

Strategic Dialogue: Track II Diplomacy

TARUN DAS

*President, Aspen Institute India and
Director General (1974-2004) & Chief Mentor (2004-2009),
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.

The year 1985 was the beginning of the U-turn and Change. Rajiv Gandhi, the then Prime Minister (PM), took a huge decision that a delegation from Confederation of Indian Industry (CII, then called AIEI) should accompany him on his first-ever State visit to Union of Soviet Socialist Republics (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 at 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 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. Consultations 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. A study of the matrix of government-industry working together will reveal how far the coordination and cooperation has travelled 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 was started in 1975 by CII, informally supported by the Government of India. Industry initiatives to project and promote Indian Industry were actively supported by the 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 the government in its international relationship building.

The Brand Building of India was especially carried through by CII, in partnership with the World Economic Forum (WEF) 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 strategic dialogues or ‘Track II Diplomacy’ mechanisms which CII initiated in 2002 with US 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 (US), Shankar Bajpai (Israel) and Sati Lambah (Singapore and Malaysia). Business leaders include Jamshyd Godrej, Gautam Thapar, Syamal Gupta, Atul Punj and Harpal Singh. The media includes T N Ninan, C Rajamohan, Sanjaya Baru, Pramit Pal Chowdhury and Indrani Bagchi. The government is normally represented as observer who also provides 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

is 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 a much greater mutual understanding and respect. Agreements as well as disagreements 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 as specific work is taken up.

The follow-up 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. It's become a way of finding new ideas and initiatives and to build an inclusive process for international and bilateral relationship building.

The same process has been followed for all dialogues, because it is a winning formula. In each case, there is a counterpart to the CII/Aspen India from the concerned country, e.g. Aspen Strategy Group, US. Their team is clearly bipartisan – plus media, think tanks, business, NGOs, government, etc.

What does 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 and 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, nine percent per annum, for the last few years and the future potential of 10 percent per annum for the next 10-15 years, as 600 million people are gradually brought into India's economy and society. Therefore, the size of India, the opportunities for all and the mutuality; all of these serve 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': it is not only about success, it's also about failures and challenges.

The Strategic Dialogue framework and the 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 the Defence Cooperation between India and US, 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 publicised issue has been the 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 programmes of the future. It was especially important that nuclear experts were in the Strategic Dialogue to address mutual apprehensions and concerns.

A third example is the 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 US\$1 a day, needed to be presented consistently and repeatedly. That import liberalisation 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, e.g., *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, have 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 and Aspen India that these institutions have taken a broader, longer-term view of their role and have supported the framework of Strategic Dialogue as its contribution to promoting India's national interests and engagement with the world. 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 the 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 Organisation' 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 institutionalise 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 2011 agenda.