
AN APPRAISAL OF THE IMPACT OF BALANCE OF POWER BETWEEN CHINA AND INDIA ON THE GLOBAL ECONOMY AND PEACE

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Abstract

The aim of this paper is to know the appraisal of the impact of balance of power between China and India on the global economy and peace. The research method is literature review or literature study, which contains theories relevant to research problems. The paper has two major findings, firstly, the economy of the two countries has open up to dominate the global economic sphere, secondly, the regional security of the Asia Pacific become an economic and security threat to United State of America. The paper has a finding that the two emerging economies needs to open up a good friendly economic relation with African countries, Arabian countries for the sustenance of global economy and their economic policies to hit ground by supporting the economy of countries from Africa to come up without any threat to global peace.

Keywords: *Economic order, Sovereignty, International System, China -India Relation*

PENDAHULUAN

Both the two countries of China and India has a target of creating a stable economic environment in the Asia-Pacific that will allow them to develop and sustain their economic prosperity, even though they perceive threats very differently and have divergent priorities. Importantly, India seeks a resolute American presence in the region to hedge against possible Chinese excesses, while China sees the United States as significantly complicating its pursuit of its regional goals and worries about American containment attempts in its region that make her to think of ways to overcome the USA threat in Asia-Pacific region.

“The concurrent rise of China and India represents a geopolitical event of historic proportions, that has will make the global system witnessed the reemergence of two major powers simultaneously states that possess large populations, have ancient and storied histories, about each other spatially and politically, and dominate the geographic environs within which they are located. Their return to center stage after several centuries of imperial domination thus presages the reincarnation of an earlier era in Asian geopolitics when China and India were among the most important concentrations of political power in the international system since the fall of Rome. The parallel revival of these two nations also dramatically exemplifies Asia’s resurgence in the global system. Although there has been a steady shift in the concentration of capabilities from West to East ever since the end of World War II, this transformation took a decisive turn when the smaller, early-industrializing nations of Asia, Japan, South Korea, Taiwan, and Singapore were joined by the large, continental-sized states of China and India. (Johannes,2011)”

Johannes Dragsbaek Schmidt, (2011) has further cited that “the recent renaissance of China and India is owed in large measure to their productive integration into the liberal economic order that built and sustained by American hegemony in the postwar period. As a result of that integration, both of these giants have experienced dramatic levels of economic growth in recent decades. China’s economic performance, for example, has been simply meteoric, exceedingly even the impressive record set by the first generation of Asian tigers between 1960 and 1990. During the last thirty or so years, China has demonstrated average real growth in excess of 9 percent annually, with growth rates touching 13–14 percent in peak years.”

“As a result, emerging economic rise of China’s per capita income rose by more than 6 percent every year from 1978 to 2003 much faster than that of any other Asian country, significantly better than the 1.8 percent per year in Western Europe and the United States, and four times as fast as the world average. This feat has made the Chinese economy, in purchasing-power-

parity terms the second largest in the world with a 2010 gross domestic product (GDP) of roughly \$10 trillion. Many scholars believe that China will likely overtake the United States in GDP size at some point during the first half of this century. (Denny,2005)''

H.C. Stackpole, (2010) was of view that ''despite some challenges faces by these emerging global economies, the Indian economy has grown at a rate of about 7.5 percent during the first decade of this century. The country thus eclipsed its own historic underperformance and enabled a doubling of per capita income about every decade, placing the Indian economy, when measured by purchasing-power-parity methods, in fourth place globally with a 2010 GDP of approximately \$4 trillion. More interestingly, India's growth unlike China's, which relies extensively on foreign capital and export markets has derived largely from internal sources. Accordingly, many analysts have concluded that continuing economic reforms will enable the country not only to reach its targeted objective of sustained double-digit growth but also to catch up with China in coming decades as Beijing's own growth slows because of its incipient demographic transitions.''

''But if the history of previous rising powers is any indication, as China and India continue to grow, they will want to progressively reshape the international system to advance their interests that may differ from those of the United States, the established hegemon that sustains the current global order. This does not imply; however, the Beijing and New Delhi invariably share common objectives in opposition to Washington. To be sure, the two countries are united by certain acknowledged aims: recovering the preeminence they once enjoyed as international entities of consequence; establishing a multipolar world with themselves as constituent poles; avoiding the costs of contributing to global public goods on the grounds that their vast developmental challenges are not yet overcome; and protecting their hard-won sovereignty in the face of new principles justifying foreign intervention in the internal affairs of states. (Johannes ,2011)''

Here can understand that based on the above mention discussion can have a light or guide on the agreement on issues of global order, especially vis-à-vis the West, is real or whether it merely obscures important differences between the two rising powers is a critical question because it bears on the character and the extent of change that might be desired of the international system as it evolves. Accordingly, there is a pressing need to understand how these two emerging powers conceive of various issues relating to the global order. Such an understanding would reveal the extent of their comfort with the existing system while simultaneously providing clues about how they might seek to reshape it if they acquire the ability to do so in the future.

However, the objective of this paper is to examine the relevance of the two Asian strong economic countries in shaping the structure of global economy in the next two decades and how this effort can affect the economy of present powerful countries like United State of America in next not coming 20 to 30 years.

RESEARCH METHODS

The research method is literature review or literature study, which contains theories relevant to research problems. The problem in this research is to find out the the appraisal of the impact of balance of power between China and India on the global economy and peace. In this section, the concepts and theories used is carried out based on the available literature, especially from articles published in various scientific journals. Literature review serves to build concepts or theories that form the basis of studies in research. Literature review or literature study is an activity that is required in research, especially academic research whose main purpose is to develop theoretical aspects as well as aspects of practical benefits.

RESULTS AND DISCUSSION

Wang And Mohan and the Ideology of Changing Global Economic Order

The first paired set of essays on the character of the international system, authored by Wang Jisi and C. Raja Mohan, addresses the fundamental questions of whether China and India view the

extant global order as serving their critical interests, whether they believe that the international system is sufficiently respectful of their national sovereignty, and whether existing international institutions adequately reflect their growing power.

In answering these questions, Wang and Mohan agree that China's and India's views on the current global order have evolved along a similar trajectory. In the aftermath of the Second World War, both states driven by strong anti-colonialist impulses opposed great-power politics and what was viewed as "superpower hegemony," calling instead for a multipolar world. Since the end of the Cold War, however, both nations have become increasingly integrated into the U.S.-led international order. They recognize that this order has created a peaceful external environment within which they can safely develop, and they see globalization as a positive and, to some extent, inevitable trend (although Mohan identifies some Indian concerns on this point). As a result, China and India have abandoned calls for a complete overhaul of the global order and instead have come to support "merely" its revision. (Johannes,2011)

Michael Yahuda, (2004) has further cited that "despite their engagement with the extant world order, both China and India remain concerned about this order's ability to protect their state sovereignty. As both states are still in the midst of major state-building projects, sovereignty is a key priority. Beijing and New Delhi generally oppose Western-led interventions in the internal affairs of the developing world. But, more interestingly, Wang and Mohan also emphasize that China and India identify another potential threat: the increasing empowerment of individuals and civil society at the expense of the state. Both nations are suspicious of nongovernmental organizations in their countries, in part because of their perceived links with foreign states, and they also harbor extensive reservations about international norms that seek to bind the hands of national leaders in domestic matters. Moreover, they watch the rise of new technologies such as innovations in cyberspace and social media with some distrust."

"Wang and Mohan argue that both China and India yearn for a greater role in the global order and that they currently feel underrepresented in key international bodies. Wang flags China's lack of representation in international economic institutions, while Mohan highlights the fact that India is not a permanent member of the United Nations Security Council (UNSC). Both scholars also mention the importance of bolstering their countries' domestic capacities to produce citizens that can effectively represent them on the world stage, indicating their perceived lack of suitable capability to meet the burdens of greater global leadership. In other words, the authors suggest that China and India are not yet global leaders due to a lack of both opportunity and capability. Wang and Mohan also agree that China and India share many common interests on global matters such as regime change and climate change. (Johannes,2011)"

For all their convergence at the international level, therefore, the geopolitical rivalry between China and India often impedes practical cooperation between the two states. Both Wang and containment and thus wary of the United States' developing relationship with India.

On balance, Sino-Indian divergence on many matters of global order may be deeper than the common rhetoric suggests. While China and India agree in the abstract on concepts such as state sovereignty and humanitarian intervention, they are divided by their perceptions of the threats facing the international system as well as by their concerns about their own security. China deeply fears American intrusions on its sovereignty and is acutely conscious of the leverage India possesses regarding Tibet's future as a Chinese province. Although India is still hesitant to confront China outright or commit to a strong affiliation with the United States, Mohan notes that New Delhi and Washington are growing closer on issues such as democracy and humanitarian intervention. Wang maintains that China remains obdurately opposed to these issues.

Zhang And Kumar/Khanna, International Economic System Perspective

Another major issue to discuss in this paper is on the evolving global order which was authored by Zhang Yunling and Rajiv Kumar/Anshuman Khanna, which has addressed the China's and India's perceptions of the liberal international economic order. The key thrust in this

paper is to further examine how the economic order serves the two countries' interests, and how these two states reconcile their economic policies towards integration into an open global market, as well as how these countries value US currency as an international reserve currency through where liberal trade system may be open or expanded to cover market force.

These two scholars Zhang and Kumar/Khanna has further re-emphasize that China and India's shared commitment to the global economic system which was fundamentally rooted in the benefits that order has bestowed on their nations. They all agree that China and India have not only grown as a result of their integration into the global economic system but also used that integration as a force for beneficial domestic reforms. Both the two countries have mapped a plan to continue their external integration and internal reform simultaneously with huge changes in both economic, social, and political transitions.

Johannes Dragsbaek Schmidt, (2011) was of the opinion that "despite the benefits given by the liberal market order, however, Zhang and Kumar/Khanna affirm that their countries are dissatisfied by the existing balance of power in many world institutions, especially those have a concern with the international finance or market. China and India are well aware of their growing economic heft within the international trading system, and they see the rise of the G20 and the BRICS (Brazil, Russia, India, China, and South Africa) as reflecting a larger shift in economic power from the developed to the developing world. = balances. Additionally, both identify Chinese and Indian fears of rising protectionism among developed countries, and they emphasize that the West should not fence off its economies from globalization, given the importance of a universal free market."

However, both countries agreed that they will be unable to take a primary leadership role any time soon because of their still-significant economic, political, and social constraints. Both sets of authors have pointed that the domestic problems are the key economic challenges to China and India replacing the United States in global economic position. However, the international agreement of Beijing and New Delhi have given a new light and direction by two countries to reshape their economic policies by engaging other countries of the world into their economic boot to diplomatically maintain and control the global economy. These two authors of Kumar/Khanna they are of the opinion that "internal and domestic considerations dominate any global interaction." Zhang and Kumar/Khanna also doubt that either country will experience a future tradeoff between greater integration into the open economic system and continued having a rapid national growth, an eventuality that many predict. Kumar/Khanna believe that "this stage is still a long way off."

In a same line, both countries of China and India has support reopening the global trading system, they also abuse the point that bilateral and regional FTAs are some of the major problems that has affect the emerging economic countries. Zhang also, further argues that China considers regional arrangements to be of great importance, and his study clearly emphasizes that China's continued interest in expanding them. But Kumar/Khanna fear that bilateral and regional trade agreements could undermine the multilateral trading order. As a result, they call for the World Trade Organization to play a greater role in monitoring these regional FTAs and ensuring they are not diverting trade. This position again reflects the traditional Indian ambivalence about sub global FTAs, even if it is not fully incorporated in current Indian governmental policies.

The Xia and Kondapalli, Asian Security Framework

In this part of this paper, we are to evaluate of the key challenges facing the Asian Pacific security framework. Scholars like Xia Liping and Srikanth Kondapalli has conducted research work on Chinese and Indian on their security and strategic method to curtail US domination in the region from both military and non-military component.

"The matter of security is of paramount on the China and India economic growth reaching domination global economic paradigm, scholars like Xia and Kondapalli are of the opinion that underscore the differences in geography, regional context, and the specific threats facing both

states. Nevertheless, the challenges they point to share some common threads. From Beijing's perspective, China's most important security concerns are the confrontation on the Korean Peninsula, the South China Sea dispute, and the Iranian nuclear program. Kondapalli, in contrast, emphasizes unresolved sovereignty and territorial disputes, terrorism, and the challenge of maintaining high economic growth as critical for India. While Xia's concerns are shaped by geography and span many different subjects—as he notes, “all three issues have involved outside major powers and have posed both traditional and nontraditional challenges to the region and the world”—Kondapalli's concerns are functional and span many different countries. (Johannes,2011)”

The Perspective of Li and Raghavan on the Stability in Southern Asia

The perspective of Li and Raghavan has made several inputs on that has examined the security problem in the Southern Asia which to some large extent retouch the area of Afghanistan and China. However, the major objective of China and India in the Asia region is the strategic management of the threat to security in the region by engagement in to diplomatic relation among the affected countries to avoid the pressure of US for intervention in the region. It's important to understand at this point based on the Li's and Raghavan's was of the view that the Chanise and India major key objective in Southern Asia was a kind of formal engagement and relationship bounded with a lot irritated feeling by some actors.

Michael Yahuda, (2004) has cited that “the Li argues that China seeks—in order of decreasing importance a friendly, stable, and prosperous Southern Asia. Although Raghavan does not rank India's priorities in a similar fashion, he notes that New Delhi has prioritized regional economic integration, the normalization of relations between India and its neighbors, and the promotion of regional stability. Both authors also mention the importance of their countries' sea lines of communication through the Indian Ocean.”

Another scholar H.C. Stackpole, (2010) has further argued that “the most prominent element of divergence in their strategic objectives, as expressed in these papers, pertains to democracy promotion. Raghavan notes that India seeks to promote democracy in the region and to influence the “policies pursued by states in the region against sections of their own populations.” China, obviously, does not share this interest, but this divergence may be less significant than it appears. Although India has always felt comforted by the spread of democracy in the region and has sought to promote it through exhortation and example, its hegemony in Southern Asia has paradoxically curbed India's urge to proselytize on behalf of democracy for fear of riling its smaller neighbors.”

Zhang And Sakhuja Maritime Security in the Asian Pacific

Zhang Haiwen and Vijay Sakhuja has a kind of view on China's and India's approaches to maritime security, the analysts describe their respective countries' perceptions of the current global maritime order, their positions on the UN Convention on the Law of the Sea (UNCLOS), the maritime conflicts currently embroiling both states, and the role of the United States in upholding maritime security.

Wayne S. Ball, (1996) was of the view that “the central point of significance in Zhang's and Sakhuja's studies is their agreement that the global maritime system is crucial to the continued prosperity of China and India. Of equal significance is their conviction that UNCLOS remains both the core and the framework of that system and that upholding it is therefore incredibly important for continued stability. The strong convergence on this position indicates that China and India, like many other developing countries, see only benefits in supporting a regime that offers strong national control and jurisdiction over ever-increasing ocean areas, especially those subject to the most intense human use. This expanding jurisdiction over broad expanses of ocean waters—a national enclosure of what was previously treated as the high seas—sets both China and India,

along with many other Third World states, apart from traditional maritime powers such as the United States. The latter states instead remain wedded in outlook and practice to the older Grotian tradition of *mare liberum*, which defends “unfettered access to the open ocean and denie[s] the legitimacy of national claims to broad oceanic expanses.”

According to Zhang and Sakhuja, China and India both see UNCLOS as codifying, not rejecting, the inheritance of customary international law while also expanding upon it in various significant and welcome ways. In particular, both countries value the fact that UNCLOS expanded states’ jurisdiction over their continental shelves and exclusive economic zones (EEZs), the area over which a state has certain special rights to maritime access and resources. UNCLOS also added new rules about the passage of vessels, including the activities of naval and research ships, in waters where China and India now enjoy jurisdiction.

Tang and Bhattacharjee and the Relevance of Cybersecurity in the Asia Pacific Region

Today the security challenges in the global commons focuses on cybersecurity, perhaps the most pressing problem of the contemporary age given the ubiquity of computer connectivity, the high level of network integration that ties together all the key sectors of the modern economy, and the inherent difficulties in detecting, attributing, and neutralizing cyberattacks.

“The significance of these problems acquires added impetus because of the pervasive evidence that China is one of the few countries that has a highly dedicated, state-supported “cybercorps” of civilian and military specialists focusing on what the PLA calls its Integrated Network Electronic Warfare strategy. These two essays, authored by Tang Lan and Subimal Bhattacharjee, detail China’s and India’s approaches to cybersecurity, their assessment of a desirable cybersecurity regime, their commitment to Internet freedom, and their views on cyberattacks and espionage in cyberspace as legitimate tools of warfare. (Denny,2005)”

China and India have increasingly prioritized cybersecurity, albeit in fits and starts. Both countries have worked hard to first establish and then to fine-tune a legal regime that adequately addresses cybercrimes. Both have also struggled to manage a multi-actor governmental system in which different agencies have different cybersecurity responsibilities and powers—a system not entirely different from that of United States—and have actively cooperated in bilateral and multilateral cybersecurity efforts with other countries. Finally, both China and India have recognized the importance of public-private partnerships in overcoming national cybersecurity challenges, a critical step forward for countries with large economies and many major private enterprises.

Zha And Joshi, the Search for Energy Security

The global security framework has also focused on energy security, a subject of importance for any economy and especially for those growing at a particularly rapid level. The question of whether China’s and India’s reliance on the global market strains existing supplies of energy is an important one, but what is perhaps even more noteworthy is whether their use of state instruments distorts the operations of global energy markets in some way.

“Both China and India rely heavily on coal, and this reliance despite its deleterious environmental impact is unlikely to decrease substantially in either country. They are also optimistic about making use of their domestic shale-gas reserves in light of recent technological advances, but they remain unsure about whether they have the ability for technological, political, and regulatory reasons to access these reserves in the near future. (Japan Time,2004)”

From the above statement of scholars, we can understand that both China and India have used more and more energy, Zha and Joshi note the differences in their country’s abilities to indigenously meet their increasing energy needs. Zha observes that China is largely self-sufficient in all energy sources save oil and that its dependence on foreign sources of energy will largely be limited to this sphere. In contrast, Joshi notes that India already depends heavily on foreign sources of oil, coal, and natural gas and that this dependence is likely to intensify in the future. This

comparatively greater dependence on global sources of energy will have consequences for India's geopolitical autonomy.

CONCLUSION

The assessment of Chinese and Indian rising of move of economic growth to dominate the global economy has its root from the Sino-India relations. The paper has clearly discussed the various diverse perspective of the two countries on the economy, energy, environment issues, cyber related and many others issues that can easily attract global attention and relevance in the formation of economic order. The Beijing and Delhi declarations and conventional agreement has guide in other direct the bilateral relation between the two countries and its ties and other international capital and national gain.

This reality leads to three important reminders. First, despite the superficial convergence between China and India on many global issues, there are deeper disagreements that though sometimes subtle (especially when compared to the differences in Chinese and Indian views on the United States) are nevertheless likely to preclude the development of a meaningful partnership between Beijing and New Delhi. The disagreement among China, India and the United State on many global raising issues are rooted at the structural challenges that has not pave way for meaningful resolution national and international problems which has an implication to the individual state and the global community. Second, the disagreements among China, India, and the United States on many global issues are often rooted in, and reinforced by, structural constraints that are significant enough not only to prevent a meaningful resolution of many transnational problems but also to generate potentially pernicious consequences for both the global order and individual states.

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