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Belt & Road Initiative

Geopolitical Moves: China's BRI Signals To India?

By P. S. Suryanarayana

SYNOPSIS

A positive Chinese gesture towards India on 1 May 2019 reveals Delhi's relative importance in Beijing's global foreign policy. While an instantaneous breakthrough in their complex relationship is unlikely, a new trend can be discerned.

COMMENTARY

CHINA'S CONSENT, on 1 May 2019, to designate Pakistani national, Masood Azhar, as a terrorist, under the relevant United Nations norms, fulfils a long-standing Indian demand. India intensified its campaign for such UN action after Azhar's outfit owned responsibility for the internationally-condemned terrorist attack on Indian security personnel on 14 February.

China's latest decision to join the dominant view on this issue at a UN panel is significant. Despite Pakistan being China's "all-weather strategic cooperative partner" since 2015, the Chinese have signalled the relative importance of neighbouring India in their expanding foreign policy calculus. This is evident from the recent Chinese attitude towards India although it has not joined China's worldwide Belt and Road Initiative (BRI).

Advocacy of Closer Sino-Indian Ties

The BRI is a collective name for the multi-modal connectivity projects that radiate from China across continents and cover diverse spectra of economic activities. Ahead of the Second Belt and Road Forum for International Cooperation (BRF) in Beijing on 26-

27 April 2019, China knew India would not attend the summit. It was no secret that India felt that its BRI concerns were being disregarded by China.

However, prior to the Second BRF, Chinese Ambassador to India, Luo Zhaohui, emphasised the “vision” of “achieving [Sino-Indian] synergy on the Belt and Road Initiative”. Luo’s call for creating BRI “synergy” ranked fourth in his priorities for improving Beijing’s often-chequered relations with Delhi. Topping Luo’s “vision” was the need for “negotiating and signing China-India Treaty of Good Neighbourliness and Friendly Cooperation”.

He suggested bilateral “free trade agreements” and consultations to reap “early harvests” even while patiently settling the Sino-Indian boundary dispute. Two factors explain Luo’s advocacy.

Masking Modi’s Absence at BRF

Firstly, Chinese President Xi Jinping chaired the Second BRF precisely one year after he held an unprecedented “informal summit” with Indian Prime Minister Narendra Modi at Wuhan, China. For Xi, the Wuhan summit was “a new starting point” in Sino-Indian diplomacy.

Modi, too, said India and China crossed a new “milestone” in bilateral diplomacy during the Wuhan summit. So, new ideas like Luo’s may actually help in masking Modi’s absence at Xi’s latest BRF Roundtable on 27 April 2019.

Secondly, there is a nuanced explanation for Luo’s advocacy. India’s opposition to the BRI initially became known when Modi, despite being invited by Xi, stayed away from the First BRF summit in Beijing in May 2017. India’s opposition was, and continues to be, driven by two strands of reason.

The first reason is that a key BRI project – the China-Pakistan Economic Corridor (CPEC) – passes through a disputed area that Islamabad controls and India claims as its legitimate sovereign territory. Contrary to the BRF’s norm of “extensive consultation” for project finalisation, India feels, its sensitivities were “ignored” by China before it finalised the CPEC with Pakistan.

A New Message from BRF

The second reason for India’s opposition to the BRI is somewhat subtle. India hints that the BRI projects are not “based on universally recognised international norms”. Apparently in response to this criticism, the Second BRF affirmed as follows on 27 April 2019: “All states are equal partners for cooperation that respects openness, transparency, inclusiveness and level playing field ... We encourage ... a greater role of development finance in line with ... the agreed principles by the UNGA [United Nations General Assembly] on debt sustainability”.

The BRF’s affirmation of faith in the UN norms of “debt sustainability” is noteworthy. “Debts” owed to Beijing and/or Chinese entities by their partners were becoming a BRI controversy in some quarters. Chinese diplomats have even viewed India as a key campaigner against China’s alleged “debt trap diplomacy” towards BRI partners. “Debt

sustainability” is, therefore, the latest BRF message that India cannot easily ignore any longer.

In this milieu, Luo’s proposals for updating Sino-Indian diplomacy are essentially aspirational. Why? A “friendship treaty” is a creative idea whose time is yet to come. A “free trade agreement” is conceivable. However, China and India may first have to strike a harmonious chord during the ongoing negotiations for Regional Comprehensive Economic Partnership (RCEP). ASEAN is piloting the RCEP parleys.

Not really new is the idea of seeking “early harvests” while negotiating a settlement of the Sino-Indian boundary dispute. Moreover, the dispute is seen by both sides as a comprehensive strategic issue that cannot be easily compartmentalised. As for BRI “synergy”, India still sees the Chinese initiative as a bridge too far in bilateral relations.

An Emerging Sino-Indian Ambience

Nonetheless, some indices of India’s emergence as a potential powerhouse are of interest to global China. These are India’s economic ‘rise’, nuclear arsenal, growing ‘harmony’ with America, diplomatic proximity to Russia, and scientific ‘military’ prowess in the Outer Space. In the Outer Space, humanity’s future frontier, India is emerging as an early pioneer behind the United States, Russia and China.

However, there is nothing to suggest a fanciful coming collapse of Sino-Pakistani “iron friendship” or a reversal of China’s latest pledge of support for Pakistan’s “national dignity”. The new dynamic in Sino-Indian diplomacy, therefore, is China’s review of India, as is explicit in Luo’s proposals.

Refining China’s review of India after the Second BRF, Luo disclosed, on 6 May 2019, that “we are [still] expecting India to be part of the BRI”. In his view, participation in the BRI would be “the key” to a “solution” of India’s concerns over its huge trade deficit with China. China’s messaging to the next Indian government, expected to be formed later this month, cannot, therefore, be missed.

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