

India and China in the Asian Century

What is the issue?

- The Mamallapuram summit between Chinese President Xi Jinping and India's PM Narendra Modi is potential of reinforcing the Sino-Indian ties.
- In this backdrop, here is a look at the pivotal role of India and China in the growing Asian century.

What is the geo-political significance of the meet?

- The Sino-Indian rapprochement is much a recognition of the reality of an increasingly multipolar century.
- In other words, no country can dictate global rules or solve its challenges alone in the coming future.
- Significantly, Asia will be central to this development.

What is the growing significance of Asia?

- In the coming years, Asian economies will become larger than the rest of the world combined in PPP terms, for the first time since the 19th century.
- As it becomes more integrated, Asia is growing richer.
- More importantly, it is also coalescing as a constructive force for global governance.
- A lack of leadership or consensus hampers the much-needed reform of global institutions such as the WTO, IMF and UN.
- But meanwhile, Asia has become the locus for new multilateral initiatives.
- This is evident in new trade pacts and institutions such as -
 - i. the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
 - ii. the Regional Comprehensive Economic Partnership (RCEP)
 - iii. the Asian Infrastructure Investment Bank (AIIB)

What role could India and China potentially play?

- China and India are destined to play pivotal roles in the "Asian century."
- Both share interests in promoting a fairer, more inclusive form of globalisation.
- Together, they constitute 35% of the world's population.
- Their economies constitute 45% of global growth.

- Jointly, they have the critical mass to boost reform of institutions such as the WTO, IMF and UN.
- They can work to ensure that the developing countries get more say in these.
- A robust Sino-Indian relationship would also be an anchor for regional stability.
- This could in turn pave way for a more integrated, prosperous Asian community.

What are the potential areas of cooperation?

- **Economically**, China and India have huge complementarities given their strengths in manufacturing and services, respectively.
- IT is another promising area for collaboration as -
 - a. China is a leading investor in AI and quantum communications
 - b. India is a world-leader in software outsourcing and IT consulting
- **Connectivity** cooperation between China and India would further catalyse the integration process, helping to cut transport costs and spur trade.
- Delhi retains reservations about the Belt and Road Initiative (BRI).
- However, connectivity initiatives by China and India in an open, consultative manner could be seen as complementary, and not competing.
- To enhance trust and facilitate genuine participation by all stakeholders, China should take concrete steps to multilateralise the BRI.
- E.g. establishing a BRI International Cooperation Committee would enable active involvement by all countries, including India, when willing
- **Tourism** - Alongside the movement of goods and capital, flows of people are a vital component of Asia's integration.
- While Inter-Asian tourism and talent flows are booming, cultural ties between China and India remain below the potential.
- Improving visa processes and creating programmes for talent and academic exchange could help in this regard.
- **Environmental protection** - This is a potential and important area for long-term cooperation.
- As the most populous countries, joint efforts between China and India will be crucial to tackle environmental challenges like climate change.
- In this regard, both the countries are inextricably linked through a shared atmosphere, water resources, and the Himalayan ecology.

What is the way forward?

- Recent events in disputed regions reflect the challenges in fulfilling the collective promise.
- In particular, unresolved border issues and regional politics have left

persistent suspicions between the two countries.

- However, turning the trust deficit into a “cooperation dividend” would mean forging a new paradigm for Sino-Indian relations.
- The above synergies could be unlocked through deeper cooperation in trade and investment.
- To this end, China and India should redouble efforts to complete the RCEP.
- This free trade agreement would boost economic ties between China and India as well as be a game-changer for integration in Asia.
- In the Mamallapuram summit, the two leaders should focus firmly on the future if they are to lay the foundations for a lasting bilateral relationship.
- Over the coming century, cooperation between China and India can play a crucial role in reviving multilateralism and building a more united Asia.

Source: Indian Express

