

## Whatever Happened to *Chindia*

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## Whatever Happened to *Chindia*

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### Abstract

*As India-China relations have nosedived, the idea of “Chindia” that inspired and shaped the discourse on bilateral relations and explained them for around a decade has fallen by the wayside. Chindia was the fulcrum of the thoughts such as Asian Connectivity, Asian Solidarity and Asian Century. There is a need to analyse why and how the promise of cooperation in India-China relations has failed. Apportioning blame one-sidedly would be incorrect. While China, riding high on its sense of arrival, has shown a definite dismissive attitude towards India, India’s impulsive retaliations and its some decisions that needed a bit more careful consideration have also contributed to the present pessimist situation in relations. However, the two countries need to be reminded that Chindia, or for that matter later, Wuhan Spirit and Chennai Connect were not a passing fancy, but were indicative of the reality that peace and cooperation between them was a necessity for building the Asian Connectivity, forging the Asian Solidarity and realizing the Asian Century, if they genuinely wish to achieve them. Otherwise, these noble ideas are merely lip-service and meaningless embroidery to their joint statements.*

The promise that a comprehensive cooperation between India and China will eventually pave the way for resolving difficult strategic-security issues has failed to deliver. A series of diplomatic stand-offs over China’s repeated blockade of India’s case against the Pakistani terrorist Masood Azhar, the head of the Jaish-e Muhammad, on technical grounds in the UNSC 1267 Sanctions Committee, its opposition to India’s application for Nuclear Suppliers Group (NSG) membership and India’s objections to the China-Pakistan Economic Corridor (CPEC—a key component of the Belt and Road Initiative) along with the military standoffs — Depsang in 2013, Chumar in 2014 and Doklam in 2017 and finally the PLA’s unprovoked and aggressive bid to change the status quo at multiple points along the un-demarcated Line of Actual Control in eastern Ladakh in 2020 that pushed bilateral ties into their worst phase since the 1962 War — are further evidence of this. This situation has arisen – as many in India perceive with some merit, even though in hindsight – partly because China has not been sincere with regard to this promise. On the other hand, some others would argue that the emergence of high-octane nationalistic assertions in India is also responsible for the situation in some measure.

### **The Promise**

The thaw in relations in the previous decades stemmed from the shared understanding that cooperation cannot wait for the resolution of the boundary dispute, but that the border needs to be tranquil to give cooperation a chance. The two countries reached this understanding during

Prime Minister Rajiv Gandhi's China visit in 1988. In the 2000s, it developed and manifested in line with dictums such as: *cooperation can prevail over friction; plucking the low hanging fruits first; this world has enough space for the two countries to grow together; and that the elephant and the dragon should dance together*. The idea of *Chindia* that saw India and China as the twin engines of growth and development in Asia, reinforced this message. (Ramesh 2005).<sup>1</sup> It contained historical and civilizational inspiration as well — realising an *Asian Century* or restoring Asia's historical glory. Later, it envisioned them at the heart of *Asian Connectivity* — a theme prominently visible in Modi and Xi's early interactions. These noble considerations provided a 'strategic perspective' that guided relations till mid-2010s. Although this could not resolve the security dilemma, it was able to generate a degree of trust that created an environment of hope and optimism, ushering relations into their best ever phase. The 1988 understanding remained the baseline for this all along.

### Its Gains

This 'strategic perspective' produced 90 bilateral agreements or MOUs between 2000 and 2014, per author's own calculation with the help of information available in the public domain. Later, they signed 50 more agreements — 16 during Xi's visit to India in 2014 and 24 during Modi's China visit in 2015 and ten when President Pranab Mukherjee travelled to China in 2016 (MEA 2020). Their range indicate the enormous potential of cooperation they sought to tap — from education and culture to outer space and oceans, and in between, a whole range of MOUs on various types of capacity-building and economic themes. These agreements served a strategic function as well, as they created an expansive dialogue mechanism to deepen trust. There are around three dozen dialogue mechanisms covering major aspects of the ties, at every level of interaction. To these Modi and Xi added India-China Forum of State/Provincial Leaders and India-China Think-Tank Forum in 2015. In the wake of the Doklam standoff from mid-June to late August 2017, at the tri-junction of India's, Bhutan's and China's borders, the two countries instituted the informal summit mechanism. Modi and Xi held their first informal summit in April 2018 at Wuhan and the second at Mamallapuram near Chennai, in October 2019. These were planned to find a larger regional and international strategic perspective for relations, acknowledging that relations have gone well beyond a bilateral context and need strategic guidelines. The two informal summits became famous by their monikers, 'Wuhan Spirit' and 'Chennai Connect'.

Trade went from around US \$ 3 billion in the early 2000s to a record high of US \$ 89.71 billion in 2017-18 (DoC 2021). FDI inflows from China to India gradually touched US \$ 2.4 billion cumulatively, between April 2000-March 2021 (DIPP 2021). Over this period, the two sides created important mechanisms such as Joint Economic Group, Strategic Economic Dialogue and the Financial Dialogue. Modi and Xi facilitated NITI Aayog-DRC dialogue in 2015.<sup>2</sup> The focus on economic ties defined their early interactions. India and China partnered in the New Development Bank (BRICS Bank) in 2014 and the Asian Infrastructure Investment

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<sup>1</sup> Jairam Ramesh, a prominent Indian politician and scholar, is credited to have coined the term *Chindia*, (Ramesh, 2005)

<sup>2</sup> NITI Aayog is the successor of the India's Planning Commission, self-defined as a 'think tank and knowledge & innovation hub', set up by the Modi government in 2015. The Development Research Centre (DRC) is a Chinese public institution recommending economic and social policies to the State Council.

Bank in 2015. Modi's 2015 China visit saw the signing of 26 business-to-business agreements in addition to 24 government-to-government agreements (MEA 2020). Cooperation for railway modernisation, urban renewal and Chinese industrial parks in India were some of the main highlights of their efforts.

### **Its Shortfalls**

Most of the MOUs have remained on paper only; mainly because the two countries have fundamentally different systems. Implementation of the agreements such as those on cooperation in outer space and oceans will need equal access, transparency and compatibility and, more importantly, trust. Likewise, the lop-sidedness in bilateral trade has been as phenomenal as the growth itself. The record high trade in 2017-18 saw India's deficit at US \$ 63 billion. In 2020-21, the deficit still stood at US \$ 44 billion (DoC 2021). That India has not got equal access to the Chinese market is a major reason for this deficit is not an overstatement. Indian companies in the IT, pharma, agricultural and service sectors have been facing non-tariff barriers in the Chinese market. The investment figure cited previously indicates that Chinese FDI in India was never substantial. China is currently a distant 19<sup>th</sup> FDI provider to India (DIPP 2021). The assertion that Chinese companies see India more as a market for cheap products rather than an investment opportunity is not without basis. There is a distinct pro-West bias in the Chinese market. It has been observed that Indian companies in some form of cooperation with Western companies find it much easier to do business with China as compared to when they try to do so directly.<sup>3</sup> Comparatively, Chinese companies have faced fewer barriers in India — a fact borne out by the huge trade surplus enjoyed by China. Incidentally, the access to media platforms is unequal too. While Chinese scholars and diplomats freely air the Chinese viewpoint in the Indian media, their Indian counterparts do not enjoy the same freedom. The bilateral people-to-people ties have no independent heft and mostly operate within governmental frameworks. The dialogue mechanisms have proved ineffective in halting a downward spiral of relations.

### **The Promise Belied**

Whether China was ever sincere about its grand pronouncements is the question. Otherwise, why would Indian companies' concerns remain unaddressed for so long? And, what would explain China launching the CPEC through Pakistan-occupied Kashmir without any prior consultation with India, in utter disregard of its sovereignty claims? A transparent and bilaterally conceived economic corridor through India to West Asia would have made more economic sense rather than one through an insecure Pakistan. Thus, the fact that China has not been keen to addressing India's trade deficit-related grievances throughout the period and that it has taken a very strategic view of economic activities in South Asia raises the question whether it ever took *Chindia* seriously. Sanjaya Baru argues that "the Chinese were amused by this narrative" but tolerated it "till around 2015" (Baru 2020). However, as China declared its

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<sup>3</sup> I have received this valuable input in the course of a discussion with Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA) Director General and former Consul General in Shanghai Amb. Sujan R. Chinoy. Any possible omission in interpretation of the input is entirely mine.

arrival on the global scene under Xi around this time, it began scorning at the *Chindia* narrative. A timeline of the stand-offs corroborates this.

The responsibility of triggering the aforementioned diplomatic stand-offs is attributable to China's downgrading of India in its strategic scheme of things. Commitments that it assumes for Pakistan were at their root. CPEC not only further enhanced Pakistan's traditional strategic value to new geo-economic levels, it also dropped China's façade of formal neutrality between India and Pakistan, particularly on the Kashmir issue. China's stand on the Masood Azhar issue was patently unconvincing and reeked of unfriendliness. The CPEC-BRI that revealed unilateralism and a non-consultative approach in China's regional initiatives, showed scant regard for India's sovereignty claims in Jammu and Kashmir. Its blocking India's application for the NSG membership had larger strategic considerations, the allusion being to deepening Indo-US relations, but it was also motivated by its concern for Pakistan as India's entry into the NSG would disturb the balance of power in South Asia, in the Chinese view (Saran 2016).

Apportioning blame for the aforementioned military crises is a bit complex. The 2013 Dipsang military crisis, on the Line of Actual Control in Western Himalaya, appeared to have arisen from tactical issues between local commanders and did not trigger deterioration in relations as such. In the same region, the 2014 Chumar military crisis during Xi's India visit that was believed to have deepened mistrust in India against China, was widely perceived as the handiwork of the factional politics in the Communist Party of China (CPC). The circumstances leading to the 2017 Doklam military crisis that actually played out on the piece of land disputed between Bhutan and China, have remained shrouded in mystery. It is speculated that the reasons included China's anger against India boycotting the BRI Summit in 2017; its attempt to drive a wedge between India and Bhutan, as the latter followed India in boycotting the Summit; its ire against the Dalai Lama's visit to the Tawang monastery in April 2017<sup>4</sup>; its desire to teach India a lesson before its advantage over India is eroded (Garver 2017); the stand-off being a result of miscalculations on both sides (Fravel 2017); and many would insinuate that India ignored the advance notices by the Chinese about road construction on purpose (Krishnan 2017). As for the continuing 2020 military crisis in Eastern Ladakh, while the exact circumstances that led to the bloody incident in the Galwan Valley are likely to remain unclear for a long time to come, the fact that it was the result of unprovoked aggression by the Chinese PLA to change the status quo in the region, is undeniable. This ill-conceived bid has been understood as the result of many unconvincing and far-fetched reasons and vague dissatisfactions. Its concerns about India building infrastructure in the region, forgetting that its own infrastructure there is far ahead of India's, its objection to India's abrogation of Article 370<sup>5</sup> and the bifurcation of the state of Jammu and Kashmir into two Union territories on the unconvincing ground that these moves will have implications for their boundary dispute, its concerns about India 'threatening' Pakistan-occupied Kashmir through which CPEC passes and its point that it is not weak in the wake of the international (read the US and allies') pressure on it after the COVID-19 outbreak, are believed to have motivated the bid. The point here is that while the diplomatic stand-offs stemmed clearly from a strategic background, the same cannot be convincingly said about the military stand-offs, excluding the 2020 one. It is hard to

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<sup>4</sup> Tawang monastery is located in the Indian State of Arunachal Pradesh, on the Eastern Himalayas, a State claimed by China. Tawang monastery is the largest Tibetan monastery in India, close to the border with China.

<sup>5</sup> Article 370 of the Indian Constitution preserved some degree of autonomy to the State of Jammu and Kashmir. It was abrogated in August 2019.

establish that they were a strategic decision showing inclination for the use of force, again with the exception of the 2020 stand-off, though in the given diplomatically and strategically surcharged environment, they reinforced mistrust and security dilemma. This gives an opening to optimism.

While the definitive reason behind the failure of the promise of cooperation has been China's insensitivity and dismissive attitude, stemming from its reassessment of its relations with India on a strategic level, many would argue that Indian actions too have precipitated it. India's handling of the Masood Azhar issue demonstrated a deft diplomatic effort that put Beijing on the backfoot and yielded results (Lakshman and Haidar 2019). However, its diplomacy has fallen short of the required deftness on other issues. India's bid for NSG membership did not appear to be properly planned and seemed to be more a media spectacle for domestic consumption, and only complicated relations with China without any gain. Such pursuits are never a time-bound quest for Napoleonic glory. India should have avoided making the NSG issue an elemental issue in its relations with China; the issue did not deserve to have become so (Siddharth Varadarajan 2016). India is right in its objection to the CPEC as it undermines India's sovereignty claims. Yet, it should have had a realistic plan B as to what concrete assurance could have been secured from China, as its total reversal is not possible. The lack of plan B led to India standing out to officially boycott the BRI Summit in 2017, and also in 2019, though not as vocally as in 2017. Also, the Government of India was well within its purview to object to CPEC in so far as it jeopardised its sovereignty claims. However, its objections to CPEC's revenue model and impact on the environment were akin to civil society objections which should have been best left to civil society only. India's underscoring the Pakistan factor behind worsening of India-China relations, indeed, has merit. But again, Quad is also essentially an American manoeuvre against China, not only in China's perception, but also in neutral eyes. Therefore, Quad is another arena where India should have been more careful, even though it is Chinese actions, to a great extent, that have pushed India into a tighter embrace of the US and India does not envisage Quad as a military grouping. India should also realise that sudden and spasmodic recalling of the Tibet issue and the 14<sup>th</sup> Dalai Lama and the momentary euphoria around them — many instances of which were noted from 2014 to a little before the 2017 Doklam crisis — serves no purpose. The Indian Parliament exercised its sovereign right in abrogating Article 370. The abrogation did not create any new border claims against China. Yet, expediency demanded that the Government should have done proper homework about possible Chinese reactions. It could have avoided mentioning Aksai Chin in the statement in Parliament on the abrogation of Article 370 and combining it with India's commitment for retrieval of the Pakistan-occupied Kashmir.

The Galwan Valley clash in Eastern Ladakh in 2020 finally changed the narrative completely. Trust has evaporated. Although trade seems to be unaffected, India's digital market, particularly the 5G technology network, will remain out of bounds for Chinese companies for many years to come (TOI 2021). India has banned more than two hundred Chinese Apps (India TV 2020). Cooperation in capital investment is further constrained. Chinese companies now need prior government approval for investing in India as the automatic route is closed. A general decision not to receive FDI from neighbours sharing land borders with India through the automatic route was taken in this regard in April 2020. However, it was strongly perceived that the decision was actually made keeping China in mind (Jebaraj 2020). Although it was taken in view of apprehensions about likely hostile take-overs following the

COVID-19-triggered economic uncertainty (Jebaraj 2020), such constraints would take time to ease, if at all they do, post the Galwan clash.

### **The Way Forward: Back to the Basics**

The 1988 understanding however remains of continuing relevance. Wishing away the reality that growth in wider cooperation depends on peace and stability in the border areas, and also in the political quality of relations, serves no purpose. India cannot take the Chinese suggestion to separate them at face value, as it confronts the strategic implications of China's geo-economic moves in South Asia; it is an open democratic system in which the media and public opinion have a say in government decisions and where territory is at stake and blood-letting has happened at the border. There are hardly any takers in the country for separating comprehensive cooperation from political-security considerations that China insists on. Trust remains the key. Without it, meaningful cooperation will remain stymied. People-to-people ties that are supposed to create an enabling environment for resolving difficult issues, also need a supportive political and security environment.

The PLA aggression in eastern Ladakh has needlessly damaged the gains accruing from the Wuhan Spirit and the Chennai Connect. The two informal summits between Modi and Xi in Wuhan in 2018 and Chennai in 2019 restored normalcy after the Doklam crisis. The spirit and the connect were not a passing fancy, but an acknowledgement that peace was the technical requirement for better relations.

The bloody conflict in the Galwan Valley has taught lessons to both the countries. China should not take asymmetry too literally and too arithmetically. It should not be so over-confident to open a strategic front in every direction simultaneously, forgetting its own age-old traditional strategic wisdom of “avoiding isolation, building solidarity, and dividing adversaries” (Singh 2020; Gokhale 2020). On the other hand, India too should strive hard to keep its northern borders tranquil when it continues to face the relentless and more pressing challenges from across the border on its western side. An almost permanent state of stand-off with China will pose challenges to it in myriad ways at the bilateral, regional and international levels and within international organisations. There will be no clear winner if war were to break out in the higher Himalayas. This will lead only to mutual embarrassment and act as a jolt to their quest for national development and their international aspirations.

China should eschew its unreasonable attitude in eastern Ladakh. It should reassure India that its economic activities in South Asia have no hidden geopolitics. It should sincerely address Indian companies' grievances. More importantly, its view should not be so blinkered as to ignore the value of India as an economic partner and the role India and China play together in geo-economic networking in its enthusiasm for CPEC, which is an uncertain investment in insecurity-ridden Pakistan. On the other hand, India should realise that making foreign policy a prisoner of domestic political rhetoric is counter-productive. In conduct of foreign affairs, there is no substitute of a long view and cool-headedness. And, both India and China should re-assess how much importance and space they should give to the third countries in their relations — China to Pakistan and India to the US.

A mature and long-term view of relations will benefit both, which is all the more imperative amidst the great strategic flux and the intensifying great power rivalries and rising

tensions and uncertainties in the common neighbouring regions. The idea of *Chindia* has indeed taken a hit, but an Asia that is yearning to be free from 300 years of Western hegemony, very much needs it.

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