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# SCEA

## AGENDA: REVIEWING INDIA'S NEIGHBOURHOOD FIRST POLICY

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## LETTER FROM THE EXECUTIVE BOARD

Dear Delegates,

We welcome you all to the Standing Committee on External Affairs, Techfest World MUN 2020. It is our honour and privilege to serve as your Executive Board for the duration of the conference. I hope the study Guide at hand will help you throughout the course of your preparation for the conference from now on. However, we would stress on the importance of conducting your own research, prior to the committee's sessions.

This guide will provide you with a background that will form the basis for your research. We would suggest that you do a good amount of research beyond what is covered in the study guide. We will firmly seek active participation from all of you in the debate and the committee work, so please, do not hesitate to contact us for anything you may need on our end.

First-time delegates are advised to read the MUN Rules of Procedure prescribed by the conference. Rest, the same aspect for research applies to all. Do not feel taken aback on the research, foreign policy and other details of the allotted country.

I hope that this conference turns out to be a great learning experience for all of us, and we have substantive discussion and debate on the two days of the conference.

Sincerely,

**Ishaan Joshi – Moderator**

**Joanna Joseph – Deputy Moderator**

**Abeer Tiwari –Rapporteur**

## INTRODUCTION TO THE COMMITTEE

In modern times, Parliaments all over the world have been assuming added responsibilities in response to the growing hopes and aspirations of the people. Their roles and functions have increased manifold with unprecedented growth in the range, magnitude and complexity of governmental activities.

The Parliament of India transacts a great deal of its business through Committees which are, in fact, microcosms and extensions of the Houses. The Committees have contributed a great deal in making the Parliament more effective in exercising control over and giving direction to the executive functioning and thereby making the executive more accountable. Apart from facilitating consideration of complex and technical issues in a non-partisan manner, which the House as a whole may find difficult to discuss, the Committee may provide to the Members additional time for detailed deliberation on the legislative and financial business of the House.

The Committee system in the Indian Parliament consists of various categories of Committees. Foremost among those are the Parliamentary Committees which are appointed or elected by the House or nominated by the Speaker, Lok Sabha or Chairman, Rajya Sabha. These Committees work under the overall directions of the Presiding Officers and as per Rules of Procedure framed from time to time, present their Reports to the concerned House or the Presiding Officer.

The Secretariat is provided by one of the two Secretariats of Parliament. 2 The Departmentally-related Standing Committee (DRSC) system in Indian Parliament came into force in August, 1989 with the setting up of three Subject Committees on Agriculture, Science & Technology and Environment & Forests. The successful functioning of these Committees led to the constitution on 8 April, 1993 of 17 DRSCs related to the Ministries/Departments of Agriculture, Information Technology, Defence, Energy, External Affairs, Finance, Food, Civil Supplies and Public Distribution, Labour and Welfare, Petroleum and Chemicals, Railways, Urban and Rural Development, Commerce, Home Affairs, Human Resource Development,

Industry, Science and Technology, Environment & Forests, and Transport and Tourism. Members of the Standing Committees are nominated by the Speaker, Lok Sabha and the Chairman, Rajya Sabha. The setting up of the DRSCs has been the result of years of study of similar experiments in foreign Parliaments of USA, UK, Australia etc. and extensive deliberations at various Parliamentary fora. After watching the working of the DRSC system for over a decade, the system was re-structured in July, 2004 wherein the number of DRSCs was increased from 17 to 24.

### **1. The functions of DRSCs are as follows:**

- (a) To consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The report shall not suggest anything of the nature of cut motions;
  - (b) To examine such bills pertaining to the concerned Ministries/Departments as are referred to the Committee by the Chairman, Rajya Sabha or the Speaker, as the case may be, and make report thereon;
  - (c) To consider Annual Report of Ministries/Departments and make report thereon; and
  - (d) To consider national basic long term policy documents presented to the House, if referred to the Committee by the Chairman, Rajya Sabha or Speaker, as the case may be, and make reports thereon.
- 3 The Standing Committee on External Affairs is one of the 17 DRSCs, which has been constituted to examine matters pertaining to the Ministry of External Affairs and the institutions/organisations falling under its purview.<sup>1</sup>

### **2. Composition and Tenure**

The Standing Committee on External Affairs consists of 31 members out of which 21 members are nominated by the Hon'ble Speaker from amongst the Member of Lower House (Lok Sabha) and 10 Members are nominated by Chairman, Rajya Sabha from amongst the Members of the Upper House (Rajya Sabha). List of Members of the Standing Committee on External Affairs from the year 1993 till date is reproduced

<sup>1</sup> [http://164.100.47.194/Loksabha/Committee/CommitteeInformation.aspx?comm\\_code=11&tab=1](http://164.100.47.194/Loksabha/Committee/CommitteeInformation.aspx?comm_code=11&tab=1)

separately under the Membership (1993 onwards). A Minister is not eligible to be nominated as a Member of the Standing Committee. If a Member is appointed a Minister, he or she ceases to be Member of the Committee. The Chairperson of the Standing Committee on External Affairs is appointed by the Speaker, from amongst the Members of the Committee representing Lok Sabha i.e. House of people. The tenure of the Standing Committee on External Affairs is one year from the date of its constitution, unless the Lok Sabha is dissolved earlier.<sup>2</sup>

Procedure relating to the examination of Demands for Grants and Bills After the presentation of the Budget in Lok Sabha, the Houses are adjourned for a fixed period. The Committee consider the budgetary provisions of the Ministry of External Affairs presented before the House in the form of Demands for Grants and submit their Report within the aforesaid period without seeking any extension of time. The Demands for Grants are considered by the House in the light of the Report of the Committee. As regards bills, the Committee consider only the bills which are referred to them by the Chairman, Rajya Sabha or the Speaker, Lok Sabha after these are introduced in either of the House as the case may be. The Committee can examine the general principles and clauses referred to them and make Report thereon within the given time. So far, the Standing Committee on External Affairs have examined Haj Committee Bill, 2000, The Piracy Bill, 2012, The Nalanda University (Amendment) Bill, 2013 and The Constitution (One Hundred and Nineteenth Amendment) Bill, 2013 and presented the Reports. The Bills have since been passed by both the Houses of Parliament.<sup>3</sup>

## INTRODUCTION TO THE AGENDA

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<sup>2</sup> Ibid

<sup>3</sup> Ibid

It is a fact of matter that the neighbourhood of any country plays a pivotal role in the development and growth of nations as such. The development of any nation also depends upon the relations it has with its neighbours, *prima facie*.

India on the international platform has always given the slogan of “वसुधैव कुटुम्बकं”, which translates into, “the world is our family”. By keeping this thing in mind, India has always followed the path of peace and prosperous neighbourhood as such. Taking the banner of peace and prosperity ahead, India has often believed that any matters, be it a matter of dispute over territories or dispute over the flow of water, could be solved through a series of talks or dialogue between the two countries.

Now as we talk about the agenda at hand, “India’s neighbourhood first policy”, it becomes self-explanatory for the delegates, as it essentially talks about how India believes in prioritising the relations with its neighbouring countries.

Not just the present government, but it has been observed from time to time that each and every government who has taken the hold of the office of the central government has tried its best to keep a friendly neighbourhood, although no one is alien to the fact that the neighbourhood that India has is pretty volatile in nature as well. One wrong step and warlike situations may arise and tensions across the borders might increase.

Now, it is important to understand why it is important to keep the relations with the neighbours as a priority. India, in itself has earned the title of ‘subcontinent’, occupying at least 75% of the Southern Asia, which also includes that we are also taking the 75% of the resources of South Asia for the country, which sets a chain reaction of the economic and trade activities, water bodies etc. Therefore, it becomes very essential for us to understand the needs and the comforts and discomforts of our neighbours because as said earlier, a volatile neighbourhood is something that is in India’s destiny.

Though foreign policy comes under the domain of the central government, on many matters concerning neighbouring countries, there is need to consult and take on board the views of the state governments on our side of the border. This is because of contacts between the people on both sides of the border for centuries and their mutual



concerns, the effect of policy on the states concerned, presence of people of Indian origin in the neighbouring country etc. For example, in the 1980s when Tamils of Sri Lanka were facing serious problems, Tamil Nadu Government was constantly consulted by Government of India and kept informed of the developments. Similarly Government of West Bengal was consulted on sharing of waters of Ganges and Teesta with Bangladesh as also on border related issues. Our policy towards Nepal is of keen interest to UP and Bihar. It is necessary to get the state governments on board; this will facilitate smooth implementation of the policy.<sup>4</sup>

Also, when we start talking about the foreign relations that a country has, it is to be noted that maintaining foreign relations with the neighbouring countries is just like nurturing a plant where it requires constant attention and proper care.

**Salient features of the policy:**

1. **Immediate priority to neighbours:** Priority is to improve the relations with immediate neighbours as peace and tranquillity in South Asia is essential for realizing development agenda. The neighbourhood first policy of actively focuses on improving ties with India's immediate neighbours.
2. **Dialogue:** It focuses on vigorous regional diplomacy by engaging with neighbouring nations and building political connectivity through dialogue. First initiative in this direction was extending an invitation to all heads of government of SAARC countries for the oath taking ceremony of the Prime minister in 2014.
3. **Resolving bilateral issues:** Focus is on resolving bilateral issues through mutual agreement. For instance, India and Bangladesh have signed a pact to operationalise the historic Land Boundary Agreement (LBA).
4. **Connectivity:** India has entered into MoU with members of the South Asian Association for Regional Cooperation (SAARC). These agreements ensures a free flow of resources, energy, goods, labour, and information across borders.

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<sup>4</sup> <https://www.mea.gov.in/distinguished-lectures-detail.htm?674>



5. **Economic Cooperation:** It focuses on enhancing trade ties with neighbours. India has participated and invested in SAARC as a vehicle for development in the region. One such example is the Bangladesh-Bhutan-India-Nepal (BBIN) grouping for energy development i.e. motor vehicles, waterpower management and inter-grid connectivity.
6. **Technical Cooperation:** The policy put emphasis on technical cooperation. Recently a dedicated SAARC satellite was developed to share the fruits of the technology like tele-medicine, e-learning etc. with the people across South Asia.
7. **Disaster management:** India's offer cooperation on disaster response, resource management, weather forecasting and communication and also capabilities and expertise in disaster management for all South Asian citizens. For example, India provided immense assistance to its neighbour Nepal in the aftermath of the 2016 earthquake.
8. **Military and defence cooperation:** India is also focusing on deepening security in the region through military cooperation. Various exercises like Surya Kiran with Nepal, Sampriti with Bangladesh aim to strengthen defence relations. Also, India has committed to play a greater role in capacity building of the Afghan National Army by providing training to them.<sup>5</sup>

## INDIA'S RELATIONSHIP WITH ITS NEIGHBOURS

### Sri Lanka:

The genesis of the ethnic problem in Sri Lanka can be traced back to 1948, when Sri Lanka became independent. It is a subject in which India takes a keen interest, for, its reverberations are felt in Tamil Nadu. A quarter of Sri Lanka's population are Tamils and many of them retain some link with Tamil Nadu. When violence broke out in Sri Lanka in the 1980s, many Tamils fled to India. Since then, Tamil Nadu has played host to tens of thousands of Sri Lankan Tamil refugees. In the 1980s, India made a

<sup>5</sup> <https://blog.forumias.com/answerdiscuss-various-features-of-indias-neighbourhood-first-policy/>

sincere effort to assist in finding a peaceful solution to the ethnic issue, but succeeded only partially. India will support any effort in finding a negotiated peaceful solution that addresses the legitimate grievances of the Tamil population and provides for implementation of what has been agreed upon already and incorporated in the Constitution.

While the concerns and complaints of the Tamils of the North East has attracted wide spread attention in India, the miserable plight of Tamils of recent Indian origin, who were taken by the British in the nineteenth century to work in their tea plantations hardly attracts attention here. India has been helping in their education and training, but the primary responsibility for their welfare and upliftment is that of the Sri Lankan Govt. Sadly Sri Lankan Govt doesn't do much for them. It is gratifying that during our PM's visit to Sri Lanka in May 2017, he visited the upcountry area, where most of the Tamils of recent indian origin live, to inaugurate a multi-specialty hospital set up with our assistance.

A thorny issue we have with Sri Lanka is the frequent arrest of Indian fishermen by that country. Sri Lanka alleges that our fishermen cast their net in their waters. This allegation may be partly correct. Because of depletion of fish stock near our coast our fishermen go further out and enter Sri Lankan waters. In the dialogue at highest levels we stress on the need for continued cooperation on this humanitarian issue. Force should not be resorted to against straying fishermen. Joint Working Group on Fisheries is discussing the issue. In the meantime, India has been encouraging fishermen to take to deep sea fishing so that they don't need to fish in Sri Lankan waters. An alternate solution could be licensed and regulated fishing in each others waters. Sri Lankan fishermen on the western coast are interested in fishing in the Arabian Sea off our western coast. Any such solution should ensure that the livelihood of fishermen of Kerala is not adversely affected.

Activities of China in Sri Lanka are a matter of concern to us and are discussed at the highest levels. Huge investments in unviable projects like the Hambantota port probably have other reasons. With Sri Lanka unable to service the loan for this unviable project, it has been taken over by the Chinese, which is a cause for concern to us. We signed a free trade agreement with Sri Lanka in December 1999. Bilateral trade has grown exponentially since then and both countries have benefitted from the agreement and are keen on vastly expanding the scope of this agreement.

**Maldives:**

The strategic location of Maldives on Indian Ocean sea lanes makes this country important to us. The internal political problems inevitably drags us in, but we have rightly chosen not to adopt a prescriptive approach, but to counsel the different sides. There are reports on activities of religious extremists in the island. This is of concern to us and we have flagged this to the attention of the Govt of Maldives. A major problem arose when Maldives cancelled the contract of an Indian company for the airport project. The arbitration award has gone in favour of the Indian company. Hopefully the issue will be resolved amicably.

**Bhutan:**

India – Bhutan relations are based on mutual trust, confidence and respect for each other's national interests. The importance of this Himalayan Kingdom arises from its strategic location between India and China. It is the country where the concept of Gross National Happiness took shape. Its electoral system has many aspects which are worthy of replication in India. Its commitment to environmental preservation is worthy of adulation. It is the sole neighbor with which we have had trouble free and friendly relations since our Independence. 'Bhutan and India share a very special relationship that has stood the test of time,' said PM Modi in Bhutan. He chose Bhutan as the first foreign country he would visit after becoming PM.

When Bhutan wanted some changes in the bilateral Treaty, we agreed readily for dialogue on the issue and a new Treaty that addressed the concerns of Bhutan was agreed upon. The new Treaty provides that neither country shall allow use of its territory for activities harmful to the national security and interest of the other. Our security cooperation has been progressing smoothly to the benefit of both the countries. We have been Bhutan's primary economic and development cooperation partner. In the case of bhutan, the model of cooperation is different from the general one, which facilitates timely implementation of the projects.

Hydro power is the most important area of economic cooperation with Bhutan. During his visit, PM said, hydropower cooperation with Bhutan 'is a classic example of win-win cooperation and a model for the entire region'. Three India assisted Projects – Chukha, Kurichu and Tala - with a total generating capacity of 1416 MW are presently operational. They account for 13% of Bhutan's GDP and a third of its exports. They have contributed enormously to the development of Bhutan. India buys all the surplus power from these projects. Four other projects with a total capacity of 3540 MW are under implementation. These projects are part of the 10,000 MW that we have agreed to put up in Bhutan by 2020. The deadline is going to be missed, but India is committed to implementing the projects.

It is not as though we do not have any problems, but these are not serious and are handled outside the glare of media and both sides resolve them in a mutually accommodative spirit.

### **Bangladesh:**

Relations with Bangladesh have witnessed a marked upswing since the return to

power of PM Sheikh Hasina in January 2009. There is now, wide ranging bilateral cooperation including in areas like defence, energy, activities of Indian insurgent groups, transit etc. Following ratification of the 1974 Land Boundary Agreement in 2015, long pending issue of boundary demarcation is out of the way. Enclaves in each other's territory have been exchanged. Maritime boundary is also more or less settled. There is increasing willingness on the part of Bangladesh to crack down on the activities of Indian insurgent groups operating from Bangladeshi soil. Some top rebel leaders have been handed over to India, sending a clear message to the groups that they can no longer use the territory of Bangladesh for anti India operations.

During PM Sheikh Hasina's visit to India in April '17, several important decisions were taken. India will extend assistance for rebuilding old railway lines and roads and for reviving inland waterways. In due course this will help in improving connectivity to the North East, building on direct Kolkata - Agartala bus service launched 2 years back. Improving the transportation network in Bangladesh has the potential to increase connectivity among BBIN countries.

India is presently supplying 600 MW of power to Bangladesh, including 100 MW from Tripura. Additional 500 MW will be supplied once the transmission network is strengthened. From Tripura additional 60 MW will be supplied. A trilateral MOU on hydroelectric power has been worked out and will be signed soon by Bhutan, Bangladesh and India. This should facilitate implementation of Bangladeshi proposal to put up a hydroelectric project upstream of Kurichu in Eastern Bhutan with the aim of importing power through Indian Territory.

Sharing of river waters is a major issue in bilateral relations. The 1996 agreement on sharing of waters at Farakka was possible because of the enormous support extended by PM Sheikh Hasina. Arrangement for sharing of Teesta waters was worked out in 2011, but it has not been possible to move forward on it because of serious

reservations of West Bengal which has now offered to share waters of other rivers, instead. This is a sensitive and critical issue for which we need to find an early solution, before it becomes a major irritant.

India has announced additional line of credit of \$ 5 billion, including \$ 500 million for defence related supplies. Together with the existing LoCs, India has offered a total of \$ 8 billion in credit over the last 6 years. Greater economic interaction that this will bring about will be in the interest of both the countries. It was clear during PM Sheikh Hasina's visit that Bangladesh is willing to move forward on defence cooperation.

An immediate challenge for India is increasing efforts by China to rope in Bangladesh into its scheme of things on BRI initiative. Bangladesh has been made aware of our reservations and given our strengthening relations would hopefully not agree to anything that will seriously affect our interests. Another challenge is that while on the Indian side there is bipartisan approach on relations with Bangladesh, it does not appear so in Bangladesh. At a future date, when there is change of Government we should be prepared for changes in Bangladesh's policy towards India. Increasing economic interdependence will help in minimizing Bangladesh's options for changes in policy towards India. In the meantime, we should move forward fast on delivering on all the promises made, keeping in view that PM Sheikh Hasina has invested enormous political capital in moving forward on relations with India. Another ongoing issue is illegal immigration from Bangladesh. At one level Bangladesh is in a denial mode, but the problem can't be wished away. Measures taken by India like border fencing haven't had the desired effect. Issue needs to be pursued vigorously with Bangladesh.

**Nepal:**

Relations with Nepal are friendly, but, divisive politics in Nepal casts its dark shadow on relations with India. There is tremendous potential for mutually beneficial economic cooperation in sectors like hydro power, tourism etc., but Nepal has not found it possible to move forward due to domestic politics surrounding anything to do with India. Over the last 2-3 years there has been forward movement on some hydro projects like Arun III, Upper Karnali and Pancheshwar. A country that has the potential to meet the entire shortfall in power of South Asia is now dependent on import of power from India.

Nepal has been calling for revising the 1950 bilateral Treaty of Peace and Friendship. When we expressed readiness to engage in a dialogue and asked for the specific concerns of Nepal, there was no response. It appears to be a political issue which is whipped up whenever it suits them. In economic terms Nepal gains enormously from the Treaty. They are perhaps concerned that they may end up losing the economic advantages that the Treaty gives them and hence don't want to engage in a dialogue on Treaty revision. During PM's visit to Nepal in 2014, it was agreed to 'review, adjust and update' the Treaty.

We have an open border with Nepal. It facilitates free movement of people but also of terrorists and smugglers who bring in fake Indian currency. We must guard against misuse of the open border by outside forces. Nepal's territory has been made use of by Pakistan as a launching pad for anti – India activities. I am sure many of you will remember the IC – 814 hijacking incident. China has been expanding its footprint in Nepal, with the active assistance of some political forces in Nepal. This requires careful monitoring. We need to ensure that Nepal, while engaging with China, takes into account our concerns on Chinese activities in Nepal.

The unsettled domestic political situation in Nepal is a matter of concern to us as it has a fallout effect on the bordering states, because of the close connection between



people living on either side of the border. There is an urgent need for Nepal to address the political unrest in the terai region, where Madhesis have been voicing their concerns, many of which are genuine. Madhesis who have familial connection with people of Bihar and UP, have, for long been denied equal rights and are a suppressed lot. The 2007 interim Constitution, addressed many of their concerns, but the Constitution of 2015 rolled many of these provisions back resulting in the current ongoing unrest. For success in its quest for a new democratic identity, Nepal needs to carry along all sections of population.

**Afghanistan:**

Our relations with Afghanistan are warm and friendly. This landlocked country is in turmoil for nearly 40 years due to external interference. India has worked with successive Governments during this period, except when Taliban ruled the country. We have extended development assistance aimed at benefiting the people, all through this period, which has generated enormous goodwill for India. President Mohammad Ashraf Ghani was hopeful that he can solve Afghanistan's problem by reaching out to Pakistan and China and when he didn't succeed, he realized the importance of engaging with India. We extend assistance to Afghan security forces and there is active cooperation with them. We have extended development assistance of \$ 2 billion to Afghanistan. PM visited Afghanistan in December 2015 when the new Parliament building which was built with Indian assistance was inaugurated. PM visited Afghanistan again in 2016 to inaugurate the long delayed Salma Friendship dam and HEP.

Landlocked Afghanistan is heavily dependent on getting most of its supplies through Pakistan. Pakistan uses it as leverage. We need to implement the Chabahar port project in Iran expeditiously. This would provide an alternate route for Afghanistan to get its supplies. In June this year, an air corridor was inaugurated between India and

Afghanistan, which will facilitate Afghan exports and enable Afghanistan to get essential and emergency supplies by air. An Afghanistan in turmoil is what Pakistan wants so that it can expand its influence in that country and install its proxies in power. This will not be in India's interest and will be of serious security concern to us. As the situation evolves, we will be faced with the difficult task of ensuring that Afghanistan doesn't fall into the hands of Pakistan supported Taliban or some such force.

**Pakistan:**

Now on to the neighbour with whom we have had difficult relations right from the day both the countries were born, namely Pakistan. The difficulty in dealing with Pakistan is that the elected Government is not in control of foreign policy or defence matters. It is the army which has the final say on these subjects. It is not surprising then that whatever is agreed in good faith with the Government falls by the wayside soon. The composite dialogue agreed to in 1997 hasn't progressed much because army would not like it to progress. Every goodwill gesture by India is reciprocated through army organized terrorist activities against India. Pakistan cannot forget the humiliation of 1971. Army would not want improvement of relations with India as it will lead to questions being raised about its elevated and bloated status. Terrorism is an instrument of state policy of Pakistan. It is this Pak sponsored terrorism that is destabilizing Afghanistan.

Pakistan's strong and growing defence and nuclear links with our other difficult neighbour is a matter of serious security concern to us. The proposed CPEC, which doesn't appear to be economically viable will add to these concerns apart from infringing on India's territorial sovereignty in Jammu and Kashmir. China is actively helping Pakistan in its nuclear and missile programmes, with the aim of causing serious security concern to us. What is inexplicable is the reluctance of the US to take

action against or at least restrain Pakistan, despite clear evidence that Pakistan is fomenting trouble in the region and in fact acting against the US and its interests. Perhaps they are hopeful that Pakistan will contribute to stabilizing the situation in Afghanistan.

### **China:**

Over the last 3-4 decades, China's global profile has changed enormously, thanks to consistently high growth rates, resulting money power and aggressive foreign policy. It has emerged as the second largest economy and has the highest foreign exchange reserves. It is using its economic muscle to invest abroad to further its strategic interests. China is now a confident power that is willing to push forward its interests aggressively. We have to bear these factors in view while dealing with China. While our growing economy should provide incentive for China to engage with us meaningfully, we should be under no illusion that China's approach on bilateral issues, both political and economic, would change dramatically.

In the 1980s, the two countries decided to put aside contentious issues temporarily and focus on issues that are to mutual advantage. Progress has been achieved on this, in that trade is booming, though it is largely China that is benefiting through increased exports to India. Both countries are members of BRICS and its various initiatives. Our hope that growing economic and cultural links would encourage China to moderate its stand on contentious issues has been belied.

Border violations continue. The explanation that this is due to non demarcation of the border will satisfy only the eternal optimists. Non tariff barriers against import of items from India have been expanding. Dumping of Chinese products has been increasing, affecting Indian manufacturers. Its cooperation with Pakistan on the latter's nuclear and missile program is a cause for very serious security concern to us.

In fact China's cooperation with Pakistan has reached a stage where, even if the US were to stop assisting Pakistan, China will step in to fill the breach. China is roping in our neighbors to join in its mega BRI initiative. Some of the mega projects that are being planned or have already been executed are not economically viable. It is likely that in due course China will acquire these assets and position itself permanently in our neighborhood. CPEC which cuts across J & K and the reported mega hydro electric project in J&K are of serious concern to us and so are their mega projects on Brahmaputra. There is growing evidence of material Chinese support for North East insurgents.

Given this scenario, we have to look at our options carefully. We need to continue to strengthen economic and trade links, while continuing efforts on getting market access barriers faced by Indian exporters lifted. Bilateral dialogue on contentious issues has to continue. We need to strengthen economic and defence links with Japan, South Korea, Vietnam, etc., and continue participating in military exercises with them. We should continue to strengthen our armed forces and also the infrastructure along the border. Our efforts to convince immediate neighbors on the negative effects of Chinese projects should continue quietly.

### **Myanmar:**

Return of democracy in Myanmar provides an opportunity to us strengthen links and thus safeguard our interests in that country. This was not possible earlier because of Chinese influence on the military regime. President of Myanmar U Htin Kyaw and State Counselor Aung San Suu Kyi have visited India in the last year and our PM had visited Myanmar earlier. The discussions covered both economic and security related issues. There is agreement to maintain security along the border. Both sides expressed shared commitment to fight against terrorism and insurgent activity. PM said, after his meeting with State Counselor, that it has been agreed that close coordination to ensure

security in the areas along the border and sensitivity to each other's strategic interests will serve the interests of both the nations. In the context of continuing Chinese support to Indian insurgent groups [and also Myanmar insurgents], this should be followed up and implemented on ground.

It has been decided to expedite Kaladan multimodal project, which would benefit Mizoram as also rest of the North East, Myanmar and Bangladesh. Trilateral highway to connect with Thailand and provide road access to South East Asia will also be expedited. We are extending assistance in many fields including, education, power, renewable energy, agriculture, health care, oil exploration etc. Total assistance for ongoing projects is around \$ 1.75 billion. The challenge lies in leveraging this to get their full cooperation on security related issues. This would be possible only if we are able to deliver on time on what has been agreed upon, on which our record has not met with recipient's expectations.<sup>6</sup>

## **OVERVIEW ABOUT SAARC AND THE POLICIES/TREATIES RELEVANT TO THE AGENDA**

The South Asian Association for Regional Cooperation (SAARC) was established with the signing of the SAARC Charter in Dhaka on 8 December 1985. SAARC comprises of eight Member States: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The Secretariat of the Association was set up in Kathmandu on 17 January 1987.

The objectives of the Association as outlined in the SAARC Charter are: to promote the welfare of the peoples of South Asia and to improve their quality of life; to accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potentials; to promote and strengthen collective self-reliance among the countries of South Asia; to contribute to mutual trust, understanding and appreciation of one

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<sup>6</sup> <https://www.mea.gov.in/distinguished-lectures-detail.htm?674>

another's problems; to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields; to strengthen cooperation with other developing countries; to strengthen cooperation among themselves in international forums on matters of common interests; and to cooperate with international and regional organizations with similar aims and purposes.

Decisions at all levels are to be taken on the basis of unanimity; and bilateral and contentious issues are excluded from the deliberations of the Association.<sup>7</sup>

The COVID-19 outbreak has posed a daunting healthcare crisis worldwide and the severity of the pandemic is still unfolding. While there are speculations of a multilateral world approaching, it is surprising that South Asian Association for Regional Cooperation (SAARC) has shown little progress in coming up with a combined cooperative mechanism to fight the pandemic. Several scholars have viewed SAARC as being 'non-functional' and the reasons behind calling it 'defunct' are various but the main hurdle that the organisation faces is the uneasy relationship between India and Pakistan. Consequently, the India-Pakistan bilateral issues have pushed back SAARC's common agenda.

As COVID-19 poses an unprecedented threat to the humanity, this article argues that there is a scope and urgent need of bringing SAARC back to life from the virtual comatose. While there have been efforts to formulate a joint response to fight the crisis, the results so far are lacklustre. Indian Prime Minister Narendra Modi on 13 March 2020 called for SAARC countries to chalk out a strategy to fight COVID-19. On 15 March, India proposed a "COVID-19 Emergency Fund" and announced USD 10 million for this fund followed by Nepal, Sri Lanka, Bangladesh, Bhutan, Afghanistan, Maldives and Pakistan. A website was developed by the SAARC Disaster Management Centre (SDMC-IU) at Gandhinagar, Gujarat to disseminate information related to Coronavirus in the South Asian region. A video conference of health professions from SAARC countries was also held in the last week of March as

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<sup>7</sup> <https://www.saarc-sec.org/index.php/about-saarc/about-saarc>

a follow-up action. Later, on 8 April, a video conference of senior trade officials was held to discuss about the COVID-19 situation on intra-regional trade. All the SAARC nations, except Pakistan participated in this conference. Indian Prime Minister Modi had telephonic conversations with the President of the Maldives, Prime Minister of Nepal, Prime Minister of Bangladesh as well as Prime Minister of Bhutan to discuss multiple issues arose out of COVID-19 in the month of April. The leaders of SAARC countries expressed their appreciations for the gesture initiated by India. However, Pakistan was sceptic about India's move. Though the initiative was lauded, there has been little accomplishment by the SAARC countries to control the evolving challenges. COVID-19 has had a major impact on the socio-political conditions of the region. Therefore, a roadmap or recovery plan is needed for the SAARC countries.<sup>8</sup>

### **Policy Recommendations for India**

In order to have a comprehensive plan, there are certain initiatives India can adopt being the largest country in the South Asian region. To begin with, first and as a short-term strategy, India needs to keep aside the contentious issues related to cross-border terrorism with Pakistan (at least for the moment) in the times of the crises for the functioning of the regional organisation. India took a mature decision to attend the video conference which was hosted by Pakistan. For the long-term strategy, both India and Pakistan need an alternative approach from the zero-sum theoretical interplay.

Second, being projected as a 'soft power', India needs to showcase its diplomatic overture skills and take imperative steps during this pandemic. For instance, the secretaries of respective health ministries of all these countries need to meet at regular intervals.

Third, it is safe to assume, given the capabilities of Indian pharmaceutical industry, that once a vaccine is developed, be it home-grown or from any other part in the world, India will play a crucial role in producing and supplying it. Policy decisions to

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<sup>8</sup> <https://niice.org.np/archives/5726>



help all the SAARC members with timely and copious deliveries of the vaccine will shore up trust and credibility. The Chinese race towards developing a vaccine cannot be ignored.

Fourth, there can be virtual meets of the academicians, doctors and experts in various fields to stay connected through official channels so that there are people-to-people exchange to prevail the sense of togetherness of this region.

These steps, particularly the trust building, are imperative for India keeping in view there have been several irritants between India and its other neighbouring countries. In India-Nepal relationship, the border issue between the two is the latest in the series of irritants. India's inauguration of Himalayan link road which passes through Lipulekh has been protested by Nepal. Both the neighbouring countries claim this territory as their own which has openly affected their 'special' ties. In the past, India has faced criticism as it could not deliver the development projects on time in Nepal. In addition to this, Nepal also viewed India's policy towards the country as interfering in their domestic politics. Similarly, the water sharing of the Teesta Rivers has been a matter of contention between Bangladesh and India. In the latest matter which can stress their bilateral ties, Bangladesh has raised its concerns over India's National Register of Citizens (NRC) process.

Apart from mistrust, India's idea of 'big brother' and even its 'leadership' role looks faltered since the neighbouring countries view India's every move with some degree of scepticism. The countries in Southern Asia refrain from being caught in the crosshair of a power tussle between two giants – India and China. The policymakers and Indian leadership need to respect and learn to manoeuvre around these thinly explained redlines.

Along with the non-traditional security threat which all the South Asian countries are grappling with, India is facing a traditional security threat too. Presently, India-China

ties are going through a critically delicate phase due to the border feud at Galwan valley in Ladakh in June 2020. According to experts, it might be a watershed moment in Sino-Indian relationship.

China presently has a strong footprint in the South Asian region. Over the years, China has built bilateral ties with most of the South Asian countries. China, presently an observer in SAARC, has long been looking forward to become a member of SAARC. However, India has been apprehensive especially due to China being placed in a better position economically and militarily. When China introduced its most ambitious multi-country infrastructure development and communication project One Belt One Road (OBOR), now popularly known as Belt and Road Initiative (BRI), in 2013, the project drew support from various countries in the world and many South Asian countries also showed commitment. It drew criticism and skepticism from rivals of China who perceive this as a ploy of neo-colonialism with an intent of putting economically weaker countries in a vicious circle of debt trap. Chinese loans to India's neighbourhood countries like Nepal, Bangladesh, Maldives and Sri Lanka have created indebtedness in these countries, and have helped China to gain strategic foothold in the region, which India considers as core to its security. The sovereignty issues that India has raised over China Pakistan Economic Corridor (CPEC) have found little resonance in denting Chinese plans of expansionism. Projects have gone ahead in the disputed areas despite India's spirited opposition.

Considering the South Asian shared historical, cultural, religious ties, and now from its strategic and economic standpoints, there is a dire need that India recalibrates its "neighbourhood first policy" and revive SAARC to deal with China. The present non-traditional security threat has presented India an opportunity to give a boost to SAARC, win back the trust of neighbouring countries and display its efforts of regional integration. However, the perception about India will not change with one or two stand-alone goodwill gestures. It is a long process; therefore, India needs to

display its real strengths as ‘soft power’ and should proactively start this long overdue process.<sup>9</sup>

## STRING OF PEARLS

With reports of China mulling to establish a naval base in Pakistan doing the rounds, India may once again worry about the much talked about Chinese doctrine of ‘String of Pearls’ to contain both lands as well as the maritime footprint of India in the region.

‘String of Pearls’ refers to a geopolitical theory to the network of Chinese intentions in India Ocean Region (IOR). Precisely, it refers to the network of Chinese military and commercial facilities developed by China in countries falling on the Indian Ocean between the Chinese mainland and Port Sudan.

The doctrine has been discussed and debated for years and India’s ‘Look East Policy’ was always seen as an answer to Chinese ‘String of Pearls’. But first, the China-Pakistan Economic Corridor (CPEC) and now its macro form of One Belt One Road (OBOR) under which China will construct various land and maritime trade routes are also seen as a part of China’s larger military ambition.

India has already been encircled by Chinese military and commercial facilities and if as reported, Chinese naval base comes up on Pakistan soil, that’s going to be the possible last cog in the chain of pearls encircling India.

Though similar military and commercial facilities have been developed by China to encircle Japan and other American allies as well, since our concern is India, we are discussing the Chinese presence in IOR which might prove costly for India at the time of conflict with China.

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<sup>9</sup> <https://niice.org.np/archives/5726>

### **A. Strait of Malacca**

The Indian Ocean sees nearly 60 per cent of the trade which includes the trade of oil from the oil fields of the Middle East. And 80 per cent of China's oil imports pass through the Strait of Malacca. Therefore, Strait of Malacca is indispensable for China until it develops alternative routes.

Therefore China is keen to develop friendly relations with countries like Malaysia and Singapore which surround the Malacca Strait. India has a strategic hold on Malacca Strait and in past as India had threatened to block Malacca Strait when China was mulling to help Pakistan in 1971 war.

During the Kargil conflict in 1999, India had choked supply to Pakistan by using its navy-practically blocking the Karachi port. China is said to have developed a naval base near Strait of Malacca on Cocos Keeling Island, which is a distant part of Australia.

### **B. Myanmar**

China has the presence in Myanmar's Kyaukpyu port. The port situated in the Bay of Bengal has given China access to have a commercial Maritime facility which can be used as a military facility at the time of conflict. China has invested a lot and 2400 km gas pipeline connecting Kyaukyu and Kunming is an example of it.

Another main Chinese presence in close vicinity to Indian shores are at Coco Islands. Coco Islands are situated north of Andaman and Nicobar islands and strategically extremely important at the times of conflict. China is reportedly having a military base there as well.

### **C. Bangladesh**

China has developed the port of Chittagong which again gives it a station to be used in the heart of the Bay of Bengal. China has invested a lot in Bangladesh and both Bangladesh and Myanmar are important points of OBOR's sub-project, Bangladesh-China-India-Myanmar (BCIM). China once again has been pushing Bangladesh to allow a naval base near Chittagong.

#### **D. Sri Lanka**

Though India has robust relations with Sri Lanka for centuries, China has found its feet in Sri Lankan soil as well. The Chinese company has developed a port Hambantota, in the Southern-eastern side of Sri Lanka and the Sri Lankan government has also allowed the control of it to a Chinese company.

The previous Rajapakse government had allowed Chinese to build this port and it was likely to allow China to build a naval base here. But the Rajapakse government was ousted in 2015 election and the present Sirisena government has cordial relations with India, which seems to have given a jolt to the Chinese plans.

Recently, the Sri Lankan government had rejected Chinese request of allowing one of its nuclear submarine dockings at Hambantota.

#### **E. Pakistan**

Pakistan- India relations require no introduction and China is Pakistan all weather ally. Therefore, Pakistan has always been China's tool to keep India in check. The Gwadar Port developed by China for the purpose of CPEC is just the tip of the iceberg as the political pundits believe that China will not only assist Pakistan Navy through Gwadar port but would also launch offensive using this port in the scenario of a Sino-Indian conflict.

And now Pentagon has come up with a report that China may come up with a full-fledged naval base in Pakistan which again speaks volumes about Chinese ambitions in IOR.

#### **F. Chinese presence in Greater IOR**

China hasn't limited itself to lure the countries encircling India, but it has also made its presence felt on the African coast and the Middle East. China is said to have a powerful presence on the African Coast of India Ocean in Sudan and Kenya while it's now building a military base in Djibouti to counter the increase American footprint in the Middle-East and IOR.<sup>10</sup>

China is making rapid growth in infrastructure and technology. To meet this rapid growth burgeoning oil requirement is axiomatic. China is heavily dependent on imports to meet this challenge. The main sources of oil imports are from the Gulf Countries and Africa which accounts for 70 % of its consumption. In an attempt to build in redundancy against operational hurdles, China has negotiated long term contracts with Iran for development of its oil fields and with SUDAN for projects involving laying pipelines and building refineries and ports. Sea lines of communication will continue to be the predominant mode for oil transportation in the foreseeable future. Alternative modes of transportation have not been found feasible given the degree of political instability, poor infrastructure, logistical challenges, and corruption in Central Asia. The Chinese strategy is evidently focusing on protecting all those sea lines which impacts its oil imports. In an attempt to give shape to this strategy China raised and built several commercial and military facilities along these sea-lines which are now referred to as STRING OF PEARLS. The sheer dispositions of these PEARLS encircle India and can be perceived as an added dimension to

<sup>10</sup> <https://www.indiatimes.com/news/india/here-is-all-you-should-know-about-string-of-pearls-china-s-policy-to-encircle-india-324315.html>

Chinese intents to thwart India's growing influence in the ASIAN SUBCONTINENT and the GLOBAL ARENA.<sup>11</sup>

## **DEBT TRAP DIPLOMACY**

Against the fear and distrust that increasingly characterise Australia's relationship with China, the Belt and Road Initiative looms large. Australian politicians from both major parties rarely agree on much openly, but nearly all agree that China uses the BRI to achieve geopolitical goals. Many commentators concur.

This is why Victoria's recent BRI deal with China was criticised for enabling "[Chinese leader] Xi's strategic agenda". The Australian government's announcement that it will legislate to give the Foreign Minister authority to regulate agreements signed with foreign governments in Australia was directed squarely at Victoria's BRI agreement.

Australian policymakers have also fretted over China's use of BRI infrastructure financing to grow its influence in the Pacific Islands region. China is often accused of "debt-trap diplomacy" – strategically ensnaring recipient countries with loans they can't repay. This is said to increase Chinese leverage, and when recipients default, China can seize strategic assets. Claims of Chinese debt-trap diplomacy in the Pacific have abounded, leading Australia to establish a BRI competitor – the \$2bn Australian Infrastructure Financing Facility for the Pacific (AIFFP).

In our report, recently published by Chatham House, Lee Jones and I argue, however, that the assumptions underlying Australia's response to the BRI are mistaken. China's "debt-trap diplomacy" is a myth.

Take Sri Lanka's Hambantota Port. It is portrayed as the case *par excellence* for China's debt-trap diplomacy. The conventional account is that China lent money to Sri Lanka to build the port, knowing that Colombo would experience debt distress

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<sup>11</sup> <https://afpa.in/string-of-pearls/>



and Beijing could then seize it in exchange for debt relief, permitting its use by China's navy.

This narrative is simply incorrect. The project was proposed by former Sri Lankan President Mahinda Rajapaksa, not Beijing, as part of his government's corrupt and unsustainable development program. It quickly became a "white elephant", however, creating vast surplus capacity and adding to Sri Lanka's financial woes. Sri Lanka's debt distress arose not from Chinese lending, but from excessive borrowing on Western-dominated capital markets.

This is not unique – China was also not the main cause for Pacific countries' growing debt problems. When the US Federal Reserve began to taper its quantitative easing program, suddenly Sri Lanka's cost of borrowing increased, forcing it to seek International Monetary Fund assistance.

There was also no debt-for-asset swap. Rather, after bargaining hard to protect its bottom line, a Chinese state-owned enterprise (SOE) leased the port for \$1.1 billion, which Sri Lanka used to pay down debts to other creditors and boost its foreign reserves. The debt to China will still need to be fully repaid. Finally, China's navy vessels cannot use the port, which will instead house Sri Lanka's own southern naval command.

In short, the Hambantota Port case shows little evidence of Chinese strategy, but lots of evidence for poor governance on the recipient side.

So how does the BRI really work?

The BRI emerged to externalise China's massive debt and industrial overcapacity problems by stimulating external demand for Chinese goods, services and capital. Approved projects therefore follow the logic of economics, not geopolitics. Outbound investment does not correspond to the six "corridors" outlined in BRI policy

documents. Chinese investment remains heavily concentrated in East Asian and developed economies, with non-BRI investment growing faster than BRI investment.

The institutions delivering China's development financing are also fragmented, poorly coordinated and ill-equipped to execute a top-down strategy. Top leaders and central agencies attempt to shape the BRI's overall direction through, often vague, policy statements and broad commitments. But detailed implementation is left to other agencies.

Especially important are the many SOEs that implement most BRI projects. Central agencies struggle to regulate SOEs' conduct abroad, and they flout Chinese regulations often. SOE executives are Communist Party appointees, but their performance is primarily evaluated against economic targets. Consequently, SOEs are mainly profit-seeking entities. They try to harness the BRI to expand their market share, secure future revenue streams and climb the value-added ladder. SOEs also compete fiercely for projects. They even lobby recipient governments to request Chinese financing for projects they would likely implement, a case of the tail wagging the dog.

Most importantly, as Hambantota Port shows, recipient countries play a critical role in shaping the BRI. China's development financing is recipient-driven, and China simply cannot force other nations to accept projects on their territory. Unless recipients allow Chinese SOEs to undertake projects, secure their operations, and approve the loans financing their work, BRI projects won't go ahead. The BRI is, therefore, built piecemeal through bilateral interactions between China and recipients, not from a Chinese blueprint.

Naturally, recipients want projects that serve their own interests, shaped by need, greed or both. Many developing countries urgently require infrastructure investment but struggle to find financing providers, apart from China. Elites can often also use

infrastructure projects to cultivate political support, feed patronage networks and obtain “kickbacks”.

As a consequence, BRI projects’ economic viability is often dubious, and their political, social and environmental implications are negative. But rather than gaining from this, China has often suffered a backlash, though rarely amounting to a total rejection of the BRI.

This is the BRI’s reality – messy and fragmented. It is also often problematic, but not because of China’s strategic planning. To paraphrase Hanlon’s razor: never attribute to malice what can be explained by incompetence.

Given this, Australian policymakers should avoid treating the BRI as if it were being strategically directed. Since recipients shape the BRI, Victoria’s deal is not in itself problematic, as long as the projects built under its banner are good. Pushing recipients to reject the BRI entirely won’t work, since many will want to keep the option of obtaining Chinese financing. Instead, Australia and other countries should provide credible alternative development financing options to recipient countries, such as the AIFFP. They would also do well to engage both recipients and China to improve BRI governance and megaprojects’ transparency.<sup>12</sup>

China’s development financing system has always been recipient-driven, with projects being formally initiated through requests from foreign governments. Beijing frequently emphasizes this to distinguish Chinese development assistance from that provided by traditional donors. Accordingly, we must consider recipients’ agency in shaping the BRI, which is neglected – or implicitly denied – in simplistic accounts of debt-trap diplomacy. Even if China had a global connectivity ‘master plan’, specifying all the projects it wishes to build to advance its geopolitical grand strategy, it could not force other nations to accept projects on their territory. Recipients must agree to allow Chinese SOEs to undertake projects, secure their operations, and agree

<sup>12</sup> <https://www.lowyinstitute.org/the-interpreter/debunking-myth-china-s-debt-trap-diplomacy>

the loans financing their work. Naturally, recipients will only support projects that serve their own needs and interests. China explicitly acknowledges this, emphasizing that the BRI should develop through bilateral dialogue, so as to ‘integrate’ Chinese business interests into the ‘development strategies’ of recipient countries (NDRC, MFA and MOFCOM, 2015: Preface). For this reason alone, the BRI simply cannot unfold according to a unilateral Chinese strategy. It can only develop gradually, through bilateral negotiations with over 130 partners; it is co-created through countless, fragmented interactions. If a secret blueprint existed, it would have to be revised constantly to reflect these negotiations. Accordingly, there is no blueprint, nor even an official map of the BRI; indeed, Beijing banned unofficial maps in 2017 (Narins and Agnew, 2019). Other governments’ interest in participating in the BRI may be shaped by need, greed, or some combination thereof. Developing countries urgently require infrastructure development to generate economic growth and improve living standards, which, in turn, ruling elites often need to ensure in order to avoid social unrest and maintain domestic legitimacy. The World Bank estimates that \$97 trillion of infrastructure investment is needed worldwide by 2040, with a projected shortfall of \$18 trillion (Heathcote, 2017). China’s BRI therefore corresponds to a genuine need – one neglected by Western and multilateral development agencies for decades, in favour of ‘good governance’ programmes.<sup>13</sup>

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<sup>13</sup> <https://www.chathamhouse.org/sites/default/files/2020-08-25-debunking-myth-debt-trap-diplomacy-jones-hameiri.pdf>

## THE DIAMOND NECKLACE

Over the past few years, China is expanding its footprint in the Indian Ocean through its 'Debt Trap Diplomacy' and 'String of Pearls Strategy'. Recent satellite images have suggested that China has been modernising its Djibouti military base. Through its debt trap policy, China lures the strategically located nations around India to borrow infrastructural loans. Once the nations are indebted, China pressurizes them to support its geostrategic interests.

Through its String of Pearls strategy, China is expanding its footprints to contain Indian hold in the Indian Ocean. It is creating a ring around India through strategically placed nations such as at Chittagong (Bangladesh), at Karachi, Gwadar port (Pakistan) and at Colombo, Hambantota (both in Sri Lanka) and other facilities.

### Necklace of Diamonds Strategy

In a counter-action, India has started working on the 'Necklace of Diamonds' strategy. This strategy aims at garlanding China or in simple words, the counter encirclement strategy. India is expanding its naval bases and is also improving relations with strategically placed countries to counter China's strategies.

### India's Strategic Bases

**1- Changi Naval Base, Singapore:** In 2018, Prime Minister Modi signed an agreement with Singapore. The agreement has provided direct access to this base to the Indian Navy. While sailing through the South China Sea, the Indian Navy can refuel and rearm its ship through this base.

**2- Sabang Port, Indonesia:** In 2018, India got the military access to Sabang Port which is located right at the entrance of Malacca Strait. This strait is one of the world's famous choke point. A large chunk of trade and crude oil passes on to China through this region.

**3- Duqm Port, Oman:** In 2018, India got another military access after Sabang Port in Indonesia. The Duqm Port is located on the south-eastern seaboard of Oman. The port facilitates India's crude imports from the Persian Gulf. In addition to this, Indian facility is located right between the two important Chinese pearls-- Djibouti in Africa and Gwadar in Pakistan.

**4- Assumption Island, Seychelles:** In 2015, India and Seychelles agreed upon the development of the naval base in this region. This gives the military access to India. This base is of strategic importance to India as China desperately wants to increase its presence in the African continent through the maritime silk route.

**5- Chabahar Port, Iran:** In 2016, Prime Minister Modi signed an agreement to built this port. The port provides access to Afghanistan and an important trade route to Central Asia.

### **India's Strategic Cooperation**

Apart from getting direct access to the strategically placed naval bases, India is also developing new naval bases, developing the old bases and is enhancing relations with other nations to garland China.

**1- Mongolia:** Prime Minister Modi is the first Indian Prime Minister to visit this country. Both the countries have agreed and will collaborate to develop a bilateral air corridor using India's credit line.

**2- Japan:** India and Japan have jointly declared to build the Asia-Africa Growth Corridor (AAGC).

**3- Vietnam:** India is maintaining good relations with Vietnam and has so far sold Brahmos Missile and 4 patrol boats to the country.

**4- Central Asia:** Prime Minister Modi visited all the 5 countries of Central Asia in one go and becomes the first Indian Prime Minister to do this. Within 4 years, trade with Central Asian countries has doubled after his visit.

It can be concluded that India has maintained healthy relations with all the nations in China's periphery. This will give strategic access to India and the pattern can be seen

as the necklace of diamonds garlanding China in a counter encirclement.<sup>14</sup>

The Five Eyes comprise New Zealand, Australia, the US, Canada and the UK. It is an alliance for joint intelligence. The Five Eyes have their own woes that deter their ability to assist India under the given circumstances.

The economic interdependence that countries have with China is making it difficult for them to comment strongly on the India-China border situation. China has been consistently berating the policies of Australia and using its command over the UK markets to force their hands. In addition to this, any statement made by West states is at risk of being debunked by their inability to curb socio-economic instability at home.

The Five Eyes will not be able to take any action against China in its border dispute with India because speaking against China will have economic repercussions on them, a risk they may not be willing to take considering the domestic situation created by the pandemic in their respective countries.

Moreover, any comment made by international bodies on the border dispute will be seen as an intrusion in China-India bilateral relations. Though US Secretary of State Mike Pompeo said, “We welcome India’s ban on certain mobile apps that can serve as appendages of the CCP’s surveillance state,” depicting support for India amid the border tensions, it cannot be assessed as to how far the US-India relationship and support would go.

UK Prime Minister Boris Johnson too has said he regarded the India-China border situation as “very serious and worrying,” but he has not suggested that Britain will be supporting either country in their border dispute. He has in fact advised both countries to solve the issue “between them,” thereby depicting the unwillingness of the UK to take a stand.

Though Canada has a large ethnic Indian population and has seen various anti-China protests because of the recent border standoff, there has been no official communication or statement by Canadian officials on the issue.

<sup>14</sup> <https://www.jagranjosh.com/general-knowledge/necklace-of-diamond-strategy-1592404137-1>



Similarly, Australia has noted that border tensions have risen in the Indo-Pacific region. According to Prime Minister Scott Morrison, “Tensions over territorial claims are rising across the Indo-Pacific region, as we have seen recently on the disputed border between India and China, and the South China Sea, and the East China Sea.” However, he has not mentioned any support Australia will be offering to India or China.

There has been no official statement from New Zealand on the issue either. Though the India-China border situation is grave, it does not affect the Five Eyes directly, hence they are unwilling to step in between issues that are bilateral and do not involve them.<sup>15</sup>

## CHALLENGES FACED

1. **Relation with Pakistan:** Relation with Pakistan, remains India’s biggest diplomatic and security challenge. India’s challenge is to manage relationships with a state which, openly, uses terror as an instrument of state policy and has fractured, multiple power centres.
2. **Unstable Afghanistan:** Afghanistan remains a challenge too. Fragile within and facing state-sponsored external threat from Pakistan, a possible state collapse would spawn jihadist terrorism in all directions from which India is unlikely to remain immune. Indian diplomacy is active in international efforts to stabilise the country.
3. **China:** China is another big challenge that is increasing its presence around India. The relationship is marked with suspicion over China’s policy towards Pakistan, including the construction of the Gwadar port. Also, China-Pakistan economic corridor running through POK.
4. **Anti-Indian sentiments:** Anti-Indian sentiments are getting rooted in the minds of people of region due to perceived notion of India’s big brother attitude and its economic dependence to India. For instance, the recent step of

<sup>15</sup> <https://asiatimes.com/2020/07/string-of-pearls-vs-necklace-of-diamonds/>

Demonetization impacted many countries like Nepal, Bangladesh, Bhutan, Sri Lanka, and Myanmar which use the Indian currency as a parallel currency within their borders.<sup>16</sup>

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<sup>16</sup> <https://blog.forumias.com/answereddiscuss-various-features-of-indias-neighbourhood-first-policy/>

## CONCLUSION

Even as the whole world is reeling under the COVID19 crisis, for India it is an opportunity and a challenge for the nation's 'Neighbourhood First' policy. With neighbours that are small and economically weak, it is an occasion for New Delhi to demonstrate its big heartedness and immediacy of purpose, if it were to make an impact in the long term.

There is no denying that India is equally hard-hit by the pandemic, more in economic than in terms of human toll — comprising deaths, infected and suspected. If anything, India has done creditably well in the latter department compared to the developed west, the US and Europe included. If India is able to continue with the present scale of COVID19 management, there is every possibility that New Delhi will emerge stronger on the international arena. COVID19 crisis could become a political opportunity for India to 'arrive' on the international stage afresh and assert itself as a global power in its own right.

It is in this overall context that India's 'Neighbourhood Policy' demands greater attention than at this post-Covid19 scenario. India has done well with its neighbours by not giving up on them in their own hour of crisis. Even while the nation was faced with exigencies of every kind, New Delhi has repeatedly despatched COVID19-related medical assistance individual nations and their governments had sought from India.

In the case of smaller nations like Maldives, India sent the first medical team when the Indian Ocean archipelago began reporting South Asia's early 'COVID19 finds', in the first fortnight of March 2020. To despatch medicines and other items required to test or control COVID19 spread in Maldives and elsewhere, New Delhi had deployed Indian Air Force aircraft, for the purpose — which is not always the norm.

Extraordinary circumstances require extraordinary initiatives and solutions. It is also what India neighbours (possibly including adversarial Pakistan) will continue to expect from New Delhi in the months and even years to come. Many of these nations,

including Maldives and Sri Lanka, Nepal and Burma, not to leave out Bangladesh, Myanmar and Afghanistan, will all need funds and investments to revive their economies, provide jobs — and at times to preclude possible political and social unrest.

Needless to point out, over the past decade and more, India seemed to have voluntarily surrendered its once-acknowledged influence in South Asia. Time was when South Asia and the immediate Indian Ocean neighbourhood used to be called ‘India’s traditional sphere of influence’. However, with the advent of economic reforms in the post-Cold War era, India let that designation slip by, and had also let ‘extra-regional nations’ — both friends and foes — to dominate the scene.<sup>17</sup>

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<sup>17</sup> <https://www.orfonline.org/expert-speak/covid-19-opportunity-challenge-neighbourhood-first-policy-64809/>