

## MODI & XI AT WUHAN SUMMIT

# Sino-India Relations Must Be Reset In Wake of Rapid Changes in Eurasia

by Ramtanu Maitra

June 16—Last April, Indian Prime Minister Narendra Modi flew to Wuhan, China to have a two-day, informal one-on-one summit with Chinese President Xi Jinping, April 27-28. The objective of the two leaders was to repair and re-energize stuttering Sino-India relations. Following that informal summit—although much of the content of their deliberation remains confidential—they issued a joint statement indicating their agreement to push the reset button. Meanwhile, there are signs that a broader cooperative participation in support of Afghanistan was mooted, and they agreed to speed up economic cooperation under the Bangladesh-China-India-Myanmar (BCIM) framework.

Manoj Joshi, an Indian journalist, in analyzing the outcome of the informal summit, wrote:

An important outcome is their decision to provide ‘strategic guidance’ to their respective militaries to keep peace along the Sino-Indian border. This would involve enhanced official level meetings to build trust and understanding, and implementation of existing confidence building agreements and institutional mechanisms to resolve problems in the border areas.

Additionally, it was noted that the two sides also recognize the common threat posed by terrorism and the need to oppose it in all its forms and manifestations. India and China have decided to cooperate in joint projects in Afghanistan and we could also see possible collaboration in third countries such as Nepal or Bangladesh. (“The Wuhan Summit,” [Observer Research Foundation](#), May 1, 2018)



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Indian Prime Minister Narendra Modi (left) and Chinese President Xi Jinping at their summit in Wuhan, China, April 27-28, 2018.

### The Wuhan Effect

Reflecting on the Wuhan summit and pointing out that it was the 13th summit between the two—they met again at the summit of the Shanghai Cooperation Organization (SCO) in Qingdao, China on June 9-10—China’s Ambassador to India, Luo Zhaohui, wrote, in an article in the Indian daily, *The Tribune*:

The two leaders further deepened their understanding with each other and shared similar views on the historical position, stage and goal of development of China and India. The two sides viewed each other’s developmental intentions in a positive way and decided to build a Closer Developmental Partnership in an equal,

mutually beneficial and sustainable manner.

Prime Minister Modi briefed President Xi on India's "neighborhood first" policy and the concept of "the world as one," which are quite similar with President Xi's idea of "neighborhood diplomacy as high priority," and "to build a community of shared future for mankind," Ambassador wrote. ("My Interpretation of Wuhan Summit," *The Tribune*, May 6, 2018)

Less than forty days later, Modi and Xi met again, this time at Qingdao, China during the two-day (June 9-10) SCO summit, attended by the heads of state or government of the Central Asian countries, China, Russia, India and six observer states. Less than two weeks before Qingdao, on June 1, Modi delivered the keynote speech at the Shangri-La Dialogue in Singapore, addressing an issue that will surely have a positive effect in Sino-India relations.

In recent months, anti-China geopoliticians, mostly from West, have been urging India to become part of an Indo-Pacific alliance, ostensibly to "counter China's geopolitical ambitions." In addition, efforts were made to label the annual Malabar naval exercise—which has been conducted for years between the United States, Japan and India—as a Quadrilateral Security Dialogue, by bringing in Australia to counter China's growing naval strength. The anti-China mob wants to merge that naval exercise with the Indo-Pacific alliance, thus forming a well-defined axis against China that would include two non-Asian nations.

But at the Shangri-La Dialogue, Modi avoided using the word "Quad" (Quadrilateral Security Dialogue consisting of the United States, India, Japan and Australia, and conceived by some as a counterbalance to China's rising presence in the Indo-Pacific), by separating the Indo-Pacific alliance from the security dialogue. At least a month before Modi's Shangri-La speech, India had turned down Australia's request to participate in the now ongoing Malabar Exercise—a major setback for the proponents of a Quadrilateral Security Dialogue.

At Singapore, Modi pushed aside misconceptions that India wants the Indo-Pacific to be an exclusive



U.S. Navy/William McCann

*Malabar 2018 war games exercise, June 12, 2018.*

club, saying: "... India does not see the Indo-Pacific Region as a strategy or as a club of limited members. Nor as a grouping that seeks to dominate." He also said,

India's own engagement in the Indo-Pacific Region—from the shores of Africa to that of the Americas—will be inclusive... That is the foundation of our civilizational ethos—of pluralism, co-existence, openness and dialogue. The ideals of democracy that define us as a nation also shape the way we engage the world.

Modi did not comment on America's renaming of the U.S. Pacific Command as the Indo-Pacific Command a few days earlier. Instead, he lauded India's "multi-layer relations with China," saying: "Strong and stable relations between our two nations are an important factor for global peace and progress." His remarks were almost immediately echoed by the Chinese delegation attending the Shangri-La Dialogue.

Modi's remarks that India does not see the Indo-Pacific Region as directed against any country, dooms the Quad.

On the other hand, the issues dividing the neighboring nations, India and China—the two most populous in the world, occupying a large part of the Asian landmass—are complex and are not expected to be resolved any time soon. However, the Wuhan summit, and the subsequent interactions, suggest that both leaders are keen to bypass those major issues—while not abandon-

ing efforts to resolve them—and not consider them to be insurmountable walls. Instead, they chose to jointly participate in enhancing bilateral economic interactions, while cooperating in the security and development of infrastructure of the Eurasian region. This choice brings into play the BRICS association, the Belt and Road Initiative (BRI), the BCIM framework, the China-Pakistan Economic Corridor (CPEC), and the SCO, as we shall see.

But first, the troublesome background.

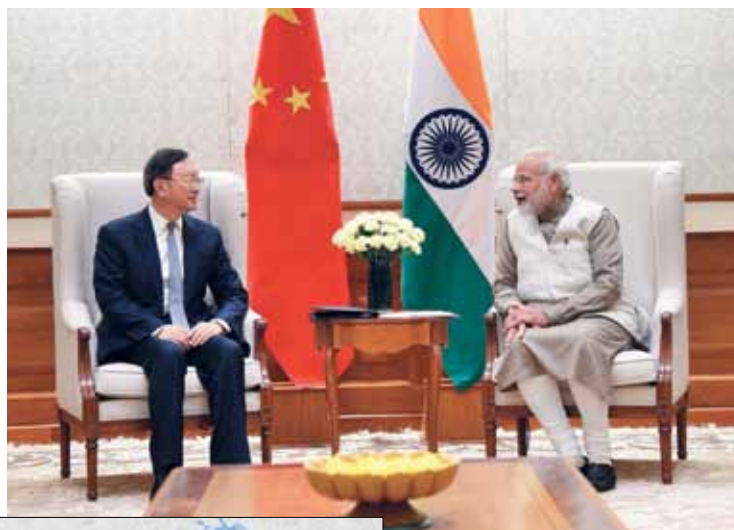
### The Doklam Stand-Off

One of the main reasons for the reset was the necessity to ensure that bilateral relations do not suffer further damage as a result of two major, unresolved issues. After all, China and India are the fastest-growing large nations, each with more than 1.2 billion people, many of whom are poor; growing cooperation between the two is essential for the future.

One of these unresolved issues is the Doklam border confrontation. In June 2017, Chinese troops began construction to extend a road south into Doklam, in an area claimed by both China and Bhutan, an ally of India (see map). The Doklam plateau—at the tri-junction of India, China, and Bhutan—is an uninhabited area used mostly for seasonal cattle grazing. Two days later, Indian troops entered Doklam to stop the Chinese project. Jingoistic campaigns by media managers in both countries followed, and went to great lengths to prove who was right and who was wrong.

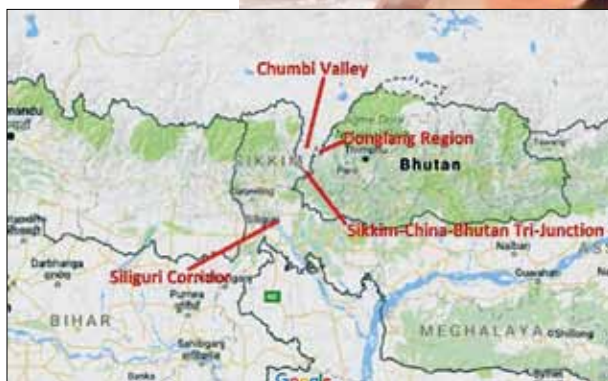
India and China announced on August 28 that they had agreed to remove their troops from the site at which the confrontation had occurred. After this agreement—reached just days before the ninth BRICS summit was to begin on September 4 in Xiamen, China—there was an urgency to put the relationship back on the right track, even while both sides remained vigilant in Doklam.

The conflict is complex. The Modi administration is in the process of making the economic development of this area a priority, to enhance a robust economic pres-



PIB India

*Chinese State Councilor Yang Jiechi (left) meeting with Indian Prime Minister Narendra Modi to resolve the border dispute in Doklam. New Delhi, December 22, 2017.*



Wikimedia Commons/Nilesh Shukla

*The disputed Doklam area is identified here by its Tibetan name, “Donglang region.”*

ence in Southeast Asia. More concretely, and of equal importance, Doklam is less than 100 miles from the strategic Siliguri Corridor, sometimes called the Chicken Neck, which connects India’s main body to its eight northeastern states.

The corridor, varying from 13 to 25 miles wide, is India’s only road link to its relatively unstable and underdeveloped northeastern states. These states, spread over 105,000 square miles, have a combined population of 46 million. This eight-state area borders China in the north, Myanmar in the east, Bangladesh in the southwest, Nepal in the west, and Bhutan in the northwest.

While the Doklam stand-off is not a dispute over the Sino-Indian border itself, there is a border dispute between the two countries. It is extensive, and it is a long way from being settled. On Dec. 22, 2017, India and China held the 20th round of talks on the decades-old border dispute. These talks were not designed to tackle the disputed borders head-on, but merely to establish peace and tranquility along the Line of Actual Control (LAC). However, even the LAC has not been fully defined yet. What is encouraging, however, is that the 20th round of talks did not confine itself to the same old border issues, but reportedly covered the wide gamut of

nettling issues between the two governments.

As of now, both sides recognize that before the border disputes can be adequately addressed with the specific intent to demarcate the border and identify it as an international border, other measures must be taken to prevent flash-points from suddenly cropping up in these distant and desolate places, embittering bilateral relations. One of India's leading academics on Sino-Indian relations, Mohan Guruswamy, wrote in December 2017,

Both countries agree that these are legacies of history and cannot be solved in the short or medium term and are best left for the future. But what causes friction between the two is that they do not have agreed a Line of Actual Control (LAC) to separate the jurisdictions under the control of their armies. The perceptions of the LAC differ at many places. In some places it might be by just a few meters, and elsewhere by tens of kilometers. ("Why India and China's Border Disputes Are So Difficult to Resolve," *South China Morning Post*, December 17, 2017).

What Guruswamy wrote is now very much in focus for both Beijing and New Delhi.

### **Trouble Over the CPEC, and BRI**

Another major area of difficulty between India and China stems from the construction of the China-Pakistan Economic Corridor (CPEC), a part of China's Belt and Road Initiative (BRI). The CPEC extends from China's Xinjiang province to the Arabian Sea, traversing Pakistan from its northern border to its shore in the south. India has spurned China's invitation to participate in this project. It became evident when the leaders of 29 countries and representatives from more than 130 nations gathered in Beijing in May 2017 for the Belt and Road Forum. India declined the invitation, having decided not to participate in the deliberations.

Officially, India's Modi government says that India cannot join the BRI. A major part of the BRI in India's neighborhood is the CPEC, it says, which enters Pakistan through the northwestern Gilgit-Baltistan area of Jammu and Kashmir, a disputed territory that New Delhi claims, but which has remained under Pakistan's occupation since 1948. India's Foreign Ministry spokesman, Gopal Baglay, told the media that "no country can accept a project that ignores its core con-

cerns on sovereignty and territorial integrity." ("One Belt One Road: China-Pakistan Warmth, India Skips Summit," *The Indian Express*, May 14, 2017)

But India went beyond this to speak of the conduct of connectivity initiatives in general, as a reason for not attending the Belt and Road Forum. "We are of firm belief that connectivity initiatives must be based on universally recognized international norms, good governance, rule of law, openness, transparency and equality," India's Foreign Ministry spokesman said, adding that "we have been urging China to engage in a meaningful dialogue" on the BRI. ("Official Spokesperson's [Response](#) to a Query on Participation of India in OBOR/BRI Forum," Ministry of External Affairs, Government of India, May 13, 2017) The just concluded Wuhan summit appears to be at least a step in the right direction.

China continues to urge India to join the BRI. China acknowledged India's objection with respect to the CPEC. On Nov. 17, 2017, speaking at the Centre for Chinese and South-East Asian Studies in the School of Language at Jawaharlal Nehru University in New Delhi, China's Ambassador to India, Luo Zhaohui, said that China may consider alternative routes through Jammu and Kashmir to address India's concerns regarding the CPEC, which passes through Pakistan-administered Kashmir. "We can change the name of CPEC. Create an alternative corridor through Jammu and Kashmir, Nathu La pass or Nepal to deal with India's concerns," he said on that occasion. ("China proposes alternative routes for CPEC via J&K, Nepal," *The Hindu*, Kallol Bhattacharjee: Nov. 18, 2017). So far, nothing further has been heard about such an alternative route.

In addition to these two major obstacles to improvement of Sino-Indian relations, as one could expect, there are many other disagreements between the two countries. Seemingly, the maturing of their relations, and the exigency to achieve it, has put these niggling issues presently on the back burner, as they move forward to work together on more important issues.

With that as the background of relations between the two countries, conventional wisdom says a rapid improvement of relations between India and China is unlikely. However, conventional wisdom has its limitations grounded in time and space. Global political situations, particularly in the Eurasian region, have changed, and these changes are well reflected in the intent of both China and India to participate in that process. In other words, a new space for broader cooperation has emerged over a period of time.



PIB India

*Chinese President Xi Jinping (left) and Indian Prime Minister Narendra Modi at the Shanghai Cooperation Organization summit in Qingdao, China, June 9, 2018.*

The rise of China and India as major economic powers and their close relations with Russia adjoining Europe could make the Eurasian zone, along with Southeast and East Asia, a motor for development in the coming decades. Both India and China have done very well in maintaining, and even upgrading, their relations with these two areas of future prosperity.

In describing these changes, topmost on the list should be the growing prowess of Russia, India and China within the five-country BRICS organization—Brazil, Russia, India, China, and South Africa. Although the domestic problems within South Africa and Brazil have somewhat stymied the BRICS' expected growth as a powerful global grouping of nations, it has not curbed the growth of the other three, nor has it slowed down their economic and political interactions—a key ingredient for future developments.

### **India and Pakistan Join SCO**

In addition to BRICS, the interaction between Russia, India, and China has been given a boost by their becoming the three most important nations in laying out the policies of the less well-known Shanghai Cooperation Organization (SCO). “The SCO member states account for one-fourth of the world’s GDP, 43 percent of the world’s population and 23 percent of the global territory,” Russian President Putin told the China Media Group, which includes the CGTN English channel. He stressed the “rapid economic growth of China, India and Russia, all of which are major players in the organi-

zation.” (“Putin Names India, China and Russia as ‘Major Players’ in SCO,” *The Hindustan Times*,” June 6, 2018)

The SCO was originally formed in 1996 as the Shanghai Five—China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. Following the inclusion of Uzbekistan as a full member in 2001, it was re-founded in Shanghai that year and renamed the SCO. In 2017, India and Pakistan became full members. SCO also has six dialogue partners, including Afghanistan.

SCO was originally set up as a confidence-building forum to demilitarize borders. However, the organization’s goals and agenda have since broadened to include increased military and counter-terrorism cooperation and intelligence sharing. The SCO has also intensified its focus on regional economic initiatives such as the recently announced integration of the China-led BRI and the Russia-led Eurasian Economic Union.

The potential for the SCO to be effective is manifold. Beside the fact that the leadership of the organization rests in the hands of the “Big Three”—China, Russia and India—the organization has provided another platform for the heads of state of Russia, India and China to interact directly and deal with the acute regional security situation. By including Pakistan as a full member, and having Afghanistan as an observer, an environment has thus been created in which terrorism and drug-trafficking can be addressed. These two destructive forces, if not dealt with firmly and with steady hands, could disrupt the development plans of the “Big Three,” weakening their ability to play an effective and positive global role.

### **A Task Cut Out for SCO**

Terrorism already affects India, Russia, China and the five Central Asian “stan” countries—Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Tajikistan. Terrorism in the Indian part of Jammu and Kashmir, instigated from outside, continues despite various measures undertaken by New Delhi in recent years. Heroin/opium moving out of Afghanistan through Central Asia and Pakistan has bolstered financing of terrorists throughout the region. In India’s northeast, where many small but violent secessionist groups operate, heroin and synthetic drugs come in from its east. New Delhi is concerned about these developments and would like to shut down the conduit.

In Russia, particularly in the northern Caucasus, Islamic jihadis have exhibited their presence over the decades. Among the most affected areas are Chechnya,



*Terrorist video message from the militant Jihadist organization, Caucasus Emirate, 2015.*

Dagestan, Ingushetia and North Ossetia, but also Tatarstan. Maintaining stability and enhancing prosperity in these areas are important for Russia, since Russia shares borders with the “stan” countries of Central Asia. All Muslim states that were for decades part of the Soviet Union, are now independent nations and are full members of the SCO, where Russia is a major force to reckon with.

For China, besides facing difficulties in dealing with militant Uyghur secessionists in Xinjiang province, a terrorist-free Eurasian zone is an essential requirement to make its BRI viable and beneficial for the host and recipient countries. BRI highways and railroads run through “stan” countries to Russia and Europe, and also through Iran to Gulf countries. China has invested heavily in this enterprise in order to make these transport corridors a success. However, if China does not step up to the plate in dealing with the drug traffickers and terrorists who roam virtually with abandon in these sparsely populated areas, Beijing’s dream of interlinking China through roads and railways with Central Asia, Europe and Middle East could end up as rubble.

The BRI is not a one-shot deal. Its utility will be realized on the basis of its 24/7 operations spread over years to come. That means the entire area around these installations has to remain terrorist-free; it is a task China must undertake in conjunction with the SCO and in its bilateral relations with the countries involved. Moreover, India-China relations, when allowed to develop fully, have an enormous potential in accomplishing this difficult task.

### **From Wuhan, a Ray of Hope for Afghanistan**

At the Wuhan summit, Modi and Xi agreed to participate in joint infrastructure-related projects in Af-

ghanistan. Although no specific projects have been spelled out yet, it is likely that these will be designed to bring some relief to the war-ravaged Afghans. “There will be more China-India projects in the region in the pipeline, some of which will involve a third party,” Vice Foreign Minister Kong Xuanyou told a media briefing at the end of the Wuhan summit. “The decision will have a bearing on the region and on Afghanistan’s role as a ‘roundabout’ of cooperation in Asia,” said Barnett Rubin, Senior Fellow at the Center on International Cooperation and former advisor to the UN Mission to Afghanistan (UNAMA).

Rubin continues,

The message to Pakistan is clear: China welcomes India’s legitimate role in Afghanistan. For years the Pakistan military has rationalized its support for the Taliban and other pressures on Kabul by citing the threat posed by the Indian presence in Afghanistan. Now without saying a word directly to Pakistan, China has announced that it not only recognizes but wants to cooperate with the Indian presence in Afghanistan. (“Sino-Indian Project in Afghanistan Signals Cooperation, Message to Pakistan,” Sutirtho Patranobis, *The Hindustan Times*, May 1, 2018)

India had long been involved in Afghanistan, building, schools, hospitals, roads and even hydropower stations. However, none of that has done much to lower the level of seemingly unending hostilities, emanating partly





WAPCOS

*The Afghan-India Friendship Dam in western Afghanistan.*

China-Pakistan Economic Corridor (CPEC) into Afghanistan, according to a report prepared by the non-profit Boao Forum for Asia (BFA). The BFA, formed by China in 2001 on the sidelines of the World Economic Forum in Davos, Switzerland, has held an annual conference since 2001 in Boao, a city in China's Hainan Province. The report, according to Xinhua news agency, says that—

China-Pakistan Economic Corridor (CPEC), a flagship project under the Belt and Road Initiative, has not only improved local infrastructure but also is extending toward Afghanistan, reducing poverty, the hotbed of terrorism,

and bringing better prospects for local people's lives. ("China Taking Pak Economic Corridor All the Way to Afghanistan: Report," NDTV, April 9, 2018)

because of a large presence of U.S. troops in the country. One other problem that ensures hostilities, and discussed widely, is Pakistan's unwillingness to cooperate in interdicting the movement of terrorists from Pakistan to Afghanistan and vice-versa. For years, Pakistan has denied this shortcoming. But a sign of change has shown up recently, and the credit surely belongs to China:

On December 16, [2017] Beijing hosted the first China-Afghanistan-Pakistan Foreign Ministers' Dialogue. The three countries' foreign ministers—China's Wang Yi, Afghanistan's Salahuddin Rabbani and Pakistan's Khawaja Muhammad Asif—attended. The three countries agreed to establish a trilateral dialogue mechanism in June aimed at reinforcing trilateral cooperation in politics, economics and security. Afghanistan will host the second dialogue in Kabul in 2018.

During the press conference after the meeting, Wang announced that "Afghanistan and Pakistan agreed to improve bilateral relations as soon as possible and to realize harmonious co-existence, promising to resolve their concerns through comprehensive dialogue and consultation." ("Why Is China Holding the China-Pakistan-Afghanistan Dialogue Now?" Charlotte Gao, *The Diplomat*, Dec. 27, 2017)

Stability and peace in Afghanistan is of particular importance to China. China has plans to extend the

The Chinese initiative has shone a glimmer of hope. Pakistan's Chief of Army Staff, Gen. Qamar Javid Bajwa, led a delegation that met with Afghan President Ashraf Ghani in Kabul. "They discussed implementation of the Afghanistan-Pakistan Action Plan for Peace, the fight against terrorism, reducing violence, and the Afghan-owned peace process," Ghani's deputy spokesman Shahussain Murtazawi said, according to TOLO news of Afghanistan. "Effective and important talks with Pakistan help us to find logical solutions for historical and fundamental problems," Murtazawi said on June 13.

According to the Kabul government, the difference between the June 12 meeting and previous meetings was that the two sides agreed not to repeat "mistaken" politics, TOLO news reported. "Mr. Bajwa clearly said that the continuance of mistaken politics is neither in Afghanistan nor in Pakistan's favor and politics should change in line with cases," said Omid Maisam, deputy spokesman for Afghanistan's Chief Executive Abdullah Abdullah.

### **BCIM, the Other Topic at Wuhan**

At Wuhan, the joint statement said that China and India would speed up the Bangladesh-China-India-

Myanmar (BCIM) Corridor project. Chinese Vice-Foreign Minister Kong Xuanyou, briefing newsmen in Beijing on April 28 about the summit outcome—and playing down India-China differences over the BRI—said:

... When it comes to connectivity our impression is that China and India do not have a principled disagreement. Actually the two countries are working on the BCIM which is an important part of BRI and for the BCIM corridor, India does not oppose it. Actually, it is an important partner in this cooperation. At the same time BCIM is progressing very smoothly. (“Wuhan Summit: India, China To Step Up Policy Coordination,” *Press Trust of India*, April 30, 2018)

However, on the ground, BCIM is not progressing very smoothly. That is the reason that Modi and Xi brought it up in their discussions—to give it a push. The BCIM Economic Corridor idea emerged in the 1990s for possible cooperation involving southwestern China, eastern India, and the whole of Myanmar and Bangladesh. Conceived as a sub-regional economic cooperation project, the BCIM initiative was launched in 1999 in Kunming, the capital of China’s Yunnan province. Two prominent objectives have driven the BCIM initiative—one is economic integration of the sub-region that would also enable integration of Asia; the other is development of the border regions. (“The BCIM Economic Corridor: Prospects and Challenges,” K. Yhome, Observer Research Foundation, Feb. 10, 2017) The India-China Joint Statement of May 2013 endorsed the BCIM officially at the highest level.

Perhaps one of the reasons that the BCIM did not take off is that it has remained within the realm of the sub-regional developmental plans. Both India and China have grown significantly since China launched the BRI, and the Modi administration has been keen to develop northeastern states for a strong presence in Southeast Asia. The Wuhan summit declaration makes it clear that the time has come for the BCIM to take off.

Writing in the Bangladesh weekly *The Star* in 2014, Prof. Mustafizur Rahman of Bangladesh pointed out that—

the idea driving the proposed BCIM initiative was that, by drawing on [their] respective com-

parative advantages, all the four BCIM countries could expect to make significant gains through operationalization of the economic corridor, sub-regional cooperation within the BCIM, and BCIM-wide economic cooperation. These gains are envisaged to accrue from greater market access for goods, services and energy, elimination of non-tariff barriers, better trade facilitation, investment in infrastructure development, joint exploration and development of mineral, water, and other natural resources, development of value and supply chains based on comparative advantages, by translating comparative advantages into competitive advantages, and through closer people to people contact. (“BCIM—Economic Corridor: An Emerging Opportunity,” *The Star*, March 15, 2014)

### **And If the Korean Crisis Ends?**

Finally, a further opportunity for improving India-China relations is emerging in the eastern end of the Eurasian zone. The crisis of the Korean peninsula has been hanging fire for more than six decades. Located close to three major nations—Japan, China and Russia—the Korean peninsula had long been teetering close to war. The open hostility between the two Korean states, following the four years of war (1950-53) and division of the country along the 38th Parallel, kept the area on the brink of a war throughout the Cold War. Although the Cold War ended in 1991, the situation on the Korean peninsula remained frozen in the past.

Only recently have both sides shown an eagerness to change. In a historic summit at Singapore on June 12, U.S. President Donald Trump met with North Korea’s Chairman, Kim Jung-un, and together they laid a foundation for achieving peace on the peninsula. It is acknowledged that if and when this peace is achieved, it will provide a tremendous boost to the entire region. The process of industrialization and economic development of North Korea will bring the major powers in the region closer. It will also help secure the region.

It is evident that the establishment of peace and stability in the Korean peninsula could step up cooperation between India and China; both maintain full diplomatic relations with North Korea. And furthering of cooperation between these two nations will ensure growth and stability in Asia, the home of about 4.5 billion people, as well as the world beyond.