

## Noise over Substance: Modi-Xi Summit and Sino-Indian Relations

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### Summary

*Taking the Wuhan process further, Chinese President Xi Jinping and Indian Prime Minister Narendra Modi met for their second informal summit in India's coastal town of Mamallapuram on 11 and 12 October 2019. Through the mechanism of such informal dialogue, Modi and Xi have demonstrated to the world that India and China are willing to engage with each other. High on optics, both Wuhan and Mamallapuram have, however, fallen short in reaching a substantive breakthrough in Sino-Indian relations.*

### Introduction

On 11 and 12 October 2019, Chinese President Xi Jinping and Indian Prime Minister Narendra Modi met for their second informal summit in India's coastal town of Mamallapuram.<sup>1</sup> Modi and Xi not only represent Asia's biggest economic and military powers, but are also perceived as strong nationalist leaders by their domestic constituencies.

The journey of such informal summits began in April 2018, when Modi and Xi met in Wuhan in Central China. Through such informal meetings, the expectation is that Modi and Xi could bring to bear the influence of their strong personalities on the trajectory of Sino-Indian relations.<sup>2</sup> Informal summits such as Wuhan and Mamallapuram offer leaders both flexibility to have a candid conversation on issues vexing the Sino-Indian relationship but also unburdens the leadership of concrete expectations in the form of a formal conclusion.<sup>3</sup> However, most importantly, such bilateral meetings allow the two countries to navigate the geopolitical flux currently visiting the Indo-Pacific.

Through the informal summits, Modi and Xi have demonstrated to the world that India and China are willing to engage with each other. However, without concrete results, such dialogues will only augment the distrust in Sino-Indian relations.

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<sup>1</sup> S Narayan, "Modi-Xi Meeting: Why in Mahabalipuram", *ISAS Issue Brief No. 710*, 9 October 2019. <https://www.isas.nus.edu.sg/wp-content/uploads/2019/10/ISAS-No.-710.pdf>.

<sup>2</sup> Sutirto Patranobis, "'Asian Century, personal chemistry': Chinese media on Xi Jinping's meeting with PM Modi in Mamallapuram", *The Hindustan Times*, 11 October 2019. <https://www.hindustantimes.com/india-news/asian-century-personal-chemistry-chinese-media-on-xi-jinping-s-meeting-with-pm-modi-in-mamallapuram/story-HJS7LWRvbASqZFmY8Jq3PP.html>.

<sup>3</sup> Ren Yuanzhe and Archana Atmakuri, "Informal Summit: Smart Diplomacy to Address China-India Distrust", *ISAS Insights No. 583*, 21 October 2019. <https://www.isas.nus.edu.sg/wp-content/uploads/2019/10/ISAS-Insights-No.-583-Informal-Summit.pdf>.

## The shadow of Kashmir and Pakistan continues to haunt Sino-Indian relations

In August this year, the Modi government revoked the autonomy of Indian Kashmir. Modi's controversial move rattled both China and its long-time all-weather ally, Pakistan.<sup>4</sup> Beijing's initial reaction was to ensure that India's actions do not alter the status quo of the Sino-Indian border. However, it quickly rallied around Pakistan's claims that Modi's decision was both illegal and illegitimate. China forced the United Nations (UN) Security Council (UNSC) to discuss Kashmir in a closed-door meeting; UNSC last discussed Kashmir in 1964-65.<sup>5</sup> Pakistani Prime minister Imran Khan visited Beijing just before the Modi-Xi summit. Xi reiterated China's support to Pakistan on Kashmir, casting a shadow on the October summit.<sup>6</sup>

However, Modi and Xi have arrived at a tentative understanding on Kashmir. During the preparations for the summit, India's Foreign Minister S Jaishankar visited Beijing in early August 2019 and communicated to the Chinese leadership that India's moves in Kashmir do not impact the Sino-Indian border. New Delhi is set to maintain the current status quo. India's status-quoist approach towards the Sino-Indian border has assuaged some of Beijing's concerns. Just before the summit meeting, China's envoy to India declared that Kashmir was a bilateral dispute between India and Pakistan and should be resolved by the two sides through negotiations.<sup>7</sup> It was indeed a significant change in Beijing's position compared to its invocation of the UNSC meeting in September. New Delhi has unequivocally communicated to Beijing that revocation of Kashmir's autonomy will not change the status quo on Sino-Indian border, addressing China's primary concern.<sup>8</sup> How Modi-Xi understanding will evolve in the future will not only depend on how quickly the Modi government can bring normalcy in Kashmir but also whether it can contain any follow-up violence.

However, the shadow of Pakistan still lingers large over Sino-Indian relations. China's economic, military and diplomatic assistance to Islamabad has often rankled Indian decision-makers. Most concerning for New Delhi is the Belt and Road Initiative (BRI) – China's Marshall Plan.<sup>9</sup> Though China has, time and again, invited India to join the BRI, India has refused any dealings with the initiative primarily because BRI's flagship project – China-

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<sup>4</sup> Asfandiyar Mir, "Here's how India's Decision to cut Kashmir's autonomy will affect South Asia- and the world", *The Washington Post*, 9 August 2019, <https://www.washingtonpost.com/politics/2019/08/09/heres-how-indias-decision-cut-kashmirs-autonomy-will-affect-south-asia-world/>.

<sup>5</sup> UN News, "UN Security Council discusses Kashmir, China urges India and Pakistan to ease tensions", 16 August 2019, <https://news.un.org/en/story/2019/08/1044401>.

<sup>6</sup> Press Trust of India, "China paying close attention to situation in Kashmir: Xi Jinping tells Imran Khan", 10 October 2019. <https://www.indiatoday.in/world/story/china-paying-close-attention-to-situation-in-kashmir-xi-jinping-tells-imran-khan-1607781-2019-10-10>.

<sup>7</sup> Atul Aneja, "China changes tack on Kashmir", *The Hindu*, 8 October 2019. <https://www.thehindu.com/news/national/china-changes-tack-on-kashmir/article29620986.ece>.

<sup>8</sup> Atul Aneja, "Decision on Kashmir doesn't affect LAC, Delhi tells Beijing", *The Hindu*, 12 August 2019. <https://www.thehindu.com/news/international/india-china-ties-should-be-a-factor-of-stability-in-uncertain-world-jaishankar/article28988639.ece>.

<sup>9</sup> Peter Sabine, "Belt and road is 'Marshall Plan without a war', analysts say, as Beijing and banks woo private-sector investors", *SCMP*, 28 March 2017. <https://www.scmp.com/special-reports/business/topics/one-belt-one-road/article/2082733/belt-and-road-marshall-plan>.

Pakistan Economic Corridor – passes through the Pakistan-Administered Kashmir, a disputed territory which New Delhi claims as its own.<sup>10</sup> Moreover, development projects under the BRI provide China inordinate influence through debt creation among small states and may, in the future, help Beijing expand its military footprint.<sup>11</sup> Gwadar, for example, is considered as a Chinese military outpost by many strategic thinkers in India. Both Wuhan and Mamallapuram have failed to break this impasse in the Sino-Indian relations.

## **China and India must negotiate in an era of trade wars**

China is India's biggest trading partner; the total trade between the two countries stands at US\$90 billion (S\$122.6 billion). However, India suffers from a large trade deficit as Chinese goods constitute almost 70 per cent of the total trade. India has often complained about China's protectionist trade policies; Indian companies have usually found it challenging to penetrate the Chinese markets. United States (US) President Donald Trump's trade wars have given both sides new reasons to resolve differences. America's protectionist trade policies incentivise greater trade between the two countries as both India and China want to off-set losses accruing from Trump's trade wars. However, politically sensitive issues such as Huawei's investment interest in India and India's reluctance to join China-led Regional Comprehensive Economic Partnership (RCEP) continues to be a bone of contention.<sup>12</sup>

On trade, Modi is coming around to the idea of joining the RCEP even when his domestic base is not entirely happy. Modi realises that India cannot remain aloof of Asia's most significant free trade agreement, especially in a period of recession at home and difficulties in coming to a trade agreement with the US. These trade negotiations also provide an avenue to bargain greater access to Chinese markets for Indian manufacturers. China has also ensured that it will carry talks in good faith to remove obstacles currently faced by Indian exports in Chinese markets.<sup>13</sup>

Huawei's investments in India's technological infrastructure, especially the sale of 5-G spectrum, is a hard nut to crack, however. Chinese authorities have publicly warned India of "reverse sanctions" if New Delhi follows the lead of its Western partners. The US, on the other hand, perceives any dealings with Huawei harmful for India-US strategic partnership. Senator Ted Cruz, whose visit to India coincided with the Modi-Xi summit, warned New Delhi of losing US intelligence in case Huawei is allowed access to India's 5-G infrastructure. However, in the absence of any comparative and viable alternatives, India may be forced to deal with Huawei. How else New Delhi is going to navigate this minefield is an open question.

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<sup>10</sup> Tim Craig and Simon Denyer, "From the Mountains to the Sea: A Chinese Vision, a Pakistani Corridor", *The Washington Post*, 23 October 2015. [https://www.washingtonpost.com/world/asia\\_pacific/from-the-mountains-to-the-sea-a-chinese-vision-a-pakistani-corridor/2015/10/23/4e1b6d30-2a42-11e5-a5ea-cf74396e59ec\\_story.html](https://www.washingtonpost.com/world/asia_pacific/from-the-mountains-to-the-sea-a-chinese-vision-a-pakistani-corridor/2015/10/23/4e1b6d30-2a42-11e5-a5ea-cf74396e59ec_story.html).

<sup>11</sup> Rudra Chaudhuri, "What will Modi and Xi Really Talk about?", *Carnegie India*, 10 October 2019. <https://carnegieindia.org/2019/10/10/what-will-xi-and-modi-really-talk-about-pub-80046>.

<sup>12</sup> Amitendu Palit, "RCEP and India: High Stakes and Costs," *ISAS Issue Brief No. 711*, 14 October 2019. <https://www.isas.nus.edu.sg/wp-content/uploads/2019/10/ISAS-Briefs-No.-711.pdf>.

<sup>13</sup> Amitendu Palit, "Solving RCEP Differences and Trade paves the Road for new China-India Relations," *The Global Times*, 17 October 2019. <http://www.globaltimes.cn/content/1167219.shtml>.

## Mamallapuram Summit and the Sino-Indian border dispute

The Sino-Indian border dispute continues to dodge any resolution. Since the Sino-Indian border war of 1962, the 2,500-mile Himalayan frontier has remained unresolved. Twenty-one rounds of negotiations on resolving the border dispute have not yielded any concrete results. Recent years have seen border tensions escalating into military crises, most often before high-level bilateral summits between the two sides. In April 2013, before the Indian Foreign Minister's visit to Beijing, the Indian Army and the People's Liberation Army (PLA) engaged in a major standoff near Daulat Beg Oldi in the northern sector of their disputed border. In September 2014, during Xi's visit to India, Chinese and the Indian forces again engaged in a deadlock over the construction of a road by the PLA inside the Indian territory near Demchok.

The most explosive incident, however, was the two-month stand-off between the Indian Army and the PLA at Doklam, the trijunction between India, China and Bhutan. Doklam saw the troops from the two sides physically jostling with each other as Indian soldiers formed a human chain to stop the PLA from constructing an all-weather road in the disputed area. This eye-ball to eye-ball encounter lasted for more than 70 days and required some high-level crisis management. It almost scuttled Modi's attendance at the August 2017 BRICS (Brazil, Russia, India, China and South Africa) summit in Beijing. For 70 days, Indian and PLA soldiers stood eye-ball to eye-ball at 14,000 feet in the high Himalayas. Though not a single shot was fired, the chances of escalation were indeed real.<sup>14</sup>

Doklam provided an impetus for a grand intervention by the top leadership of the two countries, leading the way for informal summits such as Wuhan. However, the spirit of Wuhan has dissipated rather quickly. The military forces of the two states continue to face each other in tense situations. Just last month, the Indian Army and the PLA were involved in yet another scuffle in India's north, and only after high-level delegation talks, the two sides disengaged.<sup>15</sup>

The recent Modi-Xi summit has, once again, failed to make any breakthrough on the border. Though the two sides frequently reiterate their genuine desire to negotiate a solution, while maintaining calm on the border through various confidence-building measures, New Delhi feels that Beijing uses the border dispute as leverage and has little interest in resolving the conflict.<sup>16</sup> China's growing military power across the border – with major amassment of firepower and improvement in military logistics – has made New Delhi extremely jittery.

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<sup>14</sup> Barkha Dutt, "India and China step back from the brink of war but can it last", *The Washington Post*, 7 September 2017. <https://www.washingtonpost.com/news/global-opinions/wp/2017/09/07/india-and-china-step-back-from-the-brink-of-war-but-can-it-last/>.

<sup>15</sup> The Business Standard, "India-China border tensions flare up as soldiers scuffle in Ladakh: Report," 12 September 2019. [https://www.business-standard.com/article/current-affairs/india-china-border-tensions-flare-as-soldiers-scuffle-in-ladakh-report-119091200238\\_1.html](https://www.business-standard.com/article/current-affairs/india-china-border-tensions-flare-as-soldiers-scuffle-in-ladakh-report-119091200238_1.html).

<sup>16</sup> Tom Hussain, "Is China turning up heat on India through Pakistan flank amid Doklam standoff?," *SCMP*, 21 July 2017. <https://www.scmp.com/week-asia/geopolitics/article/2103646/china-turning-heat-india-through-pakistan-flank-amid-doklam>.

## India and China continue to tip-toe in the Indo-Pacific

The resurgence of the Quadrilateral Security Initiative, or the Quad, has, once again, intensified the Sino-Indian competition in the Indo-Pacific. A mechanism for security consultations and naval cooperation among the four maritime democracies of the Indo-Pacific – India, Japan, Australia, and the US – the Quad first came into prominence during the 2007 Malabar naval exercises in the Bay of Bengal.<sup>17</sup> This concert of democracies was, however, deemed hostile by Beijing, an Asian North Atlantic Treaty Organization of sorts aimed at China's containment. In the face of Chinese antagonism, India and Australia demurred from the initiative, and the idea of Quad remained moribund for almost a decade. However, lately, the four countries have once again restarted the process of dialogue and consultation primarily because of China's unrelenting assertiveness in the Indo-Pacific. New Delhi has been an active player in Quad's resurgence. The Foreign Ministers of the Quad nations met for the first time during the recently concluded UN General Assembly session in New York. Quad's resurgence has irked China. Though the Chinese Foreign Minister Wang Yi dismissed Quad's resurgence as a "headline grabbing" idea, which would soon dissipate, Beijing fully appreciates the potential of the Quad in balancing China's growing power in the region.<sup>18</sup> Therefore, China has publicly urged India not to be a part of China's containment strategy.

New Delhi, however, is keen to cooperate with Japan, Australia and the US in sanctifying the Indian Ocean from Chinese encroachments. For one, New Delhi realises as China grows in both economic and military terms, it would be difficult for New Delhi to balance Beijing on its own. However, New Delhi also looks at Quad not only as a military mechanism but as a tool to limit China's expanding diplomatic and economic clout in the region. India, on its own, cannot provide an alternative to China's BRI. China's development blitzkrieg has convinced New Delhi to devise an alternative development model in the Indo-Pacific, with the help of like-minded countries such as the US, Japan and Australia.<sup>19</sup> India has, once again, started showing considerable interest in the Quad. However, in its new avatar, the Quad is becoming a platform to coordinate not only the security policies but also to address sustainable development in the region.

## Conclusion

Both China and India are grappling with three significant changes in global politics. First, the world is slowly but surely moving away from a unipolar world of American dominance to a bipolar world order with China emerging as a Great Power in its own right. Never in its history has India witnessed the emergence of a Great Power in its immediate

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<sup>17</sup> Yogesh Joshi, "Quad Foreign Minister's Meeting sends a Clear signal to Beijing", *ISAS Issue Brief No. 705*, 3 October 2019. <https://www.isas.nus.edu.sg/papers/quad-foreign-ministers-meeting-sends-a-clear-signal-to-beijing/>.

<sup>18</sup> Annath Krishnan, "Chinese Foreign Minister dismisses Quad, calls for India, China 'to not fight but dance'", *India Today*, 8 March 2018, <https://www.indiatoday.in/world/story/chinese-foreign-minister-dismisses-quad-calls-for-india-china-to-not-fight-but-dance-1184483-2018-03-08>.

<sup>19</sup> Bloomberg, "'The Quad' will meet in Singapore – can it balance China's influence or is it 'stoking a new cold war'?", *SCMP*, 15 November 2018. <https://www.scmp.com/news/asia/diplomacy/article/2173306/quad-will-meet-singapore-can-it-balance-chinas-influence-or-it>.

neighbourhood. The emerging bipolarity makes life tough for New Delhi not only because of India's serious conflict of interest with Beijing over its territorial claims along the Himalayan frontier but also because China is perceived to be hostile to India's own rise in the global system. Second, the current strategic flux is creating new fault lines and engendering new alliances among the Great Powers. The downturn in Sino-American and US-Russian relations has invigorated unique power balances such as the Sino-Russian entente. In such constantly shifting geopolitical trends, India's choices are becoming stark by the day. Lastly, the liberal global order is under tremendous pressure both because of China's challenge but also due to American retrenchment from global politics. Wuhan and Mamallapuram may help India and China to manage these geopolitical fault lines. However, the Modi-Xi dialogue cannot be an end in itself; conversation without substantive results may only accentuate the prevalent distrust in Sino-Indian relations.

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