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## **Sino-Indian Dialogue: Re-Configuring the Basic Agenda**

P S Suryanarayana<sup>1</sup>

China has outpaced the other major powers in engaging the Narendra Modi-led India on a fast-track. Mr Modi became Prime Minister of India on 26 May 2014. Within a few weeks thereafter, Chinese President Xi Jinping and Mr Modi met at the Brazilian port city of Fortaleza on 14 July 2014 (local time). It is noteworthy that the meeting was indeed Prime Minister Modi's first face-to-face 'live' conversation with the chief executive of any P5 Member. P5 is the political acronym for the powerful Five Permanent Members of the United Nations Security Council – China, France, Russia, the United Kingdom, and the United States. India aspires to attain the same status.

Mr Xi and Mr Modi met within a few hours of their arrival at Fortaleza for the latest summit of an inter-continental forum known as the BRICS emerging-economies (Brazil, Russia, India, China, and South Africa). Indeed, these two leaders met even before the BRICS Summit began. In terms of urgency, therefore, this Sino-Indian meeting was reminiscent of

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the soon-after-arrival conversation that the former US President Richard Nixon held with China's Great Helmsman Mao Zedong in Beijing in 1972.<sup>2</sup> But, there the comparison must cease.

Actually, the political symbolism of the first-ever Xi-Modi meeting is more in tune with a few very recent events. Chinese Premier Li Keqiang was the first foreign leader to have telephoned Mr Modi soon after he was sworn in as India's 15<sup>th</sup> Prime Minister. The telephone call was followed by the visit to New Delhi by Mr Xi's Special Envoy and Chinese Foreign Minister Wang Yi, who met Prime Minister Modi on 9 June. Mr Xi had made the deft move of sending his Special Envoy to explore the mind of the new Indian leader.<sup>3</sup> Just then, the political dust was settling down in India after a flurry of diplomacy that followed Mr Modi's poll triumph on 16 May and his assumption of office 10 days later. In fact, even before the swearing-in ceremony, US President Barack Obama had invited the-then emerging Indian leader to Washington for summit talks in due course.

### **India's 'Stability' and Anticipatory 'Assertiveness'**

Flowing from and surging past such political symbolism is a new and substantive feature of the ongoing Sino-Indian dialogue. Simply put, the new substantive feature is that China and India have now begun to re-configure the basic agenda of their dialogue in subtle ways. Such an attempt at re-configuration can be seen as China's answer to India's anticipatory assertiveness under Prime Minister Modi on the international stage. The need for a re-configuration can be partially attributed to his 'stable' majority in the powerful Lower House of India's Parliament. This is the first time that an Indian government boasts such a majority since the 'India-growth story' hit the international headlines, first as a mere possibility in the early-1990s. And, in less than 15 years so far in the 21<sup>st</sup> Century, India has had a rise but also a fall which is being followed now by a potential rise once again. New Delhi's latest anticipatory assertiveness can be traced, as well, to Mr Modi's political track record. Before becoming Prime Minister, he ruled with a firm hand the Indian state (i.e. province) of Gujarat, which by global standards is moderately industrialised.

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<sup>2</sup> William Burr (Editor), *The Kissinger Transcripts: The Top-Secret Talks with Beijing & Moscow*, The National Security Archive [of the US], The New Press, New York, 1998, p 58. "Mao ... surprised his close advisers by summoning Nixon soon after his arrival [in Beijing] on the morning of 21 February [1972]".

<sup>3</sup> P S Suryanarayana, *Signs of India Under Global Re-Focus*, ISAS Insights No. 254, 13 June 2014, Institute of South Asian Studies, National University of Singapore, [www.isas.nus.edu.sg](http://www.isas.nus.edu.sg)

More significant is a snippet relating to India's foreign policy. As Gujarat Chief Minister, Mr Modi had become familiar with China's phenomenal growth-story in the economic and military domains by visiting China several times. That must have served him as a reality-confirmation of the China-growth story. Subsequently, though, he struck a strident note against China. During his election campaign that catapulted him to the post of India's Prime Minister, he did not flinch from calling China an 'expansionist' power. He also warned China to keep off the Indian state of Arunachal Pradesh, which Beijing regards as its own 'southern Tibet'.

With Mr Modi now leading the nuclear-armed and space-faring India, China is taking note of New Delhi's potential for a renewed rise, at least, as *a regional power*. The Chinese leaders preside over *a rising global power* with atomic arsenals and space-capabilities of a high order. It, therefore, stands to reason that China appreciates India's currency of power as well. It is true that India's huge poverty quotient at home can act as a drag on the country's long-term power-coefficient abroad. However, it is equally true that the leader of any country can often project its macro-strengths, not its inherent weaknesses, abroad, especially for brief periods of time. In a subtle sense, therefore, India's anticipatory assertiveness, and China's more-immediate quest for global leadership in the economic domain, should explain the new features of the ongoing Sino-Indian dialogue. These substantive new features can be gleaned from the comments and observations that both sides have made following the latest Xi-Modi talks in Brazil.

### **Sino-Indian 'Lead' for Global-Economy Norms**

The Chinese Foreign Ministry has quoted Mr Xi as suggesting to Mr Modi that "China and India should jointly participate in the formulation of international rules so as to strengthen the voice of developing countries".<sup>4</sup> The same observation has been paraphrased more categorically by China's state-owned news agency, *Xinhua*. Sourcing *Xinhua*, *China's Global Times* has quoted Mr Xi as having proposed as follows: "The two countries should join hands

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<sup>4</sup> Foreign Ministry of the People's Republic of China, *Xi Jinping Meets with Prime Minister Narendra Modi of India*, 2014/07/15, [www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1175135.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1175135.shtml). (Accessed on 16 July 2014)

*in setting global rules, [i.e., through a proactive rather than a merely-participative initiative] so as to raise the voice of developing countries”.*<sup>5</sup> (Emphasis added).

Now, the idea of Sino-Indian partnership to set new global norms in the economic domain is quite novel as an official proposal from the Chinese side. Surely, there is nothing sensational about the logic of such a proposal. However, the new reality is that Mr Xi has floated this idea as a potential initiative that the two countries can take forward in the common agenda of their bilateral dialogue.

It is arguable that the exclusive focus on economics in this context restricts India’s potential political role in global affairs. Discernible is China’s persistent refusal, or at least hesitation, to accept India as a norm-setting player in the political and strategic areas of global affairs. There is not even a hint that China might, at this stage, be willing to consider accepting India, even under a possibly ‘assertive’ Mr Modi, as a new member of an expandable P5 at the UN.

This argument about Beijing’s attitude is also partially reinforced by Mr Modi’s own laser-like focus on possible economic cooperation with China in the bilateral sphere. His objective is the rapid development of India’s infrastructure. China, too, is willing to welcome India to the emerging Asian Infrastructure Development Bank as a founding member. More importantly, China has proposed direct and far-reaching bilateral economic cooperation with India now. In Mr Xi’s perspective, the two countries “should” “forge a batch of demonstration projects<sup>6</sup> [i.e., exemplary projects<sup>7</sup>] in areas such as infrastructure construction like railways and industrial investment, broaden cooperation in fields such as service(s) trade, investment and tourism, [and] gradually realize a general balance<sup>8</sup> [i.e., generally-balanced<sup>9</sup>] and sustainable development of bilateral trade”.

## **Beyond China-India Trade Imbalance**

Despite the dense details in such a long list in a single “batch”, a crucial interpretation becomes possible in this sub-text of bilateral economic cooperation. China has now expressed

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<sup>5</sup> Source: Xinhua in *Global Times*, *Chinese president urges early negotiated solution to border issues with India*, Published: 2014-7-15 11:33:30, [www.globaltimes.cn/content/870628.shtml](http://www.globaltimes.cn/content/870628.shtml). (Accessed on 16 July 2014)

<sup>6</sup> Same as in N 2 above

<sup>7</sup> Same as in N 3 above

<sup>8</sup> Same as in N 2 above

<sup>9</sup> Same as in N 3 above

willingness to partner India in a big way. However, the optimal limit, in Beijing's view, is that of a generally-balanced and sustainable bilateral trade. This will imply that India's deep concerns over its continuing trade deficit with China will have to be addressed as a two-way street of mutually-acceptable reciprocity rather than absolute parity. Nonetheless, it is now obvious that Beijing has become sensitive to New Delhi's anguish over the current imbalance in their bilateral trade.

There are also two finer points of regionalism relating to the Asia-Pacific as a whole and a couple of sub-regions thereof. First, an official Indian statement on the Xi-Modi talks in Brazil says that "India and China have enormous opportunities" to "serve as catalytic agents of Asian and global prosperity".<sup>10</sup> The statement also emphasises that "China invites India to APEC [the Asia-Pacific Economic Cooperation forum] meeting in November [2014]".<sup>11</sup> Second, China is looking at India as a partner to carve out the BCIM economic corridor that would link Bangladesh, China, India, and Myanmar.<sup>12</sup> In another aspect of sub-regionalism, the Indian side has cited Mr Xi as saying that "India should deepen engagement with the Shanghai Cooperation Organization [SCO]".<sup>13</sup> Interestingly, the Indian side has quoted Mr Modi as telling Mr Xi that "India currently has observer status in the SCO" and that New Delhi is "ready to accept additional responsibility, if asked to".<sup>14</sup>

Surprisingly, the Chinese Foreign Ministry, in its English version on the outcome of the latest Xi-Modi talks in Brazil, is silent on both SCO and APEC. However, there is no need to cast doubts on the Indian version. So, China can be seen to be gradually coming to terms with the possibility of accommodating India as a potential player in big regional economic domains. APEC has, in its fold, such formidable economies like the US, China, and Japan among a few others. SCO, which has an economic- and a security-dimension, consists of China, Russia, and some Central Asian republics. Even if New Delhi were to participate in SCO's activities as a full-fledged member at some stage in the future, this would still not amount to a passage for India into an expandable P5 at the UN.

As regards a purely Asian sub-region, Mr Xi urged India to partner China in constructing the Bangladesh-China-India-Myanmar (BCIM) economic corridor. Insofar as this so-called

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<sup>10</sup> Office of the Prime Minister of India, *PM meets Chinese President Xi Jinping in Fortaleza*, July 14, 2014, [www.pm.nic.in/details153.php](http://www.pm.nic.in/details153.php). (Accessed on 19 July 2014)

<sup>11</sup> Ibid

<sup>12</sup> Same as in N 4 & 5 above

<sup>13</sup> Same as in N 10 above

<sup>14</sup> Same as in N 10 above

‘Southern Silk Route’ does not impinge on Official India’s sovereignty and control over Arunachal Pradesh, New Delhi may have no qualms about partnering China and the other countries for mutual multilateral gain. However, Official India continues to be wary of Beijing’s resolute political will in going ahead with the China-Pakistan Economic Corridor project. India’s opposition is traceable to the perceived military-strategic spinoff that China would gain out of the project-route that passes through Pakistan-Occupied Kashmir (POK: Azad Kashmir in the Pakistani parlance). It is well-known that New Delhi regards the entire Jammu & Kashmir region as an integral part of India.

On balance, there was no discernible discordant note on the BCIM initiative during the Xi-Modi talks in Brazil at this time. It is interesting that there is no mention of the BCIM project in the Indian spokesperson’s media briefing on these talks and in the official statement on behalf of the Prime Minister of India. However, there is no reason to doubt the Chinese versions on some aspects, just as there is no reason to doubt the Indian versions on some other aspects.

On the military-strategic issue of the unresolved Sino-Indian border dispute, the Indian side noted that its “concerns” were duly expressed.<sup>15</sup> At the same time, Mr Modi is said to have emphasised the importance of peace and tranquillity in the border areas and the need for a settlement. Interestingly, the Chinese state news agency has interpreted the conversation on this issue in a novel fashion. Mr Xi is said to have “vowed to build strong ties with India, calling for negotiated solutions to the border issues between the two neighbours at an early date”.<sup>16</sup> A subtle linkage between a border settlement and “strong ties” is drawn here.

## **New and Relatively Novel Aspects**

Discernible in these dense details is the attempt to re-configure the basic agenda of the ongoing Sino-Indian dialogue on the following lines: On the bilateral side, talks on the border issue will continue; the trade imbalance will be addressed through a firm focus on the possibilities of Chinese investments in India through exemplary projects. The just-cited

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<sup>15</sup> Ministry of External Affairs of the Government of India, Transcript of Media Briefing by Official Spokesperson in Fortaleza on Prime Minister’s ongoing visit, July 15, 2014, <http://mea.gov.in/media-briefings.htm?dtl/23630> (Accessed on 15 July 2014)

<sup>16</sup> Same as in N 3 above

aspect is relatively new, only in respect of China's promise of greater investments in India and Beijing's offer to welcome more of India's services.

The more novel aspect of the re-configured agenda relates to the multilateral and global issues. China has now expressed a clear intent to consider giving India a rightful place in such forums as APEC. The Chinese are also particularly keen that India should partner them in trying to set new global economic norms, going forward. For New Delhi, however, there is no indication yet that Beijing might be ready to consider yielding a rightful place to India in the global-strategic-and-security domain.

These are initial indications from the latest Xi-Modi meeting in Brazil. However, it is inadvisable to take them as definitive directions for the long-term. Surely, the basic agenda in the bilateral talks is being re-configured, especially in respect of bilateral and multilateral economic issues. But there is no final word yet on the way forward in the Sino-Indian agenda for the long-term. In today's space-age terminology, India certainly is far from attaining the escape-velocity required to leave behind the constraints of development-deficit and strategic weaknesses at home. However, the Chinese are beginning to recognise that a strong relationship with India may serve their long-term global interests. This may well be the way-forward in Sino-Indian dialogue, regardless of its possible susceptibility to the US- and Japan-factors as well.

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