

ISAS Brief

No. 491 – 14 June 2017

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New Ambience in China-India Talks: A Straw in the Wind?

The meeting between India's Prime Minister Narendra Modi and Chinese President Xi Jinping in Astana on 9 June 2017, ahead of New Delhi's admission as a full-fledged member of the Shanghai Cooperation Organisation (SCO), has been viewed positively by both sides. Although the talks took place under the cloud of India's refusal to endorse China's global-connectivity mission – the Belt and Road Initiative (BRI) – the two leaders discussed the idea of Sino-Indian cooperation for a stable multipolar world order. However, the China-India-Pakistan contestation is far from over. Admitting Islamabad too as a new member, the SCO has endorsed China's BRI, which seems to favour Pakistan in its sovereignty tussle with India over a tract of land being used for a Sino-Pakistani connectivity project.

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Braving the continuing chill in the Sino-Indian relations,² Chinese President Xi Jinping and India's Prime Minister Narendra Modi have improved the atmospherics for the future

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² The latest chilly wave in the Sino-Indian ties can be traced to (i) the exiled Tibetan Buddhist leader Dalai Lama's visit to India's Arunachal Pradesh state in April 2017, in the face of Chinese protest over the activities of this "separatist", and (ii) New Delhi's refusal to attend China's Belt and Road Forum for International Cooperation in Beijing in May 2017. Read P S Suryanarayana, *ISAS Insights* No. 402 – 13 April 2017, A

engagement between their respective diplomatic negotiators. Such a clear message can be gleaned from the official statements on both sides after the two leaders met, ahead of the latest annual summit of the Shanghai Cooperation Organisation (SCO), in Astana (Kazakhstan), on 9 June 2017.

India and its South Asian neighbour, Pakistan, were admitted as new members of the SCO later on the same day. China, India's northern neighbour, and Kazakhstan in Central Asia are among the founding members of this organisation, which began as a Sino-Russian initiative on 15 June 2001.

Speaking in Beijing a few hours after the Sino-Indian meeting in Astana on 9 June 2017, Chinese Foreign Ministry spokeswoman Hua Chunying quoted Xi as having told Modi that “China *highly values* its relations with India and wishes to work with India to enhance political mutual trust.” Political trust is a key aspect of the “strategic and cooperative partnership” which the two countries had agreed to in 2005. Indeed, Xi “pointed out” that, in the context of “profound and complex changes” in the “international environment” in 2017, China and India “should *focus more on cooperation*.”³ (Emphases added).

Moreover, Xi briefed Modi about “regional connectivity”, which New Delhi sceptically views as no more than a code for China's patronisation of Pakistan in a manner detrimental to India's “sovereign” interests. The well-known context is the ongoing construction of the China-Pakistan Economic Corridor (CPEC) through some areas which Islamabad administers but India assertively regards as its historical legacy and sovereign territory. In this contestation, and for Beijing's “regional connectivity” with regard to New Delhi *per se*, Xi called for “substantial progress in the Bangladesh-China-India-Myanmar [BCIM] Economic Corridor at an early date and enhance[d] cooperation under the framework of the Asian Infrastructure Investment Bank [AIIB].”⁴

Himalayan Sojourn and China-India Chill; ISAS Insights No. 411 – 23 May 2017, The Belt and Road Initiative: China Acts 'Global', India Plays 'Local'. Available at <http://www.isas.nus.edu.sg>.

³ Ministry of Foreign Affairs, People's Republic of China: http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1469154.shtml. Accessed on 9 June 2017. Similar accounts of the Xi-Modi talks on 9 June 2017 were carried by China's state news agency *Xinhua* from Astana and the ruling Communist Party of China's *People's Daily*.

⁴ Ibid.

Significantly, India's Foreign Secretary S Jaishankar, in a briefing in Astana itself on the latest Modi-Xi meeting, confirmed that the BCIM Economic Corridor project and the AIIB "came up for discussion...on connectivity" in the bilateral milieu. In the AIIB, China, India and Russia are the key stakeholders – with 32 per cent, nine per cent and seven per cent, respectively, of subscriptions to the bank's capital base. The AIIB is one of the key sources of funding for regional infrastructure projects. At another level, the BCIM project, envisioned in 2013, is still very much on the drawing board.⁵ However, within the confines of "a broad assessment of the [India-China] relationship," the mood at this Modi-Xi diplomatic encounter was indeed "*very cordial...very positive*", Jaishankar pointed out.⁶ (Emphasis added).

A Strong Firewall

Modi made no evident progress in penetrating China's great firewall of resistance to some of India's continuing efforts on the world stage. Hinting at this, but in polite language, Jaishankar pointed out that the focus of this Modi-Xi meeting was indeed an overview of the bilateral relationship. As a result, unresolved still are China's reservations about New Delhi's efforts to enter the Nuclear Suppliers Group and, on a different plane, secure United Nations' sanctions against Pakistan for harbouring anti-India terrorists. Of fundamental and arguably greater concern to New Delhi are the long-term implications of the ongoing CPEC projects in the infrastructure and connectivity sectors.

In the absence of any specific announcement by either China or India regarding the progress in resolving any of their differences on a wide range of issues, Xi and Modi can be seen to have achieved no more than a degree of positivity in the Sino-Indian atmospherics, for now. According to Jaishankar, however, the two leaders engaged each other on the basis that "at the time of global uncertainty [as in 2017], India-China relations are a factor of stability and, as

⁵ Details of AIIB stakeholders can be had from the bank's website, <https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>. Accessed on 12 June 2017. A meeting of the BCIM study group took place in Kolkata (India) in April 2017. http://www.mea.gov.in/media-briefings.htm?dtl/28431/Transcript_of_Weekly_Media_Briefing_by_Official_Spokesperson_April_27_2017. Accessed on 12 June 2017.

⁶ Ministry of External Affairs, Government of India, http://www.mea.gov.in/media-briefings.htm?dtl/28522/Transcript_of_Media_Briefing_by_Foreign_Secretary_on_the_sidelines_of_SCO_Summit_in_Astana_June_09_2017. Accessed on 9 June 2017.

the world becomes more multi-polar, it was important for India and China to work together more closely.”⁷

Such an assessment does conform to the Chinese spokesperson’s account of these Sino-Indian talks in Astana, especially Xi’s exhortation for cooperation. However, it will be imprudent to think of a very quick settlement of the enduring Sino-Indian border dispute or even visualise a formula that might help to refashion the CPEC and assuage India’s angst.

By pressing ahead with the CPEC projects and by not considering an alternative route from China to Pakistan through India, Xi had, from the beginning, appeared to acknowledge Islamabad’s sovereignty⁸ over the areas which New Delhi regards as its own. However, China has also sought to mollify New Delhi by arguing that the Sino-Pakistani activism in creating the CPEC does not preclude an India-Pakistan settlement of the sovereignty issue through their bilateral talks. While this is impeccable logic on paper, India tends to see the CPEC as a cover, at the least, for China’s implicit acceptance of Pakistani sovereignty over the contested areas. Moreover, India treated its opposition to the CPEC as non-negotiable and stayed away from the launch of Xi’s Belt and Road Initiative (BRI) at an international function in Beijing on 14 May 2017. The BRI encompasses the CPEC.

In the wake of the latest Xi-Modi meeting in a “positive” ambience in Astana, it is not clear, though, how India will sustain its opposition to the CPEC. Interestingly, a “press release on the results of the Shanghai Cooperation Organisation Heads of State Council Meeting”, issued by the SCO Secretariat after the Astana summit on 9 June 2017, disclosed that the collective organisation supported China’s BRI, which was originally known as “One Belt, One Road”. It was noted in the press release that Modi was among those present at this summit in their “observer status.” India and Pakistan remained as “observers” until they were formally inducted as full-fledged members of the SCO on the same day.

⁷ Ibid.

⁸ For an exposition of this argument, see P S Suryanarayana, *Smart Diplomacy: Exploring China-India Synergy*, World Century, Hackensack, New Jersey, United States, 2016, pp. 129-132.

The ‘Belt and Road’ Charm

The key point to note is that the SCO, as a collective organisation, is enthusiastic about China’s BRI. Relevant to the discussion here is the full text of the passage on this aspect. “The heads of state welcomed the ‘One Belt, One Road’ initiative, praised the results of the Belt and Road Forum for International Cooperation held on 14 and 15 May 2017 in Beijing and spoke in favour of their implementation, including by means of coordinating international, regional and national projects aimed at cooperation in maintaining sustainable development based on the principles of *mutual respect, equality and mutual benefit*.”⁹ (Emphasis added).

It must also be noticed that the governing principles cited by the SCO, at least for now, for implementing the BRI projects, including the CPEC, do not include “sovereignty”. At one level, this can be interpreted as a genuine concession to India’s sensitivities because of its opposition to the CPEC on the touchstone of sovereignty. At another level, though, the SCO’s latest endorsement of the BRI, including the CPEC, can be seen as a setback to India at the very threshold of this organisation.

Interestingly, Modi had, in his speech at this SCO summit, cited “sovereignty” and “territorial integrity” as two of the guiding principles for international connectivity projects. Deftly avoiding any mention of the CPEC, he alluded to India’s own connectivity projects such as the construction of the Chabahar port in Iran, besides New Delhi’s association with the Russian initiative of the International North-South Transport Corridor.¹⁰ In contrast, Pakistan’s Prime Minister Nawaz Sharif had, in his speech, congratulated India for its newly-acquired full-fledged membership of the SCO and hailed the CPEC.¹¹

These interventions suggest that the China-India-Pakistan contestation of the diplomatic kind is far from over. The protagonists of the BRI, inclusive of the CPEC, often cite a United Nations Security Council (UNSC) resolution on Afghanistan as a global endorsement of China’s vision and Pakistan’s political will. However, it must be noted that the same UNSC resolution has

⁹ Shanghai Cooperation Organisation website, <http://eng.sectsco.org/news/20170609/289274.html>. Accessed on 11 June 2017.

¹⁰ Prime Minister of India (PMINDIA) website, PM’s statement at SCO Summit in Astana, Kazakhstan (in Hindi), http://www.pmindia.gov.in/en/news_updates/pms-statement-at-sco-summit-in-astana-kazakhstan/?comment=disable. Accessed on 10 June 2017.

¹¹ Ministry of Foreign Affairs, Government of Pakistan, <http://www.mofa.gov.pk/pr-details.php?mm=NTA2Mg>. Accessed on 10 June 2017.

also lauded the Chabahar project which India treats as an international-connectivity enterprise that respects the principles of national sovereignty and territorial integrity.¹² In all, therefore, it may be fair to conclude that the jury of international opinion is not yet decisive about India's diplomatic contestation of the CPEC although there is no sign of this project being halted to assuage New Delhi's sensitivities and concerns.

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¹² United Nations Security Council Resolution 2344 (2017), 17 March 2017, [http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2344\(2017\)](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2344(2017)). Accessed on 31 March 2017.