

## Speech

***Shri M. Rasgotra, President, ORF Centre for International Relations, Shri Prem Shankar Jha, well known author and scholar, Prof. Suranjan Das, Vice Chancellor, University of Calcutta, Distinguished scholars, Excellencies, Ladies and gentlemen,***

I feel privileged to release before this distinguished audience two very topical and insightful books on China and our relations with this emerging powerhouse. One of the books is a crystallization of a hundred schools of thought contending, with well-known scholars and policymakers throwing up riveting possibilities and alternative iterations of the India-China dynamics over the crucial next decade or two. The other is the product of in-depth and painstaking research on the unknowns of China's political economy, seeking to demystify, and offer fresh perspectives on, the Chinese growth story.

The two books released today represent the growing and welcome interest among the Indian intelligentsia in things Chinese and attempt to understand them from an Indian perspective. This in itself is a result of the growing relevance of China to us in India, whether in the precincts of the Government, company boardrooms, market streets or university campuses. It is only proper, therefore, that we develop our own intellectual framework in which to study the Chinese phenomenon from this side of the Himalayas. We can be aloof to the unfolding new challenges and opportunities presented by our largest neighbour's rapid ascendancy only at our own peril. Nor can we rely entirely on external sources for understanding and addressing them. This is why books like "India and China --- the next decade" and "Managed Chaos --- the fragility of the Chinese miracle" matter indeed.

The discourse on China is central to the ongoing process of Asia's economic integration and emergence ---- a process where we have vital stakes. China's sustained eye-catching growth over three decades and our own high growth in relatively recent times have largely pulled the centre of gravity of the world economy to this part of the world. Our two countries, because of the size of our domestic market and unsaturated demand, hold promises for continued economic growth and show a way out of recession worldwide. We have mutual interest in each other's prosperity, as our trade statistics and investment trends eloquently indicate. Respective experience of economic management and respective best practices can similarly serve as the most appropriate benchmarks and models for Indian and Chinese economy, which are uniquely similar in their scale and complexity. At the same time, we need to manage and contain the short-term pains of economic dislocation, while addressing the long-term need for trade sustainability and diversification.

Moving into the sphere of geopolitics, we need to recognize the complexity of relations posed by an unresolved boundary question. This is naturally an emotive issue for us. However, that need not obscure the hard-won fact that peace and tranquility has been preserved in the long India-China border for more than two decades, and the plethora of Confidence Building Measures put in place to reduce or eliminate the perception of threat from each other has worked satisfactorily well. Nor has the non-settlement of the Boundary Question prevented mutually beneficial functional cooperation in a number of areas. At the political level, the aspiration to consolidate our bilateral relations found

reflection in the Strategic and Cooperative Partnership for Peace and Prosperity that we established in 2005. That our relations have now gone beyond the framework of the purely bilateral and assumed strategic and global connotation is rather clear from the intent of the Joint Statement on the Shared Vision for the 21st Century issued in 2008. It also becomes evident when India and China work and articulate from the same side of the development divide, whether on the issue of trade liberalization in the context of the Doha round of the WTO or in the Climate Change debate.

Let me reiterate that Government of India does not view China or China's development as a threat. That said, however, we recognize that cooperation and competition can overlap, as it is not possible to have a perfect congruence of interests between two nations as vast and diverse as India and China. Such competition or lack of cooperation must not be misunderstood as antagonism. Our differences, when they exist, must be handled with dialogue and diplomacy. Fortunately, within the parameters of the Strategic and Global Partnership, our two countries have a vibrant system of political exchanges and have created a full-fledged architecture of dialogue at all official levels, covering all fields. It is our endeavour to fully utilize these mechanisms, address issues in a frank and mature manner and set new goals, rather than allow uncertainties to persist and lead to mistrust and grudge.

This brings me to the paramount need to create greater awareness and mutual understanding at the public level. Knowledge and scholarship of China in our country needs to be augmented to attain the maximum benefit from the rise of China. The media could play a responsible and responsive role in this. Our civil societies must engage with each other more vigorously, recognizing the promises held out by each other.

I hope this process of people-to-people friendship will be put on faster track in the New Year, which will mark the 60th year of the establishment of diplomatic relations between India and China. We will commemorate this event in a befitting manner, including through a spectacular Festival of India in China and a Festival of China in India. I am looking forward to my own visit to China this year at the invitation of my Chinese counterpart to further strengthen and reinvigorate our ties. I warmly recall my earlier visit to China, before assuming the office of the External Affairs Minister. I had also recently hosted my Chinese counterpart in Bangalore. He reminded me, and I wholeheartedly agreed, that our relationship should continue to be guided by the spirit of Panchsheel - the five principles of peaceful co-existence. I am happy that the launch of two books today heralds the promising year ahead.

In conclusion, I would like to thank the Observer Research Foundation for organizing this very timely function. ORF's scholarly inputs are of great value in the process of formulating our foreign policy alternatives. I wish ORF all success in its future endeavours.