

Strategic Dialogue : Track II Diplomacy

Tarun Das

Former Chief Mentor

Confederation of Indian Industry

Independent India, 1947-84, witnessed a new phenomenon in Government – Industry relations. A movement from a Trust – based pre-independence situation to a Regulation and Control-based Mistrust situation. This was a period when Indian society tended to view business and industry as exploiters rather than value – adders.

1985 was the beginning of the U-turn and Change. Rajiv Gandhi, the – then Prime Minister took a huge decision that a delegation from CII (then called AIEI) should accompany him on his first-ever State visit to USSR. An 18-member delegation went and participated with the PM in a variety of events and also met the PM in the Kremlin for a report – back and review meeting. This closer connectivity followed with Ratan Tata being appointed to chair Air India, Rahul Bajaj to chair Indian Airlines and in several other initiatives. The Economic Agenda for India was also a subject of constant consultation in the late 80s and one of the last meetings with Rajiv Gandhi (then out of Government) was in March 1991 in Dr. V Krishnamurthy's residence in Pandara Road. An economic blueprint was made ready for the new Government to take office in May 1991.

The evolution of this relationship between Government and industry was a process which really never looked back. In the five years of Mr. P V Narasimha Rao's Prime Ministership, CII accompanied the PM on several occasions, most prominently to Singapore and Vietnam in September 1994, heralding the start of the Look East Policy of India. Consultation were constant and continuous both on domestic policy and international cooperation.

Later, this was extended to participation in bilateral joint commission meetings, Eminent Persons Groups, meetings with visiting Heads of Government to India etc etc. A study of the matrix of Govt – Industry working together will reveal how far the coordination and cooperation has traveled since the mid 80s. The only drawback has been the

inability of the officialdom to apparently distinguish between sustainable strategic effort and opportunism.

Another facet of building the India Brand and Image was the Indian Engineering Trade Fair (IETF) which started in 1975 by CII, informally supported by Government of India. Industry initiatives to project and promote Indian Industry were actively supported by Government. This two-way traffic of cooperation built up gradually, each helping to rebuild Trust in that Industry, equally, had national interest very much in mind and was willing to stretch to sustain its partnership with Government in its international relationship building.

The Brand – Building of India was especially carried through by CII, in partnership with the World Economic Forum in India, in Davos and at WEF conferences around the World. This 25- year old institutional partnership is unique. CII is the only such partner of WEF.

But, whilst almost all these activities are/were focused on economy, industry and business, there is one particular Industry Initiative, which is all-encompassing in its coverage. These are the Strategic Dialogues or “Track II Diplomacy” mechanisms which CII initiated in 2002 with USA and, later, extended to Japan, Singapore, Israel, Malaysia, France/EU and China. In this work, CII was supported by the Aspen Institute India. The US- Dialogue was initiated under the leadership of Henry Kissinger and Ratan Tata.

The Strategic Dialogue covers all aspects of the bilateral relationship – defence, security, terrorism, politics, economy, trade/investment, technology (including nuclear and space), energy/environment, health, education, Regional issues, etc. Whatever is relevant is included, not necessarily in the agenda of every meeting. So, the first issue to note is that the Dialogue is comprehensive in its coverage.

Second, the membership is mixed : former Ambassadors/Service officers, media leaders, think-tankers, business, NGOs, Scientists, MPs, etc. The Chair is usually a former Ambassador – Naresh Chandra (USA), Shankar Bajpai (Israel), Sati Lambah (Singapore and Malaysia). Business leaders include Jamshyd Godrej, Gautam Thapar, Syamal Gupta, Atul Punj and Harpal Singh. Media include T N Ninan, Rajamohan, Sanjaya Baru, Pramit Palchowdhry and Indrani

Bagchi. Government is normally represented as observers who also provide information and clarification as required. This composite participation brings knowledge and experience to the table from various angles.

One very important component of participation is at the political level. Members of Parliament from India's political parties participate actively as Session Chairs and/or Speakers and this has added enormous value to the Dialogue.

These Dialogues are off-the-record. There are presenters on each topic from either side – no speeches ! Maximum focus on brevity, and more on discussions and usually last 1½ days, followed by calls on Government Leaders starting with the Prime Minister and including the Foreign Minister and other Ministers and the National Security Adviser as is relevant to the discussions in that meeting.

An effort is made to hold the meetings alternatively in each country, preferably away from a big city though this does not always happen. Because of the need to meet government leaders.

What has emerged? Taking the Indo-US Dialogue as an example. The coldness and near – hostility of 2002 has progressed to much greater mutual understanding and respect. Agreement as well as disagreement are part and parcel of the process. Offence is not easily given or taken. Barriers have broken down. Mutual understanding has happened. Individual friendships have developed. In between meetings, there are many informal exchanges as well specific work taken up.

The followup meetings with the government are quite critical. These serve as briefings for national leaders on key issues and help to influence policy and attitudes. Clearly, Governments find this process to be a useful input to frame official policy. Its become a way to find new ideas and initiatives and to build an inclusive process for international and bilateral relationship – building.

The same process has been followed for all the Dialogues because it is a winning formula. In each case, there is a counterpart to the CII from the concerned country, eg Aspen Strategy Group, USA. Their

team is clearly bipartisan – plus media, think tanks, business, NGOs, Government etc.

What is the future look like? As India's engagement with the world grows, and relationships need to be forged and consolidated, in an ever-growing interdependent world, Strategic Dialogues will grow in number and in importance if handled properly and with care. And, quite critically, different aspects of bilateral relations impinge on each other and cannot be handled in watertight compartments. Economic and Social. Defence and Industry. To give two examples. These connect. These cross. And, this applies across the board to other dimensions of foreign policy and international affairs.

One key factor is India's economy – it is central to this process. Countries are interested in engaging also because of India's growth, 9% per annum, for the last few years and the future potential of 10% per annum for the next ten to fifteen years as 600 million people are gradually brought into India's economy and society. The size of India, therefore ; the opportunities for all; the mutuality; all of this serves as the foundation for growing bilateral relationships and Strategic Dialogues. Strangely, the challenges of India which are huge – poverty, governance, corruption, human resources capacity – building, health stability, employment and self-employment, agricultural reform and productivity – to name just a few – also resonate across the world, developing and developed. These challenges create, in their own way, a commonality and shared agenda to overcome these, learning from each other. Hence, the importance of “interdependence”. Its not only about success, its also about failures and challenges.

The Strategic Dialogue framework and agenda bring all these issues to the table ; expectations of short – term results would be unrealistic because understanding takes time to evolve. It is therefore not a problem – solving mechanism for immediate crisis situations. The Dialogue process is however excellent for medium and long – term solutions to issues of national and international importance.

An example is Defence Cooperation between India & USA, which, in 2002, was a far cry. It was discussed at every meeting and, gradually, a shared understanding developed which enabled policy

makers to receive inputs of quality and move the defence relationship forward, slowly but steadily. Often, official Dialogue and the Track 2 move in parallel. Sometimes, not necessarily at the same pace.

Another, far more publicized issue has been nuclear cooperation and entry of India into the IAEA/NSG club. Again, misunderstandings were removed over a period of time and, currently, the global community has developed a positive approach to India's participation in the nuclear power development programs of the future. It was specially important that nuclear experts were in the Strategic Dialogue to address mutual apprehensions and concerns.

A third example is WTO and agriculture. The usual criticism of India has been that it is a spoiler, negative, not interested in agreement. This is the propaganda put out. That India has 600 million people living on Agriculture ; most of them living on \$1 a day, needed to be presented consistently and repeatedly. That import liberalization of Agriculture would destroy the lives of hundreds of millions of people was a fact of life which took time to make others understand.

There are many other similar instances where the Strategic Dialogue has been extraordinarily helpful in building and shaping mutual appreciation, especially of India's positions, eg, vis-à-vis Pakistan, Iran, Iraq, Bangladesh, Myanmar, China etc. Perceptions about Indian policy are very often rooted in history. Isolationist. Negative to developed countries. Inflexible. Low Growth. Anti Private Sector. Over – regulated. Protectionist. The Dialogue enables these old perceptions to be addressed.

The Region around India is so complex that every Dialogue has a focus on developments in the South Asian Region. Issues in each country, especially, Terrorism has been a constant agenda. It has helped to build understanding. Another constant agenda issue is China and the bilateral economic engagement – growing – between India and China. The discussion always includes the soft challenges of education, health, HIV/AIDS, water, training, pandemics, disasters (Tsunami), etc. A growing understanding has evolved of mutual efforts and concerns.

It is a tribute to CII that this Institution has taken a broader, longer – term view of its role and has supported the framework of Strategic Dialogue as its contribution to promoting India’s national interests and engagement with the world. And, in the CII, the entire work has been led by Kiran Pasricha, Deputy Director General, CII supported by Basudev Mukherjee, Director, CII. They have been quite incredible in organizing and sustaining the US-India Strategic Dialogue and then, coordinating and organising similar Dialogues with other countries. It just goes to show how a small team of dedicated, efficient people can make a difference on a much wider canvas, building international relationships, supplementing official policy and diplomatic work. What it has shown is that complementarity of effort between Government and non-official institutions can be extremely useful in promoting the concept of interdependence and implementing a long-term process of partnership-building in international affairs. By taking on the unique role and responsibility, over several years, CII has graduated from being an “Employers Organization” with narrow, limited business-related aims to becoming a “Developmental Institution” seeking to participate in, and contribute to, a much wider range of national and international objectives and tasks.

The time has now come to institutionalize the Strategic Dialogues and create a framework which, itself, will evolve over time. CII and the Aspen Institute India are therefore collaborating to set up the India Strategy Group which will service the Strategic Dialogue process as well as bring in quality policy and research work into this activity. The India Strategy Group will have dedicated staff as well as Visiting Fellows who will provide thought and knowledge leadership. This is the 2010 agenda.