

Chapter 1

Introduction: China, India and the New Asian Drama

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In 1968, Karl Gunnar Myrdal, a Swedish economist, politician and Nobel laureate wrote his landmark study *Asian Drama: An Inquiry into the Poverty of Nations*.¹ This work pessimistically analyzed the difficulties of development in South Asia and the widening gap between rich and poor nations, and concluded that the Asian drama could well turn out to be a tragedy. In the same year the *Asian Drama* was published, India was mired in economic stagnation and Maoist China was in the throes of the self-inflicted Cultural Revolution. Few could have imagined from the vantage point of 1968 that barely four decades later a new and contrarian Asian Drama would unfold — the rise of China and India on the global stage. Both countries are emerging economic power houses, autonomous great powers in their respective regions, and are major civilizations. Indeed, they have exercised cultural “soft power” in Southeast Asia for more than a millennium. In 2008, China put on a spectacular display and a great feat of organization at the Beijing Summer Olympics and succeeded in stunning and wooing a global audience.

The importance of these two Asian giants can hardly be exaggerated. Combined, their population comprises more than a third of

¹ Karl Gunnar Myrdal, *Asian Drama: An Inquiry into the Poverty of Nations*, 3 Vols. (New York: Pantheon Books, 1968).

Table 1: Top 10 Countries: Economy

Country	GDP (PPP): US\$
1. US	13,840,000,000,000
2. China	6,991,000,000,000
3. Japan	4,290,000,000,000
4. India	2,989,000,000,000
5. Germany	2,810,000,000,000
6. United Kingdom	2,137,000,000,000
7. Russia	2,088,000,000,000
8. France	2,047,000,000,000
9. Brazil	1,836,000,000,000
10. Italy	1,786,000,000,000

Note: Figures are 2007 estimated.

Source: Central Intelligence Agency, *World Factbook*, 4 September 2008.

humanity. The Chinese economy today is already the second largest in the world while India is ranked fourth according to PPP (purchasing power parity) calculations (Table 1). Even though both countries do not share the same regime types — India is an electoral democracy while China a nominally communist system — they have shifted away from stultifying central state planning and embraced market forces and reforms. In this regard, they are now enjoying considerably higher rates of economic growth which have helped to reduce mass poverty.

While India and China are by no means rich countries on a per capita basis, they are now undergoing a social and economic transformation including the rise of a significant urban middle class underpinned by mass consumerism. If these two countries were to maintain their present rate of economic growth, they could conceivably wipe out the scourge of poverty within a few decades time. But even then, they will at best become middle-income nations on a per capita basis given their gargantuan population size.

Moreover, China and India are political, technological and military heavyweights in their regions. China is a permanent five member of the United Nations Security Council while India is seeking a similar status

in that global body. Both countries are nuclear powers. In 2005, Prime Minister Manmohan Singh and President George W. Bush signed a major atomic energy pact which allowed the transfer of Western technology and cheap atomic energy to India. Prime Minister Singh declared in September 2008: “We are on the verge of securing a new status in the global nuclear order”.² In the same month, China conducted its first space walk and became the only third country after the US and Russia to send astronauts into space. In the following month, India successfully launched its first unmanned mission to the moon. Apparently, India plans to send a man to the moon by 2025.

Unlike Japan which is a one-legged economic giant, India and China are “complete” great powers in international politics not allied or the junior partner to any superpower, and underpinned by economic, military and cultural strength.

While India and China’s rapid rise is indeed impressive, three caveats must be lodged. First, even though the ascendancy of both Asian giants is often stated in the same breath, we argue that there are considerable differences between them. Simply put, China still is ahead economically. Indeed, China has set a blistering pace in its economic development and India has yet to draw abreast with the former. Moreover, China has established an excellent physical infrastructure of roads, rails, bridges and airports, India has yet to match China in this dimension. However, India seemed to have leapfrogged from an agrarian nation to one with considerable expertise in computer software, and call centers. But India has not become a manufacturing hub of the world like China. In this regard, both nations have carved out their comparative advantage. Nevertheless, China and India, like other countries in the world, are confronted by a “once in a life time” global financial tsunami triggered by the US sub-prime mortgage crisis in 2008–09. If both countries can weather this economic crisis well, their role as emerging great economic powers appears secure.

² “Indian PM says nuclear deal to bring new status”, Channel News Asia, 28 September 2008. Available at <http://www.channelnewsasia.com/stories/afp_asiapacific/print/378938/1.html> (Accessed on 29 September 2008).

Second, both nations share the challenge of governing huge countries with significant ethnic minorities. Although the ethnic Han Chinese comprises 92 percent of China's population, the nation has 53 recognized minority groups who occupy large areas of the nation's land mass. Beijing has to deal with restive Tibetans and Muslim separatists in Xinjiang province. Similarly, India is a plural society differentiated by ethnicities, sub-cultures and the caste system. Besides the potential political fault lines between the Hindus and the Muslims, India is also confronted by a low intensity and yet troubling armed insurrection by the Maoist-inspired Naxalites in more than ten provinces. Both countries also have problematic neighbors. China may face the challenge of an imploding North Korean regime (which is nuclear armed) after the death of its dictator Kim Jong-il, a flood of refugees and instability in the Korean peninsula. India is bedeviled by an unstable Pakistan (another nuclear power). The mayhem in Mumbai where Pakistani-linked Jihadis terrorists struck at civilian targets in November 2008 poignantly reveals the vulnerability of India despite its ascendance as a great power.

Third, there are occasional setbacks to the good images of both countries. In 2008, China was rocked by a food scandal in which its milk products were contaminated by melamine which affected the health of at least 53,000 infants. Despite the considerable progress of China in many sectors, the milk fiasco poignantly shows that the country has a weak and inadequate regulatory system. Not surprisingly, the contamination of food produced in China has created disquiet in the export markets of the country. In the same year, a mob of Indian workers bludgeoned to death the head of the Indian operations of Graziano Transmissioni, an Italian manufacturer of car parts, who sacked them from a factory in a suburb of Delhi. In another incident the same year, the Tata industrial group which planned to build the world's cheapest car threatened to relocate the factory in West Bengal after political activists and farmers besieged the existing site. While both incidents in India may be dismissed as dramatic but isolated incidents, we wonder whether there is considerable ambivalence if not resistance towards industrialization among certain local governments, workers and farmers in that nation.

Notwithstanding these problems, India and China continue to enjoy rapid economic development. The industrialization of the US, Western Europe and Japan have created considerable socio-economic, political and environmental problems and tradeoffs in the past and, therefore, China and India's developmental problems and challenges are by no means unique. This observation is not an excuse to absolve the lack of proper regulation in certain cases by Chinese or Indian authorities but just an awareness how difficult it is to direct the Asian Drama from the poverty to the wealth of nations. Indeed, a precondition for human security and dignity is the eradication of poverty and both China and India are making progress in this area through rapid economic growth.

This book seeks to examine the views of indigenous scholars from China, India and Southeast Asia towards the rise of both giants on the Asian stage. We do not seek to impose any straight jacket orthodoxy in their mode of analysis and have purposefully allowed each scholar to pick his line of enquiry from a country perspective. The views of this book is, therefore, eclectic — a mirror of many views, some divergent, towards the rise of India and China. Indeed, this diversity of views reflects the uncertainty, different perceptions and values of many East and South Asian specialists as they watch the new Asian Drama unfolds. To use the analogy of critics, reviewers and spectators at a play with different tastes, experiences and expectations will naturally have different impressions of the on going Asian Drama with many more episodes to come.

Chapter Summaries

Ding Dou's opening chapter analyzes the rise of China from a Chinese perspective but using Western traditional international relations (IR) approaches: realism, liberal institutionalization and constructivism. He gives a succinct survey of the different schools of thought amongst Western IR scholars and tests them against Chinese nativist and indigenous worldviews and concepts. He takes care to highlight the delicate interchange of ideas in Sinology, such as the penetration of the institutionalization approach and functionalism

into the Chinese IR community. After surveying various approaches, Ding concludes that Chinese foreign policy has one overriding concern — to manage domestic issues without being bogged down by regional and international entanglements. In Ding’s view, China accepts the concepts of liberal institutionalization and the constructivism, especially interdependence, rules and norms to integrate itself into the world architecture.

In the next chapter, Seethi argues that the structural conditions necessary for India (and to some extent China) to emerge as the world’s economic powerhouses are apparently not guaranteed. Instead of conceptualizing the rise of these two Asian powers as preordained, they could serve instead as models that are adaptable to contemporary global challenges. Rather than focusing on competition and rivalry, Seethi also sees similarities between them with great potential for exchanges and mutual sharing of ideas and developmental experiences.

Next, Morada argues against conceptualizing the ascendancy of China and India solely as a zero-sum game or balance of power rivalry. He pleads for an ASEAN not driven by the “realist” competitive balance of power which might determine or constrain its ability to engage these emerging powers to play a more positive role, and for them to become responsible stakeholders in the region. The commonalities that the two rising powers have with ASEAN states, in his view, are just as important as the differences.

In the following chapter, Saravanamuttu adopts a complex internal perspective, peering into Malaysia’s racial relations and its conceptualization of Chinese and Indian minorities as well as their impact on Malaysia’s relations with China and India. Malaysia negotiates its foreign relations and other externalities delicately, taking into account complexities of its multiracial internal makeup under the rubric of Malay political dominance.

Koide in the next chapter paints an anxious picture when discussing Japan’s coping mechanisms with the rising China and India. He seems to differentiate the two: with the impact of China’s rise felt much more keenly in Japan while India’s rise still remains in the realm of perception and projection. Koide also highlights potential roles that Japan can possibly play in the post-Pax Americana global order: such

as a strategic balancer between the two regional giants or an “environmental” great power.

Besides empirical, historical and geopolitical comparative studies, this edited book also looks at foreign policy themes like pragmatism and strategic thinking. Lim in the following chapter focuses on the thoughts of Michael Leifer, Kishore Mahbubani and Tommy Koh (three Singapore-centric analysts with their backgrounds straddling diplomacy and academia) on the rise of China and India. Through his analysis and portrayal of Singapore’s foreign policy, one can detect the adroitness, pragmatic and strategic nature of Singapore’s relations with rising powers and understand why such a small city-state has survived and prospered in an unpredictable environment.

Pragmatism is similarly examined by Prapat in the next chapter who argues that Thailand has a strategic culture acutely and skillfully attuned to shifting balances of power. Indeed, Thailand and Japan are the only two Asian countries not colonized by the West. According to Prapat, if Thailand were to adhere to this pragmatism of adapting and harnessing emerging configurations of power, the nation should not encounter serious problems but will even benefit from the rise of China and India.

The Future of India and China’s Rise

That China and India are ascending in the next few decades has become a mainstream view today. However, the fate of nations is unpredictable even when things may appear to be rather rosy now. There is a saying: “Sometimes just one inch ahead is darkness”. Simply put, while we may draw on the lessons of history, the future is often unpredictable. While there is much to be optimistic about the future of India and China today, many imponderables remain for them and other nations too. Conceivably, there are at least three challenges for India and China.

First, rising powers are often viewed with suspicions by other great powers which have benefited from the status quo and the rules of the game in the international political economy which they have shaped for their own interests. While the US remains the sole superpower today, it is mired in the battlefields of Iraq and Afghanistan and staring at a

global finance crisis of its own making — triggered by its toxic sub-prime mortgages. This crisis has also become a contagion to global financial markets where trillions of dollars have been wiped out. While American military power and technology remains unrivaled today, economic and cultural power are much more diffused in the world. How will the US superpower deal with the rise of India and China in the decades ahead? Will the US seek to maintain its global hegemony and prevent the two Asian giants from moving up the global pecking order? Will their relationship be characterized more by competition and tension than cooperation?

Second, can India and China harmonize their relations with their smaller neighbors? Pakistan, Nepal, Sri Lanka and Bangladesh are often weary of the Indian giant next door. However, Pakistan has fought three wars with India and is now a nuclear power in its own right. Moreover, Pakistan is politically unstable and is ungovernable in the areas bordering Afghanistan much to the worry of India. Relations between China and its neighbors appear cordial with the exception of Japan which has yet to resolve its “burden of history”. While the Southeast Asian countries welcome the peaceful rise of China, there are also whispers in this region asking: “China might well be peaceful when it is rising. But will China remain peaceful *after* it has risen?” In addition, territorial disputes remain between China and Vietnam, Malaysia, the Philippines and Brunei over the Spratly islands in the South China Sea. The onus is, therefore, on the two Asian giants to be considerate to the sensitivities of their smaller neighbors which will jealously safeguard their sovereignty even against larger powers.

Third, is the issue of good governance for India and China. Will both countries have good political leadership in the years ahead? Despite, the robust and time tested nature of Indian democracy, can it provide enough safety valves to accommodate its citizens including the disaffected from armed insurgency? In the case of China, can political reforms keep pace with economic development to allow its citizens more meaningful participation in policymaking? Will the Chinese leadership have the wisdom to address the desire for greater autonomy and identity among some of its ethnic minorities?

These are imponderable questions and only time can tell whether India and China can live up to the high expectations among many that they will be rising for decades to come. If both giants were to become the leading actors in the New Asian Drama and help to transform the region from the “poverty of nations” to the “wealth of nations”, then their rise will not only benefit themselves but possibly spearhead a new Asian Renaissance.