

INDIA and CHINA: some thoughts from a Canadian perspective

I have been asked to try to summarize about 5,000 years of Chinese history and culture, and 5,000 years of Indian history and culture, and compare the two, and then explain what it all means for Canada and the world, all in an after dinner speech.

Obviously, this was a challenge I was not about to pass up, even as I recognize that the end result will be sketchy and anecdotal, at best.

There are a number of reasons that prompt comparisons between today's two emerging giants, China and India. The most important consideration is, of course, that they are indeed giants: China is the fourth largest country in the world, following Russia, Canada and the United States, and India is the seventh, behind Brazil and Australia. They have the largest populations in the world, with over 1.3 billion Chinese, and just under 1.2 billion Indians. Both countries are in the vast Asian land mass and are neighbors, along a border defined by stretches of the Himalayas. And both, of course, have experienced remarkable economic growth in the last two or three decades.

That, in fact, is what has attracted attention this past decade. China and India were always big and populous countries but they have seized the contemporary imagination largely because of their growing economic might, and everything that flows from it.

But what strikes any student of both countries are less the similarities than the vast differences that distinguish them. These are so extensive that one might ask what purpose is served in making any comparisons at all: just as well compare and contrast, as my Grade 8 teacher used to put it, say, Canada and Vietnam. This would be an interesting exercise perhaps, but would not yield much insight.

Yet the question of comparing India and China is valid: these two countries are already exercising significant influence on Canada and Canadians as well as the rest of the world, and this influence will only

grow in the decades to come, and do so exponentially. Their close proximity also increases their collective geopolitical impact. Russia and Brazil are also of growing importance, but the geographic distance between them significantly diminishes the synergies that proximity creates. Having China and India stacked one on top of the other, at least on Mercator's map, does concentrate the mind.

I never knew how high are the Himalayas until I moved to India. These mountain chains separate China and India along 3,400 kilometers of border, twice that between China and Nepal and Bhutan, the two mountainous countries squeezed between India and China. Still, to paraphrase the Chinese, the mountains are high and the Emperors and the Sultans and Maharajas have always been far from each other. The distances between the Indus Civilization of the Gangetic plain and the Chinese civilizations emerging along the Yellow, Yangtze and Pearl rivers were immense. Almost 4,000 kilometers separate today's Delhi and Beijing, and there is the same distance between Delhi and the Pearl River Delta in the South of China. That's the distance between Paris and the Caspian Sea.

These immense stretches of territory were traversed on various Silk Roads, by which goods and ideas were exchanged, but they did not significantly bridge cultural differences between the Chinese and Indian civilizations. One contender, Buddhism, largely lost the competition with Hinduism by the middle of the first modern millennium. Today, Buddhism is not practiced by more than 2% of India's population.

So, we can say that the impact of one country on the other was very limited, and certainly much less than that of Western Imperialism, which transformed both India and China, again, in very different ways, from the 17th century onward. Even this domineering influence has had markedly different results. China's ongoing revolution has largely been a rejection of much of what the West considers its finest achievements, especially in matters of political institutions, law and thought. India's elites have embraced these wholeheartedly.

Their respective approaches to economic modernization have also been different. It can be argued that China's embrace of market mechanisms over government regulation as an operating principle

has become more extensive than is the case in India – a remarkable development given the initial objectives of Mao’s revolutionary government. I has also welcomed FDI in more manufacturing and service sectors than has India. There, Fabian socialism still holds sway on substantial parts of the economy, particularly agriculture, which awaits the kind of transformation that occurred in China beginning in the 1970s. The result, in terms of global impact, is that China is becoming the world’s largest manufacturer of goods for export, and while India’s businesses have concentrated on service exports, primarily in the ICT sector, although we will increasingly see India cars in our garages and pharmaceuticals on our shelves in the near future.

There are other important differences between the two.

The future will present very different challenges to both.

It is most likely that China’s economy will continue to grow, but both the speed and the model of growth which will sustain this is much less certain. China’s high dependence on fixed asset investment – all of those bridges and subways and ports – and low dependence on domestic consumption are distorting its longer term development and increasingly upsetting China’s trade partners. And China’s governance model, dependent on autocratic and centralized decision making, is not consistent with the aspirations of large, middle class societies, towards which China is rapidly evolving. Somehow, somewhere, representative institutions will have to become involved in decision making, given that the machinery of all modern, advanced countries requires decentralization as well as direct and broad citizen engagement. No Government can make the million decisions a day that modern economies require. Many Chinese know this, even if such arguments and their political consequences are largely kept out of public discourse.

India’s challenges are less with the governance system than with achieving the national objective of equitable economic development. India is 131st on the UNDP Human Development Index (vs. 81 for China). Illiteracy rates are still high and only 22% of rural and 59% of urban populations have access to sanitary facilities. 40% of children are malnourished. While important parts of the Indian economy will

enjoy very high growth rates for a decade and more, the national economy cannot achieve its full potential without inclusive development. Most Indians know this, as does the political elite, but action to address these problems does not always follow otherwise good intentions.

India and China are emerging in the world in different ways.

China's strategic vision may be unclear to those outside Zhongnanhai, where many of China's Leaders live, but few doubt that the development and implementation of long term plans is one of China's great abilities. China understands the 'logarithm of power', that combination of economic size, political intent and action, military strength and even moral authority that together project, protect and promote national interests beyond their borders. The result of these efforts are there for all to see: the world's third economy, top tier political authority, the third largest military expenditures, after the US and Europe, and the 'Beijing Consensus' favored, at least nominally, by governments no longer enamored with the Washington version.

India is no less engaged in the world. It too has growing economic clout – its GDP is the 12th in the world, it is an indispensable member of the G20 and, politically, India is equally essential at any global table. But its relations with its neighbors are more immediately problematic and its domestic economic development agenda, even played out in its international relations, has to take precedence over just about everything else beyond national security.

Canada's relations with both countries has also been markedly different.

Until India's independence in 1947, Canada largely left India to the Brits. Compared to other parts of Asia, relatively few Canadian missionaries and educators came to India. Post-independence however, shared commitment to democratic governance and the rule of law, Commonwealth membership, the facility that is provided by a common language, all appeared to make of us natural partners and fast friends. But the effects of the East/West divide, the Cold War, India's largely closed economy, and Canadian lack of understanding of and sympathy for India's geopolitical realities trumped other

considerations. And the nuclear tests of 1974 and 1998 put much of the relationship on hold, given Canada's strong opposition to nuclear proliferation of any kind.

Very significant flows of immigrants from India and the social and political activism of the Indo-Canadian community went a great distance to ameliorate relations however. And when the nuclear logjam was removed by the political decisions of Prime Minister Harper's government, decades of stalled relations were replaced by the kind of public and private sector activism that should become the new norm. For Canada, this is all the more urgent, as India takes up increasing space, politically, economically and, in time, culturally as well.

The story of Canada's relations with China could not be more different.

Historically, the absence of common cultural roots and a common language, China's modern revolution, its enthusiastic embrace of Marxism-Leninism, the authoritarianism of the Communist Party, should have placed severe limits on mutual understanding and opportunities for contact. In fact, the opposite has often been the case.

Immigrants from China numbered in the tens of thousands before World War 1. In the 19th century, steam ship lines linked Vancouver to Shanghai. Even after the 1949 revolution, there was much interest in building ties with the new regime in Beijing. Neither the Cold War, nor absence of diplomatic relations or US opposition prevented Prime Minister Diefenbaker and his Minister of Agriculture, Alvin Hamilton, from selling, on credit, Canadian grains to China. Pierre Trudeau recognized China during the depths of the Cultural Revolution. Tienanmen did not halt commercial relations. The first Team Canada went to China. After initial hesitation, the Conservative Government of Prime Minister Harper has acknowledged the geopolitical necessity, for Canada, of a strong relationship with the People's Republic.

In a nutshell, these sketches indicate that shared democratic values and a common language between Canada and India could not overcome the geopolitical realities of the time, nor our nuclear non-

proliferation stance. On the other hand, the lack of a common political culture and economic system, and very different world views, did not stop the progressive expansion of the Canada and China.

The simple, indeed blindingly obvious conclusion that one can draw from these reflections, is that China and India are very different entities indeed, that each must be approached with both a historical perspective and contemporary understanding of the realities that they face. We must also recognize and acknowledge that both deserve great respect for what they have achieved, and the potential each has to influence the future.

Our future. To say that China and India will change the world is to repeat the obvious. Even Napoleon predicted that, with regard to China.

What Canadians are just beginning to grasp is the impact that these transformations will have on their own economic prospects, in the immediate term, and the lives and worlds of our children, in the long.

We have to do more than read about this in the newspaper or on the net. We have to prepare for it, indeed shape our response to it, individually, and as a country.

My remarks may not shed much light on how each one of us does this individually.

But I hope that they will inspire you to think about what such change will mean, and how you and our institutions will respond, because China and India have arrived.

Joseph Caron
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