India-China Relations: Looking beyond New Delhi and Beijing

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Chinese President Xi Jinping with Prime Minister Narendra Modi during a meeting at Hyderabad House in New Delhi, September 18, 2014.

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It is pivotal for India and China to explore new ways in order to enhance bilateral political, economic, and cultural ties, which are likely to be drivers of global economic growth. To achieve this, it is important that the two countries look beyond New Delhi and Beijing, says Tridivesh Singh Maini.

Introduction

Bilateral trade between India and China has risen to nearly $70 billion from merely $2.92 billion in 2000, even the level of people-to-people interactions has witnessed a significant increase, though, of course, both the level of bilateral trade and people-to-people contact is far below its potential. Both governments have been making concerted efforts not just to boost bilateral trade, but also to enhance tourism. Indian Prime Minister Narendra
Modi’s announcement, during his visit to China in May 2015, of the e-Tourist Visa facility for Chinese citizens visiting India, is a positive step. The stringent visa regime is one of the major impediments to greater interaction between citizens of both countries. Apart from the revision to visa regime, 2015 and 2016 have also been designated as ‘Visit India’ and ‘Visit China’ years respectively. States like Kerala and Andhra Pradesh have already begun to woo tourists. Only recently, Kerala held a show in Beijing to showcase traditional martial arts of Kerala and the historical linkages between the southern Indian State and China.

It is pivotal for both countries to explore new ways in order to enhance bilateral political, economic, and cultural ties, which are likely to be drivers of global economic growth. One of the interesting dynamics of the bilateral relationship in recent years is the increasing emphasis, in both India and China, on increasing interactions between Indian states and Chinese provinces, cities and local governments. This fact is reiterated by a number of points which include the increasing number of visits of Indian Chief Ministers to China and Chinese governors and provincial leaders of the Chinese Communist Party to India, sister city agreements which have been signed between both countries in October 2013, during Prime Minister Dr. Manmohan Singh’s visit to China, and President Xi Jinping’s visit to India in September 2014. During Prime Minister Modi’s China visit in May, sister city agreements were signed between three pairs of cities: Chennai and Chongqing, Hyderabad and Qingdao, and Aurangabad and Dunhuang. It was also decided to establish a sister State-Province relationship between Karnataka and Sichuan.

Apart from this, both countries also signed an agreement to formalise interactions between Chief Ministers of India and Governors of China, titled the Provincial-State Leaders forum along the lines of the existing US-China Governors Forum. PM Modi and PM Li Keqiang inaugurated the first such forum. The Chief Ministers of Gujarat and Maharashtra were present at the forum.

Yelery, with regard to the importance of ties between Indian states and provinces, argues: “It needs to be noted that the Chinese have higher stakes in exploring novel ways to engage with India, whose economy is just US$2 trillion. As a result, new policies such as going out will be critical for the Chinese national economy and provincial actors especially will benefit from them.”

At the official level, there is acknowledgement that the increase in such linkages is helping the relationship. During the 18th special representative talks, co-chaired by India’s National Security Advisor, Ajit Doval, and Chinese State Councillor, Yang Jiechi, on the boundary issue, both sides highlighted the significant contribution to bilateral relations by the increasing interactions between Indian States and Chinese provinces, and the sister-city and sister-province mechanisms.

There is also a strong political consensus with regard to the need for greater economic ties, people-to-people contact and the importance of sub-national interactions between India and China. Both during the earlier Congress regime and the current Modi-led BJP government, these issues are being accorded high priority.

The aim of this paper is to provide a detailed background to interactions at the local level, and also to make recommendations to ensure that this process is more inclusive, effective and can make a significant contribution to the improvement of ties between India and China at the national level. Before doing so, however, it would be apt to provide a brief review of the existing literature in China and India, as well as other parts of the world, on the participation of states, provinces and other sub-national units in foreign policy.

Literature on sub-national interactions
It would be pertinent to point out that the increasing relevance of sub-national units in foreign policy has been widely debated by a number of International Relations scholars, not just in the context of Asia, but in other regions of the world, including Europe and North America. While the contributions to the literature on such interactions have come from a number of Western scholars like Ivo Duchacek, John Kincaid, Panayotis Soldatos, Brian Hocking and Cornago. Broadly, all these scholars have attributed such interactions to factors like globalisation, increasing economic interdependence and the role of diasporas. While Duchacek coined the term ‘Micro-Diplomacy’ and Kincaid coined the term ‘Constituent Diplomacy’, others such as Panayotos Soldatos, Cornago and Lecours have dubbed this trend as ‘Para-diplomacy’; Hocking has termed it as ‘Multi-Layered Diplomacy’.

The major difference between scholars studying this phenomenon has been whether in the outreach of provinces to the outside world, the central governments should be given greater importance or sub-national governments. Hocking, while arguing against para-diplomacy states, stated that they:

"...are suggestive of a second order set of activities, pale imitations of 'real diplomacy' and help to disguise the distinctiveness of what is being examined."

If one were to specifically look at the case of China and India, substantial research has been carried out by both Indian and Chinese scholars on the pro-active role of provinces in foreign policy in recent years, specifically in the context of economic relations with the outside world.

In the context of India, Sridharan (2003), while looking at the Indian case, has attributed this activism to a number of reasons which include the trend of coalition politics, the urge of States to seek foreign direct investment and the role of the diaspora. Hazarika cites the above reasons for increasing intervention by state governments in foreign policy. Says Hazarika:

"Although the Constitution clearly places foreign policy in the ambit of the Centre, factors like coalition politics and economic liberalisation allows some room for constituent units to engage in limited foreign policy pursuits, while the Centre retains the final authority."

If one were to specifically look at the participation of Chinese provinces in economic diplomacy, one of the key similarities between the Indian and the Chinese case is the desire of sub-national units to seek economic investment. Says Zhimin:

"Since 1978, under the leadership of Deng Xiaoping, China initiated economic reforms at home and started to open up to the world. This reform paved the way for the provinces, and particularly the coastal provinces, to take a more visible role in foreign affairs."

While there have been studies on the participation of sub-national governments from both countries in foreign policy, it is encouraging to see that in recent times there are studies that have been some direct comparisons of the role of Indian and Chinese sub-national actors in foreign policy. The most interesting study that makes such a comparison is by Antholis (2014). This brings to the fore the increasing importance of provinces in the foreign policy of both countries, and has sought to explain the reasons for participation of state governments and provinces in foreign policy. Argues Antholis:
“The power outside of their capitals has expanded dramatically in recent decades. Local governments have stepped forward with global implications. Sub-national leaders in charge of country-sized jurisdictions now drive economic development.”

Jabin Jacob and Nimmi Kurian, too, have made a notable contribution to literature, and have also pitched for looking at the relationship between both countries beyond the national capitals. While Kurian’s focus is the borderlands in both India and China, Jacob, apart from arguing in favour of closer interaction between sub-national units, has also argued in favour of granting a greater role to provinces in India.

Many are of the view that these interactions between States and provinces, especially China and India, is likely to get a strong fillip under the leadership of the current PM, Narendra Modi, a votary of strengthening ties beyond just capital cities. The PM has repeatedly spoken in favour of more exchanges between local governments on a number of forums, including multilateral ones. Said Modi: “We must proactively move beyond being Summit-centric. We must champion sub-national-level exchanges; champion engagement between our states, cities and other local bodies.”

It would also be pertinent to point out, that Chinese President Xi, like Modi, is also a regional leader. Interestingly, President Xi, during his visit to India last year, landed in Ahmedabad, and was one of the few leaders not to have landed in Delhi. The Chinese President also invited Prime Minister Modi to visit Xian, his own home town, and the Indian Prime Minister landed at Xian, which is the capital of President Xi’s home province Shaanxi, and is home to an important Buddhist site — the Wild Goose Pagoda.

The importance being given to sub-national diplomacy is strongly illustrated by the decision of India’s Ministry of External Affairs (MEA) to send Andhra Pradesh Chief Minister, Chandrababu Naidu, as head of a delegation to China. While the primary aim was to increase awareness about his State, it was one of the few occasions where MEA asked an Indian Chief Minister to lead a delegation. Modi during his visit to China was also accompanied by the Gujarat and Maharashtra Chief Ministers.

As mentioned earlier, the trend of sub-national playing an important role began in the 1990’s-early 2000’s after economic liberalisation. Initial sub-national activism in India was focused on the U.S., especially following the Information Technology boom. In recent years, there has been an increasing emphasis on strengthening links with South East Asian countries, especially Singapore and Japan. With the sharper focus on infrastructural development and urbanisation, a number of States are looking to countries like Singapore, which also happens to be the highest source of Foreign Direct Investment (FDI) to India. This increasing attention to South East Asian countries is also in sync with India’s ‘Look East Policy’ recently re-named ‘Act East’ by the government.

In China, this trend of sub-national participation in foreign policy began first with the coastal provinces reaching out to neighbouring countries. Cornago argues: "Chinese para-diplomacy begun in the Eighties in the coastal provinces of Tianjin, Shandong, Shanghai, Hainan, and specially Fujian and Guangdong, as a result of the necessary sub-national political management of the growing de facto economic integration with Hong Kong, Taiwan and Japan, in the framework of their experimental transition to capitalism. Due its extraordinary growth rate and magnitude, the case of Guangdong has a special relevance." It would be important to point out that local-level linkages, in fact, played an important role in enhancing not just economic ties between China and the U.S., but also giving a strong fillip to people-to-people contact between both
countries. Sub-national ties have been strengthened not just by visits by Chinese Provincial leaders to the US and vice-versa, but also the Sister City programme introduced in 1956 by President Eisenhower. The first sister city link between China and the U.S. was between the city of Nanjing in East China’s Jiangsu province and St Louis, Missouri, in 1979. Ever since, there are 44 twinnings between Chinese provinces and US states and 200 pairs of city-to-city exchanges.

In the context of strong grassroots-level linkages between the U.S. and China, it has been argued:

“While contentious political rhetoric often dominates in Washington when it comes to the US-China relationship, the grassroots conversation is often starkly different. That has been demonstrated by an increase of US governors and mayors making trips to and seeking ties with China.”

India-China sub-national linkages

If one were to specifically look at sub-national linkages between India and China, the partnerships between State governments and provinces have been going on for over a decade, and they are not a new development. The level has definitely witnessed an increase. In 2001, Li Peng, senior Communist leader, visited Bengaluru. This was followed by a number of visits by Indian Chief Ministers to China and Chinese governors and other provincial level leaders to India.

In recent years, the one instance which has been famous is the relationship between Gujarat and China. This is largely due to Modi’s efforts of reaching out to China. In his visit in 2011, Modi received a warm welcome from the Communist Party and interacted with important business leaders. He is also said to have remarked that “the two great countries will make Asia the centre stage of the global economy”.

Both provinces have close business linkages and have similar characteristics. It is not just Gujarat which is popular, a number of Chinese businessmen have also established close links with Bengalur and Chennai, two important hubs of economic growth of Southern India. In this context, it has been remarked, “The Chinese are learning the way from Beijing to Bengaluru and from Shanghai to Chennai.” It would be interesting to take a look at the interactions of other Indian states and Chinese provinces and high level visits on both sides.

Visits by Indian Chief Ministers:

Apart from Modi, other BJP chief ministers, including Shivraj Singh Chauhan of Madhya Pradesh and former Karnataka CM Yedurappa were invited by the Communist Party, while a number of others like the current Chief Minister of Karnataka, Siddaramaiah, Bihar Chief Minister Nitish Kumar and Manipur Chief Minister Ibobi Singh, and more recently Andhra Pradesh CM Chandrababu Naidu have also visited China. The focus of most of these visits have been economic, though efforts have also been made to foster linkages in other areas by exploring sister-city linkages. Two good examples are the visit by Bihar CM Nitish Kumar and the recent visit of Chandrababu Naidu. Nitish Kumar, who visited China in 2011 with a primarily economic emphasis, also explored the possibility of building linkages between Bihar and Shandong Province in China, which was home to a strong Buddhist tradition like Bihar. During his visit, the Bihar Chief Minister also addressed a conference on “Buddhism: Mapping Asia’s History and Culture” in Beijing on June 18, 2011.

Naidu during his recent visit to China met with important political leaders, including the Mayor of Beijing, Wang Anshun, the Chinese Vice-Premier, Wang Yang, Sichuan Governor Wei Hong, the Mayor of Chengdu, Tang
Liangzhi, and a number of potential investors. While some companies evinced interest in investing in Andhra, the State also signed MoUs with China Association of Small and Medium Enterprises and China Council for the Promotion of International Trade. The possibility of sister province relations between Guizhou and Sichuan with AP were explored. Mobile Giant Xiaomi, a Chinese brand, will produce smart phones at Sri City, and it has also tied up with Taiwan's Foxconn to start assembling phones.

Apart from visits of Indian chief ministers and governors of China’s provinces, an increasing number of party officials from the provinces have begun to visit India. Such visits, apart from enhancing business ties, have also been seeking to cement ties between cities and local-level municipalities.

Sub-national linkages between China and India are driven not just by interactions between political leaders. Chinese provinces, such as Sichuan and Yunnan, with a specific interest in South Asia have not only visited, but also organise events where they bring together businessmen from India. While Sichuan has been organising an economic roundtable, Yunnan Province organises an Annual South Asian Expo in Kunming. Greater participation of India in the forum was discussed during a meeting between India’s Foreign Minister, Sushma Swaraj, and the Governor of Yunnan, Gao Shuxun.

Apart from the possibilities of greater trade and investment between both countries, sub-regional organisations like Bangladesh, China, India and Myanmar (BCIM) Corridor have also helped in enabling ties between West Bengal and Yunnan. The Kunming Initiative, started in 1999, has resulted in a large number of exchanges between Calcutta (Kolkata) and Kunming and in 2003 both cities were twinned. Emphasising on the relevance of the BCIM corridor in promoting sub-national linkages between both countries, Jacob argues:

"The connection between Chinese provinces and India in the post-colonial and post-reforms period is the strongest in the case of China’s south western Yunnan province. The Bangladesh-China-India-Myanmar Regional Economic Cooperation Forum (BCIM) idea is the foundation of the new BCIM Economic Corridor (BCIM-EC) idea proposed by the Chinese in 2013…"

The Need to Expand Links Between Provinces

It is important to note that there is an increasing realisation in both countries that such linkages between both countries cannot be restricted to a few provinces. The main reasons for India seeking to increase its interactions with provinces in China are to increase goodwill and expand the constituency for better relations between both countries. There is an important domestic component to the same as well. While some regions have grown fast and have been successful at attracting Foreign Direct Investment (FDI), others have been left behind. The attempt is to reduce disparities between regions and seek investment to regions that have been left behind. PM Modi has spoken about the need for equal opportunities for economic growth and the need to bridge the gap between developed and under-developed regions.

One of the drawbacks of the current engagement is that it is restricted to a few provinces and states. Even the sister city linkages that have been signed have been driven more by economic character, for example Beijing-Delhi, Bangalore-Chengdu, Guangzhou-Ahmedabad. Sister state-province linkages to have been confined to a few regions; while during President Xi's India visit an agreement was signed between Guangdong and Gujarat, in December 2014, Wenzou and Maharashtra signed a sister province agreement.

While for long the focus was on the industrially developed provinces like Guangzhou, efforts are being made to engage with more Chinese Provinces. From India there have been efforts to engage with provinces like Zhenjiang
and Shandong. From China, provinces like Sichuan have been seeking to increase their presence in India and are looking to engage with newer provinces.

Politically too, efforts are being made to reach out to provinces that have not been given enough attention. While an invitation was extended to the CM of West Bengal, Punjab CM Parkash Singh Badal visited Jiangsu Province. It was proposed that Punjab too will enhance agricultural cooperation with Jiangsu, and in addition to this, they will seek to have sister city linkages. Only recently, the Chinese Ambassador to India, Le Yucheng, visited the border city of Amritsar and spoke about the possibility of extending the China-Pak Economic Corridor till the Indian border (Attari). In November 2014, Sichuan Province also extended an invitation to the Chief Minister of Telangana. In a letter to the Chief Minister, the Deputy Director of Foreign Affairs, Zhang Tao, referred not just to the massive opportunities for cooperation between both provinces but also the historical and cultural similarities and how both provinces are bound by a strong Buddhist heritage. In May 2015, the Deputy Mayor of Chengdu (capital of Sichuan) visited Andhra Pradesh and met with Chief Minister Chandrababu Naidu. The trade exchange between Chengdu and India is estimated at 1 billion USD for last year.

While it is encouraging to see that engagement between cities of India and China is increasing, there are a number of lessons that both countries can pick up from the engagement between the US and China.

The U.S.-China Experience; Can India and China Follow Suit?

The U.S. and China have immensely benefited from such local-level linkages culturally, politically as well as economically. While at the economic-level local linkages established through visits of provinces to the U.S. and vice-versa have been enabling factors, the twinning of cities in both countries has also helped in deepening the relationship. One example that is often cited to highlight the relevance of sister province arrangements is the Iowa-Heibeii sister province arrangement. President Xi first visited the U.S. in 1985 due to a sister province agreement signed between Iowa and Heibei. In 2012, when he visited the U.S. as the Vice President, he travelled to Iowa and met the Governor of Iowa, Terry Branstad, whom he had met in 1985 – interestingly Branstad was the Governor of Iowa in 1985 as well.

There are some interesting facets of sub-national linkages. Firstly, it is not restricted to a select few provinces-states and second, the links are substantive in nature, and seeks to expand ties in the sphere of education and culture. Most significantly, during the recent recession, it is the sister city linkages that have helped in enhancing economic ties between both countries. This is especially true for the recession of 2008.

In 2011, both countries initiated a U.S.-China Governors Forum, a memorandum for the same was signed by former Secretary of State Hillary Clinton and the then Chinese Foreign Minister Yang Jiechi in January 2011, while the first forum was held in Salt Lake City in July 2011. This forum has helped in expanding ties at the sub-national level and a number of issues, including trade, environment and educational linkages, have been discussed in these forums.

Challenges

While efforts towards strengthening links at the local level, such as sister province and sister city agreements, can only be lauded, it is important to ensure that they have substance to them and are not just mere agreements. While the Kolkata-Kunming agreement is important because of the BCIM corridor and engagement, other existing
agreements should be strengthened, and both sides should seek to ensure that such relationships are mutually beneficial.

It is not just policy makers and the business community in both countries that are stakeholders in this process of greater engagement at the local level between Chinese Provinces and Indian states. Scholars too need to make a positive contribution. While certain Indian scholars like Kurian and Jacob have done some significant work on the importance of sub-national cooperation between both countries, the Track II exchanges, such as the Kunming Initiative between institutions in India and China, have helped in increasing awareness about each other’s views.

Greater collaboration is needed between scholars from both countries. They should devise new models of sub-national cooperation based on the Indian and the Chinese experience and add to the existing literature that is predominantly Western. Asia should not just drive economic growth, but should also influence scholarship on important issues, including the role of sub-national actors in economic relations.

Finally, logistical issues like the complex visa regime need to be addressed not just for giving a boost to the economic relationship between both countries, but also facilitating more meaningful people-to-people contact.

Conclusion

In conclusion, it would be fair to say that the political class in the two countries, both at the national and state/provincial levels, have displayed maturity and foresight in seeking to strengthen the relationship. The business community and intellectuals from both countries have also contributed to the improvement in relations and the removal of misconceptions and misunderstandings. It is imperative for all stakeholders, not just political players, to play their part in bolstering this very important relationship. The role of sub-national political entities is crucial in this context. Apart from this, it is important that the regional leaders’ forum that has been begun does not focus merely on a few states which have close economic links, but seeks to expand the partnership to build linkages between states and provinces which have historical links, and are keen to promote greater people-to-people contact, or those which have commonalities in areas like agriculture — an example being Punjab and Jiangsu.

End Notes


Antholis, W (2014), 'Inside out India and China: Politics goes global', p.6


Ibid

See Rudolph and Rudolph (2001)


33. Ibid


43. ^ The Economic Times, ‘Telangana CM invited to Sichuan Province’. November 29, 2014


45. ^ Read, B and Zhang, Gang, ‘Chinese Vice President Xi visits Iowa: Branding the PRC’s next leader’. Foreign Affairs, February 14, 2012.