

Address

by

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at the

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at

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1. It is a great pleasure to address the India China Think-Tanks Forum. I had the privilege, along with CASS President Wang Weiguang, of signing the agreement that created this forum in May 2015. It is a source of satisfaction to see the idea become a reality. I also know you have had discussions today on range of subjects – from security architecture and great power relationships to economic experiences and arrangements. Allow me to use this occasion to share with you some thoughts about the evolution of our ties and the broad direction that we hope they take. I understand that your deliberations today were open and conducted in an environment of refreshing candor befitting the stature of institutions engaged in this exercise. It is a good beginning. I hope that this trend will continue as we institutionalize this dialogue mechanism.

2. It is generally under-estimated how much India and China, as proximate neighbours, have had to do with each other in the course of history. The evidence of our interaction is there in front of our eyes, whether along the Silk Road or at Dunhuang, Luoyang or Datong. There are still older examples – be it in provinces like Sichuan, or indeed, later ones along the Fujian coastline. Yet, a narrative that we have always been distant from each other was successfully constructed by Western powers that had an interest in doing so. As Prof. PC Bagchi notes in his unique work on a thousand years of our cultural history, the accidents of the second world war reconnected two peoples who had almost forgotten their common past. Unfortunately, the border conflict and its political consequences interrupted this process. Although India was among the earliest Governments to establish ties and promote cooperation with the People's Republic of China, the three lost decades compel us to still play catch up with relationships that came very much later.

3. Viewed from the perspective of our bilateral ties, the progress in the last 28 years since we have normalised ties has been commendable. The two countries have succeeded in building a substantial relationship that covers many political, economic, social and cultural facets while adroitly managing their differences. On the border itself, they have generally established peace and tranquillity while agreeing on political parameters and guiding principles for a boundary settlement. Inevitably, challenges that emanate from differential logistical capabilities and a lack of commonly agreed line of actual control continue. But hopefully, as these gaps narrow, we will see a greater stability that would be helpful towards arriving at a final boundary solution. It is also important to recognise that during this entire period, both of us have put a premium on developing our bilateral relationship and not allow other considerations to unduly influence their progress. This focus, to my mind, has a great value in itself.

4. Together, these developments have created the foundation on which economic cooperation grew and people-to-people contacts expanded. Again, it is not altogether surprising that economic differentials and systemic characteristics created over time some significant trade challenges. The growing deficit legitimately raised questions about the sustainability of the current way of commerce. But it is a testament to our maturity that we have sincerely tried to address this problem through greater investment and wider market access, the former more successfully than I must confess the latter, so far.

5. Appreciating this progress and noting the tasks ahead, this gathering could perhaps consider reflecting on the India-China relationship from a more strategic perspective. There are few precedents for the near-simultaneous rise of two major powers, that too in close proximity. When these powers have a tangled contemporary relationship, the process becomes even more complicated. As a general proposition, rising powers tend to be self-absorbed and do not always synchronize their capabilities, ambitions and diplomacy. In our case, bear in mind that it is not only the future that links us, but the past as well. After all, our decline in the 19th century was also connected in many ways. The lesson to be drawn is that societies as large and complex as ours cannot remain unaffected by broader regional and global developments. We draw strength and inspiration from the world immediate to us, just as we are impacted by its volatility and uncertainties. It is for this reason that our leaders envisioned our respective national rise as part of the unfolding of a larger Asian century. That should remain an enduring framework for political cooperation.

6. In recent years, our relationship has also been projected and analyzed by some quarters in primarily competitive terms. This is an imbalanced picture, if only because it ignores the substantive cooperation that we have so painstakingly developed in so many fields. But equally, it gives a much sharper interpretation to what can be a diversity or a divergence, rather than a difference. This impression is best countered by India and China consciously seeking and expanding their convergences. And that can certainly be done if we give each other sufficient space while steadily finding common ground. Indeed, if our two countries both see merit in a multi-polar Asia, and recognize that it can be the basis for a more democratic global order as well as for Asia's own stability, then this excessive emphasis on competition - that is not in the interest of either country - can be laid to rest.

7. One obstacle to developing greater common ground is an undue attachment to the concept of balance of power. While not denying at all that this can be a legitimate consideration in approaching international relations, we should appreciate that a more globalised world actually puts a greater value on shared interests and common endeavours. Indeed, a more forward looking outlook - both in the analysis and practice of world politics - is to our mutual advantage. The fact is that the world is getting both flatter and more inter-penetrative. Major powers have to work with each other even if their interests diverge on some issues. Those powers who have more distance between them will be at a disadvantage in such a situation. It is in the mutual interest of India and China not to be in that predicament.

8. Till recently, our interests and influence were largely confined to our own immediate region. As our capacities grow, they have started to intersect more, including in comparatively distant areas. We encounter each other more often and in different ways in other places. At the very least, it is important that we develop an understanding of each other's presence and activities. Ideally, we could even consider coordinating, where feasible, for larger global good. At a time of change, we should obviously pay great attention to strategic communication. This could help avoid misunderstanding and promote greater trust and cooperation.

9. In this background, let me emphasise that India's commitment to developing ties with China has been even further strengthened by the current Government. You will all recall that the first foreign minister to be received in India after the May 2014 elections was Wang Yi. President Xi's visit which took place very soon thereafter not only laid the basis for our Closer Developmental Partnership, but to date, is the only bilateral one in Prime Minister Modi's home state. These gestures have also notably been reciprocated on the Chinese side. But progress has gone well beyond symbolisms. Policy changes on the Indian side have significantly improved the investment conditions for Chinese companies in India. In fact, the sharpest change in FDI commitments since 2014 has been by Chinese companies – a testimony, in equal measure, to their confidence and our openness. Equally important, relaxation of visa rules is today rapidly expanding people to people exchanges between India and China. I would say in all candour that these were the two biggest complaints I faced in my tenure as Ambassador to China and their redressal is a matter of personal satisfaction. We have also created new platforms and mechanisms, some of them unique to China, such as on sister city and sister province ties.

10. Going beyond the bilateral, I am sure you would all agree that the world view of India and China have much in common. This is not surprising given our history and cultures. Today, part of the challenge is to ensure that shared principles are translated into policies that promote convergence. There is much room for improvement and let me mention some issues that we could address more effectively. Given our Closer Development Partnership and commitment to the BASIC group on climate change, we should be supporting each other on implementation of our Paris Agreement commitments. In India's case, predictable access to civilian nuclear energy technology is key. The broad basing of the nuclear technology control group is also helpful to a more representative international order. Keeping in mind this solidarity of major developing states, it is important that China view this as a developmental aspiration and not give it a political colouring.

11. Similarly, as diverse and pluralistic societies, we both face threats from fundamentalist terrorism. Yet, we do not seem to be able to cooperate as effectively we should in some critical international forums dealing with this subject. Even on sovereignty, surely there can be more sensitivity and understanding. Though we have a commitment to a more democratic world order, our actions in respect of the reform of the UN Security Council are in contrast to our approaches to usher in a more equitable international economic order through reform of the existing multilateral institutions and our cooperation in creating new institutions such as AIIB and BRICS Development Bank. These situations are paradoxical because we actually hardly differ when it comes to principles.

12. Our relationship has moved beyond a stage where we need to constantly reassure each other. The way forward is to put ourselves in the shoes of the other to the extent possible. And we will probably discover that we have more in common than we might have thought. Look at the similarities between "India as a Leading Power" and the "China Dream". We are both old civilizations and proud countries that are retaking our positions in the global order. Let us at least

respect each other's strong sense of independence and legitimate aspirations while seeking accommodation and building trust.

13. I am a strong optimist on the future of our ties. Having travelled widely in China, I am aware of the goodwill that we enjoy, the interest in many of our achievements and the respect for our culture and history. On the Indian side, there is broad appreciation for the rapid progress of China and its growing role in international affairs. Our leaders have not only established a personal connection but laid out a shared vision of the further development of this critical relationship. Much of the responsibility for taking this forward rests on the shoulders of policy makers and implementers in both Governments, on the think tanks that provide analysis and the media that shapes our thinking. I am confident that if we all rise to the occasion, India China ties will rapidly realize its true potential.

