

# **CHINA'S TERRITORIAL CLAIM ON ARUNACHAL PRADESH**

## **ALTERNATIVE SCENARIOS 2032**

**Namrata Goswami**

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ARUNACHAL PRADESH

*Alternative Scenarios 2032*

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China's territorial claim on the Indian state of Arunachal Pradesh has been a major bone of contention between India and China. China bases its claim on the argument that historical ties existed between the Tawang monastery in Arunachal Pradesh and the Lhasa monastery. Hence, the Chinese logic is that given Tibet is now part of China, Arunachal Pradesh should form a part of it. Both countries fought a border war in Arunachal Pradesh in 1962 and the situation remains unpleasant due to repeated Chinese foreign office statements reiterating the claim.<sup>1</sup> In the light of this backdrop, this *Occasional Paper* offers four alternative scenarios in 2032 with regard to China's territorial claim. The year 2032 has been chosen for a significant reason. A 20 year timeline is useful as it provides a defining guide-line to policy makers on what policy interventions can be undertaken in the interim period in order to ensure that a positive scenario unfolds while a negative scenario is averted. Three drivers of uncertainty with a direct bearing on the territorial claim are elaborated upon, namely, Chinese regime stability and nationalism; the Tibet factor; and internal developments in Arunachal Pradesh.<sup>2</sup> Based on the interactive

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<sup>1</sup> For more on the issue, see Namrata Goswami "China's Territorial Claim on Arunachal Pradesh: Crafting an Indian Response", *IDSAs Issue Brief*, October 25, 2010 at [http://www.idsa.in/system/files/IB\\_Chinasterritorialclaim.pdf](http://www.idsa.in/system/files/IB_Chinasterritorialclaim.pdf) (Accessed on March 05, 2011).

<sup>2</sup> While scenario planning is a rich discipline, the favored methodology limits the number of drivers to a number which generates a manageable number of scenarios but a rich interaction among them. I followed the typical methodology to arrive at the three greatest drivers of uncertainty: seeking the consensus of subject matter experts. Using the resources available to me at IDSA, I convened multiple rounds of discussions with experts on India and China and with a visiting Chinese scholar from China Institutes of Contemporary International Relations (CICIR). In these interactions, I proposed in the initial list of potentially significant factors the drivers of India's perception of China, Chinese resource scarcity, etc. However, these variables did not meet the bar as having the most

(Contd.)

interplay of these three drivers, four alternative scenarios namely, Backwaters; Heavy-weights; Ascendant India; and Assertive China have been imaginatively created by me for policy consideration.

## Research Design

This study is based on the alternative scenarios axis method.<sup>3</sup> In the alternative scenarios axis method, three independent yet highly interactive variables (drivers of uncertainty) are selected for analysis. For instance, Chinese regime stability and nationalism (Driver 1) directly interacts with the Tibet factor (Driver 2) and internal developments in Arunachal Pradesh (Driver 3) to inform China's territorial claim on Arunachal Pradesh in 2032. Based on the dynamic interaction between these drivers, alternative scenarios on a selected policy issue are imaginatively created to inform policy interventions in the near and distant future.

Scenarios are stories or narratives that portray what might happen, why it might happen, and with what consequences. They are powerful tools for constructing a range of possible futures based on the interaction of key drivers. Scenarios make policy makers aware of where they might be going right or wrong. They also help in developing policy and strategy in

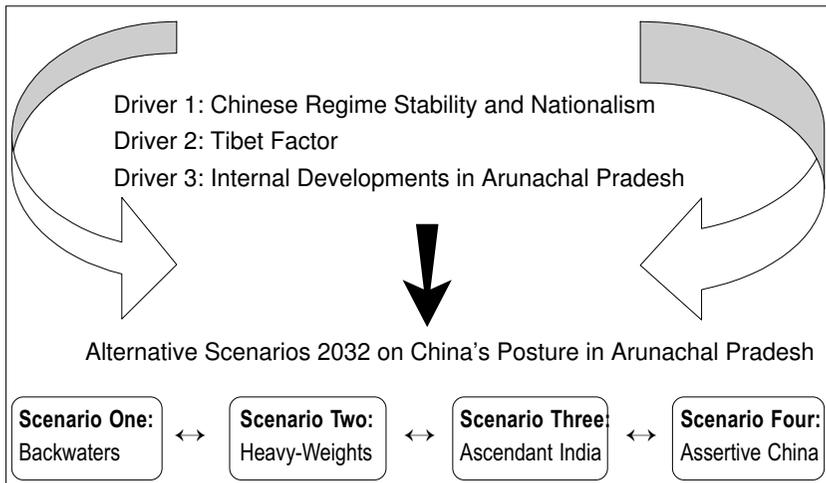
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significant impact on China's aggressive posture in India's eastern sector. Most of the data on Arunachal Pradesh is based on field interviews conducted by me in March 2011 and March 2012 substantiated by secondary sources. For more on the domestic level of analysis to explain a state's foreign policy behaviour, Randall L. Schweller, "Unanswered Threats: A Neo-classical Realist Theory of Underbalancing", *International Security*, Vol. 29, No. 2 (Fall 2004): 159-201.

<sup>3</sup> See MoD, UK, Development Concepts and Doctrine Centre, *Global Strategic Trends Out to 2040*, at [http://www.mod.uk/NR/rdonlyres/38651ACB-D9A9-4494-98AA-1C86433BB673/0/gst4\\_update9\\_Feb10.pdf](http://www.mod.uk/NR/rdonlyres/38651ACB-D9A9-4494-98AA-1C86433BB673/0/gst4_update9_Feb10.pdf) (Accessed on May 3, 2011). Mats Lindgren and Hans Bandhold, *Scenario-planning: The Link between Future and Strategy* (London: Palgrave and Macmillan, 2003).

order to achieve a particular end state. Scenarios stimulate critical thinking and challenge established assumptions allowing policy makers to explore plausible futures in order to inform their present process of decision-making and planning. In other words, scenarios bring into sharp relief underlying variables/ drivers which emerge as a result of interplay between factors that make up the reality of past and present. The key to scenario building is the ability to bring new thinking to bear on a subject. As Ratcliffe says, "Good scenarios, moreover, always challenge and surprise—bad ones merely confirm current conceptions and perpetuate personal prejudices".<sup>4</sup>

**Flow Chart I: Alternative Scenarios**



### **The Policy Issue under Focus**

The Chinese territorial claim on Arunachal Pradesh has increasingly become an issue of grave concern for Indian foreign policy given China's visible assertiveness on the issue in recent years.<sup>5</sup> China's growing influence in world politics, its closed political

<sup>4</sup> John Ratcliffe, "Scenario Building: A Suitable Method for Strategic Construction Industry Planning?" Dublin Institute of Technology, Ireland (2006), 3.

<sup>5</sup> See Goswami, n. 1.

system, its economic robustness and its military modernisation are creating apprehensions about the intentions and capabilities of China. On China's part, its 2010 *White Paper on National Defense* reflects international tensions when it states that

"International strategic competition centering on international order, comprehensive national strength and geopolitics has intensified. Contradictions continue to surface between developed and developing countries and between traditional and emerging powers, while local conflicts and regional flashpoints are a recurrent theme... major powers are stepping up the realignment of their security and military strategies, accelerating military reform, and vigorously developing new and more sophisticated military technologies".<sup>6</sup>

Most significantly, the White Paper notes that the People's Liberation Army (PLA) has undergone massive modernisation with a focus on joint operations and informationisation warfare. The White Paper also states that border security is one of the most important tasks of the PLA and the Peoples' Liberation Army Air-force (PLAAF) under the supervision of the State Council and Central Military Commission. The stress here is on joint operational and logistical training between the military, police and civilian actors in the border areas.<sup>7</sup> It is important to note that border security, territorial integrity and social stability are the most recurring themes in the official pronouncements of the Chinese regime.<sup>8</sup> Internal stability, territorial integrity, harmony and unity (including re-integration of historically claimed Chinese territories) is intricately woven throughout the Chinese National Papers on Defense.<sup>9</sup>

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<sup>6</sup> See "China National Defense in 2010" Information Office of the State Council, The Peoples' Republic of China, March 2011 at [http://news.xinhuanet.com/english2010/china/2011-03/31/c\\_13806851.htm](http://news.xinhuanet.com/english2010/china/2011-03/31/c_13806851.htm) (Accessed on April 24, 2011), p. 4.

<sup>7</sup> Ibid.

<sup>8</sup> See "White Papers of the Government" at <http://www.china.org.cn/e-white/index.htm> (Accessed on April 3, 2011).

<sup>9</sup> Ibid.

Indian concerns about China's military modernisation in Tibet which borders Arunachal Pradesh are also growing. China has upgraded its military presence in Tibet very close to the Line of Actual Control (LAC) in Arunachal Pradesh by replacing its old liquid fueled, nuclear capable CSS-3 intermediate range ballistic missile with "more advanced CSS-5 MRBMs".<sup>10</sup> Intercontinental missiles such as the DF-31 and DF-31A with a range of 5,500 km to 8000 km have also been deployed by China at Delingha, north of Tibet. On the border with India, China has deployed 13 Border Defence Regiments amounting to around 300,000 PLA troops. Airfields have also been established at Hoping, Pangta and Kong Ka respectively. These are in addition to the existing six airfields in the Tibetan Autonomous Region for supporting fighter aircraft operations and to enhance the PLA's airlift capability. Of critical value to China's force structure in this regard is the PLA's 23 Rapid Reaction Forces (RRFs).<sup>11</sup> The RRFs have been considerably modernised to a hi-tech force equipped for a limited war in the Himalayas.<sup>12</sup> The RRFs are on a 24 hour operational mode, and are trained to function in any environment. These units are composed of two group armies, nine divisions, three brigades, and seven regimental or battalion level units with an approximate strength of 400,000

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<sup>10</sup> "Military and Security Developments Involving the People's Republic of China 2010", Department of Defense, US, 2010 at [http://www.defense.gov/pubs/pdfs/2010\\_CMPR\\_Final.pdf](http://www.defense.gov/pubs/pdfs/2010_CMPR_Final.pdf) (Accessed on August 17, 2010), p. 38. "Chinese ire over India border visit", BBC, October 13, 2009 at <http://news.bbc.co.uk/2/hi/8304679.stm> (Accessed on August 16, 2010).

<sup>11</sup> For details on China's RRF, see Park Changhee, "North Korean Contingency and Prospects of China's Military Intervention", IImin International Relations Institute, Working Paper Series, Mac Arthur Foundation's Asia Security Initiative, October 2010, pp. 19-21.

<sup>12</sup> See Namrata Goswami "Caught in a Dangerous Web in the Himalayas", *Eastern Sentinel*, Itanagar, March 14, 2012, p. 1. Also, inputs provided by Subir Bhaumik, Former BBC East India Correspondent and Editor, *Seven Sisters' Post*, in Itanagar, Arunachal Pradesh, March 08-09, 2011.

personnel [This is inclusive of the Resolving Emergency Mobile Combat Forces (REMCF)].<sup>13</sup> All three divisions of the Chinese military namely, the Army, Navy and the Air Force, have their own RRF units. At present, there are six RRF divisions stationed at Chengdu (See Figure I), very close to Tibet.<sup>14</sup> Formed in the 1990s after the first Gulf War, the RRF's main mission is to win or prevent highly intensive regional conflicts and enhance China's military capabilities in a high tech environment using the latest in military technology.<sup>15</sup> Significantly, the RRFs possess the airlift capability to reach the India-China border in 48 hours. To be noted is the fact that the six RRF divisions stationed at Chengdu are always in an operational readiness mode, capable of operating in all kinds of terrain.<sup>16</sup> Of critical importance to India is the fact that the RRFs train in Southwest China (Yunnan), a terrain very similar to Arunachal Pradesh. The RRFs will form the first line of offence used by China to occupy key areas in Arunachal Pradesh and resist the forward movement of the Indian army if any future conflict occurs.

India has responded to this Chinese military build-up by taking a strategic decision in October 2011 to deploy the *Brahmos* supersonic cruise missile, which has a flight range of 290 km, in the eastern sector to strengthen its defence posture *vis-à-vis* China. A five year expansion plan to induct 90,000 more

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<sup>13</sup> See Changhee, n. 11.

<sup>14</sup> Inputs from security personnel, Itanagar, Arunachal Pradesh, March 12, 2012. Name withheld on request of interviewee.

<sup>15</sup> See Andrew N D Yang and Col. Milton Wen-Chung Liao (Retd) "PLA Rapid Reaction Force: Concept, Training and Preliminary Assessment", *RAND Study*, at [www.rand.org/pubs/conf\\_proceedings/CF145/CF145.chap4.pdf](http://www.rand.org/pubs/conf_proceedings/CF145/CF145.chap4.pdf) (Accessed on March 23, 2012).

<sup>16</sup> Inputs from interviews conducted with local security personnel, Itanagar, Arunachal Pradesh, March 10-14, 2012. Names withheld on request of interviewees.

Figure 1: China's Rapid Reaction Force



Source: The author <sup>17</sup>

<sup>17</sup> The background map is from open source website on maps at <http://goworldwind.org/> (Accessed on July 3, 2012).

troops and deploy four more divisions in the eastern sector is also underway. Already, there are 120,000 Indian troops stationed in the eastern sector, supported by two Sukhoi 30 MKI squadrons from Tezpur in Assam.<sup>18</sup> In April 2012, India successfully tested the 5000km range Inter-Continental Ballistic Missile (ICBM), *Agni V*, from Wheeler Island, off the Odisha coast. The *Agni V* can reach Chinese cities like Beijing and Shanghai. This kind of nuclear escalation 'signaling' between two of the rising powers of Asia is not without its downsides. First, China already possesses ICBM capabilities ranging from 5,500 km to 8,000 km. It's *Dongfeng 31* or the D-31 is a solid fuel ICBM with a range of 8000 km. China also successfully test-fired its 14,000 km range *Dongfeng-41* (D-41) ICBM in July 2012.<sup>19</sup> It also possesses the JL-2 nuclear tipped ICBM with a range of 7000km and can be launched from sub-marines. Secondly, this situation of a potential nuclear arms race could result in a "security dilemma". Security dilemma by definition implies that when the first state arms itself, the second state fearing the first state's armament, in turn arms itself. The first state then responds to the second state's armament by further arming itself resulting in a vicious cycle of armament. This could happen to India and China. For instance, China equipped itself with the ICBMs and acted aggressively with India on the border issue by escalating its claims on the Indian state of Arunachal Pradesh in the eastern sector. India responded by deploying

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<sup>18</sup> For more on this, see Namrata Goswami, "China's Response to India's Military Upgrade in Arunachal Pradesh: A Classic Case of "Security Dilemma", *IDSA Strategic Comment*, November 18, 2011 at [http://www.idsa.in/idsacomments/ChinasResponsetoIndiasMilitaryUpgradeinArunachalPradesh\\_ngoswami\\_181111](http://www.idsa.in/idsacomments/ChinasResponsetoIndiasMilitaryUpgradeinArunachalPradesh_ngoswami_181111) (Accessed on April 17, 2012).

<sup>19</sup> "China test-fires new ballistic missile", *The Time of India*, August 28, 2012 at [http://articles.timesofindia.indiatimes.com/2012-08-28/china/33449060\\_1\\_test-fires-ballistic-missile-agni-v](http://articles.timesofindia.indiatimes.com/2012-08-28/china/33449060_1_test-fires-ballistic-missile-agni-v) (Accessed on September 4, 2012).

the *Brahmos* supersonic cruise missile, which has a flight range of 290 km, in the eastern sector to strengthen its defence posture *vis-à-vis* China. It has now tested the *Agni V* with the capability to hit Chinese cities by 2014. China in turn, develops its ICBMs which targets India. The consequence of all this is a classic "security dilemma" requiring deft handling as any wrong signaling of intent or offensive military posture from either side could lead to conflict escalation in the eastern sector.<sup>20</sup>

China's territorial claim on Arunachal Pradesh also has great symbolic resonance for its legitimacy over Tibet. The 400 years old monastery in Tawang was the birthplace of the sixth Dalai Lama in the 17<sup>th</sup> century and is the second largest Tibetan monastery after Lhasa. It is plausible that the 14<sup>th</sup> Dalai Lama chooses his successor from the Tawang monastery. China also perceives that India makes it possible for the Dalai Lama to travel abroad, and his speeches around the world have kept the Tibetan issue alive and questioned Chinese legitimacy over Tibet.<sup>21</sup> Besides this, Chinese suspicions were aroused when, following the rebellion in Tibet in 1959, the Chinese were criticized by certain Indian leaders, and the mass media.<sup>22</sup> China feared then and still fears now that India might itself become a base for the subversive activities of the Dalai Lama's supporters.<sup>23</sup> Consequently, China pursues an aggressive posture on Arunachal Pradesh to deter India's so called Tibet

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<sup>20</sup> Namrata Goswami, "India's Agni V Sends Strong Nuclear Signal", *Asia Times*, April 24, 2012 at [http://www.atimes.com/atimes/South\\_Asia/ND24Df01.html](http://www.atimes.com/atimes/South_Asia/ND24Df01.html) (Accessed on April 24, 2012).

<sup>21</sup> John Garver, "The security dilemma in Sino-Indian relations", *India Review*, Vol. 1, No. 4 (2002): 1-38.

<sup>22</sup> Yaccov Y.I. Vertzberger, *Misperception in Foreign Policy Making: The Sino-Indian Conflict 1959-1962* (Colorado: Boulder, 1984).

<sup>23</sup> See "A Himalayan Rivalry", *The Economist*, August 19, 2010 at <http://www.economist.com/node/16843717> (Accessed on August 23, 2010).

card. Most local academics and policy makers in Arunachal Pradesh argue that Chinese aggressiveness is increasing *vis-à-vis* Arunachal Pradesh due to its growing insecurity over Tibet. Indeed, the existing strong Tibetan culture especially in Tawang and the Upper Siang districts in Arunachal Pradesh provoke Chinese fears of a covert pan-Tibetan movement for independence from across the India-China border.<sup>24</sup>

Given this backdrop, this *Occasional Paper* seeks to answer the following research questions.

1. What are the four alternative scenarios in 2032 with regard to China's territorial claim on the Indian state of Arunachal Pradesh?
2. What are the policy implications of each scenario?

## **Drivers of Uncertainty**

The drivers of uncertainty with regard to the Chinese territorial claim on Arunachal Pradesh in 2032 are: Chinese regime stability and nationalism; the Tibet factor; and internal developments in Arunachal Pradesh. Let me now extrapolate the drivers in detail.

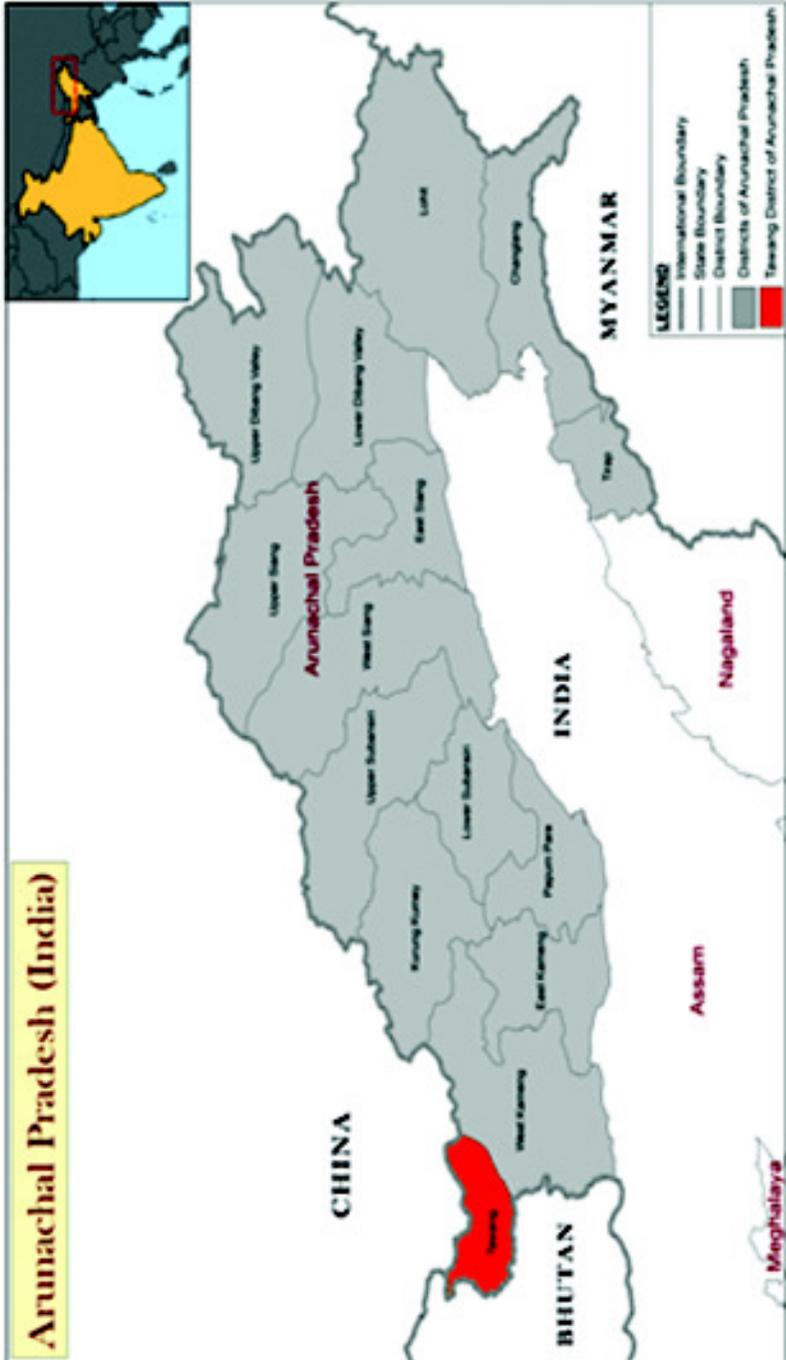
### ***Driver 1: Chinese Regime Stability and Nationalism***

Since the communist takeover of China in 1949, the critical challenges for the Communist Party of China (CPC) have been regime stability and internal unrest. The stability of the regime and its related legitimacy aspect depended to a large extent on the ideology of communism in the days of Mao Tse Tung. Communism provided the belief system that rallied people

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<sup>24</sup> Interview with former Home Minister and Member of the State Assembly, Government of Arunachal Pradesh, Itanagar, March 11, 2012. Name withheld on request of interviewee.

Figure II: Map of Arunachal Pradesh



around the regime. Since 1979, communism has however taken a back seat with the economic liberalisation policies of Deng Xiaoping. As a result, the CPC has to now depend on another more entrenched emotional category, nationalism, deeply associated with the idea of China's historical great power status in the world, in order to legitimize its rule in China. To be sure, the Chinese conception of nationalism is intertwined with historical beliefs especially its encounter with the West and Japan.<sup>25</sup> Known popularly as the "century of humiliation", China's defeat at the hands of Western powers and Japan deeply affected its notions of dignity and self image. The narrative of the "century of humiliation" starts with China's defeat in the First Opium War, the British acquisition of Hong Kong in 1842, the 19<sup>th</sup> century unequal treaties with the British and the Japanese, and the war of resistance against the Japanese in the 1930s and 1940s.<sup>26</sup> Consequently, an 'aggrieved nationalism' has now developed, which hopes to revert China's status from being a second tier power to global prominence.<sup>27</sup> Thereby, China's grand strategic goal is to improve China's international position by building upon its comprehensive national power.<sup>28</sup> This is operationalized by strengthening its military and its economy, settling its territorial disputes, and reclaiming Taiwan. In an interesting quantitative analysis, Peter Hays Gries, *et.al*

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<sup>25</sup> Peter Hays Gries, *China's New Nationalism: Pride, Politics, and Diplomacy* (Berkeley: University of California Press, 2004), pp. 48-51.

<sup>26</sup> Emily Parker, "The Roots of Chinese Nationalism", *The Wall Street Journal*, April 01, 2008 at <http://online.wsj.com/article/SB120701186550979029.html> (Accessed on January 13, 2012).

<sup>27</sup> Deng Yong, *China's Struggle for Status: The Realignment of International Relations* (Cambridge: Cambridge University Press, 2008).

<sup>28</sup> See Phillip C. Saunders, "China's Role in Asia", in David Shambaugh and Michael Yahuda, ed., *International Relations of Asia* (Maryland: Rowman & Littlefield, 2010), pp. 128-131.

discovered that China's conception of threats from the outside world gives greater emphasis to humiliation threats rather than the military balance of power.<sup>29</sup> The study also discovered that feelings of nationalism were higher amongst the members of the masses than the party workers.<sup>30</sup> The most significant finding about nationalism that this study offers is that it is not always state funded and conceived. The mass of the people tend to be more nationalistic on issues like Japan and Tibet than the party workers.<sup>31</sup>

This aspect played out during the March 2008 Tibetan protests. While the West largely described the official state response against the Tibetan protests and the Dalai Lama as top-down nationalism fed to the Chinese people by the CPC, there was little reporting on the fact that most of the Chinese outrage at the Tibetan protests were coming from the common masses and Chinese diasporas abroad. In fact, the outrage on the web labeled the Western media as biased, and vehemently asserted that Tibet is an integral part of China. Significantly, the mass nationalists accused Beijing of being too soft while defending China's core interests.<sup>32</sup> Prior to the 2008 Olympics, millions took to the web to condemn what they termed as "biased" foreign media reporting against China with regard to issues of human rights in Tibet.<sup>33</sup> When the city of Paris decided to grant the Dalai Lama an honorary citizenship, thousands protested

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<sup>29</sup> Peter Hays Gries, "Patriotism, Nationalism, and China's US Policy: Structures and Consequences of Chinese National Identity", *The China Quarterly* (2011): 1-17.

<sup>30</sup> *Ibid*, p. 13.

<sup>31</sup> *Ibid*, pp. 13-14.

<sup>32</sup> Parker, n.26.

<sup>33</sup> "Manage that Anger the Nationalist Genie is out of that Bottle", *The Economist*, April 24, 2008 at <http://www.economist.com/node/11090574> (Accessed on January 20, 2012).

in China terming the Dalai Lama as a “splittist”, contrary to the Mayor of Paris, Bertrand Delanoë terming him as “a champion of peace”.<sup>34</sup> When the Tibetan protests erupted in March 2008, many expressed the view that Tibetans should not be allowed by the Chinese government to sully China’s image internationally. The common response was that, “The Dalai Lama is trying to separate China, and it is not acceptable at all. We must crack down on the rioters”.<sup>35</sup> This kind of aggrieved Chinese nationalism concerning Tibet is to be taken serious note of by India, since China views Arunachal Pradesh as “Southern Tibet”. In May 2007, China denied visa to Ganesh Koyu, an Indian Administrative Service (IAS) officer from Arunachal Pradesh, who was to be a part of a 107 IAS officer study visit to Beijing and Shanghai. China pointed out that Koyu is a Chinese citizen since he is a native of Arunachal Pradesh and hence could visit China without a visa.<sup>36</sup> In June 2009, China again tried to block India’s request for US\$ 2.9 billion loan from the Asian Development Bank (ADB) as the request included US\$ 60 million for flood management, water supply, and sanitation project in Arunachal Pradesh.<sup>37</sup> This was the first time that China sought to broadcast its claim on Arunachal Pradesh in a multi-lateral forum.<sup>38</sup> ADB sources stated that China was

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<sup>34</sup> Ibid.

<sup>35</sup> Jim Yardley, “Nationalism at Core of China’s Angry Reaction to Tibetan Protests”, *The New York Times*, March 30, 2008 at <http://www.nytimes.com/2008/03/30/world/asia/30iht-china.4.11537294.html?pagewanted=all> (Accessed on January 20, 2012).

<sup>36</sup> “China denies visa to IAS officer from Arunachal”, *The Financial Express*, May 26, 2007 at <http://www.financialexpress.com/news/China-denies-visa-to-IAS-officer-from-Arunachal/200132/> (Accessed on August 12, 2010).

<sup>37</sup> Pranab Dhal Samanta, “China Strikes Back on Arunachal”, *The Indian Express*, September 18, 2009 at <http://www.indianexpress.com/news/china-strikes-back-on-arunachal/518626/> (Accessed on October 19, 2010)

<sup>38</sup> “Military and Security Developments Involving the People’s Republic of China 2010”, n. 10, p. 17.

unhappy as India had included a project for what they termed as 'disputed territory'.<sup>39</sup>

Subsequently, in October 2009, China expressed deep dissatisfaction when Indian Prime Minister Manmohan Singh visited Arunachal Pradesh as part of an election campaign for the state assembly elections. The Chinese foreign ministry spokesman Ma Zhaoxu asserted that such visits trigger disturbances in the "disputed region".<sup>40</sup> In November 2009, China opposed the Dalai Lama's visit to Arunachal Pradesh when Jiang Yu, the spokeswoman for China's foreign ministry asserted that "China's stance on the so-called 'Arunachal Pradesh' is consistent. We firmly oppose Dalai visiting the so-called 'Arunachal Pradesh'.<sup>41</sup> In early January 2012, China denied visa to Group Captain Mohonto Panging, a senior Indian Air Force officer hailing from Arunachal Pradesh, who was to be part of a 30 member Integrated Defence team traveling to China under a bilateral defence exchange programme. Ironically, the visit, starting January 10, was meant to be a Confidence Building Exercise and an offshoot of the Annual Defence Dialogue. China again reacted sharply to the visit of the Indian Defence Minister, A K Antony to Arunachal Pradesh when on February 25, 2012, the Chinese foreign ministry spokesperson, Hong Lei stated that such visits create complications towards resolution of the border dispute.<sup>42</sup>

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<sup>39</sup> Raphael Minder, *et.al.*, "China Blocks ADB India Loan Plan", *Financial Times*, April 10, 2009 at <http://www.ft.com/cms/s/0/033935c2-25e4-11de-be57-00144feabdc0.html#axzz1QXVRpjF2> (Accessed on June 28, 2011)

<sup>40</sup> "Chinese ire over India border visit", BBC, October 13, 2009 at <http://news.bbc.co.uk/2/hi/8304679.stm> (Accessed on August 16, 2010).

<sup>41</sup> Kritivas Mukherjee, "China Opposes Dalai Lama trip to Arunachal Pradesh", at <http://in.reuters.com/article/idINIndia-42388820090911> (Accessed on November 13, 2009).

<sup>42</sup> Saibal Dasgupta, "Now, China objects to defence minister AK Antony's Arunachal Pradesh Visit", *The Times of India*, February 25, 2012 at [http://articles.timesofindia.indiatimes.com/2012-02-25/india/31100456\\_1\\_china-objects-beijing-claims-arunachal-pradesh](http://articles.timesofindia.indiatimes.com/2012-02-25/india/31100456_1_china-objects-beijing-claims-arunachal-pradesh) (Accessed on March 01, 2012).

According to David Shambaugh, millions of Chinese who use cyber-space to voice their opinions on foreign policy issues are hyper-nationalists, who believe that the Chinese government is too weak or soft on foreign policy issues especially territorial claims. The netizens are very active in their dislike for the Dalai Lama and view him as a 'humiliating' presence to China.<sup>43</sup> It is therefore important to note that Chinese foreign policy choices function not merely within the objective assessment of military balance of power but also the subjective perspective of identity and threat perception. Hence, there is a direct trajectory from humiliation to nationalism to China's foreign policy choices.

Deeply connected to nationalism is the Chinese stress on internal stability. The *2010 Chinese White Paper on Defense* stressed on the importance of social stability, indicating the critical role played by the armed forces in infrastructure building, poverty alleviation, and overall internal social harmony.<sup>44</sup> Studies on Chinese stability indicate that the economic development of China is the most important principle for the CPC since the 1978 reforms of Deng Xiaoping.<sup>45</sup> In 1992, after witnessing two decades of high economic growth, Deng spelled out his goal for China as the creation of a "socialist market economy with Chinese characteristics".<sup>46</sup> The stress on economics has been paramount leading to almost all leaders after Deng indicating its significance for China's stability and unity. In 1999, Jiang Zemin offered his "three represents" concept which opened up the CPC to private entrepreneur

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<sup>43</sup> David Shambaugh, "Coping with a Conflicted China", *The Washington Quarterly*, Vol. 34, No. 1 (Winter 2011): 24.

<sup>44</sup> See "China's National Defense in 2010", n. 6.

<sup>45</sup> See Chien-min Chao and Bruce J. Dickson, eds., *Remaking the Chinese State Strategies, Society, and Security* (London: Routledge, 2001), pp. 46-75.

<sup>46</sup> Prem Shankar Jha, *India & China The Battle Between Soft and Hard Power* (New Delhi: Penguin, 2010), p. 60.

membership as against its earlier confinement to workers and peasants. Hu Jintao also stresses on the significance of economic development as the basis for China's internal unity, strength and stability.<sup>47</sup>

Significantly, the Chinese communist regime cannot be held accountable for non-performance by the people as is the normal practice in a democracy. This lack of accountability, based on the absence of an independent judiciary, has resulted in corruption within the CPC, social unrest due to lack of jobs, acute discrimination in incomes between urban and rural areas, and illegal secret killings.<sup>48</sup> In China, decision-making with regard to internal and foreign policy is conducted by a very small elite group within the CPC.<sup>49</sup> The CPC is responsible for the successful conduct of the economy, acquisition of land for business purposes, bridging the rural-urban divide in income disparity, and political conceptualisation of the state.<sup>50</sup>

On the other hand, due to the lack of political dissent, the CPC does not enjoy the luxury to blame others for political mishaps, and economic downturn. It is like a corporate state where a few elitist leaders are the decisive actors and are responsible for decisions. The leadership discourages any public debate on larger economic policies, infrastructure, or governance. Hence, the Chinese state lacks a free press or freedom of expression beyond what is acceptable to the Communist regime in these

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<sup>47</sup> Chien Min and Dickson, n. 45, pp. 1-16.

<sup>48</sup> Jha, n. 46, pp. 125-127.

<sup>49</sup> See Gang Lin, "Leadership Transition, Intra-Party Democracy, and Institution Building in China", in Weixing Chen and Yang Zhong, eds., *Leadership in a Changing China* (New York: Palgrave, Macmillan, 2005), pp. 37-56.

<sup>50</sup> Jha, n.46, pp. 59-94.

matters.<sup>51</sup> Economic growth has also translated into the modernisation of one of the most important institutions of China, the PLA, resulting in international structural fears about the intention of such rapid military modernisation.<sup>52</sup> I would argue that one of the important criterion for Chinese regime stability is its policing capacities in order to keep internal dissent down. Military institutions are also vital for managing China's external policy dilemmas like Taiwan and for safe passage of imports and exports through the Indian Ocean and the South China Sea. Hence, the Chinese are building up their fire-power capabilities as can be seen from Table 1.

**Table 1: Figure of Top 10 World Military Expenditures 2011**

<i>Rank</i>	<i>Country</i>	<i>Spending 2011 (\$b., MER)</i>	<i>Change 2010- 2011 (%)</i>	<i>Change 2002- 2011 (%)</i>	<i>Share of GDP (% estimate)</i>
1.	USA	711	-1.2	59	4.7
2.	China	[143]	6.7	170	[2.0]
3.	Russia	[71.9]	9.3	79	[3.9]
4.	UK	62.7	-0.4	18	2.6
5.	France	62.5	-1.4	-0.6	2.3
6.	Japan	59.3	0	-2.5	1.0
7.	India	48.9	-4.9	66	2.6
8.	Saudi Arabia*	48.5	2.2	90	8.7
9.	Germany	[46.7]	-3.5	-3.7	[1.3]
10.	Brazil	35.4	-8.2	19	1.5
	World	1738	0.3	42	2.5

[ ] =estimated figure; GDP=gross domestic product. The figures for national military expenditure as a share of GDP are based on estimates for 2011 GDP from the IMF World Economic Outlook data, September 2011.

\*Figures for Saudi Arabia include expenditure on internal security.<sup>53</sup>

<sup>51</sup> David Shambaugh, "Containment or Engagement of China? Calculating Beijing's Responses, *International Security*, Vol. 21, No. 2 (Autumn, 1996):180-209.

<sup>52</sup> Charles Taylor and Tim Youngs, "China's Military Posture", *House of Commons*, Research Paper 08/15, February 12 (2008):1-66.

<sup>53</sup> Background paper on SIPRI Military Expenditure Data 2011, Stockholm International Peace Research Institute (SIPRI), April 17, 2012, p. 5.

**Uncertainties:** Despite the historical continuity of the Chinese state, its civilisation strengths and its robust economic growth under the supervision of the CPC, Chinese regime stability and nationalism have certain inherent uncertainties. Already, the biggest challenge to the regime is equitable growth. The disparity in incomes between urban and rural areas is getting more acute by the day, and the Chinese regime faces the daunting prospect of creating 8 million new jobs every year for its urban population, with an added 15 million new jobs a year for its rural population.<sup>54</sup> Corruption, expropriation of land, and increased taxes have resulted in nearly 100,000 protests a year and if this continues, the Chinese regime's legitimacy will be questioned.<sup>55</sup> Chinese official statistics indicate that one-tenth of China's population of 1.3 billion are internal migrants. These migrants face discrimination and suffer from inequity due to China's household registration system (Hukou).<sup>56</sup> In the Hukou system, migrant rural workers do not enjoy the same social security benefits like their urban counter-parts in areas like health, education, unemployment benefits, or subsidized housings. Such discrepancies have resulted in mass unrest and unhappiness. There has also been a sharp increase in unemployment for rural migrants after the fall in demands for

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<sup>54</sup> Martin Jacques, *When China Rules the World The Rise of the Middle Kingdom and the End of the Western World* (London: Allen Lane, 2009), p.163. Also see World Bank Office, Beijing, "China Quarterly Update 2009 and 2010" at [http://siteresources.worldbank.org/INTCHINA/Resources/318862-1237238982080/CQU\\_March2009\\_fullreport.pdf](http://siteresources.worldbank.org/INTCHINA/Resources/318862-1237238982080/CQU_March2009_fullreport.pdf) (Accessed on May 02, 2011), p. 163.

<sup>55</sup> Jha, n. 46, pp. 59-147.

<sup>56</sup> Andrew Scheineson, "China's Internal Migrants", Council on Foreign Relations, May 14, 2009 at <http://www.cfr.org/china/chinas-internal-migrants/p12943#p5> (Accessed on January 19, 2012).

Chinese exports post 2008 global financial crisis.<sup>57</sup> Significantly, Chinese regime stability critically depends on its ability to keep the current rate of economic growth stable, generate employment, reduce dependence on imports to sustain its economy, and possess an efficient military and police to keep internal law and order. One can infer about the Chinese regime being plausibly insecure about internal dissent given the blocking of news of the 2011 protests in Egypt from websites in China.<sup>58</sup> It is also uncertain as to how the Chinese regime evolves: would it become more democratic<sup>59</sup> or get even more closed. The issue of factionalism is also a matter of concern within the Chinese regime.

**Impact on Chinese Claim on Arunachal Pradesh:** If Chinese regime stability is high and it manages its internal contradictions, then China will avoid doing anything seriously aggressive in Arunachal Pradesh. If Chinese regime stability is low, and its internal contradictions gets acute, then China will get aggressive with regard to Arunachal Pradesh to divert people's attention from internal instability. Consequently, nationalism will also be shored up in order to create the rationale for China's quest to occupy Arunachal Pradesh.

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<sup>57</sup> William Ide, "China's Leaders Increasingly Challenged by Social Unrest", *Voice of America*, December 16, 2011 at <http://www.voanews.com/english/news/asia/Chinas-Leaders-Increasingly-Challenged-by-Social-Unrest-135727133.html> (Accessed on January 19, 2012).

<sup>58</sup> Edward Wong and David Barboza "Wary of Egypt Unrest, China Censors Web", *The New York Times*, January 31, 2011 at <http://www.nytimes.com/2011/02/01/world/asia/01beijing.html> (Accessed on March 05, 2011).

<sup>59</sup> See Gang Lin, "Leadership Transition, Intra-Party Democracy, and Institution Building in China", in Weixing Chen and Yang Zhong, n. 49, pp. 37-56.

**Driver 2: The Tibet Factor**

Tibet is at the heart of China's strategy towards India. The 400 years old Tawang monastery in Arunachal Pradesh and its importance with regard to Tibetan Buddhism, the presence of a large number of Tibetan refugees in India,<sup>60</sup> the frequent trips to the West by the Dalai Lama from India to talk on the status of Tibet and the international questioning of China's legitimacy over Tibet deeply undercut China's sovereignty over Tibet. The 2008 Tibetan protests, just before the Beijing Olympics, and the spurt of reports on human rights violations in Tibet by China re-opened the Pandora's Box of Chinese insecurity in Tibet.<sup>61</sup> The Dalai Lama's visits to Tawang in Arunachal Pradesh are also viewed as a deliberate attempt by India to undermine China's hold on Tibet. The Tawang monastery assumes significance for China due to its historical connection with the Lhasa monastery. This historical aspect has been vindicated by interviews in the Tawang monastery where the Lamas recognized the monastery's historical ties with Lhasa monastery until China occupied Tibet in 1949.<sup>62</sup> These ties were based on exchanges of monks and tribute paid in barter to Lhasa. The local administrator in Tawang stated that administrative connectivity also existed between Lhasa and Tawang in the form of judicial and land documents.<sup>63</sup>

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<sup>60</sup> There are approximately 150,000 Tibetan Refugees in India. See UNHCR "India: Information on Tibetan Refugees and Settlements" at <http://www.unhcr.org/cgi-bin/texis/vtx/refworld/rwmain?docid=3f51f90821> (Accessed on May 02, 2011).

<sup>61</sup> See Human Rights Watch, "I Saw it with my own eyes Abuses by Chinese Security Forces in Tibet, 2008-2010", New York, 2010, pp. 1-72; Tibetan Centre for Human Rights & Democracy, "Human Rights Situation in Tibet Annual Report 2008", Dharamsala, India, 2009.

<sup>62</sup> Interviews with the First and Second Lamas in Tawang Monastery, Tawang, Arunachal Pradesh, March 17-22, 2011.

<sup>63</sup> Interview with Deputy Commissioner, Tawang, Arunachal Pradesh, March 17, 2011.

The local discourses in Arunachal Pradesh also identify the Tawang monastery and its linkage to Tibet as predominant in Tibetan Buddhist discourses in the Eastern Himalayan belt.<sup>64</sup> After China occupied Tibet in 1949, the Chinese government viewed the occupation of Tawang as an important source of legitimacy for its own hold over Tibet in the long term.<sup>65</sup> While China did occupy Tawang in 1962, the lack of supply lines from Tibet into Tawang, absence of roads within Tibet to the India-China border, and a hostile Tibetan and Arunachali population would have made the Chinese occupation an extremely costly venture over time.<sup>66</sup> Hence, the Chinese troops retreated. This Tawang-Lhasa linkage also had an administrative dimension. Most local discourses converge on the view that Tawang and the neighbouring Monpa inhabited areas were taken over by India in 1951 under the leadership of the Naga Indian army officer, Major Ranenglao (Bob) Khathing. Before 1951, the Monpas of the area were Tibetan subjects and gave tribute to the Lhasa monastery. As a result, administrative and judicial issues had been conducted by the Tawang monastery utilising Lhasa administrative directives.<sup>67</sup> This administrative dimension is not lost on China and based on that, the Chinese justify their claim on Arunachal Pradesh as Southern Tibet.<sup>68</sup>

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<sup>64</sup> Interview with Tawang Monastery Spokesperson, Lama Acharya, Tawang, Arunachal Pradesh, March 19, 2011.

<sup>65</sup> Ibid.

<sup>66</sup> Interview with local politician, n. 24.

<sup>67</sup> Interview with Tawang Monastery Spokesperson, n.64.

<sup>68</sup> Matthew Akester, "An Overview of Relations in the Modern Period", Tibetan Scholar, Dharamshala, Paper presented in National Seminar on "Voices from the Border: Indian Response to the Chinese Claim on Arunachal Pradesh" organised at Itanagar, Arunachal Pradesh, by the Government of Arunachal Pradesh, the Rajiv Gandhi University, and the Indian Council of Social Science Research, North Eastern Regional Centre, March 08-09, 2012.

China also views the McMahon line in the eastern sector as a British imperial imposition, and hence argues that Arunachal Pradesh was wrongly given to India as per that boundary demarcation.

China and India are both countries which were long subjected to imperialist aggression. This common experience should have naturally caused China and India to hold an identical view of the above-said historical background and to adopt an attitude of mutual sympathy, mutual understanding, and fairness and reasonableness in dealing with the boundary question. The Chinese government originally thought the Indian government would take such an attitude. Unexpectedly, to the Chinese government, however, the Indian government demanded that the Chinese government give (sic) the British policy of aggression against China's Tibet region as the foundation for the settlement of the Sino-Indian boundary question.<sup>69</sup>

**Uncertainties:** The Chinese perception of India's Tibet policy post Dalai Lama, the nature of the Tibetan independence movement (whether it will remain non-violent),<sup>70</sup> and if China responds by selecting its own Dalai Lama, will impact China's claim on Arunachal Pradesh. India's growing strength and ambiguity on its intentions could make China wary of Indian designs in Asia.

**Impact on China's Claim on Arunachal Pradesh:** If China's perception of India is that of a strong actor, then it could resolve the border issue peacefully and recognize Arunachal Pradesh as part of India. There is precedent here as China has resolved

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<sup>69</sup> Arthur A. Stahnke, "The Place of International Law in Chinese Strategy and Tactics: The Case of the Sino-Indian Boundary Dispute", *The Journal of Asian Studies*, Vol. 30, No.1 (November 1970): 103.

<sup>70</sup> Lodi Gyari, "China and the Future of Tibet", *Harvard Asia Quarterly*, XII/2 (2009): 4-8.

its other border conflicts.<sup>71</sup> This will be conditional on how India shapes its policy towards China over the years. If China's perception of India is that of a weak actor and the Tibet issue continues to simmer, then China will be aggressive regarding its claim on Arunachal Pradesh. If, in the post Dalai Lama period, a young monk from Tawang monastery is ordained as the XVth Dalai Lama by the XIVth Dalai Lama, Chinese claim on Arunachal Pradesh will become aggressive.

### *Driver 3: Internal Developments in Arunachal Pradesh*

Three issues stand out as most vital in this context, namely; governance, riparian issues, and border security.

**Governance:** Most of the districts in Arunachal Pradesh are backward, lack adequate power supply, education facilities, health care, livelihood avenues, and surface communication.<sup>72</sup> Important border districts like Tawang suffer bad road connectivity, a tenuous and risky helicopter service,<sup>73</sup> poor electricity, and absence of good health care.<sup>74</sup> The *Arunachal*

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<sup>71</sup> M. Taylor Fravel, "Regime Insecurity and International Cooperation", Explaining China's Compromises in Territorial Disputes", *International Security*, Vol. 30, No. 2 (Fall 2005): 46-83.

<sup>72</sup> Based on collated interviews with the Deputy Commissioners of Upper Siang, Lower Siang, Upper Subansiri, and Lower Subansiri, districts in Arunachal Pradesh in March 2011.

<sup>73</sup> Two horrific accidents in April 2011, the later of which killed the Chief Minister of the state are gruesome reminders of lackluster security and safety measures in the state for civilian travel. "Chopper Crash in Arunachal Pradesh killing 17 Tourists", Reuters, April 19, 2011 at <http://in.reuters.com/article/2011/04/19/idINIndia-56440220110419> (Accessed on April 23, 2011). Also see "Arunachal CM killed in Chopper Crash", *The Times of India*, May 04, 2011 at [http://articles.timesofindia.indiatimes.com/2011-05-04/india/29508455\\_1\\_chopper-crash-handique-helicopter-crash](http://articles.timesofindia.indiatimes.com/2011-05-04/india/29508455_1_chopper-crash-handique-helicopter-crash) (Accessed on April 25, 2011).

<sup>74</sup> Field Visit to Tawang, Arunachal Pradesh, March 17-22, 2011.

*Pradesh 2005 Human Development Report*<sup>75</sup> identified infrastructure development as one of the key concerns of the state. This was followed up with Prime Minister Manmohan Singh's package of Rs. 24,000 crore in 2009 for building the 1,500 kms Trans-Arunachal Pradesh highway.<sup>76</sup> Yet, ground realities continue to be grim with the Border Roads Organisation (BRO) stating that it is an arduous task to build two-lane highways in such hilly and inaccessible terrain.<sup>77</sup>

**Table 2: Funds Allocated to Education, Health and Infrastructure in Arunachal Pradesh: 2010-2011 (in Rs)**

<i>Education</i>	<i>Health and Family Welfare</i>	<i>Roads and Bridges</i>	<i>Forest</i>	<i>Hydro-Power Development</i>
394,52,08,000	156,76,47,000	232,16,22,000	91,73,64,000	40,05,27,000

Source: *The Arunachal Pradesh Gazette Extraordinary*, Government of Arunachal Pradesh, March 29, 2010 at <http://india.gov.in/allimpfrms/allacts/3032.pdf> (Accessed on June 21, 2011)

Also, there is a noticeable tendency amongst the local population to compare the high levels of infrastructure in Tibet to that of Arunachal Pradesh. Tibet is, however, much larger than Arunachal Pradesh with a territory of 1,228,400 million square kms with a population of 3 million, but the comparison still exist given its proximity to Arunachal Pradesh. For instance,

<sup>75</sup> Arunachal Pradesh Human Development Report 2005 at <http://hdr.undp.org/en/reports/national/asiathepacific/india/name,3398,en.html> (Accessed on March 12, 2011).

<sup>76</sup> "PM Announces Time-Frame for Arunachal Projects", *Indian Express*, October 24, 2009 at <http://www.indianexpress.com/news/pm-announces-timeframe-for-arunachal-project/524747/> (Accessed on December 11, 2011).

<sup>77</sup> Interview with S.K. Pandey, Commandant, 44 BRTF, Border Roads Organization, Along, Arunachal Pradesh, March 10, 2011. I also visited the road construction sites along the India-China border in Tato and Mechuka. This is difficult terrain with high mountains and inaccessible terrain.

between 2006 and 2010, China invested 137.8 billion yuan (US\$ 20.3 billion) for Tibet's development which included the building of roads connecting 80 per cent of Tibet's villages, providing drinking water to Tibet's population of 3 million, free education, new houses, a new Gunsu airport in the Ngari prefecture besides the Gonggar Airport in Lhasa, and a 100,000 kilowatt photovoltaic plant at Ngari. In the first half of 2011, Tibet's GDP grew by 11.2 percent above China's overall GDP growth of 9.3 percent.<sup>78</sup> Also, Tibet registered US\$ 836 million of foreign trade in 2010 with a tourism turnover of more than US\$ 20 million.<sup>79</sup> Tourism is also supported in Tibet by good connectivity *via* the 1,956 kms (Xining to Lhasa) Qinghai-Lhasa railways. In comparison, Arunachal ranked last in the tourism sector amongst the Northeastern states with Meghalaya taking the top spot.<sup>80</sup> Arunachal Pradesh is 90 per cent dependent on Central government funds. In 2011, India invested around Rs. 5,944 crore (approximately US\$ 1.3 billion) under consolidated

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<sup>78</sup> See "Hefty Government Investment in Tibet", *China Business News*, May 07, 2011 at <http://cnbusinessnews.com/hefty-govt-investment-in-tibet-from-2006-2010/> (Accessed on May 9, 2011). Also see "World Bank Raises China 2011 GDP forecast, urges tightening", *Reuters*, April 27, 2011 at <http://www.reuters.com/article/2011/04/28/china-economy-world-bank-idUSB9E7FE02920110428> (Accessed on April 30, 2011). For more on Tibet investments, see Chris Devonshire Ellis, "Investing in Tibet, the Roof of the World", *China Briefing*, April 10, 2010 at <http://www.china-briefing.com/news/2010/08/20/investing-in-tibet-%E2%80%93-the-roof-of-the-world.html> (Accessed on April 13, 2011).

<sup>79</sup> See "China Economic News in Brief: C919 runway; Tibet foreign trade, Qingdao throughout, Jiangsu agriculture FDI", *China Daily*, February 02, 2011 at [http://www.chinadaily.com.cn/xinhua/2011-02-01/content\\_1706047.html](http://www.chinadaily.com.cn/xinhua/2011-02-01/content_1706047.html) (Accessed on February 04, 2011).

<sup>80</sup> "Tourism Development Arunachal Pradesh" Ministry of Tourism, Government of India, February 2010 at <http://tourism.gov.in/survey/ArunachalPradesh-Feb-10.pdf> (Accessed on March 12, 2011).

funds in Arunachal Pradesh.<sup>81</sup> Significantly, the GDP growth rate of Arunachal Pradesh in 2011 was 0.10 per cent.<sup>82</sup> While the state has developed plans to expand the tourist industry, this is not yet supported by reasonably good infrastructure on the ground.<sup>83</sup>

**Table 3: Tourist Inflow into Arunachal Pradesh (2006-08)**

<i>Tourist</i>	2006	2007	2008	CAGR (2004 base year)
Domestic	80137	91100	89292	22.47%
International	706	2212	3020	50–75%
Total	80843	93312	92392	22.5

*Source:* Tourism Development Arunachal Pradesh” Ministry of Tourism, Government of India, February 2010 at <http://tourism.gov.in/survey/ArunachalPradesh-Feb-10.pdf> (Accessed on March 12, 2011).

**Riparian Issues:** Riparian issues are significant in Arunachal Pradesh. Most of the rivers of the state have been identified as possessing enormous potential for hydro-power to the tune of 49,126 megawatt (MW) of electricity.<sup>84</sup> Arunachal Pradesh has signed nearly 103 Memorandum of Understandings (MoUs) with private groups to construct around 103 dam projects in the

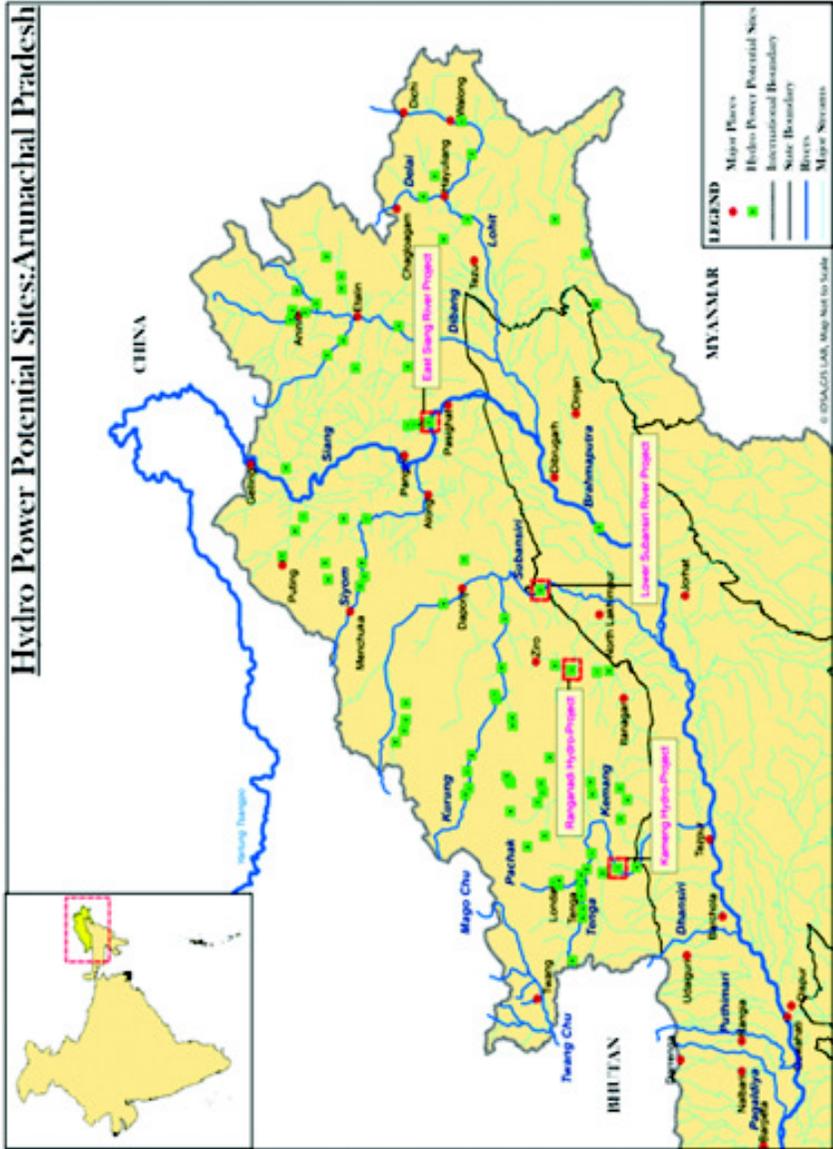
<sup>81</sup> For more details see “Arunachal State Budget presented”, *Arunachal News*, March 19, 2011 at <http://arunachalnews.com/arunachal-state-budget-presented.html> (Accessed on May 4, 2011). “Arunachal Pradesh Gazette, Government of Arunachal Pradesh, March 29, 2010 at <http://india.gov.in/allimpfrms/allacts/3032.pdf> (Accessed on April 15, 2011).

<sup>82</sup> See Also see Reserve Bank of India “Handbook of Statistics for Indian Economy” at <http://www.rbi.org.in/scripts/AnnualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy> (Accessed on May 03, 2011).

<sup>83</sup> “Tourism Development Arunachal Pradesh” n. 80.

<sup>84</sup> For more on hydro-electric projects in Arunachal Pradesh, see “Hydro-Electric Power Policy Arunachal Pradesh” at <http://www.arunachalhydro.org.in/pdf/State%20Mega%20Hydro.pdf> (Accessed on May 12, 2011).

Figure III: Hydro-Power Dams in Arunachal Pradesh



Source: IDSA.

state.<sup>85</sup> The state has five major river basins, namely, Kameng River Basin, Subansiri River Basin, Siang River Basin, Dibang River Basin, and Lohit River Basin on which 89 major hydro-electric projects are being planned as on date (See Figure III). The largest river is the Siang, which is called the Yarlung Tsangpo in Tibet and the Brahmaputra in Assam.

Private companies like the Jindal Group, Jaypee Arunachal Power Construction and Reliance have signed MoUs with the Arunachal Pradesh government to develop multi-purpose hydro-electric projects believed to be largest power projects in the country.<sup>86</sup> In 2006, an agreement was signed with North Eastern Electric Power Corporation (NEEPCO) for development of about 10,230 MW of hydro power.<sup>87</sup> The two most prominent projects are the 2,000 MW Lower Subansiri project, the 405 MW Ranganadi project and the 2,700 MW East Siang project. Others include the Bharali Lift Dam II on the Kameng River Basin with a capacity of 330 MW, the Hegio on the Subansiri with a projected capacity of 250 MW, etc.<sup>88</sup>

Significantly, local anxieties in Arunachal Pradesh are growing with regard to dams being built by private companies like Jaypee Arunachal Power Construction and Reliance Group. These fears are most apparent with regard to the East Siang

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<sup>85</sup> Subhir Bhaumik, "Damming the Northeast", *The Caravan*, October 2010 at <http://www.caravanmagazine.in/PrintThisStory.aspx?StoryId=513> (Accessed on June 27, 2011)

<sup>86</sup> Interview with JP Power Constructions, Pasighat, Arunachal Pradesh, March 09, 2011

<sup>87</sup> Bikash Singh "Arunachal government inks hydro-electric project deal with Jindal Group" *Economic Times*, August 04, 2009, at <http://economic.times.indiatimes.com/articleshow/4857492.cms> (Accessed on July 09, 2010).

<sup>88</sup> For more on these projects, see "Hydro-Electric Power Policy Arunachal Pradesh", n. 84.

River project being built by Jaypee.<sup>89</sup> Locals argue that this project is ‘water storage’ and not “run of the river” project with a dam height of 86m. Consequently, locals assume that if water overflows during the rainy season and fall from such a height, it will lead to massive flooding downstream and population displacement.<sup>90</sup> There is also a widespread belief that such projects will involve outsiders working in dam sites who will stay back once projects are completed outnumbering the locals thereby threatening local cultures.<sup>91</sup> Interestingly though, while the younger age group of 20-40 amongst the local Adi populace in East Siang was against building mega dams for fear of outsider influx and environmental degradation, older generations, age group 60 and above are pro-dams, as they viewed it as part of a larger development package.<sup>92</sup> That said, the paramount view in local discourse is that India is now planning to build dams in Arunachal Rivers primarily to counter the Chinese territorial claim.<sup>93</sup> Disturbingly, the young people

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<sup>89</sup> Most of the dams are viewed as storage dams and not run-of the river. Interviews with Peoples’ Unions, local academics, activists, civil society and policy makers in East Siang, West Siang, Lower Subansiri and Upper Subansiri districts of Arunachal Pradesh by author, March 06-17, 2011.

<sup>90</sup> Interviews with Siang Peoples’ Union, Pasighat, March 07, 2011.

<sup>91</sup> See “Tribals fear Arunachal dam will extinct its people”, *The Hindu*, December 02, 2010 at <http://www.thehindu.com/news/states/other-states/article927247.ece> (Accessed on May 12, 2011). Also see Sripad Dharmadhikari, “Massive Dam plans for Arunachal Pradesh”, at <http://www.indiatogether.org/2008/feb/env-arunachal.htm> (Accessed on April 01, 2011). For detail view of dams in Arunachal Pradesh, see Independent Peoples’ Tribunal on Dams in Arunachal Pradesh, February 03, 2008, Itanagar, Arunachal Pradesh at [http://www.iptindia.org/wp-content/pdf/report/AP\\_Dam\\_Report.pdf](http://www.iptindia.org/wp-content/pdf/report/AP_Dam_Report.pdf) (Accessed on March 23, 2011).

<sup>92</sup> Interview with village elders near Pasighat, Arunachal Pradesh, March 07, 2011.

<sup>93</sup> Interviews with local civil society groups and individuals in the affected areas in Arunachal Pradesh, March 06- 21, 2011.

even articulated the use of an armed movement to safeguard their land and rivers from being utilized by the state to build dams against their wishes.<sup>94</sup> Similar is the story with the Subansiri project where the dam height of 115m is creating anxieties that during the monsoons, water will overflow and cause flash floods inundating several downstream villages.<sup>95</sup> The biggest opposition however is coming from neighbouring Assam, where peasants, students and environmentalist groups protests this dam based on fears of it being located in one of the most seismic sensitive zones in India.<sup>96</sup> Hence, the fear of dam collapse is high in the lower riparian state, Assam.

**Border Security:** Border security is another major issue in Arunachal Pradesh.<sup>97</sup> The shadow of the 1962 India-China war still looms large in the local political discourses.<sup>98</sup> At present, the state of border roads is bad with roads non-existent in some parts near the LAC in the Mechuka area, and landslides obstructing smooth flow of traffic in the Along-Tuting-Gelling and Tawang-Bumla roadways.<sup>99</sup> Most significantly, military intelligence and the local people point out that roads on the Tibet side are good facilitating smooth flow of traffic.<sup>100</sup> In terms

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<sup>94</sup> Interview with local young leaders of communities in Pasighat, Arunachal Pradesh, March 06-09, 2011.

<sup>95</sup> "Lower Subansiri dam height to prevent disaster", *The Hindu*, November 1, 2010 at <http://www.thehindu.com/news/national/article863226.ece> (Accessed on March 03, 2011).

<sup>96</sup> Bhaumik, "Damming the Northeast", n. 85.

<sup>97</sup> Common view enunciated from interviews by author with policy makers, security personnel, and civil society in Pasighat, Along, Daporiju, Ziro, Tato, Tuting-Gelling area, Mechuka, and Hari village in Ziro, and Tawang in Arunachal Pradesh, March 2011.

<sup>98</sup> Interview with political officers from the 1962 period; village elders in Mechuka affected by the Chinese aggression in 1962.

<sup>99</sup> Field visit by author to these areas in March 2011.

<sup>100</sup> Interview with military intelligence, Tawang, Arunachal Pradesh, March 17, 2011.

of defense, India has stepped up its troops' presence in the border<sup>101</sup> but the nature of roads makes logistics and supply lines difficult to maintain. The dangerous air-routes through the mountains also render it difficult for air-traffic to flow in this treacherous mountainous terrain. The Chinese concept of jointness in its military<sup>102</sup> is not visible in the border areas. Troops stationed in the border areas state that the best way to handle the India-China border issue and the claim on Arunachal Pradesh is through confidence building measures.<sup>103</sup>

**Uncertainties:** The biggest uncertainty is the development of Arunachal Pradesh. By 2032, Arunachal Highway could be built with good connectivity throughout the state. The Indian military

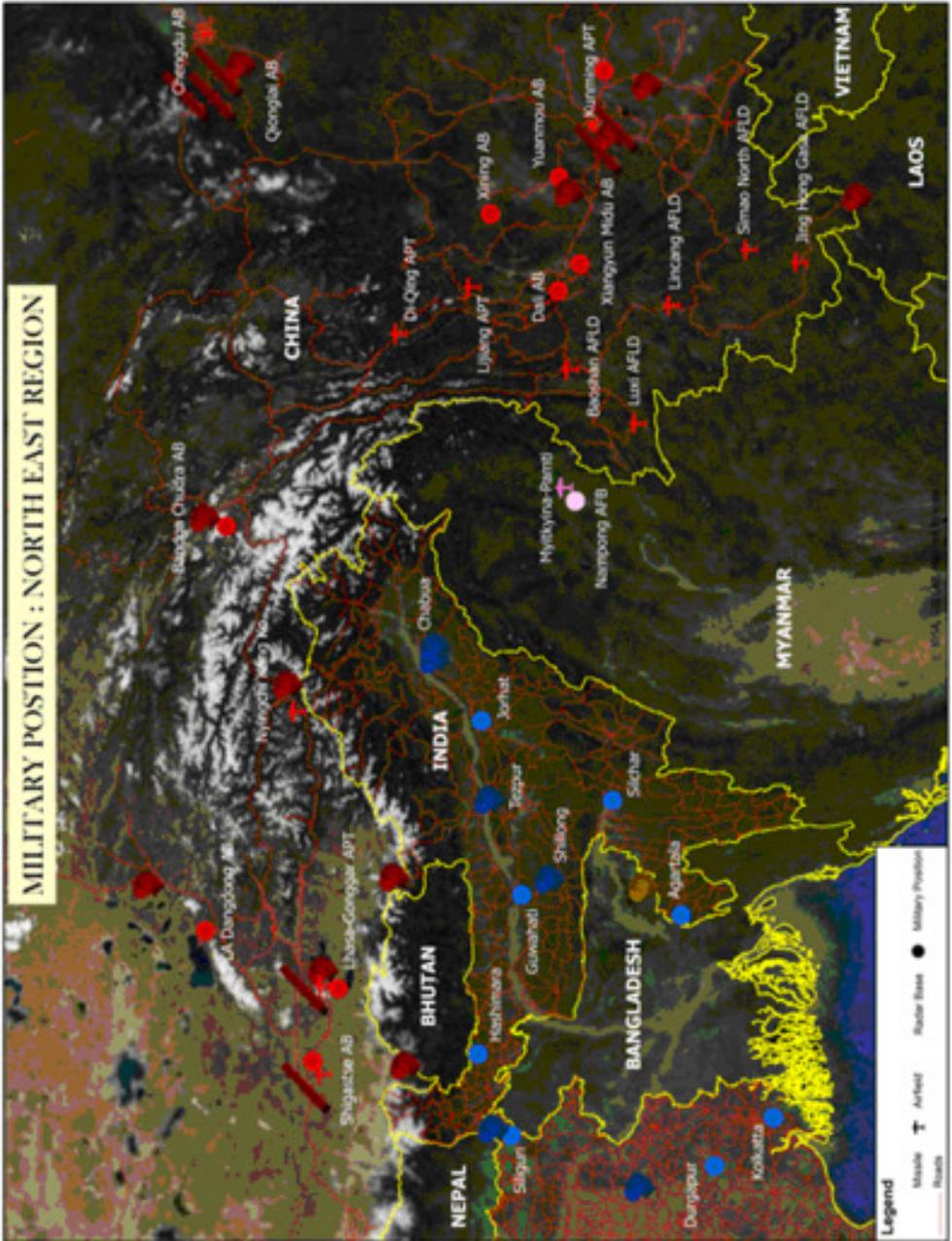
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<sup>101</sup> Estimated strength at around 120,000 troops stationed in Arunachal Pradesh. This also includes the 2009 announcement by Governor of Arunachal Pradesh J J Singh about two new mountain divisions raised for Arunachal comprising 25,000 to 30,000 each. Another 90,000 troops to be inducted by 2014. The Indian armed troops are stationed near Tezpur and Missamari, Assam, and in Walong and Along, Arunachal Pradesh. The India-China border is guarded by the Indo-Tibetan Border Police (ITBP) supported by army patrol. Interviews with military personnel in Arunachal Pradesh, March 2011. Air support envisioned from Tezpur, Assam where there are two Sukhoi 30 MKI squadrons. The distance from Tezpur to the Tawang is 345kms and from Tawang to LAC is around 60 kms. A fighter jet Sukhoi 30 MKI will cover the distance to over 16,500ft in less than 15 minutes given its cruise speed: 860 mph (1380 km/h) at 32780 ft (10000 m) and 1350 kmph over sea level. Based on field inputs in Tawang, March 2011. Field observation by author, March 2011. Also see Indian Military.org Arunachal Pradesh at <http://www.indian-military.org/tag/arunachal%20pradesh.html> (Accessed on March 13, 2011). "India decides to step up military presence in Arunachal Pradesh", *Arunachal News* at <http://arunachalnews.com/india-decides-to-step-up-military-presence-in-arunachal.html> (Accessed on March 12, 2011).

<sup>102</sup> See "China National Defense in 2010", n.6.

<sup>103</sup> Interview with 190 Mountain Brigade stationed in Tawang for securing the LAC on the Indian side at Bumla, March 19, 2011. Also interview with army division stationed at Along for LAC security, Tuting-Gelling, Arunachal Pradesh, March 09, 2011. Interview with Indo-Tibetan Border Police, Ziro, Arunachal Pradesh, March 15, 2011.

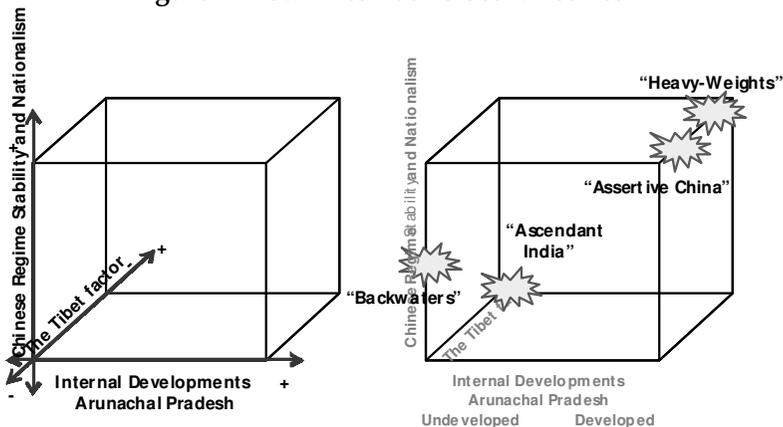
Figure IV: Military Position in the Eastern Sector



could be bolstered by the MMRCA (Medium Multi-Role Combat Aircraft) deal delivering the fighter jets *Rafale*. The dams are built and the power situation improves, displacement is handled well, and basic amenities are available for the local people. It is however uncertain whether the local population will welcome the Union government's development schemes for the state given the growing protests against the dams. Another worry in local discourses is the perception in Arunachal Pradesh that China will divert the Yarlung Tsangpo resulting in a dry Arunachal Pradesh. This perception has not been countered well by providing objective facts that water levels of Arunachal Pradesh rivers have not decreased in reality.

**Impact on Chinese Claim on Arunachal Pradesh:** Internal developments in Arunachal Pradesh have a direct impact on the Chinese claim. If there is low development in the state coupled with lack of interest from New Delhi, local people can look to China for economic help. If Tibet is seen as prosperous in 2032 compared to the backwardness of Arunachal Pradesh, local people might be susceptible to Chinese influence. An armed movement in Arunachal Pradesh against India will bolster the Chinese claim as the dynamics of the situation will completely change then posing the biggest policy dilemma for India.

**Figure V: Four Alternative Scenarios 2032**



Based on the interaction of the three drivers of uncertainty, namely: Chinese regime stability and nationalism; the Tibet factor; and internal developments in Arunachal Pradesh, I offer four alternative scenarios on the Chinese claim on Arunachal Pradesh in 2032.<sup>104</sup> The policy implications of each scenario have also been identified.

***Scenario One: Backwaters***

Driver I: Chinese Regime Stability and Nationalism: Low impact

Driver II: The Tibet factor: Medium impact

Driver III: Internal Developments in Arunachal Pradesh: Low impact

**Narrative:** In 2012, the Union government of India proposed a plan for comprehensive development of Arunachal Pradesh. This plan is opposed by the Siang People's Union. In 2013, the International Monetary Fund (IMF) figures for Chinese GDP growth, despite the housing bubble, remained stable at 9.3 per cent whereas Indian GDP growth was below that of China at 6.3 per cent. The less than anticipated growth figures force the Union government to scale back the pace of development plans for Arunachal Pradesh, confirming local sentiments that India does not care. Later that year, a Su-30 MKI accident reveals a safety issue that causes an extended grounding of the Su-30 MKI fleet, negatively impacting India's military readiness. In 2014, the US-India New Defense Framework expires. Having placed its MMRCA bet with the French Rafale, India feels itself closer to, and needing to court the BRICS group. Feeling it has a weak hand, not wanting to antagonize China, and fearing that too close a relationship with the US might lose the election that year,

<sup>104</sup> For more on alternative scenarios, see "*Alternate Futures for 2025: Security Planning to Avoid Surprise*" at [http://csat.au.af.mil/2025/a\\_f.pdf](http://csat.au.af.mil/2025/a_f.pdf) (Accessed on May 12, 2011) For more on Figure V, please see "*Alternative Futures 2025*", p. xi.

the Union government decides not to renew the India-US Defense Framework. However, despite this decision, lower economic growth in India results in the election of a coalition government in 2014 without a strong mandate able to coordinate internal growth and maintain strong foreign policy engagements. In 2020 India has hit US\$ 5 trillion GDP, but all is not well. The lack of strong early action over the last 10 years in education, infrastructure, and manufacturing lead more and more analysts to predict that India will fall into the middle income trap, and its economy may enter a three decade stall like Brazil, never exceeding US\$ 5,500 GDP per capita. All three of India's fighter aircraft, Light Combat Aircraft (LCA), MMRCA, and Fifth Generation Fighter Planes (FGFPs) are delayed and underperforming, keeping the IAF required fighter strength significantly below what is required. By 2025 it is apparent to China that India is a declining regional challenger with a weak military posture in Arunachal Pradesh. Seeing no threat and more concerned about its own western development and trade opportunities, China offers a co-development package for dam building, exploration of mineral resources and building of road infrastructure in Arunachal Pradesh. However, having observed the plight of the Tibetan people under Chinese rule resulting in Han ascendancy, the people in Arunachal Pradesh are wary of the Chinese offer. The Union government refuses the Chinese offer. In 2032, Arunachal Pradesh remains backward with high levels of corruption, and lack of basic amenities. China continues to assert its claim on Arunachal Pradesh in 2032 but takes no serious action as time is on its side. The border talks between India and China do not make any headway.

**Effect on Chinese Claim:** No change from the present status quo: claim is asserted but without any significant action.

## Policy Implications

First, India must improve ground level infrastructure in Arunachal Pradesh on an urgent basis.

Second, India must ensure that its defense posture in Arunachal Pradesh is robust. Any technical glitches to its air force fighter planes must be resolved within the least time period.

Third, India must work for empowerment of the people of Arunachal Pradesh by strengthening the institutions of democracy. Local political representatives must be held accountable for corruption and slow implementation of developmental projects.

### *Scenario Two: Heavy-Weights*

Driver I: Chinese Regime Stability and Nationalism: Medium impact

Driver II: The Tibet factor: Medium impact

Driver III: Internal Developments in Arunachal Pradesh: High impact

**Narrative:** In 2012, India announced a comprehensive plan for the development of Arunachal Pradesh. This plan receives overwhelming support from the local population. In 2013, the IMF figures for China's GDP growth rate indicate a steady 9.3 per cent despite the housing bubble. Significantly, in 2013, India's GDP rates also picks up to about 7 per cent. The Union government increases investment in Arunachal Pradesh, including infrastructure supporting its military posture. It begins to upgrade and harden the airfields. The unexpectedly rapid conclusion of the MMRCA deal in 2013 and the surprising lift in India-Pakistan relations allows India to deploy a larger number of its Su-30 MKI fleet to Tezpur in Assam. Everyone is

surprised when in 2014 the first eight *Rafale* fighter jets are delivered and the Indian Fifth Generation Fighter successfully passes IAF testing. These successes, along with strong growth figures give the Congress party in India a strong hand going into the elections, and in 2014 they decide to renew the US-India defense framework for another ten years. These events create a view in China that India is serious about its defense of Arunachal Pradesh, and that its military posture is strong. In 2014, high rates of economic growth results in the election of a coalition government in India with an ambitious foreign policy agenda. It is now apparent to India that China's reliance on Indian Ocean routes is more a Chinese vulnerability than a threat. This coalition government moots the idea of co-partnering with China in order to manage the Indian Ocean region. In 2019 a series of uprisings in Tibet cause significant agitation amongst the Tibetan expat community in India, with actors on both sides calling for an Independent unified Tibet. India offers to discourage internal dissent and re-iterate the "One China" policy if China will soften its claim and allow free movement of Tibetan nationals, rescind its problematic visa policies with regard to Arunachal Pradesh and not oppose India's loan package in the Asian Development Bank. A deal is struck, and later that year India reiterates its "One China" policy. In 2020, China perceives India to be a regional partner and offers the idea of an Indian Ocean Region Management Association (INORMA) to enable smooth flow of traffic, fight piracy and share patrolling duties in the Indian Ocean region. By 2025, Arunachal Pradesh enjoys good infrastructure, basic amenities and the newly constructed dams enable good power supply and earns revenues for the state. By 2032, Indian administration is seen as absolutely critical to significant cross-border trade and India's support in the INORMA critical to Chinese energy

security. No one in China seriously believes Arunachal Pradesh, so integrated into India, and so critical to Chinese western commerce is going to change hands. Believing Chinese interest is better served by maintaining good relations with India than keeping it off balance, the Chinese are taking an increasingly pragmatic stance in China-India border talks.

**Effect on Chinese Claim:** Chinese claim recedes from prominence, and there is a greater proactive stance in border talks.

### **Policy Implications**

First, India must build up its defense posture in Arunachal Pradesh.

Second, India must ensure that any reiteration of the “One China” policy and recognition of Tibet as part of China be contingent on China’s assurance that it rescinds its problematic visa policy with regard to natives of Arunachal Pradesh.

Third, India should realize that China is vulnerable with regard to its energy supply lines in the Indian Ocean. Hence, India must link the Chinese posture on Arunachal Pradesh to offering its Indian Ocean cooperation to China.

Fourth, the India-US defense framework should be tightened for creating alternative pressure points on China.

Fifth, China is insecure with regard to Tibet and any protests there. India should communicate to China that the Tibetan-government in exile’s non-interference in Tibet issues is contingent on China’s non-interference on issues with regard to Arunachal Pradesh.

Sixth, the mechanisms of border talks must be kept robust.

***Scenario Three: Ascendant India***

Driver I: Chinese Regime Stability and Nationalism: Medium impact

Driver II: The Tibet factor: High impact

Driver III: Internal Developments in Arunachal Pradesh: High impact

**Narrative:** In 2012, the Union government announced a comprehensive plan for development of Arunachal Pradesh. The plan is enthusiastically welcomed by the people of the state. In 2013, IMF figures show that India has overtaken China with a GDP growth of 8.4 per cent compared to China's GDP growth of 8.3 per cent. China's economy suffers from the housing bubble and there is resultant internal unrest. In 2014, India, highly satisfied with the performance of the *C-130J* and the *C-17 Globemaster III*, and the US strong support of India's position on the UN Security Council chooses to renew the India-US defense framework for another ten years. In 2014, strong economic performance results in a sweeping victory for the incumbent party in the Indian general elections. For the first time, steady progress in internal growth allows foreign policy and defense to be key election issues of the Indian electorate. The new government states that India should now take up leadership of Asia. As an initial move, it immediately begins "long overdue" changes to its military posture in the Northeast, modernizing and hardening airfields, and significantly upgrading supporting infrastructure. The IAF begins regular deployments of MMRCA squadrons to the region. When China protests a Dalai Lama visit to Tawang in 2018, Indian politicians are strident about freedom of speech and movement in India. China perceives India as seeking regional hegemony working in close alliance with the US to encircle it. Around 2019, it is clear that China's economic miracle is spent. Its demographic dividend is fully spent and the population is aging. China has

over invested in fixed capital. A nasty housing crash punctured the bubble and the Chinese economy is now not seeing any real growth. With weak growth, the Chinese regime cannot afford to appear weak on security, and needing to keep people employed shifts state spending to its military. By 2020, China has shifted its development efforts in Tibet to emphasize military development. As China's stand hardens and its pariah status in the world increases, it takes an every harder stance, and begins to talk of diverting Yarlung Tsangpo. It is building new airfields in Tibet, and forward deploying its J-20, and new missiles. However despite such tensions in India-China relations, by 2025 Indian investments in infrastructure development and anti-corruption are paying off in Arunachal Pradesh. Increasingly Tibetans are seeing how people across the border are enjoying both significant development, and democratic rights. In 2026, anger over inequitable development causes significant uprising among native Tibetans in Tibet. The crackdown reveals numerous and horrifying human rights abuses. The Tibetan Youth Congress even calls on India and the world to enforce a No Fly Zone over Tibet to prevent atrocities. In 2027, India re-visits its Tibet policy and states that the rights of the Tibetan people must be recognized. By 2032, Arunachal Pradesh has amongst the best development anywhere in India. China perceives India's claim as becoming stronger by the day, and that it cannot control internal dissent in Tibet without leverage in Arunachal Pradesh. In 2032, a meeting by the Tibetan Youth Congress is to take place in Tawang to discuss its next move. China fears that India will be complicit in an all-out insurgency in Tibet, and faces the dilemma of allowing the meeting or attempting to stop it by force. The Central Military Commission asks for plans to be drawn up to occupy Tawang. It also contemplates breaking its moratorium to detonate a peaceful nuclear explosion to divert the Yarlung Tsangpo as both a warning and a punishment. Intelligence from Israeli, US, and

indigenous sources allow India to be aware of both planned options. The Cabinet Committee on Security asks the Indian Air Force to prepare options both to repel an incursion into Tawang and to halt any operation to divert the Yarlung Tsangpo.

**Effect on Chinese Claim:** Chinese weakness cause it to contemplate action to enforce its interests in the area of its claim.

### Policy Implications

First, if this scenario unfolds, India must be on high alert with regard to its defense posture *vis-à-vis* China in Arunachal Pradesh. It must take advantage of its economic prowess to upgrade its military.

Second, it must also remain highly vigilant on the India-China border in the Western sector.

Third, India must use its growing influence to become a stabilizing force in Asia and vigorously use existing regional institutional mechanisms to resolve conflicting issues.

Fourth, India must utilize its growing power to resolve the border issue by accepting the current Line of Actual Control (LAC) in the eastern sector.

Fifth, India should openly support greater political freedom for the people of Tibet *vis-à-vis* human rights abuses by China there. It should however assure China that it will not interfere directly in Tibet affairs.

#### *Scenario Four: Assertive China*

Driver I: Chinese Regime Stability and Nationalism: High impact

Driver II: The Tibet factor: High impact

Driver III: Internal Developments in Arunachal Pradesh: High impact

**Narrative:** In 2012, the Union government announces a plan of comprehensive development in Arunachal Pradesh. This plan is rejected by the local people as the issue of dams and environment degradation biases local people against India. In 2013, the published IMF figures for China reflect a low GDP growth rate of 7.3 per cent. India also suffers from low GDP growth rate of 5.2 per cent. There are internal unrests in China due to lack of employment opportunities. In 2014, the MMRCA deal is unable to replenish India's fleet of fighter squadrons in the Northeast and the Su MKI-30 fleet is grounded due to a recent accident. In 2014, low economic growth results in a coalition government in India which scales down the country's commitments on foreign policy. In 2016, this new government announces the scaling down of investments in Arunachal Pradesh. In 2017, under-development affects Arunachal Pradesh. Dams' construction however continues. In 2018, this results in an armed revolt in Arunachal Pradesh by the Adi National Peoples' Front (ANPF). In 2019, the Tibetan Youth Congress also adopts more aggressive means for Tibet's independence. By 2020, China is actively arming and training the armed revolt in Arunachal Pradesh. By 2025, Chinese presence increases in the state of Arunachal Pradesh. In 2032, India finds itself weaker in all components of comprehensive power. It is not able to provide anywhere close to the standard of living enjoyed across the border, its military is not able to keep up, and corruption and poor governance undermines its soft power. Increasingly, India is being painted as an oppressor state similar to Israel in Palestine and the ANPF is being invited to global forums to discuss the need for an independent Arunachal Pradesh.

**Effect on Chinese Claim:** China asserts its interests in the area of claim by arming insurgent groups

### **Policy Implications**

First, India must be aware that internal problems in China including Tibet will motivate the CPC to up the ante in Arunachal Pradesh. Hence, its defense preparedness must be optimal.

Second, the population of Arunachal Pradesh is unhappy with Indian policies of dam constructions and low levels of growth there. India must carry out a public awareness campaign on developmental programmes, consult local people on governance issues and provide assurance that dams will not be detrimental to their well being.

Third, India must ensure that any armed revolt in Arunachal Pradesh is averted in the beginning by holding talks and ensuring that it does not spread.

Fourth, India must stop all Chinese help to armed groups in Arunachal Pradesh by strict border vigilance.

Fifth, India must ensure that the Tibetan Youth Congress does not get overtly violent.

**Conclusion:** In conclusion, India needs to seriously consider the impact of scenarios “Heavy-Weights” and “Ascendant India” as both these scenarios have critical policy implications for India. If “Heavyweights” becomes a reality, India can clinch a deal with regard to Arunachal Pradesh. Under this scenario, China will come to recognize that India’s support is vital for maintaining peace in the Indian Ocean region, which is deeply inter-connected to its own stability and unity as a nation. I put my stakes on ‘Heavy-Weights’ as this scenario enables ‘interest

based bargaining' for India with China over Arunachal Pradesh within a framework of "quid pro quo". Scenario 'Ascendant India' is unlikely to play out. While scenario "Backwaters" and scenario "Assertive China" are a possibility, both do not result in better relations between India and China in the future.

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China's territorial claim on Arunachal Pradesh is a major bone of contention between India and China. The issue has eluded resolution despite mechanisms of border talks between both countries. Recently, China raised its stakes on the issue by showcasing Arunachal Pradesh as Chinese territory in a map printed in its new microchip-equipped passports. *This Occasional Paper* analyzes the Chinese territorial claim from a futuristic perspective by identifying three drivers of uncertainty that has a bearing on future Chinese behaviour, namely, Chinese regime stability and nationalism; the Tibet factor and internal developments in Arunachal Pradesh. Based on the interactive interplay between the three drivers, the author offers four alternative scenarios with regard to China's territorial claim in 2032.



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