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## **Modi's Two-Front Diplomacy: An Opportunity Ahead?**

*By P. S. Suryanarayana*

### **SYNOPSIS**

*A recent Chinese proposal for good neighbourliness offers Indian Prime Minister Narendra Modi a rare opportunity to address India's concerns over the Sino-Pakistani economic corridor in his two-front diplomacy.*

### **COMMENTARY**

CHINA'S QUEST for closer relations with India was signalled by Chinese President Xi Jinping in a letter to Indian Prime Minister Narendra Modi immediately upon his re-election on 23 May 2019. Xi expressed his readiness to work with Modi to "uplift the [current] Closer Development Partnership between the two countries".

The Sino-Indian "Closer Development Partnership" was agreed to by Xi and Modi in 2014. Earlier, in 2005, India and China decided to fashion a "Strategic and Cooperative Partnership". But the "Closer Development Partnership" has become the defining feature of Sino-Indian diplomatic discourse since 2014. Now, Xi views this in new light because of the ongoing trade "war" between the United States and China.

#### **'Relevance' of China's BRI**

For China, its inter-continental and multi-modal connectivity projects, collectively known as the Belt and Road Initiative (BRI), can be a silver lining in this gloomy global trade environment.

Significantly, therefore, Chinese Ambassador to India, Luo Zhaohui suggested on 6 May 2019 that India's participation in the BRI would be "key" to solving Delhi's own concerns over its ballooning trade deficit of over US\$60 billion with Beijing. Luo has

since been promoted as China's Vice Minister of Foreign Affairs, with Asia (including India) as part of his mandate.

As Xi now seeks to intensify China's "Closer Development Partnership" with India in this situation, Delhi's reservations regarding the BRI, a geo-economic and geo-strategic initiative, will be in renewed focus.

An idea of initiating a '2+2 Dialogue' among the foreign- and defence-ministers or officials of China and India has already been floated in the relevant diplomatic circles. While any such initiative will be strategic in nature, Xi's latest message to Modi has an economic focus. But strategic realities will inevitably impinge on it.

### **The Pakistan Factor: A New Nuance**

If, as suggested by Luo, Delhi's trade deficit with Beijing, an economic issue, can be solved through India's participation in the BRI, the Pakistan factor in the Sino-Indian strategic equation will acquire a new meaning. This is explained by the predominance of strategic considerations in China-India relations that involve Pakistan as well, these three countries being neighbours.

Delhi still remains unreconciled to the fact that the China-Pakistan Economic Corridor (CPEC), a BRI 'flagship', passes through disputed areas. Islamabad controls these areas, and India claims them as its own sovereign jurisdiction. Will or can China untie this knot? China can do so if Modi succeeds in persuading Beijing to do so.

China has so far argued that India should not view the CPEC, an "economic" project, as a collusive Sino-Pakistani strategic ploy against India's sovereignty claims. The eventual "ownership" of the disputed CPEC areas, and the inter-linked 'final' status of Jammu and Kashmir (J&K), could still be settled by India and Pakistan through dialogue, Beijing says.

### **Transitional Arrangement?**

This argument can be traced to 1963 when China signed a "temporary" boundary agreement with Pakistan. On that occasion, China noted that the accord could be renegotiated by the eventual "sovereign authorities" who would have "ownership" of J&K following a settlement between India and Pakistan.

However, with India and Pakistan unable to agree so far, the Sino-Pakistani "Treaty of Good-Neighbourliness and Friendly Cooperation", signed in 2005, is also materially relevant now. Following the Treaty, Islamabad began viewing China implicitly as a protector of Pakistan's sovereignty and territorial integrity.

This aspect apparently covers the disputed CPEC areas, although there is no official confirmation. Until now, the ground realities of the unsettled boundaries between China and India as well as India and Pakistan have remained complex.

### **The China-India Treaty Proposal**

Through various “mechanisms”, India and China seek to safeguard the un-demarcated Line of Actual Control along their disputed boundary on a daily basis. As for India and Pakistan, a Line of Control (LoC) divides J&K between them.

In the high-altitude glaciated zone not covered by the LoC, there is a constant military confrontation between India and Pakistan at the Siachen-Saltoro range. Close to this glaciated area is the Shaksgam valley which Pakistan had “ceded” to China. Both China and India claim this valley.

In this overarching situation, Luo emphasised on 4 April 2019 the “need” for China and India themselves to negotiate and sign a “treaty of good-neighbourliness and friendly cooperation”. He re-emphasised this proposal before becoming Vice Minister in June. While not being a Sino-Indian boundary agreement, the proposed “treaty”, if explored by Xi and Modi, can serve a creative strategic purpose.

Delhi can seek a binding bilateral commitment from Beijing to the effect that the CPEC does not legitimise Islamabad as the sovereign “owner” of the areas in dispute between India and Pakistan. Such a binding commitment from Beijing will harmonise its stated position on the CPEC with Delhi’s stand on the Pakistan-administered but disputed portion of this corridor.

### **A Win-Win-Win Strategic Option**

If Beijing reassures India in such a binding fashion, the strategic climate for enhanced Sino-Indian economic engagement will surely improve. India can ‘win’ through its participation in the BRI and/or greater trade with China. In the process, China, too, will ‘win’ greater access to the burgeoning Indian market through a collateral free trade agreement, also proposed by Luo.

For Pakistan, the net benefit will be the easing of the strategic uncertainty over the CPEC’s future in the face of India’s current opposition. While this does not immediately solve the India-Pakistan dispute over the final ‘status’ of J&K, the strategic climate for the search of a political settlement will surely improve.

In this way, the current distrust between India and China may begin to dissipate, insofar as the Chinese affinity with Pakistan over the CPEC is concerned. However, China and India will be able to build bilateral trust only by strengthening their existing confidence-building matrix and by making progress towards their long-pending boundary settlement.

Therefore, the Sino-Indian good-neighbourliness “treaty” and the collateral trade pact, as proposed by Luo, deserve to be explored. At the same time, both India and Pakistan cannot wish away the reality of each being a significant factor in China’s emerging strategic priorities in this trilateral neighbourhood.

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