



## The Big Picture- India, China Diplomatic Ties

In 2020, India and China will commemorate the **70<sup>th</sup> anniversary** of the establishment of their diplomatic relations with 70 celebratory activities (like cultural, religious and trade promotion events). These events were finalized during the **second India-China informal summit** held at **Mamallapuram** on October 11-12, 2019. In 1950, India became the **first non-socialist bloc country** to establish diplomatic relations with the People's Republic of China.

Besides hosting parliamentary exchanges, the two countries will conduct activities to trace **civilizational links**. And to foster business and trade relations, China will hold an **India-China Trade and Investment Cooperation Forum** and organize the **second India-China Drug Regulation Forum in India**.

### India-China Drug Regulation

- The **first forum** was held in **Shanghai, China on 21<sup>st</sup> June 2019**.
- The major focus of this forum was to **enhance cooperation in the pharmaceuticals sector** with a focus on exports of Indian medicines to China.
- China under its **Healthy China 2030 policy** is committed to provide quality drugs at affordable prices to its citizens. And, India **has emerged as the pharmacy of the world** (exported around \$17.3 billion-worth drugs in 2017-18) by providing high-quality generic drugs at a very affordable price.
  - In this backdrop, China is keen to strengthen ties with India in the field of pharmaceuticals sector.

### Present Sino-Indian Ties

- The two emerging and enduring powers representing two modes of civilization signify a **complex and dynamic relationship** in world politics.
- In the recent past, relations between India and China have broadened which can be exemplified by **enhanced people-to-people cultural exchanges, improved commerce & economic ties** inter-alia.
- At the official level, **high-level exchanges** have become regular in the form of recently organized **two informal summits- Wuhan Summit (2018) & Chennai Connect (2019)**, and frequent meetings on the bilateral/ multilateral fora.
- The **soft diplomacy** practiced in the form of **increased tourism** (granting of multiple-entry visa for 5 years by India to Chinese travellers), frequent visits by **armed forces & naval activities, 10 pillar agreement** (2018), finalizing of **70 events** in the second informal summit, etc. have given a **cushioning effect**- marking the progress in the relations.
- This highlights the enhanced engagement between the two nations. However, issues on certain major parameters still persist.

### 10 Pillar Agreement

- 10 pillars of cooperation to enhance **cultural and people-to-people exchanges** were finalized

between India and China in **December 2018**.

- These pillars are **cultural exchange, cooperation in films and television, museum management, sports, youth exchanges, tourism, state and city-level exchanges, traditional medicine, yoga, and education (e.g. Chinese language teaching in India)**.

## Underlying Issues

- There is a **widening gulf** between the two nations on certain **core issues** like:
  - Ongoing **border/territorial disputes** (e.g. **Pangong Tso Lake** issue 2019, **Doklam** stand-off 2017, **Asaphila** issue of Arunachal Pradesh)
  - Chinese activism on **Kashmir** after abrogation of certain provisions of **Article 370**
  - Cross-border **terrorism**
  - China's stand on **India's entry to Nuclear Suppliers Group (NSG), permanent seat in the United Nations Security Council (UNSC)**, etc.
- **Concerns with India:** China perceives itself as a leading power ruling the **unipolar world** by 2050. It is therefore not comfortable with the **rise of India** in the region as the potential competitive power.
  - China follows a **maximalist expectations approach** towards India in which it demands much from the Indian side as can be seen from 'Hindi-Chini bhai bhai' phase in the 1950s to the stable periphery demand, or demand to join **Belt and Road Initiative (BRI)**. However, China does not reciprocate the same by addressing India's concerns.
- **China's Stance regarding Pakistan:** For decades, China has used Pakistan as a wedge against India in order to confine India to the South Asia region and prevent India's rise as a global competitor. This can be substantiated by China's support to Pakistan on cross-border terrorism, resisting to designate certain terrorists globally, etc.

## Challenges faced on the Global Platforms

On the global stage, India and China are working together on different platforms where they display both convergence and divergence on the global issues.

### Convergence

- **Climate Change:** In the recently held **BASIC (Brazil, South Africa, India and China) minister's meet**, the ministers from these nations advocated the concept of **equal but differentiated responsibility** that acknowledges different capabilities and differing responsibilities of individual countries in addressing climate change.
- **Economic:** In the **recent BRICS summit (Brasilia Declaration)**, in the backdrop of trade war between China and the U.S. and rising protectionism, there was a call for supporting multilateralism, and appreciating the central role of the U.N. in international affairs.
- **Multilateral Forum:** Both countries believe in upholding of the **United Nations** charter and its non-interference policy, **Shanghai Cooperation Organisation (SCO), World Trade Organization (WTO)**- where both fight for G7 countries, **East Asian Summit**.

### Divergence

- In the recent **3<sup>rd</sup> Regional Comprehensive Economic Partnership (RCEP)**, China tried to trick on India in order to get access to the Indian markets.
- China also has concerns about India's role (being a member of **Quad**) in the **Indian Ocean region**.

### Other Domestic Challenges

- Chinese economy is suffering due to the ongoing **US-China trade war**.
- Also, the domestic issues like **Hongkong protests**, issue of atrocities against **Uighur muslims** in Xinjiang province is affecting China.

- China is worried with concerns related to [China Pakistan Economic Corridor \(CPEC\)](#) due to rising insurgency in Balochistan and Khyber-Pakhtunkhwa region.

## Way Forward

- **Strategic:** There is a need for defining, demarcating and delineating the borders so as to remove fear from the minds of people residing in the vicinity and strengthen the ties.
- On the **economic** front, China has a trade surplus of around **\$750 billion** (in the last 10 years) with India, which it needs to bring down. Service sector can play a major role in reducing the trade deficit.
  - China must **create a level playing field** by allowing Indian services such as in pharmaceuticals and software packages in its market. Also, in the RCEP, equitable distribution and differences between the two nations needs to be bridged.
- Both countries can effectively **use their soft power** (in the form of **tourism**) to further integrate their economies.
  - **Tourism:** More Indian nationals visit to China as compared to the Chinese tourists coming to India. This **cultural cross connect must be increased** so as to build up the co-constituencies and enhance businesses that can consequently lead to resolving of conflicts at the national level.
  - **Promotion of tourism** through education, spiritual visits especially on the Buddhist circuit, etc. must be promoted.

The problems between India and China are difficult to be resolved in the short run but by **managing the relationship** by minimising the existing strategic gap, narrowing the divergences and maintaining the status quo, it can be improved over time. For this purpose, [increased engagement with China](#) at every level from government to people, academia, business, etc. has to be targeted.

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