



Doing business on a handshake: Li Keqiang's India visit

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Chinese Premier Li Keqiang's recently concluded visit to India has injected renewed vigour in the bilateral relationship. Li Keqiang's last visit to India was in 1986 and his fond reminiscences of that visit were evoked at most of his public interactions. Li's delegation comprised over six dozen members including five ministers and three vice-ministers, executives from 41 Chinese companies and other officials.

In terms of tangible outcomes, eight agreements/MoUs pertaining to sharing of Hydrological Information on the Brahmaputra, translation of Classic and Contemporary Chinese and Indian texts, urban planning, safety and quarantine of meat and agri-exports, working of the Joint Economic Group, improved facilitation of the Kailash Mansarovar Yatra and efforts to promote city-twinning between the two countries were signed. Skeptics may point out that in ostensible terms the visit only served *douhua* (soft tofu dessert) instead of a substantive meal. After all, only one major business pact (US\$ 1 Billion deal with a private Indian company) and smaller deals totalling US\$ 500 million were signed, even as Li's visit to the Tata Consultancy Services (TCS) office in Mumbai only promised more openness in China's service industry in general terms.

In all fairness, coming in the backdrop of border tensions in the preceding weeks, it would be unfair to expect Li's visit to serve as an outright purchasing mission or a trade

promotion delegation. That should happen later. Three of the eight agreements directly address the issue of market access for India, spatial agglomeration in the border regions has been stressed, and the Strategic Economic Dialogue mechanism has now been upgraded to consider issues of macro-economic coordination between the two countries. This is real substantive progress. The success of this visit also lies in approaching sensitive issues candidly whether it related to peace and tranquillity on the borders, collaborating on development projects of common interest in third countries or the health of bilateral economic relations. The direction has been laid out. Progress on the minutiae of border negotiations or expedited registration timings for products offered by Indian Pharmaceutical companies or clearance timings for Chinese investment proposals needs to be worked out within the institutional apparatus for each domain. However, the articulation by the leaders on the need for the common development of India and China as a new paradigm of cooperation is a remarkable demonstration of how both nations want to view their individual development as being mutually reinforcing.

What should not be missed, however, is Li's stress, on more than one occasion in New Delhi, on the Confucian version of the Golden Rule to 'not to do unto others what we would not want others to do unto us'. The negative formulation is interesting because it reflects a tendency to avoid prescriptivism. Clearly, 'to do unto others' is a moral action presumptive of normative actions that are considered right or wrong by oneself. In addition, in differing circumstances, this may not be desirable as well. For instance, a doctor may not want from me as I want him/her to do unto me. Therefore, to 'not to do unto others' is more of a strategic action, which in effect allows India and China to pursue their own growth and development policies, including economic competition, and yet keeps the lowest common denominator at 'reasoning to avoid harmful behaviour'. Perhaps this subtlety is what has earned Li some reputation as a problem-solver. After all, India and China between them have norms laid out in several agreements over the years, and if problems still arise, then more enunciation of norms may not solve the problem.

One of the agreements signed by the two countries *viz.* city-twinning has immense potential not only in terms of market-access but also in building up social capital that is a vital source of trust. Both sides have agreed to identify sister cities/states/provinces with a view to establishing relationships between them. If pursued sincerely, this would unmistakably go a long way in peoples of both nations learning to tell their own stories about each other, and balancing in the process any accumulation of spurious hypotheses in media or segments of the strategic

community. While the visit was a success in an overall ideational sense, the practical success could only be affirmed once outputs are matched with objectives, failing which joint statements will only remain accretive texts. Initiatives such as the 2010 decision to introduce Chinese as a foreign language in the curriculum of schools from April 2011, or student exchanges between India and China were not discussed in terms of actual progress. Similarly, the India-China CEO's Forum set up in 2010 had its first meeting now during Li's visit. Even an MoU on visa simplification and liberalisation which was mooted in the run-up to the visit, was not ultimately ready. Given that both countries are unanimous on improving the quality of this relationship, it would be helpful, therefore, if some sort of performance indicators on targets agreed from previous bilateral visits, are also outlined. Otherwise, the distinction between progress and process will always remain blurred at the expense of the taxpayer, neglecting in the process a dyadic relationship that has the potential to transform the region and the world. In the coming months, there would be more interaction between the two governments (the 16th round of the Special Representatives on the Border meetings, the Strategic Economic Dialogue, Prime Minister's visit to China, among other fixtures). The Himalayas may not grow any taller, but certainly the leadership has several opportunities ahead to realise what has been articulated. And, a handshake is a good start to business.

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