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## FRESH OVERTURES HINT AT A THAW IN INDIA-CHINA RELATIONS

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In an economic system that is still globalized, conflict does not automatically equal economic setback. This is because the conflict is no longer simply a shooting war, but a complicated struggle of wills.

India and China are cases in point. Last year they had a serious military standoff over the Doklam border region, which came on the head of tensions between them over a clutch of other issues – the China-Pakistan Economic Corridor, Beijings foiling New Delhis efforts to bring Jaish-e-Mohammed chief Masood Azhar under United Nations sanctions, and China blocking Indias bid for a membership in the Nuclear Suppliers Group (NSG).

Yet according to official Chinese statistics, its trade with India has been booming. Two-way value reached a record US\$84.44 billion in 2017, an 18.63% increase over the previous year. And what is more, Indias exports to China saw a 40% increase, thus somewhat mitigating New Delhis complaint of an imbalance. India has long complained about a trade deficit that was more than \$52 billion in 2016 and remains around that figure even now, though the overall volume of trade has increased.

The Narendra Modi governments ties with China have waxed and waned. Initially, both sides even spoke of the possibility of a quick border settlement through out-of-the-box solutions. But thereafter it became clear that there was no meeting point there. Communication broke down over the NSG and Masood Azhar issues, and India publicly refused to endorse the Belt and Road Initiative (BRI). Indeed, it stepped up to the plate in the West Pacific in helping revive the Quad grouping with the US, Australia and Japan.

Indias relations with China involve the four Cs – conflict, competition, cooperation and containment. The areas of conflict are well known – the border, and Chinas relationship with Pakistan.

China may not think India as much of a competitor when it comes to the economy, but politically New Delhi remains a potent presence in areas that border both India and China, especially in South Asia. The two sides cooperate on a range of areas; India was among the early supporters of the Asia Infrastructure Investment Bank and is, of course, a partner of China in BRICS and of the Shanghai Cooperation Organization (SCO).

As for containment, this is actually the hidden theme in their relationship – China thinks that India is trying to contain its rise in collaboration with the US and Japan, while New Delhi believes that

Beijings policies in South Asia are aimed at preventing India from playing a larger extra-regional role.

Recent Indian moves signal New Delhis effort to restore balance in a relationship that had gotten frayed, in large measure by Indias megaphone approach on contentious issues that the two countries confront. Many of these could have been resolved through quiet diplomacy, but New Delhi wanted to appear muscular and tough and sought to browbeat Beijing without really having the wherewithal to do so. This has led Beijing to look at India with more wary eyes.

Until recently, despite periodic transgressions on the undefined Line of Actual Control that marks the Sino-Indian border, things were reasonably calm. Now, after the Doklam crisis, the Chinese appear to be seriously shoring up their military posture along the entire LAC, and so the net result could well be a setback to the maintenance of peace and tranquility on the border. As for the Indian Ocean, there is no direct confrontation, but the Chinese presence is marked and steadily growing.

Despite the bravado and bluster of its generals, India would be seriously disadvantaged if it actually had to fight China and Pakistan simultaneously. However, this is not a probable scenario. China is not likely to intervene in any India-Pakistan issue, though it is quite possible that Islamabad would consider embarrassing New Delhi were India to be involved in any border confrontation with China. As for any larger war, that is not likely to happen, as long as rational calculations guide the policies of the three nuclear-armed nations.

Indeed, one of the greater failures of Indian diplomacy has been its inability to break the so-called Sino-Pakistani nexus. This has severely constrained its regional policies and compelled India to seek a somewhat lopsided alliance where Washington seeks Indias military commitment in the Pacific, but steers clear of any commitment to New Delhis more vital interests in the north Arabian Sea and the Persian Gulf.

In the last couple of years as ties with China have been at a nadir of sorts, it has become clear that the problem was more of an immature approach on New Delhis part, which sought to inject muscle into what were in essence diplomatic issues. Both sides now know that for the present, the possibility of a border settlement is remote for reasons that have to do with domestic politics in both countries. The Special Representative process is at a dead end and both need a new political format with which to manage their ties.

Nevertheless, the very success of the dialogue between the Special Representatives, which resulted in a far-reaching agreement on the Political Parameters and Guiding Principles for the Settlement of India-China Boundary Question in 2005, suggests that the real challenge is in managing Sino-Indian ties in an era when Beijings rise has brought it much closer to India in South Asia and the Indian Ocean region. In the circumstances, friction is inevitable, but it can be minimized through deft diplomacy.

Some sources speak of a visit by Indian Prime Minister Narendra Modi in April, which could explain the abruptness with which a planned thank you visit to Delhi by the Dalai Lama, which was to have taken place late this month, was canceled. Whatever the case, both India and China know that should such a visit go through, it will come with added expectations because of the tensions of the past two years. Modi is also scheduled to attend the SCO summit in Shanghai in June.

Both sides seem to be conscious of the need to do something to arrest the decline in their ties. On

Thursday on the sidelines of the National Peoples Congress, Chinese Foreign Minister Wang Yi spoke of the need of the two sides to shed differences and manage their relationship in the spirit of compromise, and that the dragon and elephant could dance with each other, instead of fighting. He spoke of the importance of mutual trust that could help the two sides overcome their difficulties.

Each side knows what the other is talking about: The Chinese want assurances that they are not being targeted by the Quad, and India needs some action on the part of China to indicate that Beijing has moved away from its policy of propping up Pakistan to offset India.

The trade figures show that there is considerable room for enhanced business ties. If New Delhi could negotiate serious concessions by Beijing on the BRI, it could provide a leg up to the signature scheme that would gain enormously from an Indian commitment in the South Asia-Indian Ocean region. In turn, India could benefit from Chinese investment, especially in the area of infrastructure.

This would not necessarily moderate the other elements in the four Cs equation, but would provide at least some win-win areas instead of a zero-sum outcome.

<http://www.atimes.com/fresh-overtures-hint-thaw-india-china-relations/>

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