

**Directorate of Distance & Online Education  
UNIVERSITY OF JAMMU  
JAMMU**



**SELF LEARNING MATERIAL  
M. A. POLITICAL SCIENCE**

**SEMESTER -IV**

**COURSE NO. POL-402**

**INDIA'S NEIGHBOURHOOD, EXTENDED NEIGHBOURHOOD  
AND NEAR ABROAD**

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## M. A. POLITICAL SCIENCE

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**M. A. Political Science Under Non-CBCS**

**Semester-IV**

**Session May 2024, 2025 & 2026**

**Course Code : POL - 402**

**Title : India's Neighbourhood, Extended Neighbourhood and Near Abroad**

**Credits : 6 (Six)**

**Max. Marks : 100**

**Internal Assessment : 20      Time : 3 Hours**

**Semester Exam : 80**

**Objectives of Course :** Objective of Course : This course aims to enrich students' knowledge base on India's world view by focusing on its immediate and extended surroundings. It evaluates India's South Asian, Southeast Asian, West Asian and Central Asian diplomacies besides examining its Indian Ocean policy and relations with Australia and Canada. It explores its bilateral relations with South Asian states, some Southeast Asian and West Asian States which matter more to India's national interest.

**Learning OUTCOMES:** The course helps the learners to use the bilateral and multilateral approaches to grasp India's policy perspectives and strategies about Southeast Asian, South Asian, Central Asian and West Asian regions. By elaborating the regional policy postures, it equips the learner to figure out that how India kept on adjusting its equation and relations with these regions depending upon the evolving time and space. While discussing India's maritime security concerns and naval diplomacy, the learners will be able to understand the significance of the Indian Ocean in India's destiny.

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- 1.3 India's Policy towards Sri Lanka, Maldives and Bhutan

1.4 India's Policy towards Pakistan

**Unit-II: India, East Asia, and South East Asia**

2.1 India's China Policy: Continuity and Change

2.2 India and Japan Relations: Convergence and Divergence

2.3 India's South East Asia Policy: Look East, Link East and Act East

2.4 India and South East Asia: Myanmar and Vietnam

**Unit-III: West Asia and Central Asia**

3.1 India and West Asia: Emerging Patterns

3.2 India and Iran: Prospects and Problems

3.3 India and Israel : Emerging Strategic Relations Equations

3.4 India's Central Asia Policy : Objectives and Trends

**Unit-IV : India and Near Abroad**

4.1 India and BIMSTIC : Convergences and Partnership

4.2 India's Maritime Security and Naval Diplomacy

4.3 Indo-Australian Relations : Opportunities and Challenges.

4.4. India's Diaspora with Special Reference to Canada

**Note for Paper Setter**

- The Question Paper shall be divided into two sections. The first section will carry eight short questions of which students will be required to attempt five questions. The upper words limit for the answer of each question will be 200 words. Each question carrying 4 marks.
- The second section will comprise eight questions of which students will have to attempt four questions on the basis of 'WITHIN UNIT' choice. The upper words limit for the answer of each question will be 850 to 1000 words. Each question will carry 15 marks.

### Suggested Readings

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- ❑ Brewster, David, *India's Ocean : The Story of India's Bid for Regional Leadership*, New York : Routledge, 2014.
- ❑ Bajpai, Kanti and Mallavarapu, Siddharth (ed,) *India, The West and International Order*, New Delhi, Orient Blackswan, 2019.
- ❑ Basrur, Rajesh, Mukherjee, Anit, and Paul, T.V., (eds.), *India-China Maritime Competition - The Security Dilemma at Sea*, New York: Routledge, 2019.
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**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
UNIT – I: INDIA AND NEIGHBOURHOOD**

## **1.1 INDIA'S NEIGHBOURHOOD: COLONIAL AND POST-COLONIAL IMPERATIVES**

**- Baljit Singh**

Structure

### **1.1.0 Objectives**

#### **1.1.1 Introduction**

#### **1.1.2 India in South Asia: Legacy of Colonialism**

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1.1.2.2 Indian Ocean Rim: Evolution of Policy

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#### **1.1.4 India's South Asian Policy: Indira Doctrine**

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#### **1.1.7 India's South Asian Policy: Focus on Active Multilateralism**

#### **1.1.8 India Needs Creative Diplomacy in South Asia**



### **1.1.9 Let Us Sum UP**

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#### **1.1.0 Objectives**

In this lesson you will study the continuity and change in India's neighbourhood policy as it emerged as an independent state from the colonialism. After going through this lesson, you will be able to know:

- the legacy of British Colonialism in the evolution of India's neighbourhood policy;
- the influence of some of the important leaders, particularly Nehru, Indira Gandhi and Gujral, in formulating India's neighbourhood policy during the post-colonial period;
- multilateral framework in South Asia and India's involvement in them.

#### **1.1.1 Introduction**

A state can choose its friends but not its neighbours because neighbours of a state are given and they are the product of hard fact of geography. A state has to deal with its neighbours, notwithstanding this fact that most of the time it is in conflict with them. It becomes more precarious when a country of big size has to handle its small neighbours which look like its satellite for all practical purposes. India has been facing similar kind of situation in its neighbourhood since independence. India's geographical location has not only given its neighbours but also problems driven by geography like boundaries disputes and conflict over sharing of transnational river water, migration, spill over of ethnic and religious conflicts, etc. Theoretically, relations amongst states are based on the principle of sovereign equality but in reality their relations are shaped in the realm of real politics in which the power of state matters a lot. Hence symmetrical relations are not possible amongst asymmetrical players. Indo-centric character of South Asia reflects the power asymmetry that exists in the region, whereas the small states like Pakistan, Nepal, Sri Lanka and Bangladesh have always desired their bilateral

relations with India to be based on the principle of sovereign equality. In practice their relations with India have always remained asymmetrical as there existed power differential between India and their capabilities.

Transition of space from Indian sub-continent to South Asia has been remained quite problematic in this region. The term Indian-sub-continent was popularly used before partition to explain the political, economic and strategic reality in today's South Asian region. First time the American area studies experts used the term South Asia to spell out the changed geo-political, geo-economic and geo-strategic realities in this region because Pakistan emerged as an independent country and Sri Lanka and Myanmar became independent like India. Indian sub-continent term was considered most appropriate till the British ruled Sri Lanka and Myanmar and controlled the Nepal and Bhutan while ruling India. After British withdrawal from Indian sub-continent material reality changed considerably in this region as Pakistan emerged as new state, Sri Lanka became independent and Nepal and Bhutan also lost the status of British protectorate. In order to explain all these changes in this region, the use of the South Asia was preferred over Indian sub-continent as the later was identifying the region with India, whereas the former considered as the country neutral term describing this region in more inclusive way. Despite all these changes this region continued to be Indo-centric because India occupies the largest landmass, population and natural resources apart from acquiring the capabilities like political stability, economic vibrancy, strategic superiority and regional leadership vis-à-vis the other states from this region

According to the structural approach to power, India occupies an advantage position in the South Asian region. In terms of vital physical links, India shares borders with all South Asian countries. India constitutes 72 per cent of the land surface, 77 per cent of population and 75 per cent of economic output of the South Asia. The economic potential, relative political stability and military capabilities have made the India a regional power in the South Asia. Since India constitutes the maximum part of South Asian landmass, it has always identified its security with this region and wanted to sanitise it from the influence of external players; however, the small countries like Pakistan, Sri Lanka, Nepal and Bangladesh always invited external powers like UK,

USA and China to address the power differential that exists between India and them and thereby to ensure their security. It has resulted into divergence of security perceptions between India and its neighbours. They feel secure when external players are present in South Asia. However, the presence of external players in the region is detrimental to India's security. Small South Asian states are of the opinion that India is an interventionist state, which has been interfering in their internal affairs ranging from Pakistan to Sri Lanka, Nepal and Bangladesh. India always articulated that developments in domestic politics of these states have political, economic, social and security implications for it as the cultural, religious and linguistic connections exist across national borders. Bilateralism has always remained dominant approach of India while dealing with its neighbours, which enabled India to settle some territorial and water disputes with its neighbours like Pakistan, Sri Lanka, Bangladesh and Nepal. In 1980s, the small South Asian countries (except Pakistan) conceived multilateralism as an instrument (in the form of SAARC) to handle India as they realized over a period of time that while dealing with India bilaterally they are always in a position of disadvantage as the former being big player always has more bargaining power at its disposal.

### **1.I.3 India in South Asia: Legacy of Colonialism**

Origin of India's neighbourhood policy can be traced back to the colonial period when India was under the British rule and two of India's neighbours Sri Lanka and Maldives also experienced colonial rule, whereas, its Himalayan neighbours Nepal and Bhutan were under British suzerainty and enjoyed the status of protectorate states. Meaning thereby that except Maldives, Britain was controlling the Indian sub-continent while sitting in India. Besides this, Burma was also one of India's provinces till 1937. The colonial masters were aware of this fact that in order to govern India, they had to establish control on the Indian periphery that was constituted by the Nepal, Bhutan, Sri Lanka and Burma.

Under the British rule India was a colonial state and its foreign policy was very different from other sovereign states of that time. Foreign policy was primarily designed to serve Britain's imperial interests. To secure the borders and for their

defence the British policy maintained states ‘buffer states’ in the immediate neighbourhood of India. They perceived threat to their Indian Empire from the expansion of the Russia Empire. The British Government retained responsibility for relations with the states in the Indian Ocean rim. Therefore, the legacy of the Raj has left an indelible impact on the foreign policy of the Indian Republic.

During the British colonialism, the most significant feature of the India’s foreign policy until 1947 was decided in the interest of the British, that is, to deriving maximum benefit from the resources and labor within that colony. The grand strategy adopted by the British aimed at ensuring full security to the Indian Empire, protecting all routes between Britain and India, and ensuring that India’s trade and commerce were carried on in Britain’s interest. Many argued that the strategic and political needs of the British were different from those of India and that the Government of India, headquartered in Calcutta, enjoyed considerable liberty of action especially in determining relations with other states in Asia.

#### **1.1.2.1 Securing the Frontiers/Borders**

The land frontier of Britain’s Indian Empire extended in a half circle touching from west to east –Iran, Afghanistan, Tibet, Nepal, Sikkim, Bhutan, and Burma. The Government of India was entrusted with the task of handling relations with all these states. The British rulers of India constantly adopted a policy of interposing a protected state between the actual possessions they administered and the possessions of formidable neighbors whom they desired to keep at arm’s length. This state in between was called the “buffer” state. In fact, the buffer state as a concept of international politics is primarily of British-Indian coinage and came into vogue somewhere in the 1880s. The buffer state was given internal freedom, but was expected to exclude all extraneous influences in the conduct of foreign relations. Lord Lansdowne, the Foreign Secretary, who had been the Viceroy of India (1884–94) and later, the Secretary for War, defined a buffer zone as “an intervening zone sufficient to prevent direct contact between the dominions of Great Britain and those of other great military Powers”.

In the nineteenth century, the British gradually built up a series of buffers along the

periphery of the Indian Empire. In the language of the Raj this system became known as ‘the ring fence’. They maintained Iran, Afghanistan, and Tibet as the outer ring. The three Himalayan states—Nepal, Bhutan, and Sikkim—were maintained as the inner ring. These formed a territorial buffer between India, and China and Tibet. Beyond these states lay the Russian Empire and the Chinese Empire. From the 1860s, the security policy in India centered on defense against the expansion of the Tsarist Empire towards the northwest frontier. After Russian occupation of Central Asian region, fearing the occupation of Afghanistan and further invasion into British India, a long corridor which became known as the Wakhan Corridor—220 kilometers in length and 16–60 kilometers in width—was created in Afghanistan.

The British came into contact with China from the late eighteenth century from the side of India to ensure the security of the northern frontier. Since the mid-seventeenth century, China was under the rule of the Qing dynasty. The Qing rulers claimed sovereignty over Tibet, Xinkiang, Nepal, Bhutan, Sikkim, Burma, and Indo-China. A Chinese representative stayed at Lhasa who was officially called Amban.

The British policy towards China was marked by ‘ambivalence’ and ‘ambiguities’. This could be the result of the fact that British interests were perceived differently at London and at Kolkata/New Delhi. To ensure the security of the northern frontier of India, the Government of British India became engaged in skirmishes to resist the pressure from Chinese expansionist designs. This created resentment. On the other hand, the British government did not want to antagonize Beijing. It continued to believe that, in China’s huge territory and vast population, lay an undeveloped market of fabulous potential.

The three Himalayan states—Nepal, Bhutan, and Sikkim—possessed cultural and religious ties as well as their own traditions of political relationship with India, Tibet, and China. Sikkim had special importance because it provided an ideal transit route to Tibet. These states were not considered parts of India as Princely States or as a colonial territory. Instead the British maintained these states as buffers between India, and China and Tibet. Separate treaties were signed with each of them from time to time, defining relations with them and settling borders. In 1940, the Foreign

Department described Nepal as a 'state with very special relationship'. The defense of Bhutan was guaranteed by the Indian Government and about Sikkim, in a treaty signed in 1890, Beijing accepted that Sikkim was indeed under British protection.

There was a constant efforts on the part of the British to determine the boundary between India and Tibet as well as the boundary between China and Tibet. The British exchanged the map showing the borders shared to China and Tibet in a Conference held from October 1913 to July 1914. China did not sign the final convention, though the Governments of India and Tibet signed. After this convention, the British recognized Tibet as an autonomous state under Chinese suzerainty. But Lhasa remained very keen on some settlement with China. With no settlement eventuating, it tried to maintain friendly relations with both China and Britain without allowing any country to obtain much influence on its affairs.

After much delay, the British published the new map of India in January 1939 specifying, for the first time, the boundary line between India and Tibet. It followed McMahon's original line of 1914. From 1912 until 1950, the Chinese government in fact exercised no control over Tibet. Under the Indian Independence Act of 1947, the Shimla Agreement with Tibet devolved on India.

### **1.1.2.2 Indian Ocean Rim: Evolution of Policy During the Colonial Period**

Britain was an island state and, therefore, creation and maintenance of Empire and trade depended on effective sea communication. The British government showed a determination to maintain control over all routes to and from India. Of these the Middle Eastern region was the most important because it formed the strategic corridor between the Mediterranean and the Indian Ocean.

In 1902, the Welby Commission defined the region of concern in the Government of India's foreign policy as well as the geographical spread of the operations of the Indian army. It placed the areas around the Suez Canal including Egypt, the east coast of Africa, questions affecting the Red Sea, the Arabian coast, the Persian Gulf, the islands of the Indian Ocean except Madagascar, and even questions affecting the Malaya peninsular and China in the orbit of the Government of

India. The Indian army was used for the protection of British interests in this entire region without any financial obligation.

### **1.1.2.3 British India in International Bodies**

The impressive contribution of India to the First World War led to the emergence of India in the international arena. During the war, India was accepted into the Imperial War Conference and later the Imperial Conference. India signed the Treaty of Versailles and other peace treaties, and became an original member of the League along with other dominions. This assured India of membership of the International Labour Organization, the Permanent Court of International Justice, and many other bodies. The League Assembly admitted members from India and the dominions in their own right, acting for their own government. In making India join these bodies, the British hoped to underline the universality of the British Empire. In addition, they could get additional weightage in League councils in terms of votes.

After the Second World War, India was made a member of the United Nations Organization in October 1945 despite still being a colony of the British. India also participated in the Bretton Woods Conference held in July 1944 to regulate the international monetary and financial order. It is one of the few found members of the IMF and IBRD (World Bank).

### **1.1.2.4 Colinal Legacy: A Balance Sheet**

As the above discussion informs, contrary to the widespread perception that India's foreign policy begins with independence, a blueprint of strategic map and a rudimentary form of policy was inherited from the days of British colonialism. However, the independence of India in 1947 marks a break mainly in two directions. First, until 1947, India's foreign and defense policies were decided at London and were designed to serve the interests of the British. After 1947, foreign policy decisions were taken by an elected government in New Delhi, and in the interest of the people of India. Secondly, during the freedom struggle, the nationalist leaders took a keen interest in issues relating to foreign policy and freedom struggles in other countries. After 1947,

Third World radicalism and socialist orientation became the defining features of India's perspective of the world and decisively influenced its foreign policy.

At the same time, the legacy of 150 years of British rule could not be wiped away. As India chartered its course in world affairs, its new rulers could not entirely discard the Raj legacy. India inherited the territory bequeathed by the British and the Republic of India accepted that the inherited boundaries were legal and sacrosanct and had to be defended. India inherited the foreign policy establishment and institutional structure. It is important to note that initially the policy-makers came from those who had participated in or had watched closely the change of regime.

Further, it could not be ignored that even after Partition, India loomed large in South Asia because of its size and central location. In many ways, New Delhi adopted from the British the notions of relations with states in India's immediate neighborhood. Many neighbors of India and international powers recognise and accept the significance of India in South Asia. The term 'hegemon' tends to have unattractive connotations, yet India's weight in South Asia remains evident.

A lasting legacy of the Raj has been the delineation of the northern border. This was done after elaborate surveys. But today, this border constitutes the most dangerous border in the world. The Himalayas were always seen as constituting a natural and most formidable line of defense. But the frontiers of India, whether drawn after elaborate surveys as in the north, or hastily, as in the case of the lines drawn between India and Pakistan, were drawn arbitrarily. Issues of ethnicity, the desires of the people, or reasons relating to the economic viability of the region were totally ignored. Besides, many issues were left unaddressed. In the Aksai Chin area, India and China have different maps, both drawn by the British by 1900, to validate their claims. In the northeast, China has not accepted the McMahon Line. The result is that the Indo-China border is one of the most militarized boundary lines in the world. India's relations with Pakistan as well as China remain perpetually tense and the borderline between them often turns into a conflict zone.



India continued with this legacy of British Raj in the Post-Colonial period as far as its neighbourhood policy is concerned. The first Prime Minister of India, Jawaharlal Nehru who was also holding the portfolio of foreign affairs argued that the small South Asian States should join the Indian Federation. Further K. M. Pannikar, India's strategic thinker articulated that Sri Lanka is an Indian lake. India was successful to bring the Himalayan Kingdoms Nepal and Bhutan on its orbit by signing the treaties of peace and friendship, however Sri Lanka followed the pro-west foreign policy as its world view was not converging with India. This was the reflection of the continuity of mind-set of British Raj.

However, India's policy towards its neighbours continued to be shaped by the structure of the South Asian region apart from India's civilizational linkages with its neighbours. Nehru was partially successful to cultivate its small neighbours like Nepal and Bhutan but failed to connect with the big neighbour People Republic of China, the way he wanted to connect. Rather India's China policy suffered a major set-back when it landed in war with China in 1962. It was a major set-back to India's neighbourhood policy during the Nehru era. Other failure of India's neighbourhood policy was its policy towards Pakistan particularly on Kashmir. However, it was Nehru who brought Kashmir into India but he did not allow the Indian army to finally settle its borders in 1947-48 war with Pakistan with regard to Jammu & Kashmir, rather he took the matter to the United Nations Security Council wherein the power politics of Cold War prevailed instead of the merit of the case when, the United States sided with Pakistan in the world body. However, Nehru took the matter to the UN to declare the Pakistan as an aggressor state as it invaded Kashmir but contrary to Nehru's expectation the Kashmir was declared as a disputed territory. Nehru's Kashmir and China policies are considered as failures that led to critical mass that has become perennial source of insecurity for India. India-China war of 1962 followed by India-Pakistan war of 1965, changed the regional security scenario to New Delhi's disadvantage, whereas Goa's integration with India in 1961 resolved the issue of territorial absurdity that was bothering New Delhi. India accepted Tibet as part of China when the latter annexed Tibet in the 1950s and thereby conceded space to Beijing that New Delhi was occupying there. Although that was New Delhi's long-

term political investment to keep Beijing in good humour but that turned out to be counter-productive as New Delhi lost buffer between India and China and the latter started questioning the McMahon Line that used to be boundary between Tibet and India. China as an occupying power of Tibet became India's next door neighbour and hence the issue of boundary dispute cropped-up that resulted into Sino-Indian war in 1962 and loss of India territory to China and since then it has become a perennial security threat. India's image in the comity of nations faded due to its war with China and Pakistan and its influence was undercut regionally and internationally. Contrary to that New Delhi considered its interests safe in the Kingdoms of the Himalaya – Bhutan, Nepal and Sikkim – once special treaties were signed with each which established India's pre-eminence in their foreign policy and thereby ensured its security. A treaty of friendship of 1949 turned Bhutan into an affiliate of India, whereas Indo-Nepal Treaty of Friendship and Peace of 1950 made the Himalayan Kingdom quasi-sovereign and the status of protectorate state of Sikkim was institutionalized with the Indo-Sikkim Treaty of 1950. Indo-Sikkim Treaty made Sikkim an Indian protectorate, with India assuming responsibility for external affairs, defence and strategic communication of Sikkim. However, Nehru's legacy of Raj while dealing with the small neighbours suffered with Sri Lanka's leaning towards the West, Pakistan's alliance with US subsequently with China and with China's incursions across the McMahon Line. Further, India was considering the South Asia as an Indian sphere of influence and was against the interference of external powers in the affairs of the latter. However, special relations India had inherited from the British with regard to the Himalayan Kingdoms reinforced the sense of South Asia as its sphere of influence but New Delhi could not stop Pakistan from bringing great power rivalries to this region.

### **1.1.3 India and South Asia: The Post-Colonial Imperatives**

After independence, Indian leadership formulated certain basic principles on which the post-colonial framework of India's foreign policy was constructed. These could be termed as means of India's foreign policy to achieve the ends. India's first Prime Minister, Jawaharlal Nehru, was the chief architect of this framework, which was an aggregation of India's principles and concrete realities in international arena. In essence,

Indian foreign policy came into being with the advent of independence in 1947. Until then the nation, as a satellite of the British Empire, had no diplomatic identity and eschewed the postulates of foreign policy dictated by the erstwhile rulers.

Nehru himself taken responsibility as a foreign minister and throughout his life remained the chief architect of India's foreign policy. He tried to identify the country's foreign policy with anti-colonialism and anti-racism. He also promoted India's role as a peacemaker, which was an extension of Gandhian policies and deeply rooted in the indigenous religious traditions of Buddhism, Hinduism and Jainism. Like foreign policies of other countries, India's was based first on its government's perceptions of national interests and security considerations. India's foreign policy defined by Nehru as non-aligned was based on the Five Principles of Panch-Sheel — mutual respect for other nations' territorial integrity and sovereignty, non aggression, non-interference in internal affairs, equality and mutual benefit and peaceful coexistence.

The Indina's nationalist leadership during the colonial period and immediately after the independence seriously hoped for a Asian solidarity. These views about the cultural and spiritual unity of Asia as well as its pacifist tradition culminated in the idea of an Asian political federation. It was thought that such a federation would, to begin with, strengthen the joint struggle against Western imperialism.

While Nehru was initially sceptical about Asian unity and the idea of an Asian federation, he came to embrace it later. His reappraisal was based on the understanding that the world, passing as it was through the Second World War, had come to a stage where 'the day of small countries is past' and where 'the day of even big countries standing by themselves is past'.

Nehru argued, it would be ideal to forge an Eastern federation that was not hostile to the West, 'but nevertheless standing on its own feet, self-reliant and joining with all others in favour of world peace and world federation'. Such an eastern federation, in his view, would inevitably include Afghanistan, Burma, Ceylon, China, India, and Nepal. Nehru also thought that Iran and Siam as well as some others could well join this federation, which would constitute 'a powerful combination of free nations

joined together for their own good as well as the good of the world.’ Nehru developed this idea further by talking about the formation of an ‘Asiatic Federation of Nations’. He proposed that India and China take the initiative in this regard by inviting Afghanistan, Burma, Ceylon, Indonesia, Malaya and Nepal to join the Federation.

However, ironically, the 1962 military defeat revealed that the India’s role pretensions were inconsistent with its capabilities, which resulted in somewhat undermining India’s global influence. Nehru’s attempts to play a global leadership role failed, because of the widespread recognition after 1962 that India was not master in its own house. Indian diplomacy and statesmanship could not prevent a war with China, nor could its ill-equipped and ill-prepared military machine sustain it. The Chinese invasion humiliated India, shook its position in the international sphere and gave it its first object lesson that utopian foreign policies are often ignored in the face of pragmatic geopolitical compulsions so that a military backup to diplomacy is a prerequisite.

#### **1.I.4 India’s South Asian Policy: Indira Doctrine**

During this phase that was set in motion since the late 1960s, India’s neighbourhood policy was confronted with a serious challenge-to rehabilitate India’s image as a regional power in the South Asian region apart from improving its regional security scenario. This phase was also known for India’s involvement in the internal affairs of South Asian States like Sri Lanka, Nepal, Maldives and Pakistan. India’s relations with its South Asian neighbours especially Pakistan, Sri Lanka and Nepal consumed most of the energies of the Ministry of External Affairs. The happenings in the internal politics of Pakistan, Sri Lanka and Nepal were adversely affecting India as the situation prevailing in East Pakistan resulted into a huge influx of refugees to India, whereas the Tamil ethno-nationalism in Sri Lanka also had repercussions for the Tamil Nadu province of India Union and the movement for democracy in Nepal led by Nepalese Congress was having the support base in its Terai region that was primary populated by the people of Indian origin. Ethnic linkages such as those of the Madhesis in the Terai region in Southern Nepal and Sri Lankan Tamils with Tamils in Tamil Nadu, instead of being a constructive cementing link between India and these

countries as is the case with the Indian Diaspora abroad and their country of origin, has been a source of tension. These sections of the populations are yet to be fully integrated into the societies in which they have been residing and suffering from disabilities and discriminatory treatment. They have either been suspected for their extra-territorial loyalties or seen as instruments of Indian influence as the sympathy and support they receive from groups in India create an environment of distrust in bilateral relations.

The crisis of East Pakistan forced India to intervene to stop the flow of refugees to India's north-east region which resulted into the creation of Bangladesh. Although, India sent its forces to Sri Lanka in 1987 and Maldives in 1988 on the invitations of their respective governments but the South Asian states started perceiving India as an interventionist state. During this period, India's perspective about its neighbourhood was buttressed by the principle of bilateralism. Under the Indira Doctrine that was considered India's Monroe Doctrine, New Delhi insisted that the problems in the South Asian region must be resolved bilaterally and that external powers have no role to play in the region. India adopted big brother attitude towards countries of the sub-continent that was reflected in a series of major Indian interventions like the liberation of Bangladesh (1971), annexation of Sikkim (1975), defence of Maldives (1988), punitive economic measures against Nepal (1989) and coercion, peacekeeping and finally counter-insurgency in Sri Lanka (1986-1990). India's predominant foreign policy objective under the Indira Doctrine was to prevent the neighbourhood from hosting allying with external powers. Indira Doctrine underlined this argument that India would consider the presence or influence of external power in the region as detrimental of its interests. India's justification for this policy was an attempt to insulate the region from the adverse effects of cold war, but its neighbours viewed it as a policy to deal with any challenge to India's regional position.

### **1.1.5 Reluctant Multilateralism in India's South Asia Diplomacy**

During this phase, India's relations with its South Asian neighbours were characterized by the various bilateral contentions. New Delhi advocated the bilateral approach to for addressing these issues, whereas, the small South Asian states were

in favour of multilateral regional approach. Both India and its small neighbours were operating in the fear psychosis. India's fear was that its small neighbours would gang-up against it and demand unrealistic concessions in a multilateral framework, while the small South Asian countries suspect that New Delhi to take undue advantage of their weak bargaining capacities in the bilateral dialogue. This small nations' psyche led to the establishment of South Asian Association for Regional Cooperation (SAARC) but India did not take much interest in this multilateral forum which was the brain child of the former President of Bangladesh General Zia-ur-Rehman. India believed that SAARC was a western design to contain India within the South Asian region and India's preferred mode of connecting with its neighbours was bilateralism. Notwithstanding its reservation regarding the multilateralism, New Delhi participated in the deliberations initiated in 1981 to establish regional organization to promote regional cooperation in this region to serve its three objectives in the South Asian region. First, India was against any sort of multilateralism in the domain of high politics which was the major thrust of the original proposal of SAARC. While participating in the deliberations, India succeeded to change the agenda of SAARC from high to low politics. Second, in the original proposal, the 'principle of majority' was the operating principle of SAARC; India's participation in the talks resulted into a change from the principle of majority to the principle of 'unanimity'. Third, by participating in the negotiations, India was successful to convince the other members to insert a provision in SAARC charter prohibiting the raising of bilateral issues at this multilateral forum. While participating in the deliberation at the formative stage, India did not allow the SAARC to become an anti-Indian multilateral forum in the South Asian region.

### **1.1.6 India's Changing Perspective on South Asia: Gujral Doctrine**

In the late 1980s and early 1990s, there was a change in India, neighbourhood policy as New Delhi resolved its boundary dispute pertaining to the Kachchativu Islands with Sri Lanka apart from changing its policy towards Sri Lanka on the issue of Tamil Ethno-nationalism. Instead of supporting Tamil ethno-nationalism as New Delhi did in the 1970s and mid 1980s, India changed its position since late 1980s that Tamil problem is an internal problem of Sri Lanka and the latter has to resolve it within its

constitutional framework. In this phase, India changed its neighbourhood policy orientation from the Indira Doctrine's obsession with bilateralism and reciprocity in solving problems with its neighbours to the Gujral Doctrine (1996) – a strategy of positive unilateralism in which New Delhi took the lead to find solutions to long standing problems. The Gujral Doctrine was articulated by the Foreign Minister of India I. K. Gujral, consisted of five principles which aroused from the belief that India's stature and strength at global level cannot be divorced from the quality of its bilateral relations with its neighbours. It further recognised that the prime responsibility to improve its relations with the small neighbours lies with India. The five principles of Gujral Doctrine are: *first*, with small South Asian neighbours like Sri Lanka, Bangladesh, Bhutan, Maldives, New Delhi does not ask for reciprocity, but gives and accommodates what it can in good faith and trust; *second*, no South Asian country should allow its territory to be used against the interest of any country of the region; *third*, no country should interfere in the internal affairs of another; *fourth*, all South Asian country must respect each other's territorial integrity and sovereignty; *fifth*, they should settle all their disputes through peaceful bilateral negotiations. It was argued that these five principles of Gujral Doctrine, if strictly adhered to would achieve a fundamental recasting of India's relations with small South Asian states including Pakistan. Further, the implementation of five principles of this doctrine would create a climate of close and mutually benign cooperation with the South Asian region wherein the size and weight of India is regarded positively. The Gujral Doctrine has reflected India's changed attitude towards its immediate neighbours. This changed attitude helped India to resolve some of its long standing water disputes with Nepal and Bangladesh besides signing free trade agreements with Sri Lanka, Nepal and Bhutan.

However the change of political regime in India in 1998 led to scepticism that the Gujral Doctrine would not be followed with regard to India's relations with its neighbours. The BJP led NDA regime began its relations with South Asian countries on a doubtful note when India conducted nuclear tests and the neighbours doubted India's intentions. However, the government did its best in due course and the relations were conducted in positive manners. India's relations with neighbouring countries were conducted in a continuation of the five principles of Gujral Doctrine without

referring to the doctrine per se. It was during Vajpayee's tenure as Prime Minister that India and Pakistan started the process of composite dialogue to settle the outstanding bilateral issues, though the process of dialogue that got derailed due to the Pokhran-II. It clearly brought out that the continuity existed in India's relations with the neighbouring countries not only in 1990s but also thereafter. The political dividend of the Gujral Doctrine was clearly felt in the aftermath of the nuclear tests by India when the international reactions to it contrasted with the reactions of the South Asian neighbours. India's neighbourhood policy since Prime Minister Gujral period has been made a shift from hard power strategy of military and diplomatic interventions to a soft power approach that has been emphasising inter-governmental cooperation, negotiated settlements and economic cooperation. These changes have been perceived as an attempt to change India's image from a regional bully to a benign hegemon as argued by Wagner.

In this phase, India refrained from intervening in the internal affairs of the South Asian neighbours. For instance India did not react when the Bangladesh army under the command of General Moeen U. Ahmed 'recalled democracy' and placed country under quasi-military rule. Despite overtures by the Sri Lankan government and the Tamil Tigers, New Delhi refrained from direct engagement in Island's civil war. Old regime of President Maumoon Abdul Gayoom was unseated by the popular politics in Maldives receiving the minimum attention from New Delhi. Political transition in Bhutan from absolute monarchy to constitutional monarchy was peaceful and had India's support. Further, New Delhi complemented Bhutan's domestic political development by concluding a new treaty liberating Thimphu's foreign and defence policies from India's 'guidance'. There has been a visible change in India's Pakistan policy since late 1990s. Both the NDA and UPA regimes under the leadership of Vajpayee and Manmohan Singh conducted negotiation with General Musharraf regime, ignoring his role as the architect of the Kargil war of 1999.

### **1.1.7 India's South Asia Policy: Focus on Active Multilateralism**

Although, India's preferred approach towards the South Asian neighbours has been bilateralism but of late New Delhi has not been against the regional and



multilateral approach. Due to that India started taking keen interest in SAARC to promote regional economic cooperation in the South Asian region. But the regional economic cooperation has been viewed by the small South Asian states as a mechanism of ensuring the economic expansion of India at their expense. Therefore, the South Asian states were not enthusiastic about the South Asian Preferential Trading Agreement (SAPTA) because they feared that the impact of their unfavourable trade balance with India would be accentuated if the liberalization is encouraged within south Asia. Notwithstanding their reservations, India has been advocating the cause of economic cooperation and free trade in the South Asian region as every state of the region is going to be benefitted from that though the latitude of their economic benefit from the economic multilateralism in the region will vary and would depend upon their economic capabilities. While using the tool of regional diplomacy, Manmohan Singh government attempted to accelerate the formation of South Asian Free Trade Area (SAFTA), declaring its readiness to accept asymmetrical responsibilities in freeing trade. The SAFTA spelled out a road-map of common market in the subcontinent by 2016, with India and Pakistan eliminating all tariffs by 2012, Sri Lanka by 2013 and Bangladesh, Bhutan, Maldives and Nepal by 2015.

Since 1990s, India has realised that stable, secure and peaceful neighbourhood is in India's long term national interest not only at regional level but also at the global level. Keeping this in view, India's Prime Minister, Narendra Modi invited the heads of government of South Asian countries for his swearing-in ceremony in May 2014. He paid his first foreign visit to Bhutan which was followed by his visit to Nepal. This phase has also witnessed India's expanding conception of neighbourhood that earlier was primarily having the continental thrust but now having the continental as well as maritime thrust-as India has included Indian Ocean Region in its conception of neighbourhood. India's neighbourhood encompasses the entire region from the Strait of Hormuz to the Strait of Malacca. To build and expand India's security links with Island states to ensure its role as a 'net security provider' in the Indian Ocean Region, the Prime Minister of India, Narendra Modi visited the Seychelles, Mauritius and Sri Lanka in March 2015. Sri Lanka visit was the first bilateral visit by the Indian Prime Minister in 28 years. India has been worried about China's expanding economic,

political and strategic influence in its immediate neighbourhood including Pakistan, Nepal, Maldives, Sri Lanka, Bangladesh and the island states of Indian Ocean Region. Chinese influence in the Indian Ocean is considerable-as it has deep pockets. India has recently begun to build security relationship with Island states. The Indian Navy's force levels and reach are still not sufficient for a dominant role in the Indian Ocean region.

Contrary to the small South Asian states, China is India's largest and most powerful neighbour-with an economy four and half times larger and a defence budget estimated to be nearly three times bigger. This neighbour has been a challenge for India due to three reasons. First, China's assertive behaviour on border with India resulted into Sino-Indian war and territorial dispute thereof fifty-four years ago. Since then, this has been remained highly emotive and sensitive issue on the agenda of India-China relations. China has also officially protested India's Prime Minister, Modi's visit to Arunachal Pradesh to which it claims as Chinese territory. The Chinese intrusion at Chumar in Ladakh September 2014 took place during the visit of Chinese President Xi Jinping to India. Prime Minister Modi himself raised it with Chinese President Jinping. Second, the expansion of Chinese trade and defence relations in India's neighbourhood including continental as well as maritime space has been a serious challenge for India. Third, China's rise and India's emergence have put almost put them in a binary geo-strategic and geo-political equation notwithstanding their economic engagement driven by the neo-liberal approach. China has adversely influenced India's relations with its South Asian neighbours. China is India's most formidable neighbour affecting India's role not only in the South Asian region but also in Asia as a whole because a stable and peaceful neighbourhood strengthens a country's foreign policy posture, whereas an unstable and troubled neighbourhood saps its ability to act forcefully and effectively on the international stage.

### **1.1.8 India Needs Creative Diplomacy in South Asia**

Being an emerging power, the neighbourhood has become significant for India. Therefore, in order to improve its relations with South Asian states, India needs to learn from its past mistakes. New Delhi needs to address the genuine concerns of its

South Asian neighbours, while devising an effective, pragmatic and pro-active neighbourhood policy. First, India is required to address the issues pertaining to its relations with South Asian states on priority basis while adopting a balanced political perspective that had been seen missing in the past. New Delhi needs to deal with its neighbours keeping in view its national interest irrespective to ideological consideration whether a neighbouring country is having democracy or authoritarian/military rule. Second, India must evolve an institutional mechanism to engage its immediate neighbours on regular basing by paying the visits of high level leadership. Third, India necessitates a creative regional economic policy to create economic interdependence and shared prosperity within the South Asian region. In India's neighbourhood policy, economic resources play significant role because Indian economy is comparatively more resourceful, diversified and strong as compared to all its neighbours. Further, India's neighbours have expectations for help and support from New Delhi. But contrary to their expectations, economically resourceful India has appeared to the smaller neighbours as petty trader of economic goods and advantage. India needs to transcend that image without any delay. This again requires strong political commitment on the part of India. India also needs to give-up its traditional opposition to financing of regional trans-border projects from such institutions as the Asian Development Bank.

India's challenge has been to counter the increasing encroachment of China on the economic space of South Asian region as Beijing has started using economic diplomacy to cultivate the small countries of this region by trade, aid and investment. India has to shore up its waning influence in its neighbourhood. Sri Lanka is India's largest trading partner in the South Asian region and it is the outcome of Free Trade Agreement (FTA) both countries signed and operationalised since 2000. Further, industry in Sri Lanka in search of opportunities for deeper economic relations with India beyond the free-trade agreement as India needs to seize this opportunity. India and Sri Lanka have already been negotiating Comprehensive Economic Partnership Agreement (CEPA) to elevate their economic ties to the higher level. India's FTAs with Nepal, Bhutan and Bangladesh are required to be utilised to the maximum level to increase trade with them with a guarantee to these small countries would not suffer

trade deficit vis-a-vis India which they are having right now. India, Nepal and Bhutan have already been having little trade in power sector because India has established various joint hydro-power projects with Himalayan states. Possibility of greater economic integration with the Nepal and Bhutan is always more because they are landlocked states and economically dependent on India. Their economic dependence needs to be used for their advantage rather than to the advantage of India that happened to be major economic power in the South Asian region. It will be India's economic investment for keeping its turf safe in the region. Bangladesh is also interested to collaborate with India in the various economic sectors that will further expand India's economic space in South Asia. India needs to use bilateral economic diplomacy to integrate with its South Asian neighbours. The reason for the failure of multilateral economic diplomacy in South Asia is the conflictual relations between India and Pakistan. However, the responsibility for reinvigorating the South Asian Association for Regional Cooperation (SAARC) as an instrument of multilateral economic diplomacy lies with India because it is the most prosperous country in South Asia. The present Indian National Democratic Alliance (NDA) dispensation led by the Prime Minister Narendra Modi has stressed in improving economic ties with its immediate neighbours, yet the potential of India's economic relations with the small neighbours are not realised fully. As India is at the threshold of transition from regional power to a middle range power, New Delhi is ready to walk extra miles to improve its economic ties with neighbouring countries and aspires to create new opportunities for their economic progress, security and well-being.

One of the creative policy-making on the part of the India is how to calibre its South Asian policy without bracketing Pakistan. Too much focus on Pakistan may lead to losing traction with the other South Asian neighbours. Recently, the SAARC meetings/summits are not taking place due to India's refusal to attend them. India, instead, preferred to engage with its neighbours through other regional platforms like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Though, these other regional platforms serve to achieve its objectives, however, undermining SAARC has its own negative fallouts. In this light, the Prime Minister Narendra Modi's call to all the SAARC countries for a well-planned strategy

to deal with the one of the greatest human crisis, COVID-19, and his video conference with the SAARC leaders is a good strategic step taken in the right direction.

### **1.1.9 Let Us Sum UP**

India's policy towards South Asia has been shaped by the changing time and space. New Delhi inherited the legacy of Raj which was by and large shaped by the geopolitics and the character of the South Asian region that used to be Indo-centric during the colonial period. Although, in the post-colonial period this region has made a transition from Indian sub-continent to South Asia but there has not been much change in the geopolitical character of the region. It was Indo-centric during the colonial as well as post-colonial period. British Raj ruled India while controlling periphery around it by signing various treaties with the Himalayan states like Nepal and Bhutan; other states like Sri Lanka was also under the British colonial rule, and Pakistan and Bangladesh were part of India. In order to prolong their colonial rule in India, the British kept the periphery of Indian sub-continent under their sphere of influence. This mind-set continued to shape India's South Asia policy because the governing elites in New Delhi also realised that in order to ensure India's national security it is required to keep South Asia under its sphere of influence as India identified its security with entire South Asian region. New Delhi acknowledged the sovereign existence of Nepal and Bhutan but also brought them on its orbit by way of signing bilateral agreements with these Himalayan states. India expect from these small Himalayan states and Sri Lanka that they should not do anything detrimental of India's security. Major objective of India's South Asia diplomacy was to keep South Asia free from the presence of external powers. The irony is that notwithstanding its primacy and centrality in South Asia, India has always been in competition with the extra-regional great powers for influence and goodwill in India's neighbourhood. Since 1960s, Pakistan has been providing enough space to China to expand Beijing's area of influence in South Asia.

In the 1970s, India's South Asia diplomacy was characterised as Indira Doctrine. Main objective of this doctrine was to keep South Asia free from the influence of external powers and to resolve the problems with its neighbours bilaterally. However the critics branded Indira Doctrine as an instrument to establish India's hegemony in

the South Asian region and termed India as an interventionist state. Indira Doctrine pushed India's neighbours close to China. India primarily relied on bilateral approach to interact with its neighbours and occasionally used reluctant multilateralism to achieve its policy objectives in the South Asian region. Since 1990s, India has changed its policy towards the South Asian neighbours as indicated through the Gujral Doctrine. It has been considered as a serious attempt on the part of India to improve its relations with the South Asian states by reducing the trust deficit between New Delhi and its neighbours. It helped New Delhi in a great deal to resolve long pending bilateral water disputes with Bangladesh and Nepal apart from signing Free Trade Agreements with Nepal, Bhutan, Sri Lanka and Bangladesh. It was criticised by Islamabad as an Indian attempt to isolate Pakistan by encouraging sub-regionalism in the South Asian region. South Asia has become more significant for emerging India as New Delhi needs peaceful neighbourhood to concentrate on its foreign policies at the continental and global level. India as an emerging power needs peaceful neighbourhood to serve its national interests at international level. Besides this, Beijing's increasing penetration in continental and maritime spaces of South Asian region and Indian Ocean region respectively has forced New Delhi to mend its way while dealing with its neighbours. Further South Asia's importance has also increased for New Delhi due to latter's growing energy needs and trade interests.

#### **1.1.10 Exercise**

1. Locate South Asia in Emerging India's foreign policy agenda.
2. Why the term South Asia is preferred instead of Indian sub-continent?
3. How British imperialism was influenced its policies in Indian subcontinent during the colonial period?
4. Write a note on influence of the legacy of Raj in India's Neighbourhood Policy.
5. How Nehru was instrumental in providing framework for India's South Asian policy during post-independence / post-colonial period.

6. Describe the impact of Indira Doctrine on India's South Asian Diplomacy.
7. How Gujral Doctrine helped in improving India's relations with its South Asian neighbours?
8. Discuss India's changing perspective of space in its Neighbourhood Policy.
9. Has Gujral Doctrine brought a change to New Delhi's South Asian Diplomacy?
10. Do you agree with the proposition that India is pursuing active multiculturalism in its policy towards the countries of South Asia?
11. Why India needs creative diplomacy in South Asia?

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
UNIT – I: INDIA AND NEIGHBOURHOOD**

**1.2 INDIA'S RELATIONS WITH BANGLADESH,  
AFGHANISTAN AND NEPAL**

**- Baljit Singh**

**Structure**

**1.1.0 Objectives**

**1.1.1 Introduction**

**1.1.2 India's Bangladesh Policy: Emerging Trends and Challenges**

1.2.2.1 Issues of Contention in Indo-Bangladesh Relations

1.2.2.2 Improvement in Relations

1.2.2.3 Trade Relations

1.2.2.4 Recent Positive Developments

**1.1.3 India's Afghanistan Policy**

1.2.3.1 Changing Dynamics of Afghan Policy

1.2.3.2 Objectives of India's Afghan Policy

1.2.3.3 Instruments of India's Afghan Policy

1.2.3.4 Recent Developments in India-Afghanistan Relations



### 1.2.3.5 India's Engagement with Taliban

## **1.1.4 India and Nepal**

### 1.2.4.1 Speciality in Indo-Nepal Relations

### 1.2.4.2 Impact of Nepal's Domestic Politics on India-Nepal Relations

### 1.2.4.3 China Factor in India-Nepal Relations

## **1.1.5 Let Us Sum Up**

## **1.1.6 Exercise**

## **1.2.0 Objectives**

In this lesson you will study India's relations with Bangladesh, Afghanistan and Nepal. After going through this lesson, you will be able to know:

- changing dynamics of India's Bangladesh policy;
- emerging trends and challenges in India-Bangladesh Relations;
- objectives and instruments of India's foreign policy in relation to Afghanistan.
- The major developments in India-Nepal relations

## **1.2.1 Introduction**

Bangladesh, Afghanistan and Nepal have always been important actors for India's foreign policy. With these countries India is having ethnic and cultural linkages as they were the part of British colonialism before 1947. Bangladesh emerged due to the dismemberment of Pakistan. India's role in the creation of Bangladesh laid the foundations of India's diplomacy towards Bangladesh. India's Bangladesh policy has not only been shaped by New Delhi's interests there but also by political situation prevailed in Bangladesh as India has become a crucial factor in the domestic politics of Bangladesh.

The case of Afghanistan is altogether different comparing with Bangladesh. While India is sharing border with Bangladesh and Nepal, it does not have physical connectivity with Afghanistan. The partition of the subcontinent disrupted the geographical proximity which India enjoyed since times immemorial. Yet, this does not undermined its significance in India's foreign policy because Afghanistan was the part of famous silk route between India and Central Asia during the colonial period. India's relations with Afghanistan were cordial during the Cold War period and Afghanistan assumed more significance in India's foreign policy in the post-Cold War due to security reasons. New Delhi has been seriously cultivating Kabul since 2001 and the aid diplomacy has emerged as an instrument of India's Afghan policy. India's relations with Afghanistan are always subjected to the internal political dynamics of the Afghanistan main political groups, the Taliban and Northern Alliance.

Nepal has been having special relationship with India for a long time. It enjoyed a unique relationship with other princes of India, particularly in the northern India, due to marriage sharing other social bonds. However, notwithstanding this special relationship, India and Nepal relations have also experienced ups and downs over the period of time. During the 1980s, their relations reached at the lowest ebb. Besides, Nepal has been remained significant for India because of the Kin-State factor-as the people of Indian origin known as Madheis are residing in the Terai region of Nepal, which has become a major factor in contemporary tensions between both the countries.

### **1.2.2 India's Bangladesh Policy: Emerging Trends and Challenges**

India was the first country to recognize Bangladesh as a separate and independent state and established diplomatic relations with the country immediately after its independence in December 1971. India's links with Bangladesh are civilisational, cultural, social and economic. There is much that unites the two countries—a shared history and common heritage, linguistic and cultural ties, passion for music, literature and the arts. This commonality is reflected in our multi-dimensional and expanding relations. India and Bangladesh's geographical locations complement each other and present an opportunity for both to further develop their connectivity links and economies.

Bangladesh has been an important country in India's foreign policy agenda for two major reasons: first due to India's role in the creation of Bangladesh and second, Bangladesh is the only South Asian country that has been sharing longest border with India. India is equally important for Bangladesh as major portion of Bangladesh's territory is surrounded by the Indian states. That is why Bangladesh is also described as India locked because it shares 90 per cent of its international border with India. Further Bangladesh has maritime access through the Bay of Bengal where India has tremendous naval presence. On the other hand, India's northeast region is also Bangladesh locked which is forcing New Delhi to seek transit route to Northeast region through the territory of Bangladesh.

When the Bangladesh has emerged as an independent state, with an active support from India for its liberation movement, both countries signed a Friendship treaty, the "Treaty of Friendship, Cooperation and Peace" on March 19, 1972. Initially, India's relations with Bangladesh were cordial as the later was treating the former as role model apart from the convergence of their worldviews during the tenure of Sheikh Mujib-ur-Rehman. During Majib period, India and Bangladesh concluded agreements to resolve certain outstanding issues, including water sharing and land border agreements in 1974. India was expected that Bangladesh would remain indebted to India for its role in helping Bangladesh to achieve independence; however it did not happen. Regime change that happened in Bangladesh in August 1975 had proved as a major setback to India-Bangladesh relations. Military coup resulted into the praetorian rule in Bangladesh under the leadership of General Zia-ur-Rehman. General Zia preferred Pakistan over India in Bangladesh's foreign policy agenda. Bangladesh started cultivating Pakistan to counter balance India because, like other small South Asian states, Bangladesh started looking at India as a potential threat. Consequent upon that the differences have deepened while the convergences have got marginalised.

### **1.2.2.1 Issues of Contention in Indo-Bangladesh Relations**

Territorial and water disputes had shaped India's policy towards Bangladesh for a couple of decades. Illegal migration of Bangladeshi people to India and insurgents operating in North-eastern India continued to get shelter in Bangladesh have always

shaped India's Bangladesh policy. These two issues continued to be a bone of contention in their bilateral relations. Besides this, the anti-Indian sentiment started taking shape during Zia Regime and consolidated subsequently.

General Zia was succeeded by General Ershad but Bangladesh's relations with India remained strained and stressful. Major factor for their tense relations was the pro-Pakistan and anti-Indian mind-set of praetorian regimes and India's criticism of praetorian regimes in Bangladesh. Further Bangladesh's attempt to woo an-extra regional power, like China, to prevent India from assuming regional supremacy in the South Asian region also strained the relations. China has already been ready to grab this role because it only enhances Beijing's influence in South Asia apart from keeping New Delhi bogged down in regional affairs and undermines New Delhi's efforts to become a global player. In General Zia-ur-Rehman's world view, the idea of balancing India takes predominance over the cordial relations with India. He put forward the proposal of South Asian Regional Cooperation before the other South Asian nations. Basic motive behind this proposal was to create a multilateral forum to handle India in South Asia because at the bilateral level all the South Asian states were not capable to influence India in their favour. In other words, the idea of regional cooperation in South Asia was the product of small nations psyche syndrome and Bangladesh was pioneer in the articulation of the idea of SAARC which was conceived as an instrument to collectively deal with India. In 1977, India agreed on the principle of equitable sharing of Ganga water between New Delhi and Dhaka, however, the construction of Farakka Barrage by India on that river made the Bangladesh apprehensive of getting the desired share of downstream water during the dry months. It took quite long time to give effect to the agreed principle as both the parties had developed divergences of perspective on the Ganga river water dispute. India insisted on the bilateral approach to resolve the water dispute whereas Bangladesh attempted to internationalise. The divergent positions of both parties delayed the final resolution of Ganga river water dispute and it was finally resolved by signing the Ganga River Water Treaty by India and Bangladesh in 1996.

However, with the revival of democracy in 1990, the political context in Bangladesh changed which resulted in change in India's policy towards it though the binary nationalism of Bangladesh continued to operate as a constraint for closer relations. Though the Awami League advocated Bengali nationalism, yet India-Bangladesh relations remained cordial whenever it formed government at Dhaka. New Delhi realised that India is being perceived as close to the Awami League in Bangladesh. To change this perception, when the Bangladesh Nationalist Party (BNP) assumed power in Dhaka in 2001, India sent a special emissary to Dhaka to assure the new regime that New Delhi had no political favourites in Bangladesh and its domestic politics was not India's concern. India-Bangladesh Friendship Treaty of 1972 that laid down the overarching framework of their relations was due for renewal in 1997 but the Hasina government refused to renew it because this treaty was considered as an instrument of Indian domination.

Another issue that shaped India's Bangladesh policy was the problem of 111 Indian enclaves in Bangladesh and 51 Bangladeshi enclaves in Indian territory. This problem was the outcome of partition that Bangladesh inherited from Pakistan. However, in the 1974 Land Boundary Agreement both the countries agreed to transfer these enclaves but actual transfer of these enclaves was delayed for a long time. Pending that a makeshift arrangements have been made like the *Tin Bigha Corridor* that allowed Bangladesh to use Indian territory on lease to establish connectivity with its Dahagram-Angorpota enclaves, where a flyover or an underpass needs to be built to allow round the clock access.

In 2015, the Indian Parliament's ratification of the India-Bangladesh Land Boundary Agreement, settling a long pending complex border dispute has profound implications for their bilateral relations. The Parliament of India has passed the 100<sup>th</sup> Constitutional Amendment with unanimity on May 6<sup>th</sup> and May 9<sup>th</sup> 2015 in the Rajya Sabha and Lok Sabha respectively to implement the Bangladesh-India Land Border Agreement of 1974 and the 2011 Protocol. It is historic and game-changing development in India-Bangladesh relations. In addition to this, the maritime issue also shaped India's policy towards Bangladesh as the issue of the demarcation of

maritime boundary assumes importance due to contested Exclusive Economic Zones and thereby the possession over natural gas reserves in the Bay of Bengal.

Over the period of time India learnt that the perception that it is closer to Awami League in Bangladesh is detrimental to its foreign policy objectives. In order to correct that perception, India had made several efforts, particularly when BNP came into power in 2001. New Delhi sent its special emissary to Dhaka to assure the BNP government that India has no political favourites in Bangladesh. But this move of New Delhi failed to bring any change in BNP regime's attitude towards India. During the BNP rule in Bangladesh from 2001 to 2007, the overt hostility of Dhaka towards New Delhi reached at unprecedented height. Despite the growing divergence between the BNP ruled Bangladesh and India, they had succeeded in resolving the complex Tin Bigha territorial dispute in 1992 and the Ganga River water dispute in 1998.

### ***Illegal Migration***

Illegal migration from Bangladesh to northeast India has always remained a key determinant of India's Bangladesh policy. Such immigration accentuates the fear of a vicarious design and gives meaning to Maulana Bhasani's idea of a sovereign state of Bangassam which will undermine India's territorial integrity. Attempts to stop infiltration have resulted in trespassing and trespassers being killed at the border in some areas and the Border Security Force (BSF) of India has been accused for that. The Border Guard Bangladesh did not make serious efforts to stop illegal immigration into India. Indian government has always raised this issue of illegal immigrants with Bangladesh but the latter most often denied it. The long land border coupled with a number of makeshift gateways has always made India a natural choice for the immigrants. Illegal immigrants further aided the smugglers and the terrorists to enter into Indian territory posing a real time security challenge to India. Further domestic resentment against Bangladeshi immigrants in the Northeast Indian region has become widespread and it has already disturbed the inter-community relations. The major political party in India, the BJP, criticised India's policy towards Bangladesh during the rule of UPA-I and UPA-II by arguing that the Congress led UPA policy towards

Dhaka in general and illegal immigration in particular was motivated by the need to appease minorities rather than to serve India's national interest. The opposition party extensively used verdict of the Supreme Court of India that struck down the Illegal Migrant Act (IMDT) as unconstitutional.

### ***Water Disputes***

Since India and Bangladesh share waters of several common rivers, water disputes are bound to occur. The origin of water disputes is related to the Treaty of Peace, Friendship and Cooperation (1972) because under this treaty India and Bangladesh established a Joint River Commission to decide the sharing of water resources. India constructed the Farakka Barrage on the Ganga River in 1975 to flush out the Hooghly River near Kolkata and to keep the port functional. Bangladesh protested that it did not receive an adequate share of the Ganga water during the lean seasons and got flooded during the monsoons when India released surplus water. India and Bangladesh signed a water sharing agreement in November 1977 that lapsed in 1982 without solving their disputes. India and Bangladesh signed a comprehensive treaty on December 12, 1996 with a validity for thirty years. This treaty assured minimum quantities of water supply for Bangladesh as latter's rights as a lower riparian state were acknowledged in this agreement. However, the water disputes between India and Bangladesh did not resolve with Ganga River Water Treaty of 1996 because the water scarcity was always experienced by both the parties in the lean season regarding Teesta River too. Therefore, the leadership of both the countries agreed in January 2010 to hold discussion to resolve water disputes on Teesta, Feni and other six rivers within a year. Dhaka drafted the Interim Agreement and New Delhi has prepared the draft of a Statement of Principles on sharing of river water in the lean season. It was expected that during the visit of India's Prime Minister Manmohan Singh to Bangladesh in September 2011, the Teesta water dispute would be resolved but due to the opposition of the West Bengal, Chief Minister Mamta Bannerjee the same did not happen as per schedule. However, the good offices used by the Centre to convince the West Bengal government resulted in the conclusion of historic agreement in 2015.

### ***Border Management***

In addition to the water dispute, the border dispute is another issue which has been shaping India's Bangladesh policy as India and Bangladesh are sharing 4096 kms long border. Though most of the border was clearly identified, however, 6.5 kms of land along the Comilla-Tripura border has become problematic for both countries. Most prominent territorial disputes between India and Bangladesh were on the Tin Bigha Corridor, New Moore Islands and Muhuvir Char dispute. Out of three, the *Tin Bigha* dispute around Indian corridor was resolved in 1992 which would connect Bangladeshi enclave with the rest of its territory.

Further anti-India mind-set in Bangladesh also continues to bother India's Bangladesh diplomacy. Anti-India sentiment was further accentuated by the rise and consolidation of orthodox Islamic forces. This anti-Indian sentiment has been nurtured by the BNP to consolidate its support base in the domestic politics of Bangladesh. Whenever the Awami League (AL) government tried to improve relations with India, it was always interpreted as a policy of appeasing India. Due to the prevailing atmosphere in Bangladesh, those who emphasise friendship with India always carry the risk of being termed as a satellite of India. The BNP has always charged the Awami League regime for pursuing a subservient foreign policy to India. On the other hand, India has always been more comfortable in dealing with Bangladesh whenever the Sheikh Hasina led Awami League government has been in power at Dhaka because of its secular credentials and lack of hostility towards India.

#### **1.2.2.2 Improvement in Relations**

Notwithstanding the prevailing environment, neither India can afford to ignore Bangladesh as it shares long land and maritime boundary nor can Bangladesh ignore India as the former is locked with Indian territory. Their geographic location has been playing decisive role in shaping their policies towards each other. Although Bangladesh has always been scared of India's economic capabilities as it has been suffering from trade deficit vis-a-vis India but India has been using aid as an instrument of its Bangladesh diplomacy. In 2010, India extended \$ 1 million credit to Bangladesh to develop



infrastructure and also eased import restrictions on some of the items. Yet, the political considerations have always over-ruled the rationale of economic relations between India and Bangladesh.

To further improve its relations with Bangladesh and to encourage people to people contact, India agreed to resume railway services between Kolkata and Dhaka which got suspended during the Indo-Pakistan war of 1965. However, the people to people contacts have limited potential; though they can generate goodwill, their impact on the policies of India and Bangladesh is limited. Rarely people to people contacts be translated in the form of tangible gains on the count of policy choices and options. India has already experienced that the people to people contacts promoted by India and Pakistan from 2003-2008 could not generate enough political capital to shape their policies favourably towards each other. India has always found the cultural affinity with Bangladesh as an effective instrument of its Bangladesh diplomacy but it has always backfired because it is perceived as a threat to Bangladesh's national identity. Radicalization of Bangladeshi society has become a cause of concern for India's policymakers during the last couple of decades as it has far reaching implication for New Delhi. Due to that Bangladesh has become safe haven for the terrorists and Islamic radicals who have been operating against India, particularly in the Northeast region. On the other hand, Bangladesh is also accusing India of supporting the people of Chittagong Hill Tracts against Dhaka.

To strengthen India's relations with Bangladesh the Prime Minister of India, Manmohan Singh, visited Bangladesh in 2011. During his visit the countries signed a Comprehensive Framework Agreement on cooperation for development to boost cooperation on wide range of areas of trade, investment and economic cooperation. In 2013, India started exporting 500 megawatts of electricity per day for the next 35 years. The UPA government continued to take such initiatives to cement its relations with Dhaka. The Prime Minister of India and Bangladesh inaugurated the Bharat-Bangladesh Vidyut Sanchalan Kendra at Bheramara on October 5, 2013. During the visit of Prime Minister of India, Narendra Modi to Dhaka in 2015, India and Bangladesh signed 22 agreements and a joint declaration that laid down the future roadmap for

the future course of India-Bangladesh relations. Further India has also announced a line of credit of \$2 billion to Bangladesh that will be used for developing public transport, roads, railways, inland waterways, education and health.

### **1.2.2.3 Trade Relations**

Bangladesh is an important trading partner for India. The two-way trade in FY 2012-2013 was US \$ 5.34 billion with India's exports to Bangladesh accounting for US \$ 4.776 billion and imports US \$ 0.564 million with the duty free access given by India to Bangladesh for all items except 25. Two border haats are already operational with a few more on the anvil along the India-Bangladesh border. Investment by Indian companies (Airtel, CEAT, Marico etc.) in Bangladesh continues to grow with the signing of the bilateral Investment Promotion and Protection Agreement. For the first time in their post-independence history, India and Bangladesh have established inter-grid connectivity for the flow of bulk power from India to Bangladesh. Prime Ministers of both countries inaugurated the grid connectivity; Bangladesh has started importing 500MW of Power from India since October 2013.

### **1.2.2.4 Recent Positive Developments**

The year 2015 had been very significant for the Indo-Bangladesh relations. The two neighbours achieved breakthroughs in many areas, including implementation of the Land Boundary Agreement (LBA), granting of transit facilities to India's isolated North Eastern states, broadening of cooperation in the energy sector, expansion of economic and security cooperation, increase of bilateral trade and signing of several agreements especially upgradation of connectivity and opening of new bus routes.

Modi's ground breaking visit to Dhaka on June 6-7 took the India-Bangladesh ties to a new height. Both the sides inked as many as 22 agreements related to road, railways, waterways, business, security, trade, infrastructure, communication, science and technology and cultural cooperation during the Indian premier's stay in the Bangladesh capital. He held wide-ranging talks with Bangladesh Prime Minister Hasina covering the entire gamut of ties and exchanged ideas with her to strengthen them further.

### ***Significance of LBA***

The passage of the Bill ratifying the 1974 India-Bangladesh Land Boundary Agreement (LBA) is a sign that India's 'neighbourhood-first' policy is beginning to work. The LBA's unanimous endorsement is seen in Bangladesh as an affirmation of the general attitude of friendliness towards it in India. It reflects the resolve of India's leadership to be fair towards a country that has demonstrated goodwill for India by taking action against insurgent leaders sheltering within its territory, as also its readiness to partner India on mutually supportive connectivity and infrastructure initiatives.

India's decision to opt for international arbitration to settle maritime boundary with Bangladesh was a similar gesture of goodwill. It signified a deliberate, a priori relinquishment of its claims on the disputed waters, nearly 80 per cent of which have gone to Bangladesh. Negotiations could never have settled this matter since the India-proposed median line was drawn in a way – taking account of the concave configuration of the coast – that the Bangladeshi waters got confined to a narrow triangle between India and Myanmar.

### ***Better Border Management***

The operationalisation of the LBA also facilitates effective management of the 4,096 km-long India-Bangladesh borders, plagued by smuggling, trafficking in arms, drugs and people, illegal immigration and many other illegal activities. During Modi's visit, New Delhi and Dhaka signed a MoU for the prevention of human trafficking and ensure speedy investigation and prosecution of traffickers and organised crime syndicates in either countries. A joint task force of India and Bangladesh would take coordinated action against individuals and agents involved in human trafficking.

In an attempt to bring in more synergy in coordinated border management, border-guarding forces of Bangladesh and India conducted their first-ever joint exercise in the riverine borders of the Sundarbans. The exercise between the Border Security Force (BSF) and the Border Guard Bangladesh (BGB) commenced with troopers, including dog and bomb squads, from both the forces carrying out joint searches of cargo vessels on the Ichamati river.

### ***Joint Fight against Terrorism***

One noticeable aspect of the warm and friendly ties between India and Bangladesh has been the growing security cooperation. Both the sides face the common threat of terrorism and they have intensified their collaboration in the aftermath of the October 2014 Burdwan blast. Both the countries agreed to institutionalise joint mechanisms for fighting terrorism. During his visit to Bangladesh, India's Foreign Secretary S. Jaishankar stated that India and Bangladesh will "work together" to combat terrorism. After a meeting with his Bangladesh counterpart, the Indian foreign secretary told that the two countries "further strengthen their existing counter-terrorism structure. I am also here to convey the government of India's strong support to Bangladesh as it is battling terrorism and extremism. This is an issue of direct concern for us as a neighbour."

India and Bangladesh cooperation is achieving new heights as days pass by as developments are indicating. For instance, India began supplying electricity to Bangladesh in return for internet bandwidth that will help connect its North-Eastern states, a move that Prime Minister Narendra Modi described as historic. India will supply 100 megawatts of electricity in return for 10 gigabits per second internet bandwidth. Modi and his Bangladesh counterpart Sheikh Hasina launched the twin links through video conference.

### ***Cooperation in Defence***

In 2017, the India and Bangladesh signed several agreements and Memorandum of Understanding (MoUs) in defense cooperation. Among these MoUs, an agreement on extending a line of credit worth US\$500 million to purchase defense equipment is worth mentionable. Regular mutual visits by the Presidents and armed forces leaders have also become routine matters between the two countries. Besides, joint exercises, medical assistance, and training programs are held by the participation of the defense services of both countries. In January 2021, 122 members of the Bangladesh Armed Forces participated in India's Republic Day parade. India also showed similar endeavors as military contingents from India joined the parade of the Victory Day

ceremony alongside the country's forces on 16 December 2021.

### ***Sheikh Hasina's India Visit, 2019 and 2022: Important Developments***

Bangladesh Prime Minister Sheikh Hasina's visit to India in October 2019 was a positive step in the relationship between India and Bangladesh and the biggest highlight of relations between Delhi and Dhaka. Despite some pending issues, Indo-Bangla relations are at their historical best.

The seven pacts and three projects that were signed and finalised during the visit of PM Hasina highlight the transformation of the relationship between the two countries. India and Bangladesh are now a model of good neighbourliness —the agreement to supply gas to Tripura, and the use of the Chattogram and Mongla ports to serve the north-east states is a result of the goodwill between the two countries. The agreement for a skill development centre in Bangladesh to train the youth is another example of strong ties.

The main aspects of the India-Bangladesh Joint Statement during the official visit of Prime Minister of Bangladesh to India on 5 October, 2019 are efforts on border security and management, and how both countries are working towards a win-win partnership. These include closer coordination between border forces to bring down the loss of civilian lives; simplifying people-people movement and entry/exit in checkpoints at Akhaura (Tripura) and Ghojadanga (West Bengal); closer cooperation against extremist and radical groups, terrorists, smugglers, smuggling of fake currency, and organized crime; a bilateral Comprehensive Economic Partnership Agreement, discussions on Integrated Check Posts; enhancing cooperation in the area of disaster management; withdrawal of port restrictions traded through Akhaura-Agartala port; discussions on anti-dumping / anti-circumvention duties imposed on multiple products, including on just products, from Bangladesh to India; and increasing the number of Border Haats to 12, etc.

Other efforts such as to boost connectivity overall through the BBIN Motor Vehicles Agreement, and to strengthen railways, buses and flights connectivity; the signing and implementation of the Framework of Interim Agreement for sharing of the

Teesta waters; an early start of the work on withdrawal of 1.82 cusec of water from Feni River for drinking purpose of the people of Sabroom town of Tripura; harnessing defence cooperation; consolidating development cooperation; energy cooperation; education and youth exchanges; cultural cooperation; and joint efforts to assist forcibly displaced persons from the Rakhine State of Myanmar.

During Sheikh Hasina's visit to India in September 2022, India and Bangladesh inked an agreement on the sharing of the waters of the common border river Kushiyara — the first such pact since the Ganga Waters Treaty of 1996. PM Modi termed the period a 'Shonali Adhyaya' or golden chapter in diplomacy.

In 2022, both nations successfully concluded a joint feasibility study on a Comprehensive Economic Partnership Agreement (CEPA). The agreement, typically designed to reduce or eliminate customs duties on traded goods and simplify trade norms, is anticipated to open up broader social and economic opportunities, ultimately raising living standards in both countries. The CEPA gains additional significance as Bangladesh is set to lose its Least Developed Country (LDC) status after 2026, thereby losing its duty-free and quota-free market access in India. Dhaka will be eager to finalise a Free Trade Agreement (FTA) with New Delhi, yet pursue the China-backed Regional Comprehensive Economic Partnership (RCEP). This dual approach raises concerns for India, as the dynamics of regional economic partnerships continue to evolve.

Prime Ministers Modi and Sheikh Hasina made history in 2023 when they inaugurated the Akhaura-Agartala rail link that connects Bangladesh and the northeast through Tripura. The link has given India access to Chattogram and Mongla ports in Bangladesh for the movement of cargo. It is likely to boost small-scale industries and develop Assam and Tripura. The Khulna-Mongla Port rail link is another project constructed with financial assistance from India.

To sum up, Bangladesh is all set to graduate out of the Least Developing Countries. India's continued partnership with Bangladesh benefits both countries. New Delhi must keep up the partnership that allows for economic growth and improved

developmental parameters for both countries. The strong mutually beneficial partnership between India and Bangladesh must deliver on its promise. It is welcome that the government has assured Bangladesh that the National Register of Citizens will not affect Bangladesh. It is important to address specific issues like Teesta and to respond to Dhaka's call for help on the Rohingya issue.

### **1.2.3 India's Afghanistan Policy**

Afghanistan connects South Asia, West Asia and Central Asia with each other through land routes. History of Indian civilization indicates that Afghanistan was an important country for India. Its geopolitical location has further enhanced its strategic importance for India. Before the partition of Indian sub-continent, Afghanistan was India's next door neighbour. India lost the physical connectivity with Afghanistan thereby it could not figure the way it should have figured in India's foreign policy agenda. India supported successive governments in Kabul until the rise of Taliban in 1996. India's influence waned in Afghanistan from 1996 to 2001 when Pakistan supported Taliban regime was in power in Kabul. During the Taliban regime, New Delhi provided assistance to anti-Taliban forces consisted of Northern Alliance comprised of Tajik and other non-Pashtun ethnic groups. Since early 1990s, Afghanistan started assuming significance in India's security concern as the former became the breeding ground for the perennial source of insecurity in the form of terrorism. After 9/11 happenings in the United States in 2001, Afghanistan was identified as a theatre of Global War on Terror (GWOT) as the Taliban regime in Kabul was not only supporting the Al Qaeda but also its leader Osama bin Laden was hiding in Afghanistan. As Pakistan was supporting the Taliban Regime in Kabul that in turn was supporting Al Qaeda, New Delhi was insisting that Pakistan should be declared as a terrorist state by the international community. But it did not happen; instead, the US took Pakistan on board to fight its GWOT in Afghanistan. Pakistan became the frontline state in the US strategy of GWOT and thereby involved in the high politics, whereas India has been involved in the low politics of Afghanistan dealing with the economic, social and political reconstruction of Afghanistan.

### **1.2.3.1 Changing Dynamics of India's Afghan Diplomacy**

9/11 happenings followed by the US led GWOT resulted in the strengthening of India-Afghanistan relations. India has restored full diplomatic relations, and has provided millions of dollars in aid for the reconstruction and development of Afghanistan. Pakistan perceives India's growing influence in Afghanistan as a threat to its interests in Af-Pak region. When India opened consulates in Herat, Mazar-e-Sharif, Jalalabad and Kandahar, Pakistan charged that these consulates provide cover for Indian intelligence agencies to run covert operation against Pakistan as well as foment separatism in Pakistan's Baluchistan province of Pakistan. India also blames Pakistan's Inter-Service Intelligence (ISI) and its support of the Talibans, for attacks on Indian personnel working for reconstruction projects in Afghanistan, especially on those working on road-building projects. Further Pakistan also competes with India for access to consumer markets in Afghanistan. Pakistan perceives Iran's Chabahar port, which India is expected to use as a trade route with Afghanistan, as a rival that would compete with its new port at Gwadar, which has been built with Chinese assistance.

### **1.2.3.2 Objectives of India's Afghan Policy**

First and the most important objective of India's Afghanistan policy was to deal with the security threat originating from Afghanistan in the form of terrorism. The volatile situation in Afghanistan has become a perennial source of insecurity for India particularly in Kashmir. The terrorist outfits operating against India in Kashmir are located in the Af-Pak region. To counter that India seeks a peaceful and stable Afghanistan with a broad-based government enjoying legitimacy and confident enough in formulating its foreign and national security policies. India supports the inclusive governance and inclusive police, paramilitary and military consist of all the ethnic groups of Afghan society rather than their domination by one or more ethnic groups. India's strategic objective in Afghanistan is assist in the capacity building efforts of the Afghan National Security Force that includes training and to ensure the supply of war-like stores as it is essential for the security of Afghan people and the protection of Indian assets, infrastructure and professionals participating in the reconstruction of Afghanistan. To deal with terrorism effectively and efficiently New Delhi and Kabul are cooperating in



the domain of intelligence sharing.

The political objective of India's Afghanistan policy is to ensure orderly transition to a democratic and stable state in Afghanistan that is: free from foreign influence and capable to ensure stability; does not allow Afghanistan to become a base and safe heaven for terrorists and terror infrastructure; countering Pakistan's agenda of seeking strategic depth in Afghanistan.. Afghanistan is strategically significant for India as it is a gateway to energy rich Central Asian states such as Turkmenistan and Kazakhstan. For New Delhi, Afghanistan is a potential route for access to hydro-carbon energy resources of Central Asian States. Previously with an observer status and now as a full-fledged member of the Shanghai Cooperation Organization (SCO), India has been pursuing better relations with the Central Asian States for energy cooperation. India and Afghanistan trade has been on rise. At present, Pakistan has allowed Afghanistan transit rights for its trade to India but does not allow goods to move from India to Afghanistan. India hopes that its investment in the Iranian port at Chabahar will allow it to gain access to Afghanistan bypassing Pakistan

### **1.2.3.3 Instruments of India's Afghanistan Policy**

India has been using various tools to realize its policy objectives in Afghanistan ranging from diplomacy to soft power. Economic aid, soft power and capacity building tools have been remained the main instruments its Afghanistan Policy. These tools are deployed simultaneously to realise its policy objectives.

#### **Aid Diplomacy**

India has not only been an important participant in the social and economic reconstruction of Afghanistan but has also provided economic aid to ensure the all-round development of the latter. India has funded major reconstruction projects and invested \$ 2 billion in Afghanistan. It has spent funds on the building of 218 KMs long Zaranj-Delaram road connecting the Iranian border with the Garland highway, electric power lines including one from the Central Asian States (CAS) to Kabul, hydroelectric power projects, school buildings, primary health centres, hospitals and the new building for the Afghan Parliament. India has also been involved in the capacity building

programmes by way of providing training to Afghan administrators, military & para-military personals, teachers, doctors and para-medical staff. Since 2001 India has been using aid as an instrument of its policy towards Afghanistan. Further with inclusion of Afghanistan as a member of South Asian Association for Regional Cooperation (SAARC), the political argument for treating Afghanistan as an integral part of India's neighbourhood stands reinforced. Major objective of India's policy has been to establish political stability and to establish liberal democratic state in Afghanistan. Socio-economic reconstruction has been a long term measure to construct liberal state in Afghanistan. Besides this, New Delhi and Kabul has convergence of interests in the strategic domain. To materialise that India signed an agreement on Strategic Partnership with Afghanistan in October 2011 which envisages close political cooperation with a mechanism for regular consultation. In this agreement, both sides agreed to initiate a strategic dialogue to provide a framework for cooperation in the domain of national security. Their security cooperation is intended to fight against transnational terrorism, organised crime, drug trafficking and money laundering.

Indian Prime Minister Modi visited Herat in western Afghanistan in June 2016 and jointly inaugurated with Ghani the Afghan-India Friendship Dam, earlier known as the Salma Dam. The Salma Dam, which was constructed by India, helps Afghanistan on multiple fronts. It advantages further increase with the operationalization of the Chabahar port in Iran. The importance of the Indo-Afghan ties was further underlined by Afghanistan's decision to award Modi its highest civilian honour, the "Amir Amanullah Khan Award".

As Pakistan has not permitted any Indian goods to travel overland Afghanistan, New Delhi and Kabul are working on strengthening alternative routes, including the air cargo corridor launched in June 2017, as well as the Chabahar sea route. India's first major shipment of 1,30,000 tonnes of wheat to Afghanistan through Chabahar Port was dispatched from the western seaport of Kandla in October 2017, launching a trade route bypassing Pakistan.

The second Strategic Partnership Council meeting was held in New Delhi on September 11, 2017. Foreign Minister H.E Salahuddin Rabbani led the Afghan

delegation comprising of senior members of the Afghan Government. Making use of the fresh US\$ 1 billion announced by Prime Minister, India and Afghanistan launched a New Development Partnership. The government of India worked with the Government of Afghanistan to identify priorities and projects where Afghanistan needed Indian assistance. In addition, India will also take up 116 High Impact Community Development Projects in 31 provinces of Afghanistan. These important investments will be in the areas of education, health, agriculture, irrigation, drinking water, renewable energy, flood control, micro-hydro power, sports and administrative infrastructure.

India's security cooperation with Afghanistan has been strengthened by providing Mi-24 helicopters to Afghanistan which was announced in 2018. India delivered four Mi-25 (Mi-24D) helicopters and three HAL Cheetah light utility helicopters to the Afghan Air Force (AAF) in December 2016.

#### **1.2.3.4 Recent Developments in India-Afghanistan Relations**

India has faced an extraordinary dilemma in 2019 onwards in its relations with Afghanistan when the US has initiated negotiations with Taliban with a promise to withdrawal of US troops from Afghanistan and asked India also to take part in these negotiations. Officially, India maintains support for an Afghan-led reconciliation process. New Delhi wants the Kabul government to be the key player in the talks with the Taliban.

India's Afghanistan policy is not driven by ideological or humanitarian concerns. It is driven by a desire to limit Islamabad's influence in Afghanistan. This is because increased Pakistani influence in Afghanistan may not only lead to a reduced Indian presence but will also make India more susceptible to Pakistani-inspired terrorism and marginal in the wider region. India knows that it will be the first target of those who see in a U.S. withdrawal a Taliban victory.

Seven rounds of direct talks have been held between the US and the Taliban since October 2018, which are primarily aimed at ensuring a safe exit for the US in return of the insurgents guaranteeing that Afghan territory won't be used by foreign militants and won't pose a security threat to the rest of the world. Finally, in February

2020, The US and NATO allies agreed to withdraw all troops within 14 months if the militants uphold the deal. President Trump said it had been a “long and hard journey” in Afghanistan. “It’s time after all these years to bring our people back home,” he said. Under the agreement, the militants also agreed not to allow al-Qaeda or any other extremist group to operate in the areas they control. The US also lifted sanctions against the Taliban and worked with the UN to lift its separate sanctions against the group.

India, despite being the second-biggest donor of foreign aid to Afghanistan and receiving adequate notice, merely watched the negotiations and signing of the US-Taliban peace deal from the sidelines and made no change in its approach towards the Taliban. No wonder, India was excluded from Taliban chief negotiator Mullah Abdul Ghani Baradar’s “thank you” list, which included Pakistan (special mention), China, Iran and Russia.

Ever since Taliban came to the power in Afghanistan in 2021, India and Afghanistan relations were ruptured since India has not recognised the Taliban set-up and has been pitching for the formation of a truly inclusive government in Kabul besides insisting that Afghan soil must not be used for any terrorist activities against any country.

#### **1.2.3.5 India’s Engagement with Taliban**

In June 2022, less than a year after the Taliban returned to power, India reopened its embassy in Kabul, sending a team of “technical experts” to run the mission. New Delhi has engaged in conversations with the Taliban, even though it does not formally recognise the movement as the government of Afghanistan. India has started sending large volumes of wheat to Afghanistan in coordination with the Taliban government, to help ease the hunger crisis in that country.

From the middle of the 2023, both India and Taliban-ruled Afghanistan have taken new initiatives to cultivate normal relations between both the countries. In November 2023, India has asked the Afghanistan embassy staff to leave the country since they were representing the previous government led by Ghani.

Following the visit of an Indian delegation to Afghanistan in March 2024, there was much speculation on India's relations with the present government in Afghanistan, as India embarked on expanding its engagements with the Taliban's interim government. Indian delegation participated in the Regional Cooperation Initiative meeting in Kabul under the leadership of the Taliban in January 2024. This participation has been considered by many as India's willingness to engage with the Taliban in the future.

#### **1.2.4 India and Nepal**

In the post-colonial period, the overarching structure of India's policy towards Nepal was spelt out in the two treaties: one dealing with friendship and another regarding trade and transit signed in 1950. These two treaties were renewed periodically. The Treaty of Peace and Friendship concluded on July 31, 1950 between New Delhi and Kathmandu constitutes the basis of India's Nepal policy and it was driven from an Indian perspective of security considerations. The Treaty of Peace and Friendship was serving India's interest, whereas the treaty of Trade and Transit was serving the Nepal's interest. Both treaties have been inter-linked. Nepal has been the only South Asian country having special relationship with India.

##### **1.2.4.1 Speciality in Indo-Nepal Relations**

The Indo-Nepal relations have been characterised by some specific features. First, India has been having soft-border with Nepal. People of India are freely moving to Nepal and people of Nepal are also freely coming to India. Hence, people to people contact has been the strength of special relationship. The borders between the two countries remained open historically, therefore it has become the way of life for the people. Second, the people of Nepal are doing jobs in India including civil services and army. Likewise, Indians are also working and running their business in Nepal. The national treatment granted to the citizens of the other underline the speciality of their relations. Third, India has been providing Nepal transit facility because the latter is a landlocked country. India has given 22 transit points to Nepal apart from the port facilities at Kolkata, Mumbai and Kandla. Trade and transit issues have been critically

determining India's Nepal Policy because New Delhi has been clubbing the both, whereas, Nepal has been separating these issues since 1978. India is Nepal's largest trading partner. Notwithstanding the intensity of their relations, India and Nepal had also experienced frequent frictions in their relations at the diplomatic, political and economic level.

India's Nepal policy has been shaped by the various factors like geography, history, the structure of South Asian region, domestic political context including anti-India sentiment in Nepal and China factor. Geographic location of Nepal had been a critical determinant of India's Nepal policy during the colonial and post-colonial period. Nepal has provided opportunities as well as challenges to India's policy makers. For instance, Nepal's increasing proximity with China has posed a huge challenge to India as increasing influence of China in Nepal is security threat for New Delhi. Besides this, Nepal's assertive nationalism rooted in anti-Indian sentiment has been posing a challenge to India's Nepal policy. Anti-Indian sentiment has been growing in Nepal since the rule of King Mahendra. But Nepal does offer economic opportunities to India ranging from investment to generation of hydropower through the joint ventures. India's Nepal policy has been characterised either by a close understanding or divergences of their perceptions on the various issues pertaining to their bilateral relations.

India's policy towards Nepal has always been shaped by the Nepalese policy towards India that kept on changing with the change of ruler in Nepal. King Birendra, who succeeded his father king Mahendra in 1972 after latter's death, wanted to continue Nepal's policy towards India that his father formulated but he could not succeed due to upsurge against the system at different levels in Nepal that forced him to pursue a policy of cordial relations with India. He articulated that playing one neighbour against another does not suit to Nepal's national interest and Nepal would give-up such a policy. But the fear of Indian dominance and quest for national identity continued to define the foreign policy behaviour of Kathmandu vis-a-vis New Delhi. King Birendra firmly believed that Nepal has become an Indian area of influence and he tried to evolve an institutional basis to wean Nepal away from India's sphere of influence. He

articulated that Nepal should be declared as a Zone of Peace. Through the Zone of Peace Proposal, King Birendra sought an international guarantee for non-interference in Nepalese affairs. Further, the Zone of Peace proposal was an instrument for enhancing Nepal's self image to which India was not recognising. India did not appreciate Nepal's Zone of Peace proposal because New Delhi believed that it has undermined the spirit of the treaty of Peace and Friendship. Various other developments including Nepal's effort to develop direct link with Tibet (1976), its effort to involve China in the road construction project in western Terai (1985), its decision to import Chinese weapons (1988), its policy to introduce work permit system for Indians working in Nepal and to conduct joint military exercises near Indo-Nepal border forced New Delhi to react by reducing the number of entry points to two on Indo-Nepal border. New Delhi considered all these developments not only contrary to its national interest but also detrimental to its national security. Nepalese considered the Indian reaction amount to imposing an economic blockade against Nepal. Consequent upon those India-Nepal relations reached lowest ebb towards the end of late 1980s. It was also proved as a real time test for Nepal's policy of diversification of its relations by reducing its dependence on India. From this crisis Nepal realised that it did not have any viable alternative to trade and transit facilities provided by India.

The change of regime in India (1989) and Nepal (1990) provided an opportunity for both to reformulate their policies towards each other. Political change in Nepal from absolute monarchy to democracy was more formidable which had created favourable environment for change in India's policy towards Nepal which was hinted in India's Prime Minister's speech in the joint session of Parliament. President of India also indicated probable change in India's approach towards Nepal. Under the non-Congress dispensation, New Delhi adopted the liberal approach towards Nepal and started the process of normalisation of relations with Nepal. Change in India's attitude towards Nepal was further reflected when the treaty of trade and transit was revised during the visit of G. P. Koirala to New Delhi in December 1991. During his visit to Nepal in October 1992, then Prime Minister of India P. V. Narasimha Rao underlined that Nepal would be the first beneficiary of India's liberalisation policy. He articulated that India would create a new era in bilateral cooperation and to promote

the industrialization of Nepal, and also expressed the need to jointly harness the waters of rivers.

#### **1.2.4.2 Impact of Nepal's Domestic Politics on India-Nepal Relations**

The uncertainty and highly polarised political environment in Nepal is always a serious factor in India-Nepal relations. For instance, the regime change in Nepal in November 1994 posed a serious challenge to India's Nepal policy because the United Marxist Leninist Party (UML) which assumed power in Nepal was considering India as a follower of imperialist forces. India's print media criticised the regime change in Nepal and it was argued that it will have negative impact on India's Nepal policy because India was considered as the supporter of Nepali Congress. But instead of regime change in Nepal, the ground realities of Indo-Nepal relations continued to shape India's Nepal policy. New Delhi categorically stated that it would continue with the same policy irrespective to regime change in Nepal. Prime Minister of Nepal, Man Mohan Adhikari stated that the geopolitical realities and historical reasons of Nepal always demand the cordial relations with India.

India has always been remained an important stakeholder in the internal politics of Nepal. Emergence of Maoists as force to reckon within the domestic politics of Nepal in the late 1990s onward has posed a major challenge to India's Nepal policy because New Delhi was considering that Maoists are having the blessings of China and linkages with Maoists insurgents in India. However, due to the intervention of India's Communist Parties, New Delhi's perspective of unbridled hostility towards the Nepalese Maoists changed from 2006 onwards. Indian political elite argued that the Maoists are required to renounce violence and to be the part of political process and the Maoists agreed to do that in stages.

India played a significant role in the peace process of Nepal by bringing the different stakeholders on the negotiation table which resulted into signing of Comprehensive Peace Agreement by the Seven Party Alliance (SPA) and the Maoists in New Delhi in November 2006. Indian government appreciated this agreement and welcomed the roadmap laid down in the agreement. New Delhi has always responded



to the needs of the people and government of Nepal to ensure the success of peace process while establishing democracy, framing new constitution and establishing federal system. Further, in order to make peace process successful, the government of India has provided considerable financial assistance. New Delhi helped the Government of Nepal by undertaking various development projects in the area of infrastructure, health, rural & community development, education etc. During the financial year of 2011-2012, the financial assistance provided to Nepal under 'Aid to Nepal' was Rs. 150 crores.

In addition to economic aid, promotion of bilateral trade has been remained another instrument of its Nepal policy. The bilateral trade between the two countries was improved with the renewal of revised Trade Treaty in 2009 that has the provision to allow Nepal greater access to the Indian market. Besides this trade treaty, India and Nepal also have Transit Treaty which was renewed for another seven years on January 5, 2013. To strengthen economic linkages and people to contact, India and Nepal have concluded a Rail Services Agreement (RSA) and a revised Air Services Agreement (ASA). Investment has proved to be another vital instrument of India's Nepal policy as India is the largest source of foreign investment in Nepal. New Delhi accounts for 46% of Nepal's foreign direct investment. To give boost to investment, India and Nepal concluded the Bilateral Investment Protection & Promotion Agreement (BIPPA) and Double Taxation Avoidance Agreement (DTAA) in October-November 2011 that provided legal framework for promoting Indian Foreign Direct Investment in Nepal and thereby institutionalising economic linkages between them.

Madhesi-dominated Terai region has always been remained a cause of concern of India's Nepal policy because Madhesi people are the people of Indian origin settled in Nepal. Recently proclaimed constitution of Nepal has ignited protests in the Madhesi-dominated Terai region bordering India. People of this region expressed their reservations regarding the new Constitution of Nepal proclaimed on September 20, 2015. Madhesi community has close linguistic and cultural linkages with India. Due to that India expressed its unhappiness with Nepal's new constitution which New Delhi believes discriminated against Madhesi community. Although, India's foreign secretary

visited Kathmandu few days before the promulgation of new constitution but Indian government expressed its misgivings about the constitution at eleventh hour. New Delhi has tacitly encouraged economic blockade of Nepal as argued by John Cherian. Consequent upon that India's relations deteriorated with Nepal, whereas during the visit of India's Prime Minister, Narendra Modi to Nepal in August 2014, he was given the rousing welcome because it was first visit by the Indian Prime Minister in the last 17 years. He was the first world leader who was privileged with an opportunity to address Nepalese Parliament. He addressed the Nepalese Constituent Assembly-Parliament in Nepali language leaving little scope for critics in both the countries. While issuing a joint statement at the end of Modi's visit both the Prime Ministers underlined the need to explore ways and means to enhance sub-regional cooperation especially in the areas of trade, transit, connectivity and hydropower.

India and Nepal have been having divergent perspectives on Indo-Nepal Treaty of Peace and Friendship (1950) and the Mahakali River Water Treaty (1996). Both the countries agreed to consider these two issues at the appropriate levels. Prime Minister Modi promised to review the controversial 1950 Indo-Nepal Treaty of Peace and Friendship on the basis of the recommendations from a group of representatives from India and Nepal. Nepalese resentment to this treaty was based on the argument that it has institutionalised India's domination on Nepal. India agreed to discuss the concerns of Nepal with regard to both the treaties at 11<sup>th</sup> India-Nepal Joint Border Management Meeting that concluded at Pokhara on February 11, 2015. Modi further assured Nepal that New Delhi will not interfere in its domestic politics and articulated that culture, connectivity, cooperation and constitution would be the main focus of India's relations with Nepal. The former India diplomat, Rajiv Sikri articulated that 'Indians have taken Nepal too much for granted and Indian approach towards Nepal has been dismissive and neglectful. Indian government and public have never shown adequate sensitivity to Nepalese pride and uniqueness'.

While talking to Indian leadership during his visit to New Delhi in October 2015, Nepalese Foreign Minister, Kamal Thapa asked New Delhi to help in the movement of food and essential supplies. He further acknowledged that there are

some shortcomings in the new constitution and the Nepalese government has been taking step to reach at consensus with all the parties of Nepal to suitably amend the constitution. India's Foreign Affairs Minister, Sushma Swaraj told her Nepalese counterpart that India has no role to play in the transport blockade and argued that internal problems in Nepal blocked the supply of goods across the Indian border.

### **1.2.4.3. China Factor in India-Nepal Relations**

Indo-Nepal Treaty of Peace and Friendship (1950) was the outcome of close understanding between them wherein India recognised Nepal's independent status and promised to help Nepal in its process of economic development, and Nepal agreed to cooperate with India on matters concerning defence and security. However, divergence in their understanding of treaty of Peace and Friendship appeared subsequently, when Nepal started terming it an unequal treaty as it was having reflections on its sovereignty and wanted to get rid of this treaty. India argued that either Nepal have both the treaties, one dealing with Peace and Friendship and other with Trade and Transit or none. Nepal was considering the Treaty of Peace and Friendship an unequal agreement and undermining Nepal's quest for national identity. The different rulers of Nepal believed that the Treaty of Peace and Friendship provided leverage to India for a political role in Kingdom. Further due to its landlocked status, Nepal has turned out to be a dependent country of India. King Mahendra believed that only way of reducing Nepalese dependence on India could be to construct Nepal's national identity and to enhance its self image. That required diversifications of Nepal's aid and trade relations. In order to reduce its dependence on India, Nepal turned towards China during King Mahendra's rule and since then India's Nepal policy has been facing a challenge of how to counter the increasing influence and penetration of China in Nepal.

In March, China told Oli when he visited Beijing that it would back his government against "any external interference", and would support stability in Nepal and aid his government within its capacity, with trade and investment. Oli had during the visit secured a landmark deal with China for extending its Tibet railway network into Nepal, a long-discussed proposal that Nepal had in the past spurned because of

Indian sensitivities. In a reversal, Chinese officials said it was Oli that raised it in Beijing. This is being seen in Kathmandu as meaningful as the common perception thus far was that given Nepal's precarious geopolitical position, it had no option but to rely on India – its unpredictable 'big brother' next-door. However, third-country trade through the rocky terrain of Tibet will cost Nepali importers 2-3 times what it would cost them to import goods via Indian ports. So despite the new transit treaty, the bulk of Nepal's third-country trade will continue to take place through India. But Nepalis feel that with the new transit treaty, India in the future won't be able to 'blockade' the country again.

There have been other important agreements between Nepal and China during Prime Minister Oli's visit. According to the joint Nepal-China statement issued on March 23, China has agreed to upgrade two road links between Nepal and Tibet, pledged financial support to build an international airport at the tourist hub of Pokhara, agreed to extend the Chinese railway to Kathmandu and then to Lumbini, and given its nod to a long-term commercial oil deal. Up until now Nepal has imported all its fuel from India.

#### **1.2.4.4 New Low in Indo-Nepal Relations**

There are three significant developments in the second quarter of 2016 that have serious implications for India-Nepal relations. Firstly, China on 12<sup>th</sup> May 2016 announced the opening of a new rail and road trading route to Nepal. Secondly, Nepal unilaterally cancelled the five day visit of Nepal President Bidhya Devi Bhandari to India in May. Thirdly, during the same time, Nepal also recalled its Ambassador to India. All these developments are indicative of deep fissure in the centuries-old bilateral relationship.

Many reports indicated that the Nepal Prime Minister Oli alleged that the India played a role in an attempt at toppling his government. Recently, the name of Unified Communist Party of Nepal (Maoist) leader Pushpa Kamal Dahal – or Prachanda, as he is commonly known – was proposed as the next prime minister replacing Oli, when the Nepali Congress leader Sher Bahadur Deuba agreed to back

the former in an alliance. After the written agreement was made public, Prachanda backtracked and his party UCPN (Maoist) has continued the alliance with Communist Party of Nepal (Unified Marxist–Leninist), thus allowing its leader, Oli, to continue as prime minister. Thus, while Oli's government survived after Prachanda's U-turn at the last moment, he has been unsettled by the move and has accused India of encouraging Deuba and Prachanda in making an alliance against the present government. China, which has never been seen as an interventionist neighbour, has been reported to have put vehement pressure on Prachanda to keep the present alliance intact. This is what led to the knee-jerk reaction of Oli cancelling the week-long visit of President Bidhya Devi Bhandari to India starting May 9, 2016 and calling back the ambassador in New Delhi, accusing him of having a role in the "Indian conspiracy" of toppling the Nepali government.

The demonetisation policy announced by the Indian government in 2016 affected Nepal severely. The issue was vehemently discussed in the Nepalese Parliament but was deliberately ignored during the visit of Prime Minister KP Sharma Oli to India. According to Nepal Rastriya Bank, approximately Rs 33.6 million (US\$489,000) worth of demonetised Indian banknotes remain in formal banking channels. Due to the open border and an unregulated people flow, there may be larger sums circulating in informal financial channels in Nepal. Neither governments have been able to resolve this issue.

Another source of friction is the role of the South Asian Association for Regional Cooperation (SAARC). India's foreign policy in the last five years has moved towards new policies — the Bay of Bengal Initiative for Multi-sectoral Technical Economic Cooperation (BIMSTEC), the Bangladesh Bhutan India Nepal Initiative (BBIN) and the Act East policy — rather than strengthening SAARC. India has lost interest in SAARC due to tensions with Pakistan. During the fourth BIMSTEC Summit in Kathmandu in August 2018, Prime Minister Oli suggested the revival of SAARC and argued that BIMSTEC cannot replace it. Mistrust grew after the Nepalese Army withdrew from the first BIMSTEC military exercise held in India in 2018 and later joined a military exercise with China.

Further, Chinese outreach in Nepal has intensified after India's 2015 trade blockade. In 2016, Oli visited China and concluded a number of trade and investment agreements. Beijing's economic assistance, investment in hydro power projects and support for small projects signifies its growing influence in Nepal. The Chinese language is being taught in Nepali schools and scholarships for students to learn Chinese have increased. While Nepal has joined the Belt and Road Initiative, India is not a part of this project.

Witnessing further low in the relations, in 2019, the Nepal government also made it mandatory for all workers, including the Indians, to have a Permanent Account Number (PAN), which is likely to affect Indian workers and also those Indian business persons in Nepal who are engaged in small businesses in Nepal. Importantly, the Camp Office of Indian Embassy in Biratnagar in eastern Nepal was also closed in 2018. It was in 2008 that this office was opened following the devastating floods that had taken a toll on thousands of people in the Terai region of Nepal and the state of Bihar in India.

In July 2019, a fresh initiative was made to curb the import of Indian vegetables and fruits on the pretext of conducting pesticide tests. A provision was made for not allowing Indian registered vehicles to stay in Nepal for more than 30 days in a calendar year even on payment of charges. As vehicles in Nepal are very costly, such a provision has badly affected the movement of people from one country to the other.

The most recent contentions between India and Nepal began with the Indian government's release of a new political map in November 2019. The need for a new map arose after the abrogation of Article 370 in the Indian Constitution, which ended the special status given to the state of Jammu and Kashmir and created a new Union Territory of Ladakh. Nepal objected to the new map, alleging that its western boundary with India in the Kalapani region was incorrectly drawn. This caused a public uproar, with mass anti-India protests carried out across Nepal. Though India initially refuted Nepal's allegations and continues to do so, New Delhi agreed to address Nepal's concerns through diplomatic dialogue to calm the anti-India backlash.

The other issue clouding India–Nepal relations concerns the recruitment of Nepali Gorkhas in the Indian Army. This unique practice continued for seven decades until India’s Agnipath Scheme halted the momentum in June 2022. Under the scheme, soldiers below the rank of commissioned officer will be recruited for a fixed four-year term on a contract basis in all branches of the defence force. The scheme applies to Nepali citizens belonging to the Gorkha community. Since the launch of the Agnipath Scheme, no Gorkhas have been recruited in the Indian army as Nepal is unwilling to send its citizens to serve for merely four years. But the Nepali government is yet to make concrete decisions about the Agnipath Scheme.

As the resolution of these issues remain under diplomatic dialogue, public opinion towards India has soured in Nepal. The anti-India movement has strengthened, with social media hashtags like #BackOffIndia and #GoBackIndia gaining popularity. The changing public perception towards India in Nepal concerns New Delhi, especially as people-to-people ties serve as the foundation of bilateral relations. Any change in perception towards New Delhi will hamper India’s geostrategic and security concerns in the Himalayas, especially with China because Nepal shares a long border with Tibet.

### ***Positive Movements***

However, the election of Prachanda, the Nepal’s strong Maoist leader as Prime Minister, He not only chose India to be his first destination but also expressed contentment with his four-day visit, dubbing it an “astounding success”. The recent visit indicates that India and Nepal are moving beyond their fraught phase and taking this “hit” relationship to “Himalayan Heights.” During these four days, both countries prioritised convergences over divergences - they signed five projects and six MoUs. Areas such as hydropower electricity, connectivity, and people-to-people relations remained the centre of this fruitful engagement. Connectivity, trade, and people-to-people contacts also took precedence during the visit. Both countries signed MoUs for a cross-border petroleum pipeline, cross-border payments, infrastructure development for check posts, and cooperation between foreign service institutes. They also renewed the Transit Treaty, virtually inaugurated integrated check posts,

and flagged the inaugural run of a cargo train from India to Nepal.

Geopolitically, despite China's infrastructure and assistance, Beijing has fallen short of Kathmandu's expectations. Border infrastructure remains underdeveloped, and the trade deficit with China has grown disproportionately. Beijing has continued to turn a blind eye to Nepal's request for grants to proceed with the Belt and Road Initiative (BRI) projects. As such, none of the nine projects have been implemented to date. China has also begun to intervene in Nepal's internal politics to further its interests. China's limitations in being a viable alternative to Kathmandu have thus compelled the country to focus on beneficial Indian projects and partnerships. That said, India-Nepal relations are not free from irritants. Nepal continues to urge India to amend the 1950 treaty. It has requested India to open new air routes, reverse anti-dumping measures, and resolve boundary issues. Adding to Nepal's anxiety, India has also restricted its markets to Chinese-assisted Nepali infrastructure projects, hydropower plants, and airports. While both countries have no choice but to resolve these issues, engagements on such contentious matters require more trust and an opportune time. The success of the 2023 visit of Nepal Prime Minister, however, illustrates that both India and Nepal are increasingly realising the mutual benefits of their partnership and cooperation.

### **1.2.5 Let Us Sum Up**

To conclude, it can be stated that Bangladesh, Afghanistan and Nepal have always been remained important and unique neighbours for India. They are important because they were part of Indian subcontinent for a long time. However, there are many positive and negative trends in India's relations with all these three countries. The migrant problem and Bangladesh's support to insurgents fighting against India in the north-east region are seriously causing tension in bilateral relations. However, the revival of democracy in Bangladesh since 1990 has improved the context for India's Bangladesh policy but the rule of AL and BNP at Dhaka on alternative basis continued to provide favourable and hostile context respectively for India's Bangladesh diplomacy. India's relations with Bangladesh have remained cordial as and when AL remained in power at Dhaka, whereas, its relationship with Dhaka strained whenever BNP in



power. Notwithstanding this, neither India can afford to ignore Bangladesh as the former shares long border with the latter, nor does the Bangladesh afford to ignore New Delhi as the former is India locked.

India's Afghanistan policy has been shaped by India's security concerns ranging from terrorism to drug trafficking. The 9/11 happenings, followed by the GWOT and fall of Taliban regime and the establishment of Karzai regime created the favourable context for India's Afghanistan's diplomacy, after tense relations when Taliban was in power. India enjoyed good equation with Karzai Administration and used aid as an instrument of its Afghanistan policy. New Delhi has been actively involved in the reconstruction of Afghanistan that includes the construction of roads, schools, hospitals, parliament building and community centres apart from its contribution to the capacity building of Afghan professionals working in the different departments including police, army, health and education. India has also been providing the scholarship to Afghan nationals in its various education institutions. Many Indian professionals working in different development projects have been targeted by the Taliban and some of them lost their lives. India's contribution to the reconstruction has been acknowledged by the people of Afghanistan. India enjoys positive image in the popular Afghan psyche whereas Pakistan enjoys the negative image in Afghan society.

The emergence of Taliban as a major political player and its usurpation to power increased India's challenges in dealing with the Afghanistan. However, contrary to what many believed, India-Afghanistan relations not deteriorated to the extent of adversity. Both the sides are trying improve their relations wherever possible.

India and Nepal have love-hate equation but still their relations are unique compare with India's bilateral relations with the other South Asian states. Both are vital for each other because of different reasons. Nepal is significant for India due India's national security both in conventional and non-conventional sense. India is critical for Nepal due to the transit facility provided by the former to the latter that is actually the life-line of Nepalese economy, society and polity. Prime concern of India's Nepal policy was to keep Nepal on the orbit of India's foreign policy.

### 1.2.6 Exercise

1. What is India's contribution in Bangladesh Liberation?
2. Why India's relations with Bangladesh deteriorated immediately after its independence? What are the major contentious issues?
3. India's flexibility in sharing of water resources had a very positive impact on India-Bangladesh Relations. Explain.
4. What are the major areas of trade between India and Bangladesh?
5. Briefly outline the primary objectives of India's Afghanistan policy.
6. What are the basic instruments of India in its outreach to Afghanistan?
7. How do you assess India's engagement with Taliban in recent period?
8. How unique is India's special relationship with Nepal?
9. What are the major grievances of Nepal towards India?
10. How China's role is impacting India-Nepal relations?

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
UNIT – I: INDIA AND NEIGHBOURHOOD**

### **1.3 INDIA'S POLICY TOWARDS SRI LANKA AND BHUTAN**

**- BALJIT SINGH**

#### **Structure**

#### **1.1.0 Objectives**

#### **1.1.1 Introduction**

#### **1.1.2 India's Sri Lanka Policy**

1.3.2.1 Growing Influence of China

1.3.2.2 Economic Cooperation

1.3.2.3 Recent Developments

#### **1.1.3 India-Maldives Relations**

1.3.3.1 Political Developments in Maldives

1.3.3.2 Strategic Importance of Maldives

1.3.3.3 India-Maldives Relations

1.3.3.4 Influence of China in India-Maldives Dynamics

#### **1.1.4 India's Bhutan Policy: A Story of Great Success**

1.3.3.1 India's Contribution to Bhutan's Economic Development

### 1.3.3.2 Fears over Chinese Moves

## 1.1.5 Let Us Sum Up

## 1.1.6 Exercise

## 1.3.0 Objectives

In this lesson you will study India's relations with its immediate neighbours Sri Lanka, Maldives and Bhutan. After going through this lesson, you will be able to know:

- how the ethnic factor influenced India-Sri Lanka relations;
- the sensitivity China brought into India-Sri Lanka relations;
- ethnic proximity between India and Maldives
- the influence of domestic factors in India-Maldives relations; and
- the close cooperation between India and Bhutan and reasons for their proximity;

## 1.3.1 Introduction

Sri Lanka, Maldives and Bhutan and are occupying significant place in India's foreign policy since its independence. India has been cultivating these South Asian countries at the bilateral level and New Delhi had signed various agreements to cement its relations with them. Bhutan has always been remained important for India due to the security reasons, whereas, Sri Lanka and Maldives have been critical from the perspective of India's maritime security as it is located in the Indian Ocean. India succeeded to bring Bhutan on its orbit by signing treaties of peace and friendship, and trade and transit in 1949. Geographic location of Bhutan has resulted in the special place of India because it is landlocked state and India has been providing them access to ocean. Due to that their foreign policies have always been remained India-centric. Bhutan has proved to be most trust-worthy neighbour for New Delhi over the period of time. Besides, their locations, Maldives and Sri Lanka have been remained significant for India because of the Kin-State factor-as the people of Indian origin constitute

signification proportion in these two countries.

### **1.3.2 India's Sri Lanka Policy: A Journey from Intervention to Facilitation**

India's Sri Lanka policy has been shaped by Tamil factor, India's maritime concerns, Sri Lanka's perception regarding India, Sri Lanka's world view and the China factor. India's world view has always diverged with Sri Lanka though both the countries having democracy as a system of governance. New Delhi pursued non-alignment as a foreign policy posture during the Cold War, whereas, Sri Lanka's foreign policy was characterised by the pro-western orientation. In addition to it, the Tamil factor has always been remained the critical determinant of India's policy towards Sri Lanka. The Citizenship Act of 1948 and the "Only Sinhala Language Act" of 1956 passed by the Sri Lankan Parliament had adversely affected the interest of Tamil minority and thereby harmed India's interest in Sri Lanka. Being a kin-state of Tamil ethnic minority of Sri Lanka, India could not remain immune from maltreatment meted out to the Tamils in Sri Lanka. For example the Citizenship Act of 1948 rendered 9,75,000 Tamils homeless as they were debarred of citizenship and started coming to India as refugees. This compelled India to repatriate more than 3,00,000 Tamil refugees and the issue of citizenship of Tamils shaped India's Sri Lanka policy till it finally settled in 1988.

In the past, India's support for the Tamils deteriorated its relations with Sri Lanka. India's policy towards Tamils has proved counterproductive. Till the signing of the Indo-Sri Lanka Accord in July 1987, New Delhi supported the Tamils morally and materially in their struggle against the Sri Lankan State. Indo-Sri Lankan Accord was signed on July 29, 1987 by the Indian Prime Minister, Rajiv Gandhi and the Sri Lankan President J. R. Jayawardene to resolve the conflict by sending the Indian Peace Keeping Force (IPKF). The objective of IPKF was to neutralise the LTTE, to establish inclusive order, to establish new administrative bodies and to hold elections to accommodate Tamil aspirations for autonomy. The change in India's policy towards Tamils and thereby towards Sri Lanka took place in post accord period. Under this accord, India sent Indian Peace Keeping Force (IPKF) to implement various provisions of Indo-Sri Lankan accord. This accord was opposed by Prime Minister Premadasa

and the Cabinet Minister Sirimavo Bandaranake and her party, and latter on by the Liberation Tiger of Tamil Eelam (LTTE) and at large by the Sri Lankan civil society. As per the mandate of the Accord, IPKF was required to ensure the surrender of weapons by the LTTE but the LTTE was not ready to do that. When the IPKF started forcing the LTTE cadre to surrender weapons, the LTTE started targeting the IPKF. Consequently, India became party to conflict in Sri Lanka and its IPKF force suffered huge material and human loss as more than 1500 members of IPKF were killed by the LTTE and India was forced to withdraw the IPKF in a humiliated situation as President of Sri Lanka, Premadasa demanded the withdrawal of IPKF in June 1989. In the process, India lost the sympathy of Sri Lankan Tamils and pushed Sri Lanka closer to China.

Despite these setbacks, India has always expressed its concerns regarding the plight of Sri Lankan Tamils and China's presence in Sri Lanka but the fact of the matter is that its leverage on both the issues in 2015 is weaker than what it was in 1985. India's policy to provide logistic support to Tamil militants during Indira Gandhi period, sending the IPKF to enforce Indo-Sri Lanka Accord by Prime Minister Rajiv Gandhi and India's support to Sri Lanka's military campaign against the LTTE from 2006-2009, indicate the inconsistent and changing nature of India's Sri Lanka policy. At least, New Delhi's official position on the ethnic conflict in Sri Lanka has been relatively consistent during the last two and half decades. India's major concern in Sri Lanka is that Tamil minority is treated with equal respect and dignity like the Sinhala majority community. India voted twice against Sri Lanka in the UNHCR resolutions in 2012 and 2013, and the Indian Prime Minister did not attend the CHOGM summit in November 2013 under the pressure of the Tamil parties from Tamil Nadu. But India's position changed when New Delhi abstained from the UNHCR vote in 2014 because India's Sri Lanka policy has been shaped by the interplay of the security considerations of New Delhi and the regional politics of Tamil Nadu. Another cause of concern for India has been the plight of Tamil fisherman who continues to be arrested by the Sri Lankan Navy. Due to India's concern regarding the Tamils of Sri Lanka, New Dehli has been actively involved in the rehabilitation and resettlement efforts of Internally Displaced Persons (IDPs) and in the reconstruction process in the northern

and eastern provinces of Sri Lanka. India's economic aid to Sri Lanka in the sectors of housing, demining, education, public health and connectivity are worth-mentioning here. Major objective of India's Sri Lanka policy has been to achieve a secure future for Sri Lanka's Tamil minority in a united Sri Lanka in which they can live with equality, dignity and self-respect. That is why Indian government has continuously making efforts to reach to the State and people in Sri Lanka for a durable political solution acceptable to all the parties to conflict.

The visit of Sri Lanka's President, Maithripala Sirisena to India on February 15, 2015 was considered as a turning point in India-Sri Lanka relations. During the rule of former President Mahinda Rajapaksa, Sri Lanka had developed more proximity with China that has adversely affected India's interests in Sri Lanka. It is expected that with change of leadership in Sri Lanka, India's interests would be protected as the situation has radically changed. New Delhi has legitimate concerns for the welfare of the Tamil citizens of Sri Lanka; however Colombo considers it as interference in the internal affairs of Sri Lanka.

### **1.3.2.1 Growing Influence of China**

Increasing Chinese influence in Sri Lanka has been a cause of concern and challenge for India's Sri Lankan policy. India's policy makers view increasing Chinese presence as a formidable challenge to its influence in Sri Lanka. Further, China's open support to Sri Lanka in UNSC enabled the Colombo to win Eelam War against LTTE while violating the Geneva Conventions, bypassing India and ignoring West. Further, Beijing opposed the decision of the UN Secretary General to establish accountability commission for alleged war crimes committed by the Sri Lankan army during its military campaign against LTTE while arguing that the Sri Lankan government has already constituted its own commission to investigate the matters pertaining to the alleged violation of human rights and war crimes committed during Eelam War-IV. Besides this, China has been using economic diplomacy as an instrument of its Sri Lanka policy because Beijing has not only emerged as a major aid donor but also as major investor in Sri Lanka. Major cause of concern for New Delhi is the Chinese involvement in the construction of the Port at Hambantota in Sri Lanka. Though

Beijing and Colombo states that this port is being used for commercial purposes, New Delhi is worried about its future use for military purposes. India considered China's presence at Hambantota amounts to its encirclement by China.

However, many argued that Sri Lanka has always been remained mindful of India's interests and concerns but the fundamental question arises here is that whether Sri Lanka has been playing using China against India or balancing its ties with its big neighbour. India's Minister for Foreign Affairs during his visit to Sri Lanka in November 2010 articulated that the relationship between India and Sri Lanka need not to be at the cost of other countries. During his visit, India signed a number of trade and financial deals with Sri Lanka apart from opening two Indian consulates in Sri Lanka: one in northern Jaffna and second in southern Hambantota. India's decision to provide assistance to construct 50,000 houses in the war-torn areas to rehabilitate the displaced Tamils has been considered significant. Another issue that has always been bothering New Delhi's Sri Lanka policy has been the issue of Indian fishermen who have been frequently arrested by the Sri Lankan Navy of the account of the violation of Sri Lanka's maritime boundary. India wants Sri Lanka to handle this problem on the humanitarian grounds because the Indian fishermen do not violate the maritime boundary of Sri Lanka intentionally, rather in search of livelihood they might have ventured into Sri Lankan territory. Moreover, the maritime boundaries between the two countries are also over-lapping.

Major challenge to India's Sri Lanka policy in the past couple of decade has been how to counter China's increasing influence in Sri Lanka particularly during the rule of President Mahinda Rajapaksa as China supported his regime in Eelam War-IV. Rajapaksa reciprocated this favour by way of allotting several infrastructure development projects to China in Sri Lanka. The \$1.4 billion Colombo Port city project was one of them. However, the execution of port city project came to a halt after Maithripala Sirisena succeeded Mahinda Rajapaksa as President of Sri Lanka. The Prime Minister Wickremesinghe who supported Sirisena in the election stated that the port city project would be scrapped if Sirisena would be voted to power. Colombo port city project was designed to convert Colombo into tourism, living,



working and shopping hub. Immediately after coming into power, the Sirisena Regime decided to suspend the project in March 2015 while stating that Sri Lanka required a complete environmental impact assessment. However, it was quite obvious that the port project could not be abandoned because it brings huge Chinese investment on the one hand and also amounts to balancing China in the South Asian region. President Sirisena paid visit to China in the third week of March 2015 to convey the message that Sri Lanka would not go against Beijing and China was also termed Sri Lanka as all weather friend. Publically New Delhi did not oppose the port city project but it conveyed its reservations to Colombo over the location of project in the vicinity of the Colombo port as India accounts for 90 percent of the port's trans-shipment and the harbour handles approximately 30 percent of the container trans-shipment of India. Recently Sri Lanka dropped all its objections to Colombo port city project when Prime Minister Ranil Wickremesinghe stated during his visit to China in the third week of April 2016 to begin talks on the recommencement of the project.

Notwithstanding the differences on the issue of Tamils and China's increasing influence in Sri Lanka and thereby Beijing's increasing strategic space in the South Asia and Indian Ocean region, India and Sri Lanka have enjoyed a robust trade and investment relationship with bilateral trade growing rapidly in the first one and half decade of 21<sup>st</sup> Century. Now Sri Lanka is India's largest trading partner in South Asia and the worth of their bilateral trade has reached \$ 5 billion. Further India has also emerged the largest source of Foreign Direct Investment in Sri Lanka.

### **1.3.2.2 Economic Cooperation**

Sri Lanka has long been a priority destination for direct investment from India. Sri Lanka is India's second largest trading partner in SAARC. India in turn is Sri Lanka's largest trade partner globally. Trade between the two countries grew particularly rapidly after the entry into force of the India-Sri Lanka Free Trade Agreement in March 2000.

India is among the top four investors in Sri Lanka with cumulative investments of over US\$ 1 billion since 2003. The investments are in diverse areas including

petroleum retail, IT, financial services, real estate, telecommunication, hospitality & tourism, banking and food processing (tea & fruit juices), metal industries, tires, cement, glass manufacturing, and infrastructure development (railway, power, water supply).

### **1.3.2.3 Recent Developments**

The Prime Minister of India, Narendra Modi visited Sri Lanka in March 2015, first bilateral visit by India's Prime Minister after 28 years. Modi has made it clear that India wants a new maritime security architecture for its island neighbours, which will draw them into a closer 'security net'. With Sri Lanka, the government has been clear about what it wants. On the Tamil issue, the PM met with TNA leaders in June, promising he would push for devolution and the implementation of the 13<sup>th</sup> amendment for them. Modi's planned visit to Jaffna and Talaimannar, the first Indian PM to go there is an affirmation of India's special concern for the Tamil-majority areas. Secondly, the government has been open about countering China's influence, over construction of major projects, as well as the docking of China's submarines in Colombo harbour, with NSA Ajit Doval issuing warnings to the Sri Lankan naval chief and former defence secretary over it. Thirdly, despite the Prime Minister's "good luck" wishes to former President Mahinda Rajapaksa during the SAARC summit in Kathmandu, Indian officials have been clear that his electoral defeat was to India's advantage, and the four high level exchanges between Sri Lankan and Indian leaders — President Maithripala Sirisena, Foreign Minister Mangala Samaraweera in Delhi, Mr. Modi and External Affairs Minister Sushma Swaraj in Colombo — within 90 days of the government's formation are evidence of just how much India welcomes Rajapaksa's successors.

Statements by the new government, however, seem to indicate that the new government isn't necessarily viewing India's welcome the same way. In the first interview, which has now been debated in parliament, Mr. Wickremesinghe's comments on Sri Lanka's "right to shoot" Tamil Nadu fishermen like intruders, also accusing India of double standards on the Italian marines issue, have been widely commented on.

### ***Reset in India and Sri Lanka Relations***

A quick succession of developments last month have generated hopes of a reset in India's relations with Sri Lanka. First, Gotabaya Rajapaksa had a decisive win in the presidential election. India's External Affairs Minister S. Jaishankar air-dashed to Colombo to meet the new president, who returned the gesture with similar alacrity by making India the first foreign country he visited. The new president has made repeated statements that his government would like Sri Lanka to be a "neutral country" and that "Sri Lanka won't do anything that will harm India's interests." Gotabaya was also critical of the previous government giving Hambantota Port on a 99-year lease to China and said, "We have to renegotiate." He went on to add that giving land as investment for developing a hotel or a commercial property was not a problem but "the strategically important, economically important harbor, giving that is not acceptable."

Moreover, the new Sri Lankan president has chosen Delhi over Beijing as his first foreign destination when he visited India in February 2020. During this visit, he explicitly stated that "... we don't want to do anything which will jeopardise the security of India, act against the concerns of India in any way." Reciprocating the visiting president's goodwill and positivity, Prime Minister Modi declared that India is Sri Lanka's "closest maritime neighbour and a trusted friend", while emphasising New Delhi's basic policy goal: "A stable, secure and prosperous Sri Lanka is not only in India's interest but also in the interest of the entire Indian Ocean region."

Backing his words with concrete decisions, he made announcements of: a) a new Line of Credit of \$400 million to boost infrastructure and development in Sri Lanka; b) a Line of Credit of \$100 million for solar projects, to be put to use "early"; c) a special Line of Credit of \$50 million to enable Sri Lanka "to combat terrorism"; and d) a major housing project (40,000 houses) for displaced persons, which has been completed in the Northern and Eastern Provinces, with good progress having been made in completing another housing project (14,000 houses) for Tamils of Indian origin in the up-country region.

In July 2023 Ranil Wickremesinghe was elected as the 9th President via an election by parliament. Wickremesinghe came to power amid social and political upheaval as Sri Lanka went through its worst economic crisis in 2022. He made an official visit to India in July 2023. As Sri Lanka wrestled with its unprecedented economic and political crisis, it was India that stepped up and offered emergency financial assistance. This was at a time when its citizens were faced with severe shortages of essentials including food, medicine, and fuel. During the crisis, India is reported to have provided financial support of approximately \$4 billion. Wickremesinghe in his remarks during the visit expressed his “profound appreciation for the solidarity and support rendered to Sri Lanka in what was undoubtedly the most challenging period in our recent history.” India, along with Japan (as members of the Paris Club group of creditors), and China were instrumental in securing Sri Lanka the critical assistance of about \$3 billion from the International Monetary Fund (IMF). Wickremesinghe’s visit to India was seen as an opportunity to expand the areas of India-Sri Lanka cooperation including “for enhanced connectivity and mutually beneficial cooperation across sectors.”

As Sri Lanka and India marked their 75th anniversary of diplomatic relations in 2023, New Delhi has again emerged as a steadfast ally of Colombo, playing a pivotal role in the debt-trapped island nation’s steady economic recovery. Since then, both the countries are making serious efforts to improve the areas of cooperation into many other aspects, importantly in economic and financial sectors.

### **1.3.3 India-Maldives Relations**

India’s engagement with the Maldives had not been on the same level as with other neighbourhood nations. The same could be said of the Maldives’ ties with India. Distance mattered to an extent but that was not all. The exit of the British, followed a little later by the arrival of President Abdul Gayoom on the Maldivian scene meant that there was continuity with change in India-Maldivian relations. The existence of strong institutional mechanisms and a greater understanding of bilateral relations at the political level in India, in particular, led to the strengthening of the relationship. This relationship remained intact even as Maldives shifted gears to become a multi-party democracy in 2008. Since then, there have been many ups and downs in the

India-Maldives bilateral relationship, primarily owing to the political developments and the policies pursued by successive leaders in Maldives.

Against this backdrop, this section of the lesson analyses India's relations with the Maldives, while throwing some light on the internal political developments in Maldives, and China's proactive role in the Maldives' internal political and economic matters.

### **1.3.3.1 Political Developments in Maldives: A Brief Outline**

Maldives is a small island state located right in the centre of the Indian Ocean. It is located 300 miles from the southern coast of India and 450 miles southwest of Sri Lanka. It consists of 1,192 islands, of which nearly 200 are inhabited. It is a low-lying nation, and most parts of the country are barely a meter above sea level. This makes Maldives very vulnerable to the phenomenon of climate change and sea level rise. The Maldivian people trace their origins to early settlers from Kerala in 300 BC, followed by their Indian brethren from the Gujarati coast.

In 1965 the Maldivian Islands attained full political independence from the British, and in 1968 a new republic was inaugurated and the sultanate was abolished. The last British troops left on March 29, 1976, the date thereafter celebrated in the Maldives as Independence Day. Ibrahim Nasr, the country's first president, was succeeded in 1978 by Maumoon Abdul Gayoom, who was re-elected to his sixth consecutive term in 2003. In 2008 a new constitution was adopted that established greater governmental checks and balances, strengthened the powers of the legislature and judiciary, and allowed women to run for president. The country's first multicandidate presidential election was held in October 2008, and former political prisoner Mohamed Nasheed was elected president, thus ending Gayoom's 30 years in office. Nasheed tried to bring some stability to this small Island's political situation.

Abdulla Yameen Abdul Gayoom, the half-brother of Maumoon Abdhul Gayoom won the 2013 presidential election. Nasheed was sentenced to 13 years in prison in 2015. He was granted permission to seek medical treatment in the U.K. in 2016, and from there he fled to Sri Lanka. He returned to the country in late 2018, however,

days after the Supreme Court overturned his sentence.

Due to the authoritarian politics of Yameen, the opposition unified and put forward a single candidate: Ibrahim Mohamed Solih, a senior parliamentarian close to Nasheed. Solih received a surprising landslide victory with nearly 90 percent voter turnout. He was strengthened further in April 2019 when his party swept legislative elections, winning three-fourths of the seats. The following month Nasheed was elected speaker of the People's Majlis by unanimous vote. Solih worked to reinvigorate the country's ties with India. In June 2019 Indian Prime Minister Narendra Modi visited the Maldives on his first trip abroad after his re-election, signalling India's interest in warming ties. Within the first two years of Solih's term, India had committed more than \$2 billion in aid to the Maldives, including a pledge of \$500 million toward a large-scale infrastructure project linking Male with its neighbouring islands.

The 2023 Presidential election in the Maldives was held between President Ibrahim Solih and Muizzu in the background of an intense campaign and competing allegiances. The elections were portrayed as a contest between pro-India and pro-Chinese candidates. Muizzu campaigned for 'India Out', calling for the removal of Indian military personnel from Maldives soil and reviewing security ties with India. The election was also fought over economic issues, the housing crisis, and public debt. In the end, Muzzu was elected to the office of the President, indicating the future scenario of India-Maldives relations.

### **1.3.3.2 Strategic Importance of Maldives**

Despite a population of only 500,000, Maldives location, astride the main sea lanes of the Indian Ocean, gives it considerable strategic significance. For centuries big powers have sought to build influence there and deny its use to rivals. In recent times, countries like China and the USA have been interested in getting a foothold in the Maldives. External powers have occasionally aided and abetted political conspiracies, bringing political instability to the country. Being a 100 percent Sunni Muslim country, Maldives has also been close to the Islamic world, especially the Gulf countries.

Some of the main drivers of Maldivian foreign policy have remained constant over the years. They are its small size, strategic location, and religious identity. It has been suggested that the most realistic and effective arrangement to keep small states secure is bilateral agreements with major powers, which have overwhelming military capabilities. This makes it imperative for the country to remain friendly with major powers like India, the US, and China, as well as to join multilateral forums like the SAARC.

In South Asia, Maldives developed close relationships with Sri Lanka, India, and Pakistan. Its relationship with Bangladesh has also deepened in recent times. From Sri Lanka, Maldivians bought their staple food (rice) and sold fish in return. They were also getting their other ancillary foodstuff from Sri Lanka. This exchange also allowed Ceylonese traders to indirectly influence Maldivian politics. Maumoon Gayoom considered Sri Lanka as Maldives' gateway to the world. Initially, Maldives had its only permanent mission in Colombo, which was closed in 1976, to be reopened later in 1979. In 1981, Sri Lanka opened its permanent mission in Male.

### **1.3.3.3 India-Maldives Relations**

To properly understand India-Maldives relations, it is important to highlight Indian interests in that country. Firstly, India is interested in political stability in its neighbourhood, and Maldives is no exception. Secondly, India would like to prevent Maldives from falling under the influence of any forces (state or non-state) that are inimical to its security interests. These forces can also change the security environment in the Indian Ocean Region (IOR). Thirdly, a large number of Indians work in Maldives, and India is interested in their safety and security. Finally, India would like the investments of its companies in the Maldives to remain secure.

India was the first country to open a resident mission in Malé in 1976. India-Maldives relationship began deepening in the 1960s when a number of Maldivian students came to study in India under the Colombo Plan. A State Bank of India branch was opened in Malé in 1974, and an airline service commenced in 1975. In 1978, the International Airport Authority of India won an international tender to expand the

runway of Hulhule airport, and modernise it. Both countries also signed an agreement to abolish the need for visas for travel between the two countries. Besides, India has also been providing technical assistance in various fields as desired by the Maldivian government. In July 1982, there was a small dispute between India and the Maldives over the Minicoy Island. However, subsequently Maldives clarified that it was not laying any political claim over Minicoy, and was talking only of cultural similarity. In 1976, a Maritime Agreement was signed between the Maldives, Sri Lanka, and India to demarcate their respective jurisdiction in the territorial waters on the Median Line principle.

Maldivian foreign policy during the President Maumoon Abdul Gayoom era was indifferent to India, although Gayoom successfully managed to create the impression that he was friendly to India. India had saved his regime from a coup. However, he still did not give any special privileges to India. Most Indian troops were withdrawn once the order was restored, and only a small number of soldiers remained on the island to protect Gayoom for a year. Worrying about the spread of Indian democratic values and foreseeing a threat to his power, Gayoom tried to play China against India, as the democratic movement started to gather momentum.

Bilateral relations between India and Maldives saw some improvement with the onset of multi-party democracy, and the coming to power of President Mohamed Nasheed. During his visit to India, (before the October 2008 multiparty presidential elections) Nasheed openly accused Gayoom of cosyng up to China. He promised that if his party came to power, he would correct it. This could have been a ploy to seek Indian support, and also to put pressure on Gayoom so that he would not postpone elections, as he had done in the past.

Nasheed tried to allay Indian fears by stating that the Maldives “will always be India’s friend”, and also added that he trusted “democracy far more than any other system”. The government of Nasheed claimed to follow an ‘India first’ foreign policy. Nasheed defined this policy as not having defence exercises with other countries, not conducting domestic policy in a way that creates fear in India, not to give a base to the Chinese, or indeed anyone to create strategic infrastructure, like deep-water ports



and airports.

The Maldivian approach to India shifted yet again under the stop-gap regime of President Waheed. The Waheed government started on a clearly anti-India note by, for example, terminating the GMR contract without any notice. The decision was not just a result of domestic politics; it seems to have been made under external influence, especially of China.

The broad trends witnessed during the Waheed regime continued in the initial period of Abdulla Yameen 's regime. In the campaign for the 2013 presidential polls, Maumoon Abdul Gayoom, Yameen 's half-brother and former autocrat, had argued that Malé should distance itself from the West and India, and move closer to China. Similarly, during his election campaign, Waheed had clearly stated that he planned to increase ties with China and improve trade and tourism.

However, when the Tsunami struck in 2004 and Malé faced a water crisis in December 2014, India was the first country to step up by aiding the Maldives. The Indira Gandhi Memorial Hospital (IGMH) was built in 1995 with Indian grant assistance. At a cost of Rs 52 crore, major renovations to the IGMH sponsored by the Government of India culminated in June 2017. During her visit to Malé on 17–18 March, 2019, the then Foreign Minister Sushma Swaraj entrusted the renovations of IGMH to the people of Maldives. India's credentials as the "first responder" have been further cemented by the country's prompt delivery of 30,000 doses of the measles vaccine in January 2020 to stop an outbreak in the Maldives, as well as by its prompt and all-encompassing aid to the Maldives since the start of the Covid epidemic.

Tourism, which is the main source of government revenue and foreign exchange gains, is a major contributor to the Maldivian economy. About 25 per cent of the Maldives' GDP is derived directly from tourism, with a far larger percentage coming from indirect sources. For Maldivians, the hospitality sector provides over one-third of direct employment prospects. India remained the leading market in 2021 and 2022, with approximately 2.91 lakh and 2.41 lakh arrivals of Indian tourists, and a 23 per cent and 14.4 per cent market share respectively. An open skies agreement between

Maldives and India was reached in March 2022, substantially enhancing connectivity between the two nations. With 100,915 visitor arrivals (up to June 13, 2023), India ranks as the top source market for the Maldives, accounting for 11.8 per cent of the market.

#### **1.3.3.4 Influence of China in India-Maldives Dynamics**

China has tried to make inroads in countries, which is of strategic importance to them, by engaging in infrastructural projects. Maldives is no exception. Maldives is adjacent to the main regional shipping routes, making it an important Indian Ocean to hold. China has established bilateral relations with the Maldives in 1972. Though it was confined to just a trade relation. The turning point of the Sino-Maldivian relations came after Abdullah Yameen came in power in 2013. Since then, China has increased its influence in the geopolitics of the region.

China has built the Maldivian Foreign Ministry building as well as a museum, which houses the Ministry of Culture and Heritage. The Chinese have also built several housing projects in Malé, apart from building roads as well as the drainage system in the city.<sup>6</sup> The Chinese have built a reputation for themselves for completing projects on time. China also provided assistance to the Maldives following the disastrous tsunami of 2004.

The visit of Chinese President, Xi Jinping, to Maldives in September 2014 gave a big boost to China-Maldives bilateral relations. This was the first visit of any Chinese President to the Maldives since it gained independence in 1965. The most important objective of Xi Jinping's visit to the Maldives was to get Maldivian support for his modern maritime "Silk Road". Maldives agreed to participate actively in the initiative of creating a shipping route from China to Europe via West Africa. Besides this, both sides signed nine agreements relating to the expansion of Maldives' main international airport, a power station project, road construction, and a bridge to connect the capital island of Malé with nearby Hulhule. Keeping in view the critical importance of tourism in the Maldivian economy, President Xi Jinping reassured the country that China would continue to encourage its citizens to travel to the Maldives,

and Chinese enterprises to invest in Maldives' tourism industry. On its part, Maldives obliged China by endorsing its Maritime Silk Route project in December 2014. It also decided to back the Chinese-initiated Asian Infrastructure Investment Bank (AIIB).

As China has increased its stake in the Maldives, the latter's geostrategic importance for China has risen by leaps and bounds. This has been clear in the way China has prioritised its relationship with the Maldives in the past few years. Until 2010, China did not even maintain an embassy in the Maldives. But, over the last decade or so, China has not only established a diplomatic presence in the Maldives but also scrambled its ships in early 2018 to deter a plausible intervention by India.

The Maldives' embrace of the Chinese BRI has proved another hurdle for India's Maldives policy, as the island nation will prove to be an important pit-stop for China's maritime march to the western Indian Ocean, and further into the African continent. As China pushes rapidly into the Indian Ocean, the Maldives could prove to be an additional node in its 'string of pearls' strategy. Since 2014, the People's Liberation Army Navy (PLAN) has been consistently making its presence felt in parts of the Indian Ocean and the Maldives. It could not only cut operational space for India but erode its influence in the region.

### ***Election of Muizzu: A Setback for India***

The election of Mohammed Muizzu as Maldivian president in 2023 further deteriorated India's relations with Maldives. Mohamed Muizzu, known for his pro-China sentiments, demanded for withdrawal of India's 77 military personnel from the Maldives. He further aggravated tensions by snubbing India and making his first state visit to China in January 2024 after an official trip to Turkey. During this visit, Muizzu signed twenty new agreements with Beijing that included financial and military assistance.

Moreover, the tweeting controversy brought the ties between India and the Maldives to an all-time low. Following PM Modi's tweet thread on his visit to Lakshadweep Island, three Maldivian ministers, Malsha Shareef, Mariyam Shiuna, and Abdulla Mahzoom Majid, made racist statements against India. A backlash in the

form of a 'Boycott Maldives' campaign trending on Indian social media. The damage was done even though the tweets were taken down, the ministers were suspended, and the Maldivian government disassociated itself from them. The corresponding envoys were called.

Possibilities of India working with the Maldives on defence cooperation through the multi-nation Indian Ocean Colombo Security Initiative (CSI) also received a setback after the Muizzu leadership skipped the high-level meeting of National Security Advisors (NSA) of member-nations in Mauritius capital, Port Louis, on 8 December 2023. India was represented by incumbent Ajit Doval, who also called on Mauritius Prime Minister Pravind Kumar Jugnauth.

However, analysts say Muizzu does not want to replace India with China, but rather seeks to use the two countries' tenuous relationship as leverage to secure the best deal. The Maldives is still part of Modi's "Neighbourhood First" foreign policy strategy, which aims to bolster relations with India's geographic neighbors. Under this doctrine, New Delhi loaned Malé \$500 million for road and bridge projects in 2021 and announced a \$100 million line of credit in 2022 to support development initiatives, including for cybersecurity and affordable housing.

To conclude, India and Maldives have a complex historical relationship, primarily influenced by Maldives political leadership. Despite historical ebbs and flows, India has often been the first to respond to crises in Maldives including intervening in the 1988 coup against President Abdul Gayoom, when the Tsunami hit the Island and when India provided \$250 million in financial assistance when Maldives faced financial crisis recently. Maldives is critical to both India and China because of rising bilateral trade, tourism, and most of all because of its strategic location in the Indian Ocean. Until recently, Maldives has quintessentially represented India's sphere of influence in the Indian Ocean because of historical, political, cultural, and people-to-people relations. However, in recent years, China has made tremendous gains through its economic foothold in the country, which is complicating India's relations with Maldives.

### **1.3.4 India's Bhutan Policy: A Story of Great Success**

Origin of India's Bhutan policy can be traced back to the colonial period when the British Indian government signed a treaty with the Bhutan in 1910. Under this treaty Bhutan virtually agreed to become the protectorate state of British India because the former allowed the latter to guide Bhutan in foreign and defence affairs. In the post-colonial period, India's relations with Bhutan were established on August 8, 1949, when they signed the Treaty of Friendship and Peace with a commitment of non-interference in the internal affairs of each other. China's annexation of Tibet that started from 1950 and continued till 1952 further cemented their relations. Indo-Bhutan relationship is most durable, trustworthy and stood the test of time. David M. Malone articulated that in spite of clear Indian dominance on its small Himalayan state, the relationship has been a genuinely friendly, positive and mutually respectful with India working hard to keep its own profile in Bhutan as low as possible and Bhutanese mostly expressing appreciation for India's contributions. During his visit to Bhutan in 1958, the first Prime Minister of India, Jawaharlal Nehru stated that any act of aggression against Bhutan will be construed as an act of aggression against India. Bhutan's cordial and unique relations with India allowed it to seek economic assistance from India and also to maintain independent identity for itself in international affairs. India's relations with Bhutan were further strengthened when India's Prime Minister Rajiv Gandhi visited Bhutan in September 1985 and set the process for more cooperation between them.

#### **1.3.4.1 India's Contribution to Bhutan's Economic Development**

From Prime Minister Nehru to Prime Minister Modi, India has been using economic diplomacy as an instrument of its policy towards Bhutan. Under the guidance and economic protection of New Delhi, Bhutan adopted the five year planned strategy of economic development in 1961 and its first five year plan was totally financed by India. New Delhi helped Bhutan in its subsequent five year plans that latter launched for its all-round development. For instance, in the 10<sup>th</sup> Five Year Plan which concluded in June 2013, India's assistance to Bhutan was over Rs 5000 crores excluding the grants provided for hydro power projects. In the 11<sup>th</sup> Five Plan of Bhutan which is in

progress at present, India has allocated Rs.45 billion and another Rs.5 billion for Economic Stimulus Plan. India's trade with Bhutan has been shaped by the framework established by the India-Bhutan Trade and Commerce agreement of 1972 which was renewed for another ten years in 2006. Besides this, India and Bhutan have already concluded Free Trade Agreement (FTA) to accelerate trade between them.

Indian, Nepalese and Bhutan's economies have been complementing and supplementing each other as Nepal and Bhutan are blessed by the nature with plenty of water resources and thereby are having huge hydropower potential and India as an emerging economy has been market for the surplus hydropower generated by these two Himalayan states. India has been a critical stakeholder in the various hydropower projects in Bhutan. Energy diplomacy between India and Bhutan has always been remained a win-win situation for both because the former has been making investment in the hydropower projects in the latter. India is not only market for the surplus hydropower generated in Bhutan but also has been having capital and technology to utilise the hydropower potential of the latter for the well-being of both. India has constructed various hydropower projects in Bhutan like Chukha Hydropower (1979); Kurichu Hydropower (1998) and Tala Hydropower (1999). Many hydropower projects are in the progress and they have planned to harvest the 10,000 MW by 2020. This capacity is likely to be generated from the 10 hydropower projects of which the foundations of three hydropower projects including Punatsagchu-I, Punatsagchu-II and Kholongchuu, joint venture of India and Bhutan were laid down by India's Prime Minister Narendra Modi during his visit to Bhutan in 2014. He further tried to convince the other small neighbours through Bhutan that stronger India will be an opportunity but not as a threat. He chose Bhutan as his first foreign destination because China has intensified its efforts to cultivate the Himalayan State.

India's role in the economic development of Bhutan cannot be confined to the development of hydro-power sector only because New Delhi has been actively involved in various economic development projects as it constructed Paro Airport, Penden Cement Plant, Bhutan Broadcasting System, Highways Network, Electricity Transmission and Distribution system, India-Bhutan Microwave Link System and

exploration of natural resources and their mapping. Further, India announced to construct the first railway link between India and Bhutan connecting Hashimara to Phuntsholing during the visit of India's Prime Minister, Manmohan Singh to Bhutan. Importance of Bhutan in India's foreign policy can be inferred from the first foreign visit of current Indian Prime Minister, Narendra Modi, to Bhutan in 2014. During his visit to Bhutan, India decided to undertake several new projects pertaining to Information Technology, India's Satellite Technology, E-Library Network, Central University for Himalayan Studies and tourism etc. At present major items of imports from Bhutan are electricity, base metals, minerals, vegetable fats and oils, alcoholic beverages, chemicals, cements, timber and wood products.

India and Bhutan were also participated in a sub-regional initiative on 'Climate Summit for Living Himalayas', which was held at Thimpu in November 2011. At the conclusion of this summit an agreement regarding a framework on cooperation was signed by Bhutan, India, Bangladesh and Nepal to undertake regional initiative on climate change. Further during his visit to Bhutan, Prime Minister Narendra Modi desired to organize an annual international hill sports festival that includes India, Bhutan and Nepal.

India signed a new Treaty of Friendship with Bhutan in 2007, which ended its guidance on Bhutan's foreign policy and reframes the contemporary nature of their bilateral relations.

A strong Delhi-Thimphu relationship is important for the success of the Narendra Modi government's 'neighbourhood first' policy. At a time when India seems to have given up on the South Asian Association for Regional Cooperation and is investing in alternatives like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, Bhutan is key for the operationalization of such initiatives.

In the 51st year of diplomatic relations, India and Bhutan added a new chapter to their bilateral cooperation by expanding their engagement to digital and space domains. Several key initiatives were launched by the prime ministers of India and Bhutan in the digital and space sectors on 17 August 2019, such as RuPay, integration

of DrukREN with National Knowledge Network of India and inauguration of the Ground Earth Station constructed by ISRO.

Continuing India's attempt to foster a strong relationship with its neighbours under the "Neighbourhood First Policy," Prime Minister Narendra Modi visited Bhutan for the second time on August 17-18, 2019. During the visit, Modi held a comprehensive discussion with Bhutanese Prime Minister Lotay Tshering and reviewed the current status of the bilateral relationship. The two countries also signed 10 Memorandums of Undertaking (MoUs) to further boost the ties, with Modi having said that "Bhutan has a special place in the heart of 130 crores Indians."

These political engagements and other developments have indeed heralded a new phase in the bilateral relationship between India and Bhutan in the last five years. The economic sector is an important aspect of this shift, with the two side trade having reached 92.28 billion Indian rupees (\$1.2 billion) in 2018.

But, for Bhutan, economic dependency on India, the huge trade deficit, and hydropower have generated serious concerns in Bhutan about India's real intentions. In fact, there are sections of experts and others who feel that India's sole aim is to exploit Bhutan's market and its natural resources for its benefits. Sadly, India has yet taken concrete efforts to address this range of concerns in Bhutan.

This was a prime reason for then-Bhutanese Prime Minister Jigme Yozzer Thinley to meet Chinese Premier Wen Jiabao in Rio de Janeiro in June 2012. Though the meeting did not result in any concrete agreement, it underscored the rift between the two sides. However, the coming of the Tshering Tobgay government in 2013 and the Modi government in India in 2014 greatly helped in minimizing the role of China in adversely affecting the India-Bhutan bilateral. This became much more evident during the Doklam crisis between India and China in 2017, when Bhutan fully supported India's stand, refusing to accept an offer of \$10 billion from China as economic assistance. More to the point, India's increased efforts to improve ties with Bhutan lies in the fact that any deal between Thimphu and Beijing on the Doklam issue will pose serious security challenges for India.



### 1.3.4.2 Fears over Chinese Moves

The July 1958 issue of China Pictorial published a map of China in which the Sino-Indian border was indicated by a thick brown line. This map once again included a large chunk of Indian territory within the territorial limits of China. A considerable area of eastern and northeastern Bhutan was also portrayed as part of China. China had always claimed rights in Nepal, Bhutan and Sikkim on grounds of traditional, ethnic, cultural and religious affinity between the populations of these lands and China's Tibetan region, in which the chief aim of the Government's current manipulations in the region seemed to be to detach these territories from India and integrate them into the Chinese orbit by any means short of war. It came to the notice of the Bhutanese and Indian authorities that the Chinese had occupied eight villages on the Bhutan–Tibet border in 1959. In accordance with the Article 2 provisions of the 1949 India-Bhutan Treaty, India took up the border matter with China on behalf of Bhutan. In a letter dated 22 March 1959, Nehru wrote to the Chinese premier that the publication of Chinese maps showing parts of Indian and Bhutanese territory as parts of China were not in accordance with long-established usage as well as treaties. Even though Nehru firmly adhered to the view that the security of Bhutan and Sikkim was the concern of India, Zhou Enlai refused to recognize any 'special relation' of Bhutan and Sikkim with India. Since 1984 some 19 rounds of border talks have been held between Bhutan and China, but with little result.

Presently, India's Bhutan policy has been facing a critical security challenges due to Chinese claims on the Doklam Plateau of Bhutan which is not far away from the Silguri Corridor. If China establishes its control on the Doklam Plateau of Bhutan it can stop supplies to India's northeast in case of hostility. Due to that India has always been remained worried about the Chinese-Bhutan border negotiations specifically with regard to the Bhutan's area that has strategic significance for India. In 2013, before these negotiations India sent its National Security Advisor Shiv Shankar Menon and Foreign Secretary, Sujatha Singh to advise Bhutan's government how to conduct border negotiations with China. It is articulated that China was believed to have come to close of acquiring the Doklam Plateau as it was willing to renounce 495

square kms of territorial claims in the northern valleys in exchange for the 269 square kms that constitutes much of the Doklam Plateau.

Despite several rounds of engagement between China and Bhutan, the dispute between the two over Doklam has not been resolved. It flared up in 2017 when the Chinese were trying to construct a road in the area, and Indian troops, in aid of their Bhutanese counterparts, objected to it, resulting in the stand-off.

The desolate Doklam region grabbed global attention after the stand-off. According to Indian claims, it began on June 16, 2017, when Chinese troops came to the area with equipment to extend a road southward in Doklam, towards the Bhutanese Army camp near the Jampheri Ridge, which according to both Bhutan and India are an integral part of Bhutanese territory. Two days later, a few hundred Indian troops entered Doklam, at the request of Bhutan, and stopped the construction.

The Bhutanese government told China that “the construction of the road inside Bhutanese territory is a direct violation of the agreements and affects the process of demarcating the boundary between our two countries.” On June 30, the Ministry of External Affairs said: “Such construction would represent a significant change of status quo with serious security implications for India.”

The Chinese government released a map to accuse India of trespassing into its territory, and in a detailed statement in the first week of August, it said “India has no right to interfere in or impede the boundary talks between China and Bhutan.”

After a long standoff between the countries, from June to August 2017, on 28 August 2017, India and China announced that they had agreed to pull their troops back from the face-off in Doklam. By the end of the day, it was reported that the withdrawal was completed. The Indian troops withdrew back to their original positions at their outpost at Doka La, located in a militarily advantageous position on the Bhutanese border. On 29 August, Bhutan welcomed the disengagement and hoped that it would lead to the maintenance of peace and tranquillity as well as status quo along the borders.

The Doklam has provided very good opportunity for India to understand how sensitive its relations with Bhutan and also realized that a small country like Bhutan was too troubled by the conflict between its two neighbouring giants.

Prime Minister Narendra Modi's state visit to Bhutan in February 2024 marks his third visit to the country. The visit closely follows Bhutan's newly-elected PM Tshering Tobgay's official visit to India between March 14 and 18, 2024. These back-to-back visits demonstrate the special relationship between both countries and the tradition of regular high-level exchanges between them. India-Bhutan relations are the epitome of a win-win relationship between two neighbours who vastly differ in size. PM Modi's recent visit intends to build on this special relationship, especially as Bhutan confronts its internal and external challenges.

### **1.3.5 Let us sum up**

India's relations with Sri Lanka quite improved in recent period. As India's interventionist policy towards Sri Lanka had proved counterproductive, India had changed its policy towards Sri Lanka especially on the Tamil problem; since 1990 New Delhi has started considering the Tamil issue is an internal problem of Sri Lanka and it has to resolve it within the constitutional framework of Sri Lanka. During the Eelam War-IV (2006-2009), India supported the right of Sri Lankan government to act against terrorist force as it proclaimed LTTE as a terrorist organization after the assassination of the former Prime Minister Rajiv Gandhi in 1991. Besides this, New Delhi also provided military and political support to Sri Lankan government during the Eelam War-IV. India is certainly for devolution of power as per the provisions of Indo-Sri Lankan Accord and the 13<sup>th</sup> Amendment made to the Constitution of Sri Lanka in 1987. Due to change in India's Sri Lanka policy, it has entered into a phase of more comprehensive relations. India needs to protect and promote its interests in Sri Lanka through persuasive diplomacy rather than strident assertiveness. Now India and Sri Lanka have free trade agreement in place to promote bilateral trade between them and New Delhi has already emerged as the largest trading partner of Colombo apart from being the largest investor in Sri Lanka.

India's relations with Maldives more complex in the South Asian region. Though Maldives has quite close to India, geographically, ethnically and culturally, China's involvement in economic and strategic matters of Maldives is major hurdle for India-Maldives bilateral relations. Though India is the first country to repond as and when Maldives faced a crisis, the political developments, rivalry between Maldivian political elites, further complicating the relations. However, Maldives strategic location always give an advantage to its political leadership, which they are using to maximize economic and other benefits. The same can expected in the future as well.

India's Bhutan policy has been remained quite successful as India enjoys friendly relations with Bhutan. India has always been considered benign state by the rulers as well as the people of Bhutan. Apart from the cultural diplomacy, the economic diplomacy has happened to be an effective tool of India's Bhutan policy. India has been continuously supporting the planned process of economic development of Bhutan since 1960. India succeeded to pursue the leadership of Bhutan to proceed on the modern path of economic development for the all round of Bhutanese society. India's Bhutan policy was guided by the Treaty of Friendship and Peace of 1949 which has replaced by Treaty of Friendship and Peace of 2007. Political transition in Bhutan from absolute monarchy to constitutional monarchy along with parliamentary democracy in 2008 has qualitatively improved the context for India's Bhutan diplomacy. India has emerged as a major stake holder in the energy sector of Bhutan and it has been engaging the latte in joint hydro-power projects in Bhutan. Bhutan' hydro resources and India's technological expertise and energy market have been providing unique opportunities of cooperation between the two countries.

### **1.3.6 Exercise**

1. Critically examine the Changing Nature of India's Policy towards Sri Lanka.
2. Do you agree with the view that the extensive involvement of India and IPKF in curtailing the LTTE has not yielded intended outcomes for India's foreign policy?
3. What are the major areas of cooperation between India and Sri Lanka

4. Why the location of Maldives has strategically become important for major powers, including India and China?
5. The domestic politics of Maldives has become most important factor influencing India-Maldives relations. Do you agree with this view?
6. Outline major developments in India-Maldives relations.
7. Why India's Bhutan Policy has been more successful than India's Nepal Policy?
8. There is view that Bhutan has sandwiched between India and China. Explain this with special referenece to Dokhlam crisis.

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood**

**UNIT – I: INDIA AND NEIGHBOURHOOD**

## **1.4 INDIA'S POLICY TOWARDS PAKISTAN**

**- Shevata Sharma**

Structure

### **1.4.0 Objectives**

### **1.4.1 Introduction**

### **1.4.2 India's Policy towards Pakistan**

1.4.2.1 Two-Nation Theory

1.4.2.2 Cold War Politics

1.4.2.3 China-Pakistan Nexus

1.4.2.4 Propaganda

1.4.2.5 Kashmir Issue

1.4.2.6 Terrorism

1.4.2.7 Nuclear Issue

1.4.2.8 Wars between India and Pakistan

1.4.2.9 Pakistan's Supply of Arms and Drugs

1.4.2.10 Other Issues

### **1.4.3 India's Policy of Building Trust and Peace: Confidence Building Measures**

#### 1.4.3.1 Shimla Agreement

#### 1.4.3.2 Other Initiatives

### **1.4.4 Recent Developments**

### **1.4.5 Let Us Sum Up**

### **1.4.0 Objectives**

In this lesson, you will read and understand about India's policy towards Pakistan. After going through this lesson, you will be able to understand and comprehend:

- Historical background of India-Pakistan relations
- Basic contours of India's policy towards Pakistan
- Important aspects of India's Pakistan policy
- Areas of convergences and divergence between India and Pakistan relations
- Initiations of Confidence Building Measures
- Recent developments in India and Pakistan relations

### **1.4.1 Introduction**

India and Pakistan are considered as the biggest countries of the South Asian region. The genesis of Indo-Pakistan relations, ever since they emerged as two independent states in middle of the 20<sup>th</sup> century, could be traced back to the colonial period. Before independence, Pakistan was an integral part of India. Pakistan came into force as a separate country on 14<sup>th</sup> of August 1947 and India gained independence on 15<sup>th</sup> of August 1947. Since their independence, the relations between both are never remained friendly or cordial. One issue after other continued to haunt their bilateral relations and caused strains on their equations.

## **1.4.2: India's Policy Towards Pakistan**

Most of the times, India-Pakistan relations remained conflictual and hostile barring few phases of détente. India's Policy towards Pakistan has been shaped by many factors and concerns. Many conflictual issues that have been determinative in shaping and conditioning India's policy towards Pakistan are discussed below.

### **1.4.2.1 Two-Nation Theory**

The Indo-Pakistan relations have evolved in the framework of 'Two-Nations Theory'. Both the countries have failed to come over the communal relations and are suffering from past hangovers. In 1906, Muslim League came into existence which was considered as the genesis of two-nation theory and separate Muslim identity. For the proponents of Pakistan, India was viewed as "Hindu dominant country where Muslims were not safe" and Pakistan was seen as a solution for the safety of the Muslims. Since then, the 'two-nation theory' has been influencing the relations between both the countries and is acting as a source of conflict.

### **1.4.2.2 Cold War Politics**

The Cold War animosity between the two superpowers and their respective blocs also impacted the Indo-Pakistan relations to a great extent. India refused to join either of the power blocs, but Pakistan joined the USA bloc and became a member of alliance like SEATO and CENTO sponsored by the USA. As an alliance partner, the USA always used to support Pakistan both morally and materially, much to the annoyance of India. Pakistan has used the arms and weapons supplied by the USA against India. This issue has caused strain on Indo-Pakistan as well as Indo-USA relations.

### **1.4.2.3 China-Pakistan Nexus**

China's relations with India got disturbed when China attacked India over a boundary dispute in 1962. Pakistan fought wars with India in 1965, 1971 and 1999. Both China and Pakistan found their common enemy in India and as a result, started cultivating close ties between themselves. China managed to occupy approximately



42,735 sq. kms of territory in the state of Jammu and Kashmir. The US-China and Pakistan nexus has started emerging in the decade of 1970s, which forced India to sign a treaty of 'Peace, Friendship and Cooperation' with the USSR in 1971. Till today, China and Pakistan are operating as one unit against India. The innumerable leverages given by Pakistan to China be it political, economic, territorial, commercial or security-related clearly posed a threat to Indian security and Defense concerns.

#### **1.4.2.4 Propaganda**

Another conflictual issue between India and Pakistan since the cold war to the present times is the amount of propaganda being carried out by both against each other. Anti-India agenda is the main policy objective of Pakistan. Both the countries are indulging in the propaganda warfare, which led to degradation of their bilateral relations.

#### **1.4.2.5 Kashmir Issue**

Kashmir imbroglio has been remained the most conflictual and controversial issue between India and Pakistan. The conflict over Kashmir has influenced the entire course of their bilateral relations throughout the Cold war period and it still continues to be the most daunting challenge for both of them to resolve it amicably. India is staunchly in the favour that Kashmir is an integral part of it, and it would continue to be so but Pakistan claims that given the Muslim dominated population, it should be acceded to Pakistan. The conflict over this issue has escalated further when Indian government abrogated Article 370 and 35A of the Indian constitution on 5<sup>th</sup> August 2019 and reorganized the state of J&K into UTs of J&K and Ladakh. The diplomatic, cultural sporting and economic relations were snapped and LoC movements from both sides were also stopped. In 2020, the number of ceasefire violations along the LoC was over 5000 with 46 casualties. This number of ceasefire violations was the highest since 2003. The Pakistani government highlighted this issue at every possible forum like UNO, OIC, international media etc.

#### **1.4.2.6 Terrorism**

The issue of terrorism has come to the forefront of India-Pakistan bilateral relations from the years of 1980s onwards. The involvement of groups associated with Pakistan in terrorist activities in India is primarily responsible for the hostile and distrustful relations between the two countries. Pakistan has been using terrorism as an instrument to gain Kashmir and to weaken and disturb India. India has proved on many occasions that Pakistan state and its intelligence agency (ISI) has been involved in sponsoring terrorism against India. Infact, Pakistan has been giving shelter to various terrorist organizations like Lashkar-e-Taiba, Jaish-e-Mohammad. etc. to harm India. The year 2016 witnessed a low phase in their bilateral relations with terror strikes at Pathankot and Uri which was followed by a surgical strike by India in September 2016. Again, the issue of terrorism erupted with the terrorist attack in Pulwama in 2019 to which India retaliated by conducting aerial attacks in Balakot on 24<sup>th</sup> of February 2019.

#### **1.4.2.7 The Nuclear Issue**

Another conflictual issue is the nuclear weapons of both the countries. India conducted its first nuclear test in 1974 and following that Pakistan also got engaged in nuclear program. China helped Pakistan immensely in this by transferring nuclear fuel and technology so that she could balance the nuclear status of India. In 1998, both India and Pakistan declared themselves as nuclear-weapon states which further accelerated the tensions between them. All this could not only lead to use of Nuclear Biological Chemical weapons but there is also a high risk of accidental proliferation of nuclear technology and weapons into the wrong hands.

#### **1.4.2.8 Wars between India and Pakistan**

India-Pakistan relations have been remained a prisoner of their mutual fear, insecurity, and mistrust. Pakistan intruded into the Indian side of the border in 1965 and hence, it took the form of war between the two countries over the issue of Kashmir. In 1971, India and Pakistan fought war over the issue of creation of Bangladesh (former East Pakistan). In 1999, Pakistan again tried to cross the border near Kargil

sector on the Indian side of the border and again there was a war between them. In all these wars, however, India defeated Pakistan but the mistrust and enmity between them has grown since then.

#### **1.4.2.9 Pakistan's Supply of Arms and Drugs**

Pakistan is following the policy of waging a low-intensity and proxy war against India. For this purpose, Pakistan has been supplying arms to various terrorist groups and other anti-Indian elements to weaken India internally. Apart from this, Pakistan has also been engaged in drug-trade in the territories of Pakistan occupied Kashmir (POK).

#### **1.4.2.10 Other Issues**

Apart from the all the conflictual issues highlighted above, there are many more issues which are affecting Indo-Pakistan relations. These issues include the Baglihar Water issue, Sir Creek dispute, Siachen quagmire, narco-terrorism supplied by Pakistan, issue of Pakistan's sponsored fake currency and black money into India, etc. The wide-spread conflictual issues between India and Pakistan made it nearly impossible for them to forge close, cooperative, and friendly relations at least in the near future. Many steps have also been taken to build confidence between them, but it did not remain successful in fetching fruits.

#### **1.4.3: India's Policy of building trust and peace: Confidence Building Measures**

It is unfortunate that India and Pakistan are the two regional powers having the maximum number of conflictual issues between them. Many initiatives have been taken by them to improvise their relations but nothing concrete could be achieved. The Peace Process between India and Pakistan was started in 1966 through the 'Tashkent Agreement' by the good offices of the USSR, after India and Pakistan fought war over Kashmir in 1965. Again, after the Indo-Pak war over creation of Bangladesh in 1971, another initiative for peace was adopted through Shimla Agreement.

### **1.4.3.1: Shimla Agreement**

India and Pakistan fought war in 1971 over the issue of creation of Bangladesh. On 3<sup>rd</sup> of December 1971, Pakistan attacked India. India faced the attack of Pakistan very bravely and defeated Pakistan very badly in nearly one-sided battle. One lakh Pakistan soldiers surrendered before the Indian forces. Following this, in June 1972, Indira Gandhi, the then Prime Minister of India convened a Summit Conference in Shimla and signed an agreement with Pakistan's President Zulfikar Ali Bhutto on 3<sup>rd</sup> of July 1971. This agreement is known as the Shimla Agreement. The main features of Shimla Agreement were -

- 1) Both the countries agreed to resolve their bilateral disputes through peaceful talks and negotiations, bilaterally.
- 2) Both countries decided to respect each other's unity, integrity, sovereignty, and political independence.
- 3) Both the countries decided not to interfere in the internal affairs of each other.

### **1.4.3.2: Other initiatives**

A significant initiative adopted after Kargil war between India and Pakistan in 1999 through 'Lahore Declaration'. The two countries agreed to initiate a Composite Dialogue. The event of 9/11 brought the issue of terrorism to the international stage. The strategic interests of the USA compelled both India and Pakistan to start a peace-process and composite dialogue. Various measures have been adopted to create trust and to remove misunderstandings. The process of composite dialogue consists of two layers – Inner layer and Outer layer.

Outer Layer consists of various Confidence Building Measures (CBM's) like –

- Initiatives of starting Bus services from Amritsar to Lahore.
- Bus services from Amritsar to Nankana Saheb.
- Bus services from Poonch to Rawalkot.

- From Srinagar to Muzzafarabad.
- Delhi-Lahore Bus Services etc.

Also, there is a measure of relaxation adopted in granting VISA to parliamentarians, jurists, media persons etc. by both the countries. People to People contacts (PTPC's) have been stressed. Ceasefire has also been adopted along the borders. Both have agreed to boost their trade relations also.

Inner Layer, on the other hand, consists of various conflictual issues between both the countries. But the problem is that until the Kashmir issue remained a conflictual one between these two countries, success on other issues is also doubtful due to the attitude of both the countries. India is sincere in resolving the conflictual issues including Kashmir with Pakistan, but the policy of proxy wars and terrorism sponsored by Pakistan is creating hurdles in the way of achieving certain credible success in resolving conflictual issues. To talk about the trade relations of both the countries, Indian export to Pakistan was US\$ 1.92 billion in 2017-18 and US\$ 2.07 billion in 2018-19. India's export to Pakistan dropped nearly 60% to US\$ 816.62 million and imports from Pakistan also dropped by 97% to US\$ 13.97 million in 2019-2020. These trade figures clearly witness those negative effects of tensions in Indo-Pakistan bilateral relations on their commercial and economic relations. However, the trade started showing upward tendency in recent times as India's exports to Pakistan through official channel increased to \$653 million in 2022 and Pakistan's exports to India increased to \$18.1 million during the same period.

However, India-Pakistan direct trade is negligible, trade through the United Arab Emirates (UAE) and Singapore was substantial till about five years ago. Although official figures are hard to come by, estimates peg the trade at \$3 billion before the recent economic collapse in Pakistan. Indian firms exporting tyres, processed food, pharmaceuticals and chemicals, and importing traditional garments, spices and some machinery used in small-scale manufacturing with a decisive trade balance favouring India.

In spite of all the efforts and peace-processes nothing concrete and successful

outcome could be achieved as far as India-Pakistan relations are concerned. Both countries are suffering from the syndrome of “Trust-Deficit” and “Two-Nation” theory. High place is given to the political and security issues by both the regional rivals and economic or cultural relations have been neglected. On 2<sup>nd</sup> of February 2021, Chief of Army Staff- General Bajwa stated that ‘it was a time to extend the hand of peace in all directions’ and asserted that India and Pakistan should resolve the Kashmir issue in a dignified way. In response to that, Indian External Affairs Ministry reiterated that India ‘wants to have normal neighbourly relations with Pakistan in an environment free of terror, hostility and violence’.

#### **1.4.4: Recent Developments**

While facing identity-deficit, Pakistan has always opted the course of joining a superpower or an alliance structure to seek parity with India, a dream which she could not achieve relying on her own strength and prowess. Pakistan’s Army has been pursuing the strategy of balance of power and terror vis-a-vis India and the jihadis have been seen as a lynchpin in this strategy. Around 666 incidents of Cease Fire violations have been reported from January to October 2021. Pakistan’s relentless enmity towards India shapes its entire policy to the degree that it does not bother to act like a Chinese colony either. India and Pakistan know that good relations would benefit them both, but there are reasons why that knowledge has not translated into a workable strategy for positive engagement.

The government of Pakistan unveiled his country’s first ever National Security Policy in 2022. But the critics denounced the same as a mere sham and not a credible or influential one. Until and unless the Pakistani military-intelligence establishment moves away from viewing India as an existential threat and stops using jihad as a lever of foreign policy, there is little hope for normal relations between the two countries. Pakistan has gained a central place in Chinese calculations as far as the latter’s broader activism goals are concerned. India has been remained a kind of strategic glue in China-Pakistan relations since the late 1950s. For China, strong reasons for an increased commitment to Pakistan include a restive Xinjiang, balancing India, access through Gwadar to the Indian Ocean sea-lanes carrying her energy imports, a base

for the PLA Navy at the mouth of the Persian Gulf, and Pakistan's role in the Belt and Road Initiative and in Afghanistan.

China's long-term presence in POK as part of the CPEC is a Chinese bet on Pakistan's continued hold on Indian territory and has deepened the Chinese interest in the longevity of a Pakistan dominated by its army. China's dependence on the Pakistani army has increased to fight Uighur extremist groups and to defend its assets in Afghanistan and Pakistan. China's assistance and patronage to Pakistan is more a balance of power consideration. China and Pakistan have established themselves as 'All-whether Friends' detrimental to India's interests. The consideration given by a certain faction in the Indian strategic circles to the idea of demilitarisation of Siachen is not going well with others. The concerns bordered on Pakistan and China colluding to act in concert through Siachen to threaten the Nubra Valley, North of Leh. At present, Pakistan has been facing acute economic crisis, political instability coupled with internal strife between political head and military head, security threats from various terrorist and extremist groups based in Afghanistan and on Durand line apart from other socio-cultural entanglements. According to recent studies and reports of the Pakistan government, Pakistan has virtually doubled its external debt to over \$83 billion in 2023. At the same time, China has taken virtually full control of the Gwadar transportation corridor, even as Chinese fishing boats use Gwadar extensively to damage the fishery resources of the Arabian Sea.

#### **1.4.4.1 Formation of New Government in 2024: A Ray of Hope**

The year 2024 began with hopes of normalization of relations between Pakistan and India, the two arch-nemeses in South Asia. These hopes were based on the assumption that following general elections in Pakistan and India – in February and June 2024, respectively – both countries would revisit their bilateral relationship, which was disrupted as a consequence of India's abrogation of the autonomy of the disputed Jammu and Kashmir (J&K) state in August 2019. Pakistan reacted by downgrading its relations with India, halting trade, and recalling its high commissioner from New Delhi.

These assumptions are made on some basis. There are instances that offer a beacon of hope for a normalized bilateral relationship between India and Pakistan relations. For instance, in 2023, despite a severed diplomatic relationship between the two countries, Pakistan issued 6,824 visas to Indian Sikh and Hindu pilgrims to visit Pakistan to attend various religious festivals and occasions. Similarly, the release of 478 Indian fishermen and nine Indian civilians in 2023 was also reassuring.

Furthermore, on March 23, 2024, Pakistan's newly appointed Foreign Minister Ishaq Dar stated in a press conference that his country was "seriously considering resumption of trade with India," after the Pakistani business community expressed its eagerness to this effect. However, the Pakistan Foreign Office retracted this proposal after India's External Affairs Minister, S. Jaishankar, criticized Pakistan for its "industry level" support to terrorism.

#### **1.4.5: Let us sum up**

India has always followed a policy of forging normal relations with Pakistan but the reciprocity on the part of the latter has always been remain half-hearted. There are many conflictual issues between the two and multiple external factors influencing their mutual relations. The China factor has been remained as one of the influential ones which has affected India's policy towards Pakistan since 1960s. This deepening equations between Pakistan and China posed a serious challenge to India's security concerns. Only full-hearted and credible efforts from both the sides are the keys to generate trust-surplus between them. Domestic issues like terrorism and economic development etc compelled both India and Pakistan to change their policy courses towards each other. This realization made both the states to evolve strategies and policies to normalize their relations with each other.

#### **1.4.6 Exercise**

1. The two nation theory of Pakistan has in a way created conflict between India and Pakistan. Explain.
2. How the Cold War politics are aggravated India-Pakistan relations?



3. The Kashmir is the central to present India-Pakistan confrontation. Elaborate.
4. Using Terrorism as an instrument of policy against India deteriorated the bilateral relations. Explain.
5. What is the impact of nuclear weapons in India-Pakistan relations?
6. Write an essay on Confidence Building Measures initiated by India and Pakistan in post-independence period? Why they failed to bring positive impact?
7. Do you think that the recent domestic developments in Pakistan bring some kind of reconciliation between India-Pakistan relations?

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
UNIT – II: INDIA, EAST ASIA, AND SOUTH EAST ASIA**

## **2.1 INDIA'S CHINA POLICY: CONTINUITY AND CHANGE**

**- SHEVATA SHARMA**

### **STRUCTURE**

#### **2.1.0: Objectives**

#### **2.1.1: Introduction**

#### **2.1.2: Historical context**

#### **2.1.3: India's China Policy: Continuity**

2.1.3.1: Border Dispute

2.1.3.2: Tibet issue and refuge to Dalai Lama

2.1.3.3: China's strategy to strengthen Pakistan

2.1.3.4: China's support to anti-Indian elements

2.1.3.6: Policy of encirclement: String of Pearls

2.1.3.7: Doklam standoff

#### **2.1.4: Change in India's China Policy**

#### **2.1.5: Recent Developments**

## **2.1.6: Let us sum up**

### **2.1.0 Objectives**

In this lesson, you will read and understand about India's China policy, the elements of continuity and change therewith. After going through this lesson, you would be able to understand:

- Historical background of India-China relations
- Basic contours of India's China policy
- Evolution and content of India's China policy
- Areas of convergences between them
- Areas of divergences between them
- China's strategic designs in India's neighbourhood
- Recent developments

### **2.1.1 Introduction**

After the onset of decolonialization, many new independent countries emerged at the scenario of global politics. India and China were also among those Asian countries which got independence after the end of the Second World War. India became independent on 15th August 1947 while China attained its independence in 1949 and established itself as People's Republic of China (PRC). Initially, India-China relations were remained very cordial and friendly. When China got independence, India was among the very few countries in the world which gave recognition to the new regime in China and supported the inclusion of China in the UNO. Nevertheless, a feeling of trust-deficit and insecurity syndrome is there between both the countries. Many instances of conflicts over Border issues and clash of their armed forces were erupted in the over the years but extreme escalations were avoided. Both India and China know that war between them in the contemporary times would serve no purpose as

economic and investment interests of both the countries would be severely compromised.

### **2.1.2 Historical context**

India and China share more than 5000 years of historical bonds, cultural linkages, and economic exchanges. They share 3488 kilometers of border, and both share borders with Nepal and Bhutan. The modern phase of India and China relationship began in 1950 when India decided to recognize the People's Republic of China (PRC) as the legitimate government (over Republic of China: Taiwan). The convening of Bandung Conference in 1955 has been regarded as a landmark event for enhancing Afro-Asian amity and solidarity. India and China along with a couple of countries remained instrumental in advocating the cause of peace, prosperity, and development of the concerned countries. Pt. Jawaharlal Nehru based his vision of 'Resurgent Asia' on friendship between India and China. However, India and China could not make much progress out of these developments and soon found themselves on divergent grounds on many issues and policies. In 1954, during the visit of the then Chinese PM to India, both India and China signed the famous "Panchsheel Agreement" to guide their mutual relationship. But, with the closing years of 1950's, there started emerging some kind of conflicts and disagreements between the two countries which affected their cordial ties.

### **2.1.3 India's China Policy: Continuity**

China is perceived by India as an authoritarian and communist country which has shown a spectacular progress in the last 50 years. India and China shared very cordial, cooperative, and friendly relations with each other in the aftermath of gaining independence. In the decade of 1950s, their mutual relations were governed by Panchsheel principles. But the difference of opinion over border issue started in 1959, gradually souring their relations. India's policy towards China, thus, been shaped and reshaped on the basis of multiple factors and issues cropping up between them from time to time.

### **2.1.3.1 Border Dispute**

Around 1958, China started claiming a vast portion of territory belonging to India in the North-East India and in Ladakh region. India immediately expressed her concerns to the PRC. But, when peaceful means to resolve the border dispute has failed, China took the resort to attack Indian borders to forcibly capture the claimed territories of the Indian border regions. In 1962, China invaded in the north-east region and Ladakh, defeated India and occupied an area of 37,555 sq. kms of Indian Territory. India termed that move of China as betrayal and backstabbing. Since then, India-China relations have been strained on account of the dispute over McMohan line and India has been following a very cautious policy towards China. The recent clashes and casualties between these two countries in Galvan in June 2020 again brought to light how fragile their mutual relations are. Till date, random border intrusions by China on India's borders are widely noticed.

### **2.1.3.2 Tibet issue and Refugee Status to Dalai Lama and Tibetans**

China attacked Tibet and annexed it with the mainland China in 1950-51. India did not oppose Chinese actions in Tibet, infact it gave its assent to recognize Tibet as a Chinese territory. But, as soon as China attacked Tibet, its religious and political leader managed to escape from Tibet. Dalai Lama the religious leader of Tibet along with his thousands of supporters took refuge in India, much to the discomfort and annoyance of China. This entire Tibet episode is still lurking high in the minds of China and consequently, strained its relations with India. In recent years, China has been remained highly critical of the visits of Dalai Lama and other Indian dignitaries and politicians to Arunachal Pradesh on the reason that this area constitutes Chinese territory. In this context, India has been following a very clear stance that Arunachal Pradesh has been and will be an integral part of India. This stance has remained as one of the most important factors which is shaped India's policy towards China.

### **2.1.3.3 China's Strategy to Strengthen Pakistan**

Since long, China has been pursuing the policy of strengthening Pakistan viz-a-viz India. During the war between India and Pakistan in 1965, China came forward

to openly support Pakistan with moral and material help. China supplied Pakistan with the latest weapons and fighter planes which were used by Pakistan against India. Again, in the Indo-Pak conflict over East Pakistan (Now Bangladesh) in 1971, China repeated the same strategy by helping Pakistan with sophisticated weapons. Pakistan also handed over around 5,180 sq kms of illegally occupied area of PoK to China. Along with it, in order to balance the stature of India, China also went to the extent to supply nuclear fuel and technology to Pakistan. China's unconditional and perennial support to Pakistan against the Indian security concerns and sensitivities, led India to adopt a tough stance and policy towards China on diplomatic front.

#### **2.1.3.4 China's Support to Anti-Indian Elements**

Another issue between China and India which is a source of tension is China's constant support to anti-Indian forces with an intent to weaken India. China had been exporting and sheltering cross-border terrorism via Pakistan and Bangladesh into India. Along with this, India reacted sharply against this kind of Chinese strategy to let alive low-wage wars against India. Apart from that, China vetoed proposals in the UN to designate some terrorists as global terrorists on multiple times, which infuriated India.

#### **2.1.3.5 Policy of Encirclement: String of Pearls**

China is trying to encircle India and want to isolate India not only in the South-Asian Region but in the entire Indo-Pacific region. This strategy of China is being referred to as 'String of Pearls'. China is cultivating intense relations with all the neighbouring countries of India notably, Pakistan, Bangladesh, Nepal, Bhutan, Maldives, Sri Lanka, and Myanmar by adopting many strategic leverages like bilateral and multilateral trade, Belt and Road Initiative, opening naval bases, constructing, and operating many ports so on and so forth.

#### **2.1.3.6 Doklam Standoff**

In June 2017, a standoff started between Indian and Chinese armed forces in Doklam following the Chinese attempts to build a road via Doklam. India does not claim the concerned region but acknowledges the claims of Bhutan on it. On 18<sup>th</sup> of

June, Indian armed forces crossed into the disputed territory between Bhutan and China with the aim to halt the construction of road there. Indian move on this issue is based on the 'Treaty of Friendship' signed between India and Bhutan in 2007 which makes mandatory to Bhutan to take India's guidance and opinion on issues of its foreign policy. In August 2017, China accused India of interfering and sabotaging the border talks between China and Bhutan. However, on 28<sup>th</sup> of August 2017, Indian and Chinese forces mutually agreed to disengage their forces from the disputed area after almost three months.

Apart from the areas of conflicts, mentioned above, there are many areas of conflicts also operating between them. But both India and China have agreed to resolve their bilateral conflicts with pacific/peaceful means. Diplomacy and negotiations are the best means to resolve any and every kind of conflicts and mutual irritants.

#### **2.1.4 Change in India's China Policy:**

India and China have started cooperating on many issues and identified their mutual areas of concerns also. Both the countries have taken many steps to improve and normalize their relations. A change in India's policy towards China could be studied through the following aspects:

- The change in India's policy towards China started with the revival of India-China bilateral relations in the mid years of 1980s. The process of normalization of relations between India and China was started in 1988 when Prime Minister of India Rajiv Gandhi visited China.
- The frequent visits exchanged by the politicians and other officials of both the countries also added to the success of the progress of normalization of their bilateral relations.
- Both the countries have decided to resolve their border-disputes amicably and with peaceful means. For achieving this purpose, they have established a joint working group on Border issues

- Both the countries have decided to revive and deepen their centuries-old cultural and social relations and affiliations. For this, frequent conducting of cultural festivals has been facilitated in both the countries.
- India and China have also extended their military and strategic relations. Joint exercises of their army and air-force personnel have become a regular feature of their improving ties.
- Both the countries are making huge Foreign Direct Investments (FDI) and each other's economies and bilateral trade has also increased manifold. Their bilateral trade stood at US \$ 87.6 billion by 2020. It is estimated that their bilateral trade will reach the mark of US \$ 1 trillion by 2050.
- China emerged as the largest trading partner of India in 2008, surpassing the USA. After this development, India was compelled to change its economic policy towards China.
- India's China policy is also shaped by many areas of convergences between the two. Both the countries have been cooperating on the issues of establishing alternative financial institutions to World Bank and IMF, climate change, reforms at World Trade Organization, space-exploration, maritime security and in the fields of science and technology among others.

### **2.1.5 Recent Developments**

India and China are facing many problematic and conflictual issues in their bilateral relations but, both are also trying to resolve these conflictual issues with an intent to improvise their bilateral relations. These areas of convergences and divergences between them have been remained the underlying factors for shaping and reshaping their policies viz-a-viz each other. The visits of China's President Xi Jinping to India and the reciprocal visits to China by India PM Narendra Modi in May 2015, September 2016 (G-20 Summit), September 2017 (BRICS Summit), April 2018, and June 2018 (SCO Summit) have helped in bridging gaps and creating an area of trust between the two countries and their respective governments. It is an interesting fact that both China



and India are the leading and fastest growing economies of the world. The increase of India's and China's influence in the world scenario also increased the significance of their bilateral relations.

However, China's rise has enabled her to assert political, economic, and strategic influence over the south Asian region. With 2021 record trade surplus of \$676 billion, Beijing has become a bigger-than-before threat to India, dominating trade with India's smaller neighbours. China's investments in the subcontinent far exceeds India's with, approximately, more than US\$ 2.3 billion each in Pakistan and Sri Lanka, US\$ two billion each in Myanmar and Bangladesh, and US\$ three billion in Nepal since January 2016, while India has invested less than a total of US\$ 800 million in the same period. China's pledges under the Belt and Road Initiative are more than US\$ 100 billion in investment and loans to South Asia countries: \$62 billion to Pakistan, US\$ 32 billion to Bangladesh, US\$ 11 billion to Sri Lanka, and US\$ 1.5 billion to the Maldives.

Politically, China has offered its services as an honest broker to Bangladesh and Myanmar on the Rohingya issue and is brokering the Myanmar government's negotiations with its ethnic minorities and insurgencies. There is now a much stronger political dimension to China's interest in the region. China is working pro-actively with Pakistan, Russia, and Iran in shaping credible outcomes in Afghanistan. China remained successful largely in bringing and keeping the communist parties united in Nepal. It has been giving moral and material support to some Sri Lankan politicians also. China's influence in the South Asia region is rising constantly and it is improbable to fade soon. The South Asian countries are viewing China as an alternative to their excessive dependence on India. China's South Asian policy seems driven primarily by its security interests in the Indian Ocean and Tibet and by its political and strategic interest in its periphery and in keeping India preoccupied in the subcontinent. China's development and establishment of various maritime facilities and ports in South Asian countries like Chittagong port in Bangladesh, Hambantota port in Sri Lanka, Gwadar port in Pakistan and Marao Atoll port in Maldives as a part of its grand strategy of String of Pearls to encircle India, could marginalize India in its own neighbourhood.

To counter these strategic advances of China, India has also adopted the policy to forge strategic relations with global and regional powers through QUAD, I2U2, strategy of Necklace of Diamonds etc.

### **2.1.6 Let us Sum Up**

India's policy towards China reflects both the scenarios – continuity and change. India's China policy has been shaped and influenced by a combination of factors including political, diplomatic, cultural, economic, strategic etc. both in a positive and negative ways. However, border tensions and China's assertive postures in India's immediate and extending neighbourhood influenced the contours of India's China policy. Both India and China aware that war between them in the contemporary times would serve no purpose as economic and investment interests of both the countries would be severely compromised. India has adopted hardline approach as far as her strategic and territorial stakes are concerned and conciliatory policy as far as economic stakes are concerned.

On the other hand, there are many areas of convergences between India and China to check the biasness of unipolar world order, to establish multi-polar world and multilateralism, to check the negative fallouts of the globalization process, establishing New International Economic Order, to deal with non-traditional security threats, reforms in global governing structures so on and so forth.

### **2.1.7 Exercise**

1. Discuss the Changing Nature of China's South Asia Diplomacy.
2. Describe the continental thrust of China's South Asia Policy.
3. How China's South Asia Policy acquired maritime thrust?
4. Why China is becoming increasing more acceptable in South Asia?
5. Is China expanding its influence in South Asian region at the cost of India?
6. What are the instruments of China's South Asia Policy?
7. Discuss China's MSR and SREB as instruments of China's South Asia policy.

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
UNIT – II: INDIA, EAST ASIA AND SOUTH EAST ASIA**

## **2.2 INDIA AND JAPAN RELATIONS: CONVERGENCE AND DIVERGENCE**

**- V. NAGENDRA RAO**

### **Structure**

#### **2.2.0 Objectives**

#### **2.2.1 Introduction**

#### **2.2.2 India-Japan Relations: Historical Background**

#### **2.2.3 Cold War and Deterioration in India-Japan Relations**

#### **2.2.4 Post-2000: Improvements in India-Japan Relations**

#### **2.2.5 Political and Strategic Cooperation**

##### **2.2.5.1 Focus of Strategic Cooperation**

##### **2.2.5.2 China Factor**

##### **2.2.5.3 Cooperation in Defence and Nuclear Sector**

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#### **2.2.6 Economic Cooperation and Trade Relations**

##### **2.2.6.1 Trade Relations**

2.2.6.2 Foreign Direct Investment (FDI)

2.2.6.3 Energy Security

## **2.2.7 Latest Developments**

2.2.7.1 India-Japan Strategic Alignment

## **2.2.8 Let Us Sum Up**

## **2.2.9 Exercises**

## **2.20 Objectives**

In this lesson you will study India-Japan relations and their significance to India's foreign policy. After going through this lesson, you should be able to know:

- the historical background to India-Japan relations;
- from the deterioration of relations in 1960s to strategic partnership from 2000 onwards;
- important milestones in evolving political and strategic relationship between India and Japan;
- the growing security and nuclear cooperation between India and Japan; and
- the growth in trade and economic cooperation between India and Japan.

## **2.2. Introduction**

The relationship between Japan and India has been influenced by the international power configuration over time. In the early post-War period, both countries embraced idealistic mooring about how the world should be. In due course of time, the United States (US) alliance system put Japan in the western camp of Cold War power politics while India followed a policy of non-alignment. However, with the end of the Cold War and the transformation of Asia into a composite power playground,

India and Japan have developed a much closer relationship. The relative decline of America's strategic interest towards the East Asian region and the changing dynamics of security in Asia have forced Japan to search for new partners in Asia, culminating in the present strategic partnership with India. Prime Minister Mori Yoshiro's visit to India in 2000 signalled an upward swing in the relationship. The 'China factor' and improvements in US relations with India spurred a new peak in the relationship in 2006–07 as Japanese Prime Minister Abe Shinzo oversaw the design of a new roadmap for Japan–India relations, with much stronger concern for its strategic as well as economic dimensions.

The improvement of Indo-Japanese ties are part of India's "Act East" policy, which aims at strengthening relations with Asia-Pacific countries – such as Vietnam, South Korea, Japan and Australia – in line with India's growing economic and strategic interests. Japan and India are two of the oldest democracies in Asia and among its three biggest economies. In many ways, analysts argue, they make natural partners given that they have no serious disagreements – such as territorial disputes. In this backdrop, the present lesson analyses the growing relationship between India and Japan in its political, strategic, security and economic dimensions.

### **2.2.2 India-Japan Relations: Historical Background**

During early decades of Post Second World War period, India-Japan relations did not witness much movement on each other's part. Japan was still in the process of recuperating from the use of two atom bombs by the US against their two cities, Hiroshima and Nagasaki, on 6<sup>th</sup> and 9<sup>th</sup> August 1945. The first peak in the post-war bilateral relationship resulted from a bank of goodwill emanating from India's stance on a newly defeated Japan. During the military tribunal after World War II, Indian judge Radha Binod Pal disclaimed the notion of persecuting Japan's wartime leaders. As a member of the Far Eastern Commission, India also tried to convince allied powers to end their occupation of Japan. Later India refused to participate at the San Francisco conference on the grounds that peace could not last if China and the Soviet Union were not party to the peace treaty. India instead signed a separate treaty with Japan soon after the conference and renounced war reparations from Japan.

Diplomatically the relationship went from strength to strength. In 1951 India invited occupied Japan to participate in the New Delhi Asian Games as an independent nation. India was a central player in lobbying for Japan's entry into the United Nations (UN) and Japan's participation in the first Afro-Asian Conference in Bandung in 1955. Beyond the bilateral peace treaty, bilateral trade and cultural agreements were also signed. Japanese Prime Minister Kishi Nobusuke and his Indian counterpart Prime Minister Jawaharlal Nehru received huge welcomes during their respective visits to New Delhi and Tokyo in the late 1950s.

### **2.2.3 Cold War and Deterioration in India-Japan Relations**

From the start of the 1960s, strategic alliances that were formed as the Cold War divided the world effectively neutered the bank of bilateral goodwill built up in the early post-war period. International and national factors impacted on each nation's understanding of the other. Japan tied itself firmly to the United States through the 1960 bilateral security treaty; India distanced itself from the two Cold War camps, joining Third World forces and participating actively in the non-aligned movement. These different strategic directions did not rupture bilateral relations but did produce mutual disillusion and disinterest that saw the two nations drift apart. For instance, when India sought Japan's support in the 1962 war with China and the 1965 India-Pakistan war, Japan favoured neutrality.

Domestic factors were at work, too. Unlike many other Asian countries in East and Southeast Asia, Japan saw no economic attractions in India. It was not just that India's economic growth remained very low. India's highly regulated economy and lack of both resources and markets that would complement Japan's needs as an international trader left little place for India in Japan's international economic mission. There was also no multilateral forum where Japan and India could engage with each other to compensate for their weak bilateral ties. Further fuelling bilateral disengagement was mutual ignorance. India's image in Japan highlighted India's sporadic ethnic violence, periodic political turmoil and continuing war and conflict with neighbouring states, especially its vexed relationship with Pakistan. Many scholars called this period as the 'dark age' of India-Japan relations.

The period after India's 1998 nuclear tests was the deepest bilateral rupture ever between these two Asian nations. Japan reacted strongly even when India tested its first 'peaceful' nuclear device in 1974 and passed a parliamentary resolution condemning the test, followed by mildly punitive sanctions. After the 1998 nuclear testing, however, Japan's reaction was much stronger practically and symbolically. Japan temporarily recalled its ambassador in India and suspended official dialogues, cutting official channels of communication. Japan was not just one of the first Organisation for Economic Cooperation and Development (OECD) nations to impose a range of economic sanctions on India, it also assumed the role of chief global protagonist to 'punish' India for defying the Nuclear Non-proliferation Treaty (NPT) regime—in the UN, at the G-8 summit, at the ASEAN Regional Forum (ARF) meeting and at other international forums soon after.

Many in the Indian government and among Indian public intellectuals were stunned at the apparent duplicity in Japan's harsh treatment of India alongside its lenient attitude towards China in the event of both nations' nuclear testing. One senior diplomat in the Indian Embassy in Tokyo observed that 'the language of demands, rewards and punishments, benchmarks and so on, [was] reflective of a donor syndrome at its worst, a departure from the earlier history of good sentiments or with the Indian belief in mutuality of interests'.

#### **2.2.4 Post-2000: Improvements in India-Japan Relations**

The negative impact of India's nuclear tests did not prolong too long. Due to changing post-Cold War dynamics and important strategic developments prevailed upon the leadership of both the countries. Internationally, Japan's chief ally, the United States, had begun to claim better understanding of India's strategic environment, and the US move to develop closer relations with India forced Japan to rethink its own position on India. With its mighty neighbour China looming ever larger, Japan recognised India's potential for helping to balance power vis-a-vis China as a mainland Asian giant and for stretching Japan's ties with Asia westward. Furthermore, India's economy was on the upswing, especially through its IT revolution, and Japanese businesses recognised increasing economic opportunities in India. India too was keen to restore

relations, recognising Japan's motivations as serving its own interests strategically and economically.

At the beginning of the 21<sup>st</sup> century, Japan and India resolved to take their bilateral relationship to a qualitatively new level. Both realize that the current international situation, characterized by inter-dependence and the advent of globalization, offers fresh opportunities to both India and Japan for enhanced engagement for mutual benefit. The foundation for this was laid when Yoshiro Mori, the then Prime Minister of Japan and Atal Behari Vajpayee, the then Prime Minister of India agreed during the Japanese Prime Minister's landmark visit to India in August 2000 to establish the "Global Partnership in the 21<sup>st</sup> Century".

Today, India and Japan share a global vision of peace, stability and shared prosperity, based on sustainable development. Shared democratic values and commitment to human rights, pluralism, open society, and the rule of law underpin the global partnership between the two countries. The global partnership between India and Japan reflects a broad convergence of their long-term political, economic and strategic interests, aspirations, objectives and concerns. Japan and India view each other as partners that have responsibility for, and are capable of, responding to global and regional challenges in keeping with their global partnership. A strong, prosperous and dynamic India is, therefore, in the interest of Japan and vice versa. In the above context and in view of the current international situation, it has been decided to reinforce the strategic focus of the global partnership between Japan and India.

Japan and India are partners in peace, with a common interest in and complementary responsibility for promoting the security, stability and prosperity of Asia as well as in advancing international peace and equitable development. It was agreed during the visit of the then Japanese Prime Minister Junichiro Koizumi in April 2005 that the two countries would further strengthen their cooperation and pursue an all round and comprehensive development of bilateral relations, with a particular and urgent focus on strengthening economic ties, through full utilization of the existing and potential complementarities in their economies. It was decided that both the countries would strive to develop closer dialogue and collaboration to secure peace, stability



and prosperity in Asia, promote democracy and development, and explore a new architecture for closer regional cooperation in Asia. It was also agreed that the two countries would strengthen cooperation in diverse areas such as environment, energy, disarmament, non-proliferation and security, taking advantage of, and further building on, their strategic convergences.

### **2.2.5 Political and strategic cooperation**

The beginning of the 21<sup>st</sup> century witnessed a dramatic transformation in India-Japan bilateral ties. During Japan Prime Minister Mori's path-breaking visit to India in 2000, the Japan-India Global Partnership in the 21<sup>st</sup> century was launched. The Joint Statement signed by India's Prime Ministers Manmohan Singh and Shinzo Abe in 2006 factored in new challenges as they emerged, and the relationship was upgraded to a Global and Strategic Partnership with the provision of annual Prime Ministerial Summits.

Official-level contacts have expanded significantly alongside reciprocal visits by Japanese prime ministers and their Indian counterparts. While visiting India in 2005, Prime Minister Koizumi Junichiro agreed on an eightfold initiative to build the global partnership, particularly reinforcing its strategic orientation. In 2006 during Prime Minister Manmohan Singh's visit to Tokyo, the two nations established a 'Strategic and Global Partnership' with annual summits in 2007 and 2008 in each other's capital alternately; but the highlight of prime ministerial visits was that by Prime Minister Abe Shinzo in August 2007. His visit and the kind of reception he received were reminiscent of the visit of Prime Minister Kishi, Abe's grandfather, 50 years previously. While emphasising historical links and contemporary sharing of interests as two democratic nations with vast populations, Abe signalled his country's intention to engage with India economically as never before by including some 200 business and trade leaders as part of his entourage. A Joint Statement on "the Roadmap for New Dimensions to the Strategic and Global Partnership between India and Japan" and a Joint Statement on the Enhancement of Cooperation on Environmental Protection and Energy Security were signed. Strategically, both Abe and his successor Aso Taro favoured a quadrilateral framework involving Japan, India, the United States and Australia and

building an alliance of democracies described as the ‘arc of freedom and prosperity’, with India as a key player. Whereas Japan had long been reluctant to include India in regional groupings such as the Asia-Pacific Economic Cooperation (APEC) Forum and the ARF, Japan now persuaded other members to accept India as part of the East Asian Summit process, clearly extending the political construct of ‘East Asia’.

India’s Prime Minister Manmohan Singh paid an Official Working Visit to Tokyo from 21-23 October 2008. This was part of regular annual summit which has been agreed between the two countries and which has been carrying on every year since then. A Joint Declaration on Security Cooperation and a Joint Statement on the Advancement of Strategic and Global Partnership between India and Japan were signed. Manmohan Singh once again visited Tokyo from 24-26 October, 2010 for the Annual Bilateral Summit. This landmark visit has imparted a further momentum and continuity to the India-Japan Strategic and Global Partnership.

Emperor Akihito and Empress Michiko visited India from 30 November – 6 December 2013. Prime Minister Abe paid an official visit to India for the 8<sup>th</sup> Annual Summit with Prime Minister Manmohan Singh from 25-27 January 2014 and was the Chief Guest at the Republic Day parade in New Delhi.

Prime Minister Narendra Modi visited Japan from 30 August – September 3, 2014 for the 9<sup>th</sup> Annual Summit Meeting with Prime Minister Shinzo Abe. During the visit, the two sides upgraded the relationship to a ‘Special Strategic and Global Partnership’. During the visit, both sides agreed to establish the ‘India-Japan Investment Promotion Partnership’. PM Abe pledged to realize public and private investments worth JPY 3.5 trillion and doubling of the number of Japanese companies in India over the next five years. Modi’s visit reflects an attempt to address the concern over low economic profile of the relationship.

In what would have been music to the ears of the Japanese government, Prime Minister Narendra Modi, during the same visit, said that the “expansionist” ideas of the 18<sup>th</sup> century are still visible in the world — some countries “encroach” on others, some “enter the seas”, and some “capture other’s territory”. While he did not name

China, the reference to “encroachment” and “entry into the seas” is being interpreted as a reference to China’s spats with Japan over the Senkaku Islands.

Prime Minister Shinzo Abe visited India for the 10<sup>th</sup> annual summit with Prime Minister Narendra Modi from 11-13 December 2015. Following their meeting, the two Prime Ministers issued a Joint Statement and a Fact Sheet agreeing to expand bilateral cooperation in a wide range of areas including in the fields of civil nuclear energy, high-speed rail (bullet train) network, defence equipment & technology, taxation, science & technology, investment, education, disaster relief and people-to-people exchanges. 16 Agreements/MoUs/ MoCs/ LoIs were exchanged during the visit. In a special gesture, India also announced “visa on arrival” scheme for all Japanese travellers, including for business purposes, from March 1, 2016. PM Abe, accompanied by PM Modi also visited the city of Varanasi, which signed a partnership agreement with the city of Kyoto in August 2014. A ‘Japan-India Make in India Special Finance Facility’ of JPY 1.3 trillion was also established during the visit of PM Abe to India in December 2015.

The two countries have several institutional dialogue mechanisms, which are held regularly, at senior official and functional levels to exchange views on bilateral issues as well as regional and international cooperation. There is foreign office consultation at the level of Foreign Secretary / Vice Foreign Minister as well as a 2+2 Dialogue at the level of Foreign and Defence Secretaries. Similarly, there are dialogue mechanisms in diverse fields such as economy, commercial, financial services, health, road transport, shipping, etc. to name a few sectors.

#### **2.2.5.1 Focus of Strategic Cooperation**

Prime Minister Koizumi visit to India in April 2005 marked the launch of the “Japan-India Partnership in a New Asian Era,” which aimed to reinforce the “strategic” focus of the global partnership between the two countries. At the Tokyo summit meeting in December 2006, Prime Ministers Singh and Abe announced the “Joint Statement towards Japan-India Strategic and Global Partnership.” It was confirmed that both prime ministers would visit each other every other year. India is the first country for

Japan to make an official promise to visit, while India had previously promised to visit Russia. Since then, the prime ministers' mutual visitation and annual ministerial dialogues have been institutionalized. Even against the backdrop of geopolitical change triggered by China's emergence, the Japan-India Strategic and Global Partnership has gained much importance.

The Joint Declaration on Security Cooperation between India and Japan signed in 2008 is the only such document that India has ever signed with any other country. It recognises "that a strong and prosperous India is in the interests of Japan and that a strong and prosperous Japan is in the interests of India". It then adds that "India and Japan share common interests in the safety of sea lines of communications." Regarding the mechanisms of maritime cooperation, it says, "The two Coast Guards will continue to promote cooperation to ensure maritime safety, maritime security and protect the marine environment through joint exercises and meetings between the two Coast Guards."

The "Joint Declaration on Security Cooperation between Japan-India" signed at the 2008 summit meeting is noteworthy for providing a comprehensive framework for enhanced security cooperation between the two countries. It was followed up by the "Action Plan to Advance Security Cooperation" in December 2009. The action plan outlined strategic and defence cooperation, including annual strategic dialogue between foreign ministers, annual subcabinet/senior official 2+2 dialogue and annual bilateral naval exercises.

In December 2015, Japan and India jointly validated their convergent strategic trajectories when Japanese Prime Minister Shinzo Abe and Indian Prime Minister Narendra Modi in a historic move affirmed "Japan and India Vision 2025 Special Strategic and Global Partnership: Working Together for Peace and Prosperity of the Indo-Pacific Region and the World".

The growing intensity of Japan-India Special Strategic and Global Partnership needs to be directly related to the degree of the enhancement of the China Threat perceived by both these now powerful nations and other countries in the region being militarily coerced by China.

In November 2016, Prime Minister Modi paid an official visit to Japan and had a summit meeting with Prime Minister Abe. In the Japan-India Vision Statement issued during Prime Minister Modi's visit to Japan in October 2018, two leaders reiterated their unwavering commitment to working together towards a "Free and Open Indo-Pacific".

In September 2021, Prime Minister Suga, who was visiting Washington D.C. for the Second Japan-Australia-India-U.S. Summit Meeting, held a summit meeting with Prime Minister Modi. In October 2021, Prime Minister Kishida held a summit telephone talk with Prime Minister Modi, soon after Prime Minister Kishida's taking office. In March 2022, Prime Minister Kishida visited India for the first time in four and a half years as Prime Minister of Japan. In May 2022, Prime Minister Modi visited Japan for the Japan-Australia-India-U.S. Summit Meeting held in Japan. Prime Minister Modi visited Japan again for attending the state funeral for former Prime Minister Abe.

On September 9th 2020, the Agreement between the Government of Japan and the Government of the Republic of India Concerning Reciprocal Provision of Supplies and Services between the Self-Defense Forces of Japan and the Indian Armed Forces (so-called "Acquisition and Cross-Servicing Agreement" or ACSA) was signed. ACSA came into force on July 11th, 2021.

Japan's Prime Minister Fumio Kishida who is on a two-day trip to India in March 2023, said he hopes to promote a vision of free and open Indo-Pacific, a Tokyo-led initiative for greater security and economic cooperation that is geared toward curbing Beijing's growing assertiveness. It includes Japan's assistance to emerging economies, support for maritime security, a provision of coast guard patrol boats and equipment and other infrastructure cooperation. Kishida also held talks with Modi to deepen bilateral cooperation while also addressing food security and development financing. The two leaders said they will closely cooperate in dealing with a wide range of global challenges.

### **2.2.5.2 China Factor**

One of the main factors bringing India and Japan together is structural and directly linked with the strategic context. The changing international order – including most notably, the rise of China – witnessed India and Japan increasingly thrown together on a variety of issues. The emergence of China as a potential regional hegemon in Asia has compelled India and Japan to adopt a balancing behaviour to prevent a potential threat to their security. Moreover, their common view of Asia’s security architecture has created some convergence. Indeed, China seeks a multipolar world but a unipolar Asia centred on Chinese power, whereas India and Japan desire a multipolar Asia and a multipolar world. These converging views have created the momentum for increased cooperation. India and Japan have put their relationship on a firm basis which includes a “2+2 dialogue”, the foreign secretary dialogue, the defence secretary dialogue and the trilateral dialogue between India, US and Japan. The new trilaterals emerging in Asia go beyond past attempts at rudimentary joint military exercises. In December 2013, the Japanese Maritime Self-Defense Force (JMSDF) conducted its first bilateral maritime exercise with the Indian Navy in the Indian Ocean Region. With growing strategic convergence between the two, in 2014 India invited the JMSDF to participate in the annual Malabar exercises with the U.S. Navy in the Pacific waters.

### **2.2.5.3 Cooperation in Defence and Nuclear Sectors**

Despite growing proximity between both the countries, one of the challenges in the bilateral relation is negotiating the Agreement for Cooperation in the Peaceful Uses of Nuclear Energy. Fundamental differences on CTBT continue to make the negotiations difficult. While Japan underscores the importance of CTBT, India reiterates its commitment towards voluntary moratorium on nuclear testing. Additionally, Japan is navigating through the difficult choice of Japan’s position on nuclear non-proliferation and the commercial interests of Japanese nuclear businesses, struggling to cope with the post-Fukushima financial loss. Nuclear lobby is exerting pressure on the political leadership of Japan to facilitate nuclear technology export to compensate for the loss post-Fukushima accident.

The United States' signing of the US-India nuclear cooperation law in 2006 allowing India to receive US civilian nuclear technology and fuel gave Japan the green light to proceed with establishing bilateral relations with India in the defence and nuclear sectors. Japan has agreed to engage in discussions with India on civilian nuclear cooperation under 'appropriate' international safeguards and there is indication that Japan, as a member of the 44-nation Nuclear Suppliers Group (NSG), will support India's needs for nuclear energy. Some have even passionately argued in favour of Japan supplying nuclear technology to India.

India can cooperate significantly with Japan in the peaceful use of nuclear energy. Japan has already facilitated India's participation in the International Thermonuclear Experimental Research (ITER) project situated in France. India is the only country outside the NPT regime to have become a part of ITER. Japan agreed in principle to cooperate with India in the civilian nuclear energy sector in accordance with 'appropriate international safeguards'.

The Japan government has given very positive assurance to Prime Minister Modi when he visited Japan in September 2014 for early conclusion of an agreement on civil nuclear cooperation. While there was no agreement on the civilian nuclear cooperation, the two sides noted the "significant progress" and asked their officials to "further accelerate" the negotiations with a view to conclude the agreement at an early date. During the visit of Abe to India in December 2015, both the countries formally signed a civil nuclear cooperation pact capping years of negotiations.

In the defence sector, Japan and India are increasingly cooperating in securing vital sea-lanes from the Persian Gulf from where Japan procures a substantial part of its oil supplies. In 2008 the two nations signed a joint declaration on security cooperation, only the second such cooperation agreement, after Tokyo signed a similar agreement with Canberra in 2007. In relation to this, high-level contacts have been developed between uniformed personnel of the two nations, including joint exercises and cooperation in piracy control. Security and defence dialogues at both official and semi-official levels are also undertaken periodically

As part of defence cooperation, Japan has already built the Indian Navy's only Floating Dock Navy-1 (FDN1). The FDN1 was designed by the Indian Institute of Technology and has a lifting capacity of 11,500 tonnes. Now, the Indian Navy is planning to acquire another floating dock, to be stationed in the strategic Andaman and Nicobar islands. He says, it's not all going to be plain sailing in the defence relationship—the Indian Navy has already looked for expressions of interest for the FDN2.

Most importantly, the Agreement concerning transfer of Defence Equipment and Technology Cooperation signed during the latest visit of Prime Minister Shinzo Abe on December 12, 2015 unveils a new chapter in India-Japan defence cooperation by making available defence equipment and technology needed to carry out joint research, development and/or production projects. India's defence modernisation presents enormous opportunities for the Japanese defence industry, which until recently concentrated exclusively on the domestic market in order to demonstrate Japan's commitment to peace. Now, there is tremendous scope for redefining the contours of the bilateral defence cooperation by way of transfer of, and collaboration on, projects related to defence equipment and technology.

The most recent India-Japan Defence Ministerial Meeting in March 2015 underscored that defence technology cooperation “can emerge as a key pillar of bilateral defence relations”. Besides, Japan has been identified as a privileged partner in the *Make in India* campaign by Defence Minister Parrikar. India is interested in joint development and production of defence equipment. The progress on sourcing Japanese defence technology – for instance, negotiation on the Utility Seaplane Mark 2 (US-2) amphibian aircraft – is now in its final stages. Moreover, the manufacturers of the US-2 amphibian aircraft, ShinMaywa Industries, initiated discussions with several Indian counterparts as India and Japan debated the prospects of assembling the aircraft in India. The Pipavav Defence and Offshore Engineering Company will reportedly partner with ShinMaywa Industries in assembling the aircraft in India.

In June 2021, India and Japan signed a Reciprocal Provision of Supplies Agreement (RPSS) that would facilitate the smooth and prompt provision of supplies



and services between the Japanese and Indian militaries. An earlier signal of closer Japan-India ties was the launch of their inaugural “2+2” format meeting in 2019. In 2023 four Indian SU 30MKI multirole fighters accompanied by two IAF C-17 Globemasters and an Il-78 tanker participated in Exercise Veer Guardian at an air base near Tokyo. The exercise had been originally planned for 2020 but was postponed. Japan and India have been participating with the US and Australia in the Malabar naval exercise for a few years now. In his 2022 visit, Prime Minister Kishida had announced a target of JPY 5 trillion (INR3,20,000 crore) investment in India. Prime Minister Modi indicated that India was making good use of this initiative. India is the largest recipient of Japanese Official Development Assistance (ODA). In recent years, Japan has been focusing its development plans in India’s Northeast region by promoting development projects relating to roads, bridges, forest management, and capacity building. The two countries have also sought to promote the Asia-Africa Growth Corridor. Japan and India are also part of the Trilateral Supply Chain Resilience Initiative along with Australia.

#### **2.2.5.4 Maritime Security**

Since 80 per cent of the oil and 20 per cent of the ships bound for Japan pass through the Straits of Malacca, its protection is a matter of concern for Japan. The Straits of Malacca are very prone to piracy, robbery and other forms of maritime terrorism. Since Japan does not have direct access to protect its interests in this region, it cooperates with friendly countries to ensure safety of the shipping route. In 1999, the Indian Navy and Coast Guard recovered a Japanese merchant ship *MV Alondra Rainbow*, which had been hijacked in the Malacca Straits, off the coast of Goa. Such incidents have led to closer coordination between the naval forces of Japan and India. This rescue operation was appreciated by the Japanese government, which stated that the Indian initiative in this regard underscored the importance of international cooperation to challenge piracy. During the visit of the then Indian Defence Minister George Fernandes to Tokyo in 2000, both countries initiated a security dialogue involving joint naval exercises, search and rescue missions and anti-piracy operations on the high seas. The geostrategic importance of India for Japanese maritime security

is critical for the steady and uninterrupted supply of energy from the Middle East. As a major power with considerable naval prowess, Japan understandably expects India to assume a high-profile role in patrolling and safeguarding the busiest sea lane in the Indian Ocean.

India and Japan have increased their maritime cooperation at the bilateral and multilateral levels. India has joined as the tenth member of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), the first regional government-to-government initiative to promote and enhance cooperation against piracy and armed robbery at sea. Likewise, both countries share their mutual concerns at the Council for Security Cooperation in the Asia-Pacific (CSCAP), a non-governmental grouping discussing maritime-related and other security issues. Both India and Japan have also hosted each other's naval chiefs. The Coast Guards of the two countries already conduct joint exercises, alternately in Indian and Japanese waters.

### **2.2.6 Economic Cooperation and trade relations**

Before World War II, India had been Japan's major trade partner, accounting for 10-15 percent of Japan's foreign trade up until 1937. India's major imports were cotton and pig iron. Japan and India were competitors in the textile and steel industries. Notably, both Japan and India were not only competitors, but also good partners. Tata, an Indian conglomerate, and Nippon Yusen Kaisha (NYL Line) collaborated in launching regular services between Bombay and Kobe in 1892, enabling Japan to import raw cotton at a reasonable cost.

Since the mid-1960s, under the closed inward-looking regime, India has struggled with industrial stagnation and has been largely left behind by the global tide. Japan, on the other hand, joined the Organisation for Economic Co-operation and Development (OECD) in 1964 and has ridden on the track of high economic growth, becoming an economic superpower. Japan's economic relations within Asia became increasingly focused toward East Asian countries. Since then, Japan and India became economically estranged from each other.

Nevertheless, India is one of the main beneficiaries of Japanese Overseas Development Aid (ODA). The Japanese aid and assistance continues even as on today; though there was a interruption in the aftermath of 1998 nuclear tests, India again became the largest recipient of Japan's ODA since 2003.

India's association with Japan became very important when Rajiv Gandhi was Prime Minister; he visited Japan in mid 1980s. Rajiv Gandhi's government took the initiative of laying the foundation of liberalisation of Indian economy in mid 1980s and Japanese companies like Honda Motors, Suzuki Motors, Sanyo Co., Sony Co., Toshiba Co. and many other electronic companies entered India for setting up of their industries in India. The policies initiated during this period were pursued later on.

#### **2.2.6.1 Trade Relations**

However, despite pursuit of the "Look East" policy, Indian trade with Japan has remained stagnant. It was only in 2003–04 that bilateral trade started to show an upward trend, increasing from US\$5.36 billion in 2004–05 to US\$ 18.51 billion in 2012–13. Improved bilateral trade, however, has been largely overshadowed by other bilateral trading relations such as those of India-ASEAN, India-China and India-Korea. India-Japan bilateral trade was surpassed by India-China trade in 2002–03, and even by India-Korea trade in 2005–06. From 2013–14, India-China and India-ASEAN trade had quadrupled relative to Japan. Japan's share in all Indian trade has decreased from 5.9 percent to 2.3 percent from 1997–2013, along with a significant decline of Japan's rank in terms of total amount of trade from third to sixtieth. In contrast, India's share of Japan's total amount of trade remained only one percent during 2013. In the Financial Year (FY) 2014-15, Japan-India trade reached \$15.52 billion, showing decrease of 4.73% over FY2013-14, when the total bilateral trade was \$16.29 billion. This is nothing to do with India-Japan specific context but overall declining experienced by the international trade due to the global recession.

India's primary exports to Japan have been petroleum products, chemicals, elements, compounds, non-metallic mineral ware, fish & fish preparations, metalliferous ores & scrap, clothing & accessories, iron & steel products, textile yarn, fabrics and

machinery etc. India's primary imports from Japan are machinery, transport equipment, iron and steel, electronic goods, organic chemicals, machine tools, etc. On 15 November 2013, India and Japan inked two strategic agreements including one that will enable Tokyo to import rare earth minerals, a move which will help it to reduce its heavy reliance on China for the key material that is vital for producing a range of high-tech products. It has widened the range of relations between India and Japan.

Noting the importance of increasing the trade between the two countries, India and Japan signed in February 2011 the Comprehensive Economic Cooperation Agreement (CECA) covering trade in goods, services and investment under its ambit. It is expected that this Agreement will promote the liberalization and facilitation of trade and investment between the two countries and will further vitalize both economies by strengthening reciprocal economic ties in wide-ranging fields. The Agreement is most comprehensive of all such agreements concluded by India and covers not only trade in goods but also Services, Movement of Natural Persons, Investments, Intellectual Property Rights, Custom Procedures and other trade related issues. The CEPA envisages abolition of tariffs over 94% of items traded between India and Japan over a period of 10 years.

Though the Agreement is expected to give major boost to trade and investment ties between India and Japan, it is too early to appraise the effects of the CEPA on the status of Japan-India trade, but its impact has so far been modest. Prior to the Japan-India CEPA, the India-ASEAN FTA had come into effect in January 2010. India has gradually incorporated itself into the East Asian regional production network where large quantities of machine-parts are imported and exported within the region. The formation of a production network covering Japan and India through vigorous Japanese FDI into India would be the key to expanding the bilateral trade between the two countries.

Due to these initiatives mentioned above, the volume of trade between the two countries has increased. India was the 18<sup>th</sup> largest trading partner for Japan, and Japan was the 13<sup>th</sup> largest trading partner for India in 2021. Also, direct investment from Japan to India has been increased, and Japan was the 5<sup>th</sup> largest investor for

India in FY2021. Japanese private-sector's interest in India is rising, and, currently, about 1,439 Japanese companies have branches in India in 2021.

#### **2.2.6.2 Foreign Direct Investment (FDI)**

It is in investment rather than trade where Japan-India economic relations have experienced a more dynamic trend. Japan ranked fourth, accounting for eight percent of the total accumulated volume of FDI inflows into India from April 2000 to December 2015. Since 2007, Japanese FDI into India began to show conspicuous expansion. Japan's cumulative investment in India since April 2000 to December 2015 has been nearly US\$ 19.434 billion. Japanese FDI into India has mainly been in automobile, electrical equipment, telecommunications, chemical and pharmaceutical sectors.

Presence of Japanese companies in India has been increasing steadily. As on October 2015, there were 1,229 Japanese companies registered in India which constituted a 6% increase over 2014 figures. There were also a total of 4,417 establishments of Japanese businesses operating in India as of February 2016, a rise of 14% compared to the year before. Japanese FDI into India has mainly been in automobile industry, electrical equipment, pharmaceuticals, trading and telecommunications sector. The current level of FDI from Japan reflects neither the potential of Japan to invest nor the capacity of India to absorb. India's growing economy and stable investment climate offer large opportunities for Japanese companies.

During Indian Prime Minister Modi's visit to Japan in September 2014, Japanese Prime Minister Shinzo Abe announced his country's intention to invest 3.5 trillion yen (Rs 2.1 lakh crore) in India over the next five years. This large-scale funding, which will be both public and private, will be invested on the rejuvenation of Ganga, smart cities, transport systems, skill development and next generation infrastructure among other projects. Abe and Modi also agreed to set a target to double Japan's FDI and the number of Japanese companies in India within five years as part of the "Japan-India investment promotion partnership".

Modi promised single-window clearances and speedy, non-discriminatory

decision-making. He proposed to set up a Japan-plus special management team directly under the PMO to facilitate proposals from Japan. He requested the Japanese government to nominate two people from Japan who would be part of a team which looks into business proposals, and they can be a permanent part of the decision-making process.

As is shown by the track record of Marti Suzuki, the expansion of Japanese FDI into India is highly expected to bolster the Indian manufacturing sector by bringing a high-quality production base and upgrading the skill-level of labors. As of now, six industrial parks dedicated to Japanese companies are being constructed in Rajasthan, Gujarat, Maharashtra and Tamil Nadu.

Japan has already left its footprint in Delhi Metro, which is credited for its punctuality and alleviating Delhi's severe traffic congestion. Japan's collaboration in Delhi Metro has contributed to the introduction of a new construction work culture, based upon the concept of 'safety' and 'the appointed time of delivery'.

India has expressed its intention to construct six major industrial corridors, which will be the cornerstone of the strategy to drive India's growth in manufacturing and urbanization. The six industrial corridors are Delhi-Mumbai, Amritsar-Kolkata, Chennai-Bengaluru, Bengaluru-Mumbai and Vizaag-Chennai. Of the above six industrial corridors, Japan is already committed to the Delhi-Mumbai Industrial Corridor (DMIC) and the Chennai-Bengaluru Industrial Corridor (CBIC). Civil engineering work on the DMIC project have already started.

High-speed passenger corridors are another promising area for Japan-India collaboration. According to the Ministry of Railway's Vision 2020, India has a plan to introduce high-speed trains to provide services at 250–350 km/h at six corridors: Delhi-Amritsar, Pune-Mumbai-Ahmedabad, Hyderabad-Chennai, Howrah-Haldia, Chennai-Trivandrum, and Delhi-Patna. The Ahmadabad-Mumbai route within the DMIC is most likely to be India's first high-speed line from the standpoint of marketability, reflecting its high population density across high-income region. Following the summit meeting in May 2013, Prime Ministers Singh and Abe, of India and Japan

respectively, signed the MOU in October between Indian Railway and JICA to conduct a joint feasibility study on the Ahmadabad-Mumbai route.

### **2.2.6.3 Energy Security**

The increasing demand for energy to fuel India and China's economic growth, coupled with the impact of post-9/11 counter-terrorism measures in the Middle East, have forced energy (oil and gas) importing countries in Asia to formulate new long-term energy strategies. Japan is the second largest consumer of oil in Asia after China, its consumption of 5.9 million barrels representing approximately 25 per cent of regional demand in 2005. Increased vulnerability has instigated a 'paradigm shift' in Japan's energy security concept, which in recent times has emerged at the top of the political agenda. Japanese policy makers have now recognised that energy is a strategic good rather than simply a commodity and that Japan's energy policy should be determined by its long-term national interest rather than short-term economic considerations.

As a matter of fact, India has also sought to pursue cooperation with major consumers of oil and natural gas such as China, South Korea and Japan to chalk out plans for sustainability of demand and supply and to streamline the pricing formula. In order to increase cooperation between the oil producing and oil consuming countries, India organised a high level round table meeting in Delhi in January 2005. Both Japan and India have also agreed to increase scientific and technological cooperation in oil and gas; R&D cooperation in energy-related areas such as coal bed methane, underground coal gasification and other unconventional fuels such as hydrogen, biofuels and gas hydrates; and decided to exchange personnel for research and academic institutions and to promote greater mutual understanding in the hydrocarbon sector. During Prime Minister Manmohan Singh's visit to Tokyo in 2006, it was agreed that the two sides would tackle global energy security issues jointly. A Japan-India Energy Dialogue was held in Tokyo between the Planning Commission of India and the Ministry of Economy, Trade and Industry (METI) of Japan, to promote cooperation in the energy sector in a comprehensive manner. The areas covered included oil and natural gas, coal, electric power, renewable energy sources, energy efficiency and other relevant sectors.

Bilaterally, India and Japan institutionalised “India-Japan Energy Dialogue” between the Planning Commission of India and the Ministry of Economy, Trade and Industry of Japan. It has become a platform for sector-specific discussions by experts of both sides to strengthen consumer-producer dialogue on LNG and deepen cooperation in energy conservation and renewable energy sectors. In addition, both sides decided to strengthen programs to further disseminate and expand model business projects that have thus far been implemented by the two sides, and to enhance cooperation in upstream development of petroleum and natural gas. The two sides recognized the need to promote industrial cooperation to expand bilateral energy cooperation on a commercial basis. From this point of view, they reiterated the importance of India-Japan Energy Forum and regular inputs from the forum to the dialogue. Both sides discussed to explore way forward to showcase Japanese technology in energy sector for wider dissemination in India.

### **2.2.7 Latest Developments**

Japanese Prime Minister Shinzo Abe was the first foreign dignitary to congratulate Prime Minister Narendra Modi on his resounding victory in the parliamentary elections on 23 May, 2019. The return of Modi to power for one more tenure has been welcomed by analysts in both India and Japan as far as Indo-Japanese relations are concerned. Most of the scholars agree that bilateral relations between India and Japan have progressed in all directions during 2014-2019. Having elevated the bilateral ties to a special strategic and global partnership in 2014, both Modi and Abe have sought to make it a major element for peace and stability in the Indo-Pacific region. Emphasizing the need for closer coordination between the two countries to address regional security, Modi has supported robust defence cooperation with Japan. Such cooperation has been expanding in recent years supported by the regular annual Strategic Dialogue and the Defence Dialogue between the two. Further, in 2018, both Modi and Abe agreed to create a new Foreign and Defence Ministerial Dialogue to further intensify defence cooperation. Modi has also elevated the US-Japan-India trilateral dialogue to the ministerial level.



### **2.2.7.1 India-Japan Strategic Alignment**

Tokyo and New Delhi held their inaugural “two-plus-two” Foreign and Defense Ministerial Meeting on November 30, 2019. While two-plus-two dialogues at the secretary level have been ongoing since 2010, this meeting marked a significant upgrade, as delegations were led by the foreign and defense ministers for the first time. The two-plus-two mechanism seems to be favored by Japan — the country has held talks with the United States, Australia, Russia, France, U.K., and Indonesia in this format. Significantly, however, Japan is only the second country (after the United States) with which India has such a high level two-plus-two format.

Acknowledging mutual strategic interests and emerging security challenges, the joint statement released after the meeting highlighted that the dialogue “will further enhance the strategic depth of bilateral security and defense cooperation.” The dialogue provided a platform for Tokyo and New Delhi to try and finalize the military logistics agreement called the Acquisition and Cross-Servicing Agreement (ACSA) in time to be signed at the 2019 annual summit (which, as noted above, had to be postponed). The agreement would enhance the already close military engagement between the two countries whereby Japan could gain access to Indian facilities in the Andaman and Nicobar Islands, and India could have access to Japan’s naval facility in Djibouti.

Japan and India also stand to benefit from closer economic and developmental partnerships, including energy, water supply, health, irrigation, environment, technology, and people-to-people exchanges. They have partnered on projects in the strategically sensitive regions of Andaman and Nicobar Islands and India’s northeast, where New Delhi traditionally is stringent about allowing foreign investment. Japan’s NEC Corporation has been contracted to install an undersea cable from Chennai to the Andaman and Nicobar islands while Tokyo is also involved in road connectivity projects linking India’s northeastern states to neighboring ASEAN countries.

In 2018, Japan and India also inked a ‘digital partnership’, which includes the establishment of a startup hub in Bengaluru, mutual investments support, collaboration on digital infrastructure and system designs, partnership in IT human resources, research

and development, as well as next-generation networks. Combining the strengths of Japan's hardware capabilities and India's software expertise presents tremendous growth opportunities and could also mitigate urgent domestic challenges in an era that promises increasing digitalization and potential technological disruptions.

### ***The Quad Security Framework***

New Delhi faces a critical external environment and Japan will be the partner of choice for India in the Indo-Pacific region and beyond. It is noteworthy that there is cross-party support for closer ties with Japan in India. In an era that has seen an increasingly assertive China, India and Japan both increase their options by collaborating with each other. This factor, along with New Delhi's growing ties with Washington, has changed the equations in the Indo-Pacific.

The Quadrilateral Security Dialogue (QSD, also known as the Quad) is an informal strategic dialogue between the United States, Japan, Australia and India that is maintained by talks between member countries. The dialogue was initiated in 2007 by Prime Minister Shinzo Abe of Japan, with the support of Vice President Dick Cheney of the US, Prime Minister John Howard of Australia and Prime Minister Manmohan Singh of India. The dialogue was paralleled by joint military exercises of an unprecedented scale, titled Exercise Malabar. The diplomatic and military arrangement was widely viewed as a response to increased Chinese economic and military power, and the Chinese government responded to the Quadrilateral dialogue by issuing formal diplomatic protests to its members.

### **2.2.8 Let us sum Up**

Japan's relations with India over the past decade have been marked firmly by symbolism and by a harder-nosed pragmatism. Japan did an about-face in warming very quickly to India not long after responding very punitively to India's atomic bomb testing in 1998. India has continued to respond positively to Japan's gestures. Developments so far this century suggest that Japan and India have recognised each other's potential to help balance the power shift in Asia. Japan and India thus now have clear reason to create the strategic, economic and political partnership that eluded

these two Asian partners throughout the second half of the 20th century.

As two of the biggest democracies in the most populous and dynamic region in the world, the many values that India and Japan share are crucial to ensuring stability in the Asia-Pacific and beyond. As conflict over territorial expansion, securing resources, and interpretation of history continue to raise tensions among Asian nations, the shared ideology between Japan and India has been regarded as the basis of a strong partnership to promote regional growth. In fact, growing ties between the two countries is increasingly viewed as a counterbalance to the shifting power dynamics in Asia. The question, though, is to what extent their mutual concerns can lead to a lasting partnership.

### **2.2.9 Exercises**

1. Write a note on India's contribution to end Japan's isolation after Second World War.
2. Critically analyse factors that contributed to deterioration in India-Japan relations during Cold War.
3. Post-Cold War strategic developments significantly contributed to the increasing cooperation between India and Japan. Explain.
4. Maritime Security is one of the major areas of cooperation between India and Japan. Elaborate.
5. Write briefly India-Japan cooperation in trade and other economic dimensions.
6. What is Japan's contribution to India's Defence sector?
7. Write an essay on India-Japan strategic alignment in recent period with special reference to QUAD.

**M.A. POLITICAL SCIENCE, SEMESTER IV, COURSE NO. 402, INDIA'S NEIGHBOURHOOD**

**UNIT – II: INDIA, EAST ASIA, AND SOUTH EAST ASIA**

**2.3 INDIA'S SOUTH EAST ASIA POLICY: LOOK EAST, LINK EAST AND ACT EAST**

**- V. NAGENDRA RAO**

**Structure**

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### **2.3.5 Latest Developments**

### **2.3.6 Let us Sum Up**

### **2.3.7 Exercise**

### **2.3.0 Objectives**

In this lesson you will study India-Southeast Asia relations and their significance to India's foreign policy. After going through this lesson, you should be able to know:

- the historical background to India-Southeast Asia relations;
- India and Southeast Asia relations during Cold War period;
- India's growing relationship with Southeast Asia in Post-Cold War period;
- The evolving partnership in strategic, security, economic, political, cultural dimensions of India-Southeast Asia relations.

### **2.3.1 Introduction**

The Association of South-East Asian Nations (ASEAN) comprises of Indonesia, Singapore, Philippines, Malaysia, Brunei, Thailand, Cambodia, Lao PDR, Myanmar

and Vietnam. India's focus on a strengthened and multi-faceted relationship with countries of Southeast Asian region is an outcome of the significant changes in the world's political and economic scenario since the early 1990s and India's own march towards economic liberalisation. India's search for economic space resulted in the 'Look East Policy' (LEP). This is visible from the increase in bilateral trade, cross-border capital flows and people-to-people contact. India and ASEAN have upgraded their ties to a strategic partnership. India has also embedded deeper in the Southeast Asian regional architecture through trade and investment agreements with the ASEAN and individual Southeast Asian countries like Singapore and Malaysia. Recently, in 2014, India has upgraded the LEP to the 'Act East' strategy for deepening and widening engagement with the region. This might witness greater bilateral cooperation on various strategic and security issues.

Apart from ASEAN, India has taken other policy initiatives in the region that involve some members of ASEAN like BIMSTEC, MGC etc. India is also an active participant in several regional forums like the Asia-Europe Meeting, East Asia Summit, ASEAN Regional Forum, ASEAN Defence Ministers' Meeting + (ADMM+) and Expanded ASEAN Maritime Forum. In this lesson, you will understand India's growing relationship with the Southeast Asian region.

### **2.3.2 India-Southeast Asia Relations: Historical Background**

India's cultural relations with Southeast Asia are one of the most fascinating fields of history. Probably no other country has influenced the region as much as India by way of religion, language, and culture and civilization. This interaction, which precedes the beginning of Christian era, has left an indelible impression on almost every aspect of life in a number of countries of the region. It would not be an exaggeration to say that this intercourse has been a vital factor in shaping the history of this area. The most unique feature of this interaction is that it has been entirely peaceful. There is probably no other example in the history of mankind of such cross fertilization between different cultures and people for over two millennia without any involvement of military force. It exported Hinduism and Buddhism, facilitated the spread of Islam, and provided the platform from which Western imperialism could establish

itself in Southeast Asia.

Hinduism spread throughout Southeast Asia as early as 9<sup>th</sup> century, and Hindu empires such as those centred in Angkor and the Javanese complex of Prambanan rank among world's great civilizations. Today, the only sizable indigenous Hindu community in Southeast Asia is found in the Indonesian province of Bali: about 4 million Hindus out of a national population of 242 million, concentrated on one out of the country's 13,700 islands. But Hindu culture forms a deep substratum underlying many of the societies of the region. The physical remains of Southeast Asia's Hindu past are often visible today—the Vaishnavite temples of the oldest layers Angkor Wat in Cambodia; the Saivite temples at My Son in Vietnam and Vat Phou in Laos; the temples to Vishnu, Shiva, and many of their associated deities at Prambanan in Indonesia.

The deep imprint of intense interaction is visible even today in the language and literature, religion and philosophy, art and architecture, customs and manners of the whole of Indo-China, Indonesia, Burma, Thailand and the Malaysian peninsula. The famous Ankorwat and other Hindu temples in Cambodia, Indonesia, Thailand, Myanmar, Laos, etc. are well-known. There is an evidence of relations between several kingdoms of Southeast Asia and the royal households of coastal India. It must, however, be emphasized that the number of Indian migrants to Southeast Asia was very small. Large scale migrations have only taken place as a result of colonial connection mainly in the 19th and 20th centuries.

### **2.3.2.1 Pan-Asianism and Non-Alignment Movement**

The roots of modern India's self-conceptualization as a linchpin of pan-Asian unity date to the later decades of British colonial rule. A series of Indian intellectuals, most notably Rabindranath Tagore, sought to position India in the cultural context of Asia rather than that of the Raj; in 1927, Tagore spent four months touring Southeast Asia, and published his observations as *Java Jatrir Patra* (Letters of a Traveller to Java). Throughout the 1930s and 1940s, this pan-Asianism dovetailed neatly with anti-colonialist sentiments of populations throughout the continent.

Much before India attained independence in August 1947, Indian leadership envisioned the future importance of Southeast Asia and India's involvement. India convened the Asian Relations Conference in New Delhi in March 1947 primarily to express solidarity with the freedom struggles all across Southeast Asia. Equally important was the Special Conference on Indonesia that was held in January 1949, which was attended by 15 nations, to express support to the Sukarno-led armed struggle against the Dutch colonial rule. In fact it has been argued that freedom struggles especially in Indonesia and Vietnam provided major inputs in shaping the nascent Indian foreign policy in the late 1940s. Interestingly, the Indian military trained the armed forces of Indonesia after it became independent, and Indonesia was the only country outside the Commonwealth with which the Indian Navy held joint exercises.

After India's independence, Prime Minister Nehru expanded the notion of pan-Asianism to a global stage, conceptualizing a community of decolonized nations that would be genuinely independent of both the United States and the Soviet Union. This Non-Aligned Movement (NAM) would be the core of Nehru's foreign policy for more than a decade, and one of the pillars of his legacy. Indeed, the ideals and aspirations of Non-Alignment continue to exert a powerful influence on India's actions on the international stage to this day.

India's neutralist/non-aligned policy had considerable appeal in Southeast Asia even as the Cold War rivalry started showing its impact on the region. Due recognition was accorded to India's stature as a regional power when it was made the Chairman of International Control Commission that was set up under the 1954 Geneva Accord on Vietnam. The Afro-Asian Conference (also called the Bandung Conference) in April 1955, which India had co-sponsored and actively participated, is a major turning point in the history of Third World movement. Ironically, the politics of Cold War and the internal developments in Southeast Asian countries resulted in India's isolation from the region.

The distinct prospect of facing the twin threats from Pakistan and China simultaneously compelled India to move closer to the former Soviet Union. While India was trying to come to terms with changing geopolitical reality in South Asia and



elsewhere, Southeast Asia was witnessing radical changes. The founding of ASEAN consisting of anti-communist regimes and the intensification of the American involvement in Indochina had led to polarization within Southeast Asia and by then India's role and involvement in the developments there had come down drastically.

### **2.3.3 India and Southeast Asia During Cold War Period**

As noted above, the vision of pan-Asian unity lasted less than a decade: Maoist China's support for Communist movements throughout Southeast Asia in the 1960s gave rise to ASEAN. Indonesia, Thailand, the Philippines, and Malaysia faced Beijing-backed plots, conspiracies, or outright insurgency. Burma, which would essentially shut itself off from the rest of the world in 1962, had faced Communist revolts and coup attempts since declaring independence. Singapore also confronted a political Communist threat prior to and immediately after independence.

India was not among the countries that enthusiastically welcomed the formation of ASEAN in August 1967; India's ambivalent attitude towards ASEAN stemmed from the new Asian body's pronounced pro-Western orientation. This led India to wonder about the organization's true purpose, especially in the context of the British Government's decision at that time to withdraw militarily from east of the Suez and the uncertain US role in Indo-China. ASEAN members were, anyway, initially lukewarm to any idea of India's membership in the regional association for individual reasons. Indonesia, the natural and de facto leader of the organization, feared that if India became a member it would dominate the organization. Coupled with this, India's strong anti-Chinese feelings, particularly after the Sino-Indian border conflict of 1962, might have created an adverse impact on Singapore's majority ethnic Chinese population if India at that time had been admitted as a member of ASEAN. Furthermore, Thailand and the Philippines were opposed to India's non-aligned foreign policy and were overtly pro-USA.

Moreover, after the signing of the Indo-Soviet Treaty of Peace, Friendship and Co-operation by India in 1971, the ASEAN states were suspicious of the USSR's role in determining India's foreign policy towards the region in general, and Viet Nam

in particular. After Viet Nam's military intervention in Kampuchea in December 1978, India, by its decision to recognize the Heng Samrin regime in Kampuchea backed by Viet Nam forfeited whatever little goodwill it enjoyed in the ASEAN region at that time. Such Cold War postures created a distance between India and the ASEAN for a long time until the world bipolar structure collapsed in the late 1980s, ushering in a new era of regional equations.

It was only toward the late 1970s and the early 1980s that New Delhi's attention was drawn toward Southeast Asia because of certain developments, especially after the end of the U.S.-led war in Indochina and more importantly after the rift between China and Vietnam. The February 1979 Chinese attack on Vietnam, ostensibly to "teach a lesson" for the latter's military intervention in Cambodia and overthrowing the pro-Beijing Pol Pot regime, brought India and Vietnam closer. India was the only non-communist country that recognised the Hanoi-installed Heng Samrin government resulting in the establishment of close security understanding with Vietnam. ASEAN offer of a "dialogue partnership" in mid-1980s to dissuade New Delhi from extending diplomatic recognition to Cambodia was seen to be strategically less advantageous and hence it was not accepted. Thus, much of India's policy toward Southeast Asia in the eighties appears to be China-centric.

Despite its best efforts and some half-hearted attempts to find a solution to the Cambodian impasse, India could not shed its image as pro-Soviet. There was little that India could do to allay the fears of the non-communist ASEAN nations about Indian intentions in Southeast Asia. Amidst these developments, the expansion of the India Navy came under considerable focus. Some analysts felt that India along with the former Soviet Union and Vietnam might make concerted moves to check growing Chinese influence in Southeast Asia, particularly after the Soviets gained a foothold at Cam Ranh Bay naval base in Vietnam. The spectre of another Cold War-motivated conflict arising in Southeast Asia was looming large in the minds of the ASEAN leaders.

Coinciding with this was the so-called Indian military build-up, especially its acquisition of certain high-profile naval ships and systems. Although the first reaction

came as far back as mid-1986 when Indonesia protested against reported Indian moves to a new naval base in the Andaman and Great Nicobar Islands, criticism of the Indian Navy reached its peak in the late 1980s and early 1990s. From an ASEAN point of view, a possible Indian naval role in the waterways that pass through Southeast Asia connecting Bay of Bengal with East Asia was of major concern, particularly given the close proximity of India's newly expanded and upgraded base on the Andaman island, called Fortress Andaman (FORTAN).

The ice began to break only with the demise of the Soviet Union. The real impetus for India's re-engagement with East Asia, however, was economic rather than geopolitical: India's Look East policy, while grounded in ideas first articulated in the colonial era and deepened by Nehruvian Non-Alignment, took on its current name and shape only after the country's balance of payment crisis of 1991.

#### **2.3.4 India-Southeast Asia Relations in Post-Cold War Period**

India has indeed come a long way since the Cold War days when most of the then ASEAN countries perceived India to be in the camp of the former Soviet Union. Aside from Vietnam to an extent, there was very little political interaction of consequence except normal relations, defence links were virtually non-existent, and economic bonds were of little consequence. When seen against this background, the progress that India has made in cultivating multi-faceted relationships with ASEAN and its members is remarkable. If visits by the top political leadership are any indication, Southeast Asia saw the largest number of visits by the Indian prime ministers in recent times.

Though the post-Cold War context transformed international relations significantly, the importance of Southeast Asia, both strategically and economically, has not altered at all. The region remains the most promising economically—the rise of new economic powerhouses, huge foreign exchange reserves, vibrant consumption patterns, rapidly expanding markets, and, more importantly, an unparalleled demographic advantage. In the East Asian context, issues of security and economic development are not mutually exclusive; they influence each other either in the promotion

of peace and prosperity or in imperilling them. Two, the subregions of East Asia, Southeast, and Northeast Asia, whose linkages during the Cold War were relatively tenuous, are being strengthened, and hence the segregation of issues of security and economic development between them is no longer valid.

India is intensifying its efforts to identify and integrate itself with East Asia through the “Look East” policy. This has since evolved into a multifaceted policy encompassing political, economic, and strategic dimensions. Strongly underpinned by a variety of institutional and bilateral linkages to promote economic cooperation, India’s political and strategic interactions with East Asia are extensive. Reciprocally, the countries of East Asia can no longer overlook an increasingly confident, assertive, and rising India. Many look at India not just as an economic opportunity but as a potential countervailing power to China. As Singaporean minister George Yeo stated, “We in Southeast Asia have no wish to become merely an adjunct to the Chinese economy.”

#### **2.3.4.1 India’s Look East Policy**

As Rajiv Sikri noted, India’s ‘Look East’ Policy is a response to the end of the Cold War, when natural relationships based on geographical contiguity and commonality of factors could be re-established. The global strategic environment had also changed. It was increasingly untenable, illogical and detrimental to India’s long-term national interest to regard South Asia and East Asia as separate strategic and economic theatres interacting only on the margins. Eurasia has diversified its connectivity with the outside world, with new transport and energy corridors linking it to the rest of the world, particularly China, Myanmar, Thailand, Laos and Vietnam are being hard-wired with China and inexorably sucked into China’s economic whirlpool. These mushrooming linkages will create new long-term political linkages and economic interdependencies among Asian countries. But as these leave out India, they threaten to keep India strategically and economically boxed up in the South Asian region, mired in dealings with its fractious neighbours. The continuing relatively low share of its South Asian neighbours in India’s global trade gives India limited economic opportunities in its immediate neighbourhood. In order to fulfil its aspirations of playing

a greater regional and global role, India need an extended political and economic strategic space beyond South Asia. Given the constraints to India's west, a region full of imponderables, challenges and troubles, moreover one with a relatively small population, the east is the only direction in India's strategic neighbourhood where opportunity beckons.

More recently, an important domestic dimension emerged in India's 'Look East' policy, namely how to help the Northeast Region get over the handicap of its geographical location. India's strategy envisages the development of the Northeast Region's communication and economic links with Myanmar and other Southeast Asian countries, thereby reducing the Northeast Region's overwhelming dependence on an unhelpful and uncooperative Bangladesh.

Hence, India's Look East policy became a multi-faceted and multi-pronged approach to establish strategic links with as many individual countries as possible, evolve closer political links with ASEAN, and develop strong economic bonds with the region. Second, it was an attempt to carve a place for India in the larger Asia Pacific. Third, the Look East policy was also meant to showcase India's economic potential for investments and trade. Fourth, this policy also resulted in a total volte-face with regard to its attitude toward Myanmar. Last but not least, the feeling of getting left out of the action in the Asia Pacific, whether it was the Asia Pacific Economic Cooperation (APEC) or the ASEAN Post-Ministerial Conferences (ASEAN-PMC) with the Dialogue Partners of ASEAN, which had emerged as the only forum to discuss regional issues, also weighed heavily in New Delhi's thinking.

One can discern three distinct phases of this Look East policy so far. The first phase marked enormous enthusiasm and a flurry of activity and exchanges. By mid-1990s, there was considerable cooling down of earlier zeal by both sides, which got further dampened by the 1997-78 financial crisis. The third and a more recent phase is the revival of interest once again. The multi-dimensional approach and the progress that India's Look East policy achieved are briefly explained below.

#### **2.3.4.2 India and ASEAN**

India's engagement with ASEAN has been central to India's 'Look East' Policy. India initiated a sectoral dialogue with ASEAN in 1992, became a full Dialogue Partner and a member of the ASEAN Regional Forum (ARF) in 1996, leading up to an annual summit-level interaction since 2002. India also acceded to the Treaty of Amity and Cooperation in Southeast Asia as early as 2003. It has opened the doors to India's membership of the East Asia Summit (EAS) and the Asia-Europe Meeting (ASEM). The heart of the India-ASEAN engagement is the Comprehensive Economic Cooperation Framework Agreement signed in 2003, which envisages the establishment of a FTA in goods, services and investment over the next decade or so. Negotiations were concluded in July-August 2008. India-ASEAN commemorated the 20<sup>th</sup> anniversary of dialogue-level partnership and the 10<sup>th</sup> anniversary of Summit-level partnership under the theme 'ASEAN-India Partnership for Peace and Shared Prosperity' on December 20-21, 2012, in New Delhi. India is also part of negotiations on the Regional Comprehensive Economic Partnership Agreement (RCEP), which includes ASEAN and its other five Free Trade Agreement (FTA) partners, Australia, China, Japan, South Korea and New Zealand. The RCEP, which accounts for 24 percent of the global GDP, over 45 percent of the world's population and almost 30 percent of the world's output and trade, will be India's largest trading block.

The first ASEAN-India Summit was held in Phnom Penh in 2002 to promote regional peace and stability and foster closer economic and developmental cooperation. Since then, both India and ASEAN have travelled a long way. Since 2002, India has annual Summits with ASEAN; along with China, Japan and Republic of Korea have also similar arrangement with ASEAN. There are 30 Dialogue Mechanisms cutting across all the sectors including 7 ministerial level meetings. In 2012, India and ASEAN commemorated 20 years of dialogue partnership and 10 years of Summit level partnership with ASEAN with a Commemorative Summit in New Delhi under the theme 'ASEAN-India Partnership for Peace and Shared Prosperity' on December 20-21, 2012. India upgraded its partnership with ASEAN to "Strategic Partnership".

### 2.3.4.3 Strategic Partnership

ASEAN-India partnership has exceeded the sphere of economic cooperation to cover political and security dimensions. In the 1990s, in the early days of 'Look East Policy', determined to become a part of the region's institutions, New Delhi was quite happy to heed Deng Xiaoping's advice to the Chinese leaders, "keep a low profile, and never take the lead". On the defence front the immediate priority for India in the 1990s was to remove the distrust accumulated in the region during the Cold War and restore high level exchanges and gently explore the prospects for deeper cooperation. As it welcomed India into the ASEAN fold in the early 1990s, the region had no reason to see India as a counter to China. ASEAN's relations with China were on the upswing and there was no real alarm about Beijing's rise. In fact many in the region advised India not to bring its historic baggage against China or Pakistan into the ASEAN deliberations. A modest initial approach to security issues, then, seemed to serve the objectives of India's Look East policy as well as the ASEAN.

From the mid 1990s, when India became a dialogue partner of the ASEAN to its membership of the first East Asian Summit (EAS) in 2005, India slowly crawled back into the region's institutional structures. After arguing for years that India had no place in Southeast Asia let alone the larger framework of East Asia, the region began to accept India's relevance to the Asian order. As India's economic growth gathered momentum and its relations with all the great powers, especially the United States, China and Japan were on the upswing, the region became more open to considering the importance of New Delhi for the strategic future of Asia. With the decision to set up the EAS and draw in India as a founding member, ASEAN signalled its interest in a more explicit Indian role in contributing to regional security. Since then, the interest in the ASEAN for security cooperation with India has steadily grown. As great power relations deteriorated and regional conflict deepened since 2010, the hopes for a stronger Indian contribution to the regional security order have risen within the ASEAN.

Though there is no grand strategy in India's foreign policy in its relations with Southeast Asian countries, however, one can identify some elements of India's East Asian policy— multi-directional engagement with the great powers of Asia, integration

with the regional institutions, expand India's security cooperation with key actors in the region and work for a relative improvement in India's geopolitical standing in Asia.

### **ASEAN-India Partnership for Peace, Progress and Shared Prosperity**

India and ASEAN, to strengthen their engagement signed 'the ASEAN-India Partnership for Peace, Progress and Shared Prosperity', which sets out the roadmap for long-term ASEAN-India engagement, at the 3<sup>rd</sup> ASEAN-India Summit in 2004 in Vientiane. Three Plan of Actions (POA) have been developed to implement the Partnership. The POA (2004-2010) and POA (2010-15) successfully implemented provision of the Partnership. A third POA was adopted at 13<sup>th</sup> India-ASEAN Summit, 2015 and "lays out priorities and measures to be undertaken by both sides to further deepen and enhance their political-security, economic and socio-cultural ties as well as to realise the full potential of the ASEAN-India strategic partnership in all areas of common interests". POA (2016-2020) further tend to intensify the India-ASEAN strategic engagement. The POA calls both India and ASEAN to strengthen the EAS, with ASEAN as the driving force, broaden the cooperation on strategic, political and economic issues of common interest, to promote peace, stability and economic prosperity in the region. ASEAN also encourages India to actively participate and co-chair joint exercises and activities organised by the East Asia Summit, ASEAN Regional Forum (ARF), and ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus). India and ASEAN support the implementation of the Southeast Asia Nuclear Weapons Free Zone (SEANFWZ) Treaty as an effective instrument towards the promotion of international peace and security.

The range of cooperation outlined in the Plans of Action is indeed extensive. Based on the review of by ASEAN-India Eminent Persons Group (AIEPG), which was tasked to take stock of past and current ASEAN-India relations, it appears that the dialogue partnership has been growing stronger. The AIEPG review as well as the progress report prepared by the ASEAN Secretariat, indicate that progress in implementing had been encouraging given the rather ambitious targets that have been set in the POAs.



## Appointment of an Indian ambassador to ASEAN

The adoption of the ASEAN Charter in 2007 paved the way for ASEAN being given a legal personality. One of the consequences of being a legal entity is the fact that a state which intend to strengthen and enhance its bilateral relations with ASEAN can now appoint its own Ambassador to ASEAN. With the entry into force of the ASEAN Charter in 2009, India was one of the earliest Dialogue Partners to accredit its Ambassador to ASEAN in the Jakarta, which is also where the headquarters of the ASEAN Secretariat is located.

India's Ambassador to ASEAN becomes an important conduit to ASEAN-India relations. This allows the Ambassador to officially join and represent India's senior officials in high-level official meetings that are held regularly in the Secretariat in Jakarta and in other places.

### **2.3.4.4 Trade and Economic Partnership**

The Look East policy also gave a tremendous boost to economic ties between India and Southeast Asia. A number of institutional mechanisms have been put in place to promote economic exchanges both at the governmental as well as private sector level. The ASEAN-India Joint Cooperation Committee and an ASEAN-India Working Group on Trade and Investment were set up along with the creation of an ASEAN-India Fund to promote trade, tourism, science and technology, and other economic activity. From virtually little or no investment from Southeast Asia in the early 1990s, Malaysia and Singapore have emerged as the tenth and eleventh largest in terms of approved investments respectively by 2002. Thailand is in the 18<sup>th</sup> and Indonesia and the Philippines are in 33<sup>rd</sup> and 35<sup>th</sup> position respectively.

ASEAN is one of the biggest economic player in the global trade with a combined gross domestic product of \$2.3 trillion; ASEAN is the seventh largest economy in the world and it would become the fourth largest economy by 2050 if the existing level of growth continues. Fittingly, ASEAN is considered to be a growing hub for consumer demand and occupies a significant position in global trade flows. Understandably, trade and economic consideration has been the important driving

forces of India's engagement with Southeast Asian nations. ASEAN, as a collective, occupies the fourth largest position in India's total external trade, while India was only ASEAN's 10<sup>th</sup> largest trading partner as of June 2015. Trade and investment flows between ASEAN and India gradually increasing but remained relatively low compared with other dialogue partners of ASEAN. The annual trade registered an average growth of 22% per annum; it grew from \$13 billion to \$74 billion between 2003-04 and 2013-14. According to Ministry of External Affairs, India-ASEAN trade was at approximately US\$ 76.52 billion in 2014-15. The statistics indicates that there are unexplored opportunities for India to increase trade with ASEAN countries. This includes trade in services.

ASEAN accounts for approximately 12.5% of investment flows into India since 2000. FDI inflows into India from ASEAN between April 2007-March 2015 were about US\$ 32.44 billion. Whereas FDI outflows from India to ASEAN countries, from April 2007 to March 2015 was about US\$ 38.672 billion.

India and ASEAN are constantly engaged in improving their economic relations. At the 2<sup>nd</sup> ASEAN-India Summit in 2003, the Leaders signed the ASEAN-India Framework Agreement on Comprehensive Economic Cooperation. The Framework Agreement laid a sound basis for the establishment of an ASEAN-India Free Trade Area (FTA), which includes FTA in goods, services and investment. ASEAN and India, in 2009 signed the ASEAN-India Trade in Goods (TIG) Agreement in Bangkok. The signing of the ASEAN-India Trade in Goods Agreement leads the way for the establishment of one of the world's largest free trade areas (FTA). India- ASEAN FTA, having market of almost 1.8 billion people with a combined GDP of US\$ 2.8 trillion, sought to liberalise the trade norms and ease trade barriers.

Aside from the Agreement in Trade in Goods, both sides are also currently negotiating the ASEAN-India Trade in Services and Investment Agreement. Both sides are aiming for an early conclusion of this Agreement. In order to further enhance trade and investments, ASEAN and India have been working closely with business communities on both sides. The ASEAN-India Business Fair and Conclave( AIBFC) held in New Delhi in 2011 attracted an estimated 60,000 visitors and over 500 trade

exhibitors from business leaders, practitioners and enterprises from ASEAN Member States and India for networking, knowledge and experience sharing and enterprise development. The AIBFC is envisioned to become an annual event to boost trade and investments from both sides.

Despite repeated assertions of emphasis on economic aspects, India lags far behind other powers, for its share in trade and investments in Southeast Asia is relatively less significant. Hence, India has put across concrete plans to increase the economic interaction and integration through a number of new initiatives.

### **Energy Cooperation**

India is already involved in the oil and gas sector in Myanmar, Malaysia, Viet Nam and Indonesia. ONGC Videsh Limited (OVL), the international arm of India's Oil and Natural Gas Corporation Limited, and the Gas Authority of India Limited (GAIL), both publicly owned, are engaged in joint exploration of gas in Myanmar's A1 and A3 blocks off the Rakhine coast (formerly the Arakan coast). These two Indian energy giants acquired a 30% stake in this block, along with the Republic of Korean companies KoGas and Daewoo. GAIL is also working in Viet Nam through a joint venture to construct the South Con Gas Plant, while OVL is involved in oil and gas exploration project with Vietnam Petroleum and BP Exploration (UK). Competition and friction with China is apparent in both the Vietnamese and Myanmar fields. India also imports petroleum from Malaysia, as, for example, with the Indian Oil Corporation (IOC) signing a contract with the Malaysian oil giant Petronas in June 2007 to purchase 1.5m. tons of crude oil. Indonesia, the world's largest exporter of liquefied natural gas and an oil producer, with most of the gas reserves located in central Sumatra, invited Indian companies to explore its hydrocarbons and construct gas pipelines from Indonesia to third countries. In July 2000 IOC signed a memorandum of understanding with the Indonesian oil company Pertamina to explore and buy oil and gas as well as modernize the refineries in the archipelago.

#### **2.3.4.5 Functional and Development Cooperation**

India is one of the Dialogue Partners of ASEAN that has established a

development assistance fund to help ASEAN member states. In 2007, India contributed US\$1 million to the ASEAN Development Fund. The ASEAN-India Green Fund with an initial contribution of US\$5 million was also set up in 2010 to support pilot projects between ASEAN and India on promoting technologies geared toward adaptation and mitigation schemes to address the impact of climate change. In addition, India also provided US\$1 million to the ASEAN-India Science and Technology Development Fund to encourage collaborative R&D and technology development between the two sides.

Apart from establishing a Development Fund, ASEAN has also benefited from a range of technical assistance from India which are geared to build capacity in the region. Some of these are highlighted:

- On Human Resource Development, ASEAN has benefited from technical assistance from India in the field of education and related programmes. Under the Indian Technical and Economic Cooperation (ITEC) programme, India has been offering 637 scholarships annually to ASEAN nationals. So far, 240 space scientist from ASEAN have benefited from training programmes at the Centre for Space Science and Technology Education in Asia and the Pacific (CSSTEAP) in Dehra Dun, India.
- India is also supporting ASEAN's Initiative for ASEAN Integration (AIA). The AIA is a cornerstone programme of ASEAN to narrow the development divide and to deepen ASEAN integration. In this regard, India has been generously supporting various programmes within the AIA framework, such as setting up Centres for English Language Training (CELTs) in Vietnam, Cambodia, Laos and Myanmar.
- On Information and Communication Technology, India has been working with ASEAN in developing four IT Centres in CLMV countries which are aimed at developing IT training curricula and training programmes.
- On Food and Agriculture, ASEAN officials have benefited from the various training programmes conducted by India's Central Institute of Agriculture and

Engineering on areas such as: (i) advances in agriculture equipment; (ii) food processing; and (iii) production and processing technology for value addition of horticultural products. In October 2012, the ASEAN-India Farmers Exchange was launched to create greater awareness among young and innovative farmers on the promising career in the agriculture sector.

- On Science and Technology, India and ASEAN have had extensive joint cooperation projects. These include developing portal for the ASEAN-India Technology, Information and Commercialisation (TICC) project, the 'ASEAN-India Virtual Institute for Intellectual Property (VIIP). In the Space sector, ASEAN and India are now working on further exploring cooperation in sharing satellite imageries from OCEANSAT-2 and RESOURCESAT-2. India has also offered to train space scientists from ASEAN on how to make best use of satellite imageries for socio-economic benefits in the region.

#### **2.3.4.6 Broadening of ASEAN-India Defence Cooperation**

It is however on the defence front that India has made impressive progress. A sea change in the political atmosphere that Southeast Asia witnessed in the aftermath of the Cold War contributed to this in a big way. Moreover, India's military might in the emergent Asian balance of power could not be ignored any longer. The Southeast Asian nations began to look upon India as a power that could play a kind of 'balancing role' vis-à-vis China in particular.

The progress of ASEAN-India strategic cooperation has also helped in moving forward relations in the security arena. Until very recently, India's engagement with ASEAN in the area of defence and security has been limited largely to bilateral activities. However, in 2010 India participated in the inaugural meeting of the ASEAN Defence Ministers Meeting Plus (ADMM-Plus) which was held in October in Ha Noi, Vietnam. The ADMM-Plus is the highest ministerial defence and security consultative and cooperative mechanism for regional security issues. India's participation in this new regional framework is significant. The ADMM-Plus is regarded by ASEAN as a key component of robust, effective, open and inclusive regional security architecture for cooperation to address security issues of mutual interests.

It can also be observed that for a number of years, India has undertaken a number of confidence building measures (CBMs) with Southeast Asian countries, including periodic naval exercises and biannual gathering of regional navies at MILAN. India has extensive bilateral defence cooperation agreements with Malaysia, Vietnam, Singapore, Laos and Indonesia. India has also been active in assisting the armed forces of Myanmar and Thailand in capacity-building activities. Singapore uses India's missile testing range to test its own guns and missiles and uses Indian facilities to train its naval personnel. Thai pilots are also being trained in India to gain experience to operate their aircraft carrier and the Myanmar armed forces undergo counter-insurgency training.

Moreover, India and Indonesia conduct frequent joint patrols on the critical straits of Southeast Asia to ensure the security of sea-lanes of communication. The role of the Indian navy has been significant in advancing defence cooperation between ASEAN and India. This is best demonstrated in the Indian navy's pivotal role in launching the Indian Ocean Naval Symposium (IONS). Started in 2008, IONS is an initiative that seeks to enhance maritime co-operation among navies of the littoral states of the Indian Ocean Region by providing an open and inclusive forum for discussion of regionally relevant maritime issues with the aim of generating a flow of information between naval professionals that would lead to common understanding and possibly agreements on the way ahead. The key objectives envisaged for the IONS construct are the promotion of a shared understanding of the maritime issues facing the littoral nation-states of the Indian Ocean and the formulation of a common set of strategies designed to enhance regional maritime security. Among the IONS activities is the Conclave of Chiefs which is held every two years. The IONS has also conducted various seminars and workshops on topics of interest to member nations. For example, an Anti-Piracy and Preparatory Workshop was held in Jakarta, Indonesia in 2011. The Workshop enabled members to exchange experiences and opinions towards tackling the scourge of piracy prevalent in the Indian Ocean region. As observed by one analyst, India's naval diplomacy has been ahead of the government's in developing closer ties with ASEAN.

To sum up, the majority of ASEAN states have, to a greater or lesser degree, welcomed an increased regional role for India, including in maritime security. Many now see India as potentially playing an important role in the regional balance of power through helping to ensure a balanced distribution of power in the region, alongside other key extra-regional powers such as the United States, China, Japan and Australia. Singapore, in particular, has consistently welcomed and encouraged a balanced role for external security providers on the basis that competition between major regional powers “must be squarely confronted and cannot be wished away”.

#### **2.3.4.7 Connectivity**

The Connectivity is one of the major features of India-ASEAN relations. Cultural connectivity and physical connectivity immensely influence the policies of both partners while engaging with each other. With the launch of ASEAN’s Master Plan for ASEAN Connectivity, ASEAN has looked to its Dialogue Partners, including India to help realise its vision of connecting with ASEAN members. Under the Connectivity Master Plan, ASEAN has outlined its goals of improving connectivity through a 3-pronged strategy of “enhanced physical infrastructure development (physical connectivity), effective institutions, mechanisms and processes (institutional connectivity), and empowered people (people-to-people connectivity)”.

There are numbers of physical connectivity projects with ASEAN countries. Kaladan Multimodal Transit Transport Project, piloted and funded by Ministry of External Affairs, India, aims to develop Port/IWT between Sittwe and Kaletwa along Kaladan River and Road from Paletwa to Indo- Myanmar border (Mizoram).

The Union Cabinet, on 14-October-2015 has approved Revised Cost Estimate (RCE) of Rs. 2904.04 crores for the Kaladan Multi Modal Transit Transport Project in Myanmar. India-Myanmar-Thailand Trilateral Highway shall ensure connectivity from Moreh in India to Mae Sot in Thailand via Myanmar.

India is also enhancing air connectivity with ASEAN countries. ASEAN-India aviation cooperation framework was adopted at the 14<sup>th</sup> Transport Ministers Meeting in Makati, Philippines on 6 November, 2008. According to Ministry of Civil Aviation

18 destinations of tourist and business interests are available to ASEAN countries in Tier II and III cities but only 7 have been utilized. Despite India's 'open skies' policies, it is disappointing that few capitals of Southeast nations, especially CLMV (Cambodia-Laos-Myanmar-Vietnam) countries, doesn't have direct air connectivity with India, while few countries like, Singapore, Thailand and Malaysia enjoy multiples air connections with India. Thai Airways and Singapore Airlines connect India to some of these capitals. It demonstrates that India's air connectivity with Southeast nations is largely driven by economic consideration nevertheless; India's recent effort to enhance the road/air connectivity with CLMV countries is promising.

#### **2.3.4.8 Cultural Relations**

Culture is also an important tool of India's soft power. Narashimha Rao's outreach to the Buddhist Order during his visit in 1993 to Thailand and the declaration to liberalise India's visa regime for visiting monks are indeed part of India's soft power investment. Equally importantly, India has extended its assistance for restoration of the Angkor Vat and Ta Prohm temples in Cambodia, Cham monuments in My Son, and Ananda Temple in Bagan. Every successive government in India since the initiation of its LEP has emphasised India's civilisational links with Southeast Asia through public diplomacy.

In order to promote cultural relations and thereby project India's soft power, the Indian Council of Cultural Relations (ICCR) has established cultural centres in Indonesia, Malaysia, Myanmar and Thailand, and is in the process to establish such centres in Vietnam and Singapore. The ICCR has also been involved in organising exhibitions, organising and supporting seminars and conferences in Southeast Asian states and India in the subject of culture, ideology and Buddhism, and hosting cultural troupes from Southeast Asian countries to perform in India and also sending cultural delegations to these countries to showcase Indian culture.

India has also held the "Festival of India" in various ASEAN countries to showcase Indian culture, thereby expanding bilateral cultural relations. Another initiative "India show" with the support of the Indian government has sought to promote brand



India in some ASEAN states. At the bilateral level, India has agreed to engage in cultural exchange programmes with ASEAN states. In the 2012 *Vision Statement*, it agreed to increase the socio-cultural cooperation including intensifying “efforts to preserve, protect and restore symbols and structures representing civilisational bonds between ASEAN and India”.

India launched the India–ASEAN Eminent Person Lecture Series in December 1996 to enhance people-to-people interaction. In collaboration with Southeast and East Asian states, India is reviving the ancient Nalanda University aimed at “pan-Asian cooperation in education and intellectual pursuits”. There have been other initiatives to enhance people-to-people relations such as ASEAN-India Students Exchange Program, ASEAN-India Youth Exchange Programme and ASEAN-India Media Exchange Programme. During the third Meeting of the ASEAN-India Tourism Ministers, India signed a memorandum of understanding (MoU) on Strengthening Tourism Cooperation. India now provides visa on arrival to nationals from seven ASEAN countries.

#### **2.3.4.9 Cooperation on Political Values**

In order to optimise its influence through attraction, India has also used its relatively successful pluralist democracy vis-à-vis ASEAN states. Notwithstanding the cultural roots of Indian democracy, its relative success reaffirms the belief that democracy is a universal value. While rejecting any kind of “political interventionism”, India has engaged bilaterally and multilaterally for the cause of democracy promotion.

India is a co-founder and the second biggest donor to the UN Democracy Fund which is involved in various projects to promote democratic values and processes in ASEAN countries. It is also a founding member of the Community of Democracies with similar aims and hosted the inaugural assembly of the World Movement for Democracy in February 1999. India has also participated in the Asia-Pacific Democracy Partnership and is a founding member of the International Institute for Democracy and Electoral Assistance (IDEA) for the cause of democracy promotion. The IDEA also aims at “the realisation of the democracy and governance elements of

the ASEAN Political and Security Blueprint”. The Election Commission of India (ECI) has signed MoU with the International Foundation for Electoral Systems for “promoting democratic processes and good governance around the world”.

Bilaterally, the ECI has shared its experiences with ASEAN states signed MoU with its Indonesian counterpart to cooperate in the areas of electoral management and administration and is in process to sign one with Thailand. India has trained parliament officials of ASEAN countries under its ITEC programme. India and Singapore have launched a “Friendship Group” consisting of parliamentarians from both the sides. It has also formed a similar group together with Thailand. Besides bilateral engagements, Indian Parliamentarians have engaged the members of the ASEAN Inter Parliamentary Assembly (AIPA).

#### **2.3.4.10 India and Sub-regional Co-operation in South-East Asia**

Apart from this, India also attempting developing relations with some of the Southeast Asian countries by floating various subregional organizations such as BIMSTEC and Mekong-Ganga Cooperation (MCG).

#### **BIMSTEC**

BIMSTEC is a sub-regional arrangement established in 1997, of which India is a member. As part of its Look East policy, India played a prominent role in the initial formation of BIMSTEC (then called the Bangladesh, India, Myanmar, Sri Lanka and the Thailand Economic Cooperation, changing to the current name in 2004) in 1997. At the February 2004 meeting of the organization, Bhutan and Nepal were added as new members. It is the first ever regional arrangement that was established by some of the members from the SAARC and some of the ASEAN member states, thereby symbolizing growing recognition of naturally contiguous areas and development and action plans. BIMSTEC broadly identified sub-regional co-operation in six areas, namely trade and investment, technology, transport and communication, energy, tourism, and fisheries. Each member country is entrusted with the responsibility of coordinating a particular area of subregional co-operation, for instance India with technology and Myanmar with energy. A Framework Agreement for the creation of a

BIMSTEC free trade area was signed during the 2004 summit.

Apart from promoting economic co-operation, India is keen to expand the scope of BIMSTEC to include political and security matters as well. As far as strategic considerations were concerned, by actively encouraging other states to be a part of this grouping, India sought to combat the escalating Chinese influence in Myanmar and other member states, through increased economic co-operation. It is also worth noting that besides focusing on issues relating to trade and commerce, the July 2004 BIMSTEC summit declaration called upon the member states to join hands in combating international terrorism. At the second BIMSTEC Summit held in New Delhi in November 2008, the Summit Declaration recognized the threat that terrorism posed to peace, stability and economic progress in the region, and emphasized the need for close co-operation to combat all forms of terrorism and transnational crimes.

### **Mekong-Ganga Cooperation (MGC)**

India floated the MGC Forum with the signing of the Vientiane Declaration in November 2000. The MGC had been approved in principle by the six states (India, Myanmar, Viet Nam, Laos, Cambodia and Thailand) at the ASEAN meeting in Bangkok in July 2000. The basic thrust of the MGC Forum is to promote economic development of the Mekong region by developing the infrastructural facilities. For India, MGC offers immense scope for creating linkages with the Mekong countries by connecting them to the relatively less developed Indian north-eastern region. Unfortunately, it has so far failed to live up to its promise. Meetings at the ministerial level have been sporadic. MGC has been hobbled by problems like absence of clear timelines, uncertainty about sources of funding, and inadequate implementation and review mechanisms. Another fundamental problem is that, given their relatively larger weight in the grouping, India and Thailand have to be the main drivers and sources of funding of MGC. However, Thailand lost interest in MGC after it set up the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) that brings together the same group of countries, minus India. The attention of all the non-Indian members of MGC, who are also members of the older established Greater Mekong Subregion (GMS) together with China's Yunnan Province, is more focused on it.

#### **2.3.4.11 Look East to ‘Act East’ Policy**

The objective of India’s Look East Policy (LEP) is to expand India’s economic engagement with Southeast and East Asian countries. Since its inception in the mid-1990s, the LEP has been pursued in a multi-faceted manner in wide-ranging areas such as connectivity, trade, and investment. The LEP has been pursued through constructive engagement with ASEAN, the East Asia Summit (EAS), the Bay of Bengal Initiative for MultiSectoral Technical and Economic Cooperation (BIMSTEC), and the Mekong–Ganga Cooperation (MGC). India has moved into Look East Policy Phase 2, which is popularly termed as “Act East Policy”. The Northeast Region (NER) of India is central to India’s growing economic and strategic partnership with East and Southeast Asia. The region acts as a land bridge between South and Southeast Asia. Following the LEP, India has signed several bilateral and regional trade agreements in the form of FTAs, comprehensive economic cooperation agreements (CECAs), and comprehensive economic partnership agreements (CEPAs), of which, the FTA with ASEAN has been the most important in strengthening economic relations with Southeast Asia. All the ASEAN countries have implemented the above agreement. Although negotiations for trade in services and investment agreements have been completed, they have yet to be implemented.

As part of this policy, Prime Minister Narendra Modi’s visited to Kuala Lumpur to attend the 13<sup>th</sup> ASEAN-India Summit and 10<sup>th</sup> East Asia Summit from 21 to 22 November 2015. He also undertook an official visit to Malaysia on 23 November 2015 and held bilateral dialogue with his Malaysian counterpart Dato Sri Mohd Najib Tun Abdul Razak. Modi thereafter paid an official visit to Singapore on 23-24 November 2015 to commemorate the 50<sup>th</sup> anniversary of bilateral relations and elevate this relationship to strategic partnership. PM Modi’s participation at both the ASEAN-India Summit and the East Asia Summit and bilateral visit and meetings with leaders signifies the importance that India attaches to ASEAN and its role in the region. In his speech at the 10<sup>th</sup> East Asia Summit, Prime Minister Modi favoured the evolution of comprehensive regional architecture for security and cooperation. He asked for closer cooperation on cyber security, outer space and non-proliferation. India proposed to

establish EAS Virtual Knowledge Portals on Disaster Management and Trauma Care and Nursing.

The Chinese are anxious about India's strong forays into East Asia through its Look East policy, in particular its participation in what China considers a US-led containment strategy along with Japan and its involvement in the South China Sea even if ostensibly in search of energy resources. Confirming these fears, Prime Minister Modi referring to the South China Sea disputes at the 10th East Asia Summit, said that India "shares with ASEAN a commitment to freedom of navigation, over flight and unimpeded commerce, in accordance with accepted principles of international law, including the 1982 UN Convention on the Law of the Sea". This is a clear indication that India's active and renewed spirit to engage in the region and not desist from problems that are strategically crucial for India and to maintain peace in the region.

#### **2.3.4.12 India's Withdrawal from RCEP: A Setback to India-ASEAN Relations**

The regional dynamics in Southeast Asia has become more volatile due to growing tension between Japan and China on the one hand, and China and Vietnam on the other. There were considerable skirmishes between these countries as border disputes increased. The rights of oil digging in South China Sea have brought unprecedented tension between Vietnam and China. India also has to experience this tension, as Vietnam invited India to assist them in exploring oil in South China Sea. China protested India's involvement in South China Sea as it considers it as encroachment in its sphere of influence.

However, the economic partnership is achieved tremendous progress in the post-Cold War period. Many countries from Southeast Asia, particularly from Singapore are involved in the development of infrastructure in India. The Tatas in India started an Airlines in collaboration with Singapore Airlines as well as with Malasian Airlines. Similarly, Singapore is also constructing an IT Park in Bangalore. More recently, the Andhra Pradesh government, after division of the state, collaborated with Singapore government for constructing new capital. Similarly, Vietnam also emerged as a close economic partner for India. For all likelihood, India's relations

with Southeast Asia are going to grow due to prevailing political and strategic context as well as India's growing economic clout and its naval power.

However, India's refusal to join in RCEP (Regional Comprehensive Economic Partnership) where South Asian countries and China are active partners in December 2019 is setback for India's relations with ASEAN countries. On November 4, 2019 India decided against joining the 16-nation RCEP trade deal, saying it was not shying away from opening up to global competition across sectors, but it had made a strong case for an outcome which would be favourable to all countries and all sectors. Prime Minister Narendra Modi, in his speech at the RCEP Summit said "the present form of the RCEP agreement does not fully reflect the basic spirit and the agreed guiding principles of RCEP. It also does not address satisfactorily India's outstanding issues and concerns in such a situation."

There was a fear in India that its industries would be unable to compete with China and Chinese goods would flood Indian markets if it joins RCEP free trade union. India's farmers were also worried given that they would be unable to compete on a global scale. As the industry is reeling under pressure and the government is grappling to deal with the domestic economic situation, a massive free trade pact like RCEP would have exposed the Indian businesses and agriculture to unequal competition from countries which are lurking like giant sharks in the export arena. India's trade deficit with these countries has almost doubled in the last five-six years - from \$54 billion in 2013-14 to \$105 billion in 2018-19. Given the export-import equation with the bloc, a free trade agreement with the grouping would have increased it further. In agriculture, domestic players dealing in dairy products, spices — chiefly pepper and cardamom, rubber, and coconut would face dumping from the South Asian spice majors. Sri Lanka is already giving a tough time to Indian spice growers. Finally, RCEP has come up as a Chinese gameplan to save its manufacturing industries from crumbling under their own weight. Several industrial players in India red-flagged the Chinese agenda of flooding the Indian market using the RCEP countries as a connecting network.

### 2.3.5 Latest Developments

After three decades of intense engagement with the ASEAN, through its ‘Look East’ and ‘Act East’ policies, one can say that the future of the India-ASEAN relationship and its progress is evenly balanced. There are developments some of them are positive and others are negative.

Positively, speaking at the 20th ASEAN-India summit in Jakarta, Indonesia’s capital, Prime Minister Narendra Modi in September 2023 stated that ASEAN (Association of Southeast Asian Nations) is the ‘‘central pillar’’ of India’s Act East Policy and the country fully supports the group’s centrality and outlook on the Indo-Pacific. Highlighting the need to build a rule-based post-Covid world order, Modi added that the progress of a free and open Indo-Pacific and elevating the voice of the Global South is in the common interest of all.

The year 2024 marks the 10<sup>th</sup> anniversary of India’s ‘‘Act East Policy’’. There are signs that India is gradually transcending ASEAN in its eastward engagement. This comes as the regional architecture is undergoing transition as established, open, and inclusive regional initiatives (most notably those embedded within the ASEAN framework) are being challenged by newer, exclusive, and functionally driven initiatives. These range from the Quad to the Supply-Chain Resilience Initiative and AUKUS (Australia-UK-USA) security pact. At the same time, India’s AEP is being crowded out by initiatives by the region’s other major powers (most notably China).

On the other hand, the utility of maintaining ‘ASEAN centrality’ as a core pillar of the ‘‘Act East Policy’’ (AEP) may be declining amid growing fissures within ASEAN, particularly on the question of China and the role of the regional body in tempering or restraining Beijing’s regional assertiveness. However, what replaces the ASEAN-centric regional architecture remains unclear and New Delhi will need to reflect on this as it considers the future of the AEP. For instance, should New Delhi decide to double down on its commitment to ‘ASEAN centrality’ it will need to work more closely with member states that are falling under China’s ‘sphere of influence’ (e.g. Cambodia, Laos and Myanmar) to shore up their independence and autonomy.

Doing so will help to reinforce ASEAN's credentials and reaffirm the status of ASEAN-led groupings as the region's premier forums. Alternatively, should New Delhi conclude that 'ASEAN centrality' has outlived its usefulness, it may seek to strengthen its commitment to new (non-ASEAN-centric) regional initiatives, such as the Quad. New Delhi may also want to consider if India should join other regional initiatives such as the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership—the successor to the erstwhile TPP free trade agreement), or even the Five Eyes or AUKUS, which would more firmly embed it within the US-led regional architecture.

### **2.3.6 Let Us Sum-up**

India's relationship with Southeast Asia has numerous components. A notable feature of India's relations with Southeast Asia is that, notwithstanding the newness and inconstancy of political ties, India's "organic" ties with the region in terms of history, culture, and faith are arguably the deepest, richest, and most apparent of any of Southeast Asia's external partners. Buddhism, Hinduism, and to a lesser extent Islam, as well as traders, scholars, and in some ancient cases, rulers inextricably intertwine India and Southeast Asia. The presence of millions of Southeast Asians of Indian origin, as well as thousands of Indian labourers, principally in Malaysia and Singapore, reinforces these ties.

The earlier Cold War image of ASEAN and India belonging to different political camps in the superpower-dominated global bipolar system dissipated removing major obstacles for India's evolving relations with Southeast Asian region. And with that the strategic divide that segregated India from the ASEAN bloc of nations also disappeared so that ASEAN could appreciate, understand and positively respond to Indian overtures. Many ASEAN countries were also attracted by the economic opportunities that a huge market like India offered after its opening. Equally significantly, the China factor too started weighing heavily in several ASEAN quarters, particularly after the emergence of South China Sea dispute as a major security concern even as Beijing started ascertaining its claims more vociferously. Although New Delhi was overtly loathed the idea of becoming a counterbalancing power vis-à-vis China, it did not



seem to be averse to the idea of using Southeast Asian worries to advance its political and strategic interests.

### **2.3.7 Exercise**

1. Write a note on Asian spirit with special reference to Bandung Conference?
2. What are the factors for downward relations between India and Southeast Asian countries during Cold War period?
3. Write a note on India's Look East Policy during post-Cold War period.
4. Critically analyse India's relations with ASEAN and other multilateral organisations of Southeast Asian countries.
6. What is the significance of transforming India's policy from Look East to Act East?
7. Comment on India-ASEAN economic cooperation.
8. How ASEAN is balancing China's domination?

M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
**UNIT – II: INDIA, EAST ASIA AND SOUTH EAST ASIA**

## **2.4 INDIA AND SOUTH EAST ASIA: MYANMAR AND VIETNAM**

**- V. Nagendra Rao**

**Structure**

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*Border Trade*

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### **2.4.3 India and Vietnam Relations**

#### 2.4.3.1 Evolution of Indo-Vietnamese Relations

#### 2.4.3.2 Strategic Relationship

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#### 2.4.3.4 Defence Cooperation

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#### 2.4.3.6 Trade Relations

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### **2.4.4 Let us Sum Up**

### **2.4.5 Exercise**

### **2.4.0 Objectives**

This lesson analyses India's relations with Myanmar and Vietnam. After going through this lesson, you should be able to know:

- the historical background to India-Myanmar relations;
- various phases in India-Myanmar relations;
- Cooperation between India and Myanmar at regional and subregional level (multilateral forums).

### **2.4.1 Introduction**

Myanmar and Vietnam are two important countries in South East Asia for India. Geopolitically Myanmar is a India's gateway to South East Asia. On the other hand, Vietnam factors in India's maritime security in Indo-Pacific region. Similarly, both the countries are, like India, having a border with China, which has strategic implications for India.

While Myanmar frequently getting political instability due to dominance of military in its political landscape, Vietnam is relatively a stable country in South East Asia. The present lesson primarily focuses on exploring India's relations with these two major countries in the region of South East Asia.

#### **2.4.2 India-Myanmar Relation**

Myanmar's criticality for India has been variously defined, mostly referring to the "shared historical, ethnic, cultural and religious ties." In real terms, both countries share a 1643 kilometre-long land border. A large population of Indian origin people, estimated to be in the range of 2.5 million, lives in Myanmar. Four of India's north-eastern states, Arunachal Pradesh, Nagaland, Manipur and Mizoram, are geographically contiguous to Myanmar. India also shares the strategic waters of Bay of Bengal, including the area of strategically important Andaman and Nicobar islands where the two closest Indian and Myanmar's islands are barely 30 kilometres apart. Myanmar's ports provide India the shortest approach route to several of India's north-eastern states. Since 1997, when Myanmar became a member of the Association of South East Asian Nations (ASEAN), it also provides India with a welcome geographical contiguity with the Asia-Pacific region. Myanmar, being China's neighbour, also provides India a transit route to southern China.

The above mentioned facts highlight the importance of Myanmar for India's foreign policy. Considering the vitality of Myanmar in advancing India's interests, this lesson delve upon some of the important aspects related bilateral relationship between India and Myanmar.

##### **2.4.2.1 Historical Background**

Indian influence has been felt in Myanmar (then Burma) since ancient times. Hinduism and Buddhism came to Myanmar from India by the seventh century. Myanmar received the foundation of its legal system from India. Linguistically, Pali, which originated from India, was the source of many Burmese words. Trade relationships between the two countries were also established from ancient times and Indian traders established permanent settlements along the coast of Myanmar.

After the British occupation, the two countries became a part of British Empire. Myanmar was ruled by the British as a part of British India till 1937. The British brought number of Indians to Myanmar during its rule. On the morning of independence on 4 January 1948, there were some 300,000–400,000 Indians living in independent Myanmar. The role that the Indians played in suppressing Myanmar – as administrators and policemen – and their continuing dominant position in Myanmar’s economy – as landlords, workers, proprietors and money-lenders – created a strong nationalist sentiment in Myanmar against the Indian community that translated into a widespread popular anti-Indian sentiment.

However, the association of the two countries under British rule created a common understanding among the nationalist leadership and they cooperated in their common struggle for independence. The Indian National Congress (INC) was sympathetic to the Burmese nationalists. In its Resolution on 27–28 March 1931, the Congress declared: “This Congress recognizes the right of the people of Myanmar to claim separation from India and to establish an independent Myanmar State or to remain an autonomous partner in a free India with a right of separation at any time they may desire to exercise it”.

On the eve of the independence of India and Myanmar the two countries grew closer. Dr Rajendra Prasad, the then President of the Constituent Assembly of India, declared at a meeting of Rangoon citizens on 5 January 1948, “Free Myanmar could always count on India’s assistance and services whenever she needed them”.

#### **2.4.2.2 India-Myanmar Relations after independence**

The progress of India-Myanmar relations is not uniform. There are many ups and down in the relations of India and Myanmar in post-colonial period. To capture these nuances, one must broadly these relations into three distinct phases: a) The Bonhomie (1948-1962); b) Drifting Apart (1962-92); Pragmatism (1992-1999). The following section would analyse these three phases.

##### **The Bonhomie (1948–1962)**

The mutual understanding and close contacts between the leaders of the independence struggle contributed to the friendly relationship after India and Myanmar

achieved independence from the British on 15 August 1947 and 4 January 1948, respectively. On the day of Myanmar's independence, Indian Prime Minister Jawaharlal Nehru said, "As in the past, so in the future, the people of India will stand shoulder to shoulder with the people of Myanmar, and whether we have to share good fortune or ill fortune, we shall share it together. This is a great and solemn day not only for Myanmar, but for India, and for the whole of Asia". The relationship between the two countries was strengthened by the personal friendship that existed between the two Prime Ministers Nehru and U Nu.

At the time of internal crisis Myanmar faced just after its independence in 1949, India extended whatever assistance and help to restore normalcy to its neighbour. When the Burmese Government needed cash urgently to meet its military expenses for suppressing the insurgency in the country, India organized a meeting of the governments of Commonwealth countries in New Delhi in February 1949 to discuss the matter. Nehru provided arms to the Burmese Government in 1949, which prevented the fall of Rangoon under the rebels. In April 1950, the Indian minister of industry and supply Mr Gadgil confirmed the sale of six Dakota airplanes to Myanmar, which helped the government of Myanmar to maintain some sort of liaison with the towns remaining in their control during those hours of crisis. India contributed one million pounds sterling out of total 6 million pounds sterling of Commonwealth loan to Myanmar in 1950. In addition to this assistance, the Indian Government announced in April 1950 a special loan to Myanmar of 5 million rupees for rice supplied to India by Myanmar.

On 7 July 1951, India and Myanmar signed a Treaty of Friendship in New Delhi. This treaty was for five years and was to remain in force "forever thereafter" if neither side gave notice of its desire to terminate it six months before its expiry. The Treaty of Friendship came into force on 31 January 1952 with the exchange of instruments of ratification in Rangoon in accordance with Article VII of the treaty. Article II of the treaty stipulated that "(T)here shall be everlasting peace and unalterable friendship between the two States who shall ever strive to strengthen and develop further the cordial relations existing between the peoples of the two countries". Article IV of the treaty said, "(T)he two States agree that their representatives shall meet from time to time and so often as occasion requires to

exchange views on matters of common interest and to consider ways and means for mutual cooperation in such matters”.

In September 1949, when Chinese communist troops approached the Northeastern borders of Myanmar, the Burmese Government was greatly worried that Chinese troops would invade its territories taking advantage of the presence of Kuomintang troops on Burmese territory. After failing to persuade the United States to intervene with the Chinese nationalist government for the withdrawal of Kuomintang troops from Northeastern Myanmar, the Burmese Government decided to take the case to the United Nations. The Indian Government strongly supported the Burmese case both in and outside the United Nations. V.K. Krishna Menon, India’s representative in the United Nations on 17 April 1953, expressed his delegation’s deep concern in the matter. On 14 October of the same year, together with eight other countries, India supported a resolution calling on foreign troops in Myanmar to lay down their arms or to submit to internment. V.K Krishna Menon, on 5 November 1953, in a United Nations debate on Myanmar’s complaint against the presence of Chinese nationalist troops on Burmese territory, warned:”What hurts Myanmar hurts us equally. We have no military alliance but Myanmar is closely linked to us and it is naturally of great concern to us that she should suffer”.

Apart from all this, U Nu and Nehru shared a common world view. Both were great advocates of Asian solidarity. Myanmar and India participated in a number of Asian conferences and their leaders dominated various conferences. Moreover, generally speaking, both Myanmar and India pursued a course of non-alignment in world affairs. However, the relationship cooled when General Ne Win came to power by staging a military coup on 2 March 1962.

### **Drifting Apart (1962–1992)**

The 1962 coup in Myanmar which heralded military rule brought about a complete disruption in bilateral relationship. The military junta fell out of India’s favour immediately after the coup, which catapulted General Ne Win to power. Ne Win’s isolationist ‘Burmese Road to Socialism’ policy that remained in vogue for the next 26 years, included nationalisation of industries, repression of minorities, and instituting a police state. In the

early part of 1964, the Ne Win government nationalized shops and stores, hitting small traders. The previous nationalization measures initiated by the U Nu government affected mostly the Indian chettyars, landlords, and the big financiers. But the Ne Win government policies severely hit the small traders. The latest nationalization measure was so vigorous that many Indians were deprived of their means of livelihood. No compensation was paid to them at the time of nationalization. In real terms, these meant a severe isolationism, expulsion of foreigners, discouragement of tourists and closing off the economy. Throughout the 1960s and '70s, a large number of ethnic Indians were expelled from Myanmar. As a result, ethnic Indians who formed the backbone of Burmese government and economy during the British rule, serving as soldiers, civil servants, merchants and moneylenders, were reduced to a negligible minority.

A major change in Myanmar's foreign policy towards China also had repercussions on Indo-Burmese relations. A Sino-Burmese border agreement and a treaty of friendship and mutual non-aggression was signed on 28 January 1960 when General Ne Win was leading a caretaker government in Myanmar.

A Sino-Indian border conflict broke out in October 1962. Myanmar showed a neutral stand on the issue, not wanting to incur the hostility of either of the two. The silence of Myanmar was interpreted as 'pro-Chinese' by India and naturally Indo-Burmese relations were disturbed. This trend continued until about the end of 1964.

However, towards the end of 1964, the relationship between the two countries began to regain its former cordiality. One important reason for this shift was the apparently strained relationship between China and Myanmar because of China's support to Burmese insurgents. In June 1967, anti-Chinese riots broke out in Myanmar, although there was no evidence to suggest that the Burmese Government inspired the riots. The close ties that existed between India's Prime Minister Indira Gandhi and Myanmar's new leader General Ne Win in this period were also important to the two countries' relations. General Ne Win paid three visits to India in this period and Mrs Gandhi visited Rangoon in March 1969.

Another dimension of Indo-Burmese relations in this period was that of border problems posed by insurgents in Northeast India, particularly Nagas and Mizos. Both



Nagas and Mizos have been living on both sides of the borders of the two countries. Myanmar was very helpful to India in countering the insurgency in the Northeast.

In this period, there was one noted change of Myanmar's foreign relations regarding the non-aligned movement. On 28 September 1979, at the Sixth Triennial Non-Alignment Summit Conference in Cuba, the Burmese delegation walked out of the meeting and withdrew from the movement of which Myanmar was a founder. The main reason given by the Burmese delegation was Cuba's attempt to swing the non-aligned group into the Soviet bloc. In fact, Myanmar's foreign policy, after 1962 and particularly after 1972 can be termed as an isolationist policy.

There was a lull in the Indo-Burmese relationship from 1977 till 1988 as Myanmar nurtured friendship with China. Moreover, by 1987, Myanmar was expanding its relations with other countries through visits of General Ne Win to the United States and the Federal Republic of Germany. Although Indian Prime Minister Rajiv Gandhi visited Myanmar in December 1987, it did not indicate much improvement in Indo-Burmese relations.

The ticklish question for Indo-Burmese relations in this period was the case of deposed Prime Minister of Myanmar U Nu, who requested political asylum in India. He was allowed to stay in India because of personal friendship that existed between U Nu and Nehru's family, and took shelter in India from 1974 to 1980.

The lowest point in the deterioration of Indo-Burmese relations came with India's support to the pro-democratic upsurge in 1988 in Myanmar. India was the first neighbouring country to stand firmly on the side of democracy when the 1988 uprising took place in Myanmar. The Indian Embassy in Rangoon was active in helping pro-democracy activists and officials were in touch with opposition groups like the All Myanmar Federation of Students' Unions (ABFSU), Aung San Suu Kyi and U Nu during the uprising.

When the Burmese student activists fled to the Indo-Burmese border, the Indian Embassy in Rangoon provided them financial assistance to go to India. The Government of India opened refugee camps for these students in Mizoram and Manipur States. The then External Affairs Minister (later Prime Minister) Narasimha Rao informed a parliamentary panel in 1989 that "strict instructions" had been given not to turn back any genuine Burmese

refugees seeking shelter in India.

The Indian Government, along with the USA and Western countries, isolated the Burmese military regime. India was a sponsor of a United Nations resolution condemning the Burmese military junta for its violations of human rights in 1992. However, between 1991 and 1992, the foreign policy establishment in India started reviewing its foreign policy towards Myanmar.

### **Pragmatism (1992–1999)**

In early 1990s, India had decided to break the deadlock and start with a policy of ‘constructive engagement’ with the military regime. Several factors accounted for this change. First, India had apprehensions about a possible encirclement by China and pro-Chinese regimes in Pakistan and Bangladesh, as well as Myanmar. It also fretted about the possibility of China establishing a presence in the Bay of Bengal and Andaman Sea. Second, economic and strategic interests coalesced in New Delhi’s ‘Look East Policy’ under incoming Prime Minister P.V. Narasimha Rao. Third, India sought urgently to address its security problems in the northeast. As a result, India decided to place security and economic objectives ahead of political and human-rights considerations when dealing with Myanmar.

In January 1994, Myanmar’s Deputy Foreign Minister U Nyunt Swe visited India; during his six-day visit, he held a series of meetings with Indian ministerial officials and discussed wide-ranging issues to improve the relationship between the two countries. A Memorandum of Understanding was signed on 21 January 1994 to increase cooperation between the civilian border authorities of the two countries and to prevent “illegal and insurgent activities”. The border trade was, accordingly, officially opened on 12 April 1995 at Moreh.

In July 1999, the Indian and Myanmar home ministries held a meeting in New Delhi to identify means to strengthen cooperation on issues like cross-border terrorism and setting up better communication links. India agreed to organise training for Myanmar’s anti-narcotics officials. In November 2000 bilateral meeting, Myanmar agree to assist India in destroying camps of Naga militants in their territory.

### **2.4.2.3 India-Myanmar Relations: Contemporary Scenario**

The first decade of the 21<sup>st</sup> century witnessed growing strategic engagement between India and Myanmar. According to the Ministry of External Affairs, relations with Myanmar have become truly multi-faceted, “with cooperation in a range of developmental and other projects in the areas of roads, power, hydro-carbon, oil refinery, transmission lines, telecommunications and information technology.”

In October 2004, General Than Shwe, leading a delegation of eight cabinet ministers for six days talk, visited Delhi and both sides signed an agreement on security, cultural exchanges and hydro-electric power. In March 2006, President Abdul Kalam visited Myanmar to sign an agreement on cooperation in remote-sensing technology and to sign two MoUs on cooperation in the petroleum sector and in Buddhist studies.

A certain degree of warmth between India and Myanmar is clearly perceptible. Between 2000 and June 2011, twelve high profile visits have taken place between the two countries. These include visits by Vice Senior General Maung Aye, Vice-Chairman of the State Peace and Development Council of the Union of Myanmar in April 2008, Senior General Than Shwe, Chairman of the SPDC in July 2010, M. Hamid Ansari, Vice President of India in February 2009 and S.M. Krishna, External Affairs Minister in December 2010 and June 2011.

To put it in specific terms, from India’s point of view, four major factors involved relations with Myanmar. These are: 1) the security aspect of Indian North East insurgency, 2) Chinese influence in Myanmar, 3) the economic aspect of promoting trade and economic relations with the neighbouring country and 4) the presence of people of Indian origins in Myanmar. Since independence of both countries in 1947-48 these were serious issues in the relationship between the two countries, although the issue of Indian origins in Myanmar became less important for India after the late 1980s.

### **2.4.2.4 Security Aspect: Insurgency on Indo-Myanmar Border**

It is a known fact that some major insurgent groups that are fighting against the Indian State have bases on the Burmese side of 1600-km long Indo-Burmese border.

These groups include both factions of the National Socialist Council of Nagaland (NSCN) and Manipur insurgent groups. India wants cooperation from the Burmese regime to “contain” or “eliminate” these insurgents. Some of the Indian insurgent groups are believed to have established relations with the local Burmese commanders and are thus able to make movements along the border areas.

The Indian side then returned to a consistent approach in getting Burmese help by befriending the Burmese military junta. There were several exchange visits as well as regular civilian and military meetings between the two countries. viously, this is a result of the growing friendship between the two governments.

Another important security consideration in building the relationship with Myanmar was the growing Chinese presence and interests in Myanmar, particularly after 1988. Strategically, Myanmar controls one of the most important land routes from China southwards. India is worried about China’s strategic attempts to use Myanmar as an access to India’s Northeastern States.

#### **2.4.2.5 Chinese Factor**

India’s Myanmar policy is driven by the China factor, though it is not the only one. Should Myanmar get irreversibly locked in China’s tight economic and strategic embrace, this would pose serious security dangers to India. By establishing a substantial presence in Myanmar, China has considerably neutralized India’s strategic preponderance in the Bay of Bengal. In North Myanmar, China has de facto control over Myanmar’s Kachin state bordering India’s state of Arunachal Pradesh, which China claims as its territory.

China is said to have invested more than \$1 billion in Myanmar, primarily in the mining sector, and is the Myanmar’s fourth largest foreign investor. Chinese firms are heavily involved in logging in Myanmar. Myanmar gives China access to the Indian Ocean, not only for imports of oil and gas and exports from landlocked south-western Chinese provinces, but also potentially for military bases or listening posts. Beginning November 2009, China National Petroleum Corporation (CNPC) has started construction of a large-scale crude oil port in Kyaukpyu, in western Myanmar. The port is part of a larger, multibillion-dollar project designed to carry oil and natural gas across Myanmar into southern

China. When finished, it will enable China to take deliveries of oil from the Middle East and Africa without sending it through the Strait of Malacca, a congested shipping lane that some Chinese leaders fear could be blocked by pirates or foreign powers.

#### **2.4.2.6 Economic Aspect: Promoting Trade**

Economic interest has pushed India to establish a good relationship with the Burmese government, and it plays a very major role in the present India-Myanmar relationship. From the viewpoint of Indian industry and business, Myanmar is a bridge between India and Southeast Asian markets, and a gateway to Southeast Asia. While Indian economic relations with other ASEAN countries such as Thailand and Singapore are relatively good, Indian business sees Myanmar as a potential not only for bilateral economic cooperation but also for regional cooperation due to its geographical proximity with India.

As a member of both BIMSTEC and ASEAN, Myanmar is crucial for some regional projects like the Trans-Asian highway and railway projects. And India is keen to import gas from Myanmar. India's Oil and Natural Gas Corporation (ONGC) Videsh Ltd. is exploring oil in Myanmar.

Moreover, Indian business is keen to strengthen linkages between India and Mekong basin countries, which include Myanmar. Cooperation among these countries in the transport and infrastructure sectors includes railways, roads and air travel as well as greater cooperation in science, technology and human resources.

#### **Border Trade**

India and Myanmar signed a border trade agreement in 1994 and have two operational border trade points, Moreh-Tamu and Zowkhatar –Rhi ,on the 1643 km long border. A third border trade point is proposed to be opened at Avakhung-Pansat/ Somrai. With an estimated border trade of US\$ 12.8 mn (2010-11), major items bought by Myanmar traders from the Indian side are cotton yarn, auto parts, soya bean meal and pharmaceuticals, (reports also about smuggling of items like fertilizers, vehicles particularly two wheelers etc.); betel nut, dried ginger, green mung beans, turmeric roots, resin and

medicinal herbs are the main items sold from Myanmar to India. During the 3<sup>rd</sup> India-Myanmar Joint Trade Committee in October 2008, it was agreed that Border Trade at the existing points would be upgraded to Normal Trade so as to promote bilateral trade between the two countries.

#### **2.4.2.7 India-Myanmar Relations: Latest Developments**

India and Myanmar have enjoyed growing bilateral high-level engagement recently, most notably when Modi visited Myanmar in September 2017, only the second bilateral prime ministerial visit by India to the country in 30 years. India's foreign minister, deputy national security adviser and foreign secretary have all separately visited Myanmar in recently. State Counsellor of Myanmar Aung San Suu Kyi visited New Delhi in January 2018, one of ten ASEAN leaders who were the chief guests at India's 2018 Republic Day parade.

Facilitating connectivity is central to improving India-Myanmar economic relations. India regards Myanmar as a gateway to link up to the rest of Southeast Asia, and thus has invested in ASEAN-wide infrastructural projects that are able to boost trade in the ASEAN-India Free Trade Area. Infrastructure projects are underway, such as the India-Myanmar-Thailand Trilateral Highway and Kaladan Multi-Modal Transit Transport (KMMTT), which aims to connect the eastern Indian seaport of Kolkata with the Sittwe deep-water port in Myanmar's Rakhine state by sea. It is incumbent on India to bring the projects they front and finance into fruition expeditiously.

The Indian and Myanmar armies have carried out two joint military operations, codenamed Operation Sunshine 1 and 2, to fight militants along the borders of Myanmar's Rakhine state, which borders the northeastern Indian states of Arunachal Pradesh, Nagaland, Manipur, and Mizoram. Greater impetus was given to these operations after Modi visited Myanmar in 2018. Seeing that Myanmar is critical to its national security interests, India provides military training and conducts joint military exercises with the Myanmar Army.

To deepen their defense relations, India and Myanmar signed a landmark defense cooperation agreement in July 2019 during the visit to India by Myanmar's top defense

official, Min Aung Hlaing. Realizing the growing importance of the Bay of Bengal, the navies of both India and Myanmar conducted a historic bilateral naval exercise, IMNEX-18, in 2018. India also invited the Myanmar Army to participate in the India-led multilateral MILAN naval exercise that occurs biennially in the Andaman and Nicobar Islands, with the next one taking place in March 2020.

#### **2.4.2.8 Myanmar after the 2021 Military Coup**

Myanmar's location at the trijunction of South, Southeast, and East Asia crossroads is a gateway for India to expand its land and maritime connectivity to the rest of Southeast Asia and beyond. Beyond its strategic importance, New Delhi considers Myanmar an attractive market and a reliable economic partner for its growing economy. The bilateral trade agreement encompasses 62 commodities under tax exemption, including agricultural products, utensils, cosmetics, motorbikes, and cement, projecting a total merchandise trade of US \$1.76 billion for 2022-2023.

Despite these prospects, key AEP projects in Myanmar have faced significant delays. The 68-mile highway linking Sittwe Port (Myanmar) to Mizoram (India), under the KMMP, still needs to be completed despite the Sittwe Port being functional and near completion on the Mizoram side. The IMTTP highway is 70 percent completed on the Indian side and is near completion in Thailand, too. However, Myanmar has not provided the exact progress report, despite the Trade Minister, Aung Naing Oo, mentioning that only a portion of the highway still needs to be completed, which will take another three years. The political unrest has slowed down both critical projects as violence has escalated between the Ethnic Armed Organisations (EAOs) and the military Junta.

India has partnered with the Myanmar government to secure the NER against insurgent threats. A coordinated effort between the Indian Army and the Myanmar Junta has been employed to counteract insurgency by Indian groups operating within Myanmar since the 1990s. However, the military junta's divergence from its commitment to assist the Indian Army in countering insurgency on the Indo-Myanmar border has adverse implications for India's national security. This implication is evident in the November 2021 ambush on Assam Rifle's convoy by the People's Liberation Army of Manipur and Manipur

Naga People's Front, using Myanmar as a staging ground for attacks in India. The recent attempt to ambush an army convoy in Manipur's Tengenoupal district, just a few kilometres from Myanmar, further underscores the negative repercussions.

The heightened influx of refugees has also posed significant security challenges in India's Northeast region, especially in Mizoram and Manipur. The surge in Myanmar refugees has dramatically intensified following the Junta's recent aerial strikes to suppress the resistance forces. Currently, Mizoram is hosting over 60,000 Myanmar immigrants since the 2021 coup. Due to the worsening political turmoil in Myanmar, there is a further possibility of an increase in these numbers. Furthermore, the influx of Chin Kuki refugees from Myanmar is identified as a contributing factor to the prevailing violence in Manipur. This violence has disrupted the Moreh-Tamu border market, vital for Indo-Myanmar bilateral trade. Scholars argue that the ongoing violence in Manipur has adversely impacted the connectivity route along the Indo-Myanmar border, potentially discouraging stakeholders from investing in the NER linked to the AEP. Consequently, the political instability in Myanmar is exerting a detrimental influence on India's Northeast.

To conclude, Myanmar forms the geographical link between India and Southeast Asia, and is therefore a vital component of India's "Act East" policy. As India seeks to strengthen trade and cooperation with the Far East, Myanmar would have to play along. For example, both countries are part of the Bangladesh-China-India-Myanmar (BCIM) corridor – an infrastructure project which connects Kolkata with Kunming through the four countries. And successful trade links along this route could also bring investment opportunities to India's impoverished and restive northeastern region.

While attempting to cultivate good relations with Myanmar, India's foreign policy establishment is seriously considering the China's factor. Myanmar will most likely resist being utilised by China and India as a pivotal state, so, while India and China rivalries may continue, Myanmar will not allow either to have a dominant influence. China and India will remain actively engaged in competing with each other in order to expand their areas of influence in Myanmar. India's strategic concerns and security, both in relation to defence against external attack and insurgent groups, as well as imperatives concerning the socio-economic development of the Northeast, will remain unchanged. Myanmar will remain a



high priority in India's worldview.

Economic cooperation is the one of the most important pillar on which the two countries could further their relationship. Other than encouraging India Inc. to significantly improve its trade ties with Myanmar, New Delhi could strengthen its financial heft by announcing credit lines generously. The completion of the Kaladan Multi-modal Transport Project and Trilateral Highway Project will further advance this growing economic relationship.

### **2.4.3 India and Vietnam Relations**

The India–Vietnam relationship has acquired a qualitatively new character over the years with a broad-based and multi-sectoral bilateral cooperation. Their relationship has been fortified by historical affinities, pre-colonial and cultural linkages. The significance of the relations has garnered much attention and interest particularly after the Indo-Pacific construct started receiving international recognition. Vietnam forms a pivotal pillar of the “Act East Policy” (AEP) and in this regard, India has clearly stated its willingness to ‘Act East’ by maintaining a comprehensive and multi-dimensional partnership with Vietnam. Moreover, the changing nature of the world order and shifting power equations as a result of that, demand that both the countries come together to etch their place in the Asian century.

Blessed with abundant resources, Vietnam is one of the most vibrant members of the ASEAN. Since 1986 when it first started embracing market-oriented reform, the country has been witnessing an admirable pace of economic development. A vibrant market combined with a youthful population, the country today boasts of the ability to provide a conducive climate for business development, supported by its well-balanced macro-economic policies. Its per capita income has gone up from \$100 in the 1980s to \$4,300 in 2023, which is 16 per cent higher than India's. Exports have soared from \$2 bn in 2001 to 375 bn now. The poverty rate has dipped below 3 per cent.

#### **2.4.3.1 Evolution of Indo-Vietnamese Relations**

Vietnam and India have a long history of cultural and civilizational exchanges. Since the first millennium, merchants, artists, and monks have introduced elements of Indian

civilisation through art, architecture, knowledge traditions, and ideologies, among other things. Since the 2nd century, Indian Buddhist masters have brought Buddha's message to Vietnam

In the modern period, India and Vietnam share historical roots in the common struggle for liberation from colonial rule and the national struggle for independence. Mahatma Gandhi and Ho Chi Minh, regarded as the Father of Nation in India and Vietnam respectively, led people in their heroic struggle against colonialism in the two countries. Jawaharlal Nehru was one of the first visitors to Vietnam after its victory against the French at Dien Bien Phu in 1954. President Ho Chi Minh visited India in February 1958. President Rajendra Prasad visited Vietnam in 1959. Vietnam is an important regional partner in South East Asia. India initially maintained Consulate-level relations and later established full diplomatic relations with unified Vietnam on 7 January 1972.

India granted the "Most favoured nation" status to Vietnam in 1975 and both nations signed a bilateral trade agreement in 1978 and the Bilateral Investment Promotion and Protection Agreement (BIPPA) on 8 March 1997. The relationship was further strengthened when India, in the early 1990s, initiated its "Look East Policy" with the specific objective of economic integration and political cooperation with Southeast Asia and East Asia.

India–Vietnam relations assumed greater importance in the post-Cold War international order. The frequent bilateral visits of the two national leaders helped to build a strong foundation for the relationship advancing the position of the relations from simply historical reminiscences to strategic convergences. Political synergy was routinely observed which culminated in greater economic and defence cooperation. A fundamental shift in policies was noted as defence and economic issues became the principal thrust areas of cooperation. The ties were elevated to a 'Strategic Partnership' in July 2007 during the visit of Vietnamese Prime Minister Nguyen Tan Dung. In 2016, during the visit of the Indian Prime Minister Narendra Modi to Vietnam, it was further upgraded to the level of 'Comprehensive Strategic Partnership'. The two countries cooperate on a wide array of issues and this partnership is growing in different directions, with its implications extending beyond their geographic boundaries into the greater region encompassing the Indo-Pacific.

### **2.4.3.2 Strategic Relationship**

India and Vietnam have strengthened mutual support on strategic and political issues. Vietnam has always actively supported India's Act East Policy and welcomed India's participation in Indo-Pacific affairs through the regional cooperation mechanism. In addition to cooperation under the aforementioned regional cooperation mechanism, Vietnam also supports India's application to join the expanded UN Security Council as a permanent member. India also supports Vietnam's application to join the UN Security Council as a non-permanent member from 2020 to 2021

India and Vietnam held a 12<sup>th</sup> round of political consultations and a 9<sup>th</sup> round of strategic dialogue in Hanoi recently. The Indian Ministry of External Affairs in a press release said that Saurabh Kumar, secretary (east) co-chaired the political consultations while the strategic dialogue was held between the foreign ministers of the two countries. The two sides reviewed the progress made in bilateral relations since the "Joint Vision for Peace, Prosperity and People" was signed by their respective prime ministers in December 2020. India and Vietnam are members of the Mekong–Ganga Cooperation, created to enhance close ties between India and nations of Southeast Asia.

### **2.4.3.3 Threat of China**

One of the most significant drivers of the deepening strategic partnership between India and Vietnam is their shared apprehension of an aggressive China, whose growing assertiveness is reflected in the build-up of weapons systems, including anti-aircraft and anti-missile systems, on the artificial islands it has constructed in the South China Sea. In Vietnam, China's growing assertiveness is a matter of direct security concern, while India has been closely scrutinising China's maritime expansion into the Indian Ocean Region.

China has been objecting to India's projects, claiming that the territory comes under its sovereignty. India continues to maintain that these exploration projects in the region are purely commercial, whereas China views such activities as an issue of sovereign rights. India's moves have unsettled China, and eyes its growing engagement in East and Southeast Asia with suspicion.

It is instructive that India entered the contested region of the South China Sea via Vietnam. India signed an agreement with Vietnam in October 2011 to expand and promote oil exploration in the South China Sea and stood by its decision despite China's challenge to the legality of the Indian presence. After asking countries "outside the region" to stay away from the South China Sea, China issued a demarche to India in November 2011, underscoring that Beijing's permission should be sought for exploration in Blocks 127 and 128. Without it, the activities of the Oil and Natural Gas Corporation Videsh Limited (OVL), India's second largest oil company, would be considered illegal. Vietnam, meanwhile had underlined the 1982 UN Convention on the Law of the Sea to claim its sovereign rights over the two blocks being explored. India decided to go by Vietnam's claims and ignore China's objections.

#### **2.4.3.4 Defence Cooperation**

Defence cooperation is the second pillar of this bilateral partnership. India and Vietnam signed a formal Defence Protocol in 2000 which encompassed the sale of military helicopters, equipment for repair of Vietnamese aircraft, and training initiatives for Vietnam's military personnel. After this, certain areas of cooperation have become the norm. These include "regular exchange of intelligence, joint coastguard training to combat piracy, jungle warfare and counterinsurgency training for the Indian army, repair of Vietnamese aircrafts and helicopters, training of Vietnamese pilots, and Indian assistance on small and medium arms production."

Vietnam is also a part of MILAN, India's multinational naval exercise. India offers scholarships to 50 Vietnamese defence personnel under the Indian Technical and Economic Cooperation (ITEC) programme every year. It has provided Vietnam a \$100 million concessional line of credit for the procurement of defence equipment. In a first-of-its-kind instance, it has also sold four offshore patrol vessels to Vietnam that are likely to be used to strengthen the country's defences in the energy-rich South China Sea.

The two nations have a stake in ensuring the security of sea lanes and share concerns about China's access to the Indian Ocean and the South China Sea. Hence, India is helping Vietnam build capacity for repair and maintenance of its defence platforms. At the

same time, their armed forces have started cooperating in areas such as Information Technology and English language training of Vietnamese army personnel. The two countries potentially share a common friend – the US. India’s outreach to Hanoi comes at a time when the US has lifted its long-standing ban on the sale of lethal military equipment to Vietnam.

#### **2.4.3.5 Maritime Security**

There are four key motivations behind India’s growing maritime engagement with Vietnam. First, India’s aspiration to counter an assertive China by strengthening Vietnam’s military power. Second, with India’s increasing trade with East and Southeast Asia, India has begun to recognise the importance of its sea lines of communication beyond its geographical proximity; the South China Sea occupies a significant geostrategic and geo-economic position, resulting in India’s renewed interests in the South China Sea. Third, India desires to intensify its presence to track potential developments in the maritime domain that could affect its national interests. And fourth, the Indian Navy underlines the importance of a forward maritime presence and naval partnership that would be critical to deter potential adversaries. India’s maritime strategic interests in the region are well established, including the fact that almost 55% of India’s trade with the Indo-Pacific region passes through the South China Sea.

Vietnam gave India the right to use its port in Nha Trang, situated close to the strategically significant Cam Ranh Bay. The Indian Navy has been making regular visits to this southern Vietnamese port. Vietnam has even asked India to develop this naval facility. The fact that not even the US, a close ally of Vietnam in the region, has been conferred this privilege underscores Vietnam’s perceptions about the imperative of defence cooperation with India. Since 2011, Hanoi has been insisting that New Delhi train its sailors in submarine combat and its pilots in flying the Sukhoi 30 aircraft, and transfer medium-sized naval warships and cruise missiles. India has responded positively. The Indian Navy now trains around 500 Vietnamese sailors in comprehensive under-water combat at its submarine facility, INS Satavaham, while its Air Force offers pilot conversion training to the Vietnamese Air Force.

The two countries are also engaging in wide-ranging practical cooperation in the maritime domain through a maritime security dialogue, naval exercises, ship visits, Coast Guard cooperation, and training and capacity building. They have found mutual convergences on cooperation in the Indo-Pacific region and are synergising their efforts to work in bilateral as well as other sub-regional and multilateral frameworks, such as the Indian Ocean Rim Association (IORA), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the Mekong-Ganga Cooperation, ADMM-Plus or the ASEAN Defence Ministers Meeting-Plus. The Special Association of Southeast Asian Nations (ASEAN)-India Foreign Ministers' Meeting in June 2022 has proposed an ASEAN-India Maritime Exercise and informal meeting between India and ASEAN Defence Ministers in November 2022. Both countries are also looking at collaboration around the seven pillars of the Indo-Pacific Oceans Initiative (IPOI).

One of the defense projects in this effort included construction of 12 high-speed guard boats for the Vietnam Border Guard Command, five of which are being built by the Indian company Larsen & Toubro (L&T) in India and the remaining seven are being built at the Hong Ha Shipyard Company in Vietnam. The first of these boats was handed over to Vietnam in December 2020.

Ever since the formal declaration of a strategic partnership in 2007 and Comprehensive Strategic Partnership in 2016, the scope and scale of the India-Vietnam strategic and defence cooperation is deepening with a clear vision, institutional mechanisms and the necessary political support from both governments. The signing of 'Joint Vision for Defence Cooperation' and a memorandum of understanding on mutual logistics support in June 2022 has further strengthened mutual defence cooperation.

#### **2.4.3.6 Trade Relations**

Along with defence and strategic ties, India has attempted to boost economic relations with Vietnam. Modi's policy navigation from "Look East" to "Act East", which essentially aims to strengthen ties with the extended neighbourhood of the Asia Pacific region and to expand ties between India and Vietnam to the level of "Comprehensive Strategic Partnership", makes Vietnam extremely critical in India's eastward outreach.

Vietnam on its part has actively supported the Act East policy as it facilitates India's larger role in the region. Also, Vietnam is ASEAN's Coordinator for ASEAN-India Dialogue Relations from 2015 to 2018, which can be utilised to further increase the cooperation. India is now among Vietnam's top ten trading partners and during Modi's 2016 visit, the two nations have agreed to explore substantive and practical measures, like the Joint Sub-Commission on Trade, to increase the volume of trade between the two countries.

The two-way trade between India and Vietnam has not seen a consistent growth over the years. Bilateral trade between the two has gone up from a mere \$200 million in 2000 to \$14.14 billion in 2021-2022, growing 27 percent in the last fiscal year alone. However, due to the absence of direct connectivity, economic cooperation could not catch momentum with political cooperation. The shifting of the global centre of gravity towards Asia requires India and Vietnam to hasten the momentum of their economic partnership. Today, though India is among the top 10 trading partners of Vietnam and Vietnam is the 4th largest trading partner of India among ASEAN countries, the economic potential has not yet been fully realised. The economic association, however, has been set forth by India's development partnership with Vietnam which covers capacity building, socio-economic development and community infrastructure. Both countries can further strengthen cooperation in the field of agriculture, rice cultivation, food and beverages industry, animal husbandry and fisheries while supporting allied activities that are environmentally sustainable. The scope of promotion of joint activities in subsidiary industries like pest-management programmes, improved cultivation techniques, food processing, integrated watershed management, exchange of agricultural scientists etc. can also be looked into.

#### **2.4.3.7 Connectivity-physical and people-to-people: a qualitative edge to relationship**

A key for stability and prosperity of any region lies in good connectivity. In the pursuit of economic prosperity two types of connectivity counts, physical and people-to-people connectivity. With the objective of developing connectivity infrastructure, India had announced a concessional line of credit of US \$ 1 billion for ASEAN countries. Given the geographical proximity and the growing engagement between India and Vietnam, direct flight was launched in October 2019. This was expected to expand tourism and

business opportunities. Over the past three years, tourist exchanges between the two countries have risen over 20 percent per year. To boost tourism links between the two countries, an ‘Incredible India Roadshow’ was organised in Hanoi by the Embassy of India. The opening of the East-West Economic Corridor will establish land routes from Vietnam to Myanmar via Laos and Thailand. This gateway will serve as an access point for Southeast Asian states to India over the Bay of Bengal. Operationalisation of the Kaladan Multi-modal transit Transport Project and expansion of the India–Myanmar–Thailand trilateral highway will enable seamless connectivity between countries of the region, opening new vistas of cooperation.

#### **2..4.4 Let us Sum-UP**

Myanmar and Vietnam is an important country in India’s Look East and Act East policy perspectives. The policy primarily aims to rely on its geographic advantages in the South Asian subcontinent to expand its strategic interests eastward while maintaining its hegemonic position in South Asia. India’s engagement with Myanmar is integral for enhancing this policy of Act East. It primarily orient to increase regional connectivity, mitigating insurgency in Northeast region, fostering growth and development in the landlocked Northeast, and countering China’s influence. However, political instability in Myanmar is contributing to additional insurgency challenges in India’s Northeast, China’s increasing multifaceted engagement, and the influx of Chin refugees. For India, which is keen on increasing its geopolitical and economic clout, there is a need to rethink its strategy towards Myanmar to further its interests and objectives via the AEP.

Based on the needs of geopolitics and regional strategy, Vietnam has become an important strategic pillar for the India’s Act East Policy. The two countries continue to promote multi-channel contacts and exchanges and have gradually developed into a comprehensive strategic partnership and strengthened political, military, security, economic and other cooperation at the bilateral and multilateral levels. Although the cooperation between India and Vietnam is based on the practical needs of strategy and security, as both countries are neighbours of China and confront similar security challenges, such as creeping territorial aggression, it has become an important goal for the development of partnership between the two countries to strategically balance China’s influence in the



region. Further, the cooperation between India and Vietnam under the new context will help to consolidate the evolving multipolarity in the Indo-Pacific.

#### **2.4.5 Exercise**

1. Briefly outline historical background of India-Myanmar relations.
2. What are the distinct phases in Indo-Myanmar relations in post-colonial period? Critically analyse bilateral relations in each of these phases.
3. Write a note on India-Myanmar security cooperation with special reference to handling insurgency in both the countries.
4. Do you agree with the proposition that the recent triumph of democracy in Myanmar would result in closer relationship between India and Myanmar?
5. Briefly outline the evolution of India-Vietnam relations.
6. Does threat of China is major factor in India-Vietnam relations in post-Cold War period?
7. Write a note on Defence cooperation between India and Vietnam.
8. Vietnam is an important state in India's Indian Ocean policy. Explain.

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood**  
**UNIT – III: WEST ASIA AND CENTRAL ASIA**

### **3.1 INDIA AND WEST ASIA: EMERGING PATTERNS** **- RAJNISH SARYAL**

Structure

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### **3.1.6 India's West Asia Policy Parameters**

### **3.1.7 Indian Perspectives on the Changes in West Asia**

### **3.1.8 India's Progress in West Asia**

### **3.1.9 Latest Developments**

### **3.1.10 Let Us Sum Up**

### **3.1.11 Exercise**

### **3.1.0 Objectives**

In this lesson you will study India's relations with the West Asian region and how the developments in that region are influencing the foreign policy priorities of India. After going through this lesson, you should be able to know:

- the historical background to India relations with countries of West Asia;
- the 'Arab Spring' and its impact on the political and security aspects of West Asian region;
- India's core interests in West Asia and how it is pursuing these interests;

### **3.1.1 Introduction**

West Asia, stretching from Iran to Turkey, has loomed large for the Indian foreign policy makers irrespective of its politically turbulent nature. India has interacted with three civilizations to its West since antiquity – Persian, Arab and Turkish – and has maintained close ties with each. India's relations with the Arab and Islamic world, rooted in history and culture, have been enriched over the centuries by a prolific and

mutually-beneficial exchange of goods, services, people and ideas. This long-standing contact imparts a unique character to India's relations with the region.

Since Independence in 1947, India has tried to build good relations with West Asia. Both India and West Asia are endowed with vast resources of varied nature which make the relationship highly desirable. India as an emerging Asian power, with a large population and economic potential, can play a vital role in the development of West Asia. On the other end of the spectrum, West Asia has the potential to meet the growing energy requirements of India. The bonds between India and West Asia have gone beyond oil and expatriates, encompassing almost all important dimensions of bilateral relationships.

Several important developments have taken place in India's relationship with the Gulf region since India adopted the "Look West policy" in 2005. While announcing the new policy, Prime Minister Manmohan Singh said that "the Gulf region, like South-East and South Asia, is part of our natural economic hinterland. We must pursue closer economic relations with all our neighbours in our wider Asian neighbourhood. India has successfully pursued a 'Look East' policy to come closer to the countries of South-East Asia. We must come closer to our western neighbours in the Gulf." He authorised the Commerce and External Affairs Ministries to begin negotiations with the Gulf Cooperation Council (GCC) to conclude a Free Trade Agreement (FTA), and also approved negotiations with all individual member countries of the GCC for a Comprehensive Economic Cooperation Agreement (CECA) covering the services and investment sectors.

India considers the Gulf region as part of its 'extended neighbourhood'. Several high level visits have taken place from India and the relationship has become stronger over the last few years. The relationship has been marked by the growth of trade and business, increased cooperation in the fields of security, regional and international affairs and improved political understanding.

West Asia is undergoing momentous political changes, which have created new challenges and opportunities for India's engagement in the region. The changes

mark a new inflection point for India's West Asia policy. In this lesson, we will analyse the origin and trajectories of these shifts in order to assess their actual and potential impact on India.

### **3.1.2 Historical Background**

The political ties between India and the Arab world expanded significantly in the decades after India's Independence in 1947. With the end of colonialism, the independent countries of West and South Asia adopted a policy of non-alignment in a world sliding into the Cold War. Non-alignment brought a pan-Arab credo of liberty, unity and socialism into an acceptable international political framework without threatening the internal stability of the weak West Asian regimes that came to power in the post-colonial period.

India sees 'West Asia' as three distinct sub-regions – the Gulf, West Asia or the Mashreq and North Africa or the Maghreb, which it considers part of its proximate neighbourhood. India no longer refers to the region as the 'Middle East', a Eurocentric term based on British naval strategy, adumbrated by the naval historian Alfred Thayer Mahan.

Since Independence, India has sought the "middle ground" on divisive issues related to West Asia. India's policy towards West Asia operates within a broad framework of maintaining equidistance in intra-regional conflicts and support to the Palestinian cause. Its economic corollary has been the development of economic, trade and investment ties, and of energy security.

At the 16<sup>th</sup> Summit of the Non-Aligned Movement (NAM) in Tehran in August 2012, Prime Minister Manmohan Singh said: "... [T]he progress, prosperity, well-being, political stability and plurality of the Asia to our West have always been of equal historical and civilizational significance for us. A West Asian region that can realise its full developmental potential, live in peace and harmony and join the comity of democratic and plural societies will contribute enormously to human progress and peace in the 21<sup>st</sup> century."

India has always believed that its relations with West Asia stood on its own, that its role did not compete with any of the great powers – and it did not, to a large extent. In the last decade though, this belief has been shaken. Issues like terrorism, money-laundering and the safety of oil lanes have imposed new imperatives.

In the wake of the Arab uprisings, the West is likely to lose its legitimacy in the West Asia, with more governments based on Islamic principles coming to power. India too will have to re-think its West Asia policy while navigating the destabilising aspects of the region.

While India's overall West Asia policy has emphasised friendship, peace and prosperity, its thrust towards each sub-region is nuanced on the basis of mutual interest. Decisions related to Israel and Palestine were amongst the first foreign policy positions a newly-independent India took, demonstrating the interplay of differing stances of the secular and Hindu theocratic streams in its domestic polity. India's policy towards West Asia reflects a similar interplay of these forces even today.

The cardinal elements of this policy include support for the Palestinian cause, a preference for secular and democratic regimes, security and stability in and of the Gulf, enhancing bilateral trade and investments based on comparative advantage, energy security, and people-to-people contact.

### **3.1.3 Changes in India's Foreign Policy**

After the end of the Cold War, and with the onset of economic liberalisation, India was forced to recalibrate its West Asia policy. An important consequence was the diplomatic opening to Israel 45 years after India's Independence.

Another turning point came after the September 2001 attacks in the U.S. that gave some forms of global terrorism an Arab and Islamic identity. India's reiterations on the cross-border nature of terrorism, with Pakistan at its epicentre, are now conventional wisdom. India has since aimed to draw in the West Asian countries to jointly combat terrorism, and to project itself as a religiously neutral secular model – a country that is home to the second largest Muslim population in the world.

The Arab uprisings are the cause of the most recent change in direction in India's policy towards West Asia. As the world's largest democracy, India cannot but welcome these developments. At the same time, the certainties of the past decades have evaporated. India's position on the uprisings has appeared to be reactive, vacillating, transactional and primarily concerned with the internally-driven imperative to bring trapped Indian workers out of these troubled countries, to the exclusion of the larger picture these developments represent.

This image and India's primarily neutral stand has not done great disservice to India's policy parameters and core interests so far, such as security in and of the Gulf, energy supplies, jobs for Indian nationals and remittances. India's "hands-off" attitude since the outbreak of the Arab uprisings may have even helped.

#### **3.1.4 Arab Spring and India's Position**

India faces several immediate and long-term challenges with regard to the uprisings in West Asia and the Gulf. These are:

- **First**, India's national interest stakes in relationships with individual Arab countries and sub regions vary very significantly. There cannot be one-size-fits-all reactions and India's policies must be country, region and issue specific. Reactions, cosmetically attractive in the context of events in distant countries but which convey ambivalent messages to countries which are important substantively, would be counterproductive.
- **Secondly**, the situation in West Asia is exceedingly fluid and uncertain. There are multiple players, both regional and non-regional, who are proactively involved. An indisputable fact is that whatever India says or does is not likely to influence outcomes on the ground. Therefore, in formulating policies India must be fully conscious of this reality and refrain from statements and actions which in the longer term could be prejudicial to national interest.
- **Thirdly**, the principle of non-intervention in internal affairs has always been sacrosanct for India. India would react strongly to outside comments on internal

political matters. Reticence or so-called policy passivity in an unpredictably changing environment does not reflect an absence of decision making or an abdication of 'leadership'. India's policy makers should not be deterred by ideologically motivated domestic criticism about supposedly abandoning a so-called 'independent' foreign policy or criticism by foreign countries on this account.

### **3.1.5 West Asia: India's Core Interests**

As we understand that West Asia one of the most turbulent region in the world, it is always helpful to draw the priorities of foreign policy to avoid unwarranted developments in relations with the countries of the region. The following section would examine the nature of India's core national interests in the West Asian region.

#### **3.1.5.1 Energy security**

Securing long term energy supply is of primary importance for India in the region. India is currently the fourth largest energy consuming country in the world and it may go up to third position in next couple of decades. India's annual GDP growth at the rate of eight per cent would require further industrial growth which would demand more energy supply for the country. Gulf countries are already the main crude suppliers to India with Saudi Arabia at the top supplying 14,049.15 million tonnes followed by Iran and the UAE at 10,193.27 and 5,448.84 million tonnes, respectively. More or less, the same trends are continuing today. According 2023 data, Iraq has emerged the second largest country of crude oil supplier to India, next to Russia, supplying 2.42 billion dollars. Saudi Arabia and UAE stands at third and fourth positions by supplying \$1.91 billion and \$973.85 million worth oil to India. The growing energy necessity has undoubtedly dictated India's initiative of building up a 'strategic energy partnership' with the region to secure long term energy supply for the country.

#### **3.1.5.2 Indian Projects / Investments / Collaborations in the Region**

India has huge investments in Egypt, Libya, Jordan, Saudi Arabia, Syria and the GCC countries, covering projects and joint ventures in petroleum and petro-



chemicals, fertilisers, manufacturing and consumer goods, information technology and the financial services sectors. As of November 2012, India's investment in Egypt alone exceeded \$2.5 billion. India has investments in the power and petro-chemical sectors in Libya, a phosphoric acid manufacture facility in Tunisia and in the oil sector in Syria. The disruption of these economies due to the uprisings has threatened Indian investments and assets on the ground. These interests urgently need to be protected vis-a-vis the new political dispensations through heightened political contact at the government level and with emerging centres of power.

The Gulf remains a favourite trading partner for India and the trade figures have been consistently going up especially with countries like the UAE, Saudi Arabia and Iran. Over the five years from 2017 through 2021, Iran and the GCC member states comprising the UAE, Saudi Arabia, Bahrain, Oman, Kuwait and Qatar accounted for a 15.3% share of India's cumulative two-way merchandise trade of \$3.98 trillion in that period, according to statistics available on the UN Comtrade database. Of the \$609 billion of exports and imports that the seven countries accounted for in this period, the UAE contributed the lion's share of \$277.4 billion, or almost 7%, making it one of India's largest trading partners. Saudi Arabia was next with \$153 billion. The region is today a key market for several Indian commodities ranging from tea and basmati rice to electrical equipment, apparel, and machinery. Reflecting this importance, India and the UAE signed the Comprehensive Economic Partnership Agreement (CEPA) in February 2022 with the aim of increasing the total value of bilateral trade in goods to more than \$100 billion in five years and getting services trade to exceed \$15 billion over the same period. The trade pact will provide Indian exporters preferential market access on '99% of the country's exports to the UAE in value terms, particularly from labour-intensive sectors such as gems and jewellery, textiles, leather, footwear, sports goods, plastics, furniture, agricultural and wood products, engineering products, pharmaceuticals, medical devices, and automobiles', according to a Ministry of Commerce and Industry release. With the CEPA now serving as a framework, the government is actively pursuing a broader FTA (Free Trade Agreement) with the GCC as a whole. With the region serving as a key hub to markets in Africa, India is keen to gain tariff-free access for its exports not

just to the Gulf region but also to countries across Africa.

Attracting Foreign Direct Investment from the cash rich Gulf region is also a priority for India. The Gulf countries have huge potential for investing in different sectors in India for mutual benefit. India has emerged as a key beneficiary of private investment from the West Asia in the last three years as diplomatic pacts facilitated deals and investors sought to tap into the South Asian country's growing market potential. Cross-border investment activity from the West Asia to Asia has gained momentum with total cross-regional private capital deal values cumulatively reaching \$83 billion since 2020, compared to \$14 billion between 2016 and 2019. India accounted for more than half of all Asia deals with West Asia investors and 58% of the capital invested in Asia during the period, outpacing China and Southeast Asia. In 2023 alone, India attracted FDI inflows of \$51.5 billion. India signed many FDI related agreements with West Asian countries in recent period. While the UAE committed to invest \$75 billion in India, Saudi Arabia pledged an investment of over \$100 billion. Qatar too invested significantly; In July 2019 the Qatar Investment Authority (QIA) announced an investment of \$150 million in education app Byju and soon thereafter in December 2019 committed \$450 million to take a 25 percent stake in Adani Electricity Mumbai Ltd.

The West Asian region provides among the largest number of overseas jobs for Indians, with nearly 89 lakh Indians living and working in the Gulf economies. The UAE, which comprises the seven emirates of Dubai, Abu Dhabi, Sharjah Ajman, Umm Al-Quwain, Fujairah and Ras Al Khaimah, accounts for the largest share of NRIs in the region and is home to more than 34 lakh Indians. Saudi Arabia with close to 26 lakh and Kuwait with over 10 lakh are the other large providers of jobs and economic opportunities for Indians. Indians are today ubiquitous by their presence across a vast range of job categories in the region spanning construction labour to oil industry workers, nurses and doctors in the medical sector to the hospitality industry and finance professionals. The remittances that they sent back home in 2017, according to Pew Research data, accounted for about 55% of the total \$68.97 billion in inward remittances received in India from across the world that year.

### **3.1.5.3 Forging Strategic Ties**

While the oil and energy trade dynamics define India's relationship with the Gulf countries, there is a growing realisation that it is time to move beyond the traditional buyer-seller relationship. India is looking forward to enhance strategic ties with the region. India needs to engage the Gulf countries to further its own influence in the region as well as the world. India has already discussed its intention of joining the United Nations Security Council (UNSC) as a permanent member with the Gulf countries. By forging ties in sectors other than energy and trade with the Gulf region, India is developing a warm relationship with the Muslim world. This would help in building up India's engagement with organisations like the Organisation of the Islamic Conference (OIC) and the Arab League.

### **3.1.5.4 Military Cooperation**

Particular attention has been paid on military cooperation to deal with common security threats. The growing threats of Islamic extremism, terrorism and maritime piracy have become concerns for both India and the Gulf countries. There is a growing concern over the rise of criminal activities, money laundering and illegal arms trade between the two regions. India has signed defence cooperation agreements with the UAE, Oman, Qatar and Saudi Arabia. The defence agreements are aimed at providing military training, cooperation in military medical services, joint exercises, joint development and manufacture of sophisticated military hardware, cooperation in product support, services, defence science and technology etc. and jointly combating pollution caused by the military at sea.

The Indian Navy has been at the forefront of conducting military exercises with the Gulf region. The Indian Navy has conducted exercises with the navies of Kuwait, Oman, Bahrain, Saudi Arabia and UAE. Besides, the Indian Air Force has also come forward to conduct ariel exercises with their counterparts. In September 2008, India conducted its first joint air force exercise with the United Arab Emirates at the Al Dhafra base in Abu Dhabi. In October 2009 the Indian Air Force conducted a joint exercise with Oman codenamed 'Eastern Bridge' at the Royal Air Force of

Oman (RAFO) base at Thumrait. The exercise, though ostensibly conceived to increase interoperability between the RAFO and the IAF, also served to underline the strategic reach of the Indian Air Force.

Security cooperation with the UAE also took concrete shape recently. In March 2021, an Indian Air Force (IAF) contingent participated for the first time in Exercise Desert Flag–VI, an annual exercise hosted by the UAE. The first edition of joint military exercise Desert Cyclone was held in January 2024 in the deserts of Rajasthan. There have also been some reports in the media on the UAE expressing interest in the purchase of Helina, Nag, and BrahMos missiles from India.

With Saudi Arabia, defense cooperation was kick-started after signing a strategic partnership agreement in 2019. In August 2021 the first-ever bilateral naval exercise between India and Saudi Arabia – Al Mohed Al Hindi 2021 – was conducted in Al Jubail, Saudi Arabia. In February 2022, Saudi Arabia was one of the 46 countries invited to the Indian Navy’s Milan Exercise, and the first edition of India-Saudi Arabia joint military exercise Sada Tanseeq was held in the deserts of Rajasthan in January-February 2024.

With Egypt, an MoU on defense cooperation was signed during Indian Defence Minister Rajnath Singh’s visit to Egypt in September 2022 and cooperation has picked up pace since then. Egypt is one of the six countries interested in India’s Tejas aircraft.

#### **3.1.5.5 Fighting Piracy**

The recent spurt in the piracy activities off the Gulf of Aden in the Indian Ocean has affected both India and the Gulf countries. For India, the security of the Indian Ocean is important as large number of oil tankers pass through these waters. Cooperation with the Gulf countries in fighting piracy would also strengthen India’s presence in the strategic waters of the Indian Ocean. India has already deployed its naval ships to deter the pirates.

#### **3.1.5.6 Strengthening Soft Power**

India has emphasised on strengthening the soft power relationship with the

countries of the region. There is a conscious effort on the part of India to bring back Indian cultural influence in the region which India enjoyed in the past. In recent years India has attempted to strengthen cultural ties with the Gulf countries by signing and renewing the existing cultural exchange programmes. India signed an Executive Programme for Cultural Cooperation for 2007-2010 in 2007. An Executive Programme for the Cultural and Information Exchanges between India and Kuwait was signed for the years 2009-2011 in April 2009. India signed an MoU on Cultural Cooperation with Oman in July 2010 for a period of five years.

Cooperation in the field of education is an emerging area of cooperation between India and the Gulf region. Under the Education Exchange Programme 2009-2011, signed between India and Kuwait, both the countries have agreed to exchange information on studies and researches in the fields of education and learning and exchange specialists in the fields of general education, adult education, special-needs education, and social and psychological services. An MoU on education was signed between India and Oman in December 2007 which encourages cooperation between the two countries through visits of academics, officials and students from universities and academic institutions, organising seminars, scientific programmes and training courses, and exchange of books scientific documents and library materials. India has also pledged to assist Saudi Arabia in setting up an ICT Centre of Excellence as well as institutes of higher learning, involving both education and research in the field of technology. India and Saudi Arabia signed a memorandum on higher education in the year 2006 which calls for exchange of teaching faculty and students, encourage direct scientific and educational communications among the institutions and exchange of delegations between the two countries.

### **3.1.5.7 Protecting interests of Diaspora**

Protecting the interest of the five million strong Indian diaspora has been an important element of India's policy priorities in the Gulf. The Indian maids working in the households are in the most vulnerable situations as they are not covered under the local labour laws. India has taken up the issue with the governments of the region and has appealed for the safety and security of the Indian house maids in the region. India

has signed labour agreements with the Gulf countries which call for protecting the workers from exploitation by the employers (like sexual harassment, physical abuse, holding the payment, overtime work without extra incentives etc.), checking the illegal and unauthorised recruiting agencies and unhealthy working and living conditions. The Indian diaspora in the Gulf is a major source of foreign currency. According to the World Bank report on the Remittances and Migration, India is the top remittance receiving country in the world with US\$ 55 billion of remittance in 2010-11. The Reserve Bank of India estimates that for the period of 2006-07 to 2009-10, the Gulf region accounted for an average of 27 per cent of the total remittance inflows to India. The UAE and Saudi Arabia are the major source countries for the remittance. In the year 2008-09, the remittances from the Gulf reached US\$ 14,430 million constituting 30.7 per cent of the total remittances received during that financial year surpassing that of the North America.

#### **3.1.5.8 Indian-Muslim Community**

India's sizeable Muslim minority of close to 150 million has always had an impact on India's policy on West Asia, in part due to the imperatives of vote bank politics. Although the ease of travel for pilgrimage purposes to Iraq and Syria may be affected, it is the longer-term impact which is of greater significance.

So far India has remained largely immune from the mounting sectarian strife in the Arab world. But the heightened religious fervour that it has provoked within Islamic societies has engulfed those countries in sudden and periodic violence at signs of disrespect to Islam – as seen during the November 2012 protests in Libya and most of the Middle East against the U.S.-made film on the Prophet. The fallout was felt in India, with protests in Chennai and Kashmir. In the past too, there has been a similar backlash in India as witnessed during the protests against the Danish anti-Islamic cartoons in December 2007.

#### **3.1.5.9 Fear of Rise of the Islamic Factor in Bilateral Relations**

Over the last decade, the increasing economic enmeshing between India and countries of the West Asian region took the focus away from the Islamic dimension of

the bilateral relationships. This meant that OIC resolutions on Kashmir and the Indian Muslim community were largely sidelined in bilateral interactions, and these countries have largely given up making demarches to India on Kashmir.

With Islamic-oriented governments coming to power, the Islamic factor may well underpin bilateral relations again. The addition of 'Jammu and Kashmir' to other "countries" with beleaguered Muslim communities in Special Report: Mecca Islamic Summit – Final Communique of the Extraordinary Summit of the OIC in Mecca in August 2012 illustrates the point.

### **3.1.6 India's West Asia policy parameters**

From a post-Independence position of looking at the region through an Islamic prism, Indian policy parameters have evolved over the last 60 years. From India's viewpoint relations with the region now fall into two broad categories:

- (a) With West Asia and North Africa, the thrust remains primarily political, based on India's status as a leader of the nonaligned world, and underlined by India's consistent support to the Palestinians. It was only from 1998 that the economic content of India's relations with Morocco, Algeria, Tunisia and Libya became more economically significant.
- (b) With the Gulf countries, the thrust is mainly economic, although negotiations on a Free Trade Agreement between the GCC and India, initiated in 2002, remain unfinished. India's economic success in the last decade was the driver of the change in India's overall relationship with the region.

Two parallel developments assisted India in this. India's growing relationship with the U.S., which made India attractive as a partner to others as well; and the growing tension in relations between the West and West Asia, which had a positive influence on West Asia's economic relations with India. The need to tie up viable economic and investment projects catering to the Indian market became their overriding concern. This goal has come out clearly in India's official bilateral interactions with Qatar, Saudi Arabia, Oman, Bahrain, the UAE and Kuwait.

India's policy toward the region has continued to be guided by these broad parameters. Although the desire to play a role in the resolution of the Arab-Israeli issue has been expressed at the highest level since Jawaharlal Nehru's days, India has neither assumed, nor been offered, any significant role in the Middle East Peace Process (MEPP).

India has opposed exclusivist religious ideologies and Islamic radicalism. It has kept a distance from the OIC in line with its decision to not be a part of religion-based organisations. India's formal participation as a representative of the second largest Muslim community in the world in OIC's founding Conference in Rabat in 1969 was aborted by the machinations of Pakistan, Morocco and Jordan. India continues to ignore the plethora of negative and one-sided OIC resolutions on Kashmir and on the Indian Muslim community.

But this has not affected India's good relations with the Arab and Islamic world. India's secular and democratic polity has been a source of reassurance in the Arab and Islamic world at a time of exacerbating religious and cultural differences amongst its diverse ethnicities and sects. This led Qatar in 2003, when the OIC was under strong internal and external pressure after 9/11, to propose, for the first time, that India be invited to join the OIC.

India's primary goal has been to safeguard the security of, and in, the Persian Gulf. In order to curb the growth of terrorism in the region, India has created an infrastructure of agreements that will enhance security cooperation with Saudi Arabia, the GCC countries, Iraq and Iran in a mutually-beneficial manner. This includes maritime security and agreements for mutual assistance in criminal matters, extradition treaties, and cooperation in counter-terrorism with all the Gulf countries.

It has also presumed close multilateral contact by sharing intelligence in combating terrorism and the linked nexus of arms smuggling, money laundering and drugs.

India's formal diplomatic relations with Israel, established in January 1992, have now acquired a depth and diversity that cannot be rolled back. India has emphasised that its support to the Palestinian cause does not diminish the growth of



its relations with Israel. India has tried to posit these relations in the context of the security of its one billion citizens, making Israel the largest supplier of weapons to India. The success of the Iron Dome missile interceptor system against Hamas in November 2012 has demonstrated the efficacy of the advanced systems available from Israel. This could be of interest to India in future in the context of Pakistan's relentless hostility. India's experience has shown that despite the high costs of weapons systems, Israel has been a reliable partner. India has been reticent, but not defensive, in expanding relations with Israel, especially since the bilateral relationship has domestic political consensus.

Using the weight of its historical relations and its continuing economic success, India has tried to leverage its growing market and talent pool of professionals and skilled workers, to access the natural and financial resources of the West Asian region. With the Gulf countries, the strategy has been to harness their respective "asymmetric complementarities" vis-à-vis India. With countries like Iran, Egypt, Libya, Tunisia, Morocco and Syria, the approach has been to make available Indian know-how and expertise (and occasionally investments) to exploit their natural and petrochemical resources.

India's international stature now significantly depends on the increasing recognition by the Gulf and West Asian region of India as a proximate rising Asian economic power able to harness the region's natural and financial resources.

### **3.1.7 Indian perspectives on the changes in West Asia**

In the context of India's historical emphasis on secular governance, Indian experts and scholars have been pondering the implications of the transformations in West Asia on India's relations with the region. Kanwal Sibal, former foreign secretary of India, writes, "India cannot be comfortable with the replacement of authoritarian secular-minded regimes in West Asia by Islamist regimes backed by highly conservative authoritarian Gulf monarchies."

The support given to the transformations by GCC monarchies has been an important factor in exacerbating the sectarian divide. Sibal explains: "This changes

the balance in the region between more open and more conservative political and social thinking. The impact of this will be felt closer to our borders where Pakistan is already lurching towards greater radicalism and the Taliban are likely to be accommodated in Afghanistan.” Pakistan’s role in transmitting radical and sectarian ideology to India – “the rancid sectarianism of the Arab East” – as Fouad Ajami of the Hoover Institution calls it – is a constant threat.

These observations speak of the ways in which India can engage with the new governments without compromising its core principles of secularism, democracy and non-alignment.

S.Nihal Singh, senior Indian journalist and foreign policy expert, writes in the journal *New Age of Islam* in December 2011: “There can be no doubt that the future shape of the Arab world will be more Islamist-oriented... [B]ut each country will find its own mix and there seems little stomach for the extremist varieties of dispensations.” This conclusion seems to be based on the relatively moderate profile projected by the Muslim Brotherhood.

Carrying the thought further, Raja Mohan, veteran foreign policy analyst, writes in the *Indian Express* in July 2012, “India will have to approach the Middle East on the basis of its own internal dynamics rather than a preconceived idea of preferences.” This is an exhortation to reconsider India’s traditional policy of giving preference to secular regimes.

On the whole, the Indian press and public discussions focus on stability in the region in the context of India’s growing regional and international role and its interests in the region, which are closely tied with the Gulf, Iran and Iraq.

Expressing disappointment at India’s inability to leverage its tenure in the U.N. Security Council to oppose political or military intervention in Arab countries in the throes of political upheaval, S. Nihal Singh writes that India should move beyond timidity in the international arena. In a similar vein, Raja Mohan says, “With a relentless focus on India’s interests, Delhi must find ways to contribute to the emergence of a stable regional balance of power over the longer term.”

Neelam Deo, Director of Gateway House, says that it is in India's interests to articulate a clear line because "for India to shrug off our long-standing non-aligned, independent foreign policy would promote neither our own interests, nor peace in our wider region. It would only silence a different and important perspective in international debate."

Our existing regional interests will not be jeopardised though. Taking an overview, Kanwal Sibal adds, "Our relations with the Gulf monarchies involving manpower, trade, energy and remittances will continue for reasons of mutuality of interest."

Indian policy will have to address these imperatives with regard to the entire region and not only to the Gulf. It remains to be seen if such a policy will transcend or minimise the Islamic factor in multilateral relations with West Asia. India's positions on the upheavals in Egypt, Syria, Libya and Bahrain, illustrate the limitations of India's policy and strengthens the conviction that it will have to be tailored separately to each situation.

### **3.1.8 India's progress in West Asia**

India's efforts to build cooperation with countries in West Asia on matters related to security have been moderately successful. In the last decade, the tenor of India's relations with the countries of the region improved, though the security issue in the Gulf became more complicated. The spawning of terror outfits, which got inspiration, sanctuary and funds from the region, became a matter of major concern as the number and intensity of terror attacks in India increased.

Nevertheless, with each of the countries in the region, India continued to have a positive relationship and they appeared to be disinclined to flog the Kashmir issue. Two additional factors helped: one, India and the Arab League embarked on a regular dialogue, which helped to clear the air on misperceptions and misrepresentations of India's social, internal and foreign policy relations with Israel and related issues; two, the move by some OIC countries to take a more positive view of India and the success of its secular modelled Saudi Arabia's King Abdullah Bin Abdul Aziz to formally propose in 2006 "observer status" for India in the OIC, ruffling the placid waters of

an organisation which has primarily moved to Saudi signals.

This was helped by the OIC's fixation on making itself more relevant against the western onslaught after repeated Al-Qaeda terror attacks, prompting it to curtail its Pakistan-inspired India baiting actions. There was also a realisation in the region that regimes that promote greater prosperity and participatory governance are needed more than political creed and religious dogma.

India's initiatives in the region were bilateral, aimed at enhancing energy security and the security of its borders. India has aimed to develop a framework for security cooperation, particularly with the GCC countries. In the past, such efforts foundered due to the Pakistan factor – the lens through which these countries viewed India. But 11 September 2001 changed these circumstances, enabling Mutual Legal Assistance Treaties to be put in place for criminal and civil matters, and extradition and understanding on deportation of wanted criminals and terrorists to India.

The success of these initiatives was demonstrated by the deportation from the UAE in 2002 of Aftab Ansari, an accused in the attack on the American Centre in Kolkata in January 2001, and the extradition by Saudi Arabia in 2012 of Abu Jundal of the Lashkar-e-Toiba, implicated in the Mumbai terror attack of 26 November 2008. The close contact between Indian security and intelligence agencies and their counterparts in the Gulf to combat groups involved in terror, arms smuggling, money laundering and drugs has been largely successful.

In the last decade, India has used its proximity to the Gulf and West Asia to build a high level of two-way exchanges in trade, investments, and financial and information technology services. The Gulf countries have realised that their hydrocarbon resources need stable markets, and this has boosted India-GCC inward investment and resource-based projects. Syria, Jordan, Morocco and others have followed in the steps of the Gulf countries. This is apart from the tremendous contribution that Indian labourers and professionals are making to the GCC economies.

According to the Ministry of Commerce and Industry, India's imports in 2010-2011 from West Asia (excluding the GCC) were valued at \$24.80 billion, from the

GCC at \$74.91 billion and \$5.89 billion from North Africa. During the same period, India's exports were \$7.75 billion to West Asia (excluding the GCC), \$42.47 billion to GCC countries and \$3.98 billion to North Africa.

Maximising these exchanges will provide the ballast for closer and more balanced relations, which will help to transcend the salience of the Islamic factor.

### **3.1.9 Latest developments**

In the past, India has managed a successful balancing act in a divided and diverse West Asia. Now, the restructuring of West Asia's geopolitical landscape has allowed India to engage with West Asian states with even less political manoeuvring. Through a strictly business attitude, India has pursued its most favourable economic opportunities without the burden of managing political ramifications.

There are two ways that India has been engaging with the region in terms of geopolitical strategy. The first, it has been making allies and collaborating economically with countries to safeguard its energy security. At the second level, it has been engaging selectively in socio-political contacts. As one of the largest diaspora population in the region, it is one of the largest targets for India's practice of soft-power diplomacy.

India's soft power is clearly visible in terms of culture, language, skills, Bollywood, food, yoga, its democratic character, neutrality, and non-interference, international law and multilateral diplomacy to name a few. Similarly, the diaspora too adopts various means to influence the government of the homeland and host countries. During the recent time, the reliance on soft power diplomacy as a foreign policy tool has been incorporated by Prime Minister Mr. Narendra Modi.

Currently, there are four centres of power in West Asia - Turkey, Iran, Saudi Arabia and Israel. The three Muslim majority states, among the four, are suspicious of each other and are competing for leadership of the Islamic world. The Gulf monarchies have difficult relationships with both Iran and Turkey. While Iran is an immediate threat, Turkey's support of Islamic radicals is also a long-term problem, which needs to be addressed.

India has vital interests in Iran. New Delhi seeks to maintain good ties with the Shia state which borders Pakistan on the West. India has also invested heavily in the Chabahar port in Iran and expects the country to provide access to Afghanistan, Central Asia, Caucasus and beyond, through the proposed International North South Transport Corridor (INSTC). Therefore, it wouldn't be prudent for New Delhi to take a harsher stance on Iran than it is already doing currently, due to American pressure.

In 2017, India and the UAE signed a Comprehensive Security Partnership that encompasses areas of cooperation hitherto uncharted. In this effort the United State and other external power dynamic and their presence in the region will also need to be taken into account because they could adversely impact India's security. Similarly, the fallout of intra-regional conflicts will also impact India's choices, and consequently its national interest. The aim of this cooperation is to increased investment of UAE in India to the tune of \$75 billion in next few years.

Likewise, the maiden State visit of Saudi Crown Prince Mohammad bin Salman (February 19-20, 2019) yielded the commitments of over \$100bn in India's flagship initiatives and energy security projects.

The most significant moment in India-West Asia relations was happened in in March 2019 when India's External Affairs Minister Sushma Swaraj was invited to be the "Guest of Honour" at the 46<sup>th</sup> Council of Foreign Ministers of the Organisation of Islamic Cooperation (OIC) preceded by the maiden State visit of Crown Prince Mohammad bin Salman of Saudi Arabia to India. This was exceptional as the Indian Foreign Minister met the Saudi counterpart three times in a fortnight. The UAE invited the "friendly country of India as the guest of honour in view of its great global political stature as well as its time-honoured and deeply rooted cultural and historical legacy, and its important Islamic component".

But after the Indian aerial strikes at JeM terrorist training and recruiting camps at Balakot, Pakistani Foreign Minister, Shah Mehmood Qureshi protested to the hosts and told his UAE counterpart that unless the invitation to India's External Foreign

Minister was withdrawn, he will not attend. But the UAE and the OIC were firm, and received Mrs Swaraj with full honours. In the end, Pakistan's Foreign Minister boycotted the OIC ministerial. This development showed a paradigm shift in the way the member countries of the OIC looked at India even though they did refer to the old issues.

To summarise, India has followed a policy of nurturing bilateral ties with all the countries in the region without getting entangled into their ideological or sectarian fault lines. This is the key success of India's foreign policy as the country can't afford to be drawn into their ongoing conflicts. Meanwhile India must continue to nurture bilateral exchanges and multilateral engagements. However, we need to continue to work on finding the right balance that will serve our national and strategic interests better.

### **3.1.10 Let us sum-up**

India shares deep historical, cultural and civilizational links with West Asia. In the second half of 20<sup>th</sup> century, these ties were further reinforced as the two emerged from their colonial past and started weaving new realities, building new bridges of understanding and synergies to deal with the common developmental problem and new challenges of 21<sup>st</sup> century. For India, West Asia is part of its extended neighbourhood and as such continued peace and stability in the region is in its strategic interest.

West Asia is home to more than 7 million Indians who contribute around US\$ 40 billion in remittances annually. India's economic and commercial engagement with the region is around US\$ 186 billion per annum, making it the largest trading regional block. The region is a source for more than 60 per cent of India's oil and gas requirement, critical for its energy security. The sizable Sovereign Wealth Funds of Gulf countries can offer significant platform for operations of Indian companies, particularly in infrastructure, important for our socio-economic development and other national initiatives like 'Make in India' 'Digital India' 'Smart Cities', etc. There is an increased air connectivity and tourism prospects between the two sides. Industry

figure illustrate that there are 700 flights a week between India and UAE. India has also been participating in important UN Peace Keeping Missions in the region especially in Lebanon, Syria and South Sudan.

Hence, it is not surprising that India attaches high priority to its political, economic, and security relations with the countries of the West Asia region. India's bilateral relations with the countries in West Asia are poised to grow, given the enormous potential on both sides. However, the broader context, civil wars, terrorism and instability, in which India seeks to pursue its vital interests in West Asia is fraught and unpredictable making its task so much more challenging and daunting.

### **3.1.11 Exercise**

1. Analyse historical evolution of India's foreign policy towards West Asia.
2. What are the major changes that India brought in its policy towards West Asia in post-Cold War period.
3. How Energy is important factor in India's policy towards West Asia?
4. Write an essay on trade relations between India and West Asia with special reference to India and United Arab Emirates.
5. How important are India's Diaspora in West Asia for India's economic development?
6. Critically review the 'Arab Spring' and its impact on West Asian region.
7. Trace broadly India's priorities in West Asian region.



**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood**

**UNIT – III: WEST ASIA AND CENTRAL ASIA**

### **3.2 INDIA AND IRAN: PROSPECTS AND PROBLEMS**

**- RAJNISH SARYAL**

Structure

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#### **3.1.4 Economic Relations**

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### 3.1.8 Exercise

### 3.2.0 Objectives

The present lesson analyses India's relations with its neighbour Iran and how Iran's geopolitical locations serves India's strategic interests. After going through this lesson, you should be able to know:

- The civilisational and cultural ties between India and Iran;
- The strategic importance of Iran to India's foreign policy;
- Three distinct phases in Indo-Iranian relations; and
- The prospects and constraints for India's relations with Iran.

### 3.2.1 Introduction

India and Iran, as a part of the Indus Valley civilization, have been interacting, since prehistoric times as neighbouring civilisations. India and Iran have enjoyed strong ties since the pre-Aryan civilizations to Persian era and Mughal dynasty. Historians claim that Indo-Iranians belong to a single family and lived together for many centuries in the pasture land of Central Asia that is known as Oxus valley. The Indo-Iranian relationship was given concrete foundation during the period of Mughal rule over India. Mughal rulers not only invited the Iranian architects to India but also the educationalists of that times who translated important books related to medicine, poetry and religion from Persian language to Hindi language. There was a continuous free movement of traders, architects, poets and educationalists.

These historical relations between Iran and Indian subcontinent have been profound, particularly in the realm of culture, economy and politics. The heritage of over a millennium of relationship can be seen in architecture, art, colloquial, official language and culture on both sides. Historically, the entire South Asian region has been deeply influenced by Iranian culture. Centuries of cultural interactions have made the presence of Iranian art and architecture omnipresent across the length and breadth of South Asia. In India, cities like Lucknow and Hyderabad have emerged as the citadel of Iranian culture. Accordingly, a

significant section of the population identifies itself with Iran and has a close cultural affinity with it. For five centuries prior to the British rule, the Persian language was the second language in most of South Asia. It became the language of the elite in many princely states and the medium for higher education. The Urdu language, which is the official language of Pakistan and is spoken widely across India and other countries in South Asia, is written in the Persian script and is deeply influenced by the Persian language. There are similarities between the oldest Indian scriptures, the *Vedas*, and the Iranian *Avesta*. With the advent of British supremacy on the Indian subcontinent in the 18<sup>th</sup> century, Indo-Iranian interactions started to dwindle; they revived only after India's independence in 1947.

However, despite sharing civilisational affinities to an exceptional degree, the vagaries of international politics made it difficult for India and Iran to share a close bilateral relationship during the Cold War. Whereas Soviet threat drove Iran into a close strategic relationship with the United States, India's foreign policy was guided by "non-alignment". The bipolar structure of the international system became the ultimate arbiter of bilateral relations between India and Iran during the larger period of the Cold War. But a number of factors have led to the convergence in Indo-Iranian interests in the post-Cold War period such as the unipolar nature of the current international system, India's need to counter Pakistan's influence in the Islamic world, rise of Taliban in Afghanistan, the increasing geo-political importance of Central Asia and the need to strengthen economic and commercial ties.

In this backdrop, the Indo-Iranian relationship can be analyzed by examining the subjects that lie at the core of the relationship.

### **3.2.2 Iran's Strategic Importance for India**

In many ways relations with Iran are strategically important for India. Iran is not only India's gateway to West Asia but also to Afghanistan and Central Asia. Apart from this, the culturally and intellectually strong Iran is a sort of hope in otherwise unstable, unpredictable West Asia. The following points emphasise how important Iran is for India's foreign policy.

1. For India, Iran's strategic location makes it a viable transit point to Afghanistan and Central Asia. Iran is at the crossroads of some important international

transportation corridors, such as the North-South corridor, the East-West corridor (old Silk Road), the Transport Corridor Europe-Caucasus-Asia (TRACECA) programme, the Asia Land Transportation Infrastructure Development (ALTID), and South Asia. Both countries have been working on completing these projects to realise Iran's transit potential.

2. India's indifferent relations with China and Pakistan mean that Iran provides the only access to the untapped markets of Afghanistan and Central Asia for Indian goods, as well as India's only option for tapping the vast untapped energy and other mineral resources of the region.
3. India and Iran share common interests on geo-political stability of the region such as Central Asia, Indian Ocean and Persian Gulf regions. They are concerned about the over presence of the super powers in these regions particularly U.S and its allies. To India and Iran, Central Asian Region is a crucial factor to run together their strategic relations. In post-Cold War period, Central Asia emerged as an important geo-strategic region which is loaded with natural resources of oil and gas. This region has attracted the attention of many countries like U.S. and China. India and Iran have unlimited interests in Central Asia to utilize the opportunities and to prevent the threats. They highly focused on the free access of Central Asian region and to expand strategic tie-ups with regional countries such as Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Tehran and New Delhi are more concerned about the security and stability of Central Asian region as the rate of drug trafficking, smuggling, exports of terrorism and other organized crimes of regional countries are increasing. The interest of India in Central Asian region is connected with Iran because it is the only link to the region, if Pakistan gets adverse with India.
4. India also views Iran as an influential Islamic state that can effectively counter Pakistan's anti-India propaganda in the Islamic world. Given Iran's strained relations with the West, India is seen by Iran as an important partner and a possible conduit to the West. Iran views India as a nation that can be helpful in fostering a dialogue between civilizations which President Khatami has been aggressively

promoting for the last few years, in response to the ‘clash of civilizations’ thesis emanating from the West. India also has the largest number of Shia Muslims in the world after Iran, and both states are concerned about the festering Shia-Sunni strife in Pakistan.

### **3.2.3 PHASES OF INDO-IRANIAN RELATIONS: KEY DRIVERS AND LIMITATIONS**

India and Iran relations can be analysed by imposing a framework that examines their engagements in three distinct phases. The first phase begins in 1947 with India’s independence and extends to 1989 with the collapse of the Soviet Union and the conclusion of the Cold War. The second phase broadly covers the period of 1990-2001. This phase is bound by the beginnings of a new world order born in the detritus of the Cold War and by the terrorist attacks on the United States of September 2001. The third phase is the contemporary post-9/11 period.

#### **3.2.3.1 1947-1989: Relations Tethered To Cold War Alignments**

In March of 1947, the Iranian delegate to the “Asian Relations Conference” in New Delhi extended Iran’s friendship and amity to the newly independent India. At the time, cooperation was logical as both states were stepping out of various entanglements with imperialism and occupation. But the friendship soon grew complicated. Iran and India found themselves enmeshed in the complex web of international relations of the Cold War. Iranian monarch Mohammad Reza Shah saw communism as a threat to both the integrity of the Iranian state and the Shah’s regime. The Shah’s concerns were exacerbated by the activities of Iran’s influential communist Tudeh party. In response, the Shah pursued a policy of brutal oppression against the Tudeh party, brought Iran into alignment with the West and, in 1955, entered into the Baghdad Pact with Iraq, Turkey, the United Kingdom and Pakistan. Prime Minister Nehru denounced the Baghdad Pact (CENTO) as a dangerous approach to international relations and led India into the Non-Aligned Movement. While India claimed that it was unaligned to either power bloc, it in fact developed very close ties with the Soviet Union, which became a major military supplier. The India-Iran relationship was further complicated by improved relationships between Iran and Pakistan when the

two countries joined the Baghdad Pact, albeit for different reasons. Iran joined the Baghdad Pact because of genuine commitment to the pact's security principles, while Pakistan chose participation in Baghdad Pact principally to obtain military support and resources to fortify it against its fast emerging nemesis: India. Although the Baghdad Pact brought Iran and Pakistan closer, Iran was very amicable towards the fledging state of Pakistan even early on. Iran was the first nation to recognize Pakistan and established formal diplomatic relations in May 1948. One year later, the Shah visited Pakistan, at which time he and Prime Minister Liaquat Ali Khan penned a Treaty of Friendship. In contrast to the alacrity with which Tehran acknowledged Pakistan, formal diplomatic relations between Iran and India were formalized only in March of 1950. However, within one year, Iranian Prime Minister Mohammed Mossadeq nationalized the Anglo-Iranian Oil Company (AIOC). Oil nationalization had become a serious issue: Iranians were increasingly vexed at the indifference of the British towards this growing Iranian concern and the yawning disparity in oil revenues shared by the Iranian and British governments from the exploitation of Iranian oil. India was ambivalent about the issue and perhaps leaned towards the side of the British. Nehru remarked that "The Iranian government has taken up a very strong and unbending attitude and perhaps it may be criticized to some extent."

Throughout much of the 1960s, India and Iran drew closer. This was in part due to the détente between the superpowers and the different regional priorities of the United States, which de-emphasized the significance of Iran. Iran, disenchanted with the contingent nature of such external support, began looking for alternatives to the United States. In its quest, Tehran sought to normalize its relations with the Soviet Union. The 1970s was also a period of growth in the Indo-Iranian relationship, despite a bumpy start when Iran sided with Pakistan in the 1971 Indo-Pakistani war. While Iran formally supported Pakistan, Tehran declined to take a hard line against New Delhi and rebuffed Islamabad's efforts to activate reciprocal defence obligations under CENTO. In the aftermath of the 1973 Arab-Israeli war and the surge in oil revenues, Iran's coffers had expanded and Iran felt well positioned to pursue joint development projects with other countries. India, having emerged as the decisive winner in the 1971 Indo-Pakistani war, was perceived by Iran to be a major regional power. It was in the mutual interest of both to pursue strong political links with each other. Both states were careful to avoid any entanglement in each other's defence

commitments and priorities and were steadfast in their efforts to keep differences of opinion over such matters from derailing their mutual economic and development objectives. During the 1970s, there were also numerous high level visits between India and Iran. Indian Prime Ministers Indira Gandhi and Morarji Desai visited Iran in 1974 and 1977 respectively. In February 1978, the Shah of Iran visited India. Both sides held very similar views on a number of major international issues, such as disarmament, the ongoing security problems in the Middle East, and keeping the Indian Ocean free of aggression and outside interference.

The 1979 Islamic Revolution in Iran was initially seen in India as an assertion of national identity and independence from superpower rivalry. However, this favourable view was not sustained as once again bilateral relations waned in importance. The new regime in Tehran quickly became embroiled in a long, bloody war with Iraq. Iran also became keen to export its Islamic revolutionary zeal and pursued positions towards Kashmir that discomfited New Delhi. Despite India's displeasure with Iran's Kashmir stance, India did not vociferously rebuffed Tehran. India believed that realists within the Islamic Republic sought to maintain robust economic ties with India despite differences of opinion. The 1979 Soviet invasion of Afghanistan was yet another sticking point. Iran vehemently opposed the conflict on its northern frontier and found Indira Gandhi's "behind the scenes" opposition to Moscow to be too subtle. Despite these numerous challenges and significant sources of political difference, both Iran and India continued to cooperate economically throughout the 1980s.

### **3.2.3.2 1990-2001: The Soviet Union's Demise Opens New Opportunities**

The collapse of the Soviet Union and the conclusion of the Cold War presented India and Iran with a number of challenges as well as opportunities. Both countries faced uncertainty as to what would be the fate of its robust and long-standing arms supply relationship with the former Soviet Union. Moreover, in the wake of the Cold War, India and Iran grew unsettled when the United States emerged as the global hegemon. As the Soviet Union crumbled, chaos ensued in Central Asia, disconcerting both Iran and India for a number of reasons. First, the new states that emerged from the detritus of the Soviet Union were politically unstable and ill at ease with their neighbours. Iran was uncomfortable of becoming entangled in their disagreements and the ever-present possibility that any

emerging ethnic conflict in Central Asia could spill into Iran and embolden any fragmenting tendencies among Iran's diverse ethnic minorities. India shared Iran's interest in a stable Central Asia. The Central Asian region had long been a captive market for Indian goods exported to the Soviet Union. Iran became the only viable corridor through which India could access the natural resources and economic opportunities of Central Asia and Afghanistan. Iran and India's vexation with the emergent problems in Central Asia were further exacerbated with the upsurge in Sunni Islamic extremist movements that fanned throughout South Asia and Central Asia in the early and mid-1990s. India has the largest number of Shia Muslims in the world after Iran and both states are concerned about festering Shia-Sunni strife in Pakistan. Though Pakistan is not seen as an adversary of Iran even then, the Sunni fundamentalism of jihadi considers the 20 per cent Shia population of Pakistan as apostates. This is the same variant of Islamic fundamentalism that supports and sends jihadi terrorists to India.

The consolidation of power by the Taliban (backed and nurtured by Pakistan) was a major source of mutual anxiety for New Delhi and Tehran. Both India and Iran believed that Pakistan's control of Afghanistan via the fundamentalist Taliban regime was not in the strategic interest of either state and was a threat to the regional stability of the entire region. As opposed to Pakistan that promptly recognised the Taliban regime, India and Iran did not establish diplomatic contacts with the Taliban. In this regard, both Tehran and New Delhi converged in their interests in checking cross-border terrorism as well as the spread of narcotics from Afghanistan. India and Iran together with Russia were the main supporters of the anti-Taliban Northern Alliance that route the hard-line Islamic regime in Afghanistan with the US help in 2001.

Thus, the Cold War's conclusion brought to both states a number of challenges. However, it also presented both states newfound opportunities. Central Asia became an open field where both states could project their equities and jockey for influence in the area. Russia, India and Iran engaged in a number of joint ventures to build infrastructure in support of moving goods between India and Russia, via Iran and/or Afghanistan. India sought to establish robust relationships with Iran and the states of Central Asia at least in part to strategically out manoeuvre Pakistan. The convergence of interests with Iran



presented New Delhi with an attractive option of cultivating robust relations with a key Muslim state, at least in part to deflect Pakistan's rhetoric in international forums and to mollify the increasingly disenchanted Muslim population within India. Iran, for its part, saw in India a potential means to break out of its isolation caused in part by the containment policies of the United States. India's value in this regard has only expanded in recent years as India has forged key relations with the United States, Israel, the European Union and the states of Southeast and Northeast Asia. Tehran also looks to India as a cost effective source of high-technology inputs and assistance in the development of information technology. Finally, both states see tremendous value in military cooperation.

In the early 1990s, a policy of economic reform brought about a period of sustained economic growth in India, which expanded the country's demand for hydrocarbon energy sources. Iran, for its part, was both endowed with one of the world's largest supplies of natural gas as well as oil, and desperate to find new markets for these products. Energy interests, with Iran as a supplier and India as a consumer, cemented Indo-Iranian relations and motivated both states to explore ways of getting Iran's hydrocarbons to India's market. This general rapprochement of the 1990s was also facilitated by Tehran's subtle shifts towards the recalcitrant Kashmir issue. 1991 witnessed a series of high-level exchanges. During a visit of the Indian external affairs minister, Tehran first acknowledged Kashmir to be an integral part of India. This was subsequently reiterated during 1993 visits to Tehran of the Indian foreign minister and Prime Minister Narasimha Rao.

By the late 1990s both Iran and India converged on several key issues: (1) stability in Central Asia, Afghanistan and Pakistan, (2) security of energy supplies, (3) checking the deleterious consequences of Wahabbist/Deobandi extremism emanating from the Taliban-controlled Afghanistan, Pakistan and elsewhere, and (4) the mutual benefit from economic cooperation in a broad swath of areas. This cluster of shared concerns brought about a number of key milestones. For example, in 2000 Iran and India agreed to build a North-South Corridor, which would permit facile movement of goods across Central Asia and Russia. As a part of this accord, India agreed to help expand the Iranian port of Chahbahar and lay railway tracks that would connect Chahbahar to the Afghan city of Zaranj. Cooperation between the two states increased in the area of defence as well. In March

2001, Indian Defence Secretary Yogendra Narain met with his Iranian counterpart, Ali Shamkhani, and agreed to initiate a security dialogue to examine key issues of mutual concern. This meeting was followed by Prime Minister Vajpayee's historic visit to Tehran in April 2001, which resulted in the Tehran Declaration. This document aimed to enhance bilateral cooperation, to articulate their mutual interests in establishing a broad-based government in Afghanistan, and to express their apprehension over international terrorism and their mutual preference for a comprehensive convention against international terrorism at the United Nations. Despite positive developments in Indo-Iranian ties in this decade, there were persistent limits to the depth and breadth that the relationship could take. Many of these limits continue to frustrate and circumscribe the relationship. First, throughout the 1990s, India sought a rapprochement with the United States. India's desire to cultivate robust security ties with the United States has been and will remain a serious constraint on the Indo-Iranian relationship. Second, India has simultaneously pursued robust defence ties with Israel. In fact, Israel has become the second largest supplier of military equipment to India. Third, India is also seeking more robust ties with a number of Arab states, which have been less than thrilled by the upswing in Indo-Iranian relations.

### **3.2.3.3 September 11, 2001 to Present: Prospects And Problems**

The terrorist attacks of September 11, 2001, brought to the region a number of far-reaching changes. First, the attacks brought to the fore the significance of South Asia within the larger context of the global war on terrorism. This gave a greater impetus to the fast-developing Indo-U.S. strategic relationship. Second, the global focus on terrorism and the trends in political Islam have also encouraged India and Israel to deepen their already extent robust relationship. Third, stakeholders within India, Israel and the United States have also pushed for an Indo-U.S.-Israel triangular relationship to "fight terrorism." Fourth, the military action in Afghanistan (Operation Enduring Freedom) brought the official rule of the Taliban to an end. This was a welcome change in both Tehran and New Delhi. Fifth, the military engagement in Iraq (Operation Iraqi Freedom) has also resulted in the ousting of Saddam Hussein. While his exit from Iraqi politics and capture was welcomed in Tehran and elsewhere, U.S. efforts to do so without global consensus or UN cover was discomfiting both to Tehran and New Delhi. While aspects of the war on terrorism and the

involvement of the United States in the subcontinent have clearly been positive for New Delhi, other aspects have been less so. The war on terrorism again motivated the United States to resuscitate its ever tentative relationship with India's vexing western neighbour, Pakistan. India, while seeking enhanced military supply relations with Washington, has argued that Washington should strictly limit its military assistance to Islamabad. India has also watched with dismay as the United States made President Pervez Musharraf, who is viewed dubiously in New Delhi as the author of the Kargil conflict, a critical partner in the war on terror. From New Delhi's perspective, Washington has largely turned a blind eye on Pakistan support for militancy in Kashmir, and has acted with relative public insouciance towards Pakistan's demonstrable nuclear proliferation. While Iran no longer has to contend with the odious Taliban and Saddam Hussein regimes, it too has had much to fret about in this new environment.

While the United States has been a close neighbour due to its military presence in the Gulf since 1990/1991, the U.S. footprint in the region has expanded dramatically since 9-11. The United States has a robust military presence in Afghanistan, Pakistan, Uzbekistan, and obviously Iraq. Iran is clearly concerned that the United States will cultivate regimes in these countries that are pro-American and hostile to Iran's equities in the region. This changed environment has also opened up opportunities for both India and Iran. Afghanistan is now more open and both states are considerably freer to use whatever means at their disposal to influence the eventual outcomes in Kabul and elsewhere. Both states are hoping that the demise of the Taliban, the U.S. presence in Pakistan, and the enhanced international concern surrounding extreme Sunni Islamic movements (e.g., strands of Wahhabi and Deobandi belief) will check the spread of Sunni militarism. The convergence of shared threats and perceived opportunities have encouraged Iran and India to move more swiftly on key areas that undergird their developing strategic relations such as threats of terrorism (particularly from militant Sunni groups), security of the sea lanes of control (e.g., Strait of Hormuz), and integrity of energy supplies. Moreover, the possibility of Afghanistan eventually being stabilized has opened up new commercial and development possibilities that compel both India and Iran to work together with other key collaborators such as Russia. It should also be noted that both states need each other politically now more than ever.

The most important milestones for Indo-Iranian relations came when Indian Prime Minister Vajpayee visited Tehran in 2001, followed by the reciprocal visit of Iranian President Khatami to New Delhi in 2003 when he was the guest of honour at India's Republic Day celebrations, an honour reserved for the closest friends of India. Both parties have strong motives for courting the other. Iran sees India as a strong partner that will help Tehran to avoid strategic isolation, particular at a moment when Tehran has been designated a member of the "Axis of Evil." Tehran also sees India as helping it to break out of the anti-Iran pincer allegedly created by the United States in the region, and as an ally against Arab nationalism and extremist Wahhabite Islam. Finally, the move toward India also reflects the broad Iranian foreign policy trend toward an emphasis on the "national interest" versus Islamic. The state visit included signing of a number of agreements including a "Memorandum of Understanding on the Road Map to Strategic Cooperation." The memo states that India and Iran will explore opportunities for cooperation in defence in agreed areas, including training and exchange of visits. It also states that India-Iran defence cooperation is not aimed against any third country. Reportedly, India promised to upgrade Iran's fleet of Russian-supplied Kilo-class submarines and its MiG fighters. Iran also will be accorded access to other Indian military technology. In March 2003, India and Iran conducted their first combined naval exercise. This exercise also was notable because it probably reflected Indo-Iranian discomfort with the mounting U.S. presence in the Persian Gulf and Arabian Sea at that juncture. Indian engineers also are working to upgrade and develop the Iranian port of Chabahar, the Chabahar-Fahranj-Bam railway link, and the Marine Oil Tanking Terminal. This initiative presumably is mainly intended to facilitate trade and is part of a larger Indian Ocean to North Sea initiative involving Russia and others, and mainly centred on the Iranian port of Bandar Abbas. Pakistani and Chinese observers, however, will worry that Tehran eventually will permit Indian naval forces to use the port and will regard developments at Chabahar as a response to China's own development of a Pakistani port and naval base at Gwadar, some one hundred miles eastward.

Close Indo-Iranian security ties may also be inferred from the reported presence of an unusually large Indian consulate, with presumed intelligence duties, on the Pakistan border (and also near the Afghan frontier) at Zahedan in Iran. India also established a new consulate at Bandar Abbas in 2002, a development that provoked Pakistan to protest that

India will use this facility to monitor ship movements in the Persian Gulf and the Strait of Hormuz. In the economic arena, the principal issues have been trade and energy, and the North-South Transportation Corridor. According to the then External Affairs Minister Sinha, “Iranian business and industry must look to its east, to India, in areas where Iran has traditionally depended on the West for technology, equipment, machinery, and industrial projects. The Iranian manufacturing sector should take note of the progress made by Indian industry in the manufacturing sector.” In December 2003, India proposed to Iran that the two states expand bilateral economic cooperation by forming a common market of India, Iran, and Pakistan. Iran’s ambassador to India responded by assenting to the concept and commented, “We hope for an economic bloc of India, Pakistan, Afghanistan, Iran, and maybe Central Asia.” According to the Iranian diplomat, “There is currently a gap between the ASEAN and the EU. As the only two democracies in the region, India and Iran can start a partnership to fill this gap.”

From India’s point of view, Iran’s energy resources provide one of the closest and cheapest energy resources available to fuel India’s growth. India-Iran commercial relations are dominated by Indian imports of Iranian crude oil, which alone account for some 90% of all Indian imports from Iran each year. Iran possesses the world’s second-largest natural gas reserves, while India is among the world’s leading gas importers. Under a reportedly finalized 25-year, \$22 billion deal, the state-owned Gas Authority of India Ltd. (GAIL) is to buy 5 million tons of Iranian liquefied natural gas (LNG) per year. To implement the arrangement, GAIL is to build an LNG plant in Iran, which Iran does not now have. Some versions of the deal include development by GAIL of Iran’s South Pars gas field, which would clearly constitute an investment in Iran’s energy sector. India currently buys about 100,000-150,000 barrels per day of Iranian oil, or some 7.5% of Iran’s oil exports. It is also widely reported that Indian refineries supply a large part of the refined gasoline that Iran imports. Gasoline is heavily subsidized and sells for about 40 cents per gallon in Iran, and Iranian refining capacity is insufficient to meet demand. The purchase of Iranian petroleum product is not generally considered an ISA violation. A major aspect of the Iran-India energy deals is the proposed construction of a gas pipeline from Iran to India via Pakistan, with a possible extension from Pakistan to China. The IPI was proposed as a pipeline that would transport 36 billion cubic metres of gas every year from Bandar

Abbas to Calcutta. Of this, 70 per cent gas was meant for India while 10 and 20 percent were meant for Iran and Pakistan respectively. The pipeline, which can be extremely useful for India, has been ostensibly held up over the pricing of the gas, although the real impediment has been the US opposition. Some of the Indian companies that reportedly might take part in the pipeline project are ONGC, GAIL, Indian Oil Corporation, and Bharat Petroleum Corporation. Iran, India, and Pakistan have repeatedly reiterated their commitment to the \$4 billion-\$7 billion project. If conditions improve, India can look at the pipeline optimistically.

Despite huge oil reserves, Iran lacks adequate refining capacity and as against an annual consumption of 64.5 million litres of petrol, its refineries can refine only 43 million litres, which forces it to import approximately one-third of its consumption. Iran has been a major destination for the products of some Indian refineries in the private sector, which are unable to market their products locally as the petroleum products are subsidised by the government.

### **3.2.4 Economic Relations**

India and Iran enjoys economic and commercial ties covering many sectors. However, the trade relations have traditionally been buoyed by Indian import of Iranian crude oil resulting in overall trade balance in favour of Iran. The India-Iran bilateral trade during the fiscal 2014-15 was USD 13.13 billion. India imported US\$ 8.95 billion worth of goods mainly crude oil and exported commodities worth US \$ 4.17 billion. The unilateral economic sanctions imposed on Iran have had an adverse effect on the bilateral trade as the international banking channels have gradually become non-existent.

India and Iran hold regular bilateral discussions on economic and trade issues within the framework of India-Iran Joint Commission Meeting (JCM). The 18<sup>th</sup> India-Iran JCM was held in New Delhi on 28 December 2015. An MoU on cooperation on trade, finance, energy, infrastructure and cultural issues was signed during the JCM. The Visa facilitation agreement for diplomatic and official passport holders was exchanged in the meeting.

### 3.2.5 INDO-IRANIAN RELATIONS: CONSTRAINTS

While the interest between India and Iran in closer and more robust ties may have intensified, but there still remain a number of constraints that prevent this relationship from attaining the level of a strategic partnership. The main constraint in the Indo-Iranian bilateral relationship might potentially be the role of the U.S. in their foreign policy calculus. India has made a serious attempt in recent times to align itself with the U.S. on major international issues, ranging from the tackling of transnational terrorism to the U.S. pursuit of National Missile Defence. There are many in India and the U.S. who see both countries as natural partners because of their converging interests and vibrant democratic institutions. Washington has also been trying to make its interaction with India broad-based, rather than focusing exclusively on issues related to nuclear proliferation and arms control, which had been the pivot of bilateral relations for nearly 30 years.

On the other hand, the U.S. remains hostile to Iran. After September 11, 2001, American relations with Iran have further deteriorated, as Washington views Tehran as a major sponsor and supporter of terrorist networks like the Lebanese Hizbollah, Hamas, and the Palestine Islamic Jihad. Washington has also accused Tehran of giving sanctuary to top al-Qaeda leaders and of making attempts to destabilize post-war Iraq by trying to position a pro-Tehran Shia regime in Baghdad. The declaration by Iran that it would reprocess spent nuclear fuel and mine uranium to meet a growing demand for electricity has also not made matters easier for the U.S.-Iran relationship. The U.S. strongly believes that Iran's announced plans are a pretext to develop nuclear weapons, since an ambitious nuclear programme for electricity does not make sense for a country with huge oil and gas reserves and limited uranium supplies. Iran's enrichment programme and its reluctance to abide by the commitments made under the nuclear Non-Proliferation Treaty (NPT) had led to numerous economic sanctions being imposed on it. On September 24, 2005, soon after the signing of the Indo-US framework agreement and Ahmedinejad's assumption of office (August 3, 2005), India voted with the US in the IAEA for the implementation of the non-proliferation safeguards agreement in Iran. In this particular voting at the IAEA meeting of the Board of the Governors, Russia and China abstained while India chose to vote along with US and the West. The US termed this support 'significant'. India said that its

vote was meant to avoid a major confrontation between Iran and the international community. India urged that Iran must fulfil its obligations as a signatory to the Nuclear Non-proliferation Treaty (NPT) and held that the passage of the resolution could not be the basis of a “renewed punitive approach or new sanctions” against Iran.

Another problematic area in the Indo-Iranian relation is the India’s relation with Israel. It will be difficult for India to maintain strategic partnerships with both Israel and Iran for a long time, given the peculiar nature of relations among West Asian countries. Iran’s policy toward the Palestine issue could become a major stumbling block in Indo-Iranian relations, since Iran not only supports the Palestine cause and the right of its people to reclaim occupied lands as their homeland, but also non-recognition of Israel.

Another problem area in this context is the Kashmir issue. Kashmir has been a major source of friction in the Indo-Iranian relationship since the early 1950s. Iran had been a consistent supporter of Pakistan’s position on Kashmir, both within and outside the United Nations. However, since the early 1990s, there has been a perceptible change in Iran’s position in favour of India, when few countries were even sympathetic to India’s stance. While Iran continues to express concern about the plight of Muslims in Kashmir valley, it has remained firmly opposed to India’s territorial integrity being challenged in any manner. As of now, Iran seems to have made a strategic choice in favour of down-playing its Muslim identity in its relation with India. But for India, Iran’s pronounced Islamic identity is a matter of fact that cannot and should not be underestimated. As a consequence, India’s domestic policy and its treatment of its Muslim population play a major role in determining the long-term strength of the Indo-Iranian relationship.

The relationship between India and Iran can also suffer from Iran’s close defence relationship with China. Chinese firms are key suppliers of ballistic and cruise missile-related technologies to Iran. China is also helping Iran pursue the development of a nuclear fuel cycle for civil and nuclear weapons purposes. While Iran’s development of nuclear weapons and ballistic missiles may not be of any direct strategic consequence for India, China’s growing leverage over Iran can shape Tehran’s attitudes toward Delhi and if Iran decides to follow China’s lead, it might render India geopolitically handicapped.



Thus all these problems cannot be ignored and must be factored into larger debates on India-Iran relations. The future of India-Iran relations will depend on how both countries are able to balance and manage the problematic side of their relations.

### **3.2.6 INDO-IRAN RELATIONS: Contemporary scenario**

Although India voted in 2005 to take the issue of Iran's enrichment activities to the UN Security Council, it has since repeatedly insisted on a peaceful resolution to the conflict and stated it will not support any threats of violence made against Iran for its nuclear programme. In March 2010, the Indian government stressed that it now perceives additional sanctions against Iran as counterproductive. Moreover, during a visit to Washington, Indian Foreign Secretary, Nirupama Rao, announced her government's opposition to any sanctions that would negatively affect the Iranian people, saying that "continues to be our view that sanctions that cause difficulties to the ordinary man, woman and child would not be conducive to a resolution of this question." Although India has voted in favour of imposing UN sanctions against Iran for its nuclear programme, the two countries have continued to pursue a cordial diplomatic relationship. Iran was India's second largest supplier of oil but now it has slipped to sixth position. India imported 16.083 million tonnes of oil in 2010-2011 and 14.689 million tonnes of oil during 2011-2012. Though India reduced oil imports from Iran, it is trying to expand trade in other commodities like tea, pharma, automobile, electronics, spare parts and agricultural products. India has already approved USD 364 million (20 billion rupees) fund to provide reinsurance to local refineries that process Iranian crude oil and the quantum of the fund can be raised in future.

However, the fruition of the nuclear deal between Iran and the P5+1 by Hassan Rohani as the President of Iran in many ways seems rewarding to all involved. Iran, according to the Comprehensive Joint Plan of Action (CJPOA), has agreed to conduct its nuclear programme in a restrictive manner. The plan requires Iran to freeze all uranium enrichment and to place its nuclear sites under IAEA safeguards. In return, Iran anticipates the termination of all economic and diplomatic sanctions imposed on it by the UN Security Council (UNSC), the European Union (EU) and the US.

The deal's effect could impact India's energy sector in particular. India is the second largest importer of crude oil from Iran next only to China. India needs to capitalise on the emerging Iranian gas supply market under current low price scenario, before rival consumers snap up Iranian exports or prices go up. Iran is reported to have offered gas to India at \$2.95 per million British thermal unit (mmBtu), albeit for supply to a planned urea plant to be set up by India at Chabahar, which is less than half the rate at which India currently imports LNG from the spot or current market. In contrast, long-term LNG supplies from Qatar are four times the Iranian price. Given that the Chabahar Port is part of India's larger regional policy, developing broader relations that entail incorporating gas supplies from Iran would give India greater leverage at a time when other countries in South Asia, including Pakistan and Bangladesh, are emerging as key gas importers.

The Iranian Ambassador to India, Gholamreza Ansari, recently said that India should seize on the opportunity and take advantage of its presence on the ground to be ahead of the Western countries that would start making investments after lifting of sanctions. Ansari also said that the Iranian President Hassan Rouhani had proposed a greater role for India in his meeting with the Indian Prime Minister Narendra Modi on the sidelines of the Shanghai Cooperation Organisation (SCO) Summit held in Ufa, Russia. Iran has invited Indian investments of about US\$ 8 billion in its infrastructure projects. The Iran nuclear deal has clearly opened up huge opportunities for the two countries to enhance their bilateral trade including in sectors like food items, pharmaceuticals, gems and jewellery, auto components, textiles and medical equipment. In the past, bilateral trade could not be expanded due to problems of transaction through foreign banks.

India stands to be a major beneficiary of the Iran nuclear deal. New Delhi has been vigorously pursuing the Iran-Pakistan-India (IPI) gas pipeline project for the last decade. The operation of the IPI project would be reinforced by the trilateral "Framework Agreement," in which the three governments would be committed to the provisions of the Energy Charter Treaty.

There is an effort on the part of both India and Iran to enhance connectivity through the International North South Transport Corridor (INSTC) and the Chabahar Port, which will help connect South, Central and West Asia to Europe. India's decision to upgrade the

Chabahar Port project was conveyed during the External Affairs Minister's visit in June 2015. India has agreed to invest US\$100 million in free trade zone in Chabahar. The significance of Chabahar Port is that it will facilitate a transit route to land-locked Afghanistan. Recently Iranian Oil Minister and Managing Director of the National Petrochemical Company (NPC) stated that petrochemical hubs will be created in Lavan Island in the Persian Gulf and Chabahar region in the South-eastern province of Sistan and Baluchestan. Lavan hosts Iran's big gas and oil fields. Creation of petrochemical hub in Chabahar will help reduce the cost of petrochemical exports to both India and China.

To fine tune the relationship with Iran, External Affairs Minister Smt Sushma Swaraj visited Tehran on 16-17 April 2016 at the invitation of her counterpart Javad Zarif, Minister of Foreign Affairs of Iran. Sushma Swaraj called on President of Iran Hassan Rouhani, met Ali Akbar Velayati, Advisor to Supreme Leader and held delegation level talks with Javad Zarif. he expressed the hope that the two sides will sign at an early opportunity the bilateral contract on Chabahar Port, and also the trilateral Agreement involving India, Iran and Afghanistan on Trade and Transit Corridor through the Chabahar port. Iran supported India's desire to join the Ashgabat Agreement. Both sides highlighted the importance of International North South Transport Corridor. The Iranian side welcomed the prospects for participation of India in railway projects, such as Chabahar-Zahedan, which will enhance regional connectivity. Sushma Swaraj also emphasized the need for early finalization of trade related agreements including on Double Taxation Avoidance Agreement, Bilateral Investment Protection And Promotion Agreement and an early launch of negotiations on Preferential trade Agreement. She conveyed that India was ready to repatriate the oil payments to Iran through the mutually workable banking channels as per the understanding reached between the relevant authorities of the two countries.

The future of India-Iran relations will depend on two factors: first, how India manages to balance its relations with Israel, US and the GCC countries on the one hand and Iran on the other; second, what will be the nature and level of Iran's engagement if its relations improve with the US and EU? Will Iran's foreign policy then be more west-focused or east-centred? In the past, during the Cold War, Iran under the Shah was in the western camp but after the revolution the relations with the west fell apart. The West Asian

region including Iran is highly Euro-centric and therefore if Iran-US relations improve, the foreign policy direction would be more towards Europe/US than towards Asia.

### **3.2.6.1 Latest Developments**

During the past two decades, Iran and India have been developing a strategic partnership that is broadly part of India's plans for what it calls its "extended neighbourhood." There are two regions at the heart of the giant rising power's geostrategic interests: the Indian Ocean, and Central Asia plus Afghanistan. Moreover, India's rapidly developing economy is thirsty for energy and markets for export, with Europe as the top destination. Iran was a crossroads for all of these ambitions. It has the world's richest gas reserves as well as the fourth-largest global oil reserves, while its troubled relations with the developed world could work in the favour of newer Indian companies looking to invest and work in Iranian energy industries.

India is relying on Chabahar port as a gate to Afghanistan and central Asia through Chabahar-Zahedan railways and the Indian-built Zaranj-Delaram highway in Afghanistan, as well as an entry to Europe through the International North-South Transport Corridor. But all of those ambitions are at stake due to the US sanctions against Iran and are putting pressure on India to downgrade its partnership with Iran overall.

As if that's not enough, the US pressurised India not to buy oil from Iran with a threat to impose sanctions if it buys oils. This has struck a huge blow to India-Iran bilateral relations. This came on top of India's vote against Iran before the International Atomic Energy Agency in 2005, 2006 and 2009. Tehran was, and still is, so greatly taken aback by those decisions that they will affect Iranian leaders' perception of their relations with India in the future, without a doubt. Iran's recent joint naval exercise with China and Russia in the Indian Ocean could partly be interpreted as an answer to those controversial moves by New Delhi.

Further, India-Iran relations have also strained in the backdrop of the India's citizenship laws and resultant protests and violence. Iran became the latest country to join the chorus of criticism. Iranian foreign minister Javad Zarif's tweet condemning the violence has brought to the surface a strain in the relationship. In a strongly-worded tweet on

Monday, Zarif said: “Iran condemns the wave of organised violence against Indian Muslims. For centuries, Iran has been a friend of India. We urge Indian authorities to ensure the wellbeing of ALL Indians & not let senseless thuggery prevail. Path forward lies in peaceful dialogue and rule of law.”

In turn, India summoned the Iranian ambassador for the “unwarranted” remarks. According to Ministry of External Affairs Spokesperson Raveesh Kumar, “It was conveyed that his selective and tendentious characterisation of recent events in Delhi is not acceptable. We do not expect such comments from a country like Iran”.

However, according strategic thinkers one must not over play these short-term strains in India-Iran relations ignoring civilizational ties and strategic interests. Over the period both India and Iran understood how important their mutual relationship in advancing each country strategic interests and bringing economic and social progress to the both the societies. They also knew how to sail the troubled waters as there are many occasions in the past both the countries are not on the same boat. Moreover, the policy makers of both the countries are optimistic that they pass on this troubled phase and get into normalcy very soon.

### **3.2.7 Let us sum up**

To conclude, it would not be incorrect to state that Iran’s unique geography, its population and nature have bestowed upon it a unique strategic significance, making it one of the important players in the global arena. From India’s perspective, good relations with Iran are an essential imperative for India’s sustained growth and development. Its energy resources could easily speed up India’s growth and its landmass could provide Indian manufacturer’s access to Central Asia and the Caucasus. On the other hand, Iran’s nuclear weapons programme does pose a threat to regional and global peace. It could also irrevocably disturb the balance of power in the geo-strategically significant Persian Gulf. Any disturbance in the region could adversely affect India’s economic well-being. The recent accord between the West and Iran has given diplomacy a chance, although many in the West as well as in the Middle East are unhappy with it. Now, India is better positioned to improve its relations with one of its important neighbour, whose geopolitical significance is enormous to India’s development.

### **3.2.8 Exercise**

1. Briefly outline historical and civilisational links between India and Iran.
2. Trace India-Iran relations in three distinct phases.
3. How Iran's geopolitical location serves India's strategic interests?
4. Briefly outline India-Iran Economic Relations.
5. Explain the importance of Iran's Chabahar port for India.
6. How India and Iran overcome West's sanctions against Iran in their bilateral relations?
7. What are the major constraints for Indo-Iranian relations?

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
UNIT – III: WEST ASIA AND CENTRAL ASIA**

**3.3 INDIA-ISRAEL EMERGING POLITICAL AND STRATEGIC  
EQUATIONS**

**- V. Nagendra Rao & Rajnish Saryal**

Structure

**3.1.0 Objectives**

**3.1.1 Introduction**

**3.1.2 Evolution of India-Israel Relations**

**3.1.3 Security, Defence and Economic Cooperation**

3.3.3.1 India-Israel Defence Cooperation

3.3.3.2 Economic and Trade Relations

3.3.3.3 Cooperation in Agriculture

**3.1.4 Indo-Israel Relations: Moving to Higher Trajectory**

3.3.4.1 Latest Developments

**3.1.5 Let Us Sum Up**

**3.1.6 Exercise**

### **3.3.0 Objectives**

The present lesson analyses India's complex relation with Israel and the reasons for it. After going through this lesson, you will be able to know:

- the evolution of Indo-Israel relations ever since Israel was established in 1949;
- the growing importance of Israel in India's foreign policy calculus;
- the Indo-Israel cooperation on security, economic and agriculture; and
- the recent developments in Indo-Israel relations ever since NDA under Narendra Modi formed the government.

### **3.3.1 Introduction**

In 1948, the newly born State of Israel gave full recognition to the Republic of India and since then has considered India a key player in the international system. India recognised Israel two years later, on 18 September 1950 and allowed the Government of Israel to open a consulate (that is, the lowest level of bilateral foreign relations) in Bombay (now Mumbai). Full diplomatic relations between the two countries were not established until 29 January 1992.

After the establishment of diplomatic relations between the two countries in 1992, bilateral relations, concentrating on mutual national interests, gradually evolved and reached its peak in the year 2003 when the prime minister of Israel paid an official visit to India and a joint statement of friendship and cooperation between the two countries was issued. Since the establishment of Embassies, a large number of Ministerial visits have taken place. The period since 1992 has been utilized to put in place the framework of normal State-to-State relations, including Agreements and MOUs in diverse areas of cooperation. Most importantly, Israel has emerged one of the important suppliers of sophisticated defence equipment to India in the post-Cold War period. In the



following sections of this lesson, you will understand this growing strategic relationship between India and Israel and the status of diplomatic and security relations, level of intelligence sharing and economic cooperation.

### **3.3.2 Evolution of India-Israel Relations**

Normalization of diplomatic relations with Israel was the most visible manifestation of the post-Cold War foreign policy of India. More than four decades after the formation of Israel, India established full diplomatic relations with the country in January 1992. This move signalled India's new non-ideological approach to foreign policy.

An initial formal Indian recognition of Israel had come back in September 1950, but a host of developments had prevented immediate normalization, even though an assurance to this effect was given when the Israeli diplomat Walter Eytan visited India in early 1952 and met Prime Minister Jawaharlal Nehru. Initially, financial constraints and lack of personnel prevented India from implementing Nehru's assurances of full normalization, including a resident mission in Tel-Aviv. Israel's collaboration with imperialism as manifested during the Suez war and Nehru's growing friendship with Gamal Abdel Nasser gradually diminished the prospects of full normalization. What began as a pro-Arab policy gradually transformed into a policy of unfriendliness, if not hostility, towards Israel. Beginning with his yielding to Arab political pressures on the eve of the Bandung Conference of April 1955, Nehru played a critical role in Israel's exclusion from the emerging bloc of Non-Aligned Movement and other Third World forums. Gradually, India intensified anti-Israeli rhetoric in its Middle East policy, as in November 1975 when New Delhi endorsed the infamous UN General Assembly Resolution 3379 that equated Zionism with racism.

However, the disapproval of India of Israel policy should not be stretched to the extent that India always tried to avoid contact with Israel. While maintaining overt relations with the Arab states India also had a covert relations with Israel—often enabled through back channel diplomacy. India permitted the establishment

of a Jewish agency in Mumbai since the 1950s – that amounted to a quasi-diplomatic office headed by an Israeli diplomat—to manage the interests of the Indian Jews who desired to travel/immigrate to Israel. Indications of New Delhi-Tel Aviv covert relations exist since the early 1960s when Israel provided India with small arms and ammunition in the wake of the 1962 Chinese aggression. Again, during the 1971 India-Pakistan war, Israel gave India 160 mm Tempella mortars. Similarly, covert ties continued with the secret visit of Gen Moshe Dayan in 1979 to meet Prime Minister Morarji Desai. During the early 1980s, some Indian military officers underwent counter-terrorism training in Israel. Also, Israeli security specialists were consulted about protection systems in Prime Minister Rajiv Gandhi’s residence in the mid-1980s.

However, the disappearance of the USSR, the end of the Cold War and the emergence of US hegemony all reduced international animosity towards Israel. US domination also meant the erstwhile advisories of Israel had to come to terms with the international clout of Israel’s most friendly power. Political miscalculations of the Palestinians during the Kuwait crisis also meant that the regional animosity towards Israel lost some of its rationale. The reversal of its four-decade policy towards Israel since 1992 onwards provided an opportunity for the Indian leadership to signal a clean break from the past and herald a new dynamism in its foreign policy.

According to Bidanda M Chengappa the demise of Palestine Liberation Organisation (PLO) leader Yasser Arafat’s in November 2004 that dwarfed the Palestinian role in intra-Arab politics, India-Israel relations have emerged stronger than before. Nevertheless, one document published by Ministry of External Affairs, Government of India titled ‘India’s Foreign Relations—2013’ clearly outlined:

“It’s a good thing that Israel understands that our commitment to Palestine is undiluted. Israel didn’t want us to go with Palestine when it was trying for UN membership, but we did. We’ve found the right sort of balance between our legitimate concerns about Palestine and our growing relationship with Israel. It’s

important that we keep in mind popular perceptions in the country that, historically, we have been strongly in favour of Palestine. The relationship with Israel is steady, firm and moving in the right.”

For India, the rationale for relations with Israel arose from a source for armament imports and a partner to combat terrorism. Israel had her own interests for cultivating ties with India that ranged from: 1) the need for extra-regional linkages that small states pursue in their search for security; 2) an export market for her armament industry and; 3) an ally in the war against terrorism. Therefore, such a convergence of their mutual interests led to a natural alliance between the two countries, both significant states with strong strategic statures in their respective regions, namely South Asia and West Asia. While India-Israel relations remained covert during the Cold war period, they became overt during the post-Cold war period. To that extent, New Delhi-Tel Aviv ties remained hostage to the pulls and pressures of the strategic environment prevalent during the Cold War period. Similarly, their bilateral relations also proved responsive to the realignments that characterised the post-Cold War period.

Former Israeli Prime Minister Ariel Sharon’s visit to India during September 2003 provided another step forward in India-Israel relations. The two countries have progressed from a covert to an overt diplomatic relationship with each other. Evidently the large Muslim Indian population prompted the government to pursue a covert relationship with Israel since the 1960s. Clearly, the Palestinian foreign minister’s political journey to New Delhi, prior to Sharon’s visit, only underlines India’s need to pursue a balanced policy towards West Asia. Sharon’s visit was aimed to express solidarity with India in its struggle against terrorism. India and Israel have a joint working group on terrorism.

India and Israel are both liberal democracies in the region and enjoy good relations with the US. Both anticipate a threat from political Islam to their national interests. For Israel, India’s regional significance is enormous. Brig Subhash Kapila (Retd) observes that, India and Israel are democracies and have survived in a sea of hostility, surrounded by implacable adversaries and a heavily militarised

security environment. Both nations have fought wars in nearly every decade of their existence. Both countries also have been facing external and internal security threats in the form of Islamic terrorism and sabotage. It should have been, therefore, natural for India to reach out to Israel in terms of establishment of meaningful political and economic relations.

There were many factors that worked in favour of India's strengthening ties with Israel. The 1993 Oslo Agreement enabled some Arab countries to establish low-level diplomatic ties with Israel, while the powerful Gulf Cooperation Council (GCC) abandoned secondary boycotts against Israel. Moreover, most Middle Eastern countries had no qualms about Indo-Israeli ties. After some displeasure in the immediate aftermath of Rao's decision, most countries pursued bilateral ties with India as if there were no Israel factor. Indeed, India's relations with the Middle East improved substantially after, rather than before 1992. India's economic growth and the resultant political clout resulted in many Middle Eastern countries looking at India favourably, attracted by the economic opportunities that India could provide and unconcerned about burgeoning Indo-Israeli ties. Contrary to fears and apprehensions, Arab and Islamic countries were not prepared to hold their bilateral ties with India hostage to the Israel factor. Even the Islamic Republic of Iran, known for its anti-Israeli rhetoric under President Mahmoud Ahmadinejad, pursued closer ties with India as if there were no Indo-Israeli partnership. In other words, while Israel was not responsible for the improvements in Indo-Arab ties, one can safely conclude that normalization of relations has not hampered the ability of Arab and Islamic countries to pursue closer political, economic and energy ties with India.

### **3.3.3 Security, Defence and economic cooperation**

The security and defence dimension to India Israel relations assumes immense importance. The two sides have entered into a strategic policy dialogue wherein their respective National Security Advisors dialogue with each other. While military technology ties forms the foundation, border management, intelligence cooperation and counter-terrorism supplement the bilateral

relationship. The Israeli defence industry is unique because the country's compulsory military service creates soldier-scientists wherein defence scientists also develop a strong orientation to combat requirements. This tends to minimise the development cycle time to design new military equipment. Israeli avionics will now be used to upgrade the MiG-21 fighter aircraft of the Indian Air Force. Interestingly, Israel procured the pilotless target aircraft Lakshaya made by Hindustan Aeronautics Ltd.

India proposes to obtain Israeli assistance to train four battalions of nearly 3,000 soldiers in specialised counter-insurgency operations in desert, mountainous and jungle terrains, besides counter-hijack and hostage crisis situations. The Jerusalem Post of February 3, 2003, asserts that India seeks security expertise from Israel due to its inability to manage infiltration into Jammu and Kashmir, besides other stretches of the India-Pakistan border that resulted in a high profile attack on its Parliament.

India also aims to adapt Israeli border management techniques to secure its territory from terrorist infiltration in Jammu and Kashmir. Former Border Security Force (BSF) Director General (DG) Ram Mohan had accompanied then Home Minister L K Advani during his visit to Israel. Similarly, intelligence cooperation is evident between the two sides given that confidential diplomacy preceded overt diplomatic relations. Intelligence agencies conduct confidential diplomacy and, therefore, make intelligence functions an extension of diplomacy. Former National Security Guards (NSG) Director General Ashok Tandon too visited Israel to interact with the Israeli internal security service.

The convergence of Indo-Israeli interests and their strategic significance was outlined by the India's former National Security Adviser Brijesh Mishra in his address to the American Jewish Committee, wherein he argued that democratic countries that are the prime targets of international terrorism should form a "viable alliance" and develop multilateral mechanisms to counter the menace. He identified India, the US and Israel as countries fitting that description. According to him, "Such an alliance would have the political will and moral authority to take bold

decisions in extreme cases of terrorist provocation.”

The constructive aspect of the proposal signifies creation of a strong, stable force against the potential epicentre of fundamentalism and radicalism. The main purpose is to keep the theatre of the Indian Ocean and its eastern approaches to Europe free from radical and fundamental forces that are showing increasing signs of consolidation. From an Indian perspective, the importance of this cannot be undermined, particularly in the context of Pakistan’s continuing proxy war and the turbulent regional scenario increasingly exacerbated by instability in the Middle East, Afghanistan, Central Asia and Pakistan.

The convergence of the two countries was highlighted during the June 22, 2003, Joint working Group meeting, where the Deputy Director General Israeli Ministry of Foreign Affairs, Zvi Gabey, said, “we find ourselves in the same camp that fights terrorism and we have to develop our relationship according to that.” Indian Foreign Ministry officials acknowledged this and said during the same meeting, “India finds it increasingly beneficial to learn from Israel’s experience in dealing with terrorism since Israel, too, has long suffered from cross-border terrorism.” Under the circumstances, the emerging understanding to forge tripartite cooperation between India-US and Israel to jointly fight the menace of cross-border and international terrorism, must be seen as an important step in preserving peace and security in the region by harnessing common resources and need not be construed against any particular region or interests.

From the Israeli perspective, India can assist in offering naval and other facilities that Tel Aviv lacks to further strengthen the relationship. Strategic thinking in Israel tends to give prominence to the Indian Ocean as a location for logistical infrastructure. For the establishment and operation of such a maritime venture, cooperation with the Indian Navy would be vital. According some reports in 2000, Israeli submarines reportedly conducted test launches capable of carrying nuclear warheads in the waters of the Indian Ocean off the Sri Lankan coast. Many scholars of the international relations argue that an alliance between India and Israel, openly endorsed by the US, would create a potent stabilising force in

the region, which, together with like-minded regimes such as Turkey, could contribute significantly toward facing down the force of radical extremism so hostile to Indo-Israeli and American interests in western and Central Asia.

### **3.3.3.1 India-Israel Defence Cooperation**

India's search for advanced technology and Israel's demand for larger markets to economize its defence research are complementary. Both countries are seeking technological independence and qualitative superiority over their adversaries. Some of the major defence deals involving both countries since 1992 include: the Barak anti-missile system; the upgrade of ageing MiG fighter planes; fast patrol attack craft; radars and other surveillance equipment; night-vision hardware; and border fencing. Of all military-related deals with Israel, the purchase of three Phalcon advance airborne early warning systems at an estimated cost of \$1,100 million was a major development. In the past, the USA vehemently opposed Phalcon sales to the People's Republic of China, and forced Israel to cancel the economically lucrative and politically important deal. However, as the left-wing parties were demanding that the Government abandon closer military ties with Israel, in July 2007 the Indian Government approved a \$2,500 million programme to jointly develop defence systems against air missiles. Above all, amidst the controversy over Iran's nuclear ambitions, in March 2007 India launched an Israeli spy satellite into orbit. While actual quantum of Israeli exports remains controversial, in May 2007 defence minister A.K. Antony informed the Indian parliament that defence purchases from Israel during 2002–07 had been over \$5,000m.

In October 2014 India and Israel reached a deal for India to purchase 8,356 Spike anti-tank guided missiles and 321 missile launchers developed by Rafael Advanced Defence Systems Ltd. Rafel was competing against US companies Lockheed Martin and Raytheon for this contract, worth \$519 million. Israel Aerospace Industries successfully tested a jointly developed Indian-Israeli Barak 8 air and naval defence missile system on November 10, 2014. The missile test was carried out by Israel's Defence Ministry and India's Defence research

and Development Organization, and represents the first full successful test of the missile.

Furthermore, heads of various branches of the military, as well as the security establishments, have been visiting one another periodically. There is a structured, regular and ongoing consultation between the national security establishments of both countries. There is an institutional consultation mechanism between the two foreign ministries, and both countries have Joint Working Groups dealing with terrorism and defence production. Indian naval vessels have been making periodic port calls to Israel. Reflecting its changed attitude towards Israel and the Middle East peace process, India contributed troops to the UN Interim Force in Lebanon (UNIFIL) in Lebanon in November 1998 and joined the UN Disengagement Observer Force (UNDOF) along the Israeli–Syrian border in March 2006.

Israel and India continued their positive relationship into 2015, with Israeli Defence Minister Moshe Ya'alon making the first official visit of an Israeli Defence Minister to India in February. While in India, Ya'alon, along with many other top Israeli defence officials, attended the Aero India arms exhibition in Bangalore. The purpose of Ya'alon's trip was to increase interaction and cooperation between defence industries in Israel and India. Photos surfaced online showing Indian Prime Minister Narendra Modi standing at the Israel Aerospace Industries booth at the exhibition, in a public display of Israel and India's strategic relationship.

It is suffice to say that the defence cooperation constituted as a core element in Indo-Israel relations. Israel is India's fifth-largest source of arms, with imports worth \$0.21 billion in 2013-14 and \$10 billion (Rs 59,670 crore) over the past decade. The highlight of the partnership was Israel's supply of artillery shells during the Kargil war, when India faced a shortage. Israel has also pledged support to the 'Make in India' mission in the defence sector.

Naval capabilities have also witnessed a boost through the adoption of long-range surface-to-air missile systems, which are based on the Israeli Barak-



8 technology. These systems are designed for deployment on naval ships, strengthening India's maritime security.

The Indian Air Force has also incorporated six Israeli Phalcon AWACS (Airborne Warning and Control Systems) units, which are deployed on Il-76 aircraft. These aircraft serve as airborne command posts and are equipped with powerful radars capable of detecting enemy missiles and aircraft within a range of over 500 kilometers

One of the significant development in recent period is Adani group is entrusted with operating Port of Haifa in Israel. The Port of Haifa is the largest and leading port in Israel. The operation of the port is overseen by the Haifa Port Company, which is owned by the Adani-Gadot Group. Terming the Haifa Port, a key link in the India-Middle East-Europe economic corridor, as a "strategic asset of Israel", Israel Defence Minister Cohen said the "fact that it is now put in the hands of an Indian company shows the level of trust and friendship our business ecosystems have in each other."

Similarly, Adani Enterprises and Israel's Elbit have formed a partnership to manufacture unmanned aerial vehicles in India. This collaboration signifies a deeper level of cooperation, particularly in the high-tech domain.

In 2020, a new sub-group was established to facilitate joint projects under the overarching joint working group on defence cooperation. This sub-working group focuses on technology transfer, co-development, co-production, technology security, Artificial Intelligence, innovation, and joint exports to third countries. These initiatives reflect a concerted effort to enhance defence ties, emphasizing cooperation in technological advancements and production capabilities.

### **3.3.3.2 Economic and Trade Relations**

Since the establishment of diplomatic relations between India and Israel in 1992, bilateral trade and economic relations have progressed rapidly. From US\$ 200 million in 1992 (comprising primarily of diamonds), merchandise trade

diversified and reached US\$ 10.77 billion (excluding defense) in FY 2022-23, with Indian merchandise exports to Israel at US\$ 8.45 billion and Israeli merchandise exports to India at US\$ 2.32 billion. In FY 2023-24 (April-October), the bilateral trade stands at US\$ 4.42 billion (excluding defense).

During the visit of Prime Minister of India to Israel in July 2017, both sides signed and exchanged seven MoUs on cooperation in the areas of innovation, technology, water, agriculture, and space & science. A US\$ 40 million India-Israel Industrial R&D and Technological Innovation Fund (14F) for joint projects was also set up. During the Visit of Prime Minister of Israel to India in January 2018, the two countries signed nine agreements in various sectors, including cyber security, oil and gas, solar energy, space science, air transport, medicines, and film production.

Indian Investments in Israel: Cumulative ODI from India during April 2000 to November 2023 was US\$ 384 million\*. Indian companies are marking their presence in Israel through mergers and acquisitions and by opening branch offices. TCS, State Bank of India, Sun Pharma, Infosys, Tech Mahindra and Wipro Infrastructure Engineering, Lohia Group are some major Indian companies which have operations or made acquisitions/investments in Israel. In 2022, a consortium led by India's Adani Ports and Special Economic Zone Ltd (APSEZ) acquired the Haifa Port Company Ltd from the Government of Israel with an investment of US\$ 1.18 billion.

As far as Foreign Direct Investment (FDI) is concerned, Israel is not a very significant source of investment for India. The country accounts for just 0.4 per cent of the total FDI inflows between April 2000 and December 2023. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI from Israel to India stood at just \$288 million in this period.

As compared to Israel's FDI in India, Indian firms have made a higher investment in Israel. Indian companies are marking their presence in Israel through mergers and acquisitions and opening branch offices. TCS started operation in

Israel in 2005. State Bank of India opened a branch in Tel Aviv in 2007. The first major acquisition occurred in 2007 when Jain Irrigation of India purchased 50% stake in Naan-Dan a major Israeli irrigation equipment manufacturing company. In May 2012 Jain Irrigation acquired 100% stake in Naandan. India's Sun Pharma has 65.2% stake in Israel's Taro Pharmaceutical Industries. In 2009 Israeli companies were acquired by India's telecom companies Tejas Networks and Connectiva Systems.

### **3.3.3.3 Cooperation in Agriculture**

Agriculture has been an important facet in the Indo-Israel relationship. India has benefited from Israel's expertise in the sector, evident from the number of bilateral agreements signed between the two nations. While Indian agriculture is largely dependent on rain and an erratic monsoon, Israel, a global leader in drip irrigation, has pioneered desert agriculture with sparse supplies of water. India has benefited from Israeli technologies in horticulture mechanisation, protected cultivation, orchard and canopy management, nursery management, micro-irrigation and post-harvest management.

In December 1993 India and Israel signed a bilateral agreement for cooperation in agriculture. Under the agreement the first Joint Committee was set up 2006 and an inter-Governmental "Work Plan" outlining cooperative activities was signed. The Work Plan was followed by an Action Plan 2008-2010. A Joint Declaration was signed in May 2011 by Agriculture Ministers of the two countries. Under the bilateral Action Plan for 2012-2015 cooperation has been expanded to seven states including Haryana, Maharashtra, Karnataka, Rajasthan, Gujarat, Tamil Nadu and Punjab. Nearly 10 India-Israel Centres of Excellence for cooperation in agriculture have been set-up so far. Israel intends to increase this to 28 Centres in future. India benefited from Israeli expertise and technologies in horticulture mechanization, protected cultivation, orchard and canopy management, nursery management, micro-irrigation and post-harvest management particularly in Haryana and Maharashtra. In May 2023, Indian Council for Agriculture Research (ICAR) and MASHAV signed a Declaration of

Intent on the establishment of India Israel Innovation Centre for Agriculture (IIICA).

The Fifth three-year bilateral work program (2021-2023) was signed in May 2021. The work program aims to grow the existing Centers of Excellence (CoE), establish new CoEs, increase CoE's value chain, bring the CoEs into the self-sufficient mode, and encourage private sector companies and collaboration.

### **3.3.4 Indo-Israel Relations: Moving to Higher Trajectory**

Indo-Israel relations are moving to higher trajectory every since NDA formed the government under Prime Minister Narendra Modi. Indian President Pranab Mukherjee and Prime Minister Narendra Modi announced in June 2015 that they will be embarking on a historic visit to Israel, the Palestinian territories, and Jordan, making them both the first Indian President, and Prime Minister to visit Israel. The officials from both countries are due to discuss cooperation in science, technology, agriculture, medicine, and economics. During the lead-up to the visit, Indian media speculated that multiple agreements to increase bilateral cooperation would be signed.

In what was hailed as a “huge development for India” by local news agencies, India abstained from a vote at the UNHRC that approved their Gaza Commission of Inquiry report, in July 2015. Forty-one countries voted in favour of adopting the findings of the biased report, and India was one of only five others who abstained. This marked the first time that India had ever voted against Palestinian interests at the UNHRC, signalling a significant shift in India-Israel relations – a move that left observers, including many in the BJP base, wondering why the government didn't instead abstain.

Since then, however, the Modi government has moved toward the expected approach. The first sign of this was Modi's decision to meet with Netanyahu on the sidelines of the opening of the U.N. General Assembly in 2014—despite reported hesitation on the part of some in the foreign ministry. Since then, there have been a number of high-level visits and interactions (and Twitter

exchanges), including a few “firsts.” In October 2014, Pranab Mukherjee, for example, became the first Indian president to travel to Israel, where he declared the state of the relationship to be “excellent.”

Israel Aerospace Industries (IAI) and the Indian state-owned Defence Research and Development Organization (DRDO) began collaborating on a jointly developed surface-to-air missile system for the Indian Army in 2015. Indian officials purchased 321 launchers and 8,356 missiles from the Israeli military in 2015. India uses Israel-made unmanned drones for surveillance and military purposes, and ordered 16 drones during 2015. The government of India quietly approved the purchase of 10 armoured Heron TP drone vehicles from Israel on September 11, 2015, at a price of \$400 million. These drones will help secure India’s borders.

Indian firm Reliance Defence and Israeli firm Rafael Advanced Defence Systems signed a cooperative agreement worth an estimated \$10 billion at Defexpo India on March 30, 2016. Per the agreement, Rafael and Reliance will cooperatively produce air-to-air missiles, various missile defence systems, and surveillance balloons for the Indian military.

During a 3-day visit to Israel in January 2016, Indian Minister of External Affairs Sushma Swaraj stated that the full development of positive Israel-India ties is of “the highest importance,” to the government in India. The foreign minister’s visit was part of the ongoing Indian effort not just to broaden and deepen India’s relationship with Israel, but also to make it more public.

But the trip—not just to Israel, but to what the Indian government now routinely calls the state of Palestine—also highlighted the Modi government’s attempt to de-hyphenate India’s relations with the Israelis and Palestinians. The government has reiterated India’s traditional position on a two-state solution, indicating its belief in an independent Palestinian state with East Jerusalem as its capital. It voted in favour of the resolution on raising the Palestinian flag at the United Nations, and has continued to sign on to BRICS declarations “oppos[ing]

the continuous Israeli settlement activities in the Occupied Territories.” In Ramallah, Sushma Swaraj emphasized that India’s support for Palestinians remained “undiluted.”

#### **3.3.4.1 Latest Developments**

Bilateral relations between India and Israel today stand at a unique juncture. The paradigm shift occurred two years ago, when Prime Minister Narendra Modi in July 2017 became the first Indian PM to embark on a state visit to Israel and the two countries elevated their ties to a strategic partnership. In January 2018, Israeli Prime Minister Benjamin Netanyahu reciprocated this with a visit to New Delhi. It is clear that both New Delhi and Tel Aviv are according priority to strengthening bilateral ties, a pillar of which is defence. This is driven by their respective national interests—i.e., India’s long-sought goals of military modernisation, and Israel’s comparative advantage in commercialising its arms industries. India was the largest arms customer of Israel in 2017 with sales worth US\$715 million.

The Israeli imports are instrumental for India in patrolling and surveillance purposes in peacetime and eases the operational ability of armed forces in wartime. For instance, the missile defence systems, PGBs, and ammunition provided by Israel played a crucial role in controlling the escalation between India and Pakistan post-Balakot air strikes. The export-oriented Israeli defence industry and its openness to establishing joint ventures complement both ‘Make in India’ and ‘Make with India’ in defence.

Israel has always been a ‘no-questions-asked supplier’, i.e., it transfers even its most advanced technology without placing limits to its use. Some of the Israeli technologies utilise US components because of which the US has veto powers over the sale of those technologies. With improving strategic understanding between India and the US – especially as the US sees a major role for India in maintaining the balance of power in the Indo-Pacific– more technologies are likely be transferable in the future. These factors make Israel a potential ‘all-weather’ defence partner for India.

Moreover, in the last two decades, strategic cooperation between Israel and India has expanded from arms trade to space and counter-terrorism and intelligence sharing. For instance, the Indian Space Research Organization (ISRO) has teamed up with the Israel Space Agency (ISA) for joint programmes in space cooperation. ISRO launched TecSAR – the Israeli Synthetic Aperture Radar (SAR) satellite – in January 2008, which was followed by the launch of the IAI-assisted India’s own radar imaging satellite RISAT-2.

India and Israel also signed a Memorandum of Understanding (MoU) on cyber security during the state visit of Prime Minister Netanyahu to New Delhi in January 2018. The MoU seeks to promote cooperation in skill development and training programmes in the field of cyber security. The booming industry expertise in Israel can compensate for the lack of cyber infrastructure in Indian industries. The Indian company Tech Mahindra is collaborating with the Israel-based ELTA systems to provide cyber solutions to government and enterprise customers in the country.

The strategic cooperation between India and Israel carries immense potential and is only set to grow further. The arms trade will remain the bedrock of this bilateral engagement as the two nations seek a wider convergence. The arms trade between New Delhi and Tel Aviv has ensured that bilateral ties—which may have wavered in the past—have become sustainable in recent years. With the ideological and leadership winds blowing in favour of a burgeoning partnership, the time is ripe for India to harness the technological expertise from Israel to modernise an ailing indigenous defence industry.

This can be witnessed in recent developments between Indo-Israel relations. Even when entire world is reeling under the threat of the Corona virus, India and Israel signed a defence agreement worth hundreds of crores in March 2020. The Defence Ministry of India signed a massive contract for purchasing more than 16,000 light machine guns worth Rs 880 crore from an Israeli firm for frontline troops.

### 3.3.5 Israel and Hamas Conflict: India's Dilemmas

Hamas attack in Israel on 7<sup>th</sup> October 2023 and the consequent Israeli war on Gaza has reignited the Israeli-Palestinian conflict, which has brought immense complexity and dilemmas to India's policy. With India's engagements in West Asia growing rapidly, this makes it very complicated for New Delhi as the international community remains divided on the way forward.

For much of the Cold War period, India took positions towards conflicts in the Middle East rooted in the anti-colonial and anti-imperial convictions of its policymakers. The recalibration of Indian foreign policy in the post-Cold War period started a gradual shift with New Delhi prioritizing interest over values. In terms of the Israeli-Palestinian conflict, it meant that New Delhi established diplomatic relations with Israel in 1992 and slowly moved away from unconditional support for Palestinian nationalism. However, this was not a smooth and unhindered transition and it took some time for India to clearly articulate the de-hyphenation between Israel and Palestine.

India was unambiguous in condemning the October 7 attack by Hamas and Islamic Jihad in Israel as an "act of terror." Prime Minister Modi was one of the first world leaders to expressing his "shock." However, the massive Israeli response and the death and destruction caused by it led New Delhi to nuance its position underscoring its continued support for a two-state solution. During the second Voice of Global South summit hosted in virtual format by India on November 17, 2023 Modi underlined the need for "dialogue, diplomacy and restraint" condemning the growing civilian casualties in the war.

The shifts in Indian response can be assuaged from the way New Delhi voted in the United Nations General Assembly (UNGA) resolutions concerning Gaza crisis. To the resolution "Protection of Civilians and Upholding Legal and Humanitarian Obligations" adopted by the UNGA on October 27, 2023, India abstained along with Australia, Canada, Germany, Japan, Ukraine, and the UK citing objection to the resolution not explicitly condemning the Hamas' terrorist



attack and Israeli hostages. Subsequently, India voted in favor of two UNGA resolutions on November 11 and December 12 that called for an end to Israeli settlements in occupied Palestinian territories and immediate ceasefire in Gaza on humanitarian grounds, respectively. In May 2024, Ruchira Kamboj, India's permanent representative to the UN, has condemned the civilian killings in the Gaza conflict and emphasized the importance of upholding international law. She also called for an increase in humanitarian aid to Gaza. Reiterating India's stand on the two-state solution of the matter, she also urged the conflicting parties to engage as soon as possible for direct peace negotiations.

India's ability to find a balance between the three regional poles, Israeli, Arabs (with all its internal competitions and contestations) and Iranian would largely depend on the need, first and foremost, to safeguarding its interest especially with the Gulf Cooperation Council (GCC) states. Simultaneously, India is likely to continue keeping the diplomatic and strategic channels with Iran open given the situation in Afghanistan. India's strong defense ties with Israel is also consequential to its choices in West Asia, including on the Israel-Palestine front.

To sum up, India has adopted a complex balancing act so far as the ongoing war in Gaza is concerned. This is informed by the historical Indian stand on the Israeli-Palestinian conflict and its support for a two-state solution. Further, it emanates from the gradual de-hyphenation effected by India in dealing with Israel and Palestine that is informed by its broader foreign policy directions and national interest. This has created the complex diplomatic tightrope that India is walking in West Asia today. While recognizing the significance of sticking to the two-state solution, New Delhi is mindful of its wide-ranging interests in the region such as energy security, maritime security and safety and security of the Indian expatriates. India's focus is on maintaining strong relations with the GCC states and Israel and continued geostrategic engagements with Iran. Finally, the Indian choices in the Middle East are mindful of the global geopolitics wherein New Delhi remains committed to a multipolar world order opposed to any hegemonic ambitions.

### 3.3.5 Let us Sum Up

Over the past 60 years, India's Israel policy has been rooted in pragmatism. Although India initially opposed the creation of Israel, strategic cooperation caused Indo-Israeli relations to warm from the 1960s onward without alienating the Arab World. Today India maintains close relationships with both Israel and Arab nations. Due to its close ties with both parties, India has the potential to play a major role in the peace process between Palestinians and Israelis. India is in a position to serve as an honest, unbiased broker, a role that the United States has struggled to fill. However, India's relations with Israel are not problem-free and it has not been feasible to keep the two relationships (With Israel and Arab world) entirely insulated. For example, in the Israeli press, there was criticism of the Indian President's lack of mention of Palestinian violence, during his visit in October 2014.. The Indian President and the foreign ministry also found themselves having to explain the president's remark in Israel that "religion cannot be the basis of a state." There have been other differences between India and Israel as well, notably on Iran. There might be other difficulties in the future, stemming, for example, from: negative public and media reaction in India if there's another Israel-Palestine crisis; the stalled free trade agreement negotiations; potential Israeli defence sales to China; renewed questions about defence acquisitions from Israel; or the behaviour of Israeli tourists in India. But the relationship is likely to continue to move forward, and increase in visibility, including with visits by Rivlin, Netanyahu, and Modi—potentially before the 25<sup>th</sup> anniversary of the two countries establishing full diplomatic relations on January 29, 2017.

### 3.3.6 Exercise

1. What is India's policy towards Israel during the Cold War period.
2. Critically analyse changes in India's policy towards Israel in post-Cold War period.
3. Write a note on Security and Defence cooperation between India and Israle.

4. What are the major areas of economic cooperation between India and Israel?
5. Do you agree with the proposition that ever since NDA assumed power under Narendra Modi the Indo-Israel relations moved to a higher trajectory.
6. What are the complexities recent Israel-Hamas conflict brought to India's policy and how India responded to it?

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood**

**UNIT – III: WEST ASIA AND CENTRAL ASIA**

### **3.4 INDIA'S CENTRAL ASIA POLICY: OBJECTIVES AND TRENDS**

**- Rajnish Saryal**

Structure

#### **3.1.0 Objectives**

#### **3.1.1 Introduction**

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#### **3.1.4 Major Trends in the India-Central Asia Relations**

3.4.4.1 India's 'Connect Central Asia' Policy

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#### **3.1.5 India's Major Interest and Challenges in Central Asia**

3.4.5.1 Economic Interests

3.4.5.2 Energy Interests

3.4.5.3 National Security

3.4.5.4 Military Cooperation

3.4.5.5 Drug Trafficking and Weapons Proliferation

### **3.1.6 Let Us Sum Up**

### **3.1.7 Exercise**

### **3.4.0 Objectives**

The present lesson analyses India's relation with Central Asian Republics. After going through this lesson, you will be able to know:

- the India's historical connectivity with the Central Asian region;
- the opportunities and threats India is facing from the Central Asian region in the post-Cold War Period;
- India's major interests in Central Asian region and its efforts to meet these interests.

### **3.4.1 Introduction**

India's foreign policy outlook has been subject to a growing public, policy and scholarly scrutiny. The interest in India's foreign policy among the scholars of International Relations has grown particularly in view of the expectation that country's international interactions may become a defining feature of what is increasingly perceived to be a nascent 'Asian century'. Emilian Kavalski, thus, argued that India's relations with Afghanistan and the post-Soviet states of Central Asia have greatly contributed to this increasing interest in the practices of India's 'enlightened Self-interest' in its extended neighbourhood.

The relations between South Asia and Central Asia go back to antiquity. For example there is ample evidence to confirm the regular interactions between the inhabitants of North India and the Oxus civilizations, whose members established a network of settlements across large parts of modern-day Afghanistan and Central Asia as far back as the Bronze Age (2300-1700 BCE).

The importance of Central Asia region for India is well captured by Pranab Mukherjee while he in his capacity as Defence Minister of India highlighted India's ideas of herself as a stabilizer in Central Asia and advocates her economic and security concerns in the region. He said that the restoration of tradition links with Central Asia is not important only for the sake of trade and economy. Traditionally, Central Asia has been at the crossroads of trade and culture, a major hub in the Silk Route. This is the region through which Buddhism spread as far as Mongolia and Korea. It is also the region through which Islam enriched India. Today, it is a theatre in the battle between fundamentalism and tolerance, extremism and moderation in Islam with fundamentalist outfits actively trying to destabilise the secular governments of the region. India has a secular policy that share with liberal democracies, values of democracy, fundamental, and religious freedoms. It is by virtue of its historical character, composition, size, population, economy and military strength and experience, a natural bulwark against fundamentalist extremism and a factor for peace and stability in Asia. By nature, India is not inclined to export ideologies, even ideologies it believes in and follows. India would rather promote democracy in the region by percept and example. Freer traffic between India and Central Asia would be a factor in favour of moderation and democracy there. The next section will look into India's engagement with the Central Asian region from a historical perspective.

### **3.4.2 India-Central Asia Relations: Historical Perspective**

Historically, India has been closely linked to Central Asia through the famed silk route and periodic spurts of invasions from the region, both of which resulted in unleashing the movement of people, goods, and culture. Vivid impressions of this interaction are visible in classical Indian literature, poetry and the Sufi strand of Islam. However, its ties with Central Asia waned following the consolidation of the British

Indian Empire around the mid-nineteenth century, and even though these were revived in the years following independence, they failed to acquire any depth or intensity. Indian presence in Central Asia was characterized by its closeness to the Kremlin following the Sino-Indian border conflict of 1962, which was further strengthened by the Sino-Soviet schism. Also, even though India managed a cultural anchor in the region under the Indo-Soviet Friendship Treaty of 1971, its presence in the region nevertheless remained 'muted' and constrained by its ties to the Kremlin, as also the lack of vision for a broader engagement with the region. The end of the Cold War, following the sudden and swift collapse of the Soviet Union left the Indian political establishment in shock and ushered in a cataclysmic shift in its foreign policy discourse – away from Nehruvian idealism towards realism and pragmatism.

This trend was reflected in India's foreign policy doctrine of 1997 that referred to Central Asia as "our near abroad". Public rhetoric to the effect also gained momentum, especially with the coming to power of the BJP (Bhartiya Janta Party) and its proclaimed ambition to make India occupy the global political centre stage.

These changes in the Indian strategic and foreign policy discourse concerning Central Asia have to be understood in the context of the larger ideological and political realignments of the post-Cold War era. Also, these shifts seem well-anchored in the basic geostrategic and political facts. The dissolution of the Soviet Union lifted the ideological shackles off India's foreign policy, while the creation of a unipolar world order demanded a reconceptualization of the terms of its international engagement. In Central Asia, the Soviet breakup led to the creation of five independent republics in the region. Serious Indian engagement with the region began late in the day and although off late, India has managed to acquire a tenuous foothold in the region; nonetheless, its presence remains below expectation.

India's attempted re-engagement in Central Asia over the last decade has been spurred on by a need to realize Indian interests in four broad areas. First, and most crucially, to give India a footprint on the hydrocarbon map of the region to diversify and secure energy sources vital to India's growth momentum. Second, following the Soviet collapse and in view of Pakistan's pursuit of a strident Islamist

agenda, India's security interests demanded a need to check the rise of radical Islam as a political force in Central Asia. Third, it was vital to keep a tab on drug trafficking and potential weapons proliferation in this geostrategically important region. Fourth, promote interests in the commercial arena. India cannot leapfrog its way to the global high table without demonstrating effective initiative at the regional level - Central Asia being an important regional constituent. In the whole, Central Asia as is explained above constitute both as a source of opportunities and threats for India.

#### **3.4.2.1 Central Asia as a Region of Opportunity for India**

The opportunities emerge from the exchange of goods and ideas associated with scholarly, religious and economic connections between India and Central Asia. Buddhism travelled out of India and through Central Asia spread to other parts of Asia. The Bamiyan Buddhas which stood in central Afghanistan since the beginning of the sixth century until their destruction by the Taliban in March 2001 were just example of this heritage. Likewise, traders traversing the paths of the ancient Silk Road developed economic relations that exchanged not only goods but also knowledge which assisted innovation and the development of new technologies. For instance, the *noria* – an ancient waterwheel for irrigation which pumped water out of rivers – offer an example of a device which as argued by Habib depending on the interpretation of historical evidence, either came to India via the Silk Road or originated in India and was then spread to other parts of the ancient world. Also artists, priests, traders, and travellers – especially, during the Mughal period – journeyed between the main cities of Central and South Asia establishing an interconnected and interdependent network of cultural, economic, and political mutuality.

#### **3.4.2.2 Central Asia as a Region of Threat for India**

The framing of Central Asia as a region of threat reflects the experience of war and conflict. India has consistently been invaded from the north by armies passing through or originating in modern-day Afghanistan and Central Asia. In this respect, history seems to suggest that the region needs to be perceived as 'the conduit for destabilizing factors' for India'. For instance, going back to the Vedic tradition, one of



the foundation myths of contemporary India depicts the Indo-Aryan invasion of the subcontinent and the destruction of the local Dravidian population. While the Indo-Aryan onslaught tends more often than not to get a positive spin in Indian historiography, subsequent ones have fared less favourably. The Kushan Empire is probably one of the earliest instances of many attempts to bring Central Eurasia and South Asia into a single polity. The Kushan polity had its origin in its northern Afghanistan but quickly moved to cover the territory of the post-Soviet states of Central Asia, Afghanistan, Pakistan, and much of northern India's Gangetic Plain. As Robert D. Kaplan insists, such expanse is not only 'mind-boggling', but the domain of the Kushan Empire comes to remind us that 'current borders do not necessarily indicate the last world in political organization of Central and South Asia.

It was, however, with the advent of Islam in Central Eurasia that bilateral relations with the subcontinent gained particular significance to the imaginary of Indian strategic thinking. As Marlene Laruelle points out, while north India had been subjected to pillage by Turkic, Uzbek, and other Central Eurasian armies since the tenth century, it was the establishment of the Mughal Empire in the sixteenth century that constitute 'the real jewel in the crown of historical arguments advanced by the Central Asian states and India alike in order to exalt their age-old traditions'. On the one hand during the more than three centuries of Mughal rule, a contiguous cultural space emerged between Central and South Asia, bringing in creative interaction both regions.

The colonisation of India gave another angle to the history of bilateral relations of this region. As a number of commentators have noted, through the establishment of strong polity, the British managed to reverse the general calculus between the two regions to the extent that that probably for the first time in their relations it was India who was projected hard power toward Central Eurasia. This proactive 'forward foreign policy' strategy of the British Raj culminated ultimately limiting the Russian influence by 'checkmating it with the creation of the Wakhan Corridor'.

### **3.4.2.3 India-Central Asia Relations in the Post Independent Period**

Post-independence India's relations with Central Asia were shaped by Delhi's

closeness to the Soviet Union, especially after the Sino-Indian border conflict of 1962. Constrained by its ties to the Soviet Union, as well as by a general inward-looking focus during the Cold War period, India's presence in the region was mostly limited to cultural exchanges. After the signing of the Indo-Soviet treaty in 1971, cultural exchanges between India and Central Asia increased, and Indian culture and films enjoyed considerable popularity in the Central Asian republics. These contacts translated into affective foreign policy when Uzbekistan, Tajikistan, Turkmenistan, Kazakhstan and Kyrgyzstan emerged as independent states in August 1991.

### **3.4.3 The Geostrategic Factors in India-Central Asia Relations**

India's historical relations with Central Asia influence how the region is perceived today, and thus how Indian policies are shaped. In particular, India's approach to Central Asia is conditioned by its profound distrust of, and tensions with, Pakistan. India's ability to access Central Asia is vulnerable because Pakistan's geography – and at times its deliberate policy of obstruction – cuts India off from the region. Given Afghanistan's close geographical proximity with Pakistan and its troubled history, New Delhi's primary concern in the wider Central Asia region is Afghanistan. India's fear in the past and for the future is that if Afghanistan falls under the Taliban's sway, it could give rise to a succession of radicalised Islamic societies throughout Central Asia. This would have a destabilising effect not only in Central Asia but also in Pakistan. Conversely, an Afghanistan at peace and governed along secular lines would strengthen India's position vis-à-vis Pakistan. Thus India supported the Najibullah regime during the 1980s against the pro-Pakistani Islamist mujahidin trying to topple it. And similarly, India strongly backed Hamid Karzai's government as a bulwark against Pakistan and its perceived surrogates in Afghanistan.

Since August 1991, India has also been concerned to counter the influence of its arch-rival, Pakistan, in Central Asia. Islamabad boasted that close links with Central Asia would enable Pakistan to acquire strategic depth in any future war against India. The prospect led some Indians to conjure up visions of India as a Hindu island, marooned in a Muslim sea; but the government realizes that Pakistan will not make much headway in Central Asia by exploiting religion.

The leaders of Turkmenistan, Tajikistan, Uzbekistan, Kazakhstan and Kyrgyzstan are secular, all are former communists. Uzbekistan's President Islam Karimov's *Hajj* to Mecca in 1992 has not stopped him from persecuting real or imagined 'Islamic' opponents at home. Central Asia's rulers are wary of Pakistan because of its support for the mujahedin in the Afghan civil war. Moreover, Pakistan is not the only player in Central Asia: several Middle Eastern countries, including Turkey, and Iran, are vying for influence in the region, and are undercutting rather than supporting one another. Nevertheless, Pakistan is doing its best to enhance its influence in the area. There has been an exchange of visits by religious luminaries from Pakistan and the Central Asian states. Islamic organizations in Pakistan have made donations for promoting religious education and building mosques. Pakistan is also interested in new road and air links with Central Asia. It seeks communication by road to Uzbekistan via Kabul, and to Kazakhstan via Kashgar in China. But its hopes come up against the reality that the landlocked states of Central Asia can only gain access to Pakistan through Afghanistan, and this will be impossible as long as the Afghan domestic problems last. Pakistan is also developing economic ties with the region, especially trade in raw materials and manufactured goods. It has opened air links with the Central Asian capitals. Pakistan also anticipates obtaining supplies of power through gas and electric grid schemes or through oil supplies from Tajikistan, Turkmenistan, Kazakhstan and Uzbekistan. It has offered assistance in developing banking, insurance and stock markets, and envisages that Central Asia will be a market for its textiles and foodstuffs. Knowing that the Central Asian states would like to industrialize, it has offered help in increasing their capacity to produce cotton yarn and textiles. India regards economic cooperation as the best way to counter Pakistan's influence in Central Asia. India has offered the Central Asian republics training in management, consultancy, and construction ventures.

#### **3.4.4 Major Trends in the India-Central Asia Relations**

India-Central Asia relations have experienced new trends in the contemporary period. The next section will outline these trends and discuss in details the major interests and challenges that India has in this region.

#### **3.4.4.1 India's 'Connect Central Asia' Policy**

India's 'Connect Central Asia' Policy is a broad-based approach, including political, security, economic and cultural connections. On 12 June 2012 India's Minister of State for External Affairs E. Ahmed gave a Keynote address at First India-Central Asia Dialogue. He outlined some of the elements of India's 'Connect Central Asia' policy as follows:

1. India will continue to build on its strong political relations through the exchange of high level visits. Its leaders will continue to interact closely both in bilateral and multilateral fora.
2. India will strengthen its strategic and security cooperation. India already has strategic partnerships in place with some Central Asian countries. The focus will be on military training, joint research, counter-terrorism coordination and close consultations on Afghanistan.
3. India will step up multilateral engagement with Central Asian partners using the synergy of joint efforts through existing fora like the Shanghai Cooperation Organisation, Eurasian Economic Community (EEC) and the Custom Union. India has already proposed a Comprehensive Economic Cooperation Agreement to integrate its markets with the unifying Eurasian space.
4. India looks to Central Asia as a long term partner in energy, and natural resources. Central Asia possesses large cultivable tracts of land and it sees potential for India to cooperate in production of profitable crops with value addition.
5. The medical field is another area that offers huge potential for cooperation. India is ready to extend cooperation by setting up civil hospitals/clinics in Central Asia.
6. India's higher education system delivers at a fraction of the fees charged by Western universities. Keeping this in mind, India would like to assist in the

setting up of a Central Asian University in Bishkek that could come up as a centre of excellence to impart world class education in areas like Information Technology, management, philosophy and languages.

7. India is working on setting up a Central Asian e-network with its hub in India, to deliver, tele-education and tele-medicine connectivity, linking all the five Central Asian States.
8. Indian companies can showcase its capability in the construction sector and build world class structures at competitive rates. Central Asian countries, especially Kazakhstan, have almost limitless reserves of iron ore and coal, as well as abundant cheap electricity. India can help set up several medium size steel rolling mills, producing its requirement of specific products.
9. As for land connectivity, India has reactivated the International North-South Transport Corridor (INSTC). India and Central Asian nations need to join combined efforts to discuss ways to bridge the missing links in the Corridor at the earliest and also work on other connecting spurs along the route.
10. Absence of a viable banking infrastructure in the region is a major barrier to trade and investment. Indian banks can expand their presence if they see a favourable policy environment.
11. India will jointly work to improve air connectivity between our countries. India is one of the biggest markets for outbound travellers estimated at USD 21 billion in 2011. Many countries have opened tourist offices in India to woo Indian tourists. Central Asian countries could emerge as attractive holiday destinations for tourists and even for the Indian film industry which likes to depict exotic foreign locales in its films.
12. Connections between peoples are the most vital linkages to sustain deeper engagement. The emphasis would be on exchanges between youth and the future leaders of India and Central Asia. India already has a robust exchange of students. India will encourage regular exchanges of scholars, academics,

civil society and youth delegations to gain deeper insights into each other's cultures.

#### **3.4.4.2 The Shanghai Cooperation Organization (SCO) and Indian Aspirations**

New Delhi sees connectivity with countries under the Shanghai Cooperation Organization (SCO) as crucial to augment India's trans-regional ties. It is clearly ready to work with regional entities to bridge Central and South Asia. In areas ranging from information technology and entrepreneurship to energy and disaster management, India and the SCO look set to accelerate the pace of cooperation in the years to come.

At the (SCO) Summit in Beijing, in 2012, India said that it would be happy "to play a larger, wider and more constructive role in the SCO as a full member, as and when the organization finalizes the expansion modalities." India also welcomed the general trajectory of the SCO towards expansion and redefinition of its role "to deal more effectively with the common challenges of security and development in the region." India's foreign secretary was simply echoing New Delhi's long-cherished desire to be a major player in the Eurasian region.

The SCO Council of Heads of Government meeting in Tashkent in November 2013 saw a growing enthusiasm from India for a more proactive role in Central Asia. The comments made by Indian Foreign Secretary Sujatha Singh at the conference is a clear indication that New Delhi has already committed to initiating steps to apply for a full membership of SCO.

Two issues Singh highlighted at the meeting also attracted considerable attention. She said that the SCO should "step up its engagement in the rebuilding and reconstruction of Afghanistan, through common projects and financial commitments. India would then support the efforts by Russia to craft common SCO positions on Afghanistan." Noting that terrorism is the major threat to the security and stability of Afghanistan, Singh pointed out that a long term solution could be "achieved by supporting the efforts made by Afghanistan itself to begin an Afghan-led dialogue on reconciliation with the armed opposition forces, provided that these groups respect the principles adopted by the international community."

Moreover, while recognizing “the inalienable right of all states to use nuclear energy for peaceful purposes in accordance with universally agreed international norms, conventions and obligations,” Singh said that New Delhi has been “encouraged by the recent tidings about the multilateral dialogue in Geneva to explore a comprehensive settlement of the Iranian nuclear question, through political and diplomatic means. The positive resolution of this issue can lead to multiple and far-reaching benefits across the region, including in the SCO space.” India’s references to the two issues (Iran and Afghanistan) must be seen in the larger context of expanding New Delhi’s “Connect Central Asia” policy, which it has been seeking to institutionalize for some time. This is again a part of India’s wider dream of “New Asianism.”

As we understand from above, India has shown its keen interest on becoming a full member so as to contribute effectively to issues of common concerns. However, initially on the issue of elevating India’s status to membership there were discordant views and scepticism amongst the member countries. Russia has been on the whole supportive of India’s candidature. Ever since the decision to expand the organization was being considered, Russia favoured India’s inclusion. And Russian Foreign Minister Sergey Lavrov in an interview said that, India’s and Pakistan’s elevation would boost the international authority of the SCO. Two factors explain this thinking, according to Alexander Lukin, first, Indian admission would significantly increase the SCO’s political weight and economic attractiveness among developing countries. Second, some analysts in Russia fear too rapid growth of China’s economic role in Central Asia. From this point of view one could only welcome India’s admission to the SCO as this country can make a significant contribution to the Central Asian countries and help diversify their external economic relations. The CARs have always supported India’s inclusion into the SCO. They viewed India as a soft balancer against the two leading powers, as it would strengthen their multi vector foreign policies.

The 15<sup>th</sup> SCO summit held in the Russian city of Ufa in July formally approved a proposal to admit India and Pakistan as regular members. Technically, India and Pakistan will become the members of SCO by 2016 after completion of certain procedures. This membership will help India to work with the 6 members grouping to

enhance connectivity, combat terror and create an environment for boosting trade by easing barriers.

Prime Minister Narendra Modi responded with an offer to work with the six-member grouping to enhance connectivity, combat terror and create an environment for boosting trade by easing barriers. He stated that “I convey our deep sense of gratitude to the members of SCO for accepting India as a full member. Our membership of Shanghai Cooperation Organisation is a natural extension of the relationship that India has with member countries” and “mirrors the region’s place in India’s future”.

### **3.4.5 India’s Major Interests and Challenges in Central Asia**

New Delhi now has strategic partnership with three of the five Central Asian Republics and trade is also picking up, though slowly. In 2012, India announced the ‘Connect Central Asia’ policy, and also announced to hold an India-Central Asia Dialogue at Track II annually in one of the republics. These measures are contributing to the closer ties. Though India and Central Asian countries enjoy cordial relationship, the economic engagement between the two sides has been much below its potential. The countries of Central Asia are endowed with significant hydrocarbon and mineral resources and are close to India geographically. Kazakhstan is the largest producer of uranium and has huge gas and oil reserves as well. Similarly, Uzbekistan is also rich in gas, and is an important regional producer of gold along with Kyrgyzstan. Tajikistan has vast hydropower potential besides oil deposits, and Turkmenistan has the fourth largest gas reserves of the world. Geographically, the strategic location of these countries makes them a bridge between different regions of Asia and between Europe and Asia. Although the significance of the region in India’s economic and energy security is clear, lack of direct surface connectivity has been affecting the economic engagement. However, the recent inauguration of Kazakhstan-Turkmenistan-Iran railway line has given the region a short access to the Indian Ocean. India, on the other hand, has been making investment in Iran’s Chabahar port. This alternative route has eased the business connectivity of the outside world with the region.



### 3.4.5.1 Economic Interests

The economic development in the countries of Central Asia, especially in Kazakhstan and Turkmenistan, has been driven primarily by the exploitation of hydrocarbon and other mineral resources. This has led to growth in construction, telecom, software and ancillary industries, leading to an increase in the purchasing power and disposable income for the people to spend more both on purchase of goods and undertaking foreign travels. Further, after achieving a certain level of economic growth, the regional countries want to diversify their oil economies and also integrate them with the global economy. Kyrgyzstan and Tajikistan have joined the WTO and Kazakhstan is poised to become a member. India, with its impressive growth rate, is seen by the Central Asian countries as a potential partner for stronger economic development. After the dissolution of the Soviet Union, the Eurasian Economic Union (EEU) has been launched with the Russian initiative and two Central Asian republics of Kazakhstan and Kyrgyzstan are its members. The Union provides a big market with defined rules for greater business and economic exchanges. The Central Asian republics have also responded to other big regional economic initiative; One Belt One Road programme of China. India, on the other hand, has become a membership of the regional Shanghai Cooperation Organization (SCO), indicating that New Delhi is ready to engage the region bilaterally as well as multilaterally. Therefore, it is clear that the region is set to witness increased economic activities and Indian business leaders are expected to play a greater role in the progress. Now that the connectivity problem has been significantly addressed and the regional countries also want India to play greater and significant economic roles in Central Asia, New Delhi seems set to increase its footprint in the vital region in its extended neighbourhood. As the Prime Minister has undertaken a maiden visit to all republics in July 2015, the new government has already indicated its agenda to engage the region on priority. Prime Minister Modi's foreign visits are goal-oriented and it is expected to boost the ties between the region and India.

Many Indian businessmen doing businesses in Central Asian countries often say that non-presence of Indian banks in the republics has been affecting the bilateral

trade. Though in Kazakhstan an Indian bank, Punjab National Bank's subsidiary is present, there is a need to open branches of Indian banks at least in the capital city of each republic. Alternatively, the business leaders from India can establish a bank on the Public Private Partnership (PPP) model with the governments and private capitals from the region and India. It will greatly boost the trade and ease business transactions.

India, now a US \$ 2 trillion economy, has developed expertise in information technology and IT enabled services sector, pharmaceuticals, research and development, services sector and agriculture. The country can play a significant role in the economic development of Central Asian countries, which are looking for markets for their energy resources and are also eager to diversify their economies. Similarly, the region can play an important role in meeting India's energy security. India's OVL is active in the Satpayev block of Kazakhstan. Besides, the long proposed Turkmenistan-Afghanistan-Pakistan-India (TAPI) is another significant energy project. Nevertheless, the increased oil income in Central Asia has provided impetus for growth in construction, engineering consultancy, market research, management services, software development, mining processes, outbound tourism and increased expenditure on health. India has developed expertise in these niche areas. Besides, these are primarily virtual products and can be transported easily, allowing the country's business to overcome connectivity issues. There is a great demand for Indian pharmaceutical products in the region. This sector is quite advanced and Indian pharmaceutical companies are known across the globe with their medicines being exported across the continents. Indian pharmaceutical companies can establish Joint Ventures (JVs) with Kazakh and Kyrgyz partners and cater to the markets of Central Asia as well as the EEU.

The region of Central Asia is now generating outbound tourism, including for medical purposes. India has advanced medical facilities, but people from these republics visiting the hospitals face language and communication problems. Provisions of licensed interpreters can help reduce their problem and encourage others to come for treatment in Indian hospitals. India also has many architectural and historical sites, particularly of the medieval period, which are of great interest to the people from

Central Asia. Thus, measures in the field of tourism specifically targeting the people from Central Asia would make India a favourite destination for them. Agriculture and food processing is another promising area of cooperation between India and Central Asia. The countries of the region have huge tracts of arable lands available and the farmers, particularly in Kyrgyzstan, generally, do not use fertilizers. Thus, there is scope for organic farming and organic products, which is in demand in the nearby health-conscious European markets. Besides, agricultural cooperation can also be of help in India's food security. The similarity in the topography of Kyrgyzstan and Kashmir state of India opens the possibility to explore joint saffron cultivation and floriculture as practised in Jammu and Kashmir. Tajikistan and Kyrgyzstan have huge hydropower potential and both want to explore the resources. The hydropower resources of Tajikistan consist of 317 billion kWh per year and only 3-4 per cent of it has been utilized so far. The Kyrgyz rivers energy potential is about 160 billion kWh per year, and currently only 10 per cent of the potential is used. Indian hydropower companies, including from the private sector, can invest in small and micro hydropower plants in the region. The entertainment industry is another area of potential engagement. The scenic beauty in the region; from steppe and deserts to snow-clad mountains to world famous Lake Issyk-Kul, provide the Indian film and entertainment industry, which is already very popular in Central Asia, very affordable and close-by locales to shoot Indian films and TV serials. This will help significantly in lowering the cost of film production in India and expanding Indian cinema market in the region. There is a general lack of awareness in India and in Central Asia about each other's potential. There is a need to increase media awareness in the two sides and inform the business community and the public opinion about the opportunities in the neighbouring regions. An electronic interface in English and Russian languages having details of business and economic potentials can be of great help in boosting commercial engagement.

#### **3.4.5.2 Energy Interests**

With energy increasingly being viewed as a vital component of what is now broadly defined as 'national security', cultivating alternative sources of energy and reducing dependence on the volatile Middle Eastern region has become a vital concern

for India. Assured, uninterrupted supply of energy is critical for keeping India's economic engine in motion. Its dependence on imported oil is projected to skyrocket from the current levels of 72 per cent to 83 per cent by 2030; hence, the anxiety to reconceptualise its strategic perspective. Thus, diversifying and expanding its international sources of energy has been a major Indian policy thrust for the past decade, so it is no surprise that energy cooperation is at the heart of India's engagement of Central Asia. The weight attached to the issue is reflected in a speech by India's President at that time, Dr. A.P.J Abdul Kalam: "...my government will give full importance to synchronizing our diplomatic activity with our need for energy to fuel our development needs." Central Asia is home to an estimated 4 per cent (270-360 trillion cubic feet) of the world's gas reserves, while the oil reserves are pegged at 2.7 per cent (13-15 billion barrels). Kazakhstan has substantial oil; Turkmenistan has gas; Uzbekistan has more modest hydrocarbon resources; and Kyrgyzstan and Tajikistan have surplus hydro power. The big challenge that remains unresolved, however, is how to get Central Asian energy resources to the Indian market. India has initiated some steps in harnessing the region's energy potential which have yielded limited results thus far.

The Indian government has been engaged in a series of protracted negotiations involving a 1680 km-long pipeline, to be constructed at an estimated cost of US \$7.6 billion, expected to transport 30 billion cubic meters of gas from Dauletabad gas fields in Turkmenistan via Afghanistan and Pakistan to India. Kazakhstan, with the largest proven oil reserves in the region and three of the world's richest hydrocarbon fields, is hence of prime importance in India's energy security policy formulation. In recent years, the international branch of the Indian state-owned ONGC Videsh (Oil and Natural Gas Corporation) has begun investing in oilfields in Central Asia. ONGC has picked up a 15 per cent stake in the Alibekmola oil field and is slated to invest to the tune of US \$1.5 billion in the Kurmangazy oil field in the Caspian Sea – both of which are located in Kazakhstan.

India is also actively looking into importing gas from Turkmenistan via a potential Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline. This is a more uncertain venture, however, because Turkmenistan is sending most of its already discovered

gas out via pipelines through Russia, and has been unwilling thus far to provide the long-term supply commitments needed to finance a new pipeline. In any event, a pipeline from Turkmenistan to India would need to go through Afghanistan and Pakistan, with all the political and security complications that implies.

Kazakhstan also has large quantities of highly enriched uranium (between 10,590-10,940 kgs). This assumes significance in light of the recent NSG waiver for the Indo-US civilian nuclear cooperation that would allow India to procure much needed uranium for its civilian nuclear program, which in the long run could potentially help diversify the country's energy base. In sharp contrast, while Uzbekistan has modest hydrocarbon reserves, it holds the third-largest uranium deposits in the world. Tajikistan too holds fairly sizeable reserves of uranium ore and the potential for its enrichment. Thus, the Central Asian region can be tapped by India as a potential source of the direly-needed uranium to sustain its civilian nuclear programme.

### **3.4.5.3 National Security**

Central Asia is of vital importance to India not just in terms of energy security but also for reasons of national security. New Delhi sees the region as a source of religious extremism and is concerned to check the rise of radical Islamist groups which may present a terrorist threat. Since the demise of the Soviet Union, Central Asia has been a fertile recruiting ground for such groups, and there are reportedly scores of jihadist groups based in the region. Given the transnational nature of these groups, including links with the Taliban and other militant groups in neighbouring countries, this generates a high degree of unease in New Delhi. The fear is that if the emergence of jihadist groups is not checked, they will eventually pose a serious threat to India's security, especially in the contested state of Kashmir. This concern is exacerbated by the situation in Afghanistan. There is a prospect of increasing insecurity in Afghanistan following the NATO withdrawal in 2014, which may spill over and destabilise fragile Central Asian states. Furthermore, New Delhi fears that a resurgent Taliban integrated into Afghan power structures post-withdrawal will be counter to India's interests. These security concerns are compounded by the proliferation of drug-trafficking in

Central Asia. Weak border management and high levels of corruption, coupled with the failure to stem opium production in Afghanistan, have made drug-trafficking an extremely lucrative industry. Much of the money generated provides a vital source of funding for jihadist groups. For these reasons India is keen to play a bigger role in Central Asia's security matrix and to prevent real and perceived threats to its national security. Over the past decade, New Delhi has sought to enhance its security assets in the region, notably through the acquisition of a first foreign military outpost in Tajikistan. Tajikistan is of particular concern for India since only a narrow 20 km stretch of Afghan territory separates it from Pakistan-administered Kashmir. India began to refurbish the airbase at Ayni in 2004, reportedly spending \$70 million as part of its aid to Tajikistan. Although New Delhi never publicly announced its intentions, there was speculation in the media that a squadron of MiG 29 bombers would be stationed at the airbase. The Ayni airbase was seen by some as emblematic of India's growing strategic aspirations and an attempt to project Indian military power in Central Asia. Not only would it enable India to respond to situations in the region that threatened its security, it also increased India's options in the event of heightened tensions with Pakistan, since it would enable India to strike at Pakistan from the rear.

#### **3.4.5.4 Military Cooperation**

Closer defence ties between India and the countries of Central Asia have the potential to address many common security concerns both traditional and non-traditional. Certain historic and geo political factors will however dictate that the evolution of these ties is cautious and gradual. The historic legacy of being post-Soviet space and its territorial contiguity with other regional players make Central Asia a region of interest for both India's strategic partners and rivals. Since 1992, the Collective Security Treaty Organisation (CSTO) under Russian patronage has provided the framework security apparatus for the region. Russia continues to supply air defence in the region. Due to the long-standing strategic engagement between India and Russia, India has maintained a gradualist approach to building its relationships in Central Asia. Since the break-up of the Soviet Union however, Central Asia has undergone progressive demilitarization of its indigenous industry.

India's growing defence cooperation with countries of this region presents the prospect of a market opportunity for Indian defence industry over the medium-long term. India's principal military cooperation has been with Tajikistan, which is India's closest neighbour in Central Asia. Like India, Tajikistan has had important ties to the Northern Alliance in Afghanistan, the group whose imminent arrival in Kabul in 2001 led to the fall of the Taliban government. India rebuilt and refurbished an air base at Ayni, outside the Tajik capital of Dushanbe. Reports that India has a "base" there seem to be exaggerated, and have been denied by Delhi. India is interested in deepening defence cooperation, and has offered to train military personnel in Tajikistan. India has conducted several joint military exercises in both Tajikistan and Uzbekistan. India's security interests also include counter-terrorism. It has developed working groups on this subject with Kazakhstan and Tajikistan. India has also been carefully watching the region's religious fundamentalist groups, primarily the Islamic Movement of Uzbekistan. This is a subject of concern to all the governments in Central Asia, who worry about the impact of instability in Afghanistan.

#### **3.4.5.5 Drug Trafficking and Weapons Proliferation**

The Central Asian region is strategically located between two nuclear superpowers, Russia and China, as well as their nuclear armed neighbours Pakistan and India. Central Asia previously served as a raw materials base for the Soviet weapons program, with Kazakhstan holding large reserves of highly enriched uranium, while Kyrgyzstan has substantial amounts of nuclear waste scattered around. Uzbekistan and Tajikistan hold sizeable uranium reserves and the potential for its enrichment. This, coupled with the absence of special-detection equipment at border and customs checkpoints, rampant corruption and little political will, have the potential to render the region highly susceptible to and a lucrative route for smuggling fissile material. This has serious security implications as there is potential danger of proliferation of lethal weapons technology and material into the hands of not just states hostile to India, but also non-state actors like the Taliban, al-Qaeda and groups like the IMU linked to them. This assumes further significance in light of a resurgent Taliban that will not lose out on the opportunity to use to its advantage the porous Tajik-Afghan border.

Drug trafficking potentially poses a major security threat to ‘the region’. The poor state of border management and rampant corruption, coupled with soaring opium production in neighbouring Afghanistan – all spell a dangerous trend. India needs to pay greater heed to drug trafficking, since much of the money generated is used to fund activities of extremist Islamist terror networks that possess the ability to foment trouble for India in the long run. This is an area where India has a broad overlap of interests with three other key players in the region: the US, Russia and China, with whom it could engage in multilateral cooperation.

### **3.4.6 India-Central Asia Relations: Latest Developments**

India’s ‘Connect Central Asia Policy’ was reinforced in 2015, when Prime Minister Narendra Modi became the first Indian head of state to visit all five nations between July 6 and 13. Since then there has been significant progress in cooperation, particularly in the fields of defence, energy and connectivity. This renewed focus on the region can be attributed to the changing geopolitics of the region, particularly the formation of China’s Belt and Road Initiative (BRI) and the external security threats to the region. The convergence of China’s BRI projects in the region with India’s unrealized economic interests there has prompted the latter to adopt a more proactive approach and look at new avenues for economic cooperation. Since China has been able to leverage its geography, finances and population to ensure that its projects can contribute toward making its dream of a new and improved Silk Road a reality, India is also committed to expanding the scope of its economic relations with the region.

Beyond economics, the regional security challenges in Central Asia also have the potential of spilling over into India. The increasing Islamic radicalization has become a major security concern for the governments of the region. Following the start of Syria’s civil war and the rise of the Islamic State (IS), estimates suggest that several thousands of Central Asians, ranging from 2000 to upwards of 4000, migrated to join the terrorist group. As the IS began losing their territories in the Middle East, concerns emerged about the return of foreign fighters to their home states as well as the responsibilities of those home states toward them and their families. Earlier this year, Kazakhstan conducted an operation to evacuate 231 citizens from the Syrian conflict



zones and Uzbekistan repatriated 156 citizens.<sup>19</sup> Given its experience in successfully tracking down and limiting the influence of the IS domestically, India's agenda in Central Asia includes cooperation to tackle terrorism and radicalization.

At the bilateral level, India has enhanced the institutional basis for its defence cooperation with the region. Notably, during Prime Minister Modi's visits in 2015, India signed memoranda of understanding (MOUs) and agreements related to defence and military technical cooperation with Kazakhstan, Kyrgyzstan, and Turkmenistan. Reflecting the growing engagement, India and Kyrgyzstan agreed to hold their bilateral military exercise, Khanjar, annually. The following year, they agreed to construct a Mountain Training Centre to provide instruction, train personnel of the Kyrgyz Armed Forces and to host joint mountain training exercises. India also held its first joint army exercise with Kazakhstan, Prabal Dostyk, in 2016. Held annually thereafter, this was renamed as the KAZIND in 2018. Most recently, during Uzbek President Mirziyoyev's visit to India last year, both sides agreed to expand cooperation in the areas of counterterrorism, with joint military training exercises, military education and military medicine. They also agreed to institutionalize this cooperation by setting up a Joint Working Group on defence related activities.

Within the region, India has observed the strengthening of mutual understanding, dialogue and cooperation among the Central Asian states. Recognizing this as a positive step, India has explored opportunities to engage with the region as a whole rather than bilaterally or as part of mechanisms that include other external powers.

The first ever India-Central Asia Dialogue, at the Foreign Ministers' level, was held in Samarkand on 13 January 2019. It was for the first time that Foreign Ministers of all the five Central Asian countries participated in an India led-initiative, along with the Foreign Minister of Afghanistan. Through regular institutional dialogue and exchanges, this platform can help bring India and the region closer together.

During the third India-Central Asia Dialogue recently held in New Delhi on 19 December 2021, the two sides further reiterated commitment towards building robust cooperation in addressing emerging global concerns while emphasising the ardent

need to promote security, stability, and long-term shared economic prosperity in the India-Central Asia geopolitical architecture. The meeting further explored new vistas of cooperation based on mutual interests and the need to deepen strategic engagement in the “4cs”—commerce, capacity building, connectivity, and contact—that encompass the contours of security and terrorism, trade and economy, development partnership, energy security, healthcare, and climate change.

The Dialogue identified key areas of strategic engagement towards enhancing defence and security ties, economic and connectivity initiatives, and energy cooperation, particularly in the context of frank and cordial deliberations on issues related to India’s US \$1 billion Line of Credit for projects in Central Asia, connectivity endeavours by using the Chabahar Port for enhancing trade between the two sides, and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. The two sides agreeing to continue developing the transit and transport potential in conjunction with improving the logistics network of the region was another milestone development. Concurrently, the meet formally touched upon the optimum usage of the International North-South Transport Corridor (INSTC) in conjunction with Ashgabat Agreement on International Transport and Transit Corridor (ITTC) to enhance connectivity between India and the Central Asian countries.

Geography has placed Central Asia at the nexus of crucial political and economic transformations for centuries. With the actualization of the BRI, India’s Connect Central Asia policy, and the EU’s new Central Asia strategy, the 21st century could possibly be the most decisive period for the region. Stemming from its historic cultural and economic bonds, India is now well placed to take a more active role in the development of the region. India’s growing global visibility and key contributions to multilateral forums – like the SCO – have catapulted India from an observer into a critical stakeholder in the region. As India looks beyond its borders, Central Asia provides India with the right platform to leverage its political, economic and cultural connections to play a leading role in Eurasia.

### 3.4.7 Let us Sum Up

The Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan became independent in the 1990s. Since their independence, the republics have been engaging with the countries in the region and beyond, and India is among the first countries to establish diplomatic relations with them. New Delhi now has strategic partnership with three of the five republics and trade is also picking up, though slowly. In 2012, India announced the 'Connect Central Asia' policy, and also announced to hold an India-Central Asia Dialogue at Track II annually in one of the republics. These measures are contributing to the closer ties. Though India and Central Asian countries enjoy cordial relationship, the economic engagement between the two sides has been much below its potential.

As the issues analyses in this lesson indicate India does not see Central Asia merely as a region in the world which can serve India's economic interests but as an extended neighbourhood with whom multilayer and multilevel engagements are must. Such engagements are, in fact, in the interest of both India and Central Asia. However, there is a general lack of awareness in India and in Central Asia about each other's potential. There is a need to increase media awareness in the two sides and inform the business community and the public opinion about the opportunities in the neighbouring regions. An electronic interface in English and Russian languages having details of business and economic potentials can be of great help in boosting commercial engagement.

### 3.4.8 Exercise

1. Explain India-Central Asia relations with an historical perspective.
2. Central Asian region for India is an 'Opportunity' as well as a 'Threat'. Comment.
3. Outline major trends in India's relations with Central Asia.
4. What are the geostrategic factors that are influencing India's relations with Central Asian states?
5. Write a note on Shangai Cooperation Organization.
6. Critically analyse the constraints for growth in India-Central Asia relations.

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood**

**UNIT – IV INDIA AND NEAR ABROAD**

**4.1 INDIA AND BIMSTIC: CONVERGENCES AND PARTNERSHIP**

**- Tejal Khanna**

Structure

**4.1.0 Objectives**

**4.1.1 Introduction**

**4.1.2 BIMSTEC: Past and Present**

4.1.2.1 BIMSTEC's Founding Principles and Objectives

**4.1.3 India's Contribution as a BIMSTEC Member**

4.1.3.1 BIMSTEC Disaster Management Centre

**4.1.4 India's Interests in BIMSTEC: Act East through Northeast**

**4.1.5 Neighbourhood First through BIMSTEC**

**4.1.6 Challenges Ahead**

**4.1.7 Let Us Sum Up**

**4.1.8 Exercise**

#### 4.1.0 Objectives

The present lesson analyses India's role in multilateral forum BIMSTEC. After going through this lesson, you will be able to know:

- the origin of BIMSTEC and how it has evolved over the period;
- India's contribution in building BIMSTEC;
- BIMSTEC's importance in India's Act East policy and in India's northeast region, and;
- the challenges before the BIMSTEC.

#### 4.1.1 Introduction

BIMSTEC as a regional grouping founded in 1997 has evolved into a full-fledged regional organisation with its organisation charter being adopted in 2022. Starting with only four founding member countries, Bangladesh, India, Sri Lanka, and Thailand, the regional organisation has expanded to include a few more countries of South Asia and Southeast Asia namely, Myanmar, Thailand, Sri Lanka, Nepal and Bhutan. The organisation's primary goal is to accelerate economic and social development in the Bay of Bengal region, leveraging geographical proximity for connectivity and setting up the architecture for cooperation across a wide interface of engagement among the member countries.

India being a founding member has identified important areas of convergence with BIMSTEC countries. These primarily include promoting the development of its Northeast Region (NER) with a unified focus on connectivity projects and fostering greater economic cooperation with ASEAN countries through its Look East Policy, which is now rekindled as Act East Policy. Of late, India has also actively pushed for regional cooperation through BIMSTEC over SAARC due to strain in relations with Pakistan, a member of the latter regional organisation. Through BIMSTEC, India seeks to also promote its Neighbourhood First policy, improve its image of a "big brother bully" in the eyes of its neighbours and also counter China that has been trying to encircle India especially through its Belt and Road Initiative.

Over the years, India as a Leader member country of the Security Sector in BIMSTEC has been actively involved in contributing to combatting terrorism and organised crime including improving coastal security in the Bay of Bengal region. However, BIMSTEC as an organisation continues to suffer from several challenges that can cause roadblocks in deepening India-BIMSTEC relations.

#### **4.1.2 BIMSTEC: Past and Present**

BIMSTEC as a regional economic grouping that has been evolving since its inception in 1997. It was first formed as BIST-EC (Bangladesh, India, Sri Lanka, and Thailand – Economic Cooperation) after the signing of the Bangkok Declaration. With Myanmar joining the organisation on 22 December 1997 at a meeting in Bangkok, the organisation changed its name to BIMST-EC. It comprised the countries at the rim of Bay of Bengal. Following the admission of Bhutan and Nepal, the organisation adopted its current name – Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation. In February 2004, Nepal and Bhutan also became members of BIMSTEC. The acronym no longer represented the full membership of the organization. Therefore, during its first Summit it was decided that the letters of the nomenclature should stand for Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation rather than for initials of the names of member countries. So now this group has five countries of South Asia and two of South East Asia. It is important to note that the two South Asian countries that are not its members are Pakistan and Maldives.

BIMSTEC was formed at the time when the process of globalisation was sweeping the world. India's economy was also opening up. World scene had changed tremendously. Soviet Union had disintegrated and the Cold War came to an end. Communism as an ideology was being challenged and regional organisations like the European Union were gaining strength day by day. SAARC, the South Asian regional organization, which was formed in 1985, was also not making any headway due to mutual dissensions and mistrust of member countries, particularly India and Pakistan. This was broadly the international and regional scenario when BIMSTEC was being conceived.

A Ministerial meeting was held in Bangkok from June 4-6, 1997, where the new sub regional economic grouping was formally launched. In a declaration issued, called as the Bangkok Declaration, the principles, scope and institutional mechanisms of the organization were outlined. The detailed plan of action, areas of cooperation etc were covered in a concept paper. Initially, BIMSTEC identified six sectors for cooperation viz., trade and investment, technology, transport and communication, energy, tourism and fisheries. It was an attempt to tap the synergies of land and maritime contiguity in yet another geo-economic setting. The people of this region had close cultural and commercial ties throughout history. Close proximity meant that the business communities maintained active contacts with each other, in addition to cultural and social interactions and people to people contacts. It was hoped that the inter- regional grouping will serve as a bridge between the five SAARC countries and two ASEAN countries. It has been assumed that It has got a greater potential to increase the trade among member countries by taking advantage of their geographical location in the region of Bay of Bengal and the eastern coast of the Indian Ocean. BIMSTEC represents 22% of the global population with around 1.6 billion people. The cumulative GDP is around US\$3 trillion, with GDP growth per annum around 6.5%.

The organisation's primary goal is to accelerate economic and social development in the Bay of Bengal region, leveraging geographical proximity for connectivity and setting up the architecture for cooperation across a wide interface of engagement among the member countries. Permanent Secretariat of BIMSTEC is operational since September 2014 in Dhaka. Five Summits have been held so far – 2004 [Bangkok], 2008 [New Delhi], 2014 [Nay Pyi Taw], 2018 [Kathmandu] and 2022 [Sri Lanka].

#### **4.1.2.1 BIMSTEC's Founding Principles and Objectives**

##### ***Founding Principles***

BIMSTEC's founding principles were as follows:

1. Cooperation will be based on respect for the principle of sovereign equality, territorial integrity, political independence, non-interference in internal affairs,

peaceful coexistence, and mutual benefit.

2. Cooperation will constitute an addition to and not a substitute for bilateral, regional, or multilateral cooperation involving the member states.

### ***BIMSTEC Objectives***

The Bangkok Declaration of 1997 laid out the grouping's objectives as under:

1. To create an enabling environment for rapid economic development through identification and implementation of specific cooperation projects in the sectors of trade, investment and industry, technology, human recourse development, tourism, agriculture, energy, infrastructure, and transportation.
2. To accelerate the economic growth and social progress in the subregion through joint endeavours in a spirit of equality and partnership.
3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, technical, and scientific fields.
4. To provide assistance to each other in the form of training and research facilities in the educational, professional, and technical spheres.
5. To cooperate more effectively in joint efforts that are supportive of and complementary to national development plans of member states, which will result in tangible benefits to the people in raising their living standards, including generating employment and improving transportation and communication infrastructure.
6. To maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes.
7. To cooperate in projects that can be dealt with most productively on a subregional basis and make the best use of available synergies among member countries.



BIMSTEC has adopted a sector-driven cooperation model, covering 14 sectors, each sector being led by a country which is responsible for leading their sectoral initiatives. The sectors, included in various stages. These are:

1. Trade and investment: Bangladesh
2. Transport and communication: India
3. Energy: Myanmar
4. Tourism: India
5. Technology: Sri Lanka
6. Fisheries: Thailand
7. Agriculture: Myanmar
8. Public health: Thailand
9. Poverty alleviation: Nepal
10. Counterterrorism and transnational crime: India
11. Environment and disaster management: India
12. People-to-people contact: Thailand
13. Cultural cooperation: Bhutan
14. Climate change: Bangladesh

BIMSTEC continues to evolve and a couple of reforms have taken place recently. Firstly, the formal adoption of a BIMSTEC charter has raised the level of this regional grouping to a proper “inter-governmental organization” with a “legal personality.” The BIMSTEC Charter was signed and adopted during the Fifth BIMSTEC Summit held in virtual format in Colombo, Sri Lanka, on 30 March 2022. Defining BIMSTEC’s purposes, it lists 11 items in the first article. Among them is acceleration of “the economic growth and social progress in the Bay of Bengal region”,

promotion of “multidimensional connectivity”, “maintain peace and stability” by combatting transnational organised crime and terrorism, promote “trade and investment” and eradicate poverty from the Bay of Bengal region. It is clear that grouping now views itself not as a sub-regional organisation but as a regional organisation whose destiny is closely linked with the region of Bay of Bengal.

#### **4.1.3 India’s Contribution as a BIMSTEC Member**

India has been identified as the Lead Country in four areas, viz Counter-Terrorism and Transnational Crime, Transport & Communication, Tourism, and Environment and Disaster Management, Counter-Terrorism and Transnational Crime. With the recent streamlining efforts in the organisation of BIMSTEC, India has been identified as the Lead Country of the Security Sector that includes three sub sectors namely, (i) Counter Terrorism and Transnational Crime (CTTC), (ii) Disaster Management and, (iii) Energy.

Terrorism remains the single largest significant threat to peace and stability in the region. BIMSTEC, through its various sub-groups under Counter Terrorism and Transnational Crime has been working towards strengthening cooperation against terrorism. The BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking was entered into force on 16 March 2021. Some legal instruments namely BIMSTEC Convention against Trafficking in Persons, BIMSTEC Convention on Transfer of Sentenced Persons, and BIMSTEC Convention on Extradition are in negotiation process.

Furthermore, three Meetings of the BIMSTEC National Security Chiefs (NSCs) have so far been held viz. in March 2017 in New Delhi; in March 2018 in Dhaka; and in March 2019 in Bangkok. The Meeting of NSAs, in particular, highlighted the importance of recognizing the Bay of Bengal as common security space and agreed to work out collective strategies for a coordinated response. Some of the action points emerging from the meetings of the National Security Chiefs that have been implemented are:

- Sardar Vallabhai Patel National Police Academy, Hyderabad, trained 36 National Security Officers of BIMSTEC Countries on Cyber terrorism, Counter Terrorism, Cyber Security and Counter-transnational crimes.
- First Sub Group meeting on Countering Radicalization and terrorism was held in June 2019 in New Delhi.
- Second Meeting of Track 1.5 BIMSTEC Security Dialogue Forum was held in July 2019 in Dhaka.
- The first BIMSTEC Conclave of Ports was held in Visakhapatnam (in November 2019). The inaugural session was attended by the Minister of State for Shipping (Independent Charge) Chemicals and Fertilisers. On the sidelines, the Rangong Port (Port Authority of Thailand) signed three separate MOUs with the Port Trusts of Chennai, Vishakhapatnam and Kolkata.
- The Coastal Security Workshop for BIMSTEC Countries was held in November 2019 by Indian Fusion Centre - Indian Ocean Region (IFC-IOR) Gurugram, India.
- The Second BIMSTEC Think Tanks Dialogue on Regional Security was held at VIF, New Delhi in November 2019.
- The First workshop of Himalayan Science Council was held at National Centre for Polar and Oceanic Research, Goa from 5-6 December 2019.

India has also circulated a draft text for the BIMSTEC Coastal Shipping Agreement. The first Meeting of the corresponding Working Group was held in November 2017. Subsequently, draft SOPs developed by India related to this agreement have been circulated. India hosted a BIMSTEC Ministerial Conclave on the theme of “New Digital Horizons: Connect, Create, innovate” on the sidelines of India Mobile Congress which was held in New Delhi in October 2018 with a focus on new and future communications technologies.

Enhanced connectivity through the region is vital to achieving the common

goals of growth, employment and prosperity. In this respect, The BIMSTEC Leader's Retreat was hosted by India in Goa in October 2016. It served as an important impetus to BIMSTEC. The "Agenda of Action" - A robust policy agenda agreed during the Retreat was meant to translate the shared commitment into delivery of specific, people-oriented initiatives to achieve greater connectivity, trade, people-to-people contacts, and sustainable use of resources which is being steadily implemented. BIMSTEC Leaders stressed on multi-modal physical connectivity and agreed to explore the possibility for a Motor Vehicles Agreement. There have been calls for developing a Master Plan on BIMSTEC Connectivity. The Inception Meeting of the BIMSTEC Transport Connectivity Working Group (BTCWG) held in August 2016 in Bangkok finalized the draft Terms of Reference for the BIMSTEC Transport Connectivity Working Group. A draft BIMSTEC Master Plan on Connectivity is currently under active consideration among Member States.

A series of events were also organised by India to mark the 20<sup>th</sup> anniversary of BIMSTEC in 2017-18. These include: a BIMSTEC business conference by Indian Chamber of Commerce (ICC) at Agartala on March 23, 2017; participation of BIMSTEC Countries in Textiles India - 2017 in July, 2017 in Gandhinagar; BIMSTEC Tele-Medicine Network by JIPMER on 13 July 2017 in Puducherry; BIMSTEC Trade and Tourism Expo on 15 September 2017 in Kolkata; Bodhi Parva: BIMSTEC Festival of Buddhist Heritage on 8-10 December 2017 in New Delhi; Integrating BIMSTEC – 2018 Conference in Sikkim in April, 2018 organised by ICC; Roundtable conferences on "Advancing the BIMSTEC Regional Cooperation" organised by DPG in New Delhi, Yangon and Colombo in April, June and August 2018 respectively; and conference on 'Reinvigorating BIMSTEC: An Industry Vision for the Next Decade' organised by FICCI in New Delhi in April, 2018.

India also hosted a BIMSTEC Ministerial Conclave on the theme of "New Digital Horizons: Connect, Create, Innovate" on the sidelines of India Mobile Congress which was held in New Delhi in October 2018 with a focus on new and future communications technologies.

There is a rich potential of Tourism in the BIMSTEC region, as this region is home to ancient civilizations with deep civilization and cultural linkages, several historic monuments, and natural splendour. In the Tourism sector, where again India is the lead country, several initiatives have been taken. For instance, BIMSTEC Tourism Information Centre was established in July 2007 in Delhi to create a Network of Tour Operators among the BIMSTEC Member States to promote tourism in the region including the Buddhist Tourist Circuit and luxury cruise. India hosted the First Meeting of this Network on 7 July 2017 in New Delhi where it was decided to work on common marketing strategies, creation of the brand BIMSTEC for tourism; creation of BIMSTEC specific products; promoting Public Private Partnerships; developing and sharing of common safety protocols and development of common circuits and cruise tourism.

#### **4.1.3.1 BIMSTEC Disaster Management Centre**

Another key sector where India is a Lead country is Environment and Disaster Management. BIMSTEC region is also vulnerable to a variety of natural disasters. Building regional capacities for coordinated disaster response, risk reduction and rehabilitation is accordingly important to the region. The BIMSTEC Summit in 2014 resolved to enhance cooperation in environmental protection and sustainable development and promote capacity building in the area of disaster management. India has hosted workshops on geo-informatics application in disaster management in November 2007 and on seasonal prediction and application to society in June 2011. The first BIMSTEC Disaster Management Exercise hosted by India in October 2017 saw participation of over 135 professionals from all Member States was a step towards this direction. The 2nd BIMSTEC Disaster Management Exercise was held in February 2020 in Puri, followed by a capacity building workshop of officials in Ahmedabad. India has also taken the initiative for addressing regional susceptibilities in this regard by setting up a BIMSTEC Centre for Weather and Climate (BCWC), a state-of-the-art facility in NOIDA, in 2014. India has also set up a link between BIMSTEC countries through Tsunami Early Warning Centre and has been sharing data from the Tsunami Early Warning Centre since 2006.

#### **4.1.4 India's Interests in BIMSTEC: Act East through Northeast**

India was motivated to initiate BIMSTEC as it wanted to enhance its connectivity with ASEAN countries. A major component of its Look East Policy, now rechristened as Act East Policy to improve its relations with the ASEAN countries. In other words, BIMSTEC was a well-planned strategy of India and a prudent extension of its Look East policy. The Bay of Bengal community also creates options other than the SAARC in pursuing India's interests in regional economic integration.

This is quite evident from the 15<sup>th</sup> BIMSTEC Ministerial Meeting held in Kathmandu where India's former External Affairs Minister Sushma Swaraj remarked that the 'natural choice' for India to fulfil its foreign policy objectives in the neighbourhood towards the East. She also stressed that strategies to counterterrorism and violent extremism and how they are important to countries of BIMSTEC given the centrality of peace and security for development. Recently, Prime Minister Narendra Modi has again emphasised on the need to augment regional security through BIMSTEC amidst the growing instability in the international order especially on account of the Russia-Ukraine war.

The development of the Northeastern region, by opening up to Bangladesh and Myanmar, is another major incentive for India to partner with BIMSTEC. The northeastern states of India have felt marginalized for a long time. In fact, the problem of insurgency in these states has been an outcome of this feeling. A membership of BIMSTEC implies more attention to the Northeastern states of India. Through the regional grouping, India wants to promote free trade and physical connectivity in the region that will help in ending the "remoteness" of the North East, accelerate growth and create better conditions to address the problems of insurgency. The NER is routinely seen as a potential springboard for India's 'Act East' policy, and for increased collaborations with the Association of Southeast Asian Nations, given the vast number of regional connectivity projects and substantial investments in sectors like trade, tourism, technology and energy.

Distinguished Indian diplomat, Ambassador Rajiv K. Bhatia once referred to

NER as “where four countries – Bangladesh, Bhutan, China and Myanmar - ‘meet’, and where South Asia and Southeast Asia also intersect.” Since the time of its birth, BIMSTEC has been viewed as having tremendous potential to promote the progress of cooperation, development, and peace in Asia. It can play a key role in nurturing regional common prosperity, connecting the people across the South Asian and Southeast Asian regions, and exploring the centuries-old economic and cultural linkages for economic and other benefits for the people of the region.

In the process, the landlocked region could open up and transform into a land-linked region, providing huge developmental gains for the entire sub-region. Consequently, BIMSTEC is an important vehicle for India in promoting regional cooperation and economic integration in a wide range of areas. As Shashi Tharoor, Member of Parliament, once described BIMSTEC is a unique link between South-Asia and South-East Asia. From the very beginning, it has been considered a powerful mechanism to promote opportunities for trade, investment and tourism between these two regions. Societies within BIMSTEC are pluralistic; our languages are rich and diverse and we have a shared cultural heritage.

It is seen that BIMSTEC and Northeast India can nurture a symbiotic relationship that would bring mutual benefits through various endeavours that are carried out by them. Because of the regions’ shared cultural and historical ties, this subregional organisation can work in a manner that will lead to gains for all stakeholders coming under its purview. People-to-people contacts, or cultural connections, are significant elements in the trust-building required to take BIMSTEC forward. For India, in particular, if all the eight states in the NER are to be integrated into the BIMSTEC, then the initiative has to come from the people of the region. This will facilitate greater political will to commit themselves and their people to the need for greater integration with their BIMSTEC neighbours. BIMSTEC provides an excellent opportunity for India to deliver development, peace, progress and prosperity to its landlocked, peripheral Northeastern region. Certainly, BIMSTEC could be a potential game-changer for countries in the subregion, along with the Northeast, are bound by geography and linked by history and heritage. This should enable India to invest more intensely in its policy with BIMSTEC.

Connectivity remains a key priority area for BIMSTEC to accelerate long-term economic growth and development in the member countries. India is the lead country for this sector, focusing on the various forms of connectivity—trade, transport, digital, and people-to-people. The first meeting of the BIMSTEC Expert Group on Transport and Communication was held in April 2001 in New Delhi to discuss “Transportation and Cross-border Facilitation, Multimodal Transport and Logistics, Infrastructure Development, Aviation, Maritime Transport, Human Resource Development, as well as Communication Linkages and Networking.” Since then, a series of negotiations and meetings have taken place, including a study with the ADB to identify 167 projects (of which 66 are priority); the BIMSTEC Motor Vehicles Agreement for the regulation of passenger and cargo vehicular traffic (drafted by India in 2018) and the Coastal Shipping Agreement (drafted by India in 2017); India’s Northeast and Subregional Connectivity the establishment of the BIMSTEC Transport and Connectivity Working Group; and provisions to provide high-speed internet connectivity and mobile connection at affordable rates across the subregion. Various multilateral connectivity projects through the Northeast are already underway such as the India-Myanmar-Thailand Trilateral Highway Project; the road from Dawki-Tamabil along India-Bangladesh border in Meghalaya that connects all continental ASEAN countries; and the construction of the 1.8-kmlong Feni bridge connecting India and Bangladesh for the transport of goods from the Chittagong and Kolkata ports.

Tripura is an important part of the Northeast developmental drive. Its Sabroom town will soon be connected to Bangladesh through the AgartalaAkhaura railroad and the inland waterways port at Sipahijala district. As part of the inland waterways project, floating jetties over the Gomati River in Sonamur, Tripura, will be connected to the Yamuna River in Daudakandi, Bangladesh. It will also connect to the Haldia port in West Bengal and Varanasi, covering 1,400 km, creating a connectivity route for the movement of people and goods. India has also linked its SAGARMALA (port-led development) concept with transnational maritime security in the Northeast for trade, tourism and people-to-people connectivity. The India-Bangladesh Protocol on Inland Water Transport and Trade is a case in point. In October 2018, the two countries signed several agreements, such as the extension of protocol routes and



standard operating procedures for the movement of cruise vessels on inland waterway routes and coastal shipping. India has also been aiming to develop alternative multimodal transportation from its east coast ports to the Northeast through Myanmar by using the latter's inland waterways and roads to reduce its dependence on the Siliguri Corridor and further its Act East policy. In other words, the Northeast is being developed for India's reintegration with Southeast Asia via BIMSTEC.

On similar lines, India is also attempting to improve air connectivity in the Northeast. Approvals were given in 2019 to set up a new green field airport at Holongi in Arunachal Pradesh's Itanagar. Greenfield airports are also being considered in Ciethu and Kohima in Nagaland, and Tura in Meghalaya. These projects will form part of the BIMSTEC connectivity master plan.

#### **4.1.5 Neighbourhood First through BIMSTEC**

In the past few years, Indian policymakers have begun to breathe new life into the Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation (BIMSTEC). From India's invitation to the BIMSTEC countries to the BRICS outreach summit in Goa 2016 to initiatives such as the annual BIMSTEC Disaster Management Exercise and the first-ever military exercise of BIMSTEC countries (hosted by India), Indian interest in the sub-regional group has been on the rise. Moreover, in a speech on the occasion of 20<sup>th</sup> anniversary of BIMSTEC in 2017, Prime Minister Narendra Modi declared, "for India, [BIMSTEC] is a natural platform to fulfill our key foreign policy priorities of Neighborhood First and Act East." Such a statement explicitly establishes the newfound importance of BIMSTEC in Indian foreign policy.

The sudden surge of Indian interest in this forum can be attributed to the push and pull factors in India's foreign policy: pushing and pulling India to revitalize BIMSTEC are its security compulsions vis-à-vis Pakistan and the economic opportunities for greater connectivity with South and Southeast Asian regions. In 2014, the leaders of all the South Asian Association for Regional Cooperation (SAARC) countries were invited to attend the swearing-in ceremony of Prime Minister Modi. However, since

the terrorist incidents in Uri and Pathankot in 2016, India lost its patience with its western neighbour. After the Uri attack, India, along with Bangladesh, Bhutan, and Afghanistan pulled out of the 19<sup>th</sup> SAARC Summit, which was to be hosted by Islamabad. At that time, the spokesperson of the Indian Ministry of External Affairs tweeted, “increasing cross-border terrorist attacks in the region and growing interference in the internal affairs of Member States by one country have created an environment that is not conducive to the successful holding of the 19<sup>th</sup> SAARC Summit in Islamabad in November 2016.”

This pivot away from SAARC after the Uri attack has coincided with a careful uptick in attention towards BIMSTEC. For instance, shortly after the Uri attack, India invited the member countries of BIMSTEC to the BRICS outreach summit 2016 in Goa. Since Pakistan is not a part of BIMSTEC, the timing of this invitation after the two attacks hinted at the diplomatic isolation of Pakistan from the South Asian region. The attempt to isolate Pakistan through increased attention on BIMSTEC has continued, but India has coupled this with substantive attempts to bring terrorism as a topic of importance to the regional and sub-regional stage. Most recently, at the fourth BIMSTEC Summit in August 2018 India managed to score a point against terrorism in the region, as the BIMSTEC member states decided to hold states accountable by identifying them as supporters of terrorism. According to the summit documents, the BIMSTEC countries will “affirm that the fight against terrorism should target not only terrorists, terror organizations and networks but also identify and hold accountable States and non-State entities that encourage, support or finance terrorism, provide sanctuaries to terrorists and terror groups and falsely extol their virtues.” This was one of the biggest takeaways for India from the fourth BIMSTEC summit, as India has long accused Pakistan of fomenting cross border terrorism on Indian soil. Taken together, these initiatives not only managed to isolate Pakistan in South Asia for the time being, but have also imparted new life into the BIMSTEC forum.

Pulling India towards BIMSTEC are the economic opportunities of regional integration between India and the countries to its east. In BIMSTEC, India sees a valuable conduit to facilitate the seamless movement of goods, people, and services

between and within South and Southeast Asia via projects in the vein of the India-Myanmar-Thailand Trilateral Highway, the Kaladan Multi-Modal Transit Transport Project (KMMTTP), and BIMSTEC Motor Vehicle Agreement (MVA). This emphasis could be seen at the inaugural session of the fourth BIMSTEC Summit in Kathmandu, when Prime Minister Modi highlighted the importance of economic, trade, transport, people-to-people, and digital connectivity. The Sittwe port in Myanmar is closer to India's northeast region than any other port on India's eastern coast. Thus, connecting South and Southeast Asia through BIMSTEC initiatives provides India's northeast region with an opportunity to reduce the significant cost of logistics incurred on exports and imports.

Furthermore, Pakistan's refusal to give Most Favored Nation (MFN) status to India, as well as the security reasons mentioned previously, caused the South Asia Free Trade Area (SAFTA) under SAARC to languish. On the other hand, India sees the untapped potential of BIMSTEC's possible trade linkages: New Delhi's total trade with the six BIMSTEC countries has grown at an annual growth rate of 10.4 percent. Despite this growth, BIMSTEC as a region only adds up to 3.7 percent of total world trade, and intra-BIMSTEC trade has grown at a meager rate of 0.62 percent annually. The absence of free trade agreements within the region explains the low levels of intra-regional trade, and a BIMSTEC Free Trade Area (FTA) is vital for better economic integration of this region.

These push and pull factors are the major determinants of India's renewed push for BIMSTEC. While the pull of economic factors has been constant since the rise of India as one of the central global economies, the recent events involving India's western neighbour has pushed India further towards the sub-regional organization. As a result, India's is seeing BIMSTEC as a better alternative SAARC.

As early as August 2014, for instance, India called off foreign secretary talks as the Pakistani High Commission in Delhi was meeting Kashmiri separatist leaders. Pakistan's continuing support to anti-India terror groups like Jaish-e-Mohammed (JeM) drew Delhi's ire, especially as the Pakistan-based group carried out several attacks on Indian soil, including the attacks on an Indian Air Force (IAF) Station at

Pathankot in January 2016 and an Indian Army camp at Uri in September 2016. This refusal on the part of Pakistan to “abandon the use of cross-border terrorism” against several SAARC members — including India, Afghanistan, and Bangladesh — as well as its obstruction of meaningful cooperation among SAARC members deepened India’s frustration with the regional grouping. Pakistan’s obstructive attitude at the SAARC summit at Kathmandu was also noticeable. It vetoed agreements on regional connectivity projects, which all the other SAARC countries were willing to sign. Pakistan’s intransigence stems from its insecurities over Indian goods flooding its markets. Such obstructionist conduct was not new in SAARC. In the past, SAARC members had signed the South Asian Free Trade Area (SAFTA) agreement in 2004. And although India extended Most-Favored Nation status to Pakistan as early as 1996 (Delhi withdrew this after the Pulwama attack), Islamabad never reciprocated. Consequently, although SAFTA came into effect in 2006, intraregional trade amongst SAARC countries continues to stand at a meagre 5 percent.

In 2016, SAARC suffered another setback. In the wake of the JeM attack at Uri, India and other SAARC members pulled out of the 19th Summit that Islamabad was to host. The grouping has remained in limbo ever since. Given the deep conflicts within SAARC, mutual suspicion, and the need for consensus for decision making within the organization, SAARC has few concrete achievements to speak of in the 30 years of its existence. With SAARC proving to be a “dysfunctional” grouping, India began to look for other “multilateral regional/subregional organizations that are devoid of Pakistan,”.

While some analysts have interpreted India’s intensified engagement of BIMSTEC as aimed at only isolating Pakistan, this would be a rather shallow reading of India’s foreign policy. From India’s perspective BIMSTEC is not just about isolating Pakistan. It is much more. It should be seen in the context of India’s heightened interest and commitment to its “Act East” policy. Without a strong outreach to BIMSTEC member states, India’s attempts at achieving its Act East policy goals will lack momentum. Likewise, BIMSTEC will boost Thailand’s Look West policy. Smaller members too stand to benefit from the opening up of markets in India and Thailand.

There are strategic motivations as well behind India's growing interest in BIMSTEC. China's influence and presence in India's neighborhood has grown enormously on account of Belt and Road Initiative (BRI). Debt burdens have forced India's neighbors to hand over assets to China. Unable to pay back its huge debt owed to China, Sri Lanka handed over the strategic Hambantota deep-sea port to the Chinese. Understandably this has worried India. Will such debt traps culminate in Bay of Bengal and Indian Ocean littorals handing over their port infrastructure for China's military use? Would China's likely development of Kyaukpyu port in Myanmar result in Chinese naval vessels docking here? This would mean a larger Chinese military presence in the Bay of Bengal and the Indian Ocean. It would have serious implications for India's security. India will be hoping that its economic engagement with Bay of Bengal littoral states will restrict Chinese influence in these countries.

#### **4.1.6 Challenges Ahead**

BIMSTEC is not without its share of problems. The underlying factors that have traditionally framed India's difficulties in getting its neighborhood policy right remain as potent as ever. India's structural dominance of South Asia makes it a natural target of resentment and suspicion, which New Delhi has found difficult to overcome. India is also part of the domestic politics of most regional states where anti-India sentiment is often used to bolster the nationalist credentials of various political formations. State identity in South Asia often gets linked to oppositional politics vis-a-vis India. South Asian states remain politically fragile and the economic project in the region has failed to take off as result. This means that India's room to maneuver in the region is severely limited. Revitalizing BIMSTEC should, therefore, be a key priority of New Delhi.

India needs to allocate more resources to its BIMSTEC budget and should take an informal leadership role to provide BIMSTEC with momentum. Importantly, SAARC's underperformance cannot be blamed only on Pakistan. There still remains a deep suspicion that India's neighbours have been "ganging up" against it, and its image of being a bullying big brother to them has eroded South Asian countries' confidence in India. India should leverage BIMSTEC to help change this perception

of its neighbours in South Asia and Southeast Asia. India has now got one more forum to cooperate with its neighbours. India is judged by the world often through the prism of the perception of its neighbour. BIMSTEC accelerates the pace of economic and social development, promotes material and collective self-reliance and furthers the cause of peace, progress and stability in the region and the world.

BIMSTEC has provided India with the opportune moment to build its base in the Southeast outside of its engagements with the ASEAN. For the grouping, India is the informal leader since much depends on the country's willingness to energise it. This is also India's opportunity to reconnect with its neighbours and revamp its image of being the 'big brother' in the region. Much of India's image in its neighbourhood and extended neighbourhood has suffered from instrumental creditability issues and hegemonic actions. The capacity of BIMSTEC also gives India the possibility to strengthen relations with the ASEAN and the vice versa is also equally true.

The BIMSTEC region is currently under strain, with two countries, Myanmar and Thailand, engulfed in political turmoil. The Myanmar coup in February 2021 has hit the country's economy and impacted the region at large, and has put many projects crucial to the development of India's Northeast region at risk. A significant part of India's Kaladan multimodal project, for example, passes through Myanmar's politically unstable Rakhine state. The coup has also impacted several infrastructure projects. Myanmar's economy is under strain as nationwide protests continue, banks and other financial institutions remain shut, international investments have been withdrawn as a form of protest against the military government, and foreign aid from countries like Japan have been halted. The Indian government also plans to construct a road from Zokhawthar in Mizoram to Tedim in Myanmar's Chin State to serve as an additional point of crossing from India to the trilateral highway in Myanmar. But the coup has halted these plans, with numerous reports of violence and deaths in the western Chin State. The violence is unlikely to abate soon as civilian protests persist, insurgency groups rise, and the Myanmar army maintains its stance.

The Northeast and wider BIMSTEC region also face issues like illegal migration, and drug and human trafficking. Drug production and trafficking are rampant in the

Golden Triangle region. An urgent need is capacity building in terms of skill development, skill enhancement, and improving staff knowledge and competencies. The involvement of local stakeholders is essential to this process and will result in the inclusive development of the region, thereby creating job opportunities and economic growth. Moreover, to strengthen internal connectivity in the Northeast, locals must be made aware of the benefits of greater economic engagement with the larger BIMSTEC and Southeast Asia regions.

The personal engagement of the political leadership of BIMSTEC members also needs to be stepped up. The decision taken in Colombo to host a summit every two years is welcome if implemented. But in the medium term, an annual summit should be the goal, with an informal retreat built into its programme. The Bangladesh-Myanmar row over the Rohingya crisis, India-Nepal border issue, and India-Sri Lanka rift over fishing and detention of fishermen have also fed to the latency in the organisation. The enhancing bilateral relations between the nations have also diluted their interest in contributing significantly to the organisation. Over the years, nations have directed their energy towards ensuring the success of bilateral or multilateral initiatives (India-Myanmar-Thailand Highway Project, the Kaladan River project, and the Bhutan Bangladesh India Nepal initiative), and this has denied the grouping of concrete participation from the member nations.

The current Sri Lankan economic crisis and the insurgent groups in Myanmar have long-term impact on the considerations of the grouping and could restrain the actualisation of its initiatives. For India, the militant activities in the Northeast pose a threat to the success of its initiatives. The member countries' participation is also bound by their relations with China. Only Bhutan and India aren't part of any Belt and Road Initiative (BRI) infrastructure projects. With the Russia-Ukraine crisis, China is bound to turn its attention to its BRI project in Asia. This puts India in a position to deal with renewed and solid attention from China to its neighbouring countries. In terms of its functioning, a key challenge is securing requisite financing for undertaking the above-mentioned measures.

#### **4.1.7 Let Us Sum Up**

India has identified great potential in BIMSTEC to promote its own foreign policy objectives especially that of its Act East Policy and Neighbourhood First Policy. However, India's structural and geographical dominance of South Asia makes it a natural target of resentment and suspicion amongst its neighbouring countries. Coupled with this is the fact that China is in a direct geopolitical rivalry with India as it promotes its own Belt and Road Initiative. Finally, internal political and economic stability of several BIMSTEC member countries contribute as major impediments in India assuming a greater leadership and partnership role in BIMSTEC.

#### **4.1.8 Exercise**

1. Discuss how has BIMSTEC evolved from a regional grouping to a regional organisation
2. India has contributed immensely to BIMSTEC as a Lead country in the Security Sector. Illustrate
3. Examine how India's Northeast region plays an important role in India's engagements with BIMSTEC.
4. Critically examine India's move to promote regional cooperation through BIMSTEC rather than SAARC.
5. Discuss some of the challenges faced by India in strengthening its relationship with BIMSTEC



**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
UNIT – IV INDIA AND NEAR ABROAD**

## **4.2 INDIA'S MARITIME SECURITY AND NAVAL DIPLOMACY**

**- Suneel Kumar**

Structure

### **1.2.0 Objectives**

### **1.2.1 Introduction**

### **1.2.2 India and the Indian Ocean**

### **1.2.3 India's Maritime Security**

4.2.3.1 Traditional Sources of Threat

4.2.3.2 Non-Traditional Sources of Threat

### **1.2.4 India's Strategies for Maritime Security**

### **1.2.5 India's Naval Diplomacy**

4.2.5.1 Latest Developments

### **1.2.6 Let Us Sum Up**

### **1.2.7 Exercise**

#### **4.2.0 Objectives**

The present lesson analyses the importance of Indian Ocean to India's strategic interests and how India's naval diplomacy is oriented to ensure maritime security. After going through this lesson, you will be able to know:

- Geo-politics of the Indian Ocean;
- India's maritime boundaries in the Indian Ocean and its importance for India;
- Identification of traditional and non-traditional sources of threat to the India's maritime security;
- India's strategies for maritime security.

#### **4.2.1 Introduction**

The Indian Ocean, as Harsh V. Pant writes, has long been “the hub of great power rivalry” and the struggle for its domination has been “a perennial feature of global politics”. Geo-political, economic and strategic factors are responsible for the rivalry and competition among various powers in the Indian Ocean. The Indian Ocean is the third largest of the world's oceanic divisions. It covers at least one fifth (20 percent) of the world's total ocean area. It is bounded by Africa and the Arabian Peninsula, India's coastal waters, and the Bay of Bengal near Myanmar and Indonesia. It provides major sea routes connecting the Middle East, Africa, and South Asia with the broader Asian continent to the east and Europe to the west. It carries a particularly heavy traffic of petroleum and petroleum products from the oil fields of the Persian Gulf and Indonesia. It is estimated that 32.2 million barrels of crude oil and petroleum are transported daily from this sea route. More than 50 per cent of the world's maritime oil trade occurs through this route. Most important strategic chokepoints of the globe – the Suez Canal, Bab-el Mandeb, the Strait of Hormuz and the Strait of Malacca – found in the Indian Ocean Region (IOR). It is rich with energy reserves. Large reserves of hydrocarbons are being tapped in the offshore areas of India, Iran, Saudi Arabia and Western Australia. At least, 40 percent of the world's offshore petroleum is produced in the Indian Ocean. Beach sands rich in heavy minerals deposits and fisheries

are actively exploited by bordering countries – India, Pakistan, South Africa, Indonesia, Sri Lanka and Thailand – for both exports and domestic consumption.

Due to its crucial geographical role in the economy and security, major powers have long competed with each other to control it. In the 19<sup>th</sup> century, Great Britain was able to enjoy an overwhelming dominance in the region. However, with the decline of Britain's relative power and the emergence of two superpowers during the Cold War, the Indian Ocean region became another arena where the US and the former Soviet Union competed to expand their power and influence. In the post-Cold War period, as Putten, Wetzling and Kamerling observe, various regional and extra-regional powers including the EU and its member states, China, India, the United States, Japan and Australia are steadily increasing their naval presence and their military capabilities in the Indian Ocean and in various strategic positions along its rim. Smaller naval powers such as Pakistan, Malaysia, Singapore and South Korea are also expanding their activities in the region. As a result of this, as Vijay Sakhujia observes, the Indian Ocean region has emerged as an arena of cooperation and competition among the various regional and extra-regional powers. Among the Indian Ocean littorals, with over 140 vessels, the Indian Navy is the most powerful and its order of battle includes aircraft carriers, submarines, expeditionary platforms, long range maritime surveillance aircraft and these are supported by a sophisticated network centric capability including a dedicated military satellite. Australia is an also important Indian Ocean power. It is building its combat capabilities to include new submarines, air defence destroyers, fighter jets, and long range maritime patrol aircraft. Iran is an acknowledged regional military power in the Arabian Gulf. It has made forays deep into the Indian Ocean. Similarly, the Pakistan navy has an impressive array of air, surface and sub-surface capabilities and, therefore, has emerged into a powerful force.

Among the extra-regional powers, the United States is the predominant military power in the Indian Ocean region and has several port access and basing agreements with Australia, Bahrain, India, Iraq, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Singapore, Thailand, United Arab Emirates (UAE), Yemen etc. The US Navy has been the primary component of projecting US military power in the Indian Ocean.

The British Royal Navy is forward deployed in the Indian Ocean in support of the US led operations and on account of the 1971 Five Powers Defence Arrangement (FPDA). French navy is forward deployed at Mayotte, Le Reunion, Djibouti and Abu Dhabi. The European Union is a new entrant in the Indian Ocean security dynamics. The Operation Atlanta in the Gulf of Aden off Somalia to counter piracy was its first naval operation in the Indian Ocean Region. Among the Asian powers, China's engagement in the Indian Ocean is through its naval task force (CTF-525). Since 2008, it has deployed 25 warships in 10 groups. Japan is another major Asian power which has forward deployed its maritime and air forces in the Indian Ocean that operate out of its military facilities in Djibouti. Russia is also interested in the security dynamics of the Indian Ocean. Its navy's show of 'flag' and 'presence' in the Indian Ocean reveals its ambition to engage in distant water operations. Similarly, the NATO has keenly observed the security dynamics in the Indian Ocean.

Although the Indian Ocean strategic milieu offers immense opportunities for maritime cooperation, the naval build-up by regional countries and the forward presence by extra-regional powers showcase competitive dynamics. The US is the strategic anchor of the region. Its presence is perceived both as coercive and also as a security provider. Interestingly, some regional countries have created legitimate space for the US naval presence in the Indian Ocean to correct security imbalances, challenge the hegemony of the dominant power and ensure regional stability. The US Navy conducts joint naval exercises and shares intelligence which assures the alliance partners of its political and diplomatic commitments. However, for some, the US is perceived as hegemonic reminiscent of the colonial period and adds to insecurity. The absence of a comprehensive multilateral agreement on maritime security in the Indian Ocean makes this force projection dynamic highly problematic. It bears the trademarks of a classical security dilemma. Many actors harbour suspicions about the others' ulterior motives and quietly mobilize for rougher times. Moreover, many countries in this region are politically unstable. This has given rise to non-conventional security challenges in the Indian Ocean such as maritime piracy, armed robbery, human smuggling/trafficking, drug trafficking, weapons smuggling and maritime terrorism. The precarious security situation along the Horn of Africa is particularly noteworthy in this regard. Violent

insurgencies are commonplace and threaten the political stability of the entire region. Sources of insecurity for ordinary citizens are so profound that some people have turned to the adjacent high seas to secure an illicit income through piracy and armed robbery. Various maritime powers such as India, China, the United States, Japan, Australia, EU and its member states are working to contain the risk of piracy and armed robbery at sea. Nevertheless, threats have not been snuff out along with other non-conventional security threats such as maritime terrorism and the trafficking and smuggling of goods and people. Thus, in this background, the present lesson deals with issues of India's maritime security including threats and strategies to counter such threats. This also explains the different components of India's naval diplomacy.

#### **4.2.2 India and the Indian Ocean**

The Indian Ocean has been named after India. In the ancient Sanskrit literature, it had been termed as "*Ratnakara*" ("the mine of gems"). In Hindi, it is known as Hind Mahansagar. It has huge geo-political, economic, security and strategic significance for India. India has a vast coastline extending to more than 7,500 kilometres, with more than 1,200 islands, and a large Exclusive Economic Zone (EEZ). As per the United Nations Convention on the Law of Sea (UNCLOS) (1982), India's oceanic territories includes territorial waters(150,000 square kilometres), Exclusive Economic Zone (EEZ) (2,014,900 square kilometres), Continental Shelf (1,500,000 square kilometres) and Zone allotted in the mid-Indian Ocean by International Seabed Authority (150,000 square kilometres). India has the twelfth largest EEZ of the world. It includes 61 per cent of its land territory. India has maritime boundaries with five opposite states – Sri Lanka, Maldives, Myanmar, Indonesia and Thailand – and two adjacent states; Pakistan and Bangladesh. In other words, it shares maritime boundaries with seven countries and has settled the boundaries with all, except Pakistan, in accordance with international laws and norms. India has duly promulgated its baselines and submitted its claim for extension of the continental shelf, in accordance with the UNCLOS in May 2009. The Indian Ocean is distinguished by a land rim on three sides. Maritime access to the region is possible only through certain 'choke points' leading to and from the Arabian Sea and the Bay of Bengal, and from the southern

Indian Ocean. India edges the first two regions and has a central position overseeing the third. Its peninsular feature provides a natural reach across wide sea spaces in all directions, extended by the islands in the Andaman & Nicobar. Its central position in the IOR, astride the main International Shipping Lanes (ISLs), accords distinct advantages. It places the outer fringes of the Indian Ocean Region (IOR). Most of the choke points are almost equidistant from India. This facilitates reach, sustenance and mobility of its maritime forces across the region. Therefore, strategically India's maritime geographical location in the Indian Ocean provide it an edge to influence the maritime space of the Indian Ocean, and also promote and safeguard its national maritime interests, across the IOR. At the same time, India's vast coastline and maritime zones require significant resources and investments to ensure their security. India's relations with most maritime neighbours have been friendly.

India's maritime economy swathes a range of economic activities in the maritime domain, including for ports, coastal infrastructure, shipping, fishing, seaborne trade, offshore energy assets, undersea pipelines and cables, and seabed resources. India is highly dependent on the seas for its energy security. At present, approximately 80 per cent of its crude oil requirement is imported by sea, using the ISLs across the Indian Ocean. Besides this, 11 per cent of India's national crude oil requirement is met from offshore energy sources within the Indian EEZ. Offshore gas fields contribute to 80 per cent of its domestic natural gas production. In addition, India has built up substantial refining capacity and exports refined petroleum products to many countries by sea. The products of the petroleum industry account for about 15 per cent of India's GDP. India's cumulative 'sea dependence' for oil is about 93 per cent. It has sovereign rights for exploitation of living and non-living resources in its EEZ.

India's merchandise trade is 42 per cent of its GDP. Besides, 90 per cent of its international trade by volume and over 70 per cent by value is carried over the seas. Growth of India's seaborne trade is relatively higher and faster than the growth of its shipping industry. There is also a significant presence of Indian nationals in the international seafaring community. They are operating on both Indian and foreign ships, with approximately 6.6 per cent of the world's merchant mariners being Indian. The

overall safety and security of Indian seaborne trade and seafarers, on both Indian and foreign ships, require that international shipping and sea routes remain safe, secure and free for navigation and legitimate uses. India has 12 major and 200 non-major ports which provide the trade hubs where sea and land trade routes meet and the cargo moves from one medium into the other. These are both the destination and the source of the maritime leg of global supply chains. India is the second largest producer of fish in the world. It produces 5.68 per cent of the world's fish production. India's fisheries sector contributes about one percent of the national GDP.

India is increasing dependent on sea routes for import and export of essential cargo, including crude and refined energy products, trade and other commodities, and for support to Indian interests overseas. India's interests and linkages have also expanded over the years, from the Arabian Sea and the Bay of Bengal to the IOR and across the Indo-Pacific Region, and now also into the Atlantic Ocean. Thus, importance of sea routes through the Arabian Sea, Bay of Bengal, South-East and South-West Indian Ocean, and the Indo-Pacific region has also grown for India. The Indian Ocean is a potential source of various rare earth metals which are important for Indian industries. India has made significant strides towards harnessing deep sea resources. The International Seabed Authority (ISA) has allocated 75,000 sq. km of the seabed in the Central Indian Ocean Basin (CIOB) to India. Thus, the maritime geography and economy of India establishes the following national maritime interests of India:-

- Protection of India's sovereignty and territorial integrity against threats in the maritime environment;
- Promotion of safety and security of Indian citizens, shipping, fishing, trade, energy supply, assets and resources in the maritime domain;
- Maintenance of peace, stability and security in its maritime zones, maritime neighbourhood and extended neighbourhood.

Thus, the sea routes, international shipping and freedom of navigation are important for India's national interests in IOR. Understanding the significance of the Indian Ocean for India, eminent scholar, K.M. Pannikar had called for the Indian

Ocean to remain “truly Indian.” Pannikar had opined that the Indian Ocean could only be one of the important oceanic areas to other countries. But, it is a vital sea to India because its lifelines are concentrated in that area, its freedom is dependent on the freedom of that coastal surface. Pannikar was “strongly in favour of Indian dominance of the Indian Ocean region” much in the same mould as several British and Indian strategists viewed India’s predominance of the Indian Ocean “as virtually inevitable”.

### **4.2.3 India’s Maritime Security**

There are several – traditional and non-traditional – threats to India’s national maritime interests and security. The Indian Navy had released its maritime strategy, titled “Ensuring Secure Seas: Indian Maritime Security Strategy” on October 26, 2015. This was a revised and updated version of its previously outlined strategy “Freedom to Use the Seas: India’s Maritime Military Strategy,” of 2007. In this strategy document, the Indian Navy has listed both traditional and non-traditional source of threats to India’s maritime security. These are discussed in the following sections.

#### **4.2.3.1 Traditional Sources of Threat**

States are the traditional source of threat to India’s maritime security. It has been observed that some states with organised military capability and resources harbour adversarial postures and inimical intents towards India. This poses a higher level of threat to India’s maritime security and interests. China and Pakistan have a history of aggression against India. India has border disputes with both countries. There is an increasing maritime rivalry between India and China. Tensions between these two Asian powers have existed since the exile of the Dalai Lama to India in 1959 and the Sino-Indian border war of 1962. Moreover, China is a close security partner of Pakistan, which traditionally has a troubled relationship with India. China has emerged as the biggest military spender in the Asia-Pacific. It has the fourth-largest defence expenditure in the world. The Chinese navy, as Harsh V. Pant argues, is aimed at a gradual extension of the strategic depth for offshore defensive operations. It is enhancing its capabilities in integrated maritime operations and nuclear counter-attacks. Chinese



navy is considered the third-largest in the world after the US and Russia. It is considered superior to the Indian navy in both qualitative and quantitative terms. Since its economic rise, Chinese interests have only expanded but also acquired a maritime orientation to project its power in the Indian Ocean. China is investing huge resources in the modernization of its armed forces in general and navy in particular. China is acquiring naval bases along the crucial choke points in the Indian Ocean to serve its economic interests and enhance the strategic presence in the region. As Harsh V. Pant observes, China is consolidating its position over the South China Sea and the Indian Ocean with an eye on India as it does not “...accept the Indian Ocean as only an ocean of the Indians.” China has deployed its Jin class submarines at a submarine base near Sanya in the southern tip of Hainan Island in South China Sea. This raises alarm in India as the base is merely 1200 nautical miles from the Malacca Strait. The concentration of strategic naval forces at Sanya further propels China towards a consolidation of its control over the surrounding Indian Ocean region. The presence of access tunnels on the mouth of the deep water base is troubling for India. It allows China to prohibit shipping at the three crucial chokepoints in the Indian Ocean.

Thus, China’s increasing naval presence in and around the Indian Ocean region is troubling the India’s maritime interests in the region. Its “string of pearls” strategy has expanded its strategic depth in India’s areas of maritime interests. The bases and diplomatic ties of this Chinese strategy include the Gwadar port in Pakistan, naval bases in Burma, electronic intelligence gathering facilities on islands in the Bay of Bengal, funding construction of a canal across the Kra Isthmus in Thailand, a military agreement with Cambodia and building up of forces in the South China Sea. China is upgrading infrastructure in the Coco Islands of Myanmar. China is also courting other states in South Asia by building container ports in Bangladesh at Chittagong and in Sri Lanka at Hambantota along with helping to build a naval base at Marao in the Maldives. China has also signed an agreement with Sri Lanka to finance the development of the Hambantota Development Zone that includes a container port, a bunker system and an oil refinery. China has built a submarine base at Marao Island in the Maldives which has the potential to challenge the US navy in Diego Garcia. According to China, it has been constructed these ports and facilities around India’s periphery for its

economic and commercial interests only. However, India considers it as “a policy of containment by other means”. China’s presence in the Bay of Bengal via roads and ports in Burma and in the Arabian Sea via the Chinese-built port of Gwadar in Pakistan is a cause of concern for India. With access to crucial port facilities in Egypt, Iran and Pakistan, China is well poised to secure its interests in the region. China’s involvement in the construction of Gwadar port has attracted a lot of attention due to its strategic location. It is located about 70 kilometres from the Iranian border and 400 kilometres east of the Strait of Hormuz, which is major oil supply route.

India has also hostile relations with Pakistan. But since Pakistan’s naval capabilities are not a challenge to India. However, the nexus of Chinese and Pakistani naval forces can be formidable threat to India. Despite a significant improvement in Sino-Indian ties since the late 1990s, the relationship remains competitive in nature and using its rising economic and military profile, China has been successful in containing India within the confines of South Asia by building close ties with India’s key neighbours, especially with Pakistan. Thus, the Indian Ocean has become an additional area of rivalry between India and China. India is concerned about the possibility of an increased Chinese naval presence in the future at sea and in places such as the Seychelles, which are can be a potential location for a Chinese naval supply facility. From these facts, it can be observed that the existing geo-strategic environment of the Indian Ocean particularly in the context of China is an obvious source of threat to India’s maritime security.

#### **4.2.3.2 Non-Traditional Sources of Threat**

Various non-state actors have emerged as a new source of threat to India’s maritime security. These are known as non-traditional sources of threats. It has been observed that non-traditional sources receive cooperation, support and sponsorship from traditional entities. The Indian Navy, in its document of 2015, has listed seven non-traditional sources of threat to India’s maritime security which are given as under:-

- 1. Sea-Based/Maritime Terrorism:** Terrorism has had a major impact on India’s maritime security. This threat has increased in the last few years from

land to sea, and from sea further onto land, aimed at multiple targets located off or near the coast. The targets may include conventional military and soft non-military assets including commercial and population centres, industrial centres, ports, ships, tourist centres, iconic structures, and strategic infrastructure like offshore oil production installations and nuclear power plants. Maritime terrorism has evolved from indirect to direct actions from and at sea. India has faced terrorism from the sea in both these ways. In 1993, the seas were used to smuggle explosives for subsequently conducting terrorist attacks in Mumbai. In 2008, terrorists used the sea to carry out direct attacks on landing ashore in Mumbai. Maritime terrorist have conducted attacks against ships at sea. There were also attempted hijackings of naval ships in India's neighbourhood in 2014.

2. **Maritime Piracy and Armed Robbery:** Piracy and armed robbery at sea are the oldest maritime security threats. These target maritime trade, affects the economies of countries, put the lives of people working onboard ships at risk, threaten freedom to use the seas for livelihood and economic growth and affect the maritime interests of a large number of countries. In the 21<sup>st</sup> century, incidents of sea piracy have increased in areas of India's maritime interest especially in the Gulf of Aden and the Somali basin. From these points piracy had spread across the Arabian Sea and to within 500 nautical miles of the Indian mainland by 2011. The Indian Navy and Coast Guard have pushed piracy away from India's maritime zones. The Indian Navy has also maintained a ship on patrol in the Gulf of Aden since October 2008, safely escorting more than 3,000 merchant ships and nearly 25,000 Indian seafarers, besides other nationalities. Since 2012, due to the cooperation of international navies, adoption of 'Best Management Practices' (BMP) by transiting merchant vessels, and stabilizing actions ashore in Somalia, have reduced the incidents of Somalia piracy. Nevertheless, since the root causes ashore have not been addressed, the danger of resurgence remains exists with potential for instability in the littoral. Incidents of Armed robbery at sea have also increased in the Gulf of Guinea and off the West coast of Africa. There has also been periodic

resurgence of piracy and armed robbery in the Malacca Strait. Hence, these are source of threat to the regional maritime forces and law enforcement agencies.

- 3. Unregulated Activities at Sea:** Unregulated activities at sea are a historical and continuing fact. These cover both legitimate and inimical activities. A large part of the maritime domain is comprised of the high/open seas. High seas have been declared as global commons and thus these are outside the jurisdiction of any single state or authority. This status of high seas has reduced scope for the monitoring and regulation of activities at sea. This leads an inherent risk of unregulated activities at sea, especially by non-state actors. Such activities could turn against good order at sea and the security interests of others, including maritime communities and countries of the Indian Ocean. Due to connectivity of the seas, these activities can also transgress into another country's maritime zones and threaten the security and economy of the coastal state.
- 4. Transnational Organized Crime (TOC) (Trafficking/ Smuggling):** Transnational Organized Crime is also threat to India's maritime security. India has the 'Golden Crescent' to its West and 'Golden Triangle' to its East. The use of unregulated movements at sea for seaborne drug trafficking and weapons smuggling are a constant threat to India. Traffickers/smugglers use sea routes for the transportation of consignments. The sea route has been in use for human trafficking/smuggling in India, its close maritime neighbours in South Asia and extended maritime neighbourhood in South East Asia. There is a threat of nuclear material being smuggled in/ from India's maritime neighbourhood.
- 5. Illegal, Unreported and Unregulated Fishing (IUU):** Illegal, Unreported and Unregulated Fishing a global problem. It does not respect the existing international and national laws on conservation and management of living marine resources. This can be a threat to ocean ecosystems and sustainable fishing. It carries the risk of damaging or destroying living resources, marine

environment and bio-diversity. It is detrimental to the marine ecosystem and livelihood of the coastal populace. This may lead to shortages and tensions, and to further activities that increase insecurity. The advent of piracy off Somalia has been linked to the fall in fish stocks and, hence, sustenance of traditional fishermen, due to substantial IUU by mechanized foreign vessels. This also affects India. It has its impacts on the food and economic security and also the livelihood of the Indian fishing community. In the Palk Bay, tensions between fishermen of India and Sri Lanka have been due to differently perceived fishing rights and use of different fishing methods. Transgression by fishermen between neighbouring maritime zones, like between India and Pakistan, also renders the fishermen liable to the other state's jurisdiction and actions by its maritime and law enforcement agencies, which can aggravate sensitivities and heighten insecurities. Poaching in the Andaman & Nicobar Islands and the Andaman Sea is also a matter of grave concern for India and other littoral states.

6. **Private Armed Security:** Piracy off the coast of Somalia has resulted in the proliferation of private armed guards for protection of merchant vessels transiting the piracy High Risk Area (HRA). A large number of Privately Contracted Armed Security Personnel (PCASP) are being employed by Private Maritime Security Companies (PMSC). These are often operating from 'floating armouries' in the Arabian Sea. Deployment of private armed security onboard ships is useful to counter the sea piracy. But its functioning can also lead to insecurity and threats especially in case of non-availability of international regulations or non-adherence to governing standards. There is a possibility of terrorists embarking merchant ships under the guise of PCASP and, thereby, reaching within striking distance of a coastal city or offshore assets. Thus, India's Ministry of Shipping and the International Maritime Organisation (IMO) have issued guidelines on the employment of PCASP.
7. **Climate Change and Natural Disasters:** Climate change has manifested in alterations of seasonal temperatures and weather patterns the world over, with increased incidence of natural disasters. Changing rainfall pattern and

melting snow are altering hydrological systems. This is affecting the life pattern of terrestrial, fresh water and marine species. Thus, climate change has started impacting human and maritime security. These include impact on oceanic living resources due to changes in the levels of salinity and acidity, possible inundation of low-lying coastal areas, and the loss of national territory, which force migration. The trend of natural disasters may also get exacerbated with climate change. This can increase demand on capability for HADR, Search and Rescue (SAR), and aid to civil authorities. At present all these roles are being carried out by the Indian Navy and Coast Guard.

Considering the above mentioned maritime security threats, the aim of India's maritime security is to safeguard national maritime interests at all times. Its main objectives are to deter conflict and coercion against India; to conduct maritime military operations in a manner that enables early termination of conflict on terms favourable to India; to shape a favourable and positive maritime environment, for enhancing net security in India's areas of maritime interest; to protect Indian coastal and offshore assets against attacks and threats emanating from or at sea, and to develop requisite maritime force levels and maintain the capability for meeting India's maritime security requirements.

#### **4.2.4 India's Strategies for Maritime Security**

The document, "Ensuring Secure Seas: Indian Maritime Security Strategy" (2015), provides a detail description of the five strategies that India has developed to ensure its maritime security. These strategies are discussed as below:-

- 1. Strategy for Deterrence:** This is the foundational strategy for India's maritime security. Prevention of conflict and coercion against India in the maritime domain is the main purpose of India's naval forces. The Indian Navy contributes to national deterrence at nuclear and conventional levels, by strengthening the credibility of its military capability, readiness posture and communication of intent. This strategy depends on development of appropriate force structures and capabilities, conduct of threat assessment and contingency

planning, maintenance of strategic situational awareness and MDA, maintenance of preparedness and presence, and effective strategic communication. The strategy for deterrence is supported and strengthened by the other strategies and, in turn, reinforce them.

2. **Strategy for Conflict:** This strategy is meant for a conflict situation and thus, explains the broader method and framework of employment of India's maritime forces at the time of conflict. The strategy is based on the principles of war, with application of force and focus on strategic effect as additional operational principles. It employs MDA, networked operations, preparedness, jointness and coordination, and operational tempo, as the main operational enablers. Operational actions of this strategy are maritime manoeuvre, maritime strike, sea control, sea denial, sea lines of communication (SLOC) interdiction, SLOC protection, coastal and offshore defence, information warfare, and escalation management. These are undertaken as per the operational plan and situation by the Indian Navy in coordination with the other armed forces and national agencies.
3. **Strategy for Creating a Favourable Maritime Environment:** This strategy describes the methods of the Indian Navy to be used to create a favourable and positive maritime environment. The strategy encompasses a wide range of activities of the Indian Navy in peace time. The aim of these activities is to promote security and stability at sea, and enhance cooperation, mutual understanding and interoperability with maritime forces of friendly nations. These include naval deployments for exercising presence in the India's areas of interest, engagement with maritime forces of friendly nations in a number of ways and at multiple levels, maritime capacity building and capability enhancement through cooperation in training, technical areas and hydrography, cooperative efforts for development of regional MDA, and conduct of maritime security operations independently as well as in coordination with other maritime forces in the region.

4. **Strategy for Coastal and Offshore Security:** This strategy describes the techniques to develop and strengthen a cooperative framework and coordinative mechanisms for coastal and offshore security against sub-conventional armed attack and infiltration from the sea. Broadly, it articulates the coastal and offshore security framework, measures for development of coastal MDA and coastal community participation, mechanisms for coordinating interagency presence, patrol and operational response, cooperative capability development, and focus areas for supporting maritime governance.
5. **Strategy for Maritime Force and Capability Development:** This strategy describes the ways to develop and maintain a combat ready, technology driven, network enabled navy, capable of meeting India's maritime security needs into the future. The capability development covers conceptual, human resource and force level aspects. The major thrust areas for force development have been defined, with focus on indigenization, MDA, Network Centric Operations (NCO), force projection and protection, maintenance and logistics, and new technologies.

Since the Indian Navy is responsible to ensure India's maritime security, in the implementing of these strategies, it operates in concert with the Indian Coast Guard, other armed forces, and the various national and state agencies that have a role and responsibility for distinct elements of maritime security.

#### 4.2.5 India's Naval Diplomacy

Naval diplomacy involves the use of naval forces in support of foreign policy objectives. The purposes of the naval diplomacy of a country include:-

- Building 'bridges of friendship' and strengthen international cooperation; and
- Signalling capability and intent to deter potential adversaries on the other.

The naval diplomacy shapes a favourable and positive the maritime environment for the promotion of national interests. Thus, it is a comprehensive instrument of a country's national power to pursue national interests.



Naval diplomacy has emerged as a principal means to create a broader maritime environment to counter the traditional and non-traditional threats to India's maritime security. India is interacting with maritime forces of different countries to mitigate traditional concerns and address non-traditional threats to its maritime security. Naval diplomacy is also enhancing India's understanding, cooperation, and interoperability with the naval forces of other regional and extra-regional countries. As per its document of October 26, 2015, the Indian Navy is pursuing following multiple diplomatic ways to achieve the national objectives:-

- 1. Port Visits:** As a part of its diplomacy, ships of the Indian Navy and Coast Guard are regularly visiting the ports of other countries in the areas of its maritime interests. Primary objective of the port visits is to promote goodwill and professional interactions with the other friendly maritime powers. India also welcomes the visits of warships of friendly countries to its ports. Port visits are a part of overseas deployment (OSD) or operational turn round (OTR). These are made for some special occasions including national days, commemoration of historical events, and International Fleet Reviews (IFRs).
- 2. Personnel Exchanges:** The Indian Navy also accepts attachments and exchanges of personnel with other regional and extra-regional maritime powers, for training interaction, gaining operational experience, sharing and developing skill sets, building interoperability and strengthening maritime diplomacy. Reciprocal positioning of naval personnel in diplomatic billets, training and technical support teams, and onboard ships of each other's' is done also on different occasions for short durations at sea.
- 3. Staff Talks and Interactions:** Staff talks provide the mechanism for naval staff of friendly navies to deliberate on various issues of mutual interest. The Indian Navy conducts bilateral staff talks with around 20 foreign maritime powers on annual and biennial basis. These enable structured growth of ideas and interactions, including plans for further maritime engagements and cooperation. Thus, the Indian Navy gives high importance to the mechanism of staff talks with the navies of friendly countries.

4. **Exercises with Foreign Naval Powers:** The Indian Navy conducts regularly bilateral and multilateral exercises with various foreign naval powers. These exercises are used to project Indian capabilities, hone operational skills, imbibe best practices and procedures, and enable doctrinal learning. Exercises also provide a benign means for benchmarking India's capabilities against international standards, and develop mutual friendship and respect. There are three participative formats – passage, occasional and institutionalized – of India's maritime exercises with foreign naval powers. These formats are explained as under:-

- **Passage Exercises (PASSEX):** The Indian Navy seeks to maximize the opportunity of port visits and passages to conduct exercises with the navies of friendly countries. Such exercises are conducted when ships of either navy pass near the other's coast. The duration and complexity of PASSEX is determined as per the operational considerations and degree of interoperability attained between the two navies.
- **Occasional Exercises:** The Indian Navy participates in certain occasional exercises. It also occasionally participates in other periodic exercises. These include Humanitarian Assistance and Disaster Relief (HADR) Exercises, maritime security exercises on the sidelines of OSDs and IFRs, and the multinational maritime warfare Rim-of-the-Pacific (RIMPAC) Exercise.
- **Institutionalized Exercises.** The main thrust of India's naval exercises with the navies of other countries is on bilateral and multilateral institutionalized. These exercises are conducted on regular basis in India's areas of maritime interest with a selective group of navies, with whom India has strong and friendly maritime relations. The scope and content of these exercises are progressively enhanced, to keep pace with both traditional and non-traditional maritime challenges.

5. **Maritime Assistance:** As a part of its naval diplomacy, the Indian Navy has provided maritime assistance to friendly countries on their request to the Government of India to address specific requirements. These include hydrographic surveys, diving assistance, ordnance disposal, salvage, sealift of critical stores, search and rescue, and overseeing ship construction. Such assistance has been instrumental in reassuring the beneficiary communities. Thus, it has been a catalyst for enhancement of goodwill in those countries.
6. **Operational Interactions:** The Indian Navy also interacts with friendly maritime forces in specific professional mechanisms which are given as under:-
  - **MILAN:** This is a biennial meeting of regional navies. It was initiated by the Indian Navy in 1995 and was named as MILAN. It is a forum for improving operational interaction between navies in the region. Participation in MILAN has steadily increased from five navies in 1995 to 17 navies in 2014.
  - **International Maritime Boundary Line (IMBL) Meetings:** The mechanism of holding regular meetings at the IMBL, between maritime forces of neighbouring states, facilitates mutual understanding and communication between local commanders for clarification, coordination and cooperation. The Indian Navy and Coast Guard hold biannual IMBL Meetings with the Sri Lanka Navy and Coast Guard.
  - **Anti-Piracy Cooperative Mechanisms:** These mechanisms include the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), Contact Group on Piracy off the Coast of Somalia (CGPCS) and Shared Awareness and Deconfliction (SHADE). The Indian Navy supports anti-piracy cooperative mechanisms and interactions.
7. **High-Level Maritime Strategic Interactions:** High-level maritime strategic interactions are periodically held with other nations to improve strategic communication, share maritime strategic perspectives and review measures

for maritime cooperation. These also serve to shape maritime policy in a cooperative, balanced and mutually beneficial manner, and facilitate persuasion or dissuasion, where necessary. The interactions are conducted by way of high-level visits, delegations and dialogues between India and other countries, in bilateral and multilateral mechanisms. The Indian Navy will continue to support and progress maritime strategic interactions, and a synergized approach to maritime security. Some key IOR mechanisms in this regard are:-

- **Indian Ocean Rim Association (IORA):** The IORA was formed in 1997. India is a founding member of the IORA. Its meeting was held 2011 in Bengaluru, India. Since then, IORA has highlighted the key linkage of maritime security with regional economic growth and development. It has also endorsed the role of IONS. Moreover, it has called for IORA's work on maritime security to align with and complement IONS initiatives
- **Indian Ocean Naval Symposium (IONS):** IONS was conceptualized and activated by the Indian Navy in 2008. It is a regional forum for navies of the Indian Ocean. It is a platform wherein the Chiefs of Navy meet regularly. It is a mechanism for constructive engagement to review and enhance common maritime security. The IONS has gained momentum since inception, with a steady growth in activities that address the range of maritime security challenges. The Indian Navy is playing a leading role in strengthening and supporting IONS.
- **Maritime Security Multilateral Cooperation:** A maritime security trilateral cooperation initiative was launched by India, Sri Lanka and Maldives in 2011. The three countries have also agreed on a roadmap for cooperation to enhance the maritime domain awareness (MDA), training, capacity building of maritime forces, and joint activities to strengthen maritime security. The Indian Navy is an active participant in this mechanism.

8. **Hydrographic Cooperation.** Hydrographic cooperation has been a key feature of the Indian Navy's regional engagement initiatives. Hydrography is a resource intensive activity. The Indian Navy is one of the few navies with considerable expertise in this field. Hence, Indian Navy is providing hydrographic assistance to friendly foreign navies including Bangladesh, Indonesia, Kenya, Maldives, Mauritius, Mozambique, Myanmar, Oman, Seychelles, South Africa, Sri Lanka, and Tanzania for survey of their maritime zones and preparing nautical charts. This is strengthening India's bilateral relations and also augmenting its marine safety.
9. **Anti-Piracy Operations:** The Indian Navy and Coast Guard have taken robust and kinetic actions to counter piracy through sustained anti-piracy operations. As a result of this, it has led to the disruption and thwarting of more than 40 pirate attacks on merchant shipping in the Arabian Sea and the Gulf of Aden, with the arrest of 120 pirates, and pushing the furthest line of piracy back, to off the Horn of Africa by 2013. India's maritime forces, in consonance with domestic and international law, are ensuring security for shipping and fishing in the region.
10. **Humanitarian Assistance and Disaster Relief (HADR) Operations:** The IOR and its hinterland form the locus of about 70 percent of the world's natural disasters as a result of earthquakes, tsunamis, cyclones and floods. The Indian Navy has been at the forefront of HADR operations in coastal areas over the past decade, both in India and in its maritime neighbourhood. The Indian Navy has maintained credible HADR capability. It is also promoting capability development and coordination between regional navies for combined HADR operations. For this purpose, as part of IONS initiatives, the Indian Navy assumed the chair of the IONS Working Group (IWG) on HADR in 2014. It has formulated a way ahead for developing coordinated HADR response amongst IOR navies.

Thus, India is using naval diplomacy to shape the strategic environment in and around the Indian Ocean. Convergence of its interests with those of the US in the

Indian Ocean region has given New Delhi an opportunity to create a more favourable strategic environment for itself in the region. The US, as Harsh V. Pant argues, has recognized the importance of India's role in the region. Now, it is supporting India's role in maintaining peace and stability in the Indian Ocean and its vast periphery. The US views its sea power as the primary instrument to deter conflict with China, and cooperation with other countries' naval services. Thus, Washington has recognized India as "crucial to fulfilling its strategic imperatives in the region." The US and Indian navies are conducting the joint naval exercises. The US has sold India the USS Trenton which India has renamed as "INS Jalashwa". India has also indicated to join the US-proposed 1000-ship navy effort to combat illegal activities on the high seas. The US sees India as a balancer in the Asia-Pacific where the influence of the United States has waned relatively and China's influence has increased. India is organizing annual naval drills in the IOR with the extra-regional powers. It started conducting MALABAR with the US first in 1992 and again regularly since 2002). Annual VARUNA naval drills are being conducted since 2002 with France, INDRA with Russia since 2003 and the KONKAN with the United Kingdom since 2004. India and Australia have conducted their first bilateral maritime exercise, known as "Ausindex-15", off the East coast of India from September 11-19, 2015.

India's relations with Japan have also got strengthened in the recent years. India has decided to develop natural gas with Japan in the Andaman Sea. It has also conducted joint military exercises involving US, Japan, India and Australia. New Delhi's decision to establish its Far Eastern Command in the Andaman and Nicobar Islands in the Bay of Bengal is viewed as a step to counter Chinese the region by complicating China's access to the region through the Strait of Malacca, the main bottleneck of oil transit to China. India has launched Project Seabird, consisting of India's third operational naval base in Karwar on the nation's western seaboard, an air force station, a naval armament depot, and missile silos, aimed at securing the nation's maritime routes in the Arabian Sea. India is set to establish a monitoring station in Madagascar, its first in another country. It is deemed vital to guard against the terrorist threat emanating from East Africa as well as to keep an eye on China's plans in the region. India also has its sights set on Mauritius for developing a monitoring facility at an atoll

and has strengthened its naval contacts with Mozambique and Seychelles. India has offered of military assistance to the Seychelles by donating one of its patrol aircraft to the Seychelles' navy. As Harsh V. Pant opines, India's support in the building of Chahbahar port in Iran as well as the road connecting it to Afghanistan is an answer to the Chinese-funded Gwadar port in Pakistan. Moreover, India's air base in Kazakhstan and its space monitoring post in Mongolia are also geared primarily towards China. Competition between China and India is also increasing for influence in Burma. The Andaman Sea off Myanmar's coast is a crucial energy lifeline for China. India also needs Myanmar to fulfil its energy requirements. India's "Look East" policy was aimed at strengthening economic ties with India's South-East Asian neighbours has now turned into Act East policy. As a result of this, India is conducting naval exercises with Singapore, Thailand and Indonesia. The ASEAN member states have joined the Indian navy in policing the Indian Ocean region to check piracy, trafficking and other threats to sea lanes. India is reinforcing its regional maritime presence by spending billions on the modernization of its naval forces. It has sent vessels to visit the South China Sea. It emphasizes on the freedom of navigation and the peaceful resolution of territorial disputes as part of its Act East policy. As part of India's Look East and Act East Policy, its indigenously built multi-role stealth frigate Indian Naval Ship (INS) Sahyadri had entered Vietnam's port city Da Nang on October 2, 2015 for a four-day visit. The visit of INS Sahyadri was aimed at strengthening bilateral ties and enhancing inter-operational abilities between navies of India and Vietnam. On departure from Da Nang, the ship proceeded to participate in the International Fleet Review at Sagami Bay in Japan. Vietnam and Japan are currently embroiled in territorial disputes with China in the South China and East China seas, respectively. Thus, both are willing to partner with India to form diplomatic and security ties under the threat of Chinese maritime expansion.

India is already emerging as an exclusive "defence service provider" for smaller states with growing economies that seek to strengthen their military capabilities in South-East Asia and West Asia such as Vietnam, Indonesia, Malaysia, Singapore, Qatar and Oman. These countries are providing India an access to ports along the Arabian coast, the Indian Ocean and the South China Sea. India has security

cooperation with Mauritius since 2003. It is providing training to the Mauritian Coast Guard personnel and also indulged in regular patrolling in Mauritian waters, including anti-piracy. Reportedly, the two countries have discussed the long-term lease of the Agalega Islands to India ostensibly for tourism purposes. It is speculated that the Agalega airstrip would be upgraded by India for surveillance aircraft. The Indian Navy is also providing training to the Seychelles security forces and assisting in the maritime security in the Seychelles Exclusive Economic Zone (EEZ). Reportedly, the Indian Navy had set up an electronic monitoring facility in Northern Madagascar in 2007 and it had been given limited berthing rights for its vessels. There are regular goodwill visits by Indian naval vessels to ports in Madagascar and the South and South-West Indian Ocean (SSWIO) countries. The Indian Navy provided maritime security to Mozambique in 2006. India has maritime cooperation with South Africa, with annual joint naval exercises with trilateral naval exercises between India, Brazil and South Africa off the Cape of Good Hope. Prime Minister Narendra Modi has initiated the first bilateral India-Australia exercises and India participated in multilateral naval games in the Bay of Bengal with the United States, Australia, and Japan. Despite India's traditional principle of non-alignment, its outreach to the United States, Australia, and Japan is seen as a calculated move to counter-balance China in the IOR.

In South Asia, as C. Raja Mohan observes, India has initiated a trilateral security arrangement between India, Sri Lanka and Maldives in 2011 to expand maritime security cooperation. Prime Minister Modi visited to Seychelles and Mauritius in March and called for the establishment of eight surveillance radars in Mauritius, eight in Seychelles, six in Sri Lanka, and ten in Maldives. He also announced agreements to develop infrastructure for connectivity in the Assumption Island in the Seychelles and Aga Lega in Mauritius.

Since 2008, the Indian Navy has nurtured its relationships in the Arabian Sea. Apart from partnering regional navies in anti-piracy operations, it is supporting and training Gulf Cooperation Council (GCC) maritime forces. It has enhanced its exchanges in maritime training, operational exercises, and information sharing with Arab Gulf



navies – many of them members of the Indian Ocean Naval Symposium (IONS), an initiative pioneered by the Indian Navy. India entered into a “strategic partnership” with Oman in 2008. It has naval cooperation with Oman since 1993 in the form of a biennial exercise, “Naseem Al-Bahr”. India has provided naval training and hydrographic support to Oman. Omani ships have been regular visitors at Indian ports. Oman has played a key role in sustaining India’s security efforts in the Gulf of Aden by offering berthing and replenishment facilities to naval ships, and hosting a crucial listening post in the Western Indian Ocean.

This diplomatic activity is matched by changes to the Indian’s navy’s capabilities and posture. The Indian Navy is constantly working on developing its indigenous technology. Indian Navy is ranked in the top 5<sup>th</sup> largest navy in the world. Since, 2015, the national navy has the assets of 58,350 personnel and one of the largest functioning fleets comprising two aircraft carriers, one amphibious transport dock, 9 Landing ship tanks, 10 destroyers, 15 frigates, one nuclear-powered attack submarine, 14 conventionally powered attack submarines, 25 corvettes, 7 mine countermeasure vessels, 47 patrol vessels, 4 fleet tankers and numerous additional ancillary watercraft. It also has 42 warships and six submarines under manufacturing in local shipyards on an approximate expenditure of over Rs 3 lakh crore, aimed at building a powerful three-dimensional Navy to safeguard its massive maritime concerns covering from the Persian Gulf to Malacca Strait to counter the increasing Chinese naval occurrence in the Indian Ocean Region (IOR).

#### **4.2.5.1 Latest Developments**

Although India continues to be active in the IOR, it continues to spend far too little on its navy compared to its peers and competitors. Figures from FY2017-2018 indicate that India spends only 15 percent of its total military expenditure on its navy, far lower than its peers in the Quad. This lack of expenditure on India’s part also comes at a time when India has recognized the need to increase its naval capabilities. India’s Vice Chief of Naval Staff, Vice Admiral P Murugesan, has outlined that India aims to become a 200-ship navy by 2027, noting that the current force stands at 137 ships. While India already has one commissioned carrier, the INS Vikramaditya, and

plans to commission a second, the INS Vikrant, it has outlined an ambitious plan to develop a class of aircraft carriers to follow the Vikrant, which has already faced delays and cost overruns. India's navy has further outlined plans to procure 57 carrier-based fighter jets, as well as modernize its submarine fleet with a new Arihant -class of nuclear-powered attack vessels.

### ***Indo-US Strategic Convergence***

However, in recent period, India and the US have actively collaborated to develop joint strategic framework maintain security in the region of Indian Ocean. The collaboration is so serious that Washington renamed its Hawaii-headquartered Pacific Command as the "Indo-Pacific Command" and now looks at the region from the western shores of India to the western shores of the US as one politico-military region. This has been encapsulated in the Joint Strategic Vision for the Asia Pacific and the Indian Ocean region enunciated at in January 26, 2015 on the occasion of President Obama's visit to New Delhi.

Over the years, India has signed several "foundational" agreements aimed at lubricating military cooperation between the two countries. Among these are those which relate to sharing information and logistical facilities in the region. US-supplied P8I maritime surveillance aircraft and the soon to be acquired Sea Guardian drones form an increasingly important components of the networks to track Chinese naval movements.

However, there is an important difference in the way India views the Indo-Pacific. Prime Minister Modi told the Shangrila Dialogue in 2018, that India viewed it as a geographical concept covering the western shores of the US to the eastern shores of Africa. Further, he said, it was not an exclusionary notion directed against China.

Sea power does not depend on naval might alone. There are other elements—merchant marine, marine construction, maritime diplomacy—that provide the integrated whole of what constitutes sea power. Indeed, India is now seeking to integrate what it calls the 'Blue' oceanic economy into its larger economic planning. One part of this is the Modi government's Sagarmala project to build and upgrade

ports and enhance their inland connectivity. This is aimed at promoting coastal trade and thereby reducing logistics costs and promoting coastal economic zones. The Modi government has articulated its support for the Blue Economy concept repeatedly by adopting the acronym SAGAR (Security and Growth for all in the Region) as the leit motif of its Indian Ocean policy.

#### **4.2.6 Let Us Sum Up**

The Indian Ocean has its own geo-political, economic, security and strategic significance in the global politics. This has resulted into a rivalry and competition among the regional and extra-regional powers for the domination and control over the Indian Ocean. Due to its large scale maritime boundaries and maritime economy of India, the Indian Ocean is an integral part of India's national and foreign policy. India is facing various traditional and non-traditional sources of threats to its maritime security in the Indian Ocean region. States especially China having a nexus with Pakistan is considered as the main traditional source of threat to India's maritime security. Various non-traditional threats have also been observed to its maritime security. These include maritime terrorism, maritime piracy, trans-national organized crime including smuggling and trafficking of narcotics, weapons and human beings, the outsourcing of security and climate change and natural disasters. India has evolved five strategies – strategy for deterrence, strategy for conflict, strategy for creating a favourable maritime environment, strategy for coastal and offshore security and strategy for maritime force and capability development – to deal with the traditional and non-traditional threats to its maritime security. Naval diplomacy has emerged as an instrument of its foreign policy to protect and promote its maritime interests. India is indulged in the maritime diplomacy and cooperation with the countries of South Asian, South East Asian, East Asian, Asia Pacific and West Asian regions. Besides, it is also involved in the bilateral and multilateral maritime cooperation with the extra-regional powers such as the US, France and Russia. It is conducting naval exercises with the maritime powers. It is also enhancing the capacity of its naval forces to contribute to peace and stability in the Indian Ocean region. Main reason behind this Indian approach is to secure common interests including safeguarding the SLOCs, energy security, and countering sea pirates and terrorist groups.

#### **4.2.7 Exercise**

1. What is the significance of the Indian Ocean in the global politics?
2. What is the maritime geography and maritime economy of India?
3. Examine the traditional sources of threat to India's maritime security?
4. Discuss the non-traditional sources of threats to the India's maritime security.
5. What type of strategies has been adopted by India to ensure its maritime security?
6. What do you understand by naval diplomacy? Discuss the components of India's naval diplomacy.
7. "Naval Diplomacy has emerged as a significant tool of India's foreign policy." Discuss.

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood**  
**UNIT – IV INDIA AND NEAR ABROAD**

### **4.3 INDO-AUSTRALIAN RELATIONS: OPPORTUNITIES AND CHALLENGES**

**- Suneel Kumar**

Structure

#### **4.3.0 Objectives**

#### **4.3.1 Introduction**

#### **4.3.2 Historical Background**

#### **4.3.3 Areas and Opportunities for Bilateral Relations**

4.3.3.1 Economic Cooperation

4.3.3.2 Defence and Strategic Cooperation

4.3.3.3 The Indian Diaspora Community

4.3.3.4 Cultural Cooperation

4.3.3.5 Cooperation at Multilateral Foras

#### **4.3.4 Problems and Challenges**

4.3.4.1 Violence against the Indian Students

4.3.4.2 Australia's Reluctance to Export Uranium

#### 4.3.4.3 Structural Imbalances

#### 4.3.4.4 Different Strategic Culture

### 4.3.5 Let Us Sum Up

### 4.3.6 Exercise

#### 4.3.0 Objectives

The present lesson analyses the growing relationship between India and Australia. After going through this lesson, you will be able to know:

- the basic understanding of the Indo-Australian relations;
- the opportunities for bilateral cooperation in the different areas such as economic, defence, etc. and;
- the challenges to the bilateral cooperation.

### 4.3.1 Introduction

Both, India and Australia have strong, vibrant, secular and multicultural democratic political set up that provide a strong foundation for closer cooperation and multifaceted interaction between these two countries. Earlier, both the countries were part of the British Empire. Besides, both are members of the Commonwealth of Nations. Hence, India and Australia share political, economic, security, strategic and cultural ties. Due to the British colonization, cricket emerged as a strong cultural connection between the two countries along with the English language. Since these countries are the largest maritime powers among the littoral states of the Indian Ocean, their position has given them a special responsibility for the security of the region which, strengthen the strategic relationship between India and Australia. For a long period, they have operated in separate strategic spheres, but now their strategic interests are becoming more and more convergent. Indo-Australian economic relations are also growing along with the security relations. As Frederic Grare observes, perceptions of these

countries regarding their strategic landscapes related to China have aligned more closely than earlier. These common concerns about China have affected the political dimension of the Indo-Australia relationship. Thus, this lesson discusses the Indo-Australian relations in historical context and also what are the opportunities for bilateral cooperation between these countries. Besides, this lesson also explains the challenges to Indo-Australian relationship.

### **4.3.2 Historical Background**

The Indo-Australian relations started to emerge in 18<sup>th</sup> century as a result of the European settlement in Australia. Economic relations started between these countries as India played a central role in nourishing the young colony. Trade with Australia became an important element in the operations of the East India Company in Bengal. During the first half of the 19<sup>th</sup> century, Australia's most immediate and direct links were with India rather than London, as bureaucrats, merchants, chaplains and judges moved between the two colonies. By 1840 a ship was leaving Sydney for India roughly every four days, and merchants in Calcutta grew rich from supplying the new outpost. India was an important source of food and provisions for Australia. It was also a source of retired colonials, bringing the Anglo-Indian furniture and architectural styles and a taste for spicy food. At the beginning of the 19<sup>th</sup> century, numerous British colonial families from India settled in the new Australian colonies. India first established a Trade Office in Sydney, Australia in 1941. After the Second World War, Australia supported the independence of India from the British Empire so that New Delhi may act as a frontier against the Communism. Later on, Australia supported India's entry to the Commonwealth Nations.

In the post-independence era, numerous visits were made held at the at Head of Government and Head of State level. Australian Prime Minister RG Menzies visited India in 1950. Similarly Prime Minister Indira Gandhi visited Australia in 1968. Australian Governor General Sir John Kerr visited India in 1975, Prime Minister Malcolm Fraser became the Chief Guest at India's Republic Day in 1979 and then Prime Minister Bob Hawke visited India in 1983 and

1989. Australian Prime Minister John Howard visited India in 2000 and 2006. Prime Minister Kevin Rudd also visited India in 2009. Indian leaders as well visited Australia on various occasions. Prime Minister Morarji Desai visited Australia in 1978, Prime Minister Indira Gandhi in 1981, Prime Minister Rajiv Gandhi in 1986, Vice President Hamid Ansari in 2011 and Prime Minister Narendra Modi in 2014.

Indo-Australian relationship has had divergent strategic trajectories in the Cold War era. Their different commercial goals and strategies were the major hindrances in strong bilateral relationship. During the Cold War, these countries had divergent geo-political perspectives, ideological differences and weak economic links. At that time, India was the leading advocate of non-alignment movement (NAM) and thus, preserved its strategic autonomy in international affairs. On the other hand, Australia has had a close alliance with the United States' led power block. However, the Indo-Australian relations have grown in strength in the post-Cold war era. India introduced economic reforms in 1991. This made rapid strides in economic, security, strategic and cultural relations between the two countries. The emergence of China also became a common strategic concern for both countries. Australia acknowledges India's growing military capabilities and it expects India to play a greater role in the management of maritime security in the Indian Ocean region. Thus, these countries have elevated their ties to the level of a Strategic Partnership in 2009. The rapid growth of relations between India and Australia is reflected by the large number of ministerial visits exchanged between the two countries. These countries have established various mechanisms such as the Framework Dialogue of the Foreign Ministers, the Joint Ministerial Commission on Trade and Investment, the Defence Ministers Dialogue, the Australia-India Energy and Minerals Forum and the Ministerial Dialogue on Education, to strengthen their bilateral relationship. India is currently represented by a High Commissioner in the embassy at Canberra and Consulate Generals in Sydney. Similarly, Australia has a High Commission in New Delhi, and Consulates in Mumbai and Chennai. Besides being members of the Commonwealth of Nations, both countries are founding members of



the United Nations and members of regional organisations including the Indian Ocean Rim Association for Regional Cooperation and ASEAN. Irrespective of the divergent strategic perspectives of these countries now, in the post-Cold War era, there are much closer security relations, including a Joint Declaration on Security Cooperation in 2009. Australia has traditionally supported India's position on Arunachal Pradesh which is a subject to diplomatic conflict between India and China.

### **4.3.3 Areas and Opportunities for Bilateral Relations**

As it has been observed that in the post-Cold war era, India and Australia have seen the emergence of common and convergence interests, the two countries have strengthened and enhanced their bilateral cooperation in different fields. This section of the lesson discusses the various opportunities that India and Australia have had got to come close and cooperate in diverse fields such as economic, security and strategic along with many others and also the challenges for the same.

#### **4.3.3.1 Economic Cooperation**

Economic interests have brought India and Australia closer to each other. The economies of both countries are highly complementary with great potential for economic cooperation in trade and services. The rapid growth of the Indian population and economy has sparked huge demand for energy resources and agricultural products. Although, these countries have a long history of bilateral economic relations, yet these have grown on large scale only after end of the Cold War politics.

As far as the Indo-Australian economic relations are concerned, these had been started in the late 18<sup>th</sup> century and early 19<sup>th</sup> century when coal from Sydney and horses from New South Wales had been exported to India. During the Cold war period, this relationship was not flourished that much. At that time, India opted for mixed economy and its market and trade was not conduct on liberal principles of Western world. Moreover, India was a staunch supporter of

the NAM, while being an ally of the US led power block, Australia was adopting the pure capitalist market based economic approach which acted as a hurdle in the Indo-Australian relations in the economic field. However, as result of the end of Cold war, structure of international relations changed. Besides, India introduced economic reforms in 1991, to a large extent, making its economy more liberal and market oriented. Both domestic and international circumstances, gave a boost to bilateral economic relations between India and Australia. At present, India is the seventh largest trading partner of Australia. Major exports from India to Australia include refined petroleum, pearls and gems, and medicaments. Major imports to India from Australia include coal, copper and gold. According to one estimate, bilateral trade between the two countries was totalled 18.7 billion US dollars in 2010. It is expected that it would be of 40 billion US dollars by end of 2016. Trade is highly skewed towards Australia. Australia's trade in goods and services with India was 21 billion Australian dollars in 2010-11 with Indian exports of goods amounting to 2.08 billion Australian dollars. Australia's exports of goods to India have risen by an annual average of nearly 24 per cent for the past 5 years. India is Australia's fourth largest export destination. In the last five years, India's exports of goods to Australia has enhanced by an annual average of 12.3 per cent. India is trying to diversify and enhance its exports to Australia.

The trade in services between India and Australia amounted to 3.5 billion US dollars in 2010-11 with Australian exports amounting to 2.47 billion US dollars. India's main service exports to Australia are computer and information services and tourism. Australia's main service exports are education, education related services and tourism.

As the Ministry for External Affairs (India) in its document "India-Australia Relations" (2015) reveals, Indian investment in Australia is growing as various Indian companies are increasing their investment in Australia. Major Indian investments in Australia include Sterlite Industries, Aditya Birla Group, Gujarat NRE Co., Asian Paints and Reliance Industries. Major Australian companies in

India include Telstra, BHP Billiton, Rio Tinto, MIM Holdings, Snowy Mountain Engineering Corporation, the Australian Wheat Board, P&O Australia, Clough Engineering, Lucent Technologies and ANZ Bank. Reliance has entered into a partnership agreement with Uranium Exploration. IFFCO and Legend Holdings of Australia have entered into an agreement involving investment of over 100 million Australian dollars by IFFCO in Legend's phosphate projects with buyback arrangements; NMDC and Rio Tinto have entered into an agreement for joint exploration in India, Australia and other countries. Tata Power and Australian company Geodynamics have entered into an agreement involving Tata Power taking an 11.4 percent stake in Geodynamics for 44.1 million Australian dollars. Petronet LNG, New Delhi has signed an agreement with Exxon Mobile in August 2009 to source 1.5 mmtpa of LNG from the Gorgon Project, for 20 years starting from 2014. The Adani Group of India, owners of the country's largest private port have acquired a coal mining prospect from Linc Resources in the Galilee Basin in Queensland. Adani has also acquired rights to manage the Abbot Point Coal loading terminal for a period of 99 years at a cost of 1.83 billion Australian dollars. Lanco Infratech made an investment in Australia, spending almost 850 million Australian dollars to buy Griffin coal assets. GVK Power and Infrastructure has finalized purchase of two thermal coal mines from Australia's Hancock Prospecting for about 2.4 billion US dollars. It is also investing in development of rail network from the mine to the nearest port, which entails a total investment of 10 billion US dollars. Infosys has acquired Portland Group, a sourcing and category management services firm in Australia for 37 million Australian dollars. ICICI Bank has obtained necessary RBI approval to open its branch office in Australia. All the major Indian IT companies have a presence in Australia and are rapidly growing. These companies are Infosys, Satyam Mahindra, TCS, HCL, Polaris Software Lab Ltd, Birlasoft, NIIT, ICICI Infotech, Wipro, and Mahindra-British Telecom Ltd. Satyam Mahindra has the largest product development centre outside India in Melbourne.

Tourism is growing steadily. India is 11<sup>th</sup> largest contributor of visitors to Australia. In 2013, approximately 1,73,000 Indians visited Australia and at least

2,20,000 Australian tourists visited India. Similarly, in 2014, more than 219,000 Australian tourists visited India and 160,000 Indian tourists visited Australia. The resumption of direct flights between Sydney/Melbourne and New Delhi on a daily basis has proved a big booster to travel between the two countries. It is expected that this figure will be double by 2020.

#### **4.3.3.2 Defence and Strategic Cooperation**

India and Australia have also closer relations in the areas of defence and strategy. These countries have a long positive history of defence and security cooperation which started to build in the British period as both the countries shared experience in the trenches of First World War in Gallipoli and along the Western Front. However, like economic cooperation, during the Cold War, defence and security cooperation was not as strong as in the post-Cold War era due to the changing international security and strategic milieu. Both the countries have signed a Memorandum on Defence Cooperation in 2006 and the Joint Declaration on Security Cooperation in 2009. In the recent years, India's defence and security relationship has grown from diverse aspects which include strategic dialogue, regular interactions between respective services through senior visits, staff talks, and training exchanges. Key platforms for strategic dialogue are the annual Defence Policy Talks and the annual 1.5 Track Defence Strategic Dialogue. Most recent Defence Policy Talks was hosted by Australia in 2015. Visits of the Defence and Security personnel of the countries concerned have also often occurred on a regular basis. Australian Minister of Defence visited India in September 2015 and signed an agreement to deepen the bilateral defence cooperation ties through establishing a Joint Working Group on Defence Research and Materiel Cooperation. Service chiefs from both countries regularly engage with their counterparts, exchange security perspectives, and gain an understanding of each other's structures and capabilities through visits. For instance, the Indian Chief of Naval Staff visited Australia in October 2015. The services also engage regularly through Navy, Army and Air Force Staff Talks. Moreover, both India and Australia are continuing to build robust people-to-people links between

defence forces through regular personnel and training exchange programmes including the introduction of short specialist courses and longer-term positions. Every year, Australia sends two officers to attend Indian military educational institutions: one officer attends India's Defence Services Staff College, while another attends its National Defence College. India also sends two officers to study in Australia annually, with one attending Australia's Command and Staff College and the other attending the Centre for Defence and Strategic Studies. An Australian officer also attended the Indian Navy's Long Hydrography course in Goa in 2015.

India and Australia are working together to enhance maritime cooperation. Both the countries have a growing number of shared security concerns in the Indo-Pacific region. Both cooperated successfully to provide the humanitarian assistance and disaster relief after the Indian Ocean tsunami in 2004. They briefly took part in joint naval exercises through the Quadrilateral Security Dialogue in 2007. This joint naval exercise is termed as 'Malabar' and was held in the Indian Ocean alongside the United States and Japan. However, following the visit to Australia of the Defence Minister of India in 2013, it was announced that Australia and India would hold joint naval exercises in 2015 with the intention of strengthening their strategic partnership. As a result of this, both did their first formal bilateral naval exercise (AUSINDEX) held off the coast of Visakhapatnam in 2015. In September 2015, defence ministers of the both countries had committed to holding AUSINDEX biennially. The next iteration will take place in Australia in 2017. Practical cooperation between Australia and India is evident through our joint participation in a range of activities. Australia participated in the Indian-hosted Exercise MILAN 2014, which included the opportunity to cooperate with India and other regional Navies. In June 2015, two Indian Navy ships Satpura and Kamorta visited Fremantle in Western Australia, coinciding with a visit by the Indian Navy's Eastern Naval Commander. In February 2016, Australia's Chief of Navy, a Royal Australian Navy ship and a detachment of the RAN Band visited Visakhapatnam to participate in the Indian Navy's International Fleet Review. There are also opportunities for greater cooperation between the

Indian and Australian armies and air forces. Prime Ministers Abbott and Modi signed a landmark deal to increase their nations defence relationship in November 2014. Part of the framework for security co-operation includes annual Prime Ministerial meetings and joint maritime exercises. Areas of increased co-operation include counter-terrorism, border control and regional and international institutions. Thus, defence and security are the important and growing areas of the new India-Australia cooperation for advancing regional peace and stability and combating terrorism and transnational crimes.

China can be termed as the common factor for this increasing bilateral cooperation as both the countries have common apprehensions about China. Frederic Grare (2014) in study “The India-Australia Strategic Relationship” argues:

China presents Australia with a novel and relatively distant threat, while India sees Beijing’s assertiveness as part of a pressing and long-standing challenge. But when it comes to a rising China’s role in Southeast Asia, Australian and Indian security interests clearly overlap. Australia fears Chinese pressure on its neighbors, and India does not want Beijing to develop deep influence in the region. Australia keeps publicly proclaiming that India can be a force for regional stability, and New Delhi says the same about Canberra.

Conflict with China is more than just a possibility for India. China had invaded and defeated India in the 1962 and, now again China is the main security challenge for India. China and India have a long-standing disagreement on their border demarcation, and incidents regularly occur on the Line of Actual Control. China has been also a constant source of military backing for Pakistan. It is providing military hardware to Pakistan. Its aid to Pakistan’s missile and nuclear programs has deeply altered the balance of power in South Asia to the detriment of India. Disputes between India and China over Tibet are perhaps more troublesome. Beijing sees New Delhi’s support for the Dalai Lama and the Tibetan community

in exile in India as interference in China's internal affairs in Tibet. The India is concerned by the strengthening of Chinese military capabilities in the Tibetan autonomous region, in particular by the development of airport facilities, roads, and rail infrastructure. Besides, India fears that a conflict begun on land might escalate horizontally at sea in the context of the Indian Ocean. On the other hand, the economic rise of China benefits Australia. Australia is thus highly dependent on the positive side effects of China's growth, such as market stability in Asia; the security of sea lines of communication; and the persistence of a stable, peaceful, and rules-based global order. But these economic benefits do not mitigate Australia's fears about the potential strategic implications of a stronger Chinese military. Australia has a strong sense of insecurity from China as due to its limited population relative to its territorial size, exposure to great-power rivalry, and experience with Japanese aggression in the Second World War. Now, Australia perceives China's military modernization, its intentions and behaviour in the South and East China Sea along with its territorial claims, the movement of Chinese forces and the expansion of China's air defence identification zone into disputed territory in the East China Sea are a potential threat. China introduces potentially harmful instability to Australian interests on China's periphery. Moreover, surge in Chinese military capabilities are raising the apprehensions of US-China military conflict and in such situation Australia would have to choose between its economic and security interests. This would be disastrous prospect for Australia whatever the outcome of the conflict. Thus, these perceived threats make Australia wary of a future confrontation with Beijing. Thus, the strategic convergence between India and Australia is responsible for the bilateral security and strategic cooperation.

Apart from the common threat perceptions about China, the US has played a critical role in bringing these two countries close to each other. According to Zhao Qinghai:

To hedge against China and bring the rise of India into its strategic orbit, the US has been wooing India. The US supports India's

push to become a global power, was the first country to sign a civilian nuclear cooperation agreement with India, and encourages its Asia-Pacific allies to develop relations with India.

In 2011, the US and Australia had decided to strengthen their strategic relationship with India and called for further cooperation with India to strengthen maritime security. During the discussion of the policy of uranium export to India at the Australian Labour Party Conference, as per reports, US President Barack Obama had tried to convince Australian Prime Minister Gillard to remain firm on removing the export embargo of uranium to India. Besides US think tanks have given emphasis on strengthening trilateral security cooperation between the US, Australia and India. The US has gradually strengthened its bilateral defence cooperation with India and Australia. Thus, it has played a leading role for India-Australia defence cooperation. As it is argued, Australia is cooperating with the US in its strategy towards India and thus, has taken the initiative to develop relations with India.

#### **4.3.3.3 The Indian Diaspora Community**

The Indian diaspora community is a key factor in the Indo-Australian relations. India is the third largest source of immigrants to Australia. They represent the primary source of Australia's migration programme. Punjabi has become Australia's fastest growing language. There is an Indian community of approximately 450,000 in Australia which is contributing to the Australian economy in their role as teachers, doctors, accountants, engineers and researchers. Moreover, in 2015 at least, 46,000 Indian students were studying in Australian Universities compared to 48,000 in 2011. The decline in number of students since 2009 was a the negative impact of violence against the Indian students in Australia in 2009-10, the rising value of the Australian dollar, introduction of strict visa regulations and changes in general skilled migration rules by the Australian government.

The presence of Indian community and student in Australia has also



brought a positive impact on the bilateral relations of two countries. A number of Australian and Indian universities have entered into formal agreements. The agreements involved student exchange, staff exchange, academic research and joint degree programmes. Australian vocational training institutes are also delivering vocational training services in India. The Pravasi Bharatiya Divas Conference was organised under the aegis of the Indian High Commission in Sydney from 10-12 November 2013. A strong business delegation from the Confederation of Indian Industry (CII) participated in the Convention. The Conference had strong support, sponsorship and participation from Indian companies in Australia and Australian Universities. This provides an opportunity for the two countries to strengthen their bilateral relationship.

#### **4.3.3.4 Cultural Cooperation**

Bilateral cultural cooperation is emerging between the two countries. A large number of Indian Associations that exist in Australia are playing key role to promote the Indian culture. These entities organize various cultural functions occasionally. High Commission of India and the Indian Council for Cultural Relations (ICCR) sponsor the Dance troupes from India to Australia to perform traditional Indian cultural programmes during Diwali celebrations with the help of Indian Associations in various cities in Australia. The ICCR deputed a six member Odissi Dance Troup which gave performance in Sydney, Canberra and Melbourne during October 2014. Earlier, ICCR deputed a Sattriya Dance Troup to Perth in June 2014 and Bollywood Dance Group to Darwin in October 2014. Know India programme is also is a great learning Experience for Diaspora children about the rich Heritage and cultural of India, the Economic progress and Social Development taking place in India. India also has established visiting Chairs for Indian Studies in Australian Universities.

#### **4.3.3.5 Cooperation at Multilateral Foras**

India and Australia are the active and responsible members of the international community. They have membership of various multilateral forums.

On the various issues, these countries have supported each other in the multilateral forums. India is lobbying for permanent seat in the UN Security Council. In this context, Australia has supported India's candidature for a permanent seat in an expanded UN Security Council. Both countries are the members of the G-20, Commonwealth, IOR-ARC, the ASEAN, the East Asia Summit and the Asia-Pacific partnership on Climate and Clean Development. Australia had obtained the observer status in the SAARC in 2008. Both countries have also been cooperating as members of the Five Interested Parties (FIP) in the WTO context. Being an important player in Asia-Pacific Economic Cooperation (APEC), Australia has supported India's membership to the organisation.

#### **4.3.4 Problems and Challenges**

As it has been observed, in the post-Cold war era, changing international environment provided a "solid foundation" for the consolidation of Indo-Australian relationship. Despite this, as Zhao Qinghai observes, the relationship between these two countries have not yet reached a level anticipated by the two sides. Moreover, a bilateral strategic partnership between the two countries "remains a goal rather than a reality". Since 2009 when India and Australia had established a strategic partnership, but their relations have been snowed under by the two problems discussed as under:-

##### **4.3.4.1 Violence against the Indian Students**

Due to a series of attacks against Indian students in Australia in 2009-10, the people of India expressed strong resentment against Australia, condemning the "racist practices" of Australians. Even the then Indian External Affairs Minister SM Krishna had termed this violence as a "heinous crime on humanity". The Australian Government took a host of remedial measures, but failed to win the Indian people's full understanding. The number of Indian students in Australia has declined since the violent incidents. No doubt, this decline was also a result of the appreciation of the Australian dollar and the introduction of a strict visa regime by the Australian government but violent incidents also contributed to this decline.

#### **4.3.4.2 Australia's Reluctance to Export Uranium**

Australia's reluctance to export uranium to India acted as an impediment to closer India-Australia relations. This had affected the Indian leadership's perspective towards Australia. Australia agreed in principle in August 2007 to export uranium to India. But, the new Australian government in 2008 decided to continue to enforce the ban on uranium export to India. As a result, Australia became the only major uranium producer to insist on the export ban on uranium after the US and India signed the civilian nuclear cooperation agreement. India believes that Australia's position is discriminatory against India. India considers the ban on uranium exports as the key issue in India-Australia relations. This issue had even affected the process of the free trade agreement talks and the substance of bilateral security cooperation between the two countries. As a result of this problem, Indian Prime Minister Manmohan Singh had refused to attend the Commonwealth Summit held in Australia in October 2011. In December, 2011, Australia changed its position of no exports of nuclear fuel to the non-signatories to the Nuclear Non-Proliferation Treaty (NPT) and announced the lifting of the ban on uranium exports to India. India imports most of its uranium from Russia and Kazakhstan. Australia's lifting of the ban on uranium exports to India increased India's uranium import options and helped India negotiated over prices.

Apart from the above-mentioned problems, there are other factors which have negative impact on the Indo-Australian relationship. These are discussed as under:-

#### **4.3.4.3 Structural Imbalance**

A structural imbalance exists in the economic relations of two countries. Australia's exports to India account for about 90 percent of total bilateral trade, with India generating a clear trade deficit. India is very dissatisfied about its huge trade deficit with Australia. Moreover, bilateral trade is limited to a few varieties of goods. Mutual investment is also in limited areas for expansion. More

than 92 percent of India's investment in Australia is in the resources sector. On the other hand, Australia's investment in India is mainly concentrated in infrastructure. Thus, India-Australia economic relations are relatively limited. Thus, this reflects a structural imbalance in the bilateral economic relations.

#### **4.3.4.4 Different Strategic Cultures**

The two countries have different strategic cultures. During the Cold war period, India adhered to the non-aligned policy and gave stress on strategic autonomy. Even after the Cold War, India continues to build on the legacy of such a policy. The non-aligned strategic culture makes it possible for India not to participate in any binding group or to make binding commitments. As a result of this, India can engage in deals with different major powers according to its own interests. On the other hand, Australia's strategic culture dictates that ally itself with United States and other Western powers. These different cultures lead to a cognitive gap and difficult exchanges between the two countries.

#### **4.3.5 Latest Developments**

India and Australia's relations moved forward in 2017 when the visit of Australian Prime Minister to India. On his State Visit to India during 09-12 April 2017, Prime Minister Turnbull held bilateral discussion with Prime Minister Modi and both leaders committed to deepening bilateral defence and strategic partnership, broader economic relationship with greater emphasis on energy, education, science and innovation, sports and health cooperation and strengthening international rule based systems. Six bilateral agreements / MoUs on Cooperation in combating International terrorism & transnational organized crime, Health and Medicine, Sports, Environment, Climate and Wildlife, Civil Aviation society and Space technology were signed during the visit.

The "natural partnership" between India and Australia witnessed a steady growth in 2019 on several fronts, especially in the defence sector primarily due to a common concern about China's increasing military presence in the Indo-Pacific, but differences remained over New Delhi's alleged restrictive trade

policies and its stance over a regional free trade pact.

The trade relations also grew between the two sides with the two way trade currently standing at over 29 billion Australian dollars even without a free trade agreement (FTA). Great strides have been made to develop the bilateral and personal links closer than they were a year ago. India has been ranked Australia's fourth-largest export market. However, it's still considered to be the most untapped one, much below China, which is at over 194 billion Australian dollars and Japan at over 77 billion Australian dollars.

In November 2017, India, the US, Australia and Japan gave shape to the long-pending "Quad" Coalition to develop a new strategy for keeping the critical sea routes in the Indo-Pacific free of any influence. In 2019, Australia and India's cooperation on shared maritime security interests in the Indian Ocean rose to a new level with the AUSINDEX naval exercise held in April which was a useful step towards more sophisticated interactions in the maritime space.

In a bid to promote bilateral investment flows, Australia expanded diplomatic presence in India by opening a consulate in Kolkata in March 2019, inked an MoU between Austrade and Invest India to support Australian companies to enter the Indian market and promote bilateral investment flows, established an Australian State Education Forum on India, which met first in August and established an Australia-India Food Partnership.

#### **4.3.6 Let Us Sum Up**

To conclude, it can be argued that irrespective of the beginning of Indo-Australian relationship in the British period, the two countries did not have much cooperation during the Cold War period due to their ideological differences and contradictory foreign policies. India pursued non-aligned policy while Australia joined the capitalist block led by the United States. After the end of the Cold War, India numerous economic reforms and drew the attention of Australia. As a result of this, India-Australia economic relations have improved. The rise of China has become a common concern for India and Australia. Further, United States

supported the strong Indo-Australian ties. Although, violence against the Indian students and Australia's ban on the uranium export to India had created some negative impression of Australia in the India minds, but even then both the countries are cooperating in the economic, defence, strategic and cultural areas. At present, Australia supports India's candidature for permanent seat in the United Nations.

#### **4.3.6 Exercise**

1. Discuss the historical emergence of the Indo-Australian relations.
2. Examine the Economic Relations between India and Australia.
3. Analyse the Defence, security and strategic partnership of India and Australia in the post-Cold war Era.
4. What are the major problems and challenges in India-Australia relations?
5. What are the problems and challenges before the Indo-Australian relations?

**M.A. Political Science, Semester IV, Course No. 402, India's Neighbourhood  
UNIT – IV INDIA AND NEAR ABROAD**

## **4.4 INDIA'S DIASPORA WITH SPECIAL REFERENCE TO CANADA**

**- Tejal Khanna**

Structure

- 4.4.0 Objectives**
- 4.4.1 Introduction**
- 4.4.2 Conceptualisation of Diaspora**
- 4.4.3 Indian Diaspora in Canada: Early Phase**
- 4.4.4 Towards a more Favourable Immigration Policy**
- 4.4.5 Achievements in Political Sphere**
- 4.4.6 Diaspora as a Bridge between India-Canada Ties**
- 4.4.7 The Challenges from Khalistani Movement**
- 4.4.8 Let Us Sum Up**
- 4.4.9 Exercise**

#### **4.4.10 Further Reference**

##### **4.4.0 Objectives**

The present lesson analyses the role of Indian Diaspora in Canada. After going through this lesson, you will be able to know:

- the meaning of diaspora and their importance;
- how significant India's diaspora in Canada is and how Canada's favourable immigration policy helped in moving large number of Indians to Canada;
- the contribution of diaspora in building better relations between India and Canada;
- the challenges posed by Khalistan movement and its impact on India-Canada relations.

##### **4.4.1 Introduction**

The term “diaspora” signifies members of a community who have spread out of their country of origin often around the world to other countries. The members of a diaspora maintain close ties with the other members of their community living in their country of origin or in other countries and often have a sense of common identity with them. Historically, the Diaspora referred to just the dispersion of the Jewish community outside of Palestine. Hence, this term ‘Diaspora’ was limited in its geographical scope. In the second half of the 20<sup>th</sup> century, however, the term started to be used in a wider sense to apply to various communities across several geographical spaces. And so, in 2018, the United Nations Migration Agency, the International Organization for Migration (IOM) defined diaspora as “migrants or descendants of migrants, whose identity and sense of belonging have been shaped by their migration experience and background.” The word ‘Diaspora’ is therefore becoming synonymous for a transnational community—one that transcends the borders of any one country.



India has the largest first-generation-immigrant diaspora in the world, with close to 18 million people as of 2020. Although emigration from India has been taking place for centuries, never before in history has India witnessed such massive movements of its people to other parts of the globe as in the nineteenth and early twentieth centuries. According to Makarand Paranjape ‘...a nation needs a diaspora to reaffirm its own sense of rootedness, while the migrant who did not feel like an Indian in India may suddenly discover his Indianness as a diasporan’. The promotion of diasporic identity is all the more pronounced today, owing to the expansion of media, communication and transport infrastructure across the globe.

Canada is widely seen as a tolerant nation which encourages peaceful coexistence of majorities along with the minorities, allowing the latter to maintain much of their cultural distinctiveness. This is true in the case of Indians in Canada who, being the ethnic minority, preserve their cultural heritage and promote cultural interest in the multicultural fabric. They also endeavour to pass on these cultural codes to the next generation, initiating them to appreciate their own cultural roots and values. While traditional practices in food, music and, to a lesser extent, religion have been retained by the older generation, members of the younger generation are more westernised than their parents who share a common ancestry in the Indian subcontinent.

Among immigrant groups presently residing in Canada, overseas Indians constitute a sizable segment. Though it may be an exaggeration to call Canada a land of immigrants, yet a sizeable section of the Canadian population comprises of immigrants including those from India. The people of Indian origin in Canada today are the largest component of people of South Asian origin in Canada.

Today, the Indian Diaspora in Canada is one of the largest and most successful immigrant communities in the country. According to the 2016 Census, over 1.6 million people of Indian origin live in Canada, making up over 4.9% of the country’s population. Indian immigrants have made significant contributions

to Canada's economy, culture, and society. Many have become successful entrepreneurs, business leaders, and professionals, and have helped to build strong ties between India and Canada.

According to Statistics Canada, the Indian-origin community is one of the fastest-growing demographic cohorts, which makes up the second-largest non-Caucasian group after Chinese Canadians. Canada hosts among the largest Indian communities globally, numbering 1.6 million people, which accounts for more than four percent of its total population, estimated to be 38 million presently. Moreover in 2016, Punjabi was officially announced as the third language of Canada after English and French. The decision was taken after four years of Punjabi being the most important language in the Canadian Parliament and after the election of around 20 Punjabi-speaking candidates to the House of Commons.

About three-fourths of the recent Indian immigrants in Canada are educated, professionals, skilled workers, businessmen and entrepreneurs. They are economically well off and politically active. Most of them form informal communities, through links between relatives and friends who share common ethnic, linguistic and religious roots.

India is also by far Canada's leading source of global talent. In 2021, Canada welcomed over 405,000 immigrants, an all-time high. Nearly one-third of these immigrants are of Indian origin. In addition, Canada welcomed nearly 450,000 international students last year, with Indians comprising almost 50 per cent of this total.

Indian immigrants have also played an important role in Canadian politics. In recent years, several Indian-Canadians have been elected to federal and provincial parliaments, including Jagmeet Singh, the leader of the New Democratic Party. Indian-Canadians have also been appointed to important positions in the government, such as Harjit Sajjan, the Minister of National Defence.

The future prospects for the Indian Diaspora in Canada look bright. Canada's strong economy and welcoming immigration policies continue to attract highly skilled and educated immigrants from India. The Canada-India relationship has also grown stronger in recent years, with increased trade and cultural exchanges between the two countries. As a result, the Indian Diaspora in Canada is likely to continue to grow and prosper.

According to the 2016 census, nearly 21.9% of Canada's population was born abroad. As of 2010, Canada was the G8 country with the highest proportion of immigrants, ahead of Germany (13%) and the United States (12.9%). Canada not only has been built on immigration, but has prospered from it. The way that new immigrants are welcomed and integrated into Canadian society, along with Canada's economic situation, make Canada a country of choice of emigrants from around the world.

The Indian Diaspora in Canada has a complex and significant history that spans over a century. Early Sikh pioneers arrived in the early 1900s to work on Canadian infrastructure, but faced discrimination and prejudice. Immigration policies changed after World War II and more Indian immigrants arrived, many of whom were highly educated professionals and skilled workers. In recent years, the Indian Diaspora has become one of the largest and most successful immigrant communities in Canada. They have contributed significantly to Canada's economy, culture, and society, and have played important roles in Canadian politics. The future prospects for the Indian Diaspora in Canada look bright, as Canada's economy and immigration policies continue to attract highly skilled and educated immigrants from India. However, challenges such as discrimination and integration into Canadian society need to be addressed to ensure continued success. In recent times, the issue of Khalistan movement has also posed a challenge and an irritant in Indo-Canadian ties thereby affecting the Indian diaspora in Canada.

#### **4.4.2 Conceptualisation of Diaspora**

Diaspora studies have moved beyond the paradigmatic Jewish, Greek, and Armenian models, which emphasized exile from the homeland, persecution, collective struggle, rejection by the host nation-state, and a longing to return “home” as key features of diasporic identity. Once used to describe experiences of exile, sorrow, and loss, the term diaspora now connotes agency, voice, and power. From Stuart Hall’s perspective, cultural identities are undergoing constant transformation and are far from being “fixed in some essentialized past”; in addition, diasporas are subject to the “continuous play of history, culture and power”. Hall’s work and that of others show that diasporic identity is a process, continually forming and reforming, fragmenting and converging, and rejecting assimilation while simultaneously seeking citizenship. Furthermore, experiences of power and agency are exemplified by migrant groups appropriating the term “diaspora” to describe their self-characterized political, ethno cultural, and economic activities.

#### **4.4.3 Indian Diaspora in Canada: Early Phase**

The Indian Diaspora in Canada has a long and complex history, spanning over a century. From the early Sikh pioneers who arrived in the early 1900s to the recent influx of highly skilled professionals, Indian immigrants have made significant contributions to Canadian society and economy.

However, the success story of the Indian diaspora in Canada has, however, not come so easily. Like other Asians, they had to face racial prejudices of the White Canadians and their immigration policy. It was only after a long struggle and untold sufferings that non- White immigrants could get equality in Canada, though still racialism prevails in several disguised forms. Canada’s first Immigration Act 4 for instance, though did not explicitly mention ‘Race’ as a criterion for immigration, yet it implicitly assumed that the bulk of immigrants would come from Britain, with smaller number from northern Europe. Not surprisingly, from Confederation in 1867 to 1896 fully 90 per cent of Canadian

immigrants came from Britain. This prevailing view towards immigration was rooted in their assumption about the 'out standing superiority of the Anglo-Saxon race.' Who were seen as genetically superior and pre-disposed towards liberal democratic ideals unlike their Asian counterparts.

The Canadian government had been extremely strict in guarding its borders. In 1914, the infamous Komagata Maru incident, in which a ship carrying Indian immigrants was turned away from the Vancouver harbour, highlighted the discriminatory policies of the Canadian government towards Indians. It so happened that Canadian regulations prevented the landing of a chartered ship with 376 South Asian passengers, which reached shores of Vancouver in May 1914.

The courts decided that the passengers in the ship must be deported. Pronouncing the judgement, Justice McPhillips observed that the conception of Indians about life and ideals of society were fundamentally different to the Anglo-Saxon; Indians were unsuited to Canadian laws and, if admitted, they might annihilate the nation and change its whole potential complexity; introduce Oriental ways as against European ways, eastern civilization for western civilization, and all the dire results that would naturally flow there from.

The outbreak of the First World War, hardly a month after the Komagata Maru incident, obliged the Canadian government to relax its immigration policy, as the British who required India's wholehearted cooperation in its war against the axis powers, urged the White Dominions to be more generous in receiving Indian immigrants, especially the wives and children of resident men.

The first wave of Indian immigration to Canada, thus, began in the early 1900s, primarily from the Punjab region of India. Most of these early immigrants were Sikh men who came to work on the Canadian Pacific Railway or in the lumber and logging industries. However, these immigrants faced significant discrimination and prejudice, and their rights were severely limited.

Despite these challenges of racial discrimination, the early Indian immigrants worked hard and contributed significantly to the development of Canada's infrastructure. By the 1920s, some of these immigrants had started to establish businesses and form their own communities, such as Little India in Vancouver.

Canada's participation in the United Nations and its declaration against racial discrimination, and membership in a multi-racial Commonwealth of equal partners after the Second World War also made it difficult for that country to maintain immigration regulations, which denied admission to certain people on ground of race. The beginning of civil rights movement in the US had also an impact on Canadian thinking. Besides, the economic prosperity Canada enjoyed contributed in turn to a much more relaxed attitude toward racial and ethnic minorities.

In the mid-60s that the Canadian government through introduction of 'points system' in 1967 really made skill alone as criteria for admission of non-dependent relatives and thereby eliminated advantages given to the Europeans in 1962 regulations. This led to considerable increase in the number of Indian immigrants; from 529 in 1962 to 12,868 in 1974. Finally, the Pierre Trudeau government approved in 1971 an official policy of multiculturalism within a bilingual framework. Accordingly, the Immigration Act of 1976 declared family re-unification, non-discrimination, concern for refugees and the promotion of Canada's economic, social, demographic and cultural goals as fundamental objectives of its immigration policy.

After World War II, Canadian immigration policies changed, and more Indian immigrants were allowed to enter the country. Many of these immigrants were highly educated professionals and skilled workers who came to Canada to pursue better economic opportunities. In the 1960s, the Canadian government introduced a points-based immigration system that favoured highly skilled and educated immigrants, which further increased the number of Indian immigrants

to Canada.

In the 1970s and 1980s, political and economic instability in India led to another wave of immigration to Canada. Many of these immigrants were from the middle and upper classes and brought with them significant financial and human capital. They established businesses, invested in the economy, and became active members of Canadian society.

Despite racial prejudices against Indians, in particular, the evolution of Canada from a nation openly advocating racial discrimination to a declared adherent of multiculturalism and consequent changes in its immigration policy have enabled the generally talented and hardworking Indian community in that country to gradually increase their numbers and establish themselves in every walk of Canadian life, including politics. A fairly large proportion of Indian immigrants have entered Canada as professional, semi-professional, skilled labourers and entrepreneurs. In addition to direct employment opportunities, Canadian universities and research institutions have also been attracting a considerable number of Indian students. Many of them, particularly scientists and engineers eventually got settled after completion of their education.

The Indian community is mainly concentrated in the Greater Toronto Area, the Greater Vancouver area, Montreal (Quebec), Calgary (Alberta), Ottawa (Ontario), and Winnipeg (Manitoba). It has done commendably well in every sector in Canada. But what makes these Indo-Canadians unique is that the community, especially Punjabis and the Sikhs, are a potent political force in Canada.

#### **4.4.4 Towards a more Favourable Immigration Policy**

Things have changed a lot since 1904 when the first documented immigrants from the Indian subcontinent arrived in Vancouver and carved out a space for themselves there. Today, the situation is very different and Canada sees

a high number of Indians migrating to Canada for better job prospects and an overall better life.

A low unemployment rate of 5.67 percent even during the COVID-19 pandemic makes Canada an attractive place for immigrants. Moreover, university tuition fees is cheaper in Canada than the US by a whopping 27 percent. Canada is also ranked as one of the safest places globally. The Global Peace Index in 2021 stated that Canada was the sixth safest country in the world. Canada received particularly good scores for internal conflicts, levels of crime, and political stability.

Canada has a crime rate that is about one-third that of its neighbour, the United States (1.6 incidents per 100,000 vs 4.5 per 100,000 respectively). In a 2018 Gallup survey, 84 percent of Canadians surveyed said that they felt safe in their country.

Moreover, the World Happiness Report 2020 released by the Sustainable Development Solutions Network ranked Canada as the eleventh happiest country in the world, higher than the US, the UK and Germany.

Canada is also regarded as a multicultural nation because of its particular policy response to its rich diversity in terms of cultural and ethnic groups resulting from large-scale immigration to populate its vast land mass. It became the first country in the world to adopt multiculturalism as a state policy. The policy accepts and encourages all ethnic groups to retain their culture. This multicultural policy is in contrast with the 'melting pot' approach to diversity adopted by United States. The melting pot approach envisages immigrants' total assimilation into American life with no trace of the cultural past. The multicultural policy of Canada, on the other hand, helps immigrants to retain their cultural heritage and ethnic identities. For instance, Canada now celebrates 'Asian Heritage Month' every May.



Many attribute the stunning increase in immigration from India to Canada owing to the issues faced by Indians to obtain or renew their H-1B visas in the United States. Canada is benefiting from a diversion of young Indian tech workers from US destinations, largely because of the challenges of obtaining and renewing H-1B visas and finding a reliable route to US permanent residence.

India, today, is by far Canada's leading source of global talent. In 2021, Canada welcomed over 405,000 immigrants, an all-time high. Nearly one-third of these immigrants are of Indian origin. In addition, Canada welcomed nearly 450,000 international students last year, with Indians comprising almost 50 per cent of this total. There were also over 10,000 Indians that moved to Canada under the Temporary Foreign Worker Program and some 130,000 got work permits under the International Mobility Program.

High levels of Indian newcomer arrivals can be explained by a combination of international and domestic Canadian factors. Internationally, India has a growing middle-class population with the education, language skills, work experience, and settlement funds that Immigration, Refugees and Citizenship Canada (IRCC) requires to approve a visa. These attributes are important for all Indians looking to move to Canada, whether as permanent residents, foreign workers, or international students.

Another important international factor is that the lack of permanent residence pathways in the U.S. has led to an increasing number of Indian foreign workers moving to Canada to pursue permanent residence in recent years. Domestically, Canada has made a variety of major immigration policy changes that are of great benefit to Indian talent. In 2015, IRCC introduced Express Entry to manage its main federal economic class immigration programs. This entailed introducing the Comprehensive Ranking System (CRS) as a means to score and rank candidates based on the likes of their age, education, language skills, work experience, and other factors such as having Canadian education and work experience.

Given the aforementioned characteristics they possess, Indians tend to fare well under the CRS and are easily the top source of successful candidates who go on to receive permanent residence through Express Entry. For instance, the high levels of English proficiency among Indians give them a significant advantage over nationals of many other countries.

In addition, IRCC launched the Student Direct Stream (SDS) in 2018 to allow eligible Indians to fast-track their studies in Canada. Indians who meet SDS criteria can get their study permits more quickly. The SDS also has a higher approval rate than applying for a study permit through the normal pathway.

As noted, studying in Canada and then going on to work here, commonly through the Post-Graduation Work Permit (PGWP), provides Indians with an advantage under Express Entry as well as many other Canadian immigration programs such as the Provincial Nominee Program (PNP). Another major domestic factor to keep in mind is Canada's large Indian diaspora and the increased prevalence of Indian culture across the country. This helps new Indians feel at home in Canada and supports their settlement and integration. Canada's Census 2016 reports the country has some 1.4 million people of Indian descent but this figure is set to be much higher when Census 2021 data is reported later this year.

Looking ahead, the number of Indians moving to Canada is set to remain strong. Canada is increasing its immigration levels to support its post-pandemic economic recovery. Given Canada continues to have historic labour shortages and demand to study here remains high, we should continue to expect high levels of Indians moving to Canada to work and study over the coming years.

According to Statistics Canada, Indian-Canadians are one of the fastest growing communities in Canada, making up the second largest non-European group after Chinese Canadians. Canada contains the world's eighth largest Indian diaspora. The highest concentrations of Indian Canadians are found in the provinces of Ontario and British Columbia, followed by growing communities in

Alberta and Quebec as well, with the majority of them being foreign-born. According to a Forbes report, the number of Indians who became permanent residents in Canada increased from 39,340 in 2016 to 80,685 in 2019, an increase of more than 105 percent.

#### **4.4.5 Achievements in Political Sphere**

Of late the Indian community has established its foothold in the political sphere as well. With such high numbers, it is no surprise that the community also has good representation politically.

It was in the federal elections held in 2004, a record number of 8 Punjabis, including 2 women, have been elected for the House of Commons. Out of these MPs, 4 have got second terms. Among the ethnic Indian winners are Gurwant and Nina Grewal, a Punjabi couple, who won from adjoining boroughs; Newton North Delta and Fleetwood-Port Wells respectively. The Liberal Parliamentary Party's Ujjane Dosanjh, the first non-White prime minister of British Columbia, won the federal election for the first time. A decade later in 2015, over a score of Indian-origin politicians have made their way into the Parliament of Canada, more than any other diasporic community in an increasingly multicultural nation. For instance, in 2015, 23 Indo-Canadians were elected in the federal elections. In 2019's federal elections, 23 Indo-Canadians were elected as MPs.

Currently, three Indian-origin ministers are part of Canadian Prime Minister Justin Trudeau's recently re-elected government. The Indian community is politically so influential and powerful that Trudeau - endearingly called Justin 'Singh' Trudeau by the community - replaced his long-time defence minister Harjit Sajjan with only another Indian-origin politician Anita Anand, who had emerged as the best choice for the post. Anand was elected to Parliament from Oakville in 2019 and became the first Hindu Canadian to become a federal cabinet minister. Anand is joined by another Indian colleague, Kamal Khera, whose parents immigrated from Punjab, in the cabinet with six women ministers.

A registered nurse, community volunteer, and political activist, Khera, 32, got recognition for her work during the first wave of the COVID-19 pandemic when she volunteered at a hard-hit long-term care facility in her hometown Brampton. She continued to help on the front lines throughout the pandemic, including administering vaccines in her community. Introducing her as the youngest member in his team, Trudeau, during the campaign trail, had said: “She will bring to it (the post) both her experience, her passion for serving, for caring for others that she’s always brought as a nurse and a parliamentarian.” Khera was first elected in 2015 from Brampton West and served as parliamentary secretary to multiple ministers over six years, including the ministers of health, national revenue, and international development. The third Indian-origin minister in the Trudeau cabinet is Harjit Sajjan himself, a former lieutenant-colonel in the Canadian Army who fought in Afghanistan. The former defence minister is now the Minister of International Development and the Minister responsible for Canada’s Pacific Economic Development Agency. He represents the British Columbia riding of Vancouver South in the House of Commons and took office as MP following the 2015 election. Sajjan, 51, born in a village in the Hoshiarpur district of Punjab, was Canada’s first Sikh minister of national defence and the first Sikh Canadian to command a Canadian Army reserve regiment. He served as the minister of national defence from 2015 to 2021. His father was a head constable with the Punjab Police in India, and the family immigrated to Canada in 1976 when he was five years old. His father worked at a sawmill in their new homeland, while his mother worked at a berry farm.

In 2016, Punjabi was officially announced as the third language of Canada after English and French. The decision was taken after four years of Punjabi being the most important language in the Canadian Parliament and after the election of 20 Punjabi-speaking candidates to the House of Commons. Among the early Indo-Canadian politicians who gained the limelight for their work were Herb Dhaliwal, the first Indo-Canadian cabinet minister, and Naheed Nenshi, the mayor of Calgary. He won the municipal elections in 2010, 2013, and then in 2017.

While Nenshi was born in Canada and was raised in Calgary, his parents were Ismaili Muslims of Gujarati origin who immigrated to Canada from Tanzania. Dhaliwal was born in Punjab's Chaheru village and was first elected to the House of Commons in the 1993 election for Vancouver South. Former Prime Minister Jean Chrétien appointed Dhaliwal to the cabinet in 1997 as Minister of Revenue. In 1999, he became Minister of Fisheries and Oceans, and in 2002 he was appointed Minister of Natural Resources and Minister with political responsibility for British Columbia. Their appointments helped the Indian-origin leaders find a foothold in Canadian politics.

According to political commentators and analysts, the Punjabi, especially the Sikh community, has emerged as a solid political force because of their long history of active political engagement, combined with their unity and organizational strength, which is seen during the gurdwara elections and in their work ethic. The community has also been at the forefront in raising funds and fighting for the safe passage of Punjabi immigrants from India into Canada. They also helped immigrants with housing and jobs and constantly challenged the racism that earlier existed in society. This social and political activism not only gave them visibility but ensured that members of the Sikh community became familiar and involved with politics from a young age. No wonder that a record number of 49 Indo-Canadian candidates were in the fray in the recent September 20, 2021 elections, of which 16 were from the Conservative Party, 15 from the Liberal Party, 12 from Jagmeet Singh's New Democratic Party (NDP), and six from the far right-wing People's Party of Canada. At present, the House of Commons (total strength of 338) has 22 Members of Parliament of Indian-origin.

#### 4.4.6 Diaspora as a Bridge in Indo-Canadian Ties

The growing clout of the Indian diaspora in Canada has enabled them to influence India-Canada relations both positively and negatively. While several scholars have expressed concern about the negative aspects of 'brain drain' from India to Canada, others see that that ethnic diasporas play an important role in modern

international politics through various forms of networking and commerce, economic investment and remittance and political interests. Viewed thus, the role of the Canadians of Indian origin in influencing India-Canada relations is both positive and negative. To take the positive role first, India can look not only for their remittances and investment, but also for their skills. Their participation in voluntary development projects is also important. Politically, they can act as lobbyists for influencing Canadian policy towards India in a favourable direction.

As regards remittance, the early Indian immigrants in Canada saved on an average about 50 per cent of their wages, which they sent home to their kith and kin despite of lower wages. Now with a sizeable number of the Indian community in Canada, they are an important source of remittance to India. As found by a scholar on the basis of his study of the Sikhs in California, these remittance are being employed to enhance status, gain philanthropic prestige, maintain izzat (status or prestige), improve marriage potential of eligible family members, acquire political power or influence, demonstrate religious devotion, increase the potential for the education of siblings or more distant kinsmen, and of course, to finance additional immigration.

As part of the Canadian population, the Indian community in Canada have thus emerged as a component force in shaping future policies of their land of adoption. By their presence they participate in the articulation of Canada's evolving identity. While they once influenced Canadian immigration policy from outside, now they operate from inside as an integral part of the Canadian multicultural nation.

The year 2011 was declared as the 'Year of India' in Canada. The North American nation used this opportunity to acknowledge the important role of the Indian community in the growth of Canada as a country. According to Statistics Canada's Ethnic Diversity Survey, 82 percent of Indian people in Canada had a sense of belonging to the country but at the same time, 71 percent also had a strong sense of belonging to their own cultural group. Policies in both countries

favour the strengthening of the existing links and the creation of new ones.

Apart from trade and education, the Indian diaspora in Canada also contributes to an increased social and commercial exchange between the two countries. The most important role of the Indian Diaspora in Canada is in the cultivation and flow of ideas and business networks. Such activities have significant long-term benefits to the Indo-Canadian partnership. If the diaspora is assumed to have a “fractured identity,” its role remains limited, however, if it is understood as a “community of communities,” the diaspora can have considerable influence. And Indian-origin Canadians tend to see themselves as both Indian and Canadian, with additional identities based on religion or even occupation. Indo-Canadian intellectuals promote cooperation, in both Canada and India, across fields like politics, socioeconomic development and cultural exchange. With their deep understanding of both Canadian and Indian democratic traditions, practices of multiculturalism, and accommodation of diversity, they are well equipped to foster a useful exchange of views on matters relating to federalism, democratic governance, the right to information, the rule of law, and country-specific expertise.

#### **4.4.7 The Challenge from Khalistan Movement**

However, there are also challenges that the Indian Diaspora in Canada will need to address. One of the key issues is the integration of new immigrants into Canadian society. While Indian immigrants have made significant contributions to Canadian society, they also face challenges such as discrimination, language barriers, and cultural differences. There is a need for ongoing efforts to ensure that new immigrants have the support and resources they need to succeed in Canada.

Recently, Canada-India relations have seen quite a low point in years as the two countries are swapping accusations and expelling each other’s diplomats over the killing of a Sikh separatist leader and Canadian national. Since June

2024, the Canadian government is investigating the killing of a Canadian Sikh independence activist leader, Hardeep Singh Nijjar, a 45-year-old who was killed by masked gunmen in Surrey, British Columbia. Canada has alleged that the Indian government may have links to this killing. However, India has rejected such allegations as “absurd” and has accused Canadian diplomats of interfering in “internal matters.” This has led to souring of India- Canada relations.

India’s concerns about the presence of radical elements within the Canadian Sikh diaspora are rooted in the troubled history of its northern state of Punjab. Between the 1980s and 1990s, the Khalistan Movement in Punjab threatened India’s territorial integrity and communal harmony. The situation in Punjab further deteriorated when Jarnail Singh Bhindranwale, a controversial figure who advocated for the Khalistan cause, took control of the Golden Temple in 1984. Consequently, the state responded by using military action in Operation Blue Star to evict Bhindranwale and suppress his overarching agenda of creating a separate Sikh homeland. This also resulted in the assassination of the then India Prime Minister Indira Gandhi.

While Sikh militancy has largely died down in India, concerns remain about the revival of the Khalistan movement. Sikh separatists today, including Nijjar who was a leader of a once-strong movement to create an independent Sikh homeland, known as Khalistan. Amongst a small but highly motivated section of the Canadian Sikh diaspora, the movement has been heavily internalised. Such fundamentalists have maintained strong separatist sentiments, seeking inspiration from Sikh history and garnering support by publicising the apparent human rights excesses committed by security forces during the troubled year. Khalistan activism in Canada and the latter’s inability to assuage Indian concerns regarding the same has made New Delhi apprehensive of its ties with Canada. Activities of a section of the Canadian Sikh diaspora population that espouses the Khalistan sentiments have contributed greatly to the India–Canada rift for few years now.



#### **4.4.8 Let Us Sum Up**

In Canada, Indians have made significant contributions to the country's economy, culture, and society. While the history of the Indian Diaspora in Canada has been marked by discrimination and challenges, the community has persevered and become one of the most successful immigrant communities in the country. The vast Indian diaspora, spread across Canadian cities, plays a crucial role in determining the nature of diplomatic ties between the two countries. The history of immigration from South Asia can be seen in two distinct waves. The first one took place during British colonialism, during which thousands of indentured labourers, primarily from India, were shipped to work at plantations in different parts of the world. The second wave occurred after Indian independence as many educated South Asians set out to find their fortune in countries that were in need of brainpower. The future prospects for the Indian Diaspora in Canada look bright, with Canada's strong economy and welcoming immigration policies. However, there is a need to address the challenges that new immigrants face and ensure that they have the resources and support they need to succeed in Canadian society. The recent growing challenge coming from Khalistan movement also needs to be addressed by India and Canada in an amicable way swiftly. As the Canada-India relationship continues to grow, there is potential for even more opportunities for collaboration and exchange between the two countries, which will benefit both the Indian Diaspora in Canada and the broader Canadian society.

#### **4.4.9 Exercise**

- 1 What do you understand by the term "Diaspora"?
- 2 Briefly discuss the composition of Indian Diaspora in Canada.
- 3 Describe the early phase of Immigration of Indians to Canada.
4. Evaluate Canada's Immigration Policy with special reference to Indian Diaspora.

- 5 Analyse the contribution of Indian diaspora in Canadian politics.
6. Critically analyse the role of Indian diaspora in India- Canada relationship

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