

The Peaceful Development of China

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A British friend of mine used to say that Indians are 'awfully' proud to be part of the largest democracy in the world. I will not analyze the functioning of this famous democratic system, I can just say that by the end of the day, it delivers the goods; there is an alternation in leadership and of course the looser can always put the blame on the 'incumbency' for his defeat.

These days, many Indian leaders including the Prime Minister have a great admiration for China's economic development, but the fact is that 'incumbency' is a worryingly missing feature in the Middle Kingdom's political system.

A few days after the Indian lawmakers had listened to P.

Chidambaram's lackluster budget presentation, another similar exercise was performed by the Chinese Premier, Wen Jiabao in Beijing. The annual full session of the National People's Congress, China's Parliament was opened with great pomp on March 5.

If you watched the event on TV, you immediately grasped that China and India are poles apart. The majestic and beautifully decorated Great Hall of the People was a model of order. The Chinese Premier solemnly entered and bowed to the nearly 3000 delegates from all the different provinces of China. The grand show and decorum maintained by the Chinese Deputies is certainly worth admiring in the land of Bharat. Their behavior can not be compared with the usual chaos and 'trooping into the well' of their Indian colleagues who for one reason or another often force the poor Speaker to tear his hair before finally adjourning the house for the day. It could be argued that the situation is different in China, there is no 'Q' issue to 'rock' the Parliament and

here the recurrent pandemonium is the hallmark of a 'healthy' democratic system.

Apart from the external aspects of the proceedings in Delhi and Beijing, the budgets were also very different in their concerns. The first big difference is that Beijing has decided to rein its growth: *"China plans to gear down its economic hike to eight per cent, a level lower than the staggering 10.7 per cent GDP growth rate in 2006,"* Premier Wen informed the delegates. While Wen admitted: *"we need to greatly improve the quality of efficiency of economic growth"*, his Indian counterpart continues to be obsessed by a double-digit dream without even trying to envisage the consequences for the common man.

The great advantage of democracy is that when politicians lose elections, they start thinking about the 'common man'.

The leaders in Beijing do not have the luxury of being replaced and they have probably never heard the word 'incumbency'. However they have other ways to realize the same thing. During the year 2004, it is said that 74,000 riots were recorded in China, mostly to protest against corruption, land grabbing or environmental issues. This figure made the leadership think: *"if the society does not grow harmoniously, the Mandate of Heaven may soon withdrawn from us"*.

At the end, the Communist apparatchik comes to the same conclusion as its Indian counterpart, that something must be done for the farmers and the poor. Wen spoke of *"accelerating the development of modern agriculture and effectively promoting the building of a new socialist countryside."*

Though for years China pretended that it had no problem to feed its people, it is now accepted that China will face a 4.8 million ton grain shortage in 2010, almost 9 per cent of the nations' consumption. Wen

stated: *"It is more difficult than ever to steadily increase grain production and keep rural incomes growing."*

The predictions made 20 years ago by the agronomist Lester Brown, are coming true: "Who will feed China?" It is perhaps the most serious strategic issue together with global warming that the planet has to face today.

The total budget for agriculture has been increased to 392 billion yuan (\$ 50 billions) 15.3 per cent higher than the last year. At the same time, the Central government allocations for education will be up by 41.7 percent, while the provision for medical care and public health, will grow by 86 %.

Hu Jintao's declared objective is to create a 'prosperous and harmonious society'. If one reads between the lines of the Chinese declaration (and one should always with China's figures), it means that the Middle Kingdom is today not developing harmoniously, mainly because of the wild, uncontrolled expansion so much admired by some Indian leaders.

Where India should worry is that in the midst of this instable scenario, Beijing has decided to increase its defence budget by allocating 350 billion yuan (approximately \$ 45 billion) for national defense, up 17.8 percent from last year, the biggest increase in five years. The declared objectives remain the same: *"Internationally, we should advocate peace, development and cooperation... China works to uphold its independence, sovereignty, unity and territorial integrity"* said Wen. Adding: *"It does not use ideology and social system as a criterion in conducting diplomacy, nor does it impose its values on others... it means we should follow a defense policy that is defensive in nature and do not engage in arms race or military expansion."*

Beijing continues to preach the Peaceful Rise of China, but the figures betray its real concern!

A few days earlier, the Indian Finance Minister had announced a 'big' raise of 7.8 per cent to nearly \$ 22 billion in its defence spending (still less than half the Chinese official budget)

As usual Delhi downplayed the significance of the Chinese budget.

Defence Minister AK Antony told the press: *"India is striving towards striking a balance between 'bread, butter and security' and it was not competing with any foreign country."*

Even if does not admit it, Antony probably knows that the future is not rosy for India's defence; all experts are aware that the true figure of the Chinese defence budget might be twice or thrice higher and while Chidambaram gave detailed and precise figures of the expenditure of the three services and the capital expenditure for acquisitions, Wen provided no detail.

Last year, the US *Defence Intelligence Agency* claimed that while the official budget was about \$ 38 billion, the real defence spending was between \$ 70 to \$ 105 billion for 2006.

The Chinese figures do not probably take into account military R&D, arms imports, Chinese strategic forces, the People's Armed Police militia and PLA reserves and other defense related expenditure.

Take the example of the weather satellite destroyed on January 11 by a medium-range ballistic missile at an altitude of 537 miles above the earth. Foreign Ministry spokesman Liu Jianchao may have stated *"the test was not targeted against any country and does not pose a threat to any country"*, but it is clear that this ultra-classified experiment was not financed out of the defense budget.

The test obviously greatly worried the military circles in the US as well as Russia and Japan. Should it not worry Delhi?

Look at the ports of Gwadar in Pakistan, Hambantota in Sri Lanka and Sitwe in Burma, the Chinese investments in what was only a few years back 'sleepy fishing harbours' are certainly 'strategic investments' that India can not ignore, even if India 'is not competing with any country'. Speaking about Hambantota, B. Raman, the strategic expert wrote:

"The details of the proposed project as known till now do not speak of a military component, but the Chinese assistance to the project does not make sense except from a military perspective."

The Chinese will certainly not show this type of investment in their defence budget, but while ad-hocism is the rule in 'democratic' India, Beijing always looks decades ahead. China is a rich nation, with a trillion dollars foreign reserve, and investing in the future is good business. Even Africa and South America have recently been the targets of Chinese heavy 'investments'.

And we should not forget, the largest strategic investment made by the People's Republic since the fifties is the train to Lhasa; it will come a step closer to the Indian border during the next financial year. This is not shown anywhere in Mr Wen' budget, but in the meantime, Lalu Prasad will continue to preach management to the IIMs.

One more thing: Joel Brenner, the new head of the Office of National Counter-intelligence Executive told the *Washington Times* that China's intelligence services are the most active in the world in spying on the United States; they are aggressively targeting advanced technology. With a separate budget!

One can be proud of the incredibly democratic India, but is it not time for the elected politicians to think ahead *à la chinoise* and to prepare for tomorrow?