Crux of Asia Conference
Panel II: Regional Security

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MR. BLUMENTHAL: OK, we're going to convene this panel. I am – my name is Dan Blumenthal, and I'm Kurt's friend from AEI. And I think we have a very interesting panel today. I read in quite – with a lot of interest and a lot of depth my panelists’ papers, which are, I think, very meaty and very interesting. I won't go into their biographies because I think you have them in front of you, and in the interest of time, we're going to try to cover a lot of ground.

So I think what we'll do is – well, you have the PowerPoint up, so I think we’re going to start with you. OK? OK. And we'll have you speak for about 10 minutes. Can you do that? And then we'll move to Srikanth afterwards for about 10 minutes, and then I'll have some comments on your presentation as well.

[00:02:00]

XIA LIPING: Thank you, Chairman. Good morning, ladies, gentlemen, friends. It's my great honor to make a presentation at this very important conference.

Now the world situation has entered a new phase. Now not only China is rising, but also a number of developing countries have been -- including India – have been rising. The whole Asia is rising. And also the center for international economics and politics have been – have begun to move to transfer from Atlantic area to the Asia-Pacific region.

So the center of the issues of the world in Asia is that developed countries, including the United States, can – the United States and other developed countries accept and tolerate and even encourage China and other rising powers to play a more active role in – or responsible role in the international system and regional mechanisms. On the other hand, can China and other rising powers accept, engage and positively participate in the international system and the regional mechanisms?

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So it will be a very long process during which there will be a lot of cooperation and competition and game -- game playing between developed countries and the developing countries and among developing countries.

So China is in a dilemma now, and so I think China now is in the process of learning how to become a responsible power in the international system and the regional mechanisms. And also I think China would like to become a responsible power in the international system. However, now China is in a dilemma. On one hand, if China plays a much bigger role in some issues, other countries now are concerned about the China threat. On the other hand, if China did not do something as to some issues, other countries also could decide China has a free ride or something like that. So it's quite difficult for China.

Historically, the dominant power in the international system usually exploits contradictions between two rising powers to check them. However, this is the era of globalization. Rising powers today, China and India, and the dominant power in the international system, the United States, share more and more common issues and face more and more challenges. They have to cooperate in many fields while also competing with each other on many issues. It is better for them to engage in positive competition and do their best to realize results in which everyone wins.
Traditionally continental powers, China and India are now evolving as maritime powers as well. China historically has shown more interest in the Pacific Ocean, though the Indian Ocean is enjoying more of its attention because it has served as one of China’s important sea lanes of communication. India, meanwhile, has historically exhibited more interest in the Indian Ocean but now has increasing interest in the Pacific Ocean. To large extent, how the two countries deal with each other and with the United States, the global maritime power will decide the future of Asian security.

Beyond the China-India maritime interests, there are some other flash points in Asia. To China, the three most pressing security concerns confronting Asia are now the Diaoyu Islands. I think difference now is for China – as I wrote the chapter. Now, the second thing is Korean Peninsula; the third is South China Sea. And also, China is concerned about the Iranian nuclear issue.

So as the South China Sea, I think now because the Nansha Islands and the Shisha Islands in South China Sea have been China’s territories for more than a thousand years, I think now United States rebalancing policy or pivot to Asia sends the wrong signals to some of its islands, like Philippine. So the Philippine pursues -- carry out the tough policy towards China, which leads to some problems. So I think the United States should be quite – it should be – not send the wrong signals to some countries in South China Sea.

And also, I think it’s now, as to Diaoyu Islands, Diaoyu Islands has been China’s territory since the Ming dynasty, since the 17th century. And because Japan nationalized the Diaoyu Islands last year, that China has to give very strong response. I think now the United States also send wrong signals to Japan, although the United States say the – intervene – not take sides over territory disputes between China and Japan. However, the U.S.-Japan military alliance now applied to the Diaoyu Islands, so Japan also pursue the tough policy towards China as to the Diaoyu Islands.

Now the rightists in Japan now has been rising. So it’s quite dangerous because in 1920s and 1930s, after the big earthquake in Tokyo and also the economic recession in 1930s, Japan became the resource – the source of aggression war in Asia. Now, similarly, now, after the earthquake, big earthquake in Japan and also the international financial crisis, now, in Japan, the rightists now has quite a – now is popular. So it’s very dangerous.

So as to Diaoyu Islands, I think – I don’t think that China will do anything provocative. However, if Japan continue to have something provocative, China will have very strong response. If Japan send some administrative personnel to Diaoyu Islands, China will send – also send administrative personnel to Diaoyu Islands. If Japan send armed forces something to Diaoyu Islands, China, I think, will also give a very strong response to that.

So – however, I think the territory and the – also sovereignty are very, very important. However, they are not the mostly important issue. The mostly important issue is people’s welfare and the social development.
The European countries put forward a concept of sovereignty first. However, it took hundreds of years, including experiencing two world wars, the European countries realized the truth. So since the end of the second world war, the European countries has gone along the road of regional cooperation and regional integration.

And Asia is very different from Europe. Asian countries realized independence very late. So Asian countries pay very importance on sovereignty and territory. However, I think the Asian countries also should go towards the regional integration and to realize the Asian community and Asia-Pacific community.

So I think China and the United States now, the core national interest of them are not conflicting because the United States, the core national interest of United States is to maintain its leadership in the world. The China’s core national interest is to realize modernization by 2050. So I – and also, the two countries share more and more common interests. So the two countries should make a good efforts to reduce the strategic distrust and to have more cooperation.

Because the time is limited, I stop here. Thank you very much.

MR. BLUMENTHAL: Thank you very much, also for being so concise. (Applause.) And over to Srikanth.

SRIKANTH KONDAPALLI: Thank you, Dan. Good afternoon to you all. Thank you very much for the opportunity to speak to you on this regional order and the U.S.-China-India relations broadly. What I will do is quickly telegraphically talk to you on the four major issues. One, in terms of the regional order; second, in terms of the challenges that the regional order is facing; what are the efforts that India made in this context; and what is the U.S. role, how do India regionalizes the United States’ role in this context, in the regional security context?

The good news is, of course, the regional order, as the previous speaker had mentioned, it has been higher economic growth rates in Asia. We have China maintaining during the financial crisis and the eurozone crisis’ time nearly 6 to 7 percent growth rate last year and India maintaining 5.9 percent growth rate in the economic – Indonesia, Vietnam and other countries as well are rising in terms of the GDP figures, gross domestic product figures.

Second is the major challenges facing the regional security, especially in terms of the commons, global commons – cybersecurity, maritime security and in terms of the – various issues.
What are the challenges that overall India faces? Number one, sovereignty and territorial integrity issues. As the previous session had highlighted, India’s concerns on the sovereignty and territorial integrity issues, specifically related to Pakistan and China – China the last three years has been asserting in terms of the Kashmir as well as the Arunachal Pradesh-related issues. From 2005-6, Chinese official documents configure this area as part of the southern Tibet, Arunachal Pradesh as part of the southern Tibet. We have also seen the former Chinese ambassador to India, Mr. Soo Ni Xi (ph), mentioning the whole of Arunachal Pradesh as a disputed territory, leading to tensions in the India-China context.

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Specifically from 2009 we have also seen that China had taken a very active position on the Kashmir-related issues in specifically three major parts. One is in terms of considering the Pakistan-controlled Kashmir areas as not disputed while India-controlled areas as disputed, which basically meant that the Chinese will have a free ride in the Pakistan-controlled Kashmir areas, specifically in terms of investments and which are dual-use in nature with troop presence, as Sally Harrison (sp) had written in August 2009, about 7,000 to 11,000 troops, which the Chinese have denied, yet that is a major concern.

Second, in terms of the Kashmir initiative, China is contemplating, or some of the NGOs in China have been inviting the Hurriyat leaders, and – according to some Chinese reports, to create a government in exile for Kashmir in the lines of the government in exile that Tibet had witnessed in the last five decades. If that does – that does happen, then we could possibly see Indo-China tensions mounting.

Fortunately, for the last year or so, there has been, with the communication from India to China and during Premier Wen Jiabao’s visit in December 2010, they have been scaling down on the Kashmir issue. In other words, what India is trying to communicate is for recreating the one-China policy, India is suggesting to China of a quid pro quo, a reciprocity, of one-India policy in the Kashmir and the Arunachal Pradesh context. And that is now being contested between the two sides.

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The second major challenge that India faces is obviously on terrorism. And the third main challenge is on economic development aspects. As you know that the prime minister, Manmohan Singh, had announced an increase in the manufacturing sector capacity from the current 14 percent to that of about 29 percent of the GDP, secondly, in terms of attracting over a trillion dollars in infrastructure and development projects.

And when India looked at which are the countries which could provide for the infrastructure and development capacities, it found that Japan, Taiwan, Singapore and European Union as contributing to the infrastructure development in India. We have also seen the U.S. initiatives in this regard on setting up roads, driveways, airfields, shipbuilding capacities and so on, so forth. That is what India is looking at.

However, in terms of the eurozone crisis and the IMF diverting resources for the PIGS countries – Portugal, Italy, Greece, Spain and so on – India does find that the credit availability
becomes problematic for the infrastructure development in India. And hence, this is part of that BRICS bandwagon, where India is trying to suggest that the credit availability should be made to the developing countries.

India has also been able to make efforts in terms of the FTA and CEPA agreements, comprehensive economic partnership agreements. While it is lukewarm to any FTA proposals from China because of the concerns of the Mumbai club that China will be able to take advantage of the Indian economy and has implications for the strategic economy of India.

And hence, I think India had opened up for more Japan, for South Korea, for Singapore, the ASEAN FTA, and now negotiating with the European Union for the FTA. And a couple of days ago Ashley Tellis in his report had suggested to a U.S.-India FTA proposal, which is what India is also looking at in terms of expanding its economic capacities.

As you all know, that in terms of the GDP, the service sector is higher in comparison – than compared with the manufacturing sector. This is what India is trying to bridge the gap because the manufacturing sector would provide for more jobs in India and, hence, that is the major concern in India.

Thirdly, in terms of what India has done to ameliorate these challenges. Number one, in terms of entering into bilateral or multilateral relations, the Congress Party, which is the major component of the UPA-II, had configured in its manifesto that relations with the United States, Russia, European Union, Japan and China, in their order of preference, will be the emphasis of the UPA government. And it had done several initiatives to enhance these bilateral relations.

There is also the Look East Policy, which is now bearing fruits. Secretary Clinton had argued for instead of the Look East, India should act east in terms of pitching its forces for counterpiracy and a host of other nontraditional security issues that are coming up in the Asia-Pacific region. Indeed, India had committed over 30,000 sailors for overcoming the tsunami disaster in 2004 and (200)5 and evacuating roughly about 26,000 victims from Thailand, Indonesia and other places.

There is also the Indian defense minister for the Shangri-La Dialogue on counterpiracy operations in the South China Sea and in the vicinity, as well as in the Indian Ocean region. India had also committed its hard power for cyclone disaster and natural disaster relief measures, such as during the Cyclone Nargis in Myanmar where the Indian Air Force was the only force which was allowed to go into Myanmar some years ago, and also in Sichuan earthquake in May 2008 when seven sorties of the Indian Air Force transports went in to supply tents and other required materials.

Additionally, the Indian component in the UNPKO is quite substantial; over a hundred thousand troops have been committed so far, and currently, over 9,000 troops are in different places of the world.
Finally, in terms of the other Indian efforts, CBMs is one major area of concern and initiative. The Pakistan-India nuclear CBMs are going well; every year, they report to each other in terms of the military installations – nuclear military installations and so on, so forth. Although CBMs with China are at the conventional level, and following the 1172 Resolution in the United Nations Security Council, China is reluctant to initiate any CBMs in the nuclear field, and does not recognize India’s nuclear potential or capability, unlike the United States 123 agreement, which considers India as a responsible country.

Finally, in terms of the U.S. role, India sees U.S. as inclusive to Asia, and provides for stability for the global commons in the maritime, cyber and space domains. India sees the U.S. in a positive manner in these initiatives, and, in fact, as Ashton Carter had mentioned, the defense relations between the U.S. and India are substantially increased. In fact, defense ties are becoming the basis for the bilateral relations, as he said during a visit to India.

Substantially, over $18 billion of deals are to be concluded, of which nearly 8 billion (dollars) have already been concluded. We also have over 50 exchanges between the two sides in the defense field. There is the 17-odd dialogue processes in different areas: economy, agriculture, space, military and a host of other issues.

There is the – however, there is the Indian concern that while United States is a major gamechanger in the international system, as reflected in Nixon, Kissinger’s visit to China in 1972 or Condoleezza Rice statement in Sophia University in 2005 February about India, it could also be a wild card in terms of the proposals that came during the Obama I administration, when we had the G-2 – Brzezinski’s idea of G-2. This is – this is in the backdrop of these vagaries in the U.S. administration. India emphasizes on strategic autonomy and a certain distance from the United States, because we entering into uncharted transitions in this period. Thank you very much.

MR. BLUMENTHAL: Thank you both. I’m going to offer a few comments before we open it up to questions. I will say that Kurt Campbell used the “my children are sick” card to elicit sympathy from the audience and lower expectations and so forth, and I’m going to do the same exact thing shamelessly. My children aren’t sick, but I’m temporarily, I hope – my wife comes back tonight – the single father of three, and they spilled all kinds of things on me, and if I look more flustered than usual, that’s my excuse.

So, with that in mind, let me move to some commentary. I was specifically asked by Ashley to look at how the U.S. is interacting and viewing the emerging Asian order, and there was this mention in commentary before – in the last panel – about, you know, the, I think, conventional wisdom that the United States has a short historical memory, which I don’t necessarily agree with, actually. And I think that a lot of Asian policy and Asian strategy for the United States goes back to its experiences in World War II. And so the biggest – and that terrible, terrible war and the terrible slog through the Pacific and the desire among military officers and statesmen after the war to never have to repeat that again.
So, in the first instance, the U.S. and Asian order is meant to prevent the domination of Asia by any power or collection of power that might become hostile again and might present a threat to U.S. territory. And of course, we’ve been through that experience before and don’t want to see it again. That’s in the first instance.

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In the – in the second instance, I think that – which is derivative, in some ways, of the first, or at least complements the first – is that we’re going to maintain a forward presence based on our alliances – not because at the time we saw any particular threat emerging, although we obviously saw the Soviets emerging somewhat in East Asia or communist China at the time, but because, again, we were going to deploy as far forward as possible because we have sovereign territory inside the Pacific. So again, I think that that – it was very much seared into the minds, and still is seared into the minds, of policymakers and military planners.

I think the third lesson that we learned, and therefore put a – put a policy in place to not repeat the mistakes of the past, is to build as open an international economic system as was possible and to include as many participants in that system as we could, because part of the lessons of World War II – what happens when a country decides to become autarchic and self-reliant on energy and so on and so forth.

So we were – we were willing and able at the time to not just set up an open and liberal trading regime, but actually to do so on an asymmetric basis, meaning that we would – we would run – we were prepared to run great deficits, trade deficits, so that Asian economies could essentially use an export-led growth model. Whether or not we’re still willing to do that as a nation is coming into some serious question. But that was part of – at the grand strategy level, that was – that was a deliberate policy.

So the Asian order, I think, for the United States – the policy in helping to create and being the prime player in the Asian order worked out well for the United States, all told, up to this point. Of course, there were some very bloody wars in the middle inside Asia. But there – but it’s very important to note that there has not been a great-power war in Asia since the end of the Vietnam War – since the end of the Sino-Vietnam War in 1979. And that is something that nobody predicted. Nobody predicted it in 1979 and 1980.

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So in general, I think that the policy and the strategy has been successful. There are ups and downs, of course. But generally, in terms of maintaining great-power peace, in terms of maintaining our own forward security, in terms of encouraging as many emerging states to join the liberal economic order and so on, I think the policy is something that the U.S. is generally happy about.

But history doesn’t stop. And you know, it’d be great if we could say, you know, job well done; let’s go home. China and India, to take the point of the commentary beforehand, are rising. And so the United States had a dilemma and a choice about what to do about nations that are rising as great powers who could put some serious strain on U.S. view of order and U.S. view of security. And of course, we’ve had two different strategies because the countries are so different.
So in the case of India, a fellow liberal democracy, which makes a great difference in – throughout United States history to how we perceive countries, rightly or wrongly – but the transparency of India – there’s no – both an intent and in terms of military investments and deployments, there’s nothing we’re particularly concerned about with respect to India. In fact, we went so far as to say that we want India to emerge as a great power and play a greater role and build it up and so forth.

And I think in Srikanth’s paper, it’s well to remember, as he points out, that India is still – as much as we want it to act East and look East, India is still beset by major border tensions and border problems. And so – and terrorism – and you know, I think if – depending on what happens in Afghanistan, there’ll be a whole new set of problems. So our ability to encourage India to play a greater role in maintaining a favorable balance of power in the East Asian order, I think, will be conditioned upon India’s own surroundings and its own great challenges with respect to its borders and so on.

I think the way we approached China and are continuing to approach China was well-described by Assistant Secretary Campbell. It’s more complicated. It’s more complicated in that, since 1972 and maybe even – it might – certainly since the Nixon and Kissinger opening – and consistently we’ve wanted to welcome China into the order that we created and we shed blood and treasure for – or more so than other countries; and we have been doing so on a level of multidimensional engagement since that time.

But in the later – you know, as the Cold War ended and the Soviet Union began to collapse, which was one of the great motivations to start this process, we certainly saw Chinese security strategies and security capabilities that started to cause us concern. Every nation, of course, is entitled to build a military, and no one should comment on the sovereign right of every country to build a military. I think it’s the nature of that military that’s both opaque and destabilizing, rather than a military buildup that is – that is one that is looking to protect and provide for the common welfare and public goods and so on and so forth. That’s the – something we don’t see with India.

I think the other concerns both Srikanth and others mentioned in their paper is just the opacity and the unpredictability of China, in the sense of saying that sovereignty is sacrosanct. And I certainly understand Chinese dilemmas when it comes to this point, because the United States for so long was saying, accept the norms of the post-World War II system, and then we in Europe went ahead and changed the world – you know, changed the World War II system of sovereignty being sacrosanct from 1992 until today with our various interventions for humanitarian affairs in other places. So I can certainly see where China is kind of going, you know, what are you talking about? You’re changing the rules of the game – your own.

But the point I’m trying to make is reunification, sovereignty, South China Sea being Chinese property are the kinds of things that Dr. Xia mentioned himself – they’re not so well-defined. And I think – I think – I think Srikanth brings them up quite a bit in the sense of what does southern Tibet actually mean? You know, where does the border end, and where does it
begin? And obviously, now India has to focus a lot of military time and effort on that question. You know, what does it mean to have – to say that the South China Sea is China’s property? You know, where does that end, and where does that begin, and who’s allowed to use that property?

What does it mean to say that China’s – which, you know, Xia very candidly – and I appreciate the candor – pointed out in his paper – what does it mean to say that – you know the Diaoyutai/Senkakus are Chinese property – and particularly when these are contested. So what – where exactly are those borders drawn? And sometimes these claims come out – you know, seemingly, from an American point of view, out of – out of nowhere, or they’re not timed in ways that we can really fully understand.

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So I think there’s that element of unpredictability about what China demands as its main principles are in terms of the sacrosanct – you know, how sacrosanct sovereignty is and how much that conflicts with others’ definitions of their own sovereignty. And that will be a major issue going forward in whether or not we can continue to establish this Asian order that has done so well not just for the United States, the prime player, but also for all the other countries involved, I think.

And finally, I’ll end on, you know, two notes. So the first note is that India is clearly, as are many other countries, watching very carefully what the United States is doing in the sense of the sustainability, as Kurt Campbell mentioned, of our – of our policy in the Asia-Pacific. And that means that they’re watching our debates here about our budget and our fiscal situation and so on and so forth. And so they are hedging. I think a lot of countries are hedging, not just against China and outcomes there but also against the U.S. ability – the U.S. political will, the U.S. wherewithal, the – you know, to actually sustain a policy – such a robust policy of this nature.

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The second point I’d end on is a very important question, which wasn’t mentioned too much in the papers of the nuclear question and what that means for the United States in terms of its own arms reductions treaties, particularly with Russia, but what that means now when you have all kinds of incentives – and I can’t prove – unless one of my Chinese friends wants to tell me what the actual numbers are of Chinese warheads and so on, I can’t prove that they’re – that they’re growing.

But I will say the incentive structure we’ve put in place right now is such that if I was Chinese, I would consider growing my arsenal because we talk very openly about conventional strike against the mainland. In terms of our military strategy, we talk – we talk – we’re going down in numbers – all kinds of reasons – and of course, the India and China balance, which is – which is both nuclear powers, both with ballistic missiles.

So, you know, I would leave that out there as a kind of looming issue over all these other questions of Asia security order. It took a long time to learn and to manage that competition with the Soviets. I think U.S., India, Japan, China, in terms of getting some real clarity on strategic nuclear issues is going to be – is going to be increasingly important.

So I’ll end there and open it up to questions. In the back there, you – yes, with the yellow tie, yeah.
Q: Good morning. I'm Mr. Lloyd (sp) from the Philippine Daily Inquirer.

And since you are talking of regional security, I have a question for the first speaker. Why is it that it is only now that China is showing its military might to the neighboring Asian countries, especially the smaller countries like Vietnam and the Philippines, especially in the claims of islands, whatever name, you name it, in the South China Sea? Why is it that China wasn’t bullying the smaller countries in the Asian region in the '70s and '80s and '90s? Is that because China was not yet an economic power back then, or is that because the Americans are still in the Subic naval base and Clark Air Base, and the Soviets are still in Cam Ranh Bay?

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MR. BLUMENTHAL: I think – OK, I think we understand, yeah.

Q: Why is it that you’re only doing it now?

MR. BLUMENTHAL: We understand the question.

Q: Thank you.

MR. BLUMENTHAL: Why is China bullying its neighbors? (Laughter.) An easy question.

MR. LIPING: Since the 1980s China has improved its relations with ASEAN countries, this is Southeast Asian countries. The bilateral relations between China and ASEAN countries have been greatly developed in economic affairs, and now China is one of the biggest trade partners with those countries. And also China supports the leading role of ASEAN in regional mechanism.

However, I understand that because China is a big country now, it’s developing very quickly, so other – the neighboring countries, especially middle countries and small countries are quite concerned. And now the double interdependence in this area, in economic affairs – that China and its neighboring countries now are economically interdependent, have been – have been developing very quickly.

On the other hand, in security field, those countries would like to have with the United States to have a balance of China.

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So as the South China Sea, I think – I don’t think China ask the whole South China Sea, because according the U.N. (on clause ?), the islands, China – and islands and – if China now insist that the islands of Nansha and Xisha are territories of China, they are not – the islands can have territory sea, and also the EEZ and the reefs can have the 10 miles of territory sea. So other areas I think are high sea and also other – I think as if the free navigation is in China’s national interest because China now is one of the biggest – the trade – the trade country as – so I think now China would like to have good relations with its neighboring countries. And also, I think in the future China would make efforts to improve its relations with its neighboring countries.
Thank you.

MR. BLUMENTHAL: Thank you. I’d like to remind everyone, both questioners and answerers, that we are what sits between this panel and lunch. So let’s – (laughter) – let’s try to be as succinct as possible.

You, over – let me take two, actually. So over here – you, sir, and over there, right after that.

[00:46:37]

Q: Yes, Bill Jones from Executive Intelligence Review.

I have a question, Mr. Kondapalli, with regard to how the Indians are viewing this issue of national sovereignty. Ashley indicated that some people like China, or some countries like China, adhere to the Westphalian idea of sovereignty, whereas India is changing its position. However, the debate that’s going on at the U.N., which would really kind of transform it entirely, this right to govern policy, where if a Security Council decision is taken that a country is not, you know, governing correctly, intervention could be qualified – I would think that also India has a lot of concerns about the direction that’s going.

I’ll take the example of Syria. Of course, Russia and China, part of their reason for trying to negotiate an agreement in Syria is that they do not agree with this idea of this, you know, humanitarian interventionism or interventionism of that sort. India has been very quiet on that, but I would think that also there are some concerns there that that doctrine, which has served them so well, is also something they don’t want to see down the tubes. And I was wondering if you could say something about that and India’s relations there.

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MR. BLUMENTHAL: Thank you. You sir, over there, and then we’ll – go ahead.

Q: Thank you. I am Khadeer Amiriya (ph), a member of the governing board of South Asian University, which is built under this (inaudible). And in the meantime I want to take this opportunity to thank you – thank JNU for accommodating this new university in their campus until they build their infrastructure.

My question related to this topic, to this one, is the position of India vis-à-vis these current negotiations, as you may know, in Washington is ongoing one between Afghani President Karzai, President Obama and certainly some other members, participants in this dialogue. And what would be the position of India vis-à-vis these negotiations, the current negotiations, if I may ask this question?

Thank you.

MR. BLUMENTHAL: OK, thank you. Srikanth, I think both are for you, so.

MR. KONDAPALLI: Yeah. Thank you very much for these excellent questions.
On the first, I would argue on the contrary. I would refer you to former Foreign Minister S.M. Krishna’s statement soon after the Tahrir Square incidents and Libyan and Syrian developments. It’s a nuanced position, I agree, but most forthcoming was we support the popular uprisings in these states as part of the Arab Spring events.

On the issues of regime change and the consequent disturbances in these countries – as we saw in Libya, as we saw in Egypt and currently in Syria – one of the factors that is owing Indian conservations is we have over 6 million expatriates in this region who contribute substantially for the – for the southern state, Kerala's real estate and economic development through their, you know, contributions to – back home.

Secondly, in terms of the energy imports from this region, it’s quite substantial. As you know, that India imports something like 85 percent of its energy from this region – over 24 percent from Iran, but as part of the – Secretary Clinton’s plan, we have reduced that to about 14 percent; further, it is to be reduced with alternative energy plants, energy sources. But overall, apart from the security of the 6 million Indians who are living in this region, there is also the issue of energy. And so I think the nuanced position is because of these two reasons – although we are diversifying the energy, and it does take time to diversify your energy basket from different states. And I think we are making efforts.

The 6 million Indians are also important, because soon after the Libyan no-fly zone as well as the – this – (inaudible) – we have to evacuate several thousands of people from that region. And hence, it imposed a huge logistics problem on India. And I think, while India had suggested that it supports the mass uprising as part of the Arab Spring, it does have reservations on the regime change aspects, especially in terms of the destabilizing – any destabilizing trend that it could have in terms of the regime change.

On the – on the second issue, on Afghanistan. India is one of the largest contributors for the Afghan reconstruction. The Indo-Tibetan Border Police had two battalions, and is increasing its strength for the transportation networks in Afghanistan in terms of road construction, actually.

Thirdly, in terms of the law and order training for the police, there is huge investment there from India. There is also about a thousand Afghan students who are studying in India on different scholarships. There is – thirdly, in terms of the iron ore, copper and other materials, there has been an initiative for exploitation of these resources.

The Indian idea is obviously taking into consideration the Pakistani sensitivities that India is entering through a back door on the Afghan issue. And hence, I think, we are treading a very cautious line on that. And this is also probably in the U.S. interest before, but I think 2014, we will probably see more Indian role. But here, I think there will be larger convergence of interests between China, India, Russia, Iran, because we are going to raise the flag if there is any increase in the al-Qaida efforts post-2014.
MR. BLUMENTHAL: Thank – (audio break) – let me – I’m going to try for a symmetrical strategy: Very short question – if you think you can do it – very short answer. OK? You’ve been waiting for a long time.

Q: Thank you. I’m Genie Nguyen, with Voice of Vietnamese Americans. Come back to the Asia security. I like to talk to Dr. Xia that since 1972, after the Shanghai Communiqué, China has repeatedly been invading Vietnam – in ’74, ’78, ’88, ’79, and recently 2009, 2010, 2012. And last week, they sent ship over and harassed Vietnamese fishermen. So that’s not stabilized.

Now, I’d like to ask both – three panelists, from India, from China and from the U.S., what is one important factor that you can both converge in to help the South China Sea to stay peaceful, and each country maintain its peace and sovereignty, and developing economically? I’m talking about the COC that is now on the table of ASEAN.

[00:54:23]

MR. BLUMENTHAL: OK, I’ll let – Dr. Xia, why do you keep invading Vietnam? No, I’m kidding. (Laughter.) Yeah, I do want to note – and I want to thank my Chinese friends who have really come a long way; it’s very difficult to be in this position, obviously, where there’s a lot of concerns and critiques of China, and we just – we’ve come a long way in terms of Chinese scholarship and candor on these issues. So I do want to thank you for being – (chuckles) – in the hot seat. And I’m being flippant. (Laughter.) And then – and then we’ll go around, real quickly, on the last point.

MR. LIPING: Thank you for your question. (Laughter.) And China and Vietnam, I think we are neighbors. And also, China play a very positive role in helping Vietnam to realize reunification in 1960s and early 1970s. And there is – there is the – there was the border disputes between the countries. And then also, there is – also there were – there are disputes over the Nansha Islands and also Xisha Islands. And I think that Vietnam sometimes, I think, do something, for Chinese people, that is provocative, and that also – that China ask – I think China and Vietnam and the Philippines signed an agreement about the joint exploration in the Nansha Islands, about oil. However, both Vietnam and the Philippines refuse to carry out the agreement. So – and that is the cause, quite – the Chinese people now is very concerned about that.

So there is also some disputes – now, Vietnam also sometimes catch some Chinese fishermen, and also now – there are some disputes. However, I think during recent years that both countries also make great efforts to have more cooperation, like the joint – the patrol of many vessels in this area. I think that both countries should make great efforts to have negotiations to resolve the problem.

[00:57:19]

As for the Code of Conduct in South China Sea, I think that China’s attitude towards the COC is quite positive and – however, that ASEAN should have negotiations with China about the COC – during the COC, the formation of COC – instead of, now, ASEAN put a draft and ask China to sign. That is unfair. And I think that China and ASEAN countries should have negotiations in detail about the draft of COC. Thank you.
MR. BLUMENTHAL: Do you have anything to add?

MR. KONDAPALLI: Let me explain. The – in the Indian perception, Vietnam is a friend of India. We have – for example, when Deng Xiaoping was making that statement from the White House lawns in 1979 about teaching a lesson to Vietnam, and later when Vajpayee, the then-foreign minister, was visiting China – he cancelled that visit when the Sino-Vietnamese war took place to indicate to the friendship. Of course, we have not been able to substantially enhance the military cooperation and so on.

But Indian position on this issue is most similar to that of the United States position: free navigation, not involving in any territorial dispute between A and B in South China Sea. That’s partly because all – currently, 55 percent of Indian trade is passing through this region, and so any disruption in trade is detrimental to the Indian trade interests. And hence, I think the free navigation principle has been stressed.

MR. BLUMENTHAL: Well, I want to thank everybody very much. And Xia and my Chinese friends in particular, like I said before, I don’t think we’d be having these candid conversations 10 years ago. I’ll say welcome to the big power club, because usually it’s America that goes into another country, or an American that goes into another country and gets criticized by – (laughter) – so welcome to the club. And expect a lot more of it.

Thank you very much. And we convene for lunch. (Applause.)

(END)