this year for the next Informal Summit with our prime minister.
- Enhanced and expanded military exchanges between India and China so that understanding between the two militaries is increased.
- Work to increase the number of Chinese tourists visiting India through a public-private partnership between India Tourism and private tour operators.
- Continue to encourage the sale of Indian films in China as well as promote and propagate yoga in that country.
- Focus efforts on attracting more Chinese students to Indian universities.
- Create a financial model for Chinese firms to modernise Indian railway stations.
- Persuade China to become a member of the International Solar Alliance.
- Expand engagement with the Shanghai Cooperation Organisation.

As China rises and India grows to reclaim their earlier positions on the world stage as two of the largest economies and most important countries, there will indeed be some contention between these two powers. There will also be plenty of space and room for cooperation amongst the two of us. As our economic size increases to match the fact that we are the two most populous nations on earth, it will be all the more important for us to keep the interests of our peoples as well as those of the rest of the world in mind.

We shall have to grow together rather than as separate and disparate entities. It will become incumbent on us to maximise global welfare rather than that of each one of us separately. In such a scenario, I visualize that while there will remain some areas of competition between India and China, cooperation will be the dominant theme between us.