

India and the China-US Summit in Bali

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Summary

Contrary to persistent fears in Delhi, India has little reason to worry about a potential “G2” between the United States (US) and China. The nature of the US-China conflict looks structural today and the prospects for overcoming it in the near-term are limited. The recent Bali summit between Presidents Joe Biden and Xi Jinping is about managing their conflict by setting up guard rails. Delhi, like the rest of Asia, has reasons to welcome the stabilisation of the US-China conflict to make it more predictable.

Much of Asia is [welcoming](#) the first face-to-face summit between the American President Joe Biden and the Chinese leader Xi Jinping on the margins of the G20 summit in Bali on 15 and 16 November 2022. Any tempering of the current conflict between the world’s leading powers – the United States (US) and China – does help to calm economic and political nerves around the world that is struggling to recover from the twin blows delivered by the COVID-19 pandemic and the war in Ukraine.

The prospect of an imminent conflict between the US and China over Taiwan had indeed put the world on the edge of a precipice. To be sure, the differences between Biden and Xi over Taiwan have not been overcome at the Bali summit. China underlined that Taiwan is the “core of China’s core interests” and Biden reaffirmed the American commitment to “One China policy” and opposed unilateral change of status quo by either Beijing or Taipei. The US is hopeful that Xi will not rush into a [forcible unification of Taiwan](#) as he copes with multiple challenges at home.

Even as they finessed the serious differences on the issue of Taiwan, the two leaders have empowered their officials to sustain conversation on issues of mutual concern from Ukraine and nuclear weapons to climate change. Biden was not the only leader among India’s Quadrilateral Security Dialogue (Quad) partners to meet Xi in Bali. Australia’s Prime Minister Anthony Albanese also met Xi on the margins of the summit. On 17 November 2022, Japanese Prime Minister Fumio Kishida [met](#) with Xi on 17 November 2022 on the side-lines of the Asia-Pacific Economic Cooperation Summit in Bangkok, marking the first leadership-level discussion between the two nations in almost three years.

Indian Prime Minister Narendra Modi did not have a bilateral meeting with Xi in Bali; the two leaders had a brief exchange of courtesies at a G20 dinner. Since the Chinese aggression in Eastern Ladakh in May 2020, the political relationship between Delhi and Beijing has been in deep freeze. This period of tension between India and China has coincided with the sharpening conflict between China and the US and its allies.

Any improvement in the US-China relations has always generated some apprehensions in India, given the impact of China-India relations on Asian and global security. Sections of the Indian establishment worry if the US is a reliable partner and caution Delhi against getting

too close to Washington in order to balance Beijing. Many also apprehend the dangers of a China-US condominium over Asia or [the “G2”](#).

Are these concerns justified today? They reflect the legacy of mistrust between India and the US rather than an accurate reading of the state of the relationship between Washington and Beijing. The objective of American high-level engagement of China, according to the White House, is to “responsibly manage” the deepening competition with China.

[Biden told Xi](#) that the US “will continue to compete vigorously with [China], including by investing in sources of strength at home and aligning efforts with allies and partners around the world”. The US president added “that this competition should not veer into conflict and underscored that the United States and China must manage the competition responsibly and maintain open lines of communication.”

For Washington, this policy of “responsible management” of the conflict with China is a necessary complement to its determination to retain its global economic and technological leadership as well as its traditional geopolitical primacy in Asia. For Xi, the ambition for the Bali summit was different. He would like Biden to step back from the current US policy of an all-round – including ideological and strategic– confrontation with Beijing. [Xi would like to](#) “bring China-US relations back to the track of healthy and stable growth to the benefit of our two countries and the world as a whole.”

As Beijing began to assert itself under Xi, who took charge in 2012, the broad consensus within Washington in favour of a positive engagement with China turned into a strong bipartisan commitment to push back. When Biden’s predecessor, Donald Trump, unveiled a policy of challenging Xi’s trade and security policies, it was widely viewed as an aberration that would not survive the maverick leader’s tenure. Biden, however, has doubled down on Trump’s China policies; he also brought greater coherence and expanded the confrontation to include the full range of high technologies. At the same time, the Biden administration has underlined the importance of leaving the door open for cooperation with Beijing, especially on transnational issues like climate change.

If the Biden-Xi summit in Bali generates a new phase in US-China relations, it is entirely appropriate that Delhi pay serious attention to the development. Unlike in the past, when Delhi tended to be nervous about US-China engagement, Delhi today is self-assured about its own capacity to manage the shifts in great power relations.

Delhi is convinced that the current conflict between the US and China is deeply structural and is not amenable to quick solutions. Delhi is more confident than ever before about the depth and stability in India’s growing strategic partnership with Washington. Finally, like the rest of Asia, India has a stake in the “responsible management” of the US-China conflict for the costs of such a conflict could be devastating.

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