

THE BIG QUESTION

China vs. India

WHICH COUNTRY WILL EMERGE AS THE LEADING POWER?



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FEATURING

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Two of the world's giants—the first and second most populous nations—share a single continent, but vastly different visions of their region and the world. China and India each have a legitimate claim to hegemony, to leadership, and to a shared or competitive future. We asked our panel of global experts which nation would emerge as Asia's leading power in the future.

POWER AND RESPONSIBILITY YANZHONG HUANG

Among the newly emerging economies, China and India are often thought of as the two undisputed candidates to overtake the United States for world leadership in the foreseeable future. The rebalancing of wealth from West to East has led to growing expectations that Beijing and New Delhi will leverage their increased influence to address global governance challenges including trade, development, climate change, and transnational health problems. Indeed, China and India are more proactive in dealing with global issues. Both are steadily moving away from being recipients of foreign aid to net donors. In health, both show they are increasingly willing to take the lead. India is challenging the global intellectual property regime and redefining affordable drugs, and China is working closely with the Global Fund to Fight AIDS, Tuberculosis and Malaria to expand development assistance in Africa.

Still, neither Beijing nor New Delhi seems to fully appreciate that with their great power comes great responsibilities. Levels of development assistance from China and India remain low compared to traditional Organization for Economic Co-operation and Development donors. Given their tremendous domestic development challenges—used by both to justify their lagging levels of development assistance—it is unrealistic that these two countries would be able to assume the responsibilities incumbent upon a global power, especially in areas not directly tied to their core interests.

Global leadership also encompasses the ability to produce and present robust ideas and models for other countries to emulate in the projection of power. While

their domestic and foreign policies and practices have enriched the conceptual bases of global governance, China and India fail to provide viable, coherent, and sustainable alternatives to the dominant transnational framework. A closer look at their engagement in global health suggests that while both contribute to an alternative governance model, most components of the model—such as the emphasis on bilateralism and a state-centric approach to international health cooperation—are neither novel nor innovative, and their effectiveness remains in question. In short, despite the rapid ascendance of China and India, neither country is ready yet to become the leading global power.

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STANDING DOWN ARVIND GUPTA

Despite border disputes and growing military and economic asymmetry, both India and China have managed to successfully cooperate on a number of security and trade issues. Summit meetings are regular, and a large number of communication channels are in operation. Both countries also cooperate at the multilateral level, as members of G-20, BRICS, and the East Asia Summit.

India is the world's largest functioning multiparty democracy. It has weathered four major wars, is nuclear capable, and has a large, peaceful footprint. Its potent military, diversified pool of scientific talent, sound banking system, and skilled human resource base are the envy of many. These

are just some of India's strengths. Moreover, India now has strategic partnerships with the United States, Japan, and a number of emerging powers. China is still a government of single-party rule whose legitimacy rests on its ability to deliver high economic growth year after year. But the Chinese economic model has spawned deep economic inequities, environmental degradation, and widespread corruption.

Last year, the Chinese Communist Party replaced old leaders with new ones in a highly secretive process. Meanwhile 700 million Indians are preparing to vote for the 15th time since the country gained independence from Britain. In a democracy, change may be slow to come, but will be long-lasting. One-party states are more brittle and vulnerable to breakdowns, as was the case with the Soviet Union. It remains to be seen whether China endures the strains of unequal growth in a one-party system. In the race between a fast moving but erratic hare and a slow moving but steady tortoise, the latter wins. India is better placed than China to face uncertainties. Its democracy, plurality, and large soft power would see it through any race it may have to run. The Chinese dream may turn out to be brittle.

Arvind Gupta, director general of the Institute for Defence Studies and Analyses, a Delhi-based think tank, is a former member of the Indian Foreign Service and joint secretary at the Indian National Security Council Secretariat.

AN ASYMMETRICAL CONTEST RORY MEDCALF

Who would win a geopolitical power struggle between China and India? In the short to medium-term, the answer is simple: China. But in the long run, the answer is more complex. In economic heft, military clout, and the

sheer ability to harness all elements of national power for a strategic purpose, China wins hands down. Despite a burst of optimism about Indian double-digit GDP growth a few years ago, the gap between the two economies has begun widening again. Both economies may be stumbling, but India's near-term problems are worse—the country desperately needs a new wave of economic reform and business confidence.

But sensible Indian strategists know the contest between the two mega-states is not symmetrical. India does not need to coerce China; just deter it. A modernized navy, nuclear-armed modern submarines, and partnerships with others, especially America, may help it do just that. And in the long run, India still has some internal advantages. Its young population—if only it can educate and employ them—and its resilient, if messy democracy are both shock absorbers for political discontent.

The crucial question for global peace and prosperity is not who will win between these giants, but can they coexist? Neither is looking for a fight, but even their most profound point of commonality contains the seeds of competition, and perhaps conflict. Resource demands and the geographic expansion of their interests across a shared Indo-Pacific region means that new frictions will arise beyond tired issues like the unresolved border dispute or China's military assistance to Pakistan. The world has yet to see what happens if a 21st century version of Chinese and Indian nationalism truly collides.

Rory Medcalf, a veteran Australian diplomat and former senior strategic analyst with the Office of National Assessments, Australia's intelligence agency, directs the international security program at the Lowy Institute.

BEYOND GDP GISA DANG

Becoming a superpower is not solely a question of GDP. A nation seeking leadership on the international stage encourages citizen involvement in political processes and upholds international covenants. In the fields of health and human rights, assessing superpower status needs to include a country's commitment to realizing the highest attainable standard of health, as expressed in the Right to Health laid out by the International Covenant on Economic, Social and Cultural Rights (ICESCR), ratified by both China and India.

Experience across the globe shows that a successful HIV/AIDS response relies on close collaboration with civil society—allowing people from marginalized communities to organize and express their needs and ideas for positive change through effective and direct communication with their governments. Compared to India, where members of marginalized communities are highly visible in the HIV/AIDS response, Chinese civil society remains weak, though it has grown quickly over the past decade. NGOs in China often cannot register, lack funding and professional staff, and few are represented on international or regional levels. Calcutta hosted the first International Sex Worker Freedom Festival last year, which advocated labor rights for sex workers, and an end to criminalization of the trade. This same event could not have happened in China.

When able to develop and flourish, community organizations are instrumental in developing policies that support rather than discriminate. They understand firsthand the challenges to be addressed. Engaging with civil society means allowing for discourse and differing opinions, not harassing those that engage in

policy work. A real superpower must support growth of domestic NGOs as part of its own growth, not hinder them.

Gisa Dang is a German strategist and China Program Director at Asia Catalyst. She is currently based in Beijing.

SHOWDOWN LOOMING STEVEN LEWIS

There does, indeed, appear to be a showdown looming between India and China. The Chinese People's Liberation Army Navy sends task forces to patrol the Persian Gulf and the Gulf of Aden and has created bases for its fleets in Pakistan and Myanmar. India, in turn, has sent naval ships to conduct training missions with the Vietnamese navy in the seas bordering Southern China. Both countries have modernized and stepped up their land and air forces in previously contested border areas near Kashmir and Eastern India. Although some hawks in China and in India may secretly want to dominate the other, these two emerging superpowers and titans of the global economy will have no choice but to ultimately work with each other in one critical arena—energy security.

To maintain their current levels of economic growth into the next decade, China and India alone will need as much fossil fuels and renewable energy as the advanced industrial economies of Europe, the Americas, and Asia combined. Their thriving economies are currently tied to low-cost, reliable supplies of oil and gas from the Persian Gulf, Africa, and Southeast Asia, but also to the secure and free flow of these precious commodities through the Indian Ocean and the South China and East China Seas. Fortunately for both countries, their de-

velopment thus far has been safeguarded, at enormous expense, by the U.S. military presence in the Persian Gulf and the generosity of the American taxpayer. Unfortunately for these Asian powerhouses, the oil and gas boom in the United States and the development of heavy oil and tar sands in Canada, mean America will fill fewer of its hydrocarbon needs from the Middle East, which today supplies barely 10 percent of its oil imports. Meanwhile, China, India, and the rest of Asia receive more than half of their oil from that region. The United States will most likely look to sell its surplus of liquefied natural gas to Japan, a high-paying customer and close military ally, which needs the fuel to offset the shutting of its nuclear plants. This will leave China and India tied in maintaining a free flow of oil and gas from the Middle East to South and East Asia—forcing each to work together to guarantee the safety and security of these vital sea-lanes. Since both are nuclear powers, with strong military forces actively participating in the liberal world economic order, they will have no choice but to forge a Pax India-China for energy security in Asia.

Steven Lewis is the C.V. Starr Transnational China Fellow at the Baker Institute for Public Policy at Rice University.

CO-PROSPERITY REDUX JAMES NOLT

The rising power in the world today is private finance, which is not contained within any single nation. The traditional notion of great powers rising and falling is obsolete. Since great power wars required private financing to win, finance gained enormous power and influence in the Western world in modern centuries.

In the long run, financing great power wars is bad business since belligerents who lose all too often simply default on or devalue their debt. Even the winners are practically bankrupt and devalue their debt.

On the other hand, the careers of would-be conquerors have been very short. Hitler's "Thousand Year Reich" lasted 12 years. The Japanese Co-Prospersity Sphere delivered more plunder than prosperity. The militarized Soviet Empire lasted six decades but failed largely because so much of its production was for military (dead) ends and unproductive for growth. Great power wars are devastatingly expensive and uneconomic for winners and losers alike. Today, no state powers aspire to rise militarily in the fashion of previous centuries. Territorial heft therefore means far less than it did in an era of more protected national markets. Superior force does not promote trade.

Today's trade-based world favors the peaceful with prosperity. War could only bring ruin, especially major war. "Policing" may still induce the powerful into "limited wars" (which are limited only for the great powers, not for the people whose countries become battlefields). But this is an onerous exercise bearing little reward and hardly the sort of scenario any "aspiring power" is rushing to embrace. The oddson favorite candidate for a rising power is China, though its military might, not its economic performance, has been falling relative to the United States and most of its neighbors, including India, since China's power peaked during the 1970s. China has no ambition to replace the United States as world policeman, a job that pays poorly.

James Nolt, a dean of the New York Institute of Technology-Nanjing Campus, is a World Policy Institute fellow based in Nanjing, China.

CAPITALIST DEVELOPMENT SOPHIA LING

For the past 20 years, capitalism has been the common development goal for all nations. In pursuit of promising financial growth, countries have adapted high-tech machinery and cloud-based communications that facilitate cheaper, more mechanized business. This over-development of capitalism, however, has caused monumental changes to labor structures—throwing whole populations out of work and concentrating wealth in the hands of few. The phenomenon is especially noticeable in India and China.

Originally, China and India were populous, poor, and under-developed countries. While the development of capitalism enhanced the economies of both nations, the overall gains have not

been equal. In China, the development of capitalism was better managed—with its gradual adoption as an economic system. Politically, China retained a single-party system and integrated capitalist values into society, maintaining relatively easy control of its population. In India, capitalist development outpaced political development, resulting in a widening gap between the rich and poor. Struggling with religious divisions, caste and racial prejudice, and party-based political strife, India has faced considerable difficulty managing the social effects of adopting capitalism. In terms of future world leadership, China should outpace India in the next five to ten years.

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