



## The prospects of China and India in Asia

Dilip Panwar

Assistant Professor History, SBRM PG Govt. College, Nagaur, Rajasthan, India

### Abstract

The relation between India and China has reached its bottom low after sudden spurt in the border tension since May 2020. This surprising aggression by the Chinese side on Laddakh border tells a long story about how a nation silently focuses on economic progress without inviting any scrutiny by international community so as to assert on crucial national interests at last and at all costs. China's neighbourhood assertion is not only confined to India but it spans in the South China Sea region too. It's a classic example where decades of economic progresses are ultimately manifested in nations' rising diplomatic prowess. The backing of a high economic growth rate is a must before any result oriented assertion in the international sphere. In same way, any meaningful global assertion by a country like Pakistan is out of question because it lacks the necessary economic/military foundations for this kind of global activism. In case of India the global capital is relatively very less compared with that of China. It's all the power game through which any nation can dictate its terms on other nation. At border China has smartly changed the status quo without inviting substantial aggression from India. The main theme of the article shall be on unearthing the processes which enabled *muscular* assertion by China regarding international questions. The growth story of this giant nation can give some interesting insights about accumulating global capital through means of long term economic development.

**Keywords:** aggression, neighbouring, diplomatic capital, status quo etc

### Introduction

The grand success of China can only be understood in terms of the events happening inside the Asian continent. The inter-plays of different nations inside the continent heavily impacted the developmental course of China. Without understanding the dynamics of the continent the story of a spectacular growth of China can only be half understood. The inter-relations between the two big nations of Asia i.e. China and India should also be given due weightage. The civilisational and cultural traits of Asian continent were potent enough to impact the onward journey of China. The idea of Asian brotherhood gained currency in the context of western colonial rule on this continent. In order to oppose the colonial rule the Asian countries developed some emotional connection and unity among each other. Indeed, their foreign policies were also shaped by this powerful notion. The erstwhile Indian Prime Minister Jawahar Lal Nehru adopted soft approach towards China on the issue of the occupation of Tibet by the later. The reason could be an emotional connectedness among India and China against colonialism that sprang from the other continent of Europe. Hence, the context of the continent housing the nations in question provides a powerful clue to analyse the foreign policies of those nations.

Good economic relations now can't provide a convenient cloak to the issues of political and military slump for the nations. The action of China at Indo-China border must be understood in the overall context of a new confidence acquired by it. Its visible manifestations of aggressive behaviour donned by China is not only limited to India but it touches upon the forever burning issue of South China Sea as well. Instead of indulging in China bashing, a more productive approach would be to analysis the causes of China's spectacular growth. The continent of Asia has

witnessed the rise of many nations and their related growth owed significantly to the overall milieu of the continent. To understand the rise of China, the growth stories of the nations located in the continent can provide a significant clue. Indeed, the history has shown over and again that if any nation acquires great power its implications clearly cut across the continents. With the advent of communist government in China in 1949 and thereafter adoption of authoritarian style of government augured well for the growth charts of the nation howsoever diminished the democratic rights of the people were.

### The continental connection

The continent where India and China are located provides a crucial link to understand the relative lows and highs in the journeys of these nations. The continent not only provides relative physical proximity among nations but often the nations' viewpoints also converge on many important diplomatic issues. The exceptions could be there but a general trend hints at it. Majority of the Asian countries were at the receiving end of imperialism which mainly benefited the countries located at European continent. The rise of China could be better analysed in terms of the emotions and sentiments of the Asian continent. There were enough issues like campaign against colonialism which enhanced the possibility of Asian solidarity. The unprecedented progress made by China can't be seen in isolation without any influence of the notions prevailing in Asia.

In order to understand the comparison between India and China, the more intangible aspects like values and ethos must be taken into account. Experts generally impart certain common values to Asia which significantly impacted the material outcomes of the continent. In same way, the

continent of Europe is driven by a peculiar work ethos and culture originating from the specific values of the continent. To understand the nitty gritty of Asian value system the cross comparison with European value system would be worth focussing on.

However the western perception about Asia and its people were coloured because most of the time Asian countries were the target of western imperialism. It was imperative on the European masters to devalue the work ethos and values of its subject nations so as to justify their continued colonial rules. Perhaps the "Asian Drama" book written by Gunnar Myrdal is marred with the same stereotype about Asian nations. He termed Asian people irrational and superstitious which swell their hatred for menial tasks. This assumption was based on their pasts which were discriminatory to the lower classes. The people will meekly surrender to the sovereign power and would not raise voice against their exploitation. At present, many nations of the continent have inefficient authorities which are the cause of high corruption. He also assumes that the reformist policies will not yield results there due to discriminatory and irrational socio-religious approach adopted by the people at large. Therefore apart from picturing the continent in poverty, the potential of changing the status quo is also missing. He cited failures of many grand schemes of India like laws against dowry, land reform schemes etc <sup>[1]</sup>.

The drubbing of an entire continent as pessimist and downplaying the achievements of its people is totally unacceptable. Every region of the world has its due share of problems but it should not be judged as lack of mental potential of their people. The idea of reforms and its successful implementation is not conditioned to any geography. Many great personalities of world have brought desirable change in their land irrespective to the continent in which they were staying.

In contrast the two famous Asian dignitaries- Mahathir Mohammad and Lee kuan Yew brought out more rational comparison between the two continents. In the west individual rights are supreme apart from the focus on harmony over personal freedom. On the other hand, the Asian people are driven by the idea of community rights and privilege of order. The family values are very strong here with greater inclination for savings and hard work <sup>[2]</sup>.

The statistical analysis of the economic performance of Asian continent in different timelines can explain the future potential of this continent. Indeed, the world has witnessed one new superpower that is China from the continent and the second superpower in future could well be India which is also a part of the same continent.

The gloomy scenario of the continent was registered when the European colonialists started occupying the big blocks of lands in Asia with the sole purpose of fattening the economic muscles of the colonial nation. The concept of drain of wealth perfectly pictures the economic linkages based on metropolitan-colony relations. The past economic greatness of the continent came to a sudden halt with the diversion of resources for the benefit of the other continents. The old glorious days of the eastern civilisation were over after the advent of colonialism and imperialism.

In 1820's Asia had considerable place in the world in terms of manufacturing which was greater than 50% compared with the output of the rest of the worlds'. In same way, the Asian contribution in world's income was also more than 50%. After witnessing the ravages of imperialism, Asian

manufacturing and income contribution touched all time low figures of 15% and 6% respectively by 1962 <sup>[3]</sup>. To put forth the current stats of 2016, Asia's share of world's income was 30% alongside the share of world's manufacturing which stood at 40%. Going by this pace, Asia will soon join the average per capita income of the worlds' <sup>[4]</sup>. The idea behind providing these stats is to present a case of the continent which started flourishing again after the downfall of colonial powers.

To understand the journey of the progress of Asia, a pertinent look at the various regions of the continent is needed. The progress did not happen in the same time lines across these regions instead this study presents the contextual undercurrents of the regions which impacted the growth charts and its related timings.

The first region is South Asia, the second East Asia, the third West Asia and the fourth is South East Asia. To analysis the growth trajectory of Asia, the above mentioned geographical regions can provide some clue so as to form a general notion about the continent <sup>[5]</sup>.

With the departure of colonial powers from Asia, the newly independent countries witnessed a fresh dilemma about choosing the pattern of development. They desperately needed a quick fix approach to attain growth which was denied to them for long due to colonial presence. The fundamental contradiction arising out of colonial inter-plays in the subject nations mandates without failing that the sponge action at the rivers like Ganges will certainly end up benefitting the river like Thames. In other words, despite countless justifications and claims regarding the white men's burden to civilise the Asian continent, in essence the colonial rule can never truly serve the citizens of the subject nations. Therefore, the journeys of the new nations had to begin right from the outset.

With considerable economic progress achieved by the geographic region of East Asia, the developmental bandwagon of Asia gained momentum in the decade of 1950's. These nations were the 'East Asian Tigers' which was a term coined to indicate the economic achievements of them. Therefore the initial leaders in Asia were Singapore, Hong-Kong, South Korea and Taiwan. Emulating their example, the South East Asian countries provided much needed impetus to sustain the economic momentum of the continent. At last the countries of South Asia also caught up especially the economies of India and Bangladesh made a mark. The size of Indian economy was the key whereas focussed approach adopted by the later helped in improving many crucial national socio-economic indicators <sup>[6]</sup>.

The case of the growth story of India is unique because of its large democratic base. Indeed, India's progress happened in rather democratic way. Despite all the ills which are usually associated with democracy in India, the awareness generated among the people is responsible for many ground breaking reforms in India. It could only be possible in a democratically thriving country like India. The role played by the actors of political democracy in heralding socio-economic reforms is quite crucial. The government often felt the heat of many people's movements which were spearheaded by NGOs, civil societies and common men. One excellent example is the arrival of Right to Information Act (RTI) of 2005 which resulted from the combined aspirations of the people.

The regaining of old economic glory by the Asian continent in post-colonial phase was primarily due to the adoption of

practical choices which suited the local contexts more. The most important role was acquired by the state to act as the engine of the entire growth wagon. Instead of blindly following the capitalism of the West, the newly independent countries were smart enough to draw the advantages of both capitalism and socialism. Therefore a balance between the two was the key. Some countries like Singapore and South Korea took off early with adoption of a unique carrot and stick policy. The carrot would mean intelligent interference by the state in the economy in order to provide necessary autonomy in the crucial areas of private sector alongside incentives based policies. The stick aspect would allow the use of force too in selected areas of economy. The time line of adoption of Liberalisation Privatisation and Globalisation or LPG reforms is not uniform across Asia. India adopted LPG reforms as late as 1991 while China did it in 1970's and Vietnam did it as late as in 1990's [7].

### Why China surpassed others?

The rise of China after doing away with the indirect colonial clutches allowed her supremacy in the Asian continent. Nevertheless China did face considerable competition from other big players of Asia like India. Economic supremacy of any nation is likely to be manifested in its growing influence in the region. The ultimate aim is to rope in various smaller countries of the continent for greater geo-political advantage. Big countries can always afford the economic concessions alongside catering to the investment needs of the other countries. China has emerged as a performer with distinction whereas Indian influence in South Asia has been on the wane. India is now aiming at restoring the status quo in the South Asian region while China is proactively trying to change that status quo by leaving no stones unturned in enhancing its influence here.

If the predictions of the experts turn out to be correct, China is smartly building the scope of Himalayan Quad by bringing under its influence the South Asian region minus India. China has recently launched South Asia initiative in the wake of limited success of the vaccine diplomacy (Neighbourhood First policy) of India. The second wave of Covid 19 intensely impacted India which led to the derailment of India's vaccine diplomacy whereby India could not provide the agreed upon vaccine supplies to the neighbours. China could score the brownie points by creating the China-South Asian Countries Emergency Supplies Reserve along with setting up of a Poverty Alleviation and Cooperation Centre in China. The aim is to provide vaccine supplies to its members so far like Bangladesh, Afghanistan, Nepal, Pakistan and Sri Lanka. However, India, Bhutan and Maldives are not part of this now [8]. South Asia has been a traditional domain of India but now new diplomatic calculations are taking shape with razor sharp focus of China on this region.

The secret of China's growing influence in Asia and elsewhere is the unparalleled economic progress attained by this giant nation. To understand the nuances of China's current status, we must delineate the finer aspects of its journey of progress since the commencement of Communist Rule there. The strategies and policies adopted by China are worth noticing although the underlying context of a very authoritarian regime can't be overlooked.

China was quick to learn from the mistakes of its big neighbour Soviet Union. USSR was the second superpower of the world after USA but because of the internal

contradictions its fall ensued and it lost its old primacy in the world affairs. China was keenly watching USSR because the former was also treading the same path leading to would be superpower status. When USSR fell, its superpower status could not help much. Therefore, one thing was clear that the inner and deeper foundations of the nation should be very strong so as to become a viable superpower of the world. China also had the same ambition but was wise enough to learn crucial lessons from the great fall of USSR that real validity of any superpower will depend heavily on its meaningful and sustainable economic progress. For that reason the signs of internal weakness like prevalence of poverty even if in some pockets, lack of social harmony and heavy dearth of essential goods for the people shouldn't be allowed to creep into the nation [9]. China maintains extreme vigilance and use its authoritarian powers to ensure that such kind of situation even in remote manner should not exist in the nation.

From the very outset, China had razor sharp focus on infrastructure sector which is responsible for this nation's rise into a strong manufacturing base of the world. The natural advantage of China like cheap labour, availability of raw material clubbed with policy incentives attracted multinational companies into China. Therefore despite being a communist country, the role of multinationals in China's meteoric rise is considerable. It's policy decision to target construction sector after 2000 yielded positive long term results for China. Critical components of infrastructure sector like steel, cement, electricity etc. got huge push leading to their saturation levels in economy. It meant that the potential of this sector was utilized up to the hilt. It led to a situation where urban development got a huge boost which attracted migration from the rural areas. Therefore this careful policy making led to impressive urban growth [10].

Let us dwell into the economic performance indicators of China. According to the statistics of 10 years from 1998 to 2008 the income of the middle class people shot up by 70% while that figure in case of US was meagre 4%. It is because in US the income levels have reached saturation level while China could fully utilize the potential existing in income improvement. The same potential is existing in India but the moot question is to reap that advantage fully as India's middle class income levels are nowhere near its saturation state. As for other indicators, the FOREX reserves of China have crossed the 3 trillion dollar mark [11]. Domestic sector of the country was very dynamic and extensive which could produce huge demand which further helped in generating consumption based growth model. Indian situation is also somewhat similar. China has not allowed multinationals to enter into e-commerce sector which practically meant reservation of this sector for indigenous enterprises. As a result the entire potential of this huge sector was realised by *Chinese amazons*. Compared with India, the US amazon is reaping massive profits from Indian e-commerce operations although it's a good source of FDI.

The story of IT sector of China is very interesting and conveys a very smart move to exclusively reserve the services delivered through apps for domestic enterprises only. In 2010, Google was trying to extend its commercial reach in China; however a censorship barrier or a *Great Internet Wall* was created to insulate the local population from the information from the West. The Chinese government started giving instructions to Google and other

western websites to censor or remove the displayed contents. This stifling environment finally compelled the Google and other internet related enterprises to leave China. Afterwards China witnessed a very high internet boom post 2010. The internet users in China increased from 300 million to 900 million within a short span of time. With absence of western or US tech giants like google the entire stretch of internet based innovation was left open for indigenous tech companies. Initially they copycatted google (Baidu), YouTube (Youku Tudou) etc. but with passage of time and the commercial environment devoid of western competition, they brought innovations based on local requirements in internet based services<sup>[12]</sup>. In India this very extensive and profitable internet based innovation yielded space to western tech giants like amazon, google, Instagram, Facebook, Wats App etc. China as a matter of fact turned this internet space as a domestic monopoly.

China also made impressive progress in the field of technology. In case of high speed train networks this nation has excelled and has given strong competition to the western countries. Besides, this segment has strong Forex earning scope due to its export potential. India is a late starter in this field with Japanese agreement for bullet trains here. China has moved much ahead in 5G telecom technology through Huawei which is looking to be a global leader in this new frontier of technology. Many novel frontiers of technologies like nuclear reactors, Artificial Intelligence, Quantum technology and space technology have been major focus of Chinese government and USA is also getting tough competition from China<sup>[13]</sup>. A report in 2016 on strategic plan released during Barrack Obama's tenure highlighted that "China had learnt their lessons and China has even leapfrogged USA in Artificial Intelligence research in neural networks and deep learning"<sup>[14]</sup>.

### What can India learn?

Perceiving China as an arch enemy by India will be a mistake. Consider *China a new Pakistan* will not be a wise decision for India. India has suffered because of border tensions in Laddakh and all weather support of China for Pakistan is a source of huge diplomatic disadvantage for India. Despite all these sour points, it would not be advisable for India to be a stooge of USA in containing China. The track record of USA in helping their allies and friends in dire need is very abysmal. US decision of sudden departure from Afghanistan has left the more liberal government of Ashraf Ghani in the lurch. It will be seen as a triumph of Taliban in Afghanistan and the radical Islamist policies of this future regime shall trouble all its neighbours like China, Russia, Iran and India. Only exception may perhaps be Pakistan because it will be willing to suffer Islamist radicalism of Taliban for strategic advantage elsewhere. Therefore, wisdom foretells not to turn China into an arch enemy solely on basis of the current extent of the US allurements for this possible strategic shift by India<sup>[15]</sup>.

China's one party system has essentially imparted authoritative streak to this nation. Lack of democracy there is a huge negative factor but it has also coincided with unprecedented growth and development alongside a hike in its diplomatic capital in international sphere. The assumption that the dictatorial governments can deliver high economic growth rate is grossly wrong. Many dictatorial countries in Africa and elsewhere have done worst crimes

against humanity with no development at all. China is an exception with greater degree of development despite presence of authoritarian regime. The reason is grit, discipline and commitment shown by the government in implementing policies on ground. That is something which is missing in India despite presence of much beloved democracy in the country.

The idea is to study the Chinese economic strategies and adopt them with local context in mind. The Gandhian notion of providing more emphasis on means than ends must be remembered in the learning spree. In nutshell the temptation to learn the authoritative traits of China must be avoided at all cost while keeping our mind open for the economic strategies of China. Indian constitution itself has been sourced from diverse sources. Therefore, diverse successful actions and strategies of other countries must be a part of the focus area for Indian policy think tanks.

### Conclusion

At last the remark of P.M Modi's in Raisina Dialogue (2017) should be put forth that "There is enough room for all Asian countries to prosper together while the rivalry among them will hold us all back"<sup>[16]</sup>. Instead of wasting energy and resources on rivalries, India and China both must move ahead towards resolution of the pressing problems between them. China must be seen as a challenge than a threat from India's point of view<sup>[17]</sup>. It is pertinent to note that we have directed/diverted infinite energy, time and resources towards rivalry with Pakistan. Had it not been the case then India's global leadership and international diplomatic capital must have been extraordinary. Truly, Asian rivalries hold us back that keep the potential of Asian continent to direct the global affairs unfulfilled. For Asia to shine India and China must work together that is a precondition for the current century to be globally registered as an Asian Century.

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