



Preparing for the Chinese-Indian century

BY Kishore Mahbubani

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From the year 1 to 1820, the two largest economies of the world were those of China and India. It is only in the last 200 years that Europe took off, followed by North America. When we view the immediate past in this light, it becomes clear that the past 200 years were an aberration, and all aberrations come to a natural end. Hence, it will be in the natural order of things for China and India to resume their pre-eminent positions by 2050, even earlier.

This is the historical backdrop against which the forthcoming visit of Xi Jinping to India should be seen. Both China and India share a common destiny as two of the most promising nations on our planet. No other nation can aspire to reach the heights that these two can in this century. The U.S. economy has been number one for over a century, but it will slide behind China in purchasing power parity (PPP) terms in a few years – even becoming half the size of China in by 2030. The only other nation that can overtake the U.S. in PPP terms in this century is India, although the idea seems inconceivable to many Indians. Since India has already overtaken Japan to become the number three economy in the world, there is no reason why India cannot become number two in PPP terms.

One factor will determine how soon this can happen – will India work with or against China in its promising century? If it works with China, it will become number two much faster as there are many synergies in the relationship that can be exploited. If it does not, it could still get there, but it will take much longer. In short, it is in India's interest to find ways of working closely with China.

To achieve this, India should adopt a long-term, three pronged strategy – focus on the positives, manage the negatives, and open doors to big-hearted initiatives. Modi can begin implementing this when Xi arrives in India.

The first will be easy. Contrary to conventional wisdom, there are far more positives than negatives in the relationship. Both nations share a remarkable common opportunity to grow their economies exponentially. China has mastered the art of rapid economic growth and Modi knows this well. He visited the country four times as chief minister of Gujarat. He has also wisely called upon China, Japan and India to work together to realise the Asian century.

This will not happen soon as the deep wounds in the China-Japan relationship are yet to heal. But this could work to India's advantage. India needs roads, fast trains, ports and power stations as part of a brand new infrastructure to push growth – something China and Japan can help build. Opening its doors to Chinese and Japanese investment equally will benefit India. Here, India could learn a lesson from Malaysian PM Mahathir who ensured that the Petronas Towers in Kuala Lumpur were among the best in the world by getting both Japan and Korea to build one tower each. Both competed to build the better tower. India's great opportunity today is that China and Japan are ready to invest big-time in India. Will India enable that by creating an open and enabling regulatory framework?

Managing the negatives is harder. The border dispute remains a painful bone in India's throat as is China's close relationship with Pakistan. China remains deeply suspicious of the Dalai Lama, although Xi's father had dealt face-to-face with him. These issues will not be resolved during the upcoming visit, but both sides can agree not to allow the negative elements to dominate the relationship.

India should open its doors to "big-hearted" initiatives from China which has a track record of being generous when it sees a need – the unilateral "early-harvest" concessions made to

ASEAN during the FTA negotiations is an indication. Setting the right tone will encourage such gestures. India often feels that China does not treat it with sufficient respect. China, in turn, often feels slighted by the world. It deeply resents the moralising lectures it gets from the West, and India, by demonstrating that it does not share the western agenda, may be able to set a different tone.

China on its part could become more fulsome in its support of India's quest for a permanent seat in the UN Security Council. No other country in the world has a stronger claim than India, and China can go beyond saying that it understands India's aspirations to taking a more categorical stand.

India can encourage such gestures by behaving like a "great power", and not a "regional" one. Many Indian analysts acknowledge that as long as India has troubled ties with its neighbours, its claim to the former status remain weak. It was truly wise on Modi's part to invite regional leaders to his swearing-in ceremony – he can take this a step forward by making unilateral concessions to his neighbours. India can learn from China's management of its difficult relationship with Taiwan as it tries to devise a new strategy towards Pakistan. If India can establish positive relationships with neighbours, it need not fear encirclement by China – a common fear expressed by the Indian media.

The ultimate "big-hearted" initiative that China can make is to bring back onto the table the proposal made by Deng Xiaoping in June 1980 towards resolving the border dispute. When China had strong leaders like Mao and Deng, it could make significant territorial concessions, as it did with Russia and Vietnam. However, given the fierce and nationalistic social media, no Chinese leader today can afford to be seen extending the same kind of unilateral concessions. However, if India makes an effort to improve the tone of the bilateral and demonstrate that, unlike the West, it views China with respect, it may well open the door for Chinese leaders to tell their people that, as an honourable country, they are standing by Deng's offer.

Such a gesture may be unthinkable now, but not forever. If Narendra Modi and Xi Jinping can change the tone, it will do a lot of good for both countries, and the world. Both leaders should therefore be aware that they carry an enormous historical responsibility when they meet in Delhi.

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