

‘BETWEEN THE TWO OLYMPICS, CHINA HAS SEEN A HUGE SHIFT IN EVERY SENSE’

Relevant for: International Relations | Topic: Effect of policies and politics of developed & developing countries on India's interests

*Fourteen years after Beijing hosted the Olympics, the Chinese capital will, on February 4, launch the Winter Olympic Games in a grand opening ceremony. From 2008 to 2022, China has seen a huge shift in its domestic politics as well as in relations with the world, says **Vijay Gokhale**, a former Foreign Secretary and Ambassador to China. Excerpts .*

Looking back to 2008, what legacy did the Beijing Olympics leave?

The period between the two Olympics has seen a very fundamental shift in China in every sense. In 2008, when China held the Beijing Olympics, it reached the apogee of global respect. It had grown for 25 straight years with double-digit growth. It had majorly contributed to global trade and business. It had expanded diplomatic influence across the world. The sense within China was that the 2008 Olympic Games were as a coming of age. The global financial crisis only confirmed to them that this was not simply a passing phenomenon. If you now cut to 2022, China is going into these Olympics with a greater sense of anxiety and with a sense that things may not be going as they would wish it to, both in terms of the domestic situation, because of the economic problems that are there, and internationally. People have put a question mark on whether China's economic growth will continue to power global growth, and also whether China's diplomatic and international behaviour helps in maintaining peace and security, or actually worsens the situation in the region.

We tend to look at 2012, when Xi Jinping became

the General Secretary, as another turning point

in politics.

From 2012 to 2022, Xi Jinping has consolidated power like no leader after Mao Zedong. Today, he is, as one article said, the chairman of everything. We are in a situation where a central authoritarian figure is back in the centre of everything in China, not just its politics, but its society, military, international relations, and so on.

If you read the resolution on history which the Communist Party adopted in June 1980 after the end of the Cultural Revolution, one of the central elements of that resolution was that there had been a dangerous concentration of authority in the hands of one individual, Mao.

The new set of rules emphasised two things. Firstly, there will be collective responsibility. The second critical decision that was taken was the cult of personality would be specifically forbidden. This, therefore, ensured that whatever was to the credit of the party went to the party, not to the credit of an individual. What has happened essentially in 2016 when the new political rules for the party members was introduced, is that both these critical elements of party political life have been either expressly removed, or so significantly diluted as to be rendered meaningless. So there has been a very fundamental shift in the basic behaviour within the party since 2012.

What changes do you see in how China looks at its place in the world?

China perhaps saw this inflection point approaching around the time of the Beijing Olympics or just after that. The global financial crisis gave China the sense that the inflection point was there. To my sense, COVID-19 has confirmed that view as far as the Chinese are concerned, not necessarily because they perceive themselves to be doing so well, but because they perceive others to have done so badly, particularly the U.S. and its Western allies.

The phrase that President Xi and other members of the party have been using for at least the past three or four years has been that this is a once-in-a-century situation, which has both great challenges and opportunities. It is this grand sort of dream which is driving China's foreign policy. That includes the whole idea of creating an alternative universe in terms of the Belt and Road, payment gateways, governing the Internet, alternative global positioning systems, alternative multilateral lending institutions, the "Made in China 2025" strategy which means China will lead in new industries like artificial intelligence, Internet of Things, or 5G.

Do you think the shift in India away from looking at China as a big economic opportunity is permanent?

For many years now, it has become clearer and clearer that the primary areas of Chinese interest in the Indian economy were selling to the Indian market, which is China's exports, and providing the wherewithal for building projects in India, or project exports.

Despite a positive climate that prevailed from roughly 2005 to 2017, very little direct Chinese investment came into India. Conversely, Indian companies have found it very difficult to break into the Chinese market.

For the Indian side, the huge trade deficit is not simply an economic issue or a commercial matter, it is a political problem.

I do not mean to say that trade figures will precipitously drop, because the fact of the matter is that China supplies many of the intermediate and capital goods that India needs.

What you won't see is significant amounts of Chinese investment, partnerships in terms of technology sharing or joint manufacturing, a closer relationship between the renminbi and the rupee, easier financial and banking channels, all those indicators which suggest that the two economies are converging.

I don't expect to see this in the coming 5 to 10 years. When India and China in 2008 used the famous phrase that there is enough space in the Asia-Pacific for both India and China to grow together, we perhaps meant different things.

Post-2020, any possibility of collaboration between the two countries has been set back even further, because as the Government of India has correctly said, we cannot on the one hand talk of cooperation and partnership where it suits China, but on the other hand, have a problem or confrontation in areas where it doesn't suit China to collaborate.

What shift do you see in China's approach to territorial disputes?

If you look at the South China Sea issue, from the point when they offered to negotiate a code of conduct sometime in 2001 or 2002, it has taken them more than 20 years simply to come up with just a framework. As of now, there is no code of conduct.

The only thing that has changed is the facts on the ground. And those changes have been made only by one of the parties to the dispute, which is the People's Republic of China. The lesson we

can draw from this is that they have entered into negotiations as a means of buying time in order to change the facts on the ground. And having changed the facts on the ground, they are now in a position to dictate terms simply because these facts cannot be reversed.

They have then brought in a border law which legalises this by saying there is no dispute and this is a matter of sovereignty. There are lessons for us to draw from this.

Full interview at <https://bit.ly/GokhaleInterview>

People have put a question mark on whether China's economic growth will continue to power global growth

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