

Change of guard in China

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THE 18th Congress of the Chinese Communist Party (CCP) to select the next generation of leaders began on November 8, 2012 in Beijing. At the end of this Congress, the People's Republic of China (PRC) will unveil its new national leadership. But policy change will be minimal and much will remain the same in the unique one party system in China. Nevertheless, due to circumstances prevailing inside and outside China, a lot is expected from the new leaders and thus this leadership change is a vastly important process for China and for the world.

One important aspect about the way the CCP functions is that China has moved from a system marked by a strong paramount leader who guided the country on the basis of ideology and a weak country to a system of a strong country and weak and fragmented leadership. At the same time, selections to the top echelons of the party are opaque, often based on networks and lineages. What this means is that in general there is resistance to changing the status quo as interest groups within the party do not want to harm the structures that have benefited them in the first place. The two factions within the present day CCP—the Princelings (sons of former top leaders) and others belonging to the Communist Youth League (CYL) have jostled for party positions. Among the next set of leaders, the Princelings are likely to dominate due to backing from former President Jiang Zemin who has had a major influence in their selection. Jiang, himself a princeling, had always supported Xi's nominations and his influence is seen as a much needed calming role by a senior after the ideologi-

cal storm over Bo Xilai's ouster.

Introducing Xi and Li

China's current Vice President, Xi Jinping, will take over the position of the Secretary General of the CCP from Hu Jintao at the end of the Party Congress and will become President sometime in March 2013. Xi will be leading a conservative Politburo Standing Committee. Xi Jinping is the son of Xi Zhongxun, who was Vice Premier under Mao and was purged during the Cultural Revolution. While Xi belongs to the princelings faction, unlike many others from this group, Xi himself has had a relatively long tenure in rural China when he began his political career in a small village named Liangjiahe in Shaanxi province. Following this, he has had an interesting career. His national image as being clean and tough on corruption is based on his tenure in Shanghai where he was appointed after a major financial fraud by a party official. His earlier tenures as senior official in Zhejiang and Fujian means that he has closely dealt with Taiwanese business and official interests. He is expected to push for more integration with Taiwan leading to unification. His closer ties to the military have been viewed as a reason for the possible rise in stature of the PLA in decision-making. However, from time to time, he might also have to use his closeness to restrain the PLA in order to reassure smaller neighbours. Xi's last major assignment as a national leader before his elevation as future president was confirmed with the success of the Beijing Olympics where he



was in-charge of overall preparations. In the last two years, Xi has visited 50 countries in order to increase his outreach, an area in which he had lacked experience. Many of these have been developing countries with which China has booming trade relations.

Li Keqiang, current Vice-Premier, is likely to become Premier in March 2013. Like Xi, Li's career also began with rural education in Fengyang County of Anhui province. He studied Law and acquired a PhD from Peking University where he joined the Communist Youth League (CYL). He rose in the CYL hierarchy like Hu Jintao and later joined the CCP. He became the Governor and Party Secretary in Henan and is credited for the economic transformation of the province. He is known to be a tough economic administrator, coordinator and organiser.

Generational change and the quantum leap

The future is not going to be easy for the Xi

Li leadership. Their tasks are amply clear and these are not at all easy; they have to maintain the pace of economic growth, encourage domestic consumption and make growth more sustainable, all at the same time. China's stimulus packages in terms of investments in infrastructure after the meltdown of 2008-09 temporarily boosted the economy but have not been able to sustain the momentum in the last couple of years. Quarterly growth has come below 7.5 per cent and is likely to stagnate there as domestic demand has also slowed down. The housing bubble is just one example of the misconceived

stimulus package. Rebalancing would involve tough political decisions that would not be easy for the new leaders. At the same time, reducing regional and income inequalities remain a prime concern. How the new leadership manages to balance the two remains to be seen. Corruption, property and rule of law are important points of debate in China. Cases like the one involving Gu Kailai have demonstrated the serious misuse of power for profiteering. Land grabbing and development without adequate compensation have led to protests by the masses. China needs a clearer legal system to deter the misuse of power; otherwise mass-incidents would continue to grow in numbers and intensity.

The new leadership will be under immense pressure to walk the talk and deliver on these issues. China is clearly running out of time as far as its relations with the ethnic minorities are concerned. Tibet is an ideological challenge whereas

Xinjiang struggles with the question of identity and religious space. These issues have to be taken to a conclusion by the Xi-Li generation. Importantly, when the last power transition happened, information was scarce and managed and propaganda abundant whereas in the China of 2012 there is Weibo and China has entered an era where "everybody has a microphone".

China's international relations are also in an important and delicate state. There are no easy solutions to China's territorial disputes in the East and South China seas. China has to control its nationalism and jingoism in its dialogue with the smaller neighbours, even as its military capacity and reach continue to rise. Otherwise it is an invitation for the reinvigoration of the US role in the region which is already underway with the declaration of the pivot strategy. At the same time, Barack Obama's re-election should reassure the Chinese leadership as Obama is preferable to the hardliner Romney.

Thus, what the new Chinese leaders need to do is amply clear; it remains to be seen whether or not they are actually able to do it. As far as India is concerned, India-China relations will largely continue to proceed on cautious lines. An early visit of Xi Jinping to India after he assumes the Presidency would send the right signals in this regard. At the same time, India-China bilateral ties will also depend on how the second Obama Administration approaches the two countries and the extent to which China under the Xi-Li leadership feels assured of its position in the international order.

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Nobel Peace Prize for Saarc?



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FTER being the root cause and primary theatre of two World Wars within a span of three decades in early 20th century, if anyone would have thought about a peace award for a regional organisation in the 1950s and 60s, one is sure, the above questions would have been posed. How did Europe evolve into what is today, in a span of seven decades? And why has South Asia, whose countries evolved after the end of Second World War has become a laughing stock for regional cooperation during the same seven decades?

True, for many of us, Saarc receiving a Nobel Prize for Peace is a laughing matter. True, it is less likely to happen. True, it may be too idealistic. Just because it is less likely to happen and too idealistic, should we not desire for it? Should we not dream for it? How did EU manage to bag this award in 2012, for contributing "to the advancement of peace and reconciliation, democracy and human rights in Europe?" Where did the EU succeed and where did the Saarc fail?

Many of us are extremely critical of the Saarc. Today Saarc has become a perfect example of how a regional organisation should not be. But besides being critical and sarcastic, if we have to step back and take an impassionate view, one would identify, that the problem is not with the Saarc, an institution for regional cooperation. Rather, the problem is with us—the South Asians. Saarc only embodies the collective failure of us—the South Asians.

Why blame the Saarc, an association made by us, for our own failures?

Before anyone trying to accuse the attempt to evolve a regional identity as "an Indian conspiracy" to directly and/or indirectly make South Asia into an Indian sub-continent the analysis is aimed at creating a regional identity, and not to enlarge an Indian identity. In fact, this has been one of the primary problems in South Asia—the multiple sub-regions and countries fear that India believes in Akhand Bharat, and is aiming to sub-merge the multiple identities and sub-regions into one large Indian continent.

Even if there is a section within India, which believes in such a notion, it belongs to a fringe. Undoubtedly, India is huge in every aspect and its leadership has not been even handed in pursuing an equitable strategy with its sub-regions and smaller neighbours. Many mistakes have been made by the Indian leadership, but is there a

larger agenda behind, to superimpose an Indian identity over the rest? Many within South Asia and even within the sub-regions of India believe that New Delhi has a grand design.

In fact, the problem with India has always been, it never had a grand strategy vis-à-vis its neighbours and vis-à-vis its own sub-regions. Being the only country, sharing the borders with all its neighbours (except Afghanistan), India should have taken the lead, pursued an equitable strategy and be the backbone of South Asian development. If India would have become a bridge for the region, South Asia would have automatically become a bridge for Southeast Asia and Central Asia.

Had the above happened, we would be seeing the Asian Railway and Asian Highway criss-crossing South Asia, linking Moscow with Singapore through train and bus. Had the above happened, China would have invested enough to build a huge pipeline linking Yunnan and Sichuan with Iran and the rest of West Asia via South Asia. It has not happened, not because the Saarc has failed, but we, the South Asians have no regional sense. In fact, the pessimist in many of us would even go a bit further and say we, the South Asians have no sense at all. Otherwise, why would South Asia remain the region that trades the least within itself? Intra-Saarc trade is less than five percent, meaning the region trade with others and not within.

From Srinagar to Jaffna, from Herat to Guwahati, we see ourselves primarily as Kashmiris, Tamils, Hazaras, Nagas etc, and not as South Asians. There is nothing wrong in having our ethnic identity; but it should not become an obstacle for a secondary and larger identity. And in the process, our regions should not become cocoons and islands, worse like the Shire of the Lord of the Rings, where we see our own land as pristine and the rest full Orcs and Gollums. Perhaps, besides perceiving ourselves as Hobbits, Elves, Wizards, Rangers and Dwarfs, we should form a fellowship of a peace ring in South Asia. Everyone has a role to play in ensuring a "South Asian" identity evolves in us.

Neighbours and sub-regions can blame India and vice-versa for what has not happened. This will be a never ending blame game. Or, perhaps, we, the South Asians could do something. While chatting with our friends either in Singapore or in Paris, do we realise, how less this regional identity is developed among we, the South Asians? Does that not pinch us?

The above should bring us to another question: should we have a regional identity? Why should we not just remain us Nepalese and Sinhalese, or just Bengalis, Maharatns and Pashtuns? Nothing wrong in that approach; except that, it would not fit the pace in which the rest of the world is coming together or the rest of other regions are evolving. Despite all criticisms and sarcasms, Euro as a currency of a region shows how far the EU has led from the forefront.

Despite all its flaws, what the EU has done is to create a regional identity and ensure that besides being French, German and Spanish, they are also Europeans. It has addressed the minds of people. Is that not where all the wars start? And perhaps, that is why, it deserves the Nobel.

Perhaps, we, the South Asians should also work towards it. However unattainable and idealistic it may be. Even if we don't reach the milestone, the journey is worth it.

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Obama's symbolic visit to Myanmar

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RESH from his election win, President Barack Obama has become the first US president to visit Myanmar. The visit demonstrates Myanmar's political and commercial significance to the US at a time when the Obama administration has been shifting focus on Asia-Pacific region.

Myanmar—a land mass as large as Britain and France combined with only 57 million population—shares borders with 40 percent of the world's population in India, China, Bangladesh and Thailand. Its ports on the Indian Ocean and Andaman Sea sit just north of the Malacca Strait, one of the world's busiest shipping lanes.

Myanmar is endowed with rich natural resources and the country's recent re-emergence onto the world stage and sweeping political progress may signal a larger, more important shift in Asian strategic and economic relations.

The government of Myanmar has begun implementing economic, political and other reforms, a process the Obama administration sought to encourage.

The process of normalisation of relations between the US and Myanmar has moved forward relatively swiftly, and it represents an opportunity for the US to have a greater stake in the region and so, at least partly counter the dominant influence of China. In response, the US has appointed a full ambassador to Myanmar.

Last September, Myanmar's President Thein Sein's US visit, partly to speak at the UN General Assembly, the first by a Myanmar leader in 46 years, is the strongest sign yet of rapprochement between the two countries something that could help a superpower intent on boosting its political and economic muscle in a booming region.

President Barack Obama rolled back gradually almost all sanctions to ease its import ban on goods from Myanmar, and waived a ban on US participation in providing development loans from international financial institutions like the World Bank.

On November 2, the World Bank earmarked \$245 million in credit and grant funding for Myanmar under an 18-month work plan, the first lending in 25 years. The Bank also approved an \$80 million grant for community-driven rural projects.

A handful of US giants—including GE and Coca-Cola—already have returned to Myanmar. "Many of our competitors have been in that market for many years, so we are already late to the game," said John Goyer, senior director of Southeast Asia for the US Chamber of Commerce.

In the longer term, a "military-to-military" partnership or dialogue is a definite possibility, according to US Deputy Secretary of State William Burns. The move would see Myanmar's military to join as an observer in January 2013 to the annual US Cobra Gold drills, the largest multilateral exercise in the Asia-Pacific region.

In a recent report, the Washington-based Centre for Strategic and International Studies called on the US government to "increase engage-

ment with Myanmar's military ... to provide training to a new generation of military officers in such areas as civilian-military relations, law of war, and transparency."

Before the Myanmar President's visit to the US, Myanmar's Opposition leader Aung San Suu Kyi, while visiting the US in September, has reportedly said that her country's relations with the US will have "impact on its relations with China" to a certain degree. She, however, said that Myanmar's growing relationship with the US should not be seen as a "hostile step" towards China.

The question is how a new politically and economically open Myanmar fits into the Asia-Pacific region in the context of the larger initiatives of the US towards China. Observers say the US's new effort at engagement with Myanmar is likely to inflame the unease of China. Myanmar could potentially serve as a counterweight to Chinese influence, acting as an economic bridge between India, Bangladesh and China.

Moreover, could Myanmar's resurgence be a game changer for the rest of Asia, breaking the cultural, political and economic barriers between South Asia and South East Asia?

Human rights groups have criticised President Obama's visit as premature, given that the ruling



government has failed to prevent outbreaks of communal violence in the west of the country. Clashes between Buddhists and Muslims in Rakhine state have left about 140 people dead and more than 100,000 people—mostly members of the Muslim Rohingya minority—displaced.

On October 30, Asean Secretary General Dr. Surin Pitsuwan reportedly proposed tripartite talks between Asean, UN and Myanmar government to prevent the violence from having a broader regional impact. But the Myanmar government turned down the proposal stating that it was an internal matter.

Dr. Pitsuwan further reportedly warned that the bloodshed could leave the Rohingya minority "radicalized", and the entire region could be destabilized including the Malacca Straits, the vital shipping lane between the Indian and the Pacific Oceans.

Finally the visit of President Obama to Myanmar is highly symbolic in nature, and it underscores the fact that the 21st century would be the "Asian Century" and the Obama administration is fully aware of its implications in the region.

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