

US-China Rivalry: A Strategic Moment for India?

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Abstract

US-China tensions can broadly be classified into four major areas: Trade, Technology, Territorial issues (such as Hong Kong, Xinjiang, Tibet, Taiwan, the South China Sea, and Regional Connectivity) and Tenets, which allude to values, ideology and the advocacy of particular systems of political and economic governance (T4). In addition, there is growing rivalry across the Military domain (M). To this incendiary mix can be added a new bone of contention, i.e., the origins of the Coronavirus disease (COVID-19) and demands for accountability (C). Competition and friction in each of these fields (T4+M+C) has implications for India. This paper seeks to examine if escalating tensions in T4+M+C could provide a strategic moment for India.

Keywords: *Indo-Pacific, contestations, uncertainty, multilateralism, revisionist, unilateralism, primacy, rivalry, confrontation, 5G, COVID-19, BRI, RCEP, recession, globalisation, supply chains, SLOCs, FDI, charm offensive, wet markets, Vasudheva Kutumbakam, pole.*

Introduction

The dawn of this century, particularly the year 2001, stood out for accelerated globalisation in trade and investment following China's entry into the WTO, and the primacy accorded to national security following the terrorist attacks in the US on 11 September. This was the time when the US took its eye off the ball in the Asia-Pacific theatre by diverting its presence and resources to wage a war on international terrorism in Afghanistan followed by an equally enervating war in Iraq to build democracy. Whereas the US was considerably weakened by the global financial and economic crisis of 2008, China rode out the storm relatively unscathed, just as it had during the Asian financial crisis of the late 1990s. In fact, China used both these events to advance its influence and build a web of dependencies in the region through currency swap arrangements. Later, even as President Obama was only yet mouthing a Pivot to Asia and a Rebalance Policy, China, under its new leader Xi Jinping, quickly moved to occupy the contested maritime space in the South China Sea, consolidated by its island building spree. Parallely, China also promoted its Belt and the Road Initiative (BRI) as its own hub and spoke model to stimulate its economic growth, with key regional initiatives linking up with projects around the world.

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The global situation has since seen rapid flux, with geo-political and economic contestations creating profound uncertainty. Key drivers of globalisation have experienced stress. International relations are increasingly marked by a proclivity to 'weaponise' trade and technology.

The US, under President Trump, is attempting to preserve its pre-eminence while rejecting multilateralism. It favours an "America First" policy. It has described China as a "revisionist power" in its National Security Strategy and opposes China's irredentism and unilateralism in the South China Sea, yet it has not been able to restore *status quo ante* even for an alliance partner like the Philippines. It has upped the ante with China on trade issues, but, by abandoning the Trans-Pacific Partnership (TPP), it has provided China the opening to dominate the Asian economy through the Regional Comprehensive Economic Partnership (RCEP) in which China is the largest economy and the US is absent. On its part, China is increasingly chafing at the bit of the very system which has facilitated its rise, and is seeking to re-configure the global and regional consensus as well as institutions, including "rules of the road" in the South China Sea, connectivity and infrastructure building through the Belt & Road Initiative, and lending mechanisms such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank under the auspices of BRICS. Erosion of US primacy in global political, economic and military affairs is an abiding Chinese objective.

The US-China rivalry has been exacerbated due to trade friction and the deepening chasm over technology, including artificial intelligence (AI) and fifth-generation cellular networks (5G). The passage into law in the US of The Hong Kong Human Rights and Democracy Act of 2019, Tibet Policy Support Act of 2019, Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019, the Uyghur Human Rights Policy Act of 2020 and the proposed No China Act have further upped the ante. Both sides appear to have dug their heels in.

Today, the fragile international compact has been rendered a huge blow by COVID-19 - a fast-spreading and silent killer - which has quickly spread from China to the rest of the world. The pandemic has accentuated the rift between the USA and China.

US-China tensions can broadly be classified into the four "Ts" and one "M". There are Trade, Technology, Territorial issues (such as Hong Kong, Xinjiang, Tibet, Taiwan, the South China Sea, and Regional Connectivity) and Tenets, which allude to values, ideology and the advocacy of particular systems of political and economic governance. In addition, there is growing rivalry across the Military domain. To this incendiary mix can be added the new bone of contention, i.e., the origins of Coronavirus disease (COVID-19) and demands for accountability (C). Competition and friction in each of these fields has implications for India. Escalating tensions could provide a strategic moment for India.

Trade

The COVID-19 pandemic could not have come at a worse time. The IMF has confirmed that the pandemic has pushed the global economy into a recession, potentially much worse than the one in 2009.¹ The hardest hit, globally, are the services sectors and inter-dependent supply chains in the manufacturing sector. Global manufacturing has taken a knockout punch. The current situation can even strengthen the trend towards protectionism and emphasis on domestic manufacturing even if it remains against the principles of market forces. A febrile and debilitated globalisation featuring closed borders and disrupted trade and supply chains, ironically, coincides with a pressing need to evolve a fresh outlook on global interdependence and cooperation in dealing with pandemics and a host of other issues.²

The unprecedented challenge from COVID-19 is also creating new inflection points for the global economy.³ The virtual recession in the global economy is expected to be compounded by the US-China trade war, which may have been set aside for the moment but which will resume, perhaps with redoubled vigour, once the economic pain sets in. In light of pandemic, even more sectors are likely to be drawn in. This, together with the disruption of supply chains and the exit of some manufacturers from China to elsewhere, will raise costs in general.

Today, given the lockdowns and slowdown in global growth, demand for energy is slack resulting in incredibly low oil prices, not seen since the 1990s. Under normal circumstances, this would have been good news for India which imports about 85 per cent of its oil and approximately 50 per cent of its LNG needs.⁴ Lower energy prices could have helped India to address its current account deficit. Perhaps this could even have helped India's export sector become more price competitive even in a shrinking global market. However, with an economic slowdown occasioned by the pandemic, and limited offtake and storage capacities, India, like many others, may not be able to take full advantage of the low oil prices.

The US-China rivalry has spurred China to take a strategic decision to continue its import of Iranian crude oil, the American sanctions notwithstanding. China may have reduced the quantity but still remains Iran's largest buyer. Reports suggest that China will invest US\$ 280-billion in developing Iran's oil, gas and petrochemicals sectors, and even station Chinese security personnel to guard Chinese projects.⁵ Iran now views China not only as a sympathiser but also a more reliable regional partner compared to India. This feeling may have been further consolidated as a result of China providing personal protection equipment (PPE) kits and other requirements during the pandemic. Dependence on China will prevent Iran from criticizing Beijing on issues concerning the treatment of Muslim minorities in Xinjiang. It could also lead to a closer tandem between China, Iran and Pakistan, in time, on sensitive issues such as Kashmir.

In general, India has ramped up its energy imports from the US under its Strategic Energy Partnership, up to USD 10 billion during the year 2019-20.⁶ China's interest in

Saudi Aramco's IPO and determination to weaken the reliance on the dollar in global energy trade is growing. It is forging closer ties with all Arab and other oil producers that are in the US' crosshairs on human rights and governance issues. China's growing influence in the Gulf and West Asia will facilitate its presence as a security provider for its energy SLOCs in the Western Indian Ocean, including in the Strait of Hormuz, leading steadily to a greater naval presence in the Indian Ocean. India-US trade ties have experienced their own set of challenges on trade and economic issues. The Trump administration has been provoked into a conditioned *pavlovian* response not so much by the meagre US\$ 20.8 billion of trade deficit in goods and US\$ 4.4 billion trade deficit in services with India⁷, as by the yawning trade deficit in goods of US\$ 420 billion with China.⁸ According to an SBI Ecowrap Report of July 2019⁹, India has benefited very little from the US-China trade war in terms of increasing its exports to either of the two countries. India's exports to China in the wake of the trade war grew much faster than that to the US, though that is an illusory gain since India's exports to China are very meagre to start with.

While overall exports to the US grew 9.46 per cent to USD 52.4 billion in 2018-19, for China, the growth was 25.6 per cent to USD 16.7 billion. China has just slightly kept the door to its market ajar in order to use that to improve ties with others at a time when US pressure is mounting. Its indifference towards India's concerns in Regional Comprehensive Economic Partnership (RCEP) negotiations points to the inherent limitations in India's efforts to reduce its massive trade deficit of nearly USD 55 billion with China. Of the USD 35 billion dip in China's exports to the US market in the first half of 2019, about USD 21 billion (or 62 per cent) was diverted to other countries. The rest, USD 14 billion, was made good largely by US producers.

According to an UNCTAD report of November 2019, additional exports from India to the US market in the first half of 2019 due to trade diversion amounted to only USD 755 million, mainly comprising chemicals, metals and ore.¹⁰ The US tariffs on China seem to have made other players even more competitive in the US market, with substantial spurt in exports from Taiwan, Mexico and the EU. The EU is reported to have gained about USD 2.7 billion worth of additional exports to the US, and Vietnam USD 2.6 billion, as per the UNCTAD report.

Interestingly, despite the tariff war causing a \$35 billion blow to Chinese exports in the US market in the first half of 2019, Chinese exports remained competitive, for the most part. China faces an acute shortage of pork due to an outbreak of swine flu. However, India's meat exports, primarily buffalo meat, reach China indirectly through Vietnam and the Philippines, thereby adding to costs and reducing market share. Besides, India's pork exports are meagre.

As U.S.-China tensions, particularly the politics of COVID-19, drive supply chains out of China, India could emerge as an alternative destination with the right policies, as Vietnam has done. Beyond a point, however, Indian exports are unlikely to increase further due to trade diversion since the profile of exports from India is different from the exports of both the US and China in each other's markets.

Technology

The U.S.-China trade war is at heart a battle for technological supremacy and the attendant commercial and national security advantages. China's ambitious targets are clearly outlined in the Made in China 2025 policy. It has stolen a march in some key areas including 5G, big data, robotics, and AI. U.S. businesses in China have complained for years about forced technology transfers and theft of intellectual property. These have galvanized the Trump administration into action. With tensions rising in the wake of COVID-19 and the earlier blacklisting of Huawei Technologies by the US, the spectre of a high-tech war looms large. Many countries that were earlier sitting on the fence are now likely to openly reject the Chinese 5G technology. The high-tech war threatens to force India to abandon its strategic autonomy and take sides, especially on 5G. There is an opportunity for India to create the right policy structures to promote R&D in Indian 5G technology.

China is still reliant on foreign imports of uranium and other equipment for its ambitious nuclear power programme. If the friction with the US disrupts this, it will have an impact on clean energy targets in China. In turn, it will be a setback to the efforts to reduce emission in the entire region, with devastating effect on climate change. As the US seeks to bump up Science, Technology, Engineering and Mathematics (STEM), and impose tighter visa controls for Chinese students in high-technology sectors, it should logically open its doors more for Indian human resources. However, the ground reality is different. Australia and Canada are bigger beneficiaries of the student diversion from both India and China.

India may also benefit from the US and its partners directing more space launch business towards India, giving India's space programme a boost with US assistance. Overall though, a China that is subjected to a technology blockade by the US may suffer a slight setback but is likely to emerge an even stronger and self-reliant high-technology power in the future. India's own missile programme is an example of how a denial regime can spur domestic R&D. China may, therefore, succeed in riding out the storm on the technology front.

Today, amidst the COVID-19 pandemic, if one were to go by the experience of China, Singapore and South Korea, there is a big role that AI, facial recognition and similar other technologies can play in contact tracing.¹¹ Meanwhile, quotidian routines of work, leisure and human contact have been disrupted in myriad unrecognizable ways. Workers around the world, whether in government or the private sector, are obliged to function from home, leading to a surge in users and data flow in the digital space. This has created vast new attack surfaces in personal computers for hackers and cyber criminals, both state and non-state, to exploit. The very notion of critical infrastructure in the cyber domain is changing with the growing dependence on webinars and online tasks, including for hospitals, banks and providers of essential services. Advantage will go to nations that enjoy greater internet penetration. These circumstances no doubt place a fresh premium on getting ahead in the race to develop 5G capabilities to mitigate existing limitations, and this is true of the

healthcare sector in particular. Global resilience in dealing with pandemics would be greatly enhanced by 5G technology, especially in large and populous countries like India.

It is the right time for the US to engage India constructively in the field of innovation and defence R&D. We need to ensure that we move from a “buyer-seller” paradigm to transfer of technology. In cyber security, India and the USA must redouble their efforts to push for a multi-stakeholder model of internet governance.

Territory

Tensions have spiked between the US and China in regard to the Hong Kong Special Administrative Region (HKSAR), Xinjiang, Tibet, Taiwan, South China Sea and regional connectivity. The US has recently passed the Hong Kong Human Rights and Democracy Act of 2019, Tibet Policy Support Act of 2019, Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019, and the Uyghur Human Rights Policy Act of 2020. A “No China Act” aimed at keeping Chinese companies off the list of beneficiaries eligible for US assistance during the pandemic is also on the anvil.

China claims that the U.S. is behind the disturbances in HKSAR. It sees the Hong Kong Human Rights and Democracy Act of 2019 as a devious plot to interfere in its ‘internal affairs’. The US, on the other hand, sees HKSAR as a bastion of liberalism, the special status of which China has done its utmost to systemically undermine in complete disregard of the 1984 Sino-British Joint Declaration concerning the handover of Hong Kong to the People's Republic of China. China's passage of a new national security law to be imposed on HKSAR, in the words of US Secretary of State Mike Pompeo, “sounds the death knell” for the territory's autonomy. The new law seeks to undermine the Basic Law governing Hong Kong that guaranteed its autonomy for 50 years after the handover, including the power to enact its own national security laws. India's concern at the situation in Hong Kong is not entirely misplaced. A large number of people of Indian origin have been living in Hong Kong for many generations. Their prosperity and future too could be at stake. When the CPC came to power in China in 1949, there was a big exodus of Indians from trade entrepôts like Shanghai and Guangzhou to Hong Kong and elsewhere, including to India. They had to leave behind properties and belongings for which they were never compensated by the Chinese authorities.

Chinese policies in Xinjiang have come in for sharp criticism in the US. Likewise, China's policies towards Tibet and interference in ecclesiastical matters relating to Tibetan Buddhism has also been sharply criticised. Both Xinjiang and Tibet border India. Instability in these regions is a matter of concern for India, especially given the differences over the boundary question and the Line of Actual Control.

Efforts by major economies of the world, including the US, EU and Japan, to decouple their investment and supply chains from the Chinese economy are likely to raise Taiwan's profile, given its sophisticated economic and technological achievements. There is scope for India to strengthen its trade, investment and technology ties with

Taiwan, to mutual benefit. The situation in the South China Sea is weighted in favour of China given its *fait accompli* in occupying several man-made islands.¹² Although the US regularly conducts Freedom of navigation operations (FONOPS) as a means of challenging fictitious Chinese claims, it has done scant little to prevent China from routinely altering the status quo.

India has no role in negotiating the “Code of Conduct” with the Association of Southeast Asian Nations, though it is a participant in the “Quad” dialogue on broader issues in the Indo-Pacific. India reserves the right to sail and fly unhindered through the South China Sea in accordance with the principles of freedom of navigation and overflight. On BRI and connectivity, the U.S.’s position is helpful to India. The U.S. Principal Deputy Assistant Secretary, Bureau of South and Central Asian Affairs Alice G. Wells had criticised the China-Pakistan Economic Corridor (CPEC), which traverses Pakistan Occupied Kashmir, as eventually worsening Islamabad’s economic troubles.¹³ The US, Japan and Australia agreed at the PNG meeting of APEC to come together to fund projects in the Indo-Pacific. However, India is neither part of the Belt and Road Initiative (BRI) nor the RCEP. It is absent from the Indo-Pacific Business Forum created by the U.S., Japan and Australia though during President Trump’s visit to India in February 2020, both sides had agreed to initiate consultation regarding the Blue Dot network and the US International Development Finance Corporation.¹⁴ A future challenge lies in India having to reconcile its own regional connectivity initiatives with the BRI projects that have mushroomed in the neighbourhood.

Tenets

The US-China struggle is over the narrative for political, economic and cultural systems. The US has dominated the discourse for over a century. China feels vindicated that its systems have weathered the challenges of two global economic and financial crises and contributed to domestic prosperity and global growth better than western systems. Little does China realise that its success was primarily a result of its economic integration with the global economy through the WTO despite being a non-market economy, and not attributable to any imagined structural superiority of its systems. Now, under Xi Jinping, contradictions are manifold and the birds have come home to roost. Global expectations that China would liberalise its political system and be nudged towards democracy and openness by economic growth and prosperity have been belied. On the contrary, Xi Jinping has used economic success and fuller coffers to clamp down on freedoms, modernise the military and tighten the firm grip of the CCP with himself as the core. China’s efforts to portray its success in containing COVID-19 as a vindication of the CCP model of governance and development has run into intense flak.

Both the US and Chinese narratives are distinct from ours. India’s dissatisfaction with the Bretton Woods structures and the exclusivity of the UNSC is well-known. At the same time, India remains opposed to China’s BRI and Community of Shared Destiny, though it has been open to working with China through more transparent and participatory institutions such as the AIIB and the BRICs New Development Bank.

Today, as China gradually recovers from the pandemic, relatively earlier and faster than the West, Beijing's "charm offensive" and leveraging of its deep pockets may help it to further its geopolitical influence in some sections of the global community that have traditionally been at odds with Western style of democracy and liberalism. Its assistance to developing countries in mitigating the impact of COVID-19 could provide scope to proselytise its governance and development models.¹⁵ At the same time, China is facing a tremendous backlash from the US, Australia and large number of European countries who have sought to anathematize China's predominant presence in emerging technologies, such as AI and 5G, as well as in global manufacturing supply chains.

If geo-political skirmishing is set aside, the pandemic could open up new vistas of cooperation in healthcare and non-traditional security. India has already taken the initiative in SAARC and the G-20 to further dialogue and cooperation.

Military

Overall, the military advances by China notwithstanding, the U.S. defence spending far outstrips China's budget. Its nuclear arsenal dwarfs that of China. With the creation of a U.S. Space Force as a separate arm under the U.S. Air Force, the U.S. will seek to increase its superiority in network-centric warfare. Even as China has enhanced its Anti-Access, Area Denial (A2/AD) capabilities in the Asia-Pacific theatre, the US is likely to resort to new dimensions in its military posture without being hampered by the Intermediate-Range Nuclear Forces (INF) Treaty which has now been abandoned. As China's anxieties in the Asia-Pacific region grow, India may yet have to contend with a greater Chinese military presence in its periphery. The Western Theatre Command created in 2016 is responsible for the border with India. It is the largest of China's military regions, and the Tibet Military Command under it has been accorded a higher status than other provincial commands to widen its scope for combat preparedness.

The US may succeed in slowing down China's economic and military rise, but clearly not enough to put the genie back into the bottle. However, in the wake of COVID-19, nothing is absolutely clear, especially because the full impact of the pandemic on different economies is yet to pan out. China's early recovery appears a reality but vitiated relations with many countries around the world and flagging global demand rule out any magical recovery of China either.

Today, as one of the world's richest countries, the US can perhaps hope to recover quickly from the blows of COVID-19. Whether the economic distress unleashed by the pandemic also adversely impacts some of the US commitments in the context of the International Development Finance Corporation under the BUILD Act, aimed at countering China's expanding writ across the region, remain to be seen. The pandemic could have broader implications for military postures in the Indo-Pacific, as seen in the outbreak of the COVID-19 virus on-board the US Navy's Theodore Roosevelt, a

nuclear-powered aircraft carrier that heads the eponymous Theodore Roosevelt Carrier Strike Group (TRCSG), which had sailed from San Diego in January for a scheduled Indo-Pacific deployment.¹⁶ It is at the centre of a controversy involving the sacking of its captain and the vessel's ill-advised port visit to Da Nang in Vietnam earlier in March despite the high risk of contagion. Of course, China's PLA Navy (PLAN) could well be grappling with similar problems out at sea but, unlike in the democratic world, these facts will be treated as "state secrets".¹⁷

Clearly, the notion of national security, or global security, is being reshaped by COVID-19. Armed forces everywhere, often deployed in confined spaces ranging from bunkers to tanks and armoured personnel carriers to naval ships and submarines will also face tough choices in stemming the spread of the coronavirus without compromising national security. Beyond hard power and the threats of hybrid warfare, nations will have to rethink possible future scenarios and create numerically adequate forces of well-equipped pandemic experts, doctors and healthcare workers, to be the new foot soldiers in this battle.¹⁸

In this context, the U.S.-China rivalry coincides with an upward trajectory in India-U.S. relations. This is important for equilibrium and multi-polarity in Asia, even as India and China try and build much-needed trust and cooperation. Today, multipolarism is relevant for an Asia that seeks to build interdependent and institutionalised dialogue mechanisms to promote economic growth and to prevent differences from becoming disputes and contestation from degenerating into conflict. The role of structures such as the ARF, East Asia Summit and AIB, to name a few, will be crucial. Trade negotiations, whether bilateral FTAs or regional constructs such as the RCEP and the CPTPP, are weather vanes that indicate the shape of things to come. But they also provide opportunities to influence outcomes. Multipolarism in Asia will also strengthen the demand for early reform of the archaic institutions of a bygone era, especially the UN Security Council.

The current moment does provide India the opportunity to come even closer to Japan. This includes defence cooperation, provided Japan steps out more confidently on defence and security issues, at a time when it is seeking to manage its own considerable differences with China and inject stability through President Xi Jinping's visit in 2020.

COVID-19 and Wet Markets

In light of COVID-19, there definitely exists a case for greater scrutiny of "wet markets" in China, South-east Asia, and in many other countries around the world. From tigers, monkeys, donkeys and pangolins to snakes, bats, geckos and monitor lizards, all these have been subjected to illegal poaching and trafficking of parts around the world. Culinary traditions are a function of culture as well as geographical and climatic conditions. In the north-east of India, for example, it is common practice for the local people to consume many of the same animals that are associated with "wet markets". Roadside quacks across South Asia are seen extolling the spurious

curative powers of lizard oils and other extracts of protected species. Even the USA, which has enacted the Endangered Species Act in 1973, has not been able to eradicate animal farms that breed and trade exotic species. China operates commercial tiger farms for traditional medicine and South-east Asia does likewise with bears for bile extraction. All these activities increase the potential for zoonotic transmission of unknown and deadly viruses.

The need of the hour is to devise means that can deal more effectively with the illegal slaughter of exotic animals for bush-meat and the use of animal-extracts for traditional medicine. Efforts must be made to strengthen the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), a multilateral treaty with more than 180 member countries. There should be a renewed focus not only on the illegal international trade that is already covered by CITES but also the hazardous exploitation of exotic wildlife species within national borders. All signatory states, including China, must pass and enforce legislation to control the domestic consumption of wild animals. Dubious “wet markets” and animal farms must be shut down. India’s record of legislation in conservation and enforcement of penalties for the killing and exploitation of protected wildlife is better than most. There is considerable scope for the Modi government to take the lead in proposing that CITES be given more teeth to conduct international scrutiny and inspections.

Conclusion

Today, at a strategic level, global opinion seems stacked against China, notwithstanding its efforts to salvage credibility by shifting focus away from the origins of the coronavirus. US demands for accountability on the part of China are mounting. More than 130 countries, including India, co-sponsored a resolution, passed by the World Health Assembly on 19 May 2020 calling for an ‘independent and comprehensive evaluation of the global response, including, but not limited to, WHO’s performance’.¹⁹ There is talk of the coronavirus having originated in a laboratory in Wuhan, with speculation abounding about biological warfare programmes and accidental release. This provides an opportune moment to turn the spotlight on the inherent weaknesses of the Biological Weapons Convention (BWC) of 1975. It is a disarmament treaty that does not prohibit the retention and use of biological agents, including corona viruses, for prophylactic purposes which encompass medical research for diagnosis and immunisation. It has no verification protocol to deal with any suspected use of biological agents. Indeed, the UN Security Council can investigate complaints in this regard, but the veto power enjoyed by the permanent members, including China, renders this a chimera. In the run-up to the 9th Review Conference of the BWC in 2021, India could engage in consultations with other middle powers to evolve a regime that can provide better oversight.

As the world’s largest producer and exporter of cost-effective generic drugs, India’s readiness to ship the anti-malarial drug hydroxychloroquine to fight COVID-19 to others is a “good Samaritan” act in consonance with the ethos of *Vasudheva*

Kutumbakam (the world is one family). India is also in the race to produce a vaccine. If China is a “factory to the world”, India has the potential to be a “pharmacy to the world”. It can take on a new and well-deserved moniker, that of *Vishwa Vaidya* (global physician). This provides an opportunity to promote Ayurveda, which complements Yoga.

Today, the outline of the post-COVID-19 era, particularly in relation to economic recovery, healthcare and food security, is far from clear. There appear to be no clear-cut winners at this stage. However, given the inexorable centrality of the Chinese economy in global supply chains, it is a moot question if the economies of the USA, EU or Japan can achieve a major decoupling. COVID-19 has shown how China’s actions impact the entire world. Whatever the denouement in the matter of bringing China to book for its acts of commission or omission, its cooperation will be vital in reforming global institutions and practices.

India has not really benefitted from the trade and technology war between the US and China, nor from friction over territory, tenets and the military domain. The rift between the US and China over COVID-19 does not automatically translate into any clear-cut advantages for India unless it creates the necessary infrastructure and policy framework to attract global supply chains that may exit China, especially the American, Japanese and European manufacturers. There are strategic gains, however, in the context of a Global Strategic Partnership with the US and deeper cooperation in diverse fields, including defence and technology. As democracies, there is a convergence between India and the US in regard to values and their respective visions for a prosperous and stable Indo-Pacific region.

Given that India and China are neighbours, it is imperative that they live in harmony. There exists scope to deepen their developmental partnership, notwithstanding differences over issues such as the boundary question, trade, the status of Jammu and Kashmir, and China’s policy towards Pakistan. There is merit in strengthening the high-level informal dialogue process between the President of China and the Prime Minister of India which has helped stabilise relations. Just as India is cognisant of China’s sensitivities over Taiwan and Tibet, India expects China to be equally mindful of its sensitivities on internal matters such as Jammu and Kashmir.

A confident India appears fully capable of absorbing the shocks of the pandemic and striding forth to engage a world riven by trade wars and ideological contestation. There is no room for despair. Despite hardships, India can, and must, take the lead in bringing the world together to practice a new multilateralism which places the common interests of humanity above narrow national interests. Multilateralism in a post-COVID-19 world provides a strategic opportunity for India to emerge as an independent pole.

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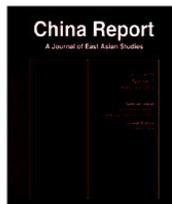


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