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Sino-Indian Economic Dialogue

From Bilateral Trade to Strategic Partnership

Report of the Conference organised by IPCS in Collaboration with Sikkim University in February 2012

Drafted by Teshu Singh

Institute of Peace and Conflict Studies



Sino-Indian Economic Dialogue

From Bilateral Trade to Strategic Partnership

Policy Recommendations

- The Sino-Indian relationship should be seen as any other kind of normal relationship between two nations. This can be done by avoiding focus/stress on the negatives in the relationship and instead looking into the positive aspects of the relationship.
- Greater attention should be paid to the economic dynamics between India and China. This will help to reduce rivalry and pay more attention to the impending management of relations.
- Chinese infrastructure construction on the boundary is already a matter of concern for India. Tibet remains the key factor in Sino-Indian relations. India should utilize the opportunity to reposition itself and play a greater role with regard to Tibet.
- China has already identified it areas for Strategic Economic Dialogue. In India, the business community and the government officials need to arrive at a consensus to identify areas of cooperation. The area of cooperation identified by the Chinese government should be



analyzed from the Indian perspective.

- Low level exchanges should be transformed to substantially higher level exchanges.
 - Restrictions on foreign tourist should be lifted and special tourist packages should be provided.
 - Joint projects should be initiated. All the grand projects in Asia are led by China or Japan. Along the lines of the Panama Canal project and Suez Canal project which were jointly undertaken by the then rising powers - USA and Britain. India and China can cooperate in the similar manner.
 - Trade at Nathu La has not taken off as expected. The trading list of twenty-nine export items and fifteen import items should be revised and the paper work for it could be done in Sikkim with local
- inputs. Nathu La was not meant for trading but for wide commerce.
 - Infrastructure bottlenecks need to be solved. This includes making trade timings and such regulations flexible, this will largely help Indian traders who are unable to dispatch large consignments because of frequent landslides.
 - Sikkim which traditionally made money by providing warehousing, transportation and human service, should be allowed to play a stronger role.
 - Universities and institutions like the Institute of Peace and Conflict Studies across border should be encouraged to come together and have institutional linkages.





New Regionalism and Economic Integration Re-positioning India and China

Prof. Mahendra P. Lama

Founder Vice Chancellor, Sikkim University

The European Union is a symbol of New Regionalism (NR) for the reason that it brought significant change in the region's political action, orientation and development games. There appears to be significant difference in the old regionalism which is practiced in South Asia and NR. NR has enlarged the scope of old regionalism where non state actors are active; it presupposes the growth of regional civil society and opts for regional solutions to the global problems. In this context the 'regioness / degree of regionalism' is measured by the geographic unit, social system, organized cooperation in multiple area, civil society and active subject and legitimization.

We can enter NR wishfully from first phase of integration to the third phase (-market integration- complex integration -functional integration). To check the maturity of forms of integration we have five checking points namely, free trade area, custom union, the common market, economic union and complete economic integration. Today in South Asia we are entering into a Free Trade Area. Two varieties of intervention in South Asia can be conceived vis-a-vis India and China: Cross border Integration and Energy Exchange Integration.

Deng Xiaoping's reforms in late 1980s started a good neighbourly policy and also began connecting China with the neighboring country. Since then Chinese presence in South Asia has increased. One of the driving forces has been economics. The interaction is taking place at three levels National, Regional and Local perspectives. At the National perspective level China has been engaging India since 1990's. In 1990, the bilateral trade was USD 49 million. In 2009-10 it was USD 60 billion. Earlier China's share in the Sino-Indian trade was less than one percent; today it

is ten percent. This shows that China has started engaging its neighbouring countries.

At the regional level, China is engaging through different modes. In South Asia China is integrating economically with Pakistan. Through the Gwadar port, the Karakoram highway, Kunming initiatives, the Nepal route project, the Stilwell project it is trying to engage in terms of connectivity and strategic linkages. Another mode is through South East Asia and Hong kong, the Guandong and Fujian provinces of China and Taiwan also known as South China Growth Triangle (SCGT) and Greater Mekong Subregion (GMS) consisting of Cambodia, Laos, Myanmar, Thailand and Vietnam. At the local level there have been a series of border trade agreement signed, lipulek in Uttranchal (1991), Shipkil La in Himachal Pradesh (1991), Nathu La in Sikkim (2003). The contexts for the opening of these passes were China's own disparity within its country and the related issue of demolition of borders, regionalism, integration and Chinese leadership.

Further, the development of western region was emphasized in the Premier Zhu Rongji report on tenth five year plan. Consequently, a lot of market led reforms started in this part of China. It was a comprehensive policy and as a result of it they planned a route from Lahasa to Nathu La. A comprehensive study was undertaken before this route was open. It was emphasized that if the route is reopened both India and China would benefit and especially South Western part of China would be connected with the Tibet Autonomous Region. The Nathu La trade route was opened with the two posts two trading point on both the side are Sherathang in India and Renqingang in China.

A detailed survey was carried out to promote trade via this route and it was realised that the Nathu La could be the shortest trade route. Once the entire trade region is well connected through rail and road routes there will be bustling trade in the region. Today there is a huge trade deficit in Sino- Indian trade. But we can think beyond it and connect Buddhist centers on both the sides of borders. In fact Tibet gets thirty lakh tourist every year. We can think of expanding this tourism into the South Asia tourism market.

Trade and Tourism in Sikkim with special focus on Nathu La can be promoted. To the highly restricted trade list of twenty nine items for export import, fifty-nine items can be added. In the context of South Asia different models of energy sharing can be applied. We can have three options namely; bilateral options, third country options and regional pool options. This way we can create interdependence between the two countries. This will also create acceptance for complementarity and open new vistas of cooperation.

Sino Indian Strategic Relations: An Assessment

TCA Rangachari

Former Ambassador, Government of India

As of now, India-China economic relations are developing well. China is India's largest trading partner. Chinese investment in India is worth USD300 million. India is China's most important market for project



“Nathu La is just not about trade. It is about culture, history and political interactions.”

-Prof. Mahendra P.Lama
*Founder Vice Chancellor
Sikkim University*



“As China’s economic power grows and with the ongoing modernization of its military power, its power will be augmented. If India and China are to work on this basis, we should be aiming not just for India-China co-operation but for collaboration.”

-TCA Rangachari
Former Ambassador,
Government of India

exports with the cumulative value of the contracted projects at US\$53.5 billion. There are some 7,000 Indian students studying in China today. The boundary question remains unresolved. But several mechanisms are in place to ensure peace and tranquility along the border pending resolution of differences. If China is suspicious of Indian intentions towards Tibet, India has doubts about China’s intentions regarding its varied co-operation with Pakistan, in particular, in the Defence and Nuclear sectors. It is ironic that each side harbours apprehensions that the other is seeking to ‘encircle’ it! Even as they have agreed to a strategic partnership both sides have spoken of the need to bridge the ‘trust deficit’.

In 2010, global GDP break-up was 20% US, 21% EU, 13% China, 5% India. It is estimated that by 2020 this will be 16% US, 15% EU, 19% China and 9% India. Historically, the economically and militarily powerful countries have set the rules and standards of international economics. As China’s economic power grows and with the ongoing modernization of its military power, its power will be augmented. If India and China are to work on this basis, we should be aiming not just for India-China co-operation but for collaboration.

Friendly and cooperative bilateral relations serve mutual interests of India and China. During his visit to India in 2006, China’s President Hu Jintao stressed that China, desires to build a strong and cooperative relationship based on shared and common interests and had taken a “long-term and strategic view” of the relationship with India . He characterized the present phase in the relationship as marking a “new historic beginning” signaling to the international community that India and China were willing to work hand in hand for long-term friendship and common development.

Sino-Indian Strategic Dialogue: An Assessment

Dhruv Katoch

Additional Director Centre for Land and Warfare Studies

The world’s top economy in 2050 will be China, followed by the United States and India. No surprises there! Since China’s reforms in the 1980s, economists have said it’s not a question of if, but when, China’s collective economic might will top the U.S. As we move towards 2050 the gap between demand for oil and the supply is widening; since oil comes from the conflict zones, there is bound to be conflict and cooperation.

India and China shared common energy transportation routes. They depend on similar resources from similar regions. Maintaining conflict or cooperation will be the major challenge for the two rapidly growing countries in the twenty first century. For India the Chinese presence in the strategic Gilgit-Baltistan region is a matter of concern. Other concerns from Indian side vis-a-vis China-Pakistan are the China Pakistan Nuclear missile and military. Hardware nexus, hydrographical projects, support to the insurgent groups active in the Northeast India

and strategic encirclement of India.

The Chinese developments in Arunachal Pradesh, their projects on the waters of the Brahmaputra, Chinese support to the extremist group in the North east, aimed at destabilizing India are all matters of concern. China is skeptical of Dalai Lama and the activities which the Tibetan Youth Congress is carrying on in India. They are also skeptical of the Indo US nuclear cooperation. As we look into the threat scenario perspective, it is imperative to solve the border issue first because as long as there is a border dispute between India and China the potential for conflict will remain. So is true if the nuclear missile nexus between China and Pakistan continues. In long term the way Chinese emerging influence in the Southeast Asia and Bay of Bengal.

Peace and Development are primary concern for India and China. The potential for cooperation and conflict remains. Increasingly, competition for energy resource and other resources in the region will define the relation in coming century. "Good fences make good neighbours". So long as India is militarily prepared to thwart any aggression by China and they are aware of it there will be cordial Sino-Indian relations. Economic cooperation will succeed only if we are militarily symmetric to China.

Sino-Indian Strategic Economic Dialogue: Treading a Cautious Corridor

Bhavna Singh

Research Officer, IPCS

Sino-Indian economic relations have continued to burgeon despite occasional political or diplomatic ramblings on both sides. Not only has the trade volume jumped up but more commendably both economies have managed to stave off the destabilization resulting from the 2008 global financial crisis. Together, the two countries account for one-fifth of the global economy and are projected to represent one-third of the world's income by 2025. Concerns are increasingly being voiced over the huge bilateral trade deficit. The contours of Sino-Indian trade, at the bilateral as well as regional and global levels, have been changing rapidly in the last decade. At the bilateral level, a rapidly growing trade partnership has provided a great boost to their ongoing political confidence-building and at the same time bold political initiatives have made way for expanding role of their business communities that have become far more influential in determining the tone and tenor of their political interactions.

The last five years have witnessed China-India trade quadruple and outpacing the set annual targets. However all is not well as far as the Sino-Indian trade dynamics are concerned. The joint study group (JSG) on comprehensive trade and economic cooperation had identified scope for expanded economic cooperation between the two countries in trading of goods, services and investments and had even submitted a favourable recommendation for a China - India Regional Trade Agreement (RTA) in 2008. Despite these suggestions not much has been done for the establishment of the proposed RTA or other regional trade options like



“ The potential for cooperation and conflict remains. Increasingly, competition for energy resource and other resources in the region will define the relation in coming century. “Good fences make good neighbours”.

”

-Gen. Maj (retd.) Dhruv Katoch
Additional Director , CLAWS

the Kunming initiative and BIMSTEC, essentially because the terms and conditions were seen as unfavorable to India.

While political will and factors continue to shape the pattern of trade between these two neighbours, issues of accountability complicate the situation even further. China's approach to India has been construed as that of strategic ambivalence so far, but until and unless it begins to co-opt India's aspirations both economically as well as strategically, its ascendance in Asia will not be smooth. As far as India is concerned, the opportunity lies in both engaging and hedging China at the same time. India could perhaps utilize the present circumstances to engage with both the US and China which will allow it to function with leverage in the international arena.

Sino-Indian Strategic Dialogue: An Analysis

Satyabrat Sinha

Assistant Professor, Sikkim University

We can draw a lot of Positives from the past. The period from 1959 to 1969 saw the lowest phase of Sino- Indian relations. With the Pakistan - China relations growing strong Islamabad, Beijing and Washington nexus was growing strong. At the invitation of Premier Li Peng, Prime Minister Rajiv Gandhi of India paid an official visit to China between December 19- 23, 1988. As the first visit to China by an Indian prime minister in thirty four years, this is a major event in the history of Sino-Indian relations. From the Chinese side, Premier Li Peng visited India in December 1991. Prime Minister Narasimha Rao visited China in September 1993 and the Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control (LAC) in the India - China Border Area was signed during this visit. It urged both sides to respect the status quo on the border, clarify doubts on the LAC and undertake CBMs. There was a brief disturbance in the relations in 1998 when after the Nuclear tests George Fernandes called China as enemy no No.1. and the letter which Vajpayee leaked to Bill Clinton. After this China implicitly recognized Sikkim as part of India and reopened the Nathu la pass.

Prime Minister Vajpayee visited China in June 2003 during which a Declaration on Principles for Relations and Comprehensive Cooperation was signed. This was the first comprehensive document on development of bilateral relations signed at the highest level between the two countries. India and China concluded a border trade protocol to add a border crossing between Sikkim and Tibet Autonomous Region. The two Prime Ministers appointed Special Representatives to explore the overall bilateral relationship and the framework of a boundary settlement from the political perspective.

The positive issues that are growing at a fast pace despite the mistrust and media hype about the incursions on the border. Wen Jiabao came to India in 2005 and extended support for India's UNSC seat but there is ambivalence in China's support to India's candidature for permanent



“China has clearly listed the section on its Strategic industry. Industry which will slow down their economy but will be able to upgrade the economy.”

-Prof. Madhu Bhalla
Professor in Chinese Studies



seat in the UNSC. China's interaction with South Asia has increased over a period of time. China was granted 'Observer status' at the 13th SAARC Summit in Dhaka. India and China share common views on climate change. It is possible to draw positives out of the past and work towards a cordial relationship.

Sino-Indian Strategic Economic Dialogue: An Analysis

Teshu Singh

Research Officer, IPCS

The first round of the India China Strategic Economic Dialogue (SED) was held on 26 September 2011, in the China-India Exchange year 2011. This is the only such dialogue that China has with any other country other than the US. The main highlights of this maiden talk were: world economic situation, respective domestic macro-economic situations, mid and long-term development plans, improving investment environment, energy efficiency and conservation, and environmental protection, infrastructure cooperation and water use efficiency.

The two powerful forces that dominate economic interdependence between national economies are the scale of the economic activity between them, and their geographical proximity. China is already the second largest economy in the world and India is following close. Given that China and India are each becoming progressively bigger in the world economy, and are in close geographical proximity to each other, it follows that their growth and closeness will likely drive higher and higher levels of trade, investment and economic interdependence. China became India's largest trade partner in 2008. India-China trade hit USD 60 billion in 2011 and is poised to hit USD 100 billion in 2015. This boom in trade can become the strongest cause for rapprochement in India-China relations and eventually a 'strategic track' can be added to the existing SED.

The SED has come as a reflection of the fact that both countries are capable of thinking beyond their boundary disputes, staple visas, all-weather

friendship ties between China –Pakistan, the tension over the South China Sea, and assertiveness in the Indian Ocean.

Sino-Indian Economic Dialogue: Global Business Plan for an Asian Century

Ravi Bhoothalingam

Founder and Chairman Manas Advisory

A quarter century later, India and China will share a complicated relationship with diverse strands. There is the long civilizational connection built between the two countries from the time of the Buddha. China and India will be two strong locomotives hauling the train of the world economy forward in the future. It is for this reason, no doubt, that so many of the worlds' largest companies have connected with India and China over the last two decades.

As China proceeds with its 12th five-year Plan (2011-15), the openings that this heralds for foreign investors become increasingly visible. There is a clear focus on the Plan to rebalance the economy by increasing the share of consumer expenditure.

Here is a chance for India and South Asia to opt into this manufacturing boom. At the same time, huge investments in China's healthcare and education sectors will call for a range of services and products; medicines, medical equipment, scientific research, English language training materials, consultation and legal services, marketing and advertising and others. With the World Tourism Organization forecasting that China will send 100 million tourists outbound annually by 2020, even a modest 5% share would be a bonanza for our tourism industry. More importantly, it would generate huge employment as tourism is a livelihood-intensive business.

The study also revealed, quite notably, that the notorious 'China price' is not simply the result of government subsidies, as popularly believed in



India. There is a whole network of factors—amongst which subsidy is but a minor one—which work together in the Chinese system to make the final export product available at a favourable landed price to the buyer.

Despite all these problems pushing up their cost of producing goods or services, several Indian companies have notched up significant successes in China. It is important also to create the institutional structure to support business. Finally, it must be examined why cannot Indian businesses and the Central Government get together to develop a common understanding towards creating a 'China business strategy' for India.

If the two civilizations can reconnect in this spirit, it could lead to a creative re-awakening sparked by the influence of each culture on the other. We can envision, perhaps, grand joint projects which address the problem of making the Himalayan waters available to all, ending poverty and ill-health, creating a zero-pollution car, a \$ 20 computer, a Colombo-to-Canton railway via Kolkata and Kunming. Tagore and Sun Yatsen envisioned a new world order born out of the legacy of these two ancient civilizations: based on harmonious coexistence rather than the zero-sum equation promised by Western realist international relations theory. Those theories have brought the world to the brink of financial, nuclear and ecological disaster. Perhaps it is time to recollect Deng's words and create an Asian century.

Sino-Indian Economic Dialogue

Prof. Madhu Bhalla

Professor in Chinese Studies, University of Delhi

Nowadays, it has become fashionable for States to have Strategic Economic Dialogues (SED), but nobody is certain as to why we should have an SED. Hence it is imperative to understand the structure of the Indian economy and the Chinese economy. It is also important for India to understand that for China any discussion on the economy has to do with



“ The Central Government can get together to develop a common understanding towards creating a ‘China business strategy’ for India.”

-Ravi Bhoothalingam
Founder and Chairman
Manas Advisory



strategic interest of the State. In China there is no division between economy, politics and security of the State. This comes out clearly in the Eleventh and Twelfth and five year plans. Cumulatively these factor explain how China is able to sustain its economy in the global down turn.

On the other hand India is not as clear as its Chinese counterparts to why it is considering the SED. One cannot infer the same sense as we get from the Chinese side. China is clear about macro, mid-term and long term, bilateral situation. On the contrary Indian side is talking about the challenges to the opening of Chinese market in India. This is the dysfunctionality about the Indian and Chinese SED. China is moving in the direction of a fundamental restructuring of the economy. This is linked with China's long term sustainability of its economy without any dissent that it sees today. There is a set of proposition coming from China which clearly tells us why China thinks in terms of SED.

China has serious concerns in the present global turndown along with the US and EU. China's coastal economy has contracted. There is growing unemployment. There is concentrated effort to open its western and inland provinces. The Tibetan White Paper is of immense importance in this regard. Tibet is now to be developed in terms of infrastructure and to become the economic capital of South Asia. Thus it is a focussed economic thrust.

Nathu La & the Sino-Indian Trade: Understanding the Sensitivities in Sikkim

Mr. Jayadeva Ranade

Former Additional Secretary

The launch of China's Four Modernisations Programme coincided with the enunciation of its policy of ensuring a 'peaceful neighbourhood environment'. The driver for improved economic relations with India, including through various mechanisms like the 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' (BIMSTEC) and the trans-national rail and (Stilwell, or Ledo) road transportation, was the imperative to promote the lagging economies of China's hinterland south-western provinces and secure for them easily accessible export markets in South and South East Asia.

Strategy, sovereignty and territory are inextricably intertwined in deliberations relating especially to national borders. The case of Sikkim and Nathu La are no different. It is these considerations that have also been responsible for the glacial progress with regard to the re-opening of the erstwhile traditional trade-marts between India, Tibet and China.

The region's sensitivity has been heightened by China's claims on Sikkim. Beijing has retained the potential for introducing ambiguity into the issue at a later stage and has, till date, declined to issue a formal statement recognising Sikkim as part of India. In 2000, for example, Ughyen Thinley Dorjee, who had been confirmed by both Beijing and the



“Today Nathu La can grow beyond symbolism if Sikkim is allowed to have a more active role to play and if there is a correct policy recommendation.”

-Pema Wanchuk
Editor and Publisher
'Sikkim Now'

Dalai Lama as the 17th Gyalwa Karmapa, escaped from Tibet in to India with the objective of returning to the Gyalwa Karmapa's spiritual seat in Rumtek Monastery in Sikkim. Chinese officials have maintained a stoic silence on the matter, including because any protest about Ugyen Thinley Dorje assuming residence in Rumtek would imply explicit endorsement of India's sovereignty over Sikkim. Sikkim is especially sensitive politically and militarily for India. Properly connected, Sikkim and Nathu La can be developed as high-end tourism and adventure destinations.

Nathu La & the Sino-Indian Trade

Pema Wanchuk

Editor and Publisher, "Sikkim Now."

Sikkim has strong linkages with Tibet given the geographical and ethnical similarity between them. Traditionally, Sikkim carried trade with British via Kongra La. The two routes through which the trade was carried were through Nepal and Bhutan. The British did not have cordial relations with these two countries hence they started trading through Jelep La and Nathu La. The Convention of 1893 was signed to mark the opening of the passes. But trade never took off and it remained limited to barter of goods. Against this background, Nathu La makes sense for its logistics, distance and infrastructure facilities.

The British traders chose Jelep La over other passes because there were traders from Kalingpong for whom the nearest trading pass was Jelep La. Jelep La was used for trade purpose and Nathu La was used for diplomatic purposes. Perhaps the British were using Nathu La for the geopolitical consideration; the great game was playing in the Central Asia. The Sikkim Chamber of Commerce insisted that trade passes should be issued through Nathu La as well. In 1950 China took over Tibet. Thus it was essentially Sino Indian trade taking place through Nathu La. But, in 1962 this trade stopped and Indian traders were called back.

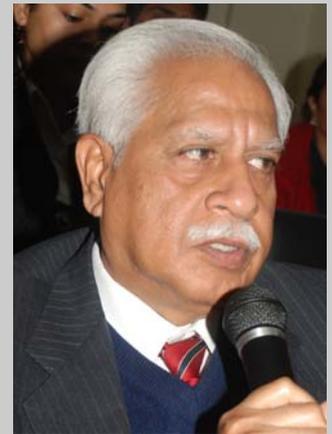
Nathu La was reopened in 2006. Reopening of the pass helped in revitalizing the economy on both sides of border. It emphasizes the official merger of Sikkim with India. In June 2005 Wen Jiabao issued maps showing Sikkim as a part of India. Hence 'Border Bravado' was given importance. Today Nathu La can grow beyond symbolism if Sikkim is allowed to have a more active role to play and if there is a correct policy recommendation. Forums like the IPCS-SU should be encouraged to make recommendations to policy makers.

Nathu La & the Sino-Indian Trade: Why the lull?

Namrata Hasija

Research Officer, IPCS

Traders from both India and China have been demanding the revision of



“At Beijing’s persistent initiative, which proposed all-round improvement of ties while setting aside resolution of the border dispute to a later date, moves were gradually started to build economic and trade ties to develop improved bilateral relations .”

-Jayadeva Ranade
Former Additional Secretary



tradable items, saying that the present list in the schedule is obsolete and does not have commercial value. In fact, the number of non-tradable items is more than the legally specified tradable items. Illegal trade is rampant on the border. Many items which are not on the list, like Chinese flasks, blankets, carpets and beers are increasingly finding their way into Gangtok and other adjoining areas. When the memorandum was signed it was stipulated that the pass will be developed into an international trading post in a span of five years. However, local trading has not matured and the conversion of the post into an international hub is unthinkable as of now.

Despite the May-November period provided for trade the period is not used entirely for trading activity. Transportation suffers during the monsoons, which play havoc between late April and mid-September. The 54-km road from Gangtok to Nathu La gets damaged and landslides further cause road blocks and hamper any kind of commutation. The double-laning of Jawaharlal Nehru Marg from Gangtok to Nathu La was started in 2007 by the Border Roads Organization (BRO) but has not been completed until present, leading to more chaos during the tourist season.

The recent trend shows that the vast potential of trade between the two countries should be further promoted by increasing the number of tradable items in the lists, building roads and communication infrastructure, and increasing the involvement of custom officials on the Indian side of the trading point. It is only through greater local participation and inclusion of stake holders, that the bilateral trade between the two giants can be successful in bringing long-term benefits to people from both sides of the border. Only then can both the sides think of converting the route into an international trading point. Moreover, it will increase the commercial viability of the route as well as rejuvenate Sino-Indian relations.



Women Traders in Nathu La Trade

Pooja Pradhan

M.A in International Relations, Sikkim University

If we look into the discourse of the public and private sphere in trade and occupation it is generally perceived that trade as an occupation is the private sphere exclusively that of men where women are kept in background with a secondary role to play. With the process of globalization women's participation in what is considered as the private sphere of men is gaining momentum and trade is one such sphere which is being increasingly turned into a public sphere. This trend has led many women to participate actively in trade activities and thus make their role visible. Here we can cite examples of the North Eastern Regions of India where not much distinction is made between men and women in the sphere of economic activity. Exclusively women run markets can be found in states of Manipur and Meghalaya, women form the majority of shopkeepers and are running their business successfully.

History is proof that women engaged in cross-border trade, if not directly but indirectly prior to 1962 as well. A comparative study of Nathu-La trade between India and China, in respect of women's participation till 1962 and the contemporary scenario, will show that the women's participation is more vibrant today than that in 1960's.

The number of licenses issued to the women were much lesser than the license issued to men in 2006 because trading at that time was a new sphere of activity for the women in Sikkim. It was for the first time that this field was made open to women to explore their business skills and entrepreneurship. Today the list of the Office bearers of the Indo-China Border Trade (Sikkim) Association speaks for itself. The important posts, like that of the President, Vice President and Treasurer are all occupied by

the women folk.

In Sikkim, the unemployed women are now becoming economically independent as they actively engage in trade activities including trading at Nathu La or running shops in Tsomgo which does not require any specific qualifications. Trade means everyday's engagement, thus the ones holding Government Services are not issued trade license but that doesn't mean that they would abstain themselves from it. They are actively engaging in trade activities in an indirect manner by opening up shops dealing with the traded items which can be clearly observed while strolling down the Kanchanjunga plaza or the Super market in Gangtok.

Thus an integrated approach that looks into encompassing advocacy access to resources and information, capacity building, health and safety issues need to be seriously thought of and formulated by the government both at the central and state level where women should be considered as active stakeholders in all welfare programmes rather than mere beneficiaries. Women development should be given priority by recognizing their needs and potentials as partners in development. The Government should encourage women and offer them a range of economic options along with necessary support measures to enhance their capabilities.

