

TOO CLOSE FOR COMFORT: ON INDIA-CHINA BORDER ROW

India and China must lose no time in finding a diplomatic solution to their border disputes

Following Friday's talks in Moscow between the Defence Ministers of India and China, the prospects of an imminent diplomatic solution to the continuing stand-off along the LAC do not appear bright. The statements issued by the two sides have underlined the sharp differences in how New Delhi and Beijing have continued to view the unprecedented developments along the border since May, when China deployed troops in large numbers and sought to unilaterally redraw the LAC in several areas. Defence Minister Rajnath Singh "categorically conveyed" India's stand, emphasising that China's actions "were in violation of the bilateral agreements". He also expressed hope that both sides would be able to resolve the ongoing situation "peacefully through dialogue". His Chinese counterpart, General Wei Fenghe, appeared to only reiterate the stand conveyed by China in recent statements that it had no blame to bear for this summer's developments. He said "the responsibility lies entirely with the Indian side", while China "kept maximum restraint to prevent potential escalation". He called on India to "immediately withdraw its troops". He did, also, add that both sides should "stay committed to resolving the issue through dialogue and consultation" and "make joint efforts to meet each other halfway".

As External Affairs Minister S. Jaishankar said last week, diplomacy is the only way out of the crisis, and that can only happen "if both sides understand that it is in each of their best interests if the events of this summer are not repeated". The problem, so far, has been a stark mismatch between China's statements and the actions of its troops. Its consistent labelling of India as the aggressor this summer contradicts the reality that India has, since May, ceded about 1,000 square kilometres in Ladakh to Chinese control. If China's diplomats have spoken repeatedly of the need to keep in mind "the big picture" of bilateral ties, the actions of its military on the ground have suggested an intent that is precisely the opposite, emphasising achieving tactical gains at the border over the broader strategic relationship. Until that calculus changes, India will have to be prepared to be tested along the border and to stand its ground over the long haul. India has signalled its intent to do so with the latest developments on August 29 in Chushul. If the statements following the Moscow meet did not exactly inspire confidence, both sides will have the chance to reassess the situation when Mr. Jaishankar will likely meet his counterpart, Wang Yi, at a meeting of SCO Foreign Ministers on September 10. Military talks can occasionally help to avert a flare-up, but the two neighbours need to work toward a diplomatic solution to ensure undisturbed peace and quiet along the border.

Meanings of Difficult Words:

- ❖ **too close for comfort** (phrase) – you say "too close for comfort" when a person or thing is too close to you and it's making you feel worried/nervous; dangerously nearby.
- ❖ **row** (noun) – dispute, fight, argument, quarrel, squabble, disagreement.
- ❖ **lose no time** (phrase) – to do something as quickly as possible.
- ❖ **diplomatic** (adjective) – (delicate & sensitive) consular, foreign-policy.
- ❖ **prospects** (noun) – chances, possibilities, expectations, opportunities (for success).
- ❖ **imminent** (adjective) – close/near, about to happen, approaching/impending.
- ❖ **Line of Actual Control** (LAC) (noun) – the de-facto (effective) border between India and China. The LAC is a 4,057-km border running through three areas-Western (Ladakh, Ladakh (Kashmir)), middle (Uttarakhand, Himachal) and eastern (Sikkim, Arunachal).
- ❖ **seek** (verb) – try, aim, attempt.
- ❖ **stand-off** (noun) – deadlock, stalemate, impasse (in a dispute/conflict).
- ❖ **underline** (verb) – emphasize, underscore, highlight.
- ❖ **difference** (noun) – disagreement, difference of opinion, misunderstanding.
- ❖ **unprecedented** (adjective) – not done or experienced before.
- ❖ **unilaterally** (adverb) – used to indicate something done by a person/country without approval/agreement from other people/countries involved in the situation.
- ❖ **categorically** (adverb) – absolutely, unquestionably, certainly, clearly, unequivocally, unambiguously.
- ❖ **deploy** (verb) – move (military troops) into position for military action.
- ❖ **stand** (noun) – standpoint, position, point of view, viewpoint.
- ❖ **emphasise** (verb) – draw attention to, put stress on, underscore, highlight.

- ❖ **bilateral** (adjective) – involving two groups or countries.
- ❖ **dialogue** (noun) – discussion, discourse, exchange of views, negotiation, talks, diplomacy.
- ❖ **counterpart** (noun) – equivalent, equal (person); fellow, peer.
- ❖ **reiterate** (verb) – repeat, say again, restate.
- ❖ **bear** (verb) – accept, admit, take responsibility for.
- ❖ **lie** (verb) – be present, exist.
- ❖ **restraint** (noun) – constraint, check, control, restriction.
- ❖ **potential** (adjective) – possible, likely, probable.
- ❖ **escalation** (noun) – intensification; an increase in the intensity of something.
- ❖ **call on** (phrasal verb) – appeal to, demand/ ask, request.
- ❖ **meet someone halfway** (phrase) – reach a compromise/agreement/deal, find the middle ground, come to terms, come to an understanding.
- ❖ **diplomacy** (noun) – negotiation, discussion, talks, dialogue.
- ❖ **way out** (phrase) – solution, answer, remedy.
- ❖ **interest** (noun) – benefit, advantage.
- ❖ **so far** (phrase) – until now, up to the present, up to this point.
- ❖ **stark** (adjective) – clear, distinct, evident, obvious, striking.
- ❖ **aggressor** (noun) – a person/country who starts hostilities and initiates fight or battle at first; attacker, warmonger, offender, initiator.
- ❖ **mismatch** (noun) – discrepancy, inconsistency, contradiction.
- ❖ **contradict** (verb) – conflict with, be at odds with, be at variance with, be inconsistent with.
- ❖ **cede** (verb) – give up, concede, surrender, relinquish.
- ❖ **diplomat** (noun) – envoy, consul, ambassador.
- ❖ **bear/keep in mind** (phrase) – take into account, be mindful, remember/consider.
- ❖ **big picture** (noun) – a broad overview of a situation, issue, or problem.
- ❖ **ties** (noun) – bond, association, relationship.
- ❖ **on the ground** (phrase) – in a situation/place where things are happening really/practically.
- ❖ **intent** (noun) – aim, purpose, objective.
- ❖ **precisely** (adverb) – exactly, absolutely, squarely.
- ❖ **Strategic partnership/ alliance/ relationship** (noun) – it is a long-term interaction between two countries based on political, economic, social and historical factors.
- ❖ **calculus** (noun) – calculation, estimation, reasoning.
- ❖ **stand one's ground** (phrase) – be firm, be resolute, be determined.
- ❖ **over the long haul** (phrase) – over a long/extended period of time.
- ❖ **inspire** (verb) – cause, induce, trigger, kindle, produce/generate, bring about.
- ❖ **occasionally** (adverb) – sometimes, at times, now and then, once in a while.
- ❖ **avert** (verb) – prevent, stop, avoid.
- ❖ **flare-up** (noun) – outburst, eruption outbreak (of hostility/violence).

MIXED MESSAGING: ON INDIA AS AN INVESTMENT DESTINATION

India's efforts to attract capital will not result in a flood of FDI till investors see policy stability

Prime Minister Modi last week elaborately pitched India as an investment destination that could serve as a manufacturing hub at the heart of global supply chains. The pitch made at the U.S.-India Strategic Partnership Forum comes in the backdrop of the government's keenness to use the disruptions the COVID-19 pandemic has caused to the cross-border movement of goods as an opportunity to lure potential investors, especially those looking to relocate from China, to India. This tack is consistent with recent initiatives to explore supply-chain synergies with other economies, including Japan, as an escalating border feud casts a shadow over India's economic and trade ties with its northern neighbour. The reasoning appears to be that if even a few multinational enterprises can be drawn to set up manufacturing bases, either by shifting facilities or as new additional plants, then not only does the Indian economy stand to gain FDI, new jobs and tax revenue but it also makes a statement. Clearly, officials must have advised Mr. Modi that U.S. businesses were the ideal target given the worsening relationship between Washington and Beijing and the ongoing trade stand-off between the world's two largest economies. On the face of it, the approach seems inarguably sound. The rub, however, lies in the government's recent 'Aatmanirbhar Bharat' initiative, of making India more self-reliant.

Over the decades, it has been established that global FDI investors prioritise and are even willing to pay a premium for policy stability and largely barrier-free access to local and international markets. The drive for self-reliance has spurred several Ministries to urge companies and industry sectors to replace imports with 'Made in India' substitutes. From the Shipping Ministry's call for the design and manufacture of indigenous tugboats to auto component makers being told to abjure foreign parts, the thrust of the initiative is evidently 'import substitution'. It is hard to imagine any potential foreign investor in manufacturing being ready to source capital goods locally — assuming they are available — even at the cost of possibly compromising on quality or price or both. Betraying the government's anxiety, Mr. Modi took pains to stress that the push for self-reliance should not be interpreted as India turning its back on the world. Separately, from the market access perspective, India's decision to not join the RCEP multilateral trade pact would put investor companies seeking to tap consumers in RCEP member countries at a tariff disadvantage. Interestingly, most of the recent FDI announcements have been by way of stake acquisitions in existing businesses, and predominantly in the services sector. Attracting FDI into manufacturing will require the government to convince investors that it is committed not merely in words but in deeds as well to an open, barrier-free global trade and investment order.

Meanings of Difficult Words:

- ❖ **mixed message** (noun) – any communication that is contradictory, inconsistent, or unclear, particularly in its purpose/intention.
- ❖ **capital** (noun) – finances, funds.
- ❖ **result in** (verb) – cause, bring about, produce.
- ❖ **flood** (noun) – inflow of a large amount of something (e.g. money, investments, etc.).
- ❖ **foreign direct investment (FDI)** (noun) – Investment from one country into another (normally by companies rather than governments) that involves establishing operations or acquiring tangible assets, including stakes in other businesses.
- ❖ **elaborately** (adverb) – painstakingly, carefully.
- ❖ **pitch** (verb) – position, place, locate.
- ❖ **serve** (as) (verb) – act as, function as, do the work of.
- ❖ **hub** (noun) – centre, centre of activity, focal point.
- ❖ **at the heart of** (phrase) – at the most important part of.
- ❖ **global supply chain** (noun) – a dynamic worldwide network when a company purchases or uses goods or services from overseas. It involves people, information, processes and resources involved in the production, handling and distribution of materials and finished products or providing a service to the customer.
- ❖ **pitch** (noun) – an attempt to convince/persuade someone to accept something.
- ❖ **strategic partnership** (noun) – it is a long-term interaction between two countries based on political, economic, social and historical factors.
- ❖ **US-India Strategic Partnership Forum (USISPF)** (noun) – a non-profit organization, founded for strengthening the U.S.-India bilateral & strategic partnership.
- ❖ **backdrop** (noun) – situation, scenario, context.
- ❖ **keenness** (noun) – eagerness, willingness, readiness, desire/wish.
- ❖ **disruption** (noun) – disturbance, disorganization, turmoil, interruption.
- ❖ **pandemic** (noun) – the worldwide spread of a new disease; The illness spreads around the world and typically affects a large number of people across a wide area.
- ❖ **cross-border** (adjective) – across a border between two countries.
- ❖ **lure** (verb) – tempt, persuade, attract, coax, win over.
- ❖ **potential** (adjective) – possible, likely, prospective, probable.
- ❖ **tack** (noun) – approach, way/method, process.
- ❖ **consistent with** (adjective) – in tune with, in line with; agreeing, accordant, compatible.
- ❖ **explore** (verb) – examine, evaluate, look into, consider (options).
- ❖ **supply-chain** (noun) – a network between a company and its suppliers to produce and distribute a specific product to the final buyer.
- ❖ **synergy** (noun) – collaboration, joint action, team work.
- ❖ **escalating** (adjective) – increasing, intensifying, heightening rapidly.
- ❖ **feud** (noun) – argument, dispute, disagreement, fight.
- ❖ **cast a shadow over** (phrase) – spoil, diminish, let down.
- ❖ **ties** (noun) – bond, association, relationship.
- ❖ **reasoning** (noun) – logic, reason, rationality, line of thought.
- ❖ **draw** (verb) – attract, capture, lure.

- ❖ **set up** (phrasal verb) – establish, start/begin, inaugurate, create.
- ❖ **stand (to)** (verb) – be in a situation where one is possibly to do something.
- ❖ **make a statement** (phrase) – to communicate/express a certain kind of impression or idea.
- ❖ **ideal** (adjective) – perfect, best possible, consummate.
- ❖ **given** (preposition) – considering, taking into account, bearing in mind.
- ❖ **stand-off** (noun) – deadlock, stalemate, impasse (in a dispute/conflict).
- ❖ **trade war/dispute/stand-off** (noun) – a condition in which a country increase tariffs on foreign goods and impose quota restrictions to restrict other countries' trade.
- ❖ **on the face of it** (phrase) – apparently, seemingly, evidently/ostensibly; at first glance.
- ❖ **inarguably** (adverb) – unquestionably, indisputably, doubtlessly, certainly.
- ❖ **lie in** (phrasal verb) – be present, exist.
- ❖ **Atmanirbhar Bharat Abhiyan (or) Self-reliant India Mission** (noun) – the special economic package totaling Rs 20 lakh crore by the Indian government to tide over the Covid-19 crisis and it would focus on land, labour, liquidity and laws. It would benefit labourers, farmers, honest tax payers, MSMEs and cottage industry. This economic package would be around the 10 per cent of India's GDP.
- ❖ **sound** (adjective) – well founded, well grounded, valid, reasonable, logical.
- ❖ **the rub** (noun) – problem, difficulty, obstacle.
- ❖ **self-reliant** (adjective) – self-sufficient, self-supporting, self-sustaining.
- ❖ **decade** (noun) – a period of ten years.
- ❖ **prioritise** (verb) – make a point of, highlight, call attention to (something as very important).
- ❖ **pay a premium for/put a premium on** (phrase) – value greatly, put a high value on, regard as particularly important.
- ❖ **drive** (noun) – campaign, movement, effort, push.
- ❖ **self-reliance** (noun) – self-sufficiency, self-support, self-sustenance.
- ❖ **spur** (verb) – induce, prompt, stimulate, encourage, galvanize.
- ❖ **call for** (phrasal verb) – require, publicly ask/necessitate, demand.
- ❖ **indigenous** (adjective) – native, local, domestic.
- ❖ **abjure** (verb) – renounce, give up, relinquish, reject/forgo.
- ❖ **tugboat** (noun) – a small, sturdily built, powerful boat which helps in mooring or berthing (tying up) operation of a ship/vessel by either towing or pushing a ship/vessel towards the port.
- ❖ **thrust** (noun) – force, push, drive, pressure.
- ❖ **evidently** (adverb) – obviously, palpably, seemingly, apparently.
- ❖ **capital goods** (noun) – capital goods are man-made, durable items that businesses use to produce goods and services. They include tools, buildings, vehicles, machinery, and equipment. Capital goods are also called durable goods, real capital, and economic capital.
- ❖ **at the cost of** (phrase) – by sacrificing/losing/giving up something.
- ❖ **betray** (verb) – reveal, disclose, lay bare, make known, uncover.
- ❖ **anxiety** (noun) – concern/stress/tension, unease, apprehension, disquiet.
- ❖ **stress** (verb) – emphasize, draw attention to, focus attention on, underline, highlight.
- ❖ **interpret** (verb) – understand, regard, take, construe.
- ❖ **turn one's back on** (phrase) – abandon, give up, reject, renounce.
- ❖ **market access** (noun) – the ability of a company or country to sell goods and services across borders.
- ❖ **perspective** (noun) – outlook, viewpoint, approach.
- ❖ **Regional Comprehensive Economic Partnership (RCEP)** (noun) – a proposed agreement between the member states of the Association of Southeast Asian Nations (ASEAN) and its free trade agreement (FTA) partners. The pact aims to cover trade in goods and services, intellectual property, etc.
- ❖ **multilateral** (adjective) – involving many different organisations.
- ❖ **seek** (verb) – try, aim, attempt.
- ❖ **tap** (verb) – exploit, make use of, use, utilize.
- ❖ **by way of** (phrase) – as a form of.
- ❖ **stake** (noun) – share in a business.
- ❖ **acquisition** (noun) – buying, obtaining, acquiring.
- ❖ **predominantly** (adverb) – mainly, mostly, commonly.
- ❖ **merely** (adverb) – only, simply, just.
- ❖ **deed** (noun) – action, activity.