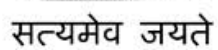




11-13 JULY 2014

**STRATEGIC POLICY GROUP
OF INDIA
BACKGROUND GUIDE**



“Strategic Roadmap to counteract the increasing presence of China”

DPS Ghaziabad MUN- 9th -11th July 2014

By:-

Pallav Kumar Singh



Respected Delegates,

It is with immense pride and honour that we welcome you in capacities of The Executive Board to the simulation of Strategic Policy Group of the Indian National Security Council.

Indian simulations in Model UN conferences is not unheard of and are definitely an emerging trend. It focuses on the fundamental premise of sound understanding of national issues and contextualized analytical skills. However, Indian simulations have yet to overcome 'personal impersonations' and procedural challenges. We hope that we contribute to a certain extent in eliminating both of them.

Procedural framework will be a result of an amalgamation of ideas from different simulations and a self-created set of rules. The first two hours of the simulation will be used to excessively deal with the procedure and its explanation through a prepared presentation. It will be a procedure which will focus more on debate than concrete rules.

Secondly, we request you to research on your allotted portfolios than the eminent bureaucrats or specialists' in-charge. We believed in the principles of immense research and an extremely professional outlook. That could only be achieved if you delegates could break the barriers of personal impersonations.

This study guide is created through immense deliberations and reading countless journals to provide you with a contemporary analysis of Indo-China issues and areas of priority relevance. The exclusion of South-China Sea is a deliberate thought, as we have categorized the areas of prime SPG importance and relevant for an engaging debate. Also, the South-China sea dispute has strong global undertones and is beyond the ambit of a bilateral dialogue per se.

Delegates, I say again that adequate research will have a direct correlation with the experience you have. We know that there will be certain debutants in this council and I assure you that, it would not matter how many conferences others have done. Go through this guide and I hope that in all good stead, it will be useful.

Welcome delegates, to an experience you shall cherish.

Jai Hind!

Regards

The Executive Board

National Security Council and Strategic Policy: Creation and Critique

On coming to office in 1998, the BJP-led coalition set up a special task force, headed by then Deputy Chairman of the Planning Commission K C Pant, to examine the working of the national security management system in the US, the UK and other countries to make recommendations on the setting-up of a similar infrastructure in India.

Others in the task force were Jaswant Singh, who served as foreign minister and subsequently finance minister of the outgoing government, and Air Commodore Jasjit Singh, then director of the Institute for Defence Studies and Analyses.

In December 1998, on the recommendations of this task force, a three-tier structure was set up, consisting of a National Security Council, a Strategic Policy Group and a National Security Advisory Board.

The Indian NSC, like its US counterpart, is essentially a high-powered political body chaired by the Prime Minister and consisting of important members of his Cabinet directly concerned with national security issues.

The SPG, which is chaired by the Cabinet Secretary, consists of serving senior officials responsible for policy-making and follow-up action in matters concerning national security plus the Chief of the Army, the Navy and the Air Force and the Intelligence Bureau and the Research and Analysis Wing (the external intelligence agency). Its main task is to make policy recommendations to the NSC.

The NSAB consists of senior retired officials, civilian as well as military, who had dealt with national security during their career as well as distinguished academics and non-governmental scholars. The head of the NSAB was designated as its convener.

K Subramanyam, the highly distinguished doyen of the community of Indian strategic analysts, was designated as the first convener. After he had completed tenure of two years in June 2001, C V Ranganathan, a retired officer of the Indian Foreign Service, who served as India's ambassador to China and France, was designated as the second convener in December 2001. He too has completed his two-year term. There have so far been four NSABs, two headed by Subramanyam and two by Ranganathan. The fifth NSAB is yet to be nominated.

The Task Force also recommended the creation of a post of National Security Advisor to the prime minister and the setting-up of a National Security Council Secretariat, similar to its US counterpart.

These recommendations were accepted. But instead of appointing a separate officer as the NSA, then prime minister A B Vajpayee (reportedly on the recommendation of Brajesh Mishra, his principal secretary) ordered that Mishra would hold additional charge as the NSA.

The Joint Intelligence Committee of the Cabinet Secretariat, patterned after its British counterpart, was converted into the NSCS and entrusted with the tasks of assessment of intelligence, the co-ordination of the functioning of intelligence agencies and tasking them and acting as the interface between the NSC, SPG and NSAB and servicing their meetings.

In the US, the NSA acts as the advisor to the president and as the national co-ordinator in all national security-related matters and, at the same time, as the administrative and professional head of the NSCS, in which capacity he or she is responsible for its day-to-day running and maintaining a high level of professional competence.

Presumably in view of the dual charge of Mishra, this system was modified and a post of Secretary, NSCS, was created and the holder of the post was made responsible for the day-to-day running of the NSCS and its professional competence. Satish Chandra, a serving officer of the IFS, who was previously the Indian High Commissioner in Pakistan, was appointed to this post and he has been asked to continue after his retirement. Initially, the NSCS was part of the Cabinet Secretariat, but in 2002, it was decided that it should be part of the Prime Minister's Office.

The Task Force on the revamping of the intelligence apparatus set up by the outgoing government in June 2000 in the wake of the enquiry into the Kargil conflict of 1999 by a high-powered Kargil Review Committee, chaired by K Subramanyam, had recommended the creation of a Defence Intelligence Agency, a new agency for the collection of technical intelligence, a counter-terrorism centre in the IB to co-ordinate the counter-terrorism role of all agencies and a committee chaired by the NSA to co-ordinate the functioning of the intelligence agencies. These recommendations have been accepted and implemented and the NSCS has been given the additional task of follow-up action and monitoring in this regard.

The NSCS also monitors the implementation of the various recommendations made by three other special Task Forces set up by the government to examine and report on internal security management, border management and defence management.

Ever since this NSM infrastructure was set up, there has been a debate on certain aspects of it. The first relates to the advisability of the same individual holding both the posts of Principal Secretary to the Prime Minister and the NSA.

Many analysts and the KRC had advocated the appointment of a separate NSA, dealing exclusively with national security without any other responsibility. This was, however, not accepted by the BJP-led government.

The second criticism related to the lack of expertise and experience of the NSA in matters relating to internal security management, law enforcement and intelligence management and the need for the prime minister to have the benefit of the advice of someone well versed in these fields.

The third criticism was about the NSCS. It was felt by many that while it had developed considerable area expertise, it was lacking in subject or domain expertise in fields such as counter-insurgency, counter-terrorism, counter-intelligence, counter-proxy war, counter-psywar etc.

After the KRC submitted its report towards the end of 1999, R N Kao, the founding father of R&AW, had written to then Prime Minister Vajpayee expressing his misgivings over some aspects of its report. The Prime Minister had sent for him for a detailed discussion on the report. It is understood that the three aspects mentioned were among the subjects which had figured in the discussions.

Kao was learnt to have told the Prime Minister that while it was his privilege to combine the two posts, if he considered it necessary, and appoint anyone enjoying his confidence to the post, it had to be recognized at the same time that the present incumbent of the post of NSA had very little exposure to internal security and intelligence management.

He, therefore, suggested for the Prime Minister's consideration that a new post of Deputy National Security Advisor should be created and that it should be filled up by someone well versed in internal security and intelligence management.

This suggestion was not implemented while Kao was alive. But after his death in January 2002, the designation of the Secretary, NSCS, another Indian Foreign Service officer, was changed as deputy to the NSA. Thus, both the top posts in the newly-created national security management infrastructure were held by retired officers of the IFS, with little exposure to internal security and intelligence management and with practically no network of contacts in the internal security infrastructure of different state administrations.

When the NSAB was set up, the idea was that it would prepare an annual strategic review identifying areas calling for attention and options for action, in addition to undertaking such other tasks as allotted to it by the government. The first NSAB submitted a report on the draft nuclear doctrine and a national security review.

While its recommendation for releasing the draft nuclear doctrine to the public to encourage a national debate on it was accepted, its recommendation for releasing to the public its executive summary of the annual national security review was not accepted.

The second and third NSABs also submitted an annual national security review. The fourth was reportedly advised to discontinue the preparation of an annual national security review and to focus instead on submission of reports on topical areas of importance from the point of view of national security. It also reportedly undertook a detailed study of the subject of governance.

The NSABs made their recommendations largely on the basis of open information and insights gained during interactions with serving officers. They had very little access to information at the disposal of the government. As a result, their reports often tended to be of a general nature and lacked focus. This was a criticism often levelled by serving officers with regard to their reports.

The Congress (I)'s policy document *Issues before the Nation: Security, Defence and Foreign Policy* draws attention to what in its view are the inadequacies in the national security management infrastructure, but is vague on how it is going to remove these deficiencies.

'The Congress will formulate and implement a comprehensive multi-dimensional national security policy, which will cover vital aspects of energy security, food security, good governance and countering centrifugal trends affecting the country,' it says.

'The institutional arrangements made by the BJP-led NDA government have been cosmetic. In substance, national security is not underpinned by structured and systematic institutional arrangements. The National Security Council, which was established since 1999, has not functioned with institutional cohesion. Important national security decisions have been taken in an ad hoc manner involving just a few individuals without utilizing the Cabinet Committee on Security, the Strategic Policy Group (comprising key secretaries, service chiefs and heads of intelligence agencies) and officials of the National Security Advisory Board.

'There has been no systematic interaction between the Strategic Policy Group and the National Security Advisory Board (NSAB). Nor there has been any regular interaction between the National Security Advisor and the NSAB. The Congress will institutionalize regular meetings of the Cabinet Committee on Security. It will ensure systematic and institutional interactions between the National Security Advisor, the Strategic Policy Group and the National Security Advisory Board. The Congress will ensure necessary connectivity between the intelligence agencies of the Government of India and the National Security Advisory Board, as well as between the intelligence agencies and the Ministries of Defence and External Affairs.'

Its main points of criticism can be summed up as follows:

- Lack of institutional cohesion in the NSC.
- Ad hocism in decision-making.
- Lack of proper utilization of the SPG and the NSAB in policy and decision making.
- Lack of systematic interaction between the SPG and the NSAB.
- Lack of adequate interaction between the NSA and the NSAB.
- Lack of adequate interaction between the intelligence agencies and the NSAB.

These criticisms are validated by the following features of the functioning of the NSM infrastructure as set up by the BJP-led government:

- There were very few meetings of the NSC. Most decisions relating to national security were taken by the Cabinet Committee on Security.
- The first NSAB had the benefit of some interactions with the Prime Minister and the NSA during the Kargil conflict of 1999. The second had two interactions with the NSA in its one-year tenure and none with the Prime Minister. The third had three interactions with the NSA and one with the Prime Minister just before the withdrawal of the Indian troops from the border in October 2002. One does not know about the fourth NSAB.
- The second NSAB had one interaction with the SPG and the third none. One does not know about the first and the fourth.
- Neither the second nor the third NSAB had the benefit of any interaction with the Chiefs of the intelligence agencies.
- Feedback from the government on the reports and recommendations of the NSAB were few and far between and, even when received, tended to be vague.

A study of the Congress (I)'s policy document indicates that the incoming government intends retaining the NSM infrastructure as evolved by the outgoing government and, at the same time, improving its functioning.

While it has correctly identified its deficiencies, it is silent on how it proposes to remove them. This infrastructure has been in existence for five years now. One way of going about it would be for the government to set up a special task force to study how this infrastructure has been functioning and make recommendations for modifications, considered necessary.

The revamping of the intelligence apparatus is another theme which has received attention from the Congress (I).

'The BJP/NDA government's management of India's national intelligence institutions has been equally abysmal. There was the unpardonable failure in acquisition and utilization of advance intelligence about the hijacking of the Indian Airlines plane from Kathmandu to Kandahar, and about pre-empting the intrusions of the Pakistani army into Kargil,' says its policy document.

'The BJP/NDA government failed to ensure necessary connectivity between intelligence agencies and the armed forces and the ministry of external affairs. Suggestions to remedy these failures made by expert groups, like the Subrahmanyam Committee, are languishing on the shelves, with no action taken. The Congress will undertake periodic functional audits and reforms of various institutions responsible for national security. In particular, it will undertake a restructuring of the intelligence agencies of the Government of India to improve its human resource basis with multi-dimensional expertise. It will ensure modernization of functional capabilities of the intelligence agencies with appropriate modern technological equipment and facilities. The recommendations made by the Experts Group to reform the Intelligence Agencies after the Kargil War, and which have been hanging fire for the last four years, will be speedily implemented. The Congress will ensure not only efficiency of but also accountability by the intelligence agencies.'

There has been no comprehensive examination of the totality of India's intelligence capability since it became independent in 1947. There have, however, been four major enquiries into specific allegations of intelligence failure relating to the Sino-Indian war of 1962, the Indo-Pakistan war of 1965, the outbreak of insurgency in Mizoram in 1966 and the undetected Pakistani intrusions into the Kargil heights in 1999.

The reports of the first three enquiries were not released to the public or placed before Parliament for a national debate by the Congress government then in power. The report of the KRC was released to the public by the BJP-led government, but there was no debate on it in Parliament.

Follow-up action was taken on all these reports such as the revamping of the functioning of the Joint Intelligence Committee and the external intelligence division of the Intelligence Bureau and the creation of the Directorate General of Security after the enquiry into the failure of 1962; the bifurcation of the IB and the creation of R&AW to deal exclusively with external intelligence after the enquiries into the failures of 1965 and 1966; and the setting-up of the DIA, a separate agency for TECHINT and a multi-disciplinary counter-terrorism centre after the KRC enquiry. Since the reports of the first three enquiries were not released to the public, one does not know which of their recommendations remained unimplemented.

These are essentially structural changes to create new organizations for undertaking certain tasks, but other requirements having a bearing on the adequacy and quality of performance of different agencies and the mechanism for their co-ordination have not so far received the required attention. Questions such as parliamentary oversight over the intelligence agencies, external evaluation of intelligence tasks and performance through a national intelligence advisory board, the need for a National Intelligence Advisor to improve co-ordination and act as the advisor to the prime minister on all intelligence-related matters etc. have not received any attention so far.

While the Congress (I)'s policy document is silent on these and other specific issues, the Leftists during the election campaign had stressed the importance of a national security apparatus that will work within the framework of a parliamentary democratic system. By this, they apparently meant the creation of a parliamentary oversight mechanism. This subject has been coming under consideration off and on since 1989 without any action being taken.

The Congress (I)'s allegation that the reports of the four special task forces set up in the wake of the KRC report have not been implemented is not correct. It is believed that about 70 percent of the recommendations have been implemented.

Has their implementation led to a qualitative improvement in the performance of the intelligence apparatus, in respect of external as well as internal security? If not, then why? Those are among the questions which need to be addressed by the incoming government.

Indo-China Relation- History

Dear Delegates,

The reason that we have not extensively dealt with the historical out reach of the bilateral relations is because of the evolving dynamics between the two. We have had ups and downs and also an armed aggression which resulted in heavy casualties.

The historical aspect is important but only on the prospects of explanation of contemporary politics.

Hence,

I would encourage you to read the following document for a sound study of the historical document.

<http://www.academicresearchjournals.org/IJPSD/PDF/December/Arif.pdf>

Analysis of Contemporary Sino-India Relations

“Arguably, China poses the most complicated challenge to India’s national security decision-making. Over decades, Chinese postures, if not policies, have had a deep impact on the domestic security concerns in India. Fears of a repeat of the 1962 aggression, Chinese assistance to Indian rebel groups, support to Pakistan on the Kashmir dispute and recurrent meddling in what India considers to be its own sovereign territory keeps New Delhi perennially occupied in a response framing mode. Moreover, in the external sphere, as the profiles of both India and China rise as regional as well as global powers, India feels the necessity to do a balancing act to deal with the radiation of Chinese power. “In the past, India balanced Beijing through a de facto alliance with the Soviet Union. Today, it needs a strategic partnership with the United States to ensure that China’s rise will continue to be peaceful.” However, amid the United States’ (U.S.) dithering on formulating a concrete policy and the divided Indian thinking on whether to dovetail on an American policy to engage China, Indian policy has followed “a nuanced bilateral economic and political engagement with China, albeit with eyes wide open”. It has neither convinced many within the country nor is it considered to be a final policy on China. However, in recent years the Indian security policy has remained a cocktail of assertiveness as well as a self imposed limitation on not crossing the red line.”

- *Bibhu Prasad Routray*

This part examines the decision-making process in India's security policy towards China. This is done by analyzing the strategic thinking in the country both in the official as well as non-governmental spheres, and the process of bargaining and power play among different actors in the decision-making process around three contentious issues:

- (i) The Indian Position on the One-China policy,
- (ii) The Border Dispute along the Eastern Sector and
- (iii) Politics of Trade.

The selection of these issues is directed at demonstrating the full range of influences and thinking that shape the Indian response to the Chinese actions. I argue that while the Indian response in the first case study represents a shift from a Nehruvian policy to a more pragmatic one, courtesy the opinions and pressures imposed by the strategic community, the second case offers an instance the role played by the domestic constituency and the defence establishment in the decision-making process. The decision-making process in the third case study portrays a predominance of the business sector and the neo-liberals.

While the state governments earlier had little say in foreign and national security policy decision-making, of late they have been quite vocal in asserting their view point. In the context of India's policy towards China, states like Arunachal Pradesh and Sikkim, who share international borders with that country, have been vociferous on the issues to be incorporated into the country's policies. And experts agree that these have an impact on actual policy making.

In the past decade, with the rise in India's economic prowess, the private sector too has become a critical power centre in the decision making process. The voice of this community has risen along with the rise in Sino-Indian trade. Riding on a wave of increased trade activity, significant outsourcing by Indian companies to Chinese subsidiaries, large scale purchases of accessories by Indian power and telecom companies from China, the business houses have developed a large stake in a favourable trade policy with China.

Revisiting the One China policy:

Whether India's Prime Minister Jawaharlal Nehru was the one who recognized Tibet as an integral part of China is debatable. A note Nehru wrote on 18 June 1954, eleven days before the two countries signed the India-China (Panchsheel) Agreement on Tibet on 29 April 1954, spoke of a pragmatic and not a permanent Indian position on Tibet. "If we come to an agreement with China in regard to Tibet, that is not a permanent guarantee, but that itself is one major step to help us in the present and in the foreseeable future in various ways."

In any event, since the Dalai Lama first fled China in 1959 to India after a failed Tibetan uprising, India has maintained a nuanced position. “The Indian government, while sympathetic to the case of the Dalai Lama, contends that Tibet legally is a part of China.” India is host to thousands of Tibetans, has granted them right to work, health care and education in India, has protected them from repatriation, plays host to the Central Tibetan Administration based in Dharamshala, which is considered by Tibetans to be a fully fledged government, and have extended a preferred status to the Tibetans compared to other foreigners.

However, at the same time, India has maintained and reiterated the stand that Tibet is an inalienable part of China. For example, during the 2006 meeting of the heads of state, a joint statement proclaimed, The Indian side recalls that India was among the first countries to recognize that there is one China and that its one China policy has remained unaltered. The Indian side states that it would continue to abide by its one China policy. The Chinese side expresses its appreciation for the Indian position. The Indian side reiterates that it has recognized the Tibet Autonomous Region as part of the territory of the People’s Republic of China, and that it does not allow Tibetans to engage in anti-China political activities in India.

The Chinese side expresses its appreciation for the Indian position. A similar trend continued in January 2008, during the visit of the then Prime Minister Dr Manmohan Singh to Beijing. A joint document called ‘A Shared Vision for the 21st Century’ issued during the occasion stated, The Indian side recalls that India was among the first countries to recognize that there is one China and that its one China policy has remained unaltered. The Indian side states that it would continue to abide by its one China policy, and oppose any activity that is against the one China principle. The Chinese side expresses its appreciation for the Indian position.

In the subsequent years, India has taken steps to take care of Chinese sensitivities and has cracked down on Tibetans trying to organize protests against China on Indian soil. In March 2008, about 100 Tibetan monks and nuns, attempted a march from Dharamsala to the Tibetan capital of Lhasa to protest China’s hosting of the Olympics. The march was quickly quashed, a restraining order was issued against the marchers and some of them were arrested. New Delhi’s position has enjoyed support of the leftist political parties including the Communist Party of India-Marxist (CPI-M). In March 2008, the Communist Party of India (CPI) supported the Chinese foreign ministry’s summoning of the then Indian ambassador to Beijing Nirupama Rao to protest against some Tibetans scaling the wall of its embassy in New Delhi. The CPI-M General Secretary Prakash Karat said there was “no abstract right for self determination for any minority groups”.

However, over the years, a sense of unease has grown both among the strategic community and the official circles about the rationale of such a “submissive policy”. That India should de-recognize Tibet as an integral part of China has not only been raised by a section within the strategic community, but also by the right wing political party, the Bharatiya Janata Party (BJP). The BJP has not only maintained that the recognition accorded by India’s first Prime Minister Jawaharlal Nehru to Tibet as a Chinese territory was a mistake, but has demanded from the then Congress party-led government that New Delhi should revoke such unilateral recognition. Such assertions have been periodically made, amid reports of Chinese crackdown on protesters in Tibet.

“The government has been having a very weak stand on the Tibet issue only because of the pressure from the Left parties. It is an appeasement towards China and the government has no regard for the country’s honour,” then BJP President Rajnath Singh said on 31 March 2008.

In 2010, the UPA government took an altered position on Tibet. During the visit by Chinese Premier Wen Jiabao to New Delhi in December 2010, the joint statement by both countries did not reiterate India’s one-China policy—which states that Taiwan and Tibet are part of China. This was a significant first in Sino-Indian relations, in the last four summit-level joint statements. Apart from the minimal pressures from the pro-Tibet lobby within India, two factors appeared to have influenced the government’s position of using Tibet as a bargaining tool with China. Firstly, the opinion built up by a section within the strategic community for a reversal of the policy. Secondly, much of the altered government position is located in the sense of unease sourced from the Chinese position on Jammu & Kashmir and Arunachal Pradesh. While New Delhi refrained from declaring Tibet as an independent country or a disputed territory, it certainly attempted to elicit a ‘one-India policy’ from China in return for its ‘one-China policy’.

In 2010, Beijing started issuing stapled visas to residents of the state of Jammu & Kashmir. On occasions, army personnel serving in anti-militancy duties too were given such visas, unacceptable to the Indian immigration officials. Protests by New Delhi and a request to discontinue the practice did not have any impact on the Chinese embassy. Beijing backed down on the practice of stapling visas only after New Delhi equated Tibet with Kashmir and demanded ‘mutual sensitivity’ on its sovereignty over Kashmir in return for recognizing China’s core concerns over Tibet.

During Wen Jiabao’s visit, Foreign Minister S. M. Krishna made a categorical statement that Jammu & Kashmir was integral to India just as Tibet was to China.

In recent times, New Delhi has also taken steps to improve relations with Taiwan, heralding a departure from a cautious approach in deference to Beijing's sensitivities. Several recent developments are pointers towards this phase of India's assertive policy. In April 2012, Republic of China (ROC) President Ma Ying-jeou made a stopover in Mumbai en route to Africa. The visit was historic considering the fact that India had never allowed a serving ROC President to land on its soil. The ROC Ministry of Foreign Affairs described Ma's stopover as a "sign of improving ties" with India, even though New Delhi itself barely remarked on the event. Ma Ying-jeou's 2007 visit, then as an opposition leader and presidential candidate had drawn Beijing's call to New Delhi to respect the one-China policy. Moreover, Taiwan has moved to open a representative office in Chennai, bringing the total on the Indian subcontinent to two.

Border Dispute along the Eastern Sector:

China claims 90,000 square kilometres of territory from India in the eastern sector, which includes the entire northeastern Indian state of Arunachal Pradesh, spread over 83,743 square kilometres. In 1960, India rejected a swap offer made by China's former Prime Minister Zhou Enlai asking India to recognise China's control of Aksai Chin in the west as a quid pro quo for China's recognition of the McMahon line. Subsequently, India initiated a "forward policy" to control Arunachal Pradesh. The policy was blamed for having induced the 1962 war between India and China, but has retained Indian control over the state.

While both countries have maintained a tranquil border since 1993 and have engaged each other in several rounds of discussion, China's aggressive behaviour has been manifested in not just producing maps that show the state as Chinese territory, insisting that the residents of the state do not need a visa to visit China, protesting the visit of Indian politicians and army officials to the state, but also by repeated violations of the border line by its forces.

In May 2007, China denied a visa to Ganesh Koyu, an Indian Administrative Service (IAS) officer from Arunachal Pradesh, part of a 107 IAS officer study team visit to Beijing and Shanghai. China pointed out that Koyu is a Chinese citizen since he belongs to Arunachal Pradesh and hence could visit China without a visa. In June 2009, China tried to block India's request for a US\$2.9 billion loan from the Asian Development Bank (ADB) as the request included US\$60 million for a flood management, water supply, and sanitation project in Arunachal Pradesh. Subsequently, in October 2009, China expressed deep dissatisfaction when Prime Minister Dr Manmohan Singh visited Arunachal Pradesh during the campaign for the state assembly elections. The Chinese foreign ministry spokesman asserted that such visits trigger disturbances in the "disputed region".

In November 2009, China protested the Dalai Lama's visit to Arunachal Pradesh. The spokeswoman for China's foreign ministry asserted that China's stance on the so-called 'Arunachal Pradesh' is consistent. The PLA has built a two-lane highway for its military to drive up to the border. This is in addition to the 58,000 kilometer road-rail network and nine new military air fields on the Tibetan plateau, enabling it to deploy 34 divisions of its army in a month. In sharp contrast, the China Study Group found that nearly one fourth of India's strategic border roads totaling 600 kilometers remain unfinished. Due to the delays in seeking environmental clearances and slow work, the project is expected to be completed only by 2017. Opinions emerging from Arunachal Pradesh have not only been critical of the aggressive Chinese stand, they want India to be more proactive, both politically and militarily. The influential All Arunachal Pradesh Students Union (AAPSU) wants New Delhi to "come clean on Arunachal and make plain to China where we belong?"

India's strategic community is divided over how to deal with aggressive Chinese behaviour in India's eastern sector. Some call for India matching any Chinese build up of conventional forces and forcefully and successfully approach. "It is high time the saber-rattling and one-upmanship stopped and China and India find a way to resolve the festering border dispute," says China specialist Srikant Kondapalli. Similarly, C. V. Rangnathan, a former Indian ambassador to China indicated that India needs a pragmatic approach to resolve the border dispute. "We can't keep the matter hanging and a give-and-take approach is the best way to do it."

In recent times, voices favourably inclined to indulge in a tactical bargain with China to resolve the border dispute have also emerged. In a seminar held in April 2012, the Governor of Arunachal Pradesh General (Retd.) J. J. Singh said: "It is important to solve the India-China border dispute and for that some give and take is necessary. India will have to move away from our position that our territory is non-negotiable." The statement of the Governor, which could not have been delivered without a clearance from New Delhi, indicated a shift, albeit preliminary, on the part of New Delhi to accept some of the Chinese positions on the disputed international border, in return for a similar gesture from the Chinese side.

On 15 October 2010, Indian Army Chief, General V. K. Singh stated that India's armed forces must remain vigilant as the eastern border with China is disputed. Added to the disputed border, he argued, was the fact that China has grown in economic and military might in recent years, and its aggression is becoming a major national security irritant for India. The Indian Army over the years has taken a consistent stand to building its strength along the disputed border.

Since the 1971 Bangladesh war, the Eastern Command of the Indian Army has regularly complained of receiving far fewer resources than those in the north and west of the country. After the 1993 treaty with China, India scaled down to two mountain divisions (the Fifth and Second) in Arunachal Pradesh with two other mountain divisions redeployed to counter-insurgency roles in the rear (the 20th in Assam and the 57th in the Manipur), to be redeployed in the eastern sector as quickly as required. However, starting 2011, New Delhi has been raising two new mountain divisions, the 56th and the 71st, specifically for Arunachal Pradesh consisting of 1260 officials and more than 35,000 soldiers. Some media reports, however, indicate that a tardy acquisition programme—for heavy-lift helicopters, gunships, howitzers and modern communication systems—threatens to derail this modest addition to its offensive strategy.

A range of proposals cleared by the CCS in recent years demonstrate New Delhi's inclination to conform to a strategic thinking that seeks to improve internal control in the state as well as project military power. For example, in April 2011, the CCS cleared a Rupees 138.95 crore proposal for police modernization in the state.²⁹ Police modernization is a subject under the Home Ministry and usually does not require a CCS consideration. In October 2011, the CCS cleared the proposal for deployment of BrahMos cruise missiles with a 290-kilometre range in

Arunachal Pradesh marking India's first offensive tactical missile deployment against China. The three BrahMos missile regiments raised till then had been deployed in the western sector to counter the Pakistan threat.

A media report speculated that “these cruise missiles are being deployed to improve India's military reach into the Tibet Autonomous Region and counter China's elaborate missile deployment along the Sino-Indian border”.

In addition, India has initiated a project to build 558 roads at a cost of Rupees 500 billion along the border with China and Pakistan. MHA and the Border Roads Organisation maintain that 27,986 kilo- metres of road projects are expected to be completed by 2030 in a phased manner.

Politics of Trade:

Even as political relations between both countries continue to traverse through periods of uncertainty, bilateral economic relations have soared. The bilateral trade figures “which was as low as US\$2.92 billion in 2000”, reached US\$74 billion in 2011 and is expected to reach \$100 billion in 2015. China is one of the largest trade partners of India and vice versa.

This surge in trade between the ‘elephant and the dragon’ has opened the space for both neo-liberal strategists as well as the business sector to influence the political as well as national

security decisionmaking process. While conventional Indian perceptions of past Chinese actions colour contemporary thinking of China and the future relationship, among the business sector there is a emphasis on not just moving beyond history, but also to use trade as a tool to preclude the possibility of conflict. The ideas “promoted in the work of Robert Keohane and Joseph Nye where nations under the anarchic international system give primacy to absolute gains over relative gains, forged by the economic dimension with the forces of complex inter-dependence at play via regimes, institutions and norms”, appear to be at its visible best in the current phase of Sino-Indian relations.

Is India-China Strategic Economic Dialogue (SED) an institutionalized and established process now? The third round of the SED was held in Beijing from 17-18 March 2014, in which the two sides discussed at length issues concerning international, bilateral and domestic economic conditions and deliberated on how to expand their bilateral and international cooperation. They discussed firming coordination in BRICS, G-20, and the United Nations, enhancing cooperation in trade, investment and economic fields, and forging greater cooperation among the key industries between the two countries. While some of the sentiments expressed in this round are genuine and generate a new level of India-China interactions, it needs to be seen where and how exactly this interaction can go forward. This round was conducted with the assistance of five Working Group mechanisms, namely, policy coordination; infrastructure; resource conservation and environmental protection; hi-technology; and energy. The Working Group mechanism has been key for progress and institutionalization of the SED. In May 2013 five Chinese Working Groups visited India and in September 2013 five Indian Working Groups visited China to prepare the ground for the third SED.

It is important to analyze the significance of SED in India-China engagement especially the importance of SED, areas of convergence and divergence, China’s current economic and financial pre-eminence and the resulting unevenness in the SED. While the scope of the SED is relatively high today because of constant institutional engagement, it will remain limited unless the fundamental bilateral economic issues are addressed.

Usually held between the counterpart planning commissions of the two countries – the Planning Commission of India and the National Development and Reform Commission (NDRC) of China – SED is gradually becoming a mechanism of import. India and China are not only big economic powers, being the third and second largest global economies, but the panoply of their engagement has been upgraded to a new level of global and autonomous standing today.

This is important when world politics has become more multipolar in nature and the two countries are engaged with each other in a range of bilateral, regional, cross-regional and global multilateral forums.

A range of dialogue mechanisms exists in India-China interactions, both at the official and non-official levels and at the political and non-political levels. The SED was first mooted in December 2010 when Premier Wen Jiabao visited India. Beijing hosted the first SED round on 26 September 2011 and New Delhi hosted the second round on 26 November 2012. The rise of emerging economies within Brazil-Russia-India-China-South Africa (BRICS) forum furthers the importance of the SED. The first SED round was led by Zhang Ping, the then Chairman of NDRC, and Montek Singh Ahluwalia, Deputy Chairman of India's Planning Commission. Some of the issues covered were the global economic condition and the macroeconomic situation at the domestic level; mid- and long-term developmental plans; energy efficiency, conservation & environmental protection; infrastructural cooperation; water use efficiency; and use of clean water technologies. The second round reiterated that the primary aim of this dialogue mechanism was to "improve macroeconomic policy coordination" between two economies. It emphasized global economic cooperation, enhancing mutual communication on macroeconomic policies, expanding trade and investment, and expanding cooperation in financial and infrastructural sectors.

It had been agreed to hold the third round in 2013, but the event was postponed. The tensions arising out of People's Liberation Army's (PLA) incursion in Ladakh in the India-China border region and Xi Jinping and Li Keqiang's assumption of power in China as new leaders may have been the reasons for this postponement. Nevertheless, the importance of SED was reiterated during the new Premier's visit to India, stressing its active role in promoting "macroeconomic policy coordination" and "pragmatic cooperation" in various fields. The two sides agreed to strengthen cooperation in issues concerning energy, environment, new and renewable energy and high technology cooperation. They also agreed to enhance collaboration in the railway sector, noted the vitality of the Doha Development Round, expressed their intention for a bilateral Regional Trade Arrangement and reviewed the state of Regional Comprehensive Economic Partnership (RCEP) negotiations. In the third SED, for cooperation in railways, three specific areas have been chosen: station development, raising the speed of passenger trains in India and for heavy haul freight. China will assist India in improving its railway tracks to enable faster movement. Besides, China is supposed to construct high-speed tracks in three sectors – Delhi-Agra, Delhi-Kanpur and Delhi-Chandigarh.

A number of factors explain the importance of SED interaction. *First*, both countries participate in various regional and global multilateral institutions and frameworks such as Russia-India-China (RIC), BRICS, BASIC and G-20. *Second*, they share a common interest in preventing protectionism in the multilateral trading system. They also share similar sentiments about reforming global financial institutions like the IMF, WTO and World Bank. Their interactions and deliberations are important not only for their individual stakes in these bodies but also for the rest of the developing world, such as improving voting rights. SED is an appropriate forum for this. *Third*, macroeconomic issues need joint deliberations, but bilateral consensus should be there in the first instance. As developing countries and two fastest emerging economies of the world, much of the global economic sustainability heavily depends upon both China and India. SED creates conditions for them to coordinate in regional and global economic dealings.

Table 1. Chronology of India-China Dialogues

Financial Dialogues			
Round	Date and Venue	Represented by	Major Issues Discussed
First	7 April 2006, New Delhi	Ashok Jha (Secretary, Department of Economic Affairs, India); Li Yong (Vice Minister of Finance, China)	Macroeconomic situation; promotion of sustainable development strategies for economic growth, etc.
Second	4 December 2007, Beijing	Subba Rao (Finance Secretary, India); Li Yong (Vice Minister of Finance, China)	Macroeconomic situation; fiscal policies that can promote sustainable development
Third	16 January 2009, New Delhi	Ashok Chawla (Secretary, Department of Economic Affairs, India); Liao Xiaojun (Vice Minister of Finance, China)	Global economic conditions; G-20; financial sector reforms in the two countries
Fourth	2 September 2010, Beijing	Ashok Chawla (Finance Secretary, India); Zhu Guangyao (Vice Minister of Finance, China)	Global financial crisis; macroeconomic situation and policy; financial stability and development; G-20; climate change etc.
Fifth	8 November	R. Gopalan (Secretary, Dept of	International economic situation; G-

	2011, New Delhi	Economic Affairs, India); Wang Baoan (Assistant Minister of Finance, China)	20; enhancing bilateral cooperation in global financial institutions
Sixth	26 September 2013, Beijing	Arvind Mayaram, Secretary, Economic Affairs, India); Zhu Guangyao (Vice Minister of Finance, China)	Macroeconomic policies; international economic conditions; IMF quota reforms; BRICS cooperation. etc.

Defence and Security Dialogues			
Round	Date and Venue	Represented by	Major Issues Discussed
First	November 2007, Beijing	Bimal Julka, Joint Secretary (G/Air); Ministry of Defence, India; Major Gen. Qian Li Hua, Chief of FAO, MND, China	Confidence building measures (CBMs); peace and stability in border, etc.
Second	December 15, 2008, New Delhi	Vijay Singh, Defence Secretary, India; Lt. Gen. Ma Xiaotian, China	CBMs; peace and stability in the border; bilateral interaction
Third	January 6, 2010, Beijing	Pradeep Kumar, Defence Secretary, India; Ma Xiaotian (Dy. Chief of General Staff) and Liang Guanglie, Defence Minister, China	CBMs and joint military exercise
Fourth	December 9, 2011, New Delhi	Shashikant Sharma, Defence Secretary, India; Ma Xiaotian, Deputy Chief of General Staff, China	Defence Exchanges for 2012; agreed to enhance cooperation and interaction
Fifth	January 14, 2013, Beijing	Shashikant Sharma, Defence Secretary, India; Qi Jianguo, Deputy Chief of General Staff, China	Security issues in Asia-Pacific; India-China border

Sixth	February 24, 2014, New Delhi	R.K. Mathur, Defence Secretary, India; Lt. Gen. Wang Guanzhong, Deputy Chief of General Staff, China	Military-to-Military Exchange, Security situation in South Asia, Asia-Pacific and the Indian Ocean
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Recent Developments pivotal to the Debate (Areas for Further Research):

- (i) Indo- Japan Relations
- (ii) The New Anti-product Dumping Policy by the Government of India.
- (iii) Updates from the Ministry of Developments of North-Eastern Region (MoDoNER)
- (iv) Military Updates and Budgetary Expansion.

Research Methodologies:-

- (i) Portfolio/Position research through government websites of ministries will give you an idea about your respective roles and responsibilities.
- (ii) The study guide
- (iii) Reference journals
- (iv) www.idsa.in/Indo-china journals