China’s ‘inevitable’ global dominance

The Chinese assert that the allies and partners of the U.S. cannot count on U.S. power to deter China

Learning Mandarin in Hong Kong in 1971 soon after he joined the Indian Foreign Service opened "a whole new and fascinating world" for Shyam Saran. "I was coming face to face with a civilization with a long and varied history, a philosophical and cultural heritage of enormous richness, and a view of the world quite distinct and indeed different from others," he writes in the introduction to his new book, How China Sees India and the World. Saran spent six years in China in two stints and witnessed its "rapid and far-reaching transformation". China is today the world's second largest economy after the U.S., and is already a leader in new-age technologies like artificial intelligence, quantum computing and space exploration. He explains why despite India and China being roughly at the same economic level once, India is now a "retreating image in China's rear-view mirror." An excerpt:

India and China were roughly at the same economic level in 1978, with similar GDP and per capita income. Though China began to grow much faster thereafter, the gap between the two countries was not very significant even a decade later, when the Indian Prime Minister Rajiv Gandhi paid a historic visit to Beijing in December 1988. It was then possible for Deng Xiaoping to declare that there could not be an Asian Century without India and China growing together and playing a resurgent role. The surge in India's GDP growth as a result of its own economic reforms and liberalisation policies adopted in the early 1990s expanded India's political and economic profile. At the turn of the century, India was behind China but was seen as shrinking the gap. In the period 2003-2007, India's growth rate accelerated while China's began to slow down. This was the brief period when India's diplomatic options multiplied. It was able to leverage the advance of its relations with one major power to promote its relations with other major powers, thereby expanding its strategic space.

Border dispute

During the visit of the Indian Prime Minister [Atal Bihari] Vajpayee to China in 2003, two important decisions were taken. One, the two countries agreed to seek an early political solution to the India-China border dispute, instituting regular negotiations at the level of Special Representatives of their respective leaders. The Chinese side also conveyed its recognition of Sikkim as a State of India. It had not accepted the accession of the State to the Indian Union in 1975 and its maps had continued to depict it [Sikkim] as an independent country. The backdrop to these important decisions was the recognition that relations between the two large emerging economies had now acquired a global and strategic dimension, going beyond their bilateral relations. It was, therefore, important to resolve the long-standing border issue in order to enable the two countries to cooperate more closely in the shaping of the emerging regional and global architecture.

This development was carried forward during the subsequent visit of Chinese Premier Wen Jiabao to India in April 2005. As Foreign Secretary, I was closely associated with the visit. The Chinese were already aware that India was negotiating a civil nuclear cooperation agreement with the U.S., which would greatly enhance India’s diplomatic profile and significantly strengthen the India-U.S. partnership. This encouraged the Chinese to balance this development by upgrading their own relations with India, and this increased India's room for manoeuvre vis-à-vis China. At their meeting, Prime Minister Manmohan Singh and [Premier] Wen Jiabao reached a broad consensus on the following lines: One, that China was not a threat to India and India was not a threat to China; Two, that there was enough space in Asia and the world for the simultaneous growth of both India and China; Three, that India was an economic opportunity for China, and China likewise an economic opportunity for India; Four, that as two large and emerging economies the two countries, by working together, could exercise significant influence on the existing global regimes in different domains and could shape new global regimes in emerging domains such as climate change, cyber space and outer space; Five, that India-China relations having thus acquired a global and strategic dimension and in order to enable them to work more effectively together, it was important to resolve the India-China border issue at an early date.

Impact of financial crisis

The global financial and economic crisis had a major impact on the further development of India-China relations. Just as the asymmetry between the U.S. and China began to shrink in the aftermath of the crisis, the asymmetry between India and China, which had been shrinking earlier, began to expand once again. India's GDP growth decelerated and has averaged about 6.7 per cent per annum since then. China has maintained the same rate of growth as India, but on a much larger base than India's. This asymmetry of power began to be reflected in China showing less sensitivity to India's interests, its steady economic and political penetration of countries in India's periphery and a lower threshold of tolerance to closer relations between India and the U.S. In conversations at non-official meetings, Chinese scholars would often draw attention to the fact that China's economy was five times the size of India's and this could not but reflect in the nature of India-China relations. The implication of such a statement was that India should accept its diminished ranking in the Chinese perception and defer to Chinese interests.

Stepping out of line - a line drawn by China - would invite punitive reactions, and that too is evident in the more recent Chinese moves against India, including its more aggressive posture at the India-China border, where relative peace and tranquillity had prevailed over the past several decades. In 2005, China was willing to make some concessions to India in order to forestall an incipient Indo-U.S. alliance that could be threatening to China. Its reaction to the Quad, which is a coalition of India, Australia, Japan and the U.S., which could constrain China in the Indo-Pacific, is to dismiss its relevance and to adopt an even more threatening posture towards the coalition partners.

In the aftermath of the global financial and economic crisis of 2008, the Chinese assessment is that the U.S. is a declining power, that its credibility is eroded and, importantly, that its will to exercise power has also diminished. It is a power in retreat and, therefore, allies and partners of the U.S., the Chinese assert, cannot count on U.S. power to deter China. A narrative is being built on the inevitability of Chinese regional, and eventually global, dominance, which it would be futile to resist.

Excerpted with permission from Juggernaut Books

SHYAM SARAN

![Image of Shyam Saran with a quote: "Learning Mandarin in Hong Kong in 1971..."]