

# WUHAN SPIRIT NEEDS A BODY

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There could not have been a better way for China to mark the first anniversary of the Wuhan Summit between President Xi Jinping and Prime Minister [Narendra Modi](#) than for it to have altered its stance on declaring Jaish-e-Mohammad chief Masood Azhar a terrorist with a global footprint. News reports suggest that American arm-twisting forced China to fall in line with all the other members of the United Nations Security Council. However, it is best to leave such claims to the US and China to make and denounce. As far as India is concerned, the final outcome is a welcome one. For Prime Minister Modi, it is yet another foreign policy prize secured during the election season. President Xi may not have intended to make a gesture to India that would help PM Modi bang in the middle of a contentious national elections, but in the end he did.

In the ever changing trilateral dance between India, China and the United States, it remains to be seen if President Donald Trump would make his own gesture to Modi by offering India a waiver on his decision on imposing economic sanctions on Iran. If President Trump remains rigid and pushes India into a corner, many Indians will begin to take a more favourable view of China than has been the case since the worst days of the Doklam standoff along the China-India border. President Trump may well emerge as China's most valuable foreign policy asset in India.

From Italy to Malaysia, heads of government have recently been rethinking relations with China in the face of Trump's short-sighted antics and Xi's changing tactics. Is it merely tactics or is there a change in China's strategy, with the pause button being hit on the Xi Jinping policy of assertiveness and greater regard being shown to neighbours' concerns? Have developments in China as well as Trump's "trade war" challenge encouraged the Xi regime to soften its stance, even if China is now too big and powerful to return to the pretence of Deng's "peaceful rise"? These questions will engage China watchers for some time. India's own relations with the US and China will have to take account of its relations with both. It is a triangular equation and will remain so for a long time.

Many factors would have shaped China's decision on Masood Azhar, including developments within China, in Pakistan and across Asia. Radical Islam keeps raising its head in newer places across Asia, as it recently did in Sri Lanka, and now poses as much a challenge to China's rise as it does to India's. Both countries must work together towards a win-win strategy on overpowering radical Islam in Asia. Both the US and China have pursued strategies that have not yielded benefits for Asia as a whole. If China's policy towards Pakistan has been unhelpful, so has US policy towards Iran. By seeking to protect Pakistan and isolate Iran, China and the US, respectively, will only further destabilise Asia.

The removal of the Masood Azhar thorn can open a new phase in India-China relations if the second informal summit to be held later in the year in India can take the bilateral relationship to a new level. That new level would be defined by a serious conversation between India and China on Asian security.

The Masood Azhar vote at the UNSC 1267 sanctions committee has brought another issue to the fore. In response to China's stance at the February meeting of the committee, where it refused to vote along with the other 14 members, a call was given in India for the boycott of Chinese goods. The call went largely unheeded drawing attention to the depth of the China-India economic relationship. There is a fundamental change in popular opinion in India about China. Most Indians neither view China through the hackneyed "Hindi-China bhai bhai" lens nor do they view it through the "1962 war" lens. China is increasingly viewed as a successful Asian power that has worked hard to get where it has. Aspirational India respects that.

Aspirational India is also visiting China in increasing numbers and returning with a new regard for modern China. The popularity of Chinese telecom goods in India and of Bollywood movies in China shows that both countries have been able to utilise soft power to build bridges. Of course, the trade imbalance remains an issue despite rhetoric to the contrary. The Wuhan Spirit is yet to find genuine expression in the realm of trade relations. Though China ostensibly acted to reduce its trade surplus with India, in the net there has been no improvement in the trade equation.

According to reports quoting Indian government sources, what China has managed to do is to show its exports to India as emanating from Hong Kong. For the purposes of global trade statistics Hong Kong remains an independent entity even though China conducts a considerable part of its trade with the rest of the world through Hong Kong. Consequently, the combined trade balance between India, on the one side, and China and Hong Kong taken together, on the other side, has in fact increased from \$55.4 billion in 2017 to \$60.1 billion in 2018.

There is, at the moment, an interesting parallel in India-US and India-China relations. On the security and terrorism front both are willing to assuage Indian concerns but on the trade front neither is willing to address India's interests. Can friendship be built on political gestures alone while India's economic interests are ignored? India's options on the trade policy front are limited by the pace of its development and the competitiveness of its industry. As another developing country that has raised its game, China may have little regard for India's woes and many Indians may understand that. But, the trade tantrums of super rich America will find few takers in India.

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