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Transcript

CHINA IN THE WORLD PODCAST

Host: **Paul Haenle**

Guest: **C. Raja Mohan**

Episode 85: India Finds Its Place in a Trump
World Order

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Haenle: My colleagues and I at the Carnegie–Tsinghua Center had the honor of hosting Raja Mohan in Beijing recently, to participate in our Carnegie Global Dialogue. Raja is the founding director of Carnegie India, the Carnegie Endowment’s newest and sixth global center, based in New Delhi. Carnegie India’s research and programs focus on the political economy of reform in India, foreign and security policy, and the role of innovation and technology in India’s international relations. The Carnegie-India Center opened in April 2016, and recently celebrated its first anniversary. Raja, who I spoke with for this podcast, is a leading analyst of India’s foreign policy, South Asian security, great-power relations, and arms control. He’s been a non-resident senior associate at Carnegie since 2012, as well as a distinguished fellow at the Observer Research Foundation in New Delhi. He has also served as a member of India’s National Security Advisory Board.

In this podcast, Raja and I talk about what the Trump administration means for India, and the broader Indo-Pacific region, as well as for China’s relations with its South Asian neighbors. Raja shared interesting insights into how India might respond to challenges and even opportunities presented by potential changes to the U.S. role in the region, and changes in the U.S.-China relationship. Thank you for listening to the China in the World podcast, and I hope you enjoy my conversation with Raja.

I’m here this morning with Raja Mohan, the new director of the new Carnegie Center in New Delhi, India. Welcome to the China in the World podcast.

Mohan: Thanks, Paul. Nice being here.

Haenle: You’ve been here now for three days, as part of our Carnegie Global Dialogue. You’ve talked to a lot of different audiences, Chinese scholars, Chinese government officials, diplomats, media... You’ve noted in some of those discussions that you have seen a difference in the way that Asia has reacted and responded to the election of Donald Trump as President of the United States, and the way that Europe has reacted to the election of Donald Trump. Can you explain what you mean by this, and tell us why that matters?

Mohan: I think the Europeans—most of them are friends and allies of the United States—have tended to see his election as a setback for the cause of liberalism in the West. So in some sense their welcome is conditional. They were saying, you know, “we hope this guy will follow the values of the West.”

Haenle: I think Angela Merkel said something to that effect, right?

Mohan: Yes, so I think it was a bit condescending, it was a bit critical, it was a bit grudging, the welcome that the new President received; while in Asia, I think there was a sense that, look, one, we have to deal with the President of the United States, right?

Haenle: It is what it is.

Mohan: Yes. And we don’t have a vote in the U.S. election, so we’ve got to deal with the choices that the United States makes. But I think it’s a deeper level.

Haenle: They had more of a pragmatic response, versus an emotional response, perhaps, in some degree.

Mohan: Yes. There's [also] another aspect to it. I think through the election campaign I think Trump was saying, you know, they won't interfere in other people's affairs; that the corporatist, liberalist established that he derides even now—that these guys were trying to run the world, were trying to get into everybody's lives, we're not going to do that. We have interests, we are going to negotiate hard, but we're not going to try to make the world, you know, in our image. So I think that is appealing to the Chinese, to the Indians, to the Southeast Asians, who always feared the American, shall we say, interventions in their internal affairs, so then they thought this was a better way of dealing with the world. Since he talked about deal-making, many Asians, certainly the Chinese, a lot of people, were quite happy to [overcome] differences and move on, so they seem to think that we could do a better job. But the problem of course is [what we are facing today], quite some days and month after the elections. There are some doubts about how efficient, how coherent the new administration is going to be. So I think people are beginning to cross their fingers and say, "look, work in progress in Washington, government is not yet formed," and that's where I think the kind of engagement that we see between President Xi and President Trump is going to be so critical.

Haenle: You know, it's interesting. I agree what the way you described it, and I saw it play out here in China. Many Chinese came to the conclusion, given the language about America's overreach, being too involved in the world, that Donald Trump used in the campaign, to conclude that if Donald Trump was president, there would be less strategic pressure on China. I think that since the election, with the phone call to Taiwan president, some of his tweets, [the Chinese have] sort of reassessed that. At one point, you heard people saying, "we ought to abandon our illusions that Donald Trump is going to be good for us," and [they] went through a different period. From your perch in New Delhi, as the director of the Carnegie Center there, how have you assessed the election of Donald Trump in terms of U.S.-India relations?

Mohan: I think for India, there are at least three sets of issues that we have to deal with. I think one, Trump's emphasis on "buy American." In other words, the critique of globalization, the argument that the Americans have not really been benefitting from globalization. That has a big impact on India, because India's one of the late globalizers, probably one of the last medium economies to really reform. So just as we are beginning to kind of gain from globalization, the United States and Europe became ...

Haenle: Unfortunate timing for us to pull back on that.

Mohan: So I think that'll have some cost. But I think that's something we'll be able to deal with. The second aspect is "hire American." In the last 30 years there's been an extraordinary influx of Indian professionals migrating to the United States, also Indians students who started to do jobs [there]. And people are connecting with this new silicon Valley. That integration—will that be threatened by the President's determination to say, "look, these visas have been misused and we don't want to let outsiders come and take our jobs." So I think that is a problem, but then again I think India's waiting to see how the U.S. companies, which have a stake in the system, they're going to react. There's a third issue, which seems to be a positive opportunity for India, when the

president says “America’s friends and allies must do more, they should not be free riders, they need to pick up some of the burden.” I think it comes at a moment when India is beginning to see itself as a potential leader in the international system. We’re not...

Haenle: ...More able to contribute...

Mohan: ... Yes, more able to contribute, more positive contributions to the international system. We’re not fully risen like China. India is emerging, is an important player, but I think there’s a lot that we can benefit from in a system of burden-sharing with the United States.

Haenle: Fascinating. You’ve also discussed this week the implications of Trump’s “America First” policy for the international framework. You’ve compared Former President Kennedy’s statement “pay any price, bear any burden” with Donald Trump saying, to the effect of “what’ve you done for me lately?” And you’ve suggested that this may lead countries, in Asia, to hedge more, with respect to the United States. Can you talk a little bit about that, and describe how you see those dynamics taking place?

Mohan: So I think [this is] a time when China’s power is rising, and most neighbors feel the heat in one way or another, and the United States is seen as distracted, uncertain, because after all, the United States is not just looking at Asia. There’s a problem with Russia, so therefore there’s more focus on Russia, Europe and NATO. The Middle East remains a perennial concern for the Americans. So the United States takes its eyes off the ball from Asia. So many Asians are going to say, “look, is the United States going to be a reliable partner? How do I deal with the new situation?” A rising China, a retrenching America—it’s going to pose huge problems. That’s why I think this might be like the 1971 moment, when the United States said, “look, PRC exists, we want to do business,” and all the countries which are neighbors of the PRC had to deal with the PRC. But now, we could be in a situation where the smoothness of the relationship between the United States and China is going to be ruptured, others are going to want to make their own judgments. Whether the United States and China collude, or confront each other, that’s going to create problems for everyone around.

Haenle: And one of the first steps that Donald Trump took as president was to withdraw the United States from the TPP, and I would imagine that this would have a big impact on what you’re describing.

Mohan: Exactly, and I think because it has been taken for granted that the United States will be the, you know, the underwriter of Asia’s globalization...

Haenle: They’re counting on the United States to counterbalance against China.

Mohan: Yes, I mean that stake is big, on the economic front. People are going to make fresh calculations, and this way China has the potential to step into the back. But everyone is fearing Chinese military power, and hoping for an American economic collaboration. Now, you have a complication where American military power alone will not be able to deal with the questions that are going to come.

Haenle: Let's talk a little bit [about India's position], cause you write a lot about great power relations. You've talked about the development and growth in India, which has been miraculous over the last decades, still trails China. You mentioned this week [that] China has a GDP five times larger than India, military spending is three times greater. You've suggested that these trends, combined with uncertainty and possible turbulence in the U.S.-China relationship, could leave India in a vulnerable place. How is that? And what, in your view, can India do to hedge its position and ensure its own security going forward?

Mohan: My sense is India will have to factor this uncertainty in, a China that is becoming more assertive, a Russia that is becoming closer to the Chinese, and increasingly in confrontation with the West, and a United States that's so uncertain in how it wants to deal with Asia. So I think we will want to preserve as much of a relationship with the United States, because [in] the last 20 years, India's strategic partnership with the United States has grown, so we need to preserve as much of that [as possible]. Second, I think we need to limit our conflicts with China, because a number of issues which have been below the surface have come back, the boundary stance, the Tibet issue, the Dalai Lama issue, there's a whole lot of issues in China's relationship with Pakistan. So the country managed to limit the friction with China. Third, I think the most important thing for us, is to simultaneously expand our relationship with other Asian countries, especially with Japan, Australia, ASEAN, really to create a coalition that can protect us from the violent shifts in the U.S.-China relationship.

Haenle: You talk about minimizing your differences with China. Looking at the India-China relationship, it seems to have become a bit rocky. China's continuing to block India's bid for the nuclear suppliers group, China's developing deeper relations with Pakistan. At the same time, India seems to be taking a bolder approach to China, interacting with Taiwan, the Dalai Lama, increasingly over the course of the past year. What are the risks of these turning into flashpoints that erupt into a larger set of tensions, and how can you—you just mentioned the importance of managing these—so how can that be done?

Mohan: I think what we've seen happen in the last two years is that the Chinese seem to be rather unaware of some sensitivities, that India attempted to get into the nuclear suppliers group. So India could react and say that "look, if you don't respect my core security interests, I'm going to do something similar." But then there is a point beyond which these things could just be out of control, and that's where the problem is. I think that's where the two sides will have to sit down and say, "whatever the other problems that we have, we need to keep this, you know, below the threshold." In some ways I think this process has started in the last two weeks.

Haenle: Let me conclude by asking you one final question. You've been in China the last three days, you've talked about the importance, actually, of the United States and China managing their relationship for India. I know you're watching U.S.-China relations closely, the two presidents—President Trump and President Xi—will have a Summit in Mar-a-Lago soon, in early April. How do you see that state of that relationship? U.S.-China relations. What do you expect from Mar-a-Lago, and why is it important? Why is this Summit between the two presidents important?

Mohan: I think it comes at a very critical moment where the president came criticizing China as an economic challenge to the United States, as a problem that must be dealt with. But we've

already seen, in this conversation here, how the United States has already walked back from some of the more controversial propositions. But yet, the Chinese feel that, look, there is one thing that can rock Xi Jinping's boat—it is the presidency of Trump, because he's not made in the same mold as the previous leaders, and that he can, simply by doing things which [the Chinese] don't expect, can create problems.

Haenle: This unpredictability, right?

Mohan: So I think the Chinese have a stake in stabilizing this relationship. My sense is one of the reasons why Xi agreed for an early Summit is to be able to get something going with Trump before the administration's fully formed, so that you lock Trump into some kind of a framework. For the president, there's a way of actually saying that "look, I got something from [Trump], my hard line has paid off." So the key question for us as outsiders is to see whether there will be a deal; a deal that would say, for example, somewhere along the lines of what Jack Ma told President Trump, that "look, we're going to come and invest, say, maybe lot of money (the Chinese have lots of money) we're going to create jobs in the United States, but then you've got to publicly defend my core security interests on territorial sovereignty, on Taiwan..."

Haenle: To stabilize the relationship, yes...

Mohan: So, I think there might be outlines of a deal but given the nature of the two personalities—both are strong personalities, unpredictable at least from the American side, and a leader that isn't going to give in easily here, in China. So I think a deal won't be easy, and everything is going to adapt to what seems to be the direction of the U.S.-China relationship.

Haenle: Fascinating. It's been fantastic to have you here in Beijing with us this week, at the Carnegie-Tsinghua Center, and we've enjoyed you joining the China in the World podcast. We'd like you to come back often, if you are willing to join us, and thank you very much.

Mohan: Thanks Paul, it's been a wonderful few days in Beijing. I learned a lot and look forward to working with you [in the future].

Haenle: Thank you. That's it for this edition of the Carnegie-Tsinghua China in the World podcast, I encourage you to explore our website and see the work of all our scholars at the Carnegie-Tsinghua Center. Thanks for listening and be sure to tune in next time.