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Bilateral Give And Take

Srikanth Kondapalli, Dec 20, 2010, 12.00am IST

The visit of China's Premier Wen Jiabao to Delhi appeared like any other business trip with the usual announcements regarding reiteration of mutual respect, enhancing trade, investment flows, cultural and educational cooperation and the like. However, the subtext of this visit is the newfound confidence in India to set terms for such engagement with the dragon, as foreign minister S M Krishna pointed out.

Firstly, a rising India hinted to China the benefits involved in working together. The joint communique suggested that bilateral relations have "acquired global and strategic significance". Despite the G2 (United States and China) coordination on regional and international issues, China today is much more isolated than it was in the recent past. This was reflected in the response of the Southeast Asian countries in countering aggressive Chinese policies on the South China Sea dispute in October this year.

India's inclusive approach in multilateral institutions, in which China is also a member, is being viewed positively by those concerned. Environment minister Jairam Ramesh's observation that India bailed out China from international isolation at the Copenhagen summit on climate change is another case in point. Likewise, the Indian prime minister's opposition at the Asia-Europe meeting to rising protectionist trends in the West is beneficial to Beijing, given that China is witnessing a sharp downfall in exports this year.

Indeed, the bandwidth of bilateral relations between India and China is expanding. In 2006, during President Hu Jintao's visit, both sides agreed to work together in Asia. Yet no concrete proposals were made for such interaction then. During Wen's just-concluded visit, however, the joint communique for the first time referred to their "shared interest in the stability, prosperity and security of the wider region" - a reference to the troubled reconciliation process in Afghanistan and in the backdrop of the US announcement on withdrawal of troops.

This is also an acknowledgement that the previous equations - namely, Pakistan-China-US-mujahideen/Taliban, on the one hand, and Russia-Northern Alliance-India, on the other - did not work to the satisfaction of the parties concerned and that a new formula other than a zero sum game is needed, with the regional states playing an active role. National security advisor S S Menon's visit to Beijing a few months ago to rope in China in Afghan reconstruction is also aimed in this direction.

Secondly, the joint communique, unlike previous such bilateral announcements, was surprisingly silent on the much-anticipated Chinese reversal of stapled visas to Kashmir residents in India. In

fact, there is also no mention either of Tibet or Taiwan as parts of China for the first time. The two sides, however, reiterated that "sensitivity for each other's concerns and aspirations" should be respected. This is an indication that, during hard diplomatic bargaining, South Block had been insisting effectively on the reciprocity principle possibly for the first time.

The proposal for annual meetings not only between the foreign ministers but also at the level of president and prime minister and the operationalisation of a hotline should bridge the communication gap between these two nuclear powers in Asia. Frequent "strategic level communications" are necessary to remove any misperceptions between the two rising powers.

Thirdly, the joint communique suggested that India and China need to "draw on each other's strengths and pursue mutual benefit and win-win results". Several areas were identified including enhancing bilateral trade to \$100 billion over the next five years, even as China is to address the widening trade imbalance to the detriment of India (of about \$20 billion this year), allowing Chinese investments in Indian infrastructure projects, while Indian IT firms and pharmaceuticals are poised to enter China's market with vigour. The proposed 'strategic economic dialogue' process and the India-China CEO's forum are expected to further explore mutual benefits.

On the Chinese push for a free trade pact with India, Beijing received a cold shoulder. Clearly, Manmohan Singh's counter-proposal for a pan-Asian free trade area could avoid the pitfalls of excessive dependence on China. Earlier, Beijing had flexed political muscles on economic issues as its ban on rare earth metal exports to Japan indicated.

There were several impediments to India's interests during this visit that are breeding suspicion. For starters, there was no forward momentum on border dispute resolution despite nearly 30 years of discussions, nor regarding China's support to the Indian candidature for a permanent seat on the United Nations Security Council. In addition, China's reluctance to support India on civilian nuclear technology commerce issues, while it is now willing to further construct nuclear power plants at Chashma in Pakistan, are raising concerns. In this backdrop, it is not surprising that the joint communique avoided any mention of civil nuclear cooperation between the two, in contrast to the 2006 joint communique which mentioned such cooperation.

Another area of concern in the joint communique is the mention of cooperation in the Gulf of Aden. China has dispatched seven naval contingents so far to this region, with the latest surprisingly equipped with amphibious capabilities. Many Chinese have also argued for setting up naval bases in the region, in addition to China's "string of pearls" at Gwadhar in Pakistan, Hambantota in Sri Lanka, Chittagong in Bangladesh and Great Coco, Hyangyi, Mergui, Khepkau in Mynamar.

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