

REVIEW ESSAYS

BEYOND RHETORIC: SINO-INDIAN RELATIONS IN AN ERA OF INTERDEPENDENCE

Aditi Malik

China and India: Prospects for Peace

Jonathan Holslag

(New York, NY: Columbia University Press, 2010), 248 pages.

With the simultaneous rise of two titans in Asia, India and China, what are the features that mark their relations with one another? Furthermore, what can current relations tell us about future prospects for peace between the two nations? These are the fundamental questions with which Jonathan Holslag is concerned. He notes that these are not new questions but ones that have been the subject of continuous debate. He argues that this debate has broadly produced two camps: the first camp is focused on the “security relationship,” while the second analyzes the above questions from the perspective of the increased interdependence between the two nations. Holslag aims to situate his work by taking into account information from both camps.

Security scholars often point to how the two nations are engaged in a struggle for dominance and hegemony—particularly in Asia—and that given these ambitions, “shifting power balances and geopolitical rivalry are not likely to abate.”¹ By considering and analyzing the effects of a number of independent variables—including expansion of now unequal trade relations, public opinion on *rapprochement* between the two nations, the military security dilemma and regional ambitions—Holslag contends, “improving relations and many common interests have not neutralized conflict...the trading states of China and India are still stuck in a persistent security dilemma...in the end, commerce tends to exacerbate rather than militate conflict.”² Thus, he is far more cautious in his assessment of Sino-Indian relations than those scholars who emphasize the multiple zones of interdependence between the two nations.

Nevertheless, an overarching theme of complex interdependence runs through this entire work. A concept first proffered by Robert Keohane and Joseph Nye in their seminal 1977 work, *Power and Interdependence: World Politics in Transition*, it posits that in situations marked by complex interdependence, (a) multiple channels connect societies—including interstate, transgovernmental, and transnational organizations; (b) “military security does not consistently dominate the agenda” of interstate relationships given increasing interaction between the economic and environmental sectors; and (c) “military force is not used by governments toward other governments within the region, on the issues, when complex interdependence prevails.”³

It is clear that those scholars who emphasize the interdependence between China and India draw substantially from Keohane and Nye’s work. Admittedly, there are numerous realms in which the two countries are interdependent. For example, while China is the dominant player in the hardware sector, India has a comparative advantage in software. Similarly, while China specializes in export-oriented industrial production, India is a leader within the commercial services realm. This situation can and has been used to the benefit of both nations.

Holslag also offers a masterful and comprehensive analysis of all the realms beyond trade where the two countries have shared interests—for example, both are keen to ensure that Pakistan does not turn into an Islamic state. His analysis brings to the fore critical questions; simply put, why has complex interdependence not brought about a *rapprochement* between the two nations? Why are they “still trapped in their protracted conflict?”⁴

In order to address these issues, Holslag makes a key move in looking beyond the interdependence rhetoric that is rife in both nations. Slogans such as *Hindi Chini Bhai Bhai* (loosely, “Indians and Chinese are brothers” in Hindi) have existed in earlier phases of the relationship between the two nations; today, such discourse is all the more present and persistent. And yet, the rhetoric misses—or perhaps disguises—the fundamental nature of the relationship between China and India. Holslag points to a number of statements that indicate that the two rising giants see one another not as mutual threats but approach one another on friendly, positive terms. The very term “Chindia”—the concept of the two integrating markets—is a manifestation of this discourse. Similarly, India’s minister for commerce and industry Kamal Nath does not see this as an “India versus China debate, but rather in an India with China context.”⁵

In making a case from the interdependence camp, one could arguably use this as confirmatory evidence that prospects for peace between the two nations not only exist, but are real to their citizens. However, in exposing the rhetoric for what it truly is—at best, mere words and at worst, a means to intentionally mask sim-

mering and potential conflicts—Holslag challenges the utility of employing rhetoric as an indicator of relations between China and India. In addition to looking beyond official talking points, another key strength of this work is the multitude of sources from which Holslag builds his analysis. Not only does he obtain official information from both Chinese and Indian quarters, he also considers this information in light of scholarship produced abroad. The depth and breadth of his data renders his conclusion even more convincing. In his final paragraph, Holslag concludes:

Commerce and conquest are not mutually exclusive. It is an illusion to believe that economic interdependence has replaced the traditional designs of military deterrence and competition for regional influence. The growing interest in commerce has in fact fueled power plays. In the end trading states remain conquering states.⁶

Whether this premise will continue to mark Sino-Indian relations is an open question. However, at least for the time being, this analysis certainly does accurately describe the relationship between China and India. As such, Holslag delivers a compelling argument. Future scholars can benefit from this work by taking similar approaches that use available data to critically examine official rhetoric.



NOTES

¹ Holslag, *China and India: Prospects for Peace*, 3.

² Holslag, 8.

³ Robert Keohane and Joseph Nye, “The Utility of Force in the Modern World: Complex Interdependence and the Role of Force” in *Power and Interdependence: World Politics in Transition* (Boston: Little Brown, 1977) 175–176.

⁴ Holslag, 1.

⁵ Holslag, 65–66.

⁶ Holslag, 172.

ASIAN KNOWLEDGE-BASED ECONOMICS: COMPLEX AND CONVOLUTED

Maria Y. Wang

The New Asian Innovation Dynamics: China and India in Perspective

Govindan Parayil and Anthony P. D'Costa, eds.

(Hampshire: Palgrave Macmillan, 2009), 320 pages.

The two Asian giants are more fascinating than ever. China is fresh from surpassing Japan as the world's second largest economy. Meanwhile India, also poised to become a superpower, finds itself in the precarious position of being both China's historical rival and a potential ally in many economic activities that could propel each to the heights of prosperity.¹

Against this backdrop, many will be intrigued by *The New Asian Innovation Dynamics*, edited by Govindan Parayil, vice rector at the United Nations University in Tokyo, and Anthony P. D'Costa, professor in Indian studies at the Copenhagen Business School, Denmark. This twelve-chapter volume is a painstakingly detailed exploration of the trends, drivers, challenges and so-called systems of innovation in China and India in the information technology (IT), pharmaceuticals and biotechnology sectors. At its core, this work is a study of the dynamics of growth, with a focus on knowledge intensive activities—as distinct from labor, resource or capital-intensive ones—and how such activities are upgraded and upscaled in China and India.

The editors explain that they sought contributions from participants of the first international conference of the Nordic Institute for Asian Studies (NIAS), entitled “New Asian Dynamics in Science, Technology and Innovation,” as well as others whose opinions could enable a balanced picture of the subject matter. It is therefore surprising that only two of the contributors were drawn from outside academia. This is particularly incongruous given that academic institutions are only one category of relevant actors and the book is concerned with how academia, government and multinational corporations interact with one another.

The volume is so rich in detail and jargon that it seems to presume a degree of prior knowledge with concepts of a “knowledge-based innovation system” and the theoretical frameworks through which such systems can be analyzed, such as the oft-cited triple helix model.

However, for those wishing to launch directly into *The New Asian Innovation Dynamics*, a suggested *entrée* is chapter eight by Jan Vang, Cristina Chaminade and Lars Coenen. This chapter details the theoretical framework it proposes to use before delving into the complexities of knowledge-based systems in Asia, as exem-

plified by Bangalore, India.

The book proceeds on the untested premise that technology and innovation are in and of themselves desirable, forgetting that they are only one means of development, not an end goal. There is very little discussion of the impact of innovation on living standards in China and India, or on its social and moral dimensions, specifically how to ensure its positive outcomes are equitably distributed. One might question the advantage of improving systems of innovation if the economic benefits flow disproportionately to those who are already better-off and have the ability to access technology or medicine.

Each chapter approaches the very broad theme of “innovation dynamics” with lenses of varying focal power. Some focus on a single country, while others are comparative; some look mostly at the strategic choices of domestic actors, whereas others are concerned with the impact of foreign drivers. Some concentrate on one sector or choose one actor—such as universities, firms or the government—as the focal point, while others may examine two or more sectors and the role of multiple actors in each of those sectors.


Yet, it is important to note that the chapters do not adopt a consistent theoretical framework. This divergence of parameters renders the identification of any points of departure between chapters impracticable and moot. The beauty of these diverging parameters, however, is that when common themes or empirical observations emerge, they do so with particular credibility. Some notable examples of this follow.

Human capital. China and India are both experiencing a brain drain. Both countries find themselves unable to retain or attract their brightest, thereby hindering indigenous innovation. While talent mobility can also work in their favor by improving knowledge networks and cross-border collaboration between R&D units, the capacity-building benefits from such networks and collaboration remain limited. For example, in chapter seven, Kjersem and Gammeltoft found that Chinese R&D units receive basic, well-defined assignments while the more creative, pioneering aspects of innovation tend to remain within the purview of their Western counterparts.

Social capital. Actors within the innovation system must cooperate rather than compete. While the sharing of knowledge and information can reduce transaction costs and improve efficiency, a lack of trust will stunt absorptive capacity at the firm level, a prerequisite of innovation. In chapter four, D’Costa points to the lack of cooperation between Indian IT firms as an example of a systemic barrier to upwards progression in the value chain. Though a firm might become an expert at producing an individual component of complex software, it cannot progress to working on the design and structure of the software without first knowing how the

Review Essays

various components interact.

Understanding what makes these two Asian knowledge-based economies so successful is not easy. While *The New Asian Innovation Dynamics* offers a plethora of perspectives for the constant reader or researcher, it would require greater cohesion and bolder analysis to truly put “China and India in perspective.” 

NOTES

¹ “India and China: Contest of the Century,” *Economist*, 19 August 2010.