INDIA-CHINA RELATIONS

One step forward, two steps back

THE OVERTON WINDOW

ERESH OMAR JAMAL

ACCORDING to market manager Egon von Greyerz, famous for his predictions on quantitative easing and moves in currencies, the overly financialised world, dominated by US investment banks, is now entering its "frightening endgame". If that wasn't scary enough, legendary investor Jim Rogers, founder of Quantum Fund with billionaire George Soros, in an interview with Business Insider CEO Henry Blodget, in June predicted "a market crash in the next few years" that "will rival anything he has seen in his lifetime."

As most industrialised countries continue to struggle, it is developing countries and emerging markets that are increasingly driving growth—for example, 60 percent of world Gross Domestic Product (GDP) and 80 percent of growth are coming from emerging markets, according to James Butterfill of ETF Securities—and none more so than India and China. Experts say that by 2025, China, whose GDP grew by 6.9 percent in the first quarter of this year beating analysts' forecasts and surpassing its annual target, may have up to 700 million people deemed middle class whereas the US now has 200 million.

Because of these tectonic shifts, the International Monetary Fund (IMF) chief Christine Lagarde said that in "ten years it could be possible the IMF's headquarters would move to Beijing", which has been in the US for over 70 years. Overall, the weight that the Chinese economy wields today is well-known. India's performance, on the other hand, has been more modest. That is, until now.

"If in the past India lacked capital, a developed manufacturing sector and skilled manufacturing workers, the foreign manufacturing inflow is now helping India address the problem, backing up the government's 'Make in India' initiative."

Media reports suggest that Foxconn plans to invest up to USD 5 billion in building new factories, while Samsung will invest USD 623 million to expand its production capacity in India. Chinese mobile phone manufacturers too are flocking to India, which could well be the next "factory of the world." OPPO, Vivo, Lenovo and Xiaomi have already set up plants in the country, intensifying competition in India's smartphone manufacturing sector, and Chinese appliances manufacturer Midea Group is planning to invest USD 123.98 million to set up a factory in Pune.

Tesla too is in talks with the Indian government to establish a factory in India and automaker SAIC Motor Corp is planning to become the first Chinese auto company to establish its factory there. This massive influx of investment by foreign manufacturers, reports Sputniknews, "is of great significance for India's economy, employment and industrial development. If in the past India lacked capital, a developed manufacturing sector and skilled manufacturing workers, the foreign manufacturing inflow is now helping India address the problem, backing up the government's 'Make in India' initiative." And with "Chinese companies also playing an important role," what is happening in India now "is a repeat of China's introduction of foreign investment" that preceded its economic rise.

As the two countries progress, however, their relations seem to be deteriorating more and more. Culminating into a border standoff since mid-June, beginning with Indian troops blocking the construction of a road by China in the disputed area of Donglang, being quickly followed by a major scuffle between the two when Chinese troops entered the Indian state of Sikkim and destroyed two Indian bunkers.

With tensions rising, China, referring to the 1962 war between itself and India, which it comprehensively won, said that India should learn some "historical lessons." India's response came through its Defence Minister, Arun Jaitley, who asserted that "India today is different from what it was in 1962."

What is really surprising in regard to the standoff, however, is that the border between the two countries in the Sikkim sector is well-demarcated under the 1890 Sino-British Treaty, which received subsequent endorsements by past Indian governments, including former Indian Prime Minister Jawaharlal Nehru in a 1959 letter to his then Chinese counterpart Zhou Enlai. India, at present, is disputing China's reference to the 1890 treaty saying that a 2012 agreement between India and China requires the involvement of a third party: Bhutan.

According to Dr Swaran Singh, a professor at the School of International Studies, Jawaharlal Nehru University, "The repeated border conflicts doesn't [sic] do well either to China or India and their reputation as both are rapidly emerging as major global players." Yet, according to The Times of India, Indian National Security Adviser Ajit Doval's meeting with Chinese President Xi Jinping at the summit of BRICS national security advisers "did not yield any breakthrough that could end the current standoff," although the possibility of another India-China war is dim.

Another unfortunate outcome of tensions, meanwhile, has been India's refusal to sign the One Belt, One Road (OBOR) partnership agreement with China during the last OBOR summit in May, on grounds that the China-Pakistan Economic Corridor has encroached onto disputed territory of the Kashmir region. Instead, India introduced its own continent-crossing plan called the North-South Transport Corridor (NSTC), which is a 7,200 kilometre multimodal trade corridor that extends from India to Russia, linking the Indian Ocean and Persian Gulf to the Caspian Sea and more.

But what is once again ironic about this, as Wade Shepard explains for Forbes magazine, is that despite much being written "about how the NSTC will challenge China's BRI [OBOR]...the two initiatives overlap seamlessly and feed into each other...and for all intents and purposes, it is extremely difficult to separate one from the other"; showing both sides that no matter how much they try, their future paths are destined to be linked.

That is precisely why the inclusion of India into the Shanghai Cooperation Organisation as a full member, along with Pakistan, recently, seemed such a positive step. As that was clearly a step forward in building trust between the two Asian giants. Disappointingly, as has repeatedly been the case, it was again followed by what seems like two steps back in bettering relations.

So what can be done now to reduce some of the tensions created over the border standoff, and how? This is where Russia can come in. During the 1960s, 70s and 80s, India was by far the most important Asian partner of Soviet Russia, and this longstanding friendship between Russia and India provides a bridge between India and China, which is arguably Russia's closest ally today.

At the plenary session of this year's St Petersburg International Economic Forum, Russian President Vladimir Putin, with Modi sitting right next to him, said, "You know, disagreements always have been and still are part of the fabric of our world. Our task—mine, and President Xí Jinping's and Prime Minister Modi's—is to find streets, two-way streets, despite all these disagreements, rather than get stuck in dead ends."

Using the BRICS initiative as an example, Putin added: "There are very interesting and promising areas for us to work in...We will provide comprehensive support to those who are involved in this because such cooperation will benefit the people of both India and Russia and, actually, the entire region. This will also facilitate the implementation of the Chinese leadership's projects related to the Silk Road." The fact that the president of Russia—one of the most powerful countries in the world—is so willing to mediate between India and China is indeed a good sign, and can only benefit everyone involved, including the region.

But at the end of the day, India and China are both regional superpowers in their own right, and are potential global powers in the making. And, as such, they must be willing to settle their differences themselves, no matter who the mediator may be, or how others may want them to conduct their foreign policies. No matter which path they choose to pursue, however, from a pragmatic point of view, it seems destiny has already decided that either side have only one good option available. That is, "cooperation," as opposed to "confrontation."

Eresh Omar Jamal is a member of the editorial team at *The Daily Star*.

Flying while daddy

HUMOROUSLY YOURS

NAVEED MAHBUB

I'M a frequent and solo flier without the privilege of pre-boarding as a business class passenger. So, I give a hand to the mom flying without the hubby while struggling to board with multiple kids. Win win—she is happy, she is impressed that chivalry is not dead and I get to pre-board as part of 'families with children'.

Guys, this is a great way to show your sensitive, caring side. Just make sure the kid of the stranger doesn't call you 'daddy'…

This time I'm the struggling parent. I'm flying from Dhaka to Los Angeles with just my five- and 12-year-old daughters. I smilingly give our three passports to the airline attendant at Dhaka Airport during check-in. Not only does he not smile (I guess he's doing us some kind of a favour), but I am shocked at being greeted with a rude "Please hurry up! You're holding up the line!!"

Reality check…TIB—This Is Bangladesh where especially men seem to be unaware that travelling with little kids is like handling a lorry. I'm inclined to raise hell, but I decide not to spoil the start of a unique father-daughter-daughter trip with bad energy. So I respond the American way—polite, assertive but so loud as to even wake up sleeping residents in Farmgate.

I address him with an emphatic "Sir!" I always confer the Queen's Knighthood on the spot on a summary basis to whom I intend to summarily execute Don Corleone style. I add: "With three carry-on bags, three suitcases and two little kids as you see here, I'm doing the best I can."

The airline employee is embarrassed as he is reminded that even if it's a tiny fraction, the revenue from the three tickets I bought contributes to his paycheques. But I am loud enough so as to attract the attention of his superiors and the wrath of other fellow passengers at the shocking act of inconsideration. Maybe the word went out because when we eventually settle down in the aircraft, the chief purser comes to me with a flight attendant, introduces me to her and says that she is available anytime for any assistance given that I'm travelling alone with two little children. Not to mention being showered with extra food and kids' goodies.

We are pampered to the fullest. And the hub airport in the Middle East during our connection to Los Angeles is fully equipped with every amenity for travellers with children, including complementary strollers. And the excellent service continues all the way to our returning to Dhaka a month later. If the airline has compensated for its sole act of bad service by an employee who surely needs to sweat about his next performance review, I have to say that it has done a damned fine job.

But the honeymoon period is over as soon as we're off the plane upon returning to Dhaka. The baggage conveyor belt, despite only one flight in at that hour, disgorges the bags a full 90 minutes later. Perhaps the bags came from the hub city in the Middle East on camel's back.

The passengers are tired and edgy, while crowding next to the conveyor belt eagerly waiting for their bags. The only entertainment is to watch all the bags marching while being wrapped like mummies with unique (colourful) paraphernalia to help them being identified by their rightful owners.

Apparently one person is not too keen on this free entertainment. The lady next to me is ticked off at my five-year-old, "Why are you kids crowding this place? Go stand over there!!" Again, my US style response—polite, assertive but loud enough to give the meek a heart attack: "She is my daughter and she needs to be with daddy. I really can't leave her there [at a distance] on her own."

The lady is further agitated: "Why don't you leave her with her mother?"

"I will, once we go home. Right now, she [mom] is not travelling with us…"

And I had to rub this in: "These days some dads also DO play the roles of moms."

Oh, what I will not do to anyone (the kosher way) who hurts my little daughter's feelings. The lady is mortified as a hundred pairs of tut-tut-ing eyes give her dirty looks. She is sorry and genuinely so: "Oh! I'm so sorry."

TIB: Reverse sexism.

But I still have to say—have kids, will travel. There is never a dull moment when flying while daddy…

Naveed Mahbub is an engineer at Ford & Qualcomm USA and CEO of IBM & Nokia Siemens Networks Bangladesh turned comedian (by choice), the host of ATN Bangla's *The Naveed Mahbub Show* and ABC Radio's *Good Morning Bangladesh*, the founder of *Naveed's Comedy Club*.
E-mail: Naveed@NaveedMahbub.com

QUOTABLE *Quote*

JAHA DUKUREH
Gambian women's right activist

Until the education of a girl is a right and not a privilege, we are failing our women.

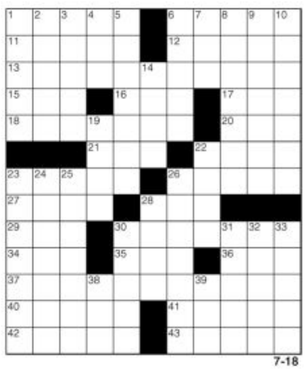
CROSSWORD BY THOMAS JOSEPH

ACROSS

1 Paris subway
6 Mine section
11 Accepted truth
12 Ahead of time
13 "Across the Universe" director
15 Strange
16 Hurried flight
17 Important time
18 Some square dancers
20 Diarist Anais
21 "-- been real!"
22 Atomizer's output
23 Ear parts
26 Plane count
27 Writer Hunter
28 Fruitcake bit
29 Winter mo.
30 Jury heads
34 Attempt
35 Pool unit
36 Stunned wonder
37 "The Haunting" star
40 Unanimously
41 Holy fellow
42 Flexes
43 Antlered animals

DOWN

1 Significant
2 Ooze forth
3 Senor's squiggle
4 King, in France
5 Egg dishes
6 Clothes lines
7 Loft contents
8 Neighbor of Georgia
9 Rose vendor
10 Autocrats
14 Sea dogs
19 Mortgage, e.g.
22 Parcel (out)
23 Ring swing
24 Make hackneyed
25 Ancient city on the Euphrates
26 Outdo
28 Ark builder
30 Runs away
31 Opera's Callas
32 "Dallas" family name
33 Bird homes
38 Not Dem. or Rep.
39 Lab animal



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YESTERDAY'S ANSWER

B	R	A	T	T		A	L	E	S
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	R	A	Y	S		S	O	A	R

BEETLE BAILEY by Mort Walker

BABY BLUES by Kirkman & Scott