

# Evolving Geopolitical Developments in China: Implications for India

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## Abstract

*The upwards trajectory of China's geopolitics in the beginning of 2018 has flattened in the beginning of 2019. This may be the result of the US trade war with China, hiccups in the Belt and Road initiative or the geopolitical churning in Asia. The article illuminates the geopolitical situation and the implications it has for India based upon the author's travel to Chengdu and Tibet in 2018. The problems that China faces are seen in light of its internal dynamics and a prognosis made keeping in view developments in Tibet. With this background, the author looks at evolving Sino-Indian relations which include a yearning to enhance trade relations while being sceptic about growing strategic proximity between India and the US. The conclusive point made is that the Chinese look at the geopolitical issues purely from the prism of their core interests and seem to have hazy understanding of India's core interests and concerns. India needs to bridge this gap. Both credible deterrence and deft diplomacy are required for this.*

## Introduction

The “One Belt, One Road” initiative is a concerted push to

expand China's global influence. This push has come up against the hurdle of President Trump's trade wars with China, as well as growing suspicions regarding the project by the cooperating countries that it is a disguised debt trap. At the same time South Asia is in the midst of a geopolitical churning as a result of a number of developments. China's efforts to increase its influence throughout Eurasia by the Belt and Road Initiative (BRI) of which the China Pakistan Economic Corridor (CPEC) is a major component, impacts

India in particular as the CPEC makes China a major stakeholder in Pakistan's stability. Increased Chinese civil and military presence in Pakistan is inevitable. At the same time India's efforts to work with South and Southeast Asia; attempts by the United States to recalibrate its own grand strategy to address new power dynamics across the arc of Asia from the Pacific to the Indian Ocean and the US military drawdown from Afghanistan are all churning factors. These shifting dynamics carry within them the seeds of contestation which has implications for India. Despite their developmental similarities, and substantial and growing trade relations, China and India's bilateral strategic rivalry means that they have competing priorities in the arena of international relations. They broadly agree on matters relating to the international economic system, energy security, and the environment. However, they have differences when it comes to matters of non-proliferation, Asian security, regional stability in Southern Asia, and security in the global commons.

### **The Year of the Pig and Xi Jinping's Credibility**

2019 is the "Year of the Pig" in the China. In the Chinese Zodiac the pig is believed to be a symbol of optimism, enthusiasm and hard-work. However, fissures are appearing in Chinese optimism in the BRI. The Chinese are enthused with 'China Dream' that *inter alia* posits rejuvenation of China as a great power by 2049. For this, the BRI is de-facto China's grand strategy, CPEC its flagship project and President Xi Jinping is the main architect. The US is perceived as a threat to the rise of China and India and Japan as the principal players with proclivity to bind with Washington to balance China. China perceives the US trade war as part of the US ploy to stymie its rise. So the primary focus for China for the moment is how to deal with an intransigent Trump Administration on priority. Much of President Xi Jinping's credibility is predicated on the prognosis of the BRI. There are concerns that a pushback on the BRI will cause socio-economic stress in the country and impinge on the credibility of President Xi Jinping as a core leader. Internally, one of the principal concerns of China is the radicalization of the Muslim population in the Xinjiang province and the international condemnation it has attracted on human rights violations in dealing with that. Externally China's primary concern remains the future trajectory of Sino - US relations.

## **Internal Dynamics**

### **Domestic Concerns**

There is considerable internal debate on President Xi Jinping's decision to abolish the term limit and do away with Deng's 'Collective Leadership Model', effect of the US economic sanctions on China and social stresses, caused due to rapid urbanization. Barring some elite netizens, the majority believe, that leadership continuity is an imperative to weed out corruption and marginalize groups resisting reforms. There is a belief that President Xi Jinping will seek one more term and then hopefully hand over power to a new leader. There is a view that nomination of a successor well in advance has its own flaws, such as, creation of coteries, cliques, parallel power centres and jostling for influence. There are concerns that sustained economic sanctions could bring down China's Gross Domestic Product (GDP), incrementally ranging from 0.3 per cent to 1.0 per cent. Such a reduction would entail loss of about 10 million jobs in the manufacturing sector and resultant displacement of workers mostly to urban centres. China believes that the US economic sanctions notwithstanding, it would remain the centre of gravity of the global supply chain. In its assessment the sanctions are bound to hit American consumers and give jitters to the world economy. China intends to mitigate reduction in exports by enhancing domestic consumption.

### **Demography and Development**

Presently, 60 percent of Chinese population lives in urban areas. Rapid urbanization has caused socio – economic strain in the society. Most of the government schools in urban areas are over-crowded, with a teacher to student ratio reaching 1:80, and these schools are unable to accommodate more students, as a result they are being diverted to poorly run and costly private schools. There is acute housing crisis for the young, who earn on an average US \$400 a month and support their parents and in most cases even grandparents. The bank mortgage on house loans is extremely high; per person- 25 percent for one house, 50 per cent for two houses 75 per cent for three houses.

About 400 million people have transformed from agriculture sector to industry. President Xi Jinping is focussing on developing industry in the relatively less developed Western and Central parts of

China. There is a nation - wide campaign of mapping the poorest clusters in every province and allocating resources for their development. Relocation of people from far flung hamlets to new model cluster villages is underway. There is a drive for collection of more taxes from rich provinces and invest money in the less developed provinces. A new 'Rural-Urban Integration Model' forms the basis of development through rapid transport corridors and satellite townships. Villagers are being encouraged to create land banks and pool their resources to develop farmhouses and commercial enterprises to generate and share profits for improving living standards. Suburbs of major cities have a number of model villages, farmhouses, restaurants, recreational and conference facilities. The urban people visit these facilities to transact business, as well as experience village life.

### **Consolidation of Communist Party of China**

China's Communist Party (CCP) has 90 million members. CCP branches exist down to village level. Senior party members are mandated to identify potential party candidates based on their talent, skills and behaviour. The newly introduced 'Social Credit System' effectively monitors the ideological orientation and behaviour of people. After evaluating their performance, they are granted party membership. Nomination papers are scrutinized and endorsed by select committees, before participation in elections. There is a proper election system for entry into committees at the district, prefecture, province and central level. Chinese ensure that top leadership rises from grass-root levels, village, town, county, prefecture, provinces, under a very well defined appraisal system. President Xi Jinping started his career as deputy of a county. The party and the administration work in tandem to jointly plan and execute development projects. Restructuring of CCP by President Xi Jinping has rendered party factions such as the Youth Communist League, Princelings, Shanghai Gang (Jiang Zemin clique) more of a myth. There is a well-streamlined system of addressing grievances. The constitution permits people to hold protests albeit with prior permission from the police. The aggrieved people can address their complaints to the administration and CCP committees up the chain. 'Inspection and Discipline' committees are effectively dealing with the grievances and disciplining erring officials and party members.

## **Developments in Tibet**

The capital of Tibet Autonomous Region (TAR) Lhasa, can be visited only through Chinese travel companies, who conduct select groups of foreign tourists after obtaining permit from the Foreign Office. The connectivity along the Central Highway and Qinghai is through Qinghai-Tibet Railway (QTR) to Namtso Lake. Tibet figures prominently in China's strategic calculus; as it is the water tower of Asia, rich in resources, and shares vast borders with India, Nepal and Bhutan. China can use water and the disputed border as a strategic leverage vis-à-vis India. China has adopted a two-prong strategy to assimilate Tibet, i.e. firstly, the massive development of the region and the second, social re-engineering of the Tibetan population. China has developed massive multi-modal connectivity in Tibet. Gonga (65 km from Lhasa), is a modern airport astride Tsangpo River; with frequent flights to different parts of China. There is a regular international flight from Lhasa to Kathmandu. China is funding the construction of Nepal consulate in the Norbulinka complex, where reportedly the old Indian mission was housed before the annexation of Tibet by China. The airport has multiple runways and a portion of the airfield is used for military aircraft. The Central Highway connects the airport with Lhasa town across a 2.5 km long bridge system and a 2.5 km long tunnel system over the Tsangpo River. There are about seven passenger trains from Golmund (Qinghai province) to Lhasa (13 hours journey) and about three from Lhasa to Shigatse (less than three hours travel time), besides several goods trains. People from seven cities in China can travel by train to Lhasa. These trains are painted in disruptive olive green colour, probably keeping their military usage in mind. Nagqu (the mother logistic base in Tibet) is on this line with a number of goods sidings. It is becoming the hub of economic activities in the Tibetan plateau. The Central Highway is being developed into an Expressway. There are a large number of resting and fuel stations on the way. Stringent accident prevention and rescue facilities are in place at regular intervals. Tourist companies have installed cameras in cabs and drivers are periodically advised to watch speed limits and halt for rests. The mountains in the northern Tibet are ideally suited for conducting third stage acclimatization of troops and for operation-oriented training for contingencies in the super high altitude region. The road can easily carry two-way heavy and long containers/prime movers. Wi-Fi and mobile connectivity exists in every nook and corner of Tibet.

Lhasa city though having traditional temples and monasteries wears a modern look as it has pubs, discotheque and departmental stores, selling international brands. The modern look is primarily conceived to influence the local people by giving them access to good quality of life, medical facilities and job opportunities so that the traditional lifestyle could be manipulated. Also, the life span has increased from 40 years, a few decades ago, to about 70 years and most of the youth are gainfully employed in airport security, local police, and administration and in the tourism sector. As part of social re-engineering and population control drive, about 20 percent Hans have settled in Tibet. Most of the villagers and nomads have been settled in model village clusters. Schooling till 12th standard is compulsory and Mandarin is compulsory from the first class level and is a criterion for getting government jobs. In fact, majority of youth in Lhasa now speak Mandarin and lure for Tibetan language is fading. Thus amidst the razzle-dazzle of modernity, Tibetan Buddhists feel a major spiritual deficit and a loss of inheritance. Chinese consider Dalai Lama a splitist for his demand of Greater Tibet that would entail re-constituting the boundaries of four existing Chinese provinces or autonomous regions, Sichuan, Qinghai, Gansu, and Yunnan. Such an idea of redrawing the boundaries on the ethnic lines is deemed as being secessionist and hence it is a Red Line for the CCP leadership.

CCP has done away with the system of adopting Lamaism at a young age. The children cannot go to seminaries till they have acquired formal education upto the 12th standard (18 years of age) in the government schools. Also, Chinese have put their own people in the management of Buddhist shrines, who provide a strict oversight on how these shrines are run. China thinks this is necessary to control corruption in the monasteries. The effect of social re-engineering is manifest in the streets of Lhasa, where more youth are attired in swanky dresses playing with their smartphones than dressed in traditional costumes with their fingers on the beads.

## **Evolving Sino-Indian Relations**

Post the Wuhan Summit, China has decided to whip up interaction with India at all levels with a view to gauge and shape India's perceptions. While they respect India's resolve to maintain strategic autonomy, the scepticism about growing strategic proximity between India and the US persists. China perceives that signing of Logistics Exchange Memorandum of Agreement (LEMOA), Communications Compatibility and Security Agreement (COMCASA) and possibly Basic Exchange and Cooperation Agreement (BECA) in the near future is bound to make India and the US de-facto strategic allies, which would be inimical to China's interests. China, therefore, seeks to improve relations with India, lest it outrightly falls in the US orbit. Also, China is keenly watching how India and Russia steer their strategic relations and execute recent defence deals in the face of Countering America's Adversaries through Sanctions Act (CAATSA) imposition. In the Chinese view, India wields considerable influence in South Asia and *inter alia* resorts to coercive strategy, particularly with Nepal, Sri Lanka and Maldives. They felt that India tried to intimidate the outgoing regime in Maldives but without much avail. China would keenly watch how India deals with the new regime in Maldives. There are concerns about politico – economic stability in Pakistan. Given Pakistan's sensitivity *vis-à-vis* India, there is unlikely to be any significant policy shift in Beijing on Pakistan, which has become a lynchpin in Beijing's South Asia/Indian Ocean Region strategic calculus. There is a yearning to enhance economic engagement with India, particularly on extension of Nathula trade route to Kolkata, China - Nepal - India Economic Corridor, Bangladesh–China–India–Myanmar (BCIM), connectivity from Kunming to Assam, export of Darjeeling tea and expansion of item list for the border trade.

## **Conclusion**

The Chinese look at the geopolitical issues purely from the prism of their core interests and seem to have hazy understanding of India's core interests and concerns. They candidly admitted the need to interact frequently with India's strategic community to develop a balanced perspective on India. The evolving geopolitical scenario demands that Beijing focuses on the US challenge and avoids any overt confrontation with India. However, the ongoing thaw in the bilateral relations notwithstanding, the Sino-India

relations will continue to be characterized by three Cs; Cooperation, Competition and Conflict. China is cognizant of India's growing economic heft and resolve to protect its core interests. Realpolitik on the part of China demands a tactical adjustment to steer relations with India to a manageable level so that the American challenge is mitigated.

South Asia / Indian Ocean Region (IOR) is virtually the centre of gravity of China's BRI. The successful completion of CPEC, China - Nepal Economic Corridor, China Myanmar Economic Corridor, Kyakphu port in the Bay of Bengal, Gwadar port in the Arabian Sea and critical infrastructure in Bangladesh, Sri Lanka and Maldives (the Maritime Silk Road signatories) is bound to alter the strategic landscape of the region to China's advantage. India and China will compete for domination of resources, location and influence. Structural factors in the relationship suggest that Sino-Indian relations will be marked by intensified competition. There is a widening gap in the comprehensive national power of India and China. Beijing is constantly gaining a competitive advantage in the strategic balance vis-a-vis New Delhi. India needs to have a nuanced understanding of the new "modus vivendi" with China. It should be deft in its assertions to make China understand and heed India's core interests and sensitivities. In the meanwhile India should use the window of heightened strategic brinkmanship between China and the US to build capacities to reclaim influence in the strategic neighbourhood and acquire a favourable strategic posture vis-à-vis China. Concurrently, measures to build strategic trust, complementarities and interdependence with China must continue with dignity and sincerity. Finally, India must heed the Theodore Roosevelt maxim, "speak softly and carry a big stick; you will go far". For India this implies achieving credible deterrence and showing deft diplomacy in engaging China.