India - China Informal Summit

What is the issue?

- The Modi- Jinping summit in Mamallapuram raises the question of whether we understand China as we claim to have understood the U.S.
- This need to be answered soon as China and India are civilisation states, neighbours and members of the future global triumvirate.

What do China and India have in common?

- Both the states are civilisation states. Western labels do not explain the actions of civilisation states.
- [Civilisation states – A country that claims to represent not just a historic territory or a particular language or ethnic-group, but a distinctive civilisation.]
- The two countries' leaders are responding to unique national problems with a new development paradigm and view of the world order.
- Both implicitly question Western ideas and institutions as they seek their legitimate space in setting global rules.
- They have different, rather than divergent, approaches with convergent goals.

What is China's unique roadmap?

- Take China's two centenary goals:
    1. Eliminating poverty by 2021 and
    2. Establishing an advanced socialist nation by 2049.
- The Chinese leadership has learnt a lesson from the collapse of the Soviet Union.
- It was that legitimacy will only come from continued growth in household incomes and that people must be rich before they get old.
- China's concept of "stability" is very different from the ordinary English meaning.

So, what did China do?

- China **defined growth** in terms of both GDP and per capita income, which the Communist Party monitored.

- It’s now the second largest economy and has foreign exchange reserves of over $3 trillion.
- From 1998 to 2008, middle-class income grew only 4% in the U.S. and 70% in China.
- That is why despite the trade headwinds and moderation of growth, the shift to a consumption-led economy is a success.
- China **realised the importance of infrastructure** in both supporting economic activity and well-being in cities.
- Construction accelerated from 2000. In 3 years, China added cement capacity equal to what the U.S. added in 100 years.
- It achieved saturation levels in cement, steel and electricity generation in 2013.
- China’s **choice of development pathway** used much less natural resources than the West.
- This pathway is remarkably carbon efficient, when the population is taken into account.
- Environmental concerns are one of the terms used in defining growth targets.
- Electricity consumption, car ownership and food waste remain one-tenth that of the U.S.
- This trend is not changing as incomes rise as it is based on civilisation values that are very different to Western values.
- Chinese have **become global technology leaders intelligently**, not just stealthily.
- Huawei is the global leader in 5G technology, and the cheapest.
- At a time when there was no demand for high-speed trains and nuclear plants, China paid for the best technology and improved upon it.
- China’s national goal of global leadership in Artificial Intelligence and quantum computing is serious enough to cause a rift with the U.S.

What is the Party’s role?

- The Communist Party of China is unlike political parties in the West.
- One has to be invited to become a member and each department in the university has a party secretary to whom the dean reports.
- Yet students can ask for views on democracy and take the ubiquitous digital surveillance in their stride.
- China has noted that each Western country has its own variant of political organisation and has settled for election at the grass-roots level.
- Party schools conduct regular programmes on current concerns.

How China chooses its leaders?

- They candidly admit that ‘Tiananmen Square’ was inevitable, as the generals did not anticipate popular concerns and then sent in the tanks.
- The next group of leaders were engineers and piloted the infrastructure push and now urban administrators are at the helm.
- China is now less dependent on the world, and as it moves to a high-tech consumption-led economy it faces similar problems like the U. S.
- Children of the urban middle class now want middle class employment.
- Wuhan is setting up a new $30 billion high-tech research centre, as it sees the digital economy generating middle-class jobs.
- This explains in part the Belt and Road Initiative (BRI) linking cities with other countries.
- This ‘thought’ for getting out of the ‘middle income trap’ is now in the party and national constitution, akin to ‘liberalism’ in the West.
- It recognises China cannot dominate the U.S. with its size, population and technological prowess.
- With 2/3rd of global GDP to be in Asia, China’s foreign policy focus is really the Eurasian land mass, where it isn’t in direct clash with the U.S.

What is the Modi factor?

- The new development in this scenario is not Donald Trump but the ‘Modi factor’.
- China recognises that it will achieve its goals only if there is an ‘Asian Century’ and needs to work with the other civilisational power, India, now talking of its own model of global order.
- The two orders can overlap in certain sectors and areas.
- Further movement on maintaining the status quo at the border could be followed by a non-aggression pact.
- Discussion could begin on the conceptual frame of the ‘Asian Century’ with the two poles in peaceful co-existence, as has been the case throughout civilisation.

Source: The Hindu

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