

INTERNATIONAL RELATIONS

Part-1



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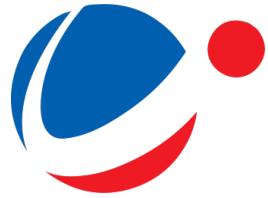
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INTERNATIONAL RELATIONS PART - 1

S.N.	TOPIC	PAGE NO.
1.	Background and Overview	1-20
2.	India - Neighbourhood Relations: Bangladesh, Bhutan, Nepal, Shri Lanka, Maldives, SAARC	21-55
3.	India - Neighbourhood Relations: Pakistan and Afghanistan	56-73
4.	India and China	74-89
5.	India and SEA	90-109
6.	India and Indo Pacific	110-121
7.	India and Indian Ocean	122-130
8.	India and West Asia	131-151
9.	India and Central Asia	152-160

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LECTURE-1

BACK GROUND AND OVERVIEW

Contents

1. India's Relations: Evolution of India's Foreign Policy.....	3
1.1. Understanding Foreign Policy and International Relations	3
1.2. Determinants: Actors and Factors Shaping India's Foreign Policy.....	3
2. Evolution of India's Foreign Policy.....	3
2.1. 1947-1962: Internationalist, Idealist and Non-Aligned India	3
2.1.1. Panchsheel	4
2.1.2. Setback with China: 1962.....	5
2.1.3. The Colombo Conference and Limits of Non-Aligned Movement	5
2.1.4. A brief overview of the Non Aligned Movement	6
2.2. 1962-1991: Period of Self Help Approach.....	6
2.2.1. The Chinese Nuclear Test and After	7
2.2.2. Changes with Continuity	7
2.2.3. The Simla Agreement.....	8
2.3. 1991 and After: Era of "Pragmatic" Foreign Policy	9
2.3.1. Beginning of A New Era.....	10
3. Let Us Address A Key Question	13
3.1. Non-Alignment: Relevance of the Idea and the Movement	13
3.2. Arguments in the Context of Irrelevance of NAM.....	13
3.2.1. Arguments in Defence of NAM and Non-Alignment	13
3.2.2. A Contemporary Assessment.....	14
4. Supplementary Reading.....	15
4.1. India's Policy of Non-Alignment	15
4.2. Reasons for Non-Alignment	17
4.3. The Non-Aligned Movement.....	17

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Syllabus of the Civil Services Examination clearly demarcates the boundaries of knowledge as far as the section of International Relations (IR) is concerned. In the context of the examination, the significance of international relations is mediated through India's interaction with the world, factors that shape and influence it and the consequences. The ideal way is to understand the sources, determinants, objectives, tools, methods, hindrances, factors, actors, and developments in the context of India's foreign policy and its relations with the world. Thus, **IR** in this context is better understood as **India's Relations**. And these relations are subject matter of **India's foreign policy**.

The lectures would **broadly** cover the following themes:

- India's Foreign policy: Determinants, Evolution, Achievements, Challenges and key questions.
- Neighbors: Bangladesh, Bhutan, Nepal, Sri Lanka Maldives, Pakistan, Afghanistan, SAARC
- Extended Neighborhood: South East Asia (ASEAN, Myanmar, Vietnam, Singapore); West Asia (GCC, Iran, Saudi Arabia, UAE); East Asia and beyond (Japan, South Korea, Australia, Pacific Ocean- Indo Pacific, FIPIC); Indian Ocean (Mauritius, IORA)
- Global Relations- Important Powers: China, USA, Russia, European Union, France Germany and United Kingdom
- Regional Relations: Africa, Latin America (Brazil/MERCOSUR).
- Organizations and groupings
- Diaspora
- Key Issues in IR

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1. India's Relations: Evolution of India's Foreign Policy

1.1. Understanding Foreign Policy and International Relations

Foreign policy by definition is about the world around us. If you imagine a country as an individual then you need to think of foreign policy as the way an individual negotiates with the environment around. So for instance, an individual operates through a set of identities, self definition and self interests and is enmeshed in a web of relations (Family, friends, competitors, enemies etc.). An individual has certain desires and goals. Thus, based on one's capabilities one engages in making and shaping ones relation to achieve ones goals and desires. These goals and desires for an individual are often related to security, prosperity and self-growth.

In case of sovereign nation states these goals and desires can be termed as **National Interest**. National interest in its fine print may vary from time to time but at its heart has the **security** (military preparedness, internal and external security), **prosperity** (economic wellbeing e.g FDI, Trade, poverty eradication etc.) and **status** (political position in the world order of the day e.g Membership of UN Security Council) of the country. Foreign policy is both a statement of these interests and a blueprint to achieve them. According to **J. Bandopadhyay** it involves an exercise of **choice of ends and means in an international setting**. In much simpler terms, foreign policy is a nation protocol for making and maintaining relations with foreign countries. Thus, **India's foreign policy define, articulates and pursues national interests in a world where these interests are in many ways dependent on the actors and factors outside the boundaries of the country.**

1.2. Determinants: Actors and Factors Shaping India's Foreign Policy

The foreign policy of any country as well as its success or failure is determined by many factors. To name a few:

- **History:** Political Tradition and philosophical basis as in case of India peaceful coexistence as well as non aggression are attributed to its history and culture and political tradition.
- **Geography:** location and resources- Geo-politics and Geo-strategy: Many rivers in India are transboundary e.g Ganges, Brahmaputra, Teesta. Himalaya and the Indian Ocean are crucial for India's security.
- **Economic development:** the development needs and stage of a country contribute to its foreign policy choices and both in terms of means and ends.
- **Domestic Milieu:** Institutions, political atmosphere and consensus on National Interest, needs, ambitions and capabilities, Leadership, bureaucracy.
- **International Milieu:** War, peace and stability e.g. a peaceful external environment is conducive for economic growth and development.

In terms of **means of foreign Policy Objectives** one can count **diplomatic tools, economic tools, and military tools**. One can better appreciate the significance of the above discussion in light of the evolution of India's foreign policy over the years.

2. Evolution of India's Foreign Policy

2.1. 1947-1962: Internationalist, Idealist and Non-Aligned India

Independent India's foreign policy was the result of multiple factors such as the legacy of **national movement** against the British rule, **post-Second World War developments**, **domestic needs and personalities such as Mahatma Gandhi and Jawaharlal Nehru**. Even the **Indian constitution** included a provision, under **article 51**, for promotion of international peace and security, wherein the state shall Endeavour to:

- (a) Promote international peace and security;
- (b) Maintain just and honourable relations between nations;
- (c) Foster respect for international law and treaty obligations in the dealings of organised peoples with one another; and
- (d) encourage settlement of international disputes by arbitration.

The formative influence of **Prime Minister Jawaharlal Nehru** is the feature of initial years of foreign policy of India which left a long lasting impact and polarised opinions for years to come. **His vision included special status of India given its history, size and potential.** It was a foreign policy predicated on internationalism, Afro-Asian Solidarity, anti colonialism and non alignment in the era of cold war power politics dominated by the two superpowers i.e. the USA and the USSR.

Even before India became Independent the **Asian relations Conference was held in New Delhi from 23 March to 2 April 1947.** Mr. Nehru observed "we stand at the end of an era and on the threshold of a new period of history... Asia, after a long period of quiescence, has suddenly become important again in world affairs".

India was the first to suggest plebiscite as a peaceful method for resolving the Junagadh dispute with Pakistan. India made a similar offer for settling the Kashmir situation in 1947. **The referral of Pakistan's aggression in Kashmir to the United Nations in December 1947** is seen by many as a mistake on the part of India's leadership in reposing its trust in international organisation such as the UN. According to **J. Bandopadhyay** Nehru's attempt to combine both idealism and realism in his policy towards Kashmir affected certain aspects of the Kashmir diplomacy, and it would "conceivably have been different if dealt by someone else". However, According to **Rajiv Sikri**, Nehru "was ready to take the war to Pakistan in 1948 when things were getting difficult in Jammu and Kashmir but was overruled by his British army chief. He took the Kashmir question to the United Nations under pressure from the British Governor General of India."

Nonetheless, this initial experience at the UN further cemented scepticism towards the western world in India's foreign policy. The result was a quest for charting a new path that involved newly independent countries of Asia and Africa and equidistance from the power politics of the day.

In this phase three key features characterized India's foreign policy conduct. **First**, India played a significant role in **multilateral institutions** and particularly in **United Nations peacekeeping operations**. **Second**, it also emerged as a critical proponent of the **nonaligned movement**. **Third**, as a leader of the nonaligned movement it also made a significant contribution toward the process of **decolonization**. India's international participation was most visible in:

- International Control Commission in Vietnam along with Canada and Poland (1954),
- Neutral Nations Repatriation Commission in Korea (1952-54)
- United Nations Peacekeeping forces in the Belgian Congo (1960-1964)

India's activism in this phase also reflected in the arena of **disarmament**, specifically the nuclear weapons. As one of the early proponents of a nuclear test ban treaty, **in 1952 India introduced a draft resolution co-sponsored with Ireland to bring about a global ban on nuclear tests.**

2.1.1. Panchsheel

In this period the approach towards foreign relations was further underlined by the "**Five Principles of Peaceful Coexistence**", known as the **Panchsheel Treaty** between **China and India in 1954**. They were enunciated in the preamble to the "Agreement (with exchange of notes) on trade and intercourse between Tibet Region of China and India", which was signed at Peking on 29 April 1954. This agreement stated the five principles as:

1. Mutual respect for each other's **territorial integrity and sovereignty**.
2. Mutual **non-aggression**.
3. Mutual **non-interference** in each other's internal affairs.
4. **Equality and cooperation** for mutual benefit.
5. **Peaceful co-existence**.

Internationalist approach of foreign policy was also reflected in the active participation of India at the **Asian-African Conference in Bandung (Indonesia) 1955**. This Conference was held in Bandung on April 18-24, 1955 and gathered **29 Heads of States belonging to the first post-colonial generation of leaders from the two continents** with the aim of identifying and assessing world issues at the time and pursuing out joint policies in international relations. The principles that would govern relations among large and small nations, known as the "**Ten Principles of Bandung**", were proclaimed at that Conference. The Bandung conference paved way for the **creation of the Movement of Non-Aligned nations in 1961**.

The **Indus Water Treaty** signed in Karachi on **19 September 1960** by Prime Minister of India **Jawaharlal Nehru and President of Pakistan Ayub Khan**, was a testimony to progress made on contentious issues through diplomatic means. However, even though India professed diplomacy as the preferred choice to resolve disputes, it took certain stringent actions when required. For instance, when extensive diplomatic discussion with the stubborn Salazar regime in Portugal produced a deadlock and Prime Minister Nehru faced increasing criticism from a group of Afro-Asian leaders, **India chose to use force to oust the Portuguese from their colonial enclave in Goa in 1961**.

2.1.2. Setback with China: 1962

One of the key elements of a foreign policy based on the idea of nonalignment was the **limitation of high defence expenditures**. Such a policy weakened the hard power capabilities of India. It was tested most acutely in its relations with People's Republic of China (PRC). India gave refuge to the Tibetan spiritual leader **Dalai Lama in 1959** and **negotiations with the PRC reached a dead end in 1960**. Consequently, India adopted, in the words of Sumit Ganguly, a "**strategy of compellence designed to restore what it deemed to be the territorial status quo along the disputed Himalayan border**". It involved sending in lightly armed, poorly equipped and ill-prepared troops to high altitudes without adequate supply lines. This policy, however, was proved to be ill conceived.

When in **1962 the People's Liberation Army (PLA) of the PRC invaded India** with extensive force, the Indian military was unprepared to face the assault. The PLA inflicted considerable losses on the Indian forces and then withdrew from some of the areas that they had entered. However, they did not vacate Axai Chin, an area of more than 14,000 square miles, that they had initially claimed and it remains a bone of contention in India's relation with China.

2.1.3. The Colombo Conference and Limits of Non-Aligned Movement

Six of the non-aligned nations — Egypt, Burma, Cambodia, Sri Lanka, Ghana and Indonesia, selected on the basis that they were all acceptable to India and China - **met in Colombo on 10 December 1962**. The proposals that emerged from the **Colombo Conference** stipulated a Chinese withdrawal of 20 km from the ceasefire line observed by China without any reciprocal withdrawal on India's behalf. Although the mediation effort was encouraged, the failure of these six nations unequivocally to condemn China is deeply disappointed India. Nevertheless, India accepted the proposals while China accepted them in principle as the basis to start negotiations. Eventually the initiative withered away.

Thus, 1962 war with China marked an end to a phase in India's foreign policy marked by idealism with initial success and multiple legacies that India had to contend with in the future.

2.1.4. A brief overview of the Non Aligned Movement

Six years after Bandung, the **Movement of Non-Aligned Countries** was founded on a wider geographical basis at the **First Summit Conference of Belgrade**, which was held on **September 1-6, 1961**. The Conference was attended by **25 countries**: Afghanistan, Algeria, Yemen, Myanmar, Cambodia, Sri Lanka, Congo, Cuba, Cyprus, Egypt, Ethiopia, Ghana, Guinea, India, Indonesia, Iraq, Lebanon, Mali, Morocco, Nepal, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, and Yugoslavia.

In 1960, in the light of the results achieved in Bandung, the creation of the Movement of Non-Aligned Countries was given boost during the **Fifteenth Ordinary Session of the United Nations General Assembly**, during which **17 new African and Asian countries** were admitted to the UN. A key role was played in this process by the then **Heads of State and Government Gamal Abdel Nasser of Egypt, Kwame Nkrumah of Ghana, Jawaharlal Nehru of India, Ahmed Sukarno of Indonesia and Josip Broz Tito of Yugoslavia**, who later became the founding fathers of the movement and its emblematic leaders.

The **Bandung Principles** were adopted later as the main goals and objectives of the policy of non-alignment. The fulfilment of those principles became the essential criterion for Non-Aligned Movement membership; it is what was known as the "quintessence of the Movement" until the early 1990s.

The Founders of NAM have preferred to declare it as a **movement but not an organization** in order to **avoid bureaucratic implications of the latter**.

Primary of objectives of the non-aligned countries focused on:

- the support of **self-determination, national independence** and the **sovereignty** and **territorial integrity** of States;
- **opposition to apartheid**;
- **non-adherence to multilateral military pacts** and the **independence of non-aligned countries from great power or block influences and rivalries**;
- the **struggle against imperialism** in all its forms and manifestations;
- the **struggle against colonialism, neo-colonialism, racism, foreign occupation and domination**;
- **disarmament**;
- **non-interference into the internal affairs of States** and **peaceful coexistence** among all nations;
- **rejection of the use or threat of use of force** in international relations;
- the **strengthening of the United Nations**; the democratization of international relations;
- **Socioeconomic development and the restructuring of the international economic system**; as well as international cooperation on an equal footing.

2.2. 1962-1991: Period of Self Help Approach

In the aftermath of the China war Nehru faced criticism at home, however there was none taller than him in the domestic politics. Thus, changes in India's approach after the debacle also began under him. Most importantly, India embarked on a **substantial program of military modernization**. It committed itself to the **creation of a million-strong army** with **ten new mountain divisions** equipped and trained for high altitude warfare, a **45-squadron air force** with supersonic aircraft and a **modest program of naval expansion**.

Even under Prime Minister Lal Bahadur Shastri, after Nehru's demise in 1964, India still did not formally abandon the stated adherence to a policy of nonalignment. As a result, at the level of rhetoric and principle nonalignment remained a constant feature of Indian foreign policy.

India's foreign policy behaviour, however, increasingly acquired a more realist orientation in multiple senses.

In this phase the **shaping of cold war in Asia** affected India as well. **Pakistan** had joined the US backed security initiatives such as the South-East Asia Treaty Organization (**SEATO**) in **1954** and the Central Treaty Organisation (**CENTO**) in **1955**. The United States had provided arms to Pakistan as well. For a brief period of military cooperation with India in the aftermath of the 1962 war, the **United States disengaged itself from South Asia after the second India-Pakistan conflict in 1965** as it became increasingly preoccupied with the prosecution of the Vietnam War. **During the 1965 war the US suspended military aid to both the countries.** With this American disengagement from the subcontinent, Pakistan sought to expand the scope of its security cooperation with the People's Republic of China (PRC) to balance Indian power. This contributed to a growing security nexus between India's two major adversaries.

On the other hand facing difficulties in its relations with PRC and sensing an opportunity to expand its influence in the subcontinent, the **USSR mediated the Tashkent agreement between India and Pakistan in 1966.**

In this phase, except for the pressure for tempering criticism on the Vietnam War, agricultural policy and opening up of markets under the **Johnson administration in 1966**, the US mostly remained oblivious to India's concerns.

2.2.1. The Chinese Nuclear Test and After

Following the **Chinese nuclear test at Lop Nor in 1964**, arguments were made in the parliament called for an abandonment of nonalignment and even urged that India acquire an independent nuclear weapons option. **Prime Minister Shastri privately explored the possibility of help from the United States for nuclear security.** More importantly he declared India would not make nuclear weapons of its own. In 1966, **Prime Minister Indira Gandhi**, who succeeded Mr. Shastri, also decided to seek a nuclear guarantee from the great powers. This effort, however, brought no success. Hence, Prime Minister Gandhi authorized **India's Subterranean Nuclear Explosions Project (SNEP)** which led to **India's first nuclear test of May 1974.**

It is important to note that **India had signed the Partial Test Ban Treaty (PTBT) which came into existence in 1963.** It was perhaps in the hope that the treaty would lead to further nuclear disarmament. However these hopes remained hopes only. **The Non Proliferation Treaty (NPT) which opened for signature in 1968** represented the inequities of global order. India opposed the treaty citing norms of sovereign equality, at the same time the potential constraints of NPT on its own nuclear options was a key consideration.

2.2.2. Changes with Continuity

In this phase, India's foreign policy sought to sustain "**two competing visions of world order**". On the one hand, **India still supported the cause of decolonization and continued to lead the cause representing the weaker states in the international system.** For example, it remained a **staunch opponent of the apartheid regime in South Africa**; it was an unyielding supporter of the **Palestinian cause**. On the other hand, **it also came to accept the importance of defence preparedness and increasingly overcame its reservations about the use of force in international politics.**

Thus, in **1971 faced with the influx of millions of refugees from East Pakistan** after the outbreak of a civil war, India quickly moved ahead with a **strategic vision to devise a political and diplomatic initiative backed by military action against Pakistan.** This strategy involved a security understanding with the Soviet Union to counter possible Chinese involvement. Thus, India signed a **20-year Treaty of Peace, Friendship and Cooperation with the Soviet Union in August 1971.** With the political leadership securing its interests on the northern borders, Indian

armed force moved swiftly into East Pakistan and helped the **Mukti Bahini** and the leadership of **Sheikh Mujibur Rehman** in the establishment of Bangladesh as an independent nation.

2.2.3. The Simla Agreement

In the aftermath of the war **India adopted a magnanimous gesture** as reflected in repatriation of more than 91,000 PoWs of Pakistan and the **Simla Agreement** signed by Prime Minister Indira Gandhi and President Zulfikar Ali Bhutto of Pakistan on **2 July 1972**. It was much more than a peace treaty seeking to reverse the consequences of the 1971 war. It was a **comprehensive blue print for good neighbourly relations between India and Pakistan**. The following principles of the Agreement are, however, particularly noteworthy:

- A mutual commitment to the peaceful resolution of all issues through direct bilateral approaches.
- To build the foundations of a cooperative relationship with special focus on people to people contacts.
- To uphold the inviolability of the Line of Control in Jammu and Kashmir, this is a most important CBM between India and Pakistan, and a key to durable peace.

Thus, even though on the face of it the agreement is criticised by many a lost opportunity, it established the framework that India has continuously put forward as **a template to resolve all disputes within a bilateral framework**.

A better understanding of the period requires appreciation of the fact that in **July 1971**, **President Nixon's National Security Advisor Henry Kissinger secretly visited Beijing** during a trip to Pakistan, and laid the groundwork for Nixon's visit to China in 1972. This was in the aftermath of a Sino-Soviet rift. Ultimately PRC entered the UN and assumed the seat in the Security Council in October 1971.

In the larger **international economic context**, India remained at the forefront of the **Group of 77**, a group **established in 1964** comprising of developing nations seeking fundamental changes in the global economic order. Furthermore, the **1973 oil crisis** in the wake of the Arab-Israeli war in the same year placed an economic challenge before India. However, even as the leader of the developing countries India failed to obtain any meaningful concessions as a resource-poor developing nation from the **Organization of Petroleum Exporting Countries (OPEC)**. It was weakness in the economic capacity that prevented India from pursuing a nuclear weapons program even after 1974.

The mid 1970s saw India undergoing a period of political turmoil involving emergency and the emergence of the **Janata Party government in 1977 under Prime Minister Morarji Desai**. The brief period of the Desai government saw **many pronouncements about altering the course of India including a move to "genuine non-alignment**. However, this period was a brief interlude and marked by much continuity in India's foreign policy. The visit of **Minister of External Affairs Atal Bihari Vajpayee to China** and the **US president Jimmy Carter to India** were key developments of this period.

Events in the cold war dominated world in this period had a long-lasting impact on India. In this context the **year 1979** is important as **three key developments proved** that national interests of India were subject to developments outside. **Firstly**, in February **1979 the revolution in Iran** brought fundamental changes in West Asian region. **Secondly**, the during November and December the events surrounding the seizure of Grand Mosque in Saudi Arabia brought further upheaval in a region key to India. **Thirdly**, in December Soviet Union invaded USSR in Afghanistan. While the consequences of first two events had an impact on India in the long term, it's the Soviet entry into Afghanistan that set in motion factors that had important consequences in terms of India's neighborhood specifically Pakistan and Afghanistan.

The United States renewed strategic relationship with Pakistan in the aftermath of the Soviet invasion. Under **General Zia-ul-Haq** **Pakistan became the frontline in the US efforts to bog down the Soviets in Afghanistan.** This entailed **enhanced funding and military aid to Pakistan** to be channelled in Afghanistan against the soviets through the Afghan fighters. As a consequence with the **objective of maintaining its military superiority over Pakistan, India entered into a closer military cooperation relationship with the Soviet Union.** However, this perhaps dented the non-aligned credentials of India as it was forced to maintain an ambiguous stance on Soviet occupation of Afghanistan.

Nonetheless, the Seventh **NAM summit in March 1983 at New Delhi** became an occasion for assuming leadership of the multilateral forum of which India was a founding member. However, **by this time the membership of the group had grown to nearly a 100 as compared to 25** at its first Summit in Belgrade in 1961. As astutely observed in one of the media reports of the era, “paradoxically, **NAM has attained a spatial expansion** that would have astonished its founding fathers, including Jawaharlal Nehru; at the same time, **it has lost its cohesion and unity of objectives and purposes**, and is **unable to cope with the critical problems and issues** that cry out for urgent solutions.”

The assassination of PM Indira Gandhi in 1984 was followed by a transition to the tenure of **Prime Minister Rajiv Gandhi**. In this period India undertook some steps towards modernisation of the economy and armed forces. In **1988 Rajiv Gandhi became the first Indian Prime Minister to visit China since 1954** and establishing contacts with **Deng Xiaoping** under whom China had ushered in new era of economic reforms. The initiative for regional cooperation materialised in the formation of the South Asian Association for Regional Cooperation (**SAARC**) in **1985**. This period also saw **greater involvement in the neighborhood** including the signing of an **agreement with Pakistan on not attacking each other nuclear installations**, a visit followed in **1989** making it first visit of any Indian Prime Minister after Nehru's visit in 1960. The **India-Sri Lanka Peace Accord in 1987** and subsequent decision to send **Indian Peace Keeping Forces (IPKF)** in Sri Lanka had long lasting impact in the region. India's assertion in the neighbourhood was further highlighted by **“Operation Cactus”** that involved military action against the coup in **Maldives in 1988**.

At the **end of this period** India experienced **greater political and economic instability** such as the Bofors scandal, **short lived coalition governments** of Prime Ministers V.P. Singh and Chandrasekhar as well as the **balance of payment crisis**. These developments accompanied by **changes in the international environment** led to the next phase in India's foreign policy.

2.3. 1991 and After: Era of “Pragmatic” Foreign Policy

The **disintegration of Soviet Union** and the **transformation of the international order with the end of cold war** made it imperative for India to chart a new course in foreign policy. At the beginning of the post cold war era in international relations, the **ascendance of US** raised multiple **questions on relevance of ideology in foreign policy** as well as the option of nonalignment. On the **economic front** the country was also confronted with an **unprecedented balance of payment crisis** partly as a consequence of the first **Gulf War of 1991**. This situation led to the choices that dramatically altered India's domestic and international economic policies. This involved the adherence to **Washington Consensus** backed by the **IMF and the World Bank**. Concretely, this meant **structural reforms** that increased the role of market forces in exchange for immediate financial help. This also meant a greater quest for foreign Direct Investment (FDI) to transform India's economy. In order to make it an attractive destination for FDI India, in this phase pursued multiple changes, such as:

- Giving up the commitment to import-substituting industrialization,
- Restructuring its vast public sector
- Dismantling the previous regime of regulations, licenses, permits and quotas.

At the same time India turned towards Southeast Asia in search for avenues that can be explored for engagement in economic and strategic arena. Previously, in the duration of the cold war India had been largely oblivious to the states of Southeast Asia. With the opening of its markets to foreign investment and an eye on development of a viable export sector, the country embarked upon a “**Look East policy**” after 1991. While these changes were afoot, the P.V. Narasimha Rao Government in 1992, in the context of the **Oslo Accord** between Israel and the Palestinians, **upgraded its diplomatic relations with Israel to the ambassadorial level**.

With **China** the Narasimha Rao government continued a process that had been initiated during the Rajiv Gandhi government. During the Prime Minister **Narsimha Rao's visit to China in September 1993** a land mark **agreement on the Maintenance of Peace and Tranquillity along the Line of Actual Control (LAC)** in the India - China Border Area was signed. This was followed up by the **visit of Chinese President Jiang Zemin in 1996** when another **agreement on Confidence-Building Measures (CBM) in the Military Field** was signed.

In the neighbourhood India reassessed its tactics to bring about transformation in relations with its neighbours. The neighbourhood was identified as the **first concentric circle of India's foreign policy** and in policy terms this was reflected in the **Gujral Doctrine of 1996**, named so after the then Foreign Minister Inder Kumar Gujral .

The five key principles of Gujral Doctrine were as follows:

- With neighbours viz. Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka, **India must not ask for reciprocity**, but should give all that it can in good faith and trust.
- No South Asian country would allow its territory to be used against the interest of another country
- No country would interfere in the internal affairs of another.
- South Asian Countries should respect each other's territorial integrity and sovereignty
- Countries of South Asia must settle all their disputes through peaceful bilateral negotiations.

However, for most part in the 1990s the **relations with Pakistan remained contentious**. This was majorly on account Pakistan's role in the **armed insurgency in Jammu and Kashmir since December 1989**. With the outbreak of the insurgency Pakistan's leadership helped transform a largely internal militancy into an ideologically charged **proxy war**. In this context and in view of the **clandestine nuclear programme of Islamabad** concerns regarding conventional military balance played large on India's security calculations.

Coupled with the Pakistan factor, the calculation from nuclear threat posed by China drove **India's nuclear weapons program to its next stage**. In this scenario, the successful **extension of NPT in 1995** and the efforts by United States to complete the **Comprehensive Test Ban Treaty (CTBT)**, which came up in **1996**, coincided with India seriously considering its nuclear options. Thus, the Indian policymakers chose to exercise the nuclear option to thwart rising pressures to accede to the international nuclear regimes. India declared itself a fully fledged nuclear state after **5 nuclear tests at Pokharan in May 1998**. This attracted **sanctions from United States and the other great powers**; and led to the recognition of India as a de facto nuclear power in the later years.

2.3.1. Beginning of A New Era

This was also the beginning of an era of **new engagement with the United States**, which involved bilateral negotiations between **US Deputy Secretary of State Strobe Talbott and India's Minister of External Affairs Jaswant Singh (1998-2000)**. This was followed by a visit of **President Clinton to India in 2000**. The upswing in these relations since this period culminated in the **Civil Nuclear Deal of 2005** which de-facto recognized India as a nuclear power as well as

its responsible record on non-proliferation, thus paving way for an the beginning of the end to its isolation at technology regimes such as the **Multilateral Export Control Regimes (MECR)**.

Under **Prime Minister Atal Bihari Vajpayee** diplomacy with Pakistan, including a **Bus trip involving the Prime Minister across the Border in 1999**, could not yield much results. The **Lahore declaration of February 1999** was followed by **incursion in the Kargil** region in Jammu and Kashmir. This led to a limited war between the two nuclear states in 1999. Despite this provocation **India exercised remarkable restraint** and a large-scale war was effectively avoided. Significantly, Washington sojourn of Pakistan's then Prime Minister Nawaz Sharif was marked by considerable coldness. This perhaps was the sign coming changes in the relation between India, United States and Pakistan.

Terrorism which had been a key challenge for India became a key issue in global politics after the cold war and especially since the **11 September 2001 terrorist attacks in New York**. In the aftermath of the terrorist attack on the **Indian parliament in December 2001** India resorted to a strategy of **coercive diplomacy** which yielded limited results. India's coercive options against the terror ploy were limited, as nuclear capability of Pakistan meant greater possibility of a conflict escalating into a nuclear one and thus inviting the United States to intervene. Thus, India has been seeking recognition of terrorism as a global scourge which requires a concerted action by the international community. To this end **India has been pursuing the Comprehensive Convention Against International Terrorism at the United Nations since 1996**, although without much success due to difference in the international community. Nonetheless, the **2008 attacks in Mumbai**, though a tragic occasion, demonstrated a greater isolation of Pakistan and allowed for closer anti-terrorism cooperation between India and the United States.

The changes in the international scenario presented certain choices in front of India and as a response multiple changes were made. Nonetheless, its commitment to inclusive development and a just world order remain a continuous facet of its policy. For instance, at the **WTO negotiations**, especially in the **Doha development round**, India has spearheaded the concerns of the developing countries, the **Doha declaration of 2001** is testimony to the values that India still holds in the international sphere. Similarly, India, while upholding its national interests, has not shied away from upholding the principles of equity and responsibility, as reflected in its role in the **Climate negotiations**. Here too India has not shied away from forming a loose coalition with like minded nations as Brazil, South Africa, and China (**BASIC**).

The **economic profile of India ever since 1991 along with, it's educated manpower, military and technological prowess have acquired greater recognition**. These factors have led India being labelled as **emerging power** and a **potential great power**. During the **global economic crisis of 2008**, India played an important role in global negotiations through mediums such as the **G-20**. Nonetheless, its quest for reforms **at the United Nations**, along with the **Group of 4**, has not born results. Even so, through groupings such as **BRICS** India has expressed its **intention to reshape the global order through multilateral efforts**.

These objectives, challenges, and opportunities have continued to shape foreign policymaking in India under **Prime Minister Narendra Modi since 2014**. Thus, in the recent years neighbourhood has acquired new salience, so have multiple engagements with key states in international relations. **India's membership of the Missile Technology Control Regime (2016)**, **Wassenaar Arrangement (2017)** and **Australia Group (2018)** are certain achievements of the recent years; however, the membership of the Nuclear Suppliers Group remains a challenge to contend with.

On the basis of the discussion above we can

1. Identify certain Achievements of this phase:

- Economic growth

- Recognised Nuclear capability
- Key relations: US, Japan, Russia, South East Asia
- Management of relations with China: improvement in trade despite persistence in differences on the border question.
- End of isolation at technology regimes. e.g. the MTCR, Wassenaar Arrangement and Australia Group.
- Multilateralism and multi-alignment to manage transition in the global order and pursue national interest e.g. BASIC, BRICS, IBSA etc.

2. Key challenges that remain:

- Sustaining the country's economic growth rate to utilise the demographic dividend,
- Ensuring energy security,
- resolving the country's internal security problems within the framework of the constitution
- Strengthening the neighbours to ensure that they flourish politically, economically, and even ecologically.

3. Strategically there are few questions that India needs to constantly engage with:

- How to manage the contentious relationship with Pakistan?
- How does India respond to the rise of China?
- What would be the shape of India's relationship with the United States in the coming years?
- How to reshape the architecture of global governance (UN, IMF and World Bank, WTO etc.)?
- How to deal with the menace of terrorism as well as emerging challenges such as climate change?

We shall be looking into the ideas and concepts discussed in this lectures in greater detail in the context of specific relations and organisations.

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3. Let Us Address A Key Question

3.1. Non-Alignment: Relevance of the Idea and the Movement

The Essay Paper of the Civil Services Mains Examination 2017 required the aspirants to write an essay on the topic "**Has the Non- Alignment Movement (NAM) lost its relevance in a multi-polar world?**" This, perhaps, is a testimony to the significance of the Non Aligned Movement, as it remains a key issue in understanding India's Foreign Policy trajectory.

Started in 1961, NAM now has 120 members. The countries of the Non-Aligned Movement represent nearly two-thirds of the membership of the United Nations and 55% of the world population. In the Cold war period its aim was to ensure "the national independence, sovereignty, territorial integrity and security of non-aligned countries" and "struggle against imperialism, colonialism, neo-colonialism, racism, and all forms of foreign aggression, occupation, domination, interference or hegemony as well as against great power and bloc politics. In the years since the Cold War's end, it has focused on developing multilateral ties and connections as well as unity among the developing nations of the world, especially those within the Global South.

In contemporary times the questions on the relevance of NAM acquired salience since the end of Cold war. The **17th Summit of the NAM held in September 2016 in Margarita, Venezuela**, was marked by the absence **of representation at the head of government level from India**. This had happened only once before i.e. in 1979 when the then caretaker Prime Minister Mr. Charan Singh could not participate in the Havana Summit of the NAM. **Many view this as the distancing of India from NAM.**

3.2. Arguments in the Context of Irrelevance of NAM

NAM has been pronounced irrelevant increasingly since the end of Cold War and especially since the advent of the 21st century. In **2007 the then US Secretary of State Condoleezza Rice** advised India to "move past old ways of thinking" as the Non-Aligned Movement had lost its meaning. Ever since the inception of NAM some commentators had felt that the:

- Word '**non-alignment**' conveyed the wrong notion of neutrality and it only aimed at remaining unaligned.
- Many argue that **NAM did not have any binding principles** and that **it was a marriage of convenience among disparate countries**. This criticism gained significance as the membership of NAM grew over the years.
- Another argument in this context is that **NAM countries did not come forward on any of the critical occasions when India needed solidarity**, such as the Chinese aggression in 1962 or the Bangladesh war in 1971.
- After the end of Cold war many argued that there was no basis of non-alignment after the end of Superpower rivalry.

3.2.1. Arguments in Defence of NAM and Non-Alignment

In response to Condoleezza Rice's statement, then **Minster of External Affairs Mr. Pranab Mukherji reminded her that NAM played an important role on the issues such as decolonisation and its relevance in South-South cooperation** cannot be written off in the contemporary world.

- Many others such as **former diplomat T.P. Sreenivasan**, argue that the quintessence of non-alignment **was freedom of judgment and action** and it remained valid, whether there was one bloc or two.

- He also argues that seen in this context, **non-military alliances** can also be within the ambit of non-alignment, which was subsequently characterised as '**strategic autonomy**'. In other words, **India does not have to denounce non-alignment to follow its present foreign policy.**
- In response to lack of help on crucial, juncture Mr. Sreenivasan argued that the whole **philosophy of NAM is that it remains united on larger global issues**, even if does not side with a member on a specific issue. **India itself has followed this approach**, whenever the members had problems with others either inside or outside the movement.

Historical genesis of the **doctrine of non alignment** in India can be traced to **domestic context**, which further led to India spearheading the **Non-Aligned Movement in the international sphere**. **Sumit Ganguly** provides an informed assessment, he argues that:

- Under Nehru, India followed an **ideational foreign policy** which involved **multilateral institutions, constraints on defence spending, and advocacy of decolonisation**. These goals became **embodied in the doctrine of non-alignment**.
- The policy was also in keeping with India's **national experience of colonialism**. As a former colonized state India was wary of limiting its foreign policy option's through an alignment with either Superpower.
- Ideas embodied in the doctrine of non-alignment were in keeping with **India's historical and cultural legacies**.
- The moral stance of nonalignment against colonization and apartheid neatly dovetailed with **India's Gandhian heritage**.
- At the international level, the policy made sense as it enabled a **materially weak state to play a role that was considerably more significant than its capabilities** would allow it to be.

Furthermore, the **NAM in the 1970s and 1980s**, it can be argued, **served as a forum to channel India's views on many global issues** such as:

- India's deep **dissatisfaction with the international order characterised as it was by economic, political, and nuclear hierarchies**.
- It was through NAM that **India articulated the call for a new international economic order** that would cater for the special needs of the developing countries.
- Similarly, it was through NAM that India articulated the **call for a new world information and communication order** to provide a greater voice for developing countries in global communications.
- NAM also served as a forum for India to articulate its **views on global nuclear disarmament and the discriminatory nature of the global nuclear order** at the centre of which stood the Nuclear Non-Proliferation Treaty (NPT).

3.2.2. A Contemporary Assessment

At the very outset one has to **distinguish between the idea of non-alignment and the membership of Non Aligned movement**.

In the opinion of **David M. Malone**, "**Non-alignment, in theory**...allowed India to play the two superpowers and their related blocs off against each other, although after the 1950s, India was not successful in doing so." He also argues that "the **Non-Aligned Movement (NAM)** that Nehru played such a large role in bringing about and shaping was a useful **placeholder for India** at a time when its leaders needed to devote the bulk of their time to pressing internal challenges."

In the opinion of former diplomat **Rajiv Sikri**:

Non-alignment as a policy option for India, as **distinct from the Non-Aligned Movement**, was essentially about resisting pressures to join rival camps during the Cold War and about

examining foreign policy options on merit. In short, it was about having an **independent foreign policy**. This national consensus remains very strong in India, and has nothing to do with the so-called ‘Cold War mentality’ as many analysts derisively claim.

Similarly many like former diplomat **G. Parthsarthy** emphasize on drawing a distinction between being “non-aligned” and being a member of the “Non-Aligned Movement”, in contemporary times. In his words “**non-alignment in the post-Cold War era is still relevant** and really **means the freedom to choose a wide range of partners** to cooperate with on different issues, to protect our national interests. Thus, while being non-aligned gives us the flexibility to choose our partners and partnerships, **the Non-Aligned Movement is a forum of little relevance in today’s world.**” As rightly pointed out by put by **Shyam Saran**, **Non Aligned Movement is not what determined India’s non alignment; rather it is India’s non alignment that facilitated the functioning of the movement.**

Furthermore, since the end of the Cold War, **India has become a key member of various multilateral groupings:**

- **BASIC** (Brazil, South Africa, India and China) for protecting and promoting its interests on climate change;
- **G4** for pushing through reforms of the UN Security Council;
- **G20** for managing the world economy;
- **BRICS** (Brazil, Russia, India, China and South Africa) and **IBSA** (India, Brazil and South Africa) to enhance economic coordination with countries that are similarly placed;
- **ASEAN-centred institutions,**
- **Shanghai Cooperation Organisation (SCO),**
- **Russia-India-China (RIC)** grouping for pursuing political and security interests.

These engagements in multiple forums for varying economic, political and security purposes have, as argued by **Shashi Tharoor**, made the **Non-Aligned Movement “largely incidental” to India’s pursuit of its national interest** since the end of the Cold War. This view suggests that the idea of non-alignment remains relevant in terms of **strategic autonomy** and has increasingly expressed in terms of **multi-alignment**. **The NAM, on the other hand needs to reinvent or reorient itself to remain relevant.** This provides India both an opportunity and challenge.

4. Supplementary Reading

4.1. India’s Policy of Non-Alignment

India, under the leadership of first Prime Minister Jawaharlal Nehru, was the first country to have adopted the policy of non-alignment. India’s policy has been **positive or dynamic neutralism** in which a country acts independently and decides its policy on each issue on its merit. Non-alignment is based on positive reasoning. **It is not a negative, middle of the road reluctance to distinguish between right and wrong. It does not mean that a country just retires into a shell.**

P M Nehru had declared in the US Congress in 1948, “Where freedom is menaced, or justice is threatened, or where aggression takes place, we cannot be and shall not be neutral ... our policy is not neutralist, but one of active endeavour to preserve and, if possible, establish peace on firm foundations.” Commenting on India’s foreign policy, **K.M. Panikkar** claims that India “has been able to build up a position of independence and, in association with other states similarly placed, has been able to exercise considerable influence in the cause of international goodwill.” In a way, **this policy promotes Gandhiji’s belief in non-violence**. The critics in early days argued that India’s policy was to remain, “neutral on the side of democracy.”

Speaking in the Constituent Assembly (Legislative) on December 4, 1947, Nehru had sought to remove the impression that India's non-alignment also meant neutrality. He had said:

We have proclaimed during this past year that we will not attach ourselves to any particular group. This has nothing to do with neutrality or passivity or anything else. If there is a big war, there is no particular reason why we should jump into it... We are not going to join a war if we can help it, and we are going to join the side which is to our interest when the time comes to make the choice.

India wanted to prevent the international conflict after the horrors of the Second World War.

Nehru said: "If and when disaster comes it will affect the world as a whole... Our first effort should be to prevent that disaster from happening." Reiterating India's resolve to keep away from power blocs, he said in 1949, "If by any chance we align ourselves definitely with one power group, we may perhaps from one point of view do some good, but I have not the shadow of doubt that from a larger point of view, not only of India but of world peace, it will do harm. Because then we lose that tremendous vantage ground that we have of using such influence as we possess... in the cause of world peace."

Priorities of independent India's foreign policy revolved around-

- economic development of the country,
- maintenance of independence of action in foreign affairs,
- safeguarding country's sovereignty and territorial integrity
- and world peace.

India has firmly believed that **these objectives can be achieved only by keeping away from power blocs**, and exercising freedom of taking foreign policy decisions.

Nehru was committed to western concept of liberalism and democracy. Nonetheless, he **did not approve of the military alliance like NATO and SEATO initiated by the United States** to contain communism. He opposed western alliances on the ground that **they encouraged new form of colonialism**; and also because these were likely to promote countermoves and race for armaments between the two camps. **Nehru was impressed by socialism and strongly advocated the idea of democratic socialism.** Nonetheless, he **totally rejected the communist state as "monolithic" and described Marxism as an outmoded theory.** Nehru was a combination of a socialist and a liberal democrat. He was **opposed to the very idea of power blocs in international relations.** **India's policy of non-alignment, therefore, was not to promote a third bloc, but to ensure freedom of decision-making of the recently decolonized states.** Non-alignment was promoted by India as a policy of peace, as against the policy of confrontation.

India's policy of non-alignment was **against the status quo situation in international relations.** That meant **opposition of colonialism, imperialism, racial discrimination and now of neo-colonialism.** Also, non-alignment **rejects the concept of superiority of Super Powers.** It advocates sovereign equality of all states. Furthermore, **non-alignment encourages friendly relations among countries.** It is opposed to the alliances that divide the world into groups of states, or power blocs. Non-alignment advocates peaceful settlement of international disputes and rejects the use of force. **It favours complete destruction of nuclear weapons and pleads for comprehensive disarmament.** It supports all **efforts to strengthen the United Nations.**

Thus, India's **policy of non-alignment emphasizes prioritising the social and economic problems of mankind.** India has always supported the demand for a new international economic order so that the unjust and unbalanced existing economic order may be changed into a new and just economic order.

4.2. Reasons for Non-Alignment

India had adopted the policy of non-alignment as it did not want to lose its freedom of decision-making, and because India's primary concern soon after independence was economic development. The policy has been sustained for five decades. Professor M.S. Rajan had mentioned seven reasons for adopting this policy initially.

- Firstly, it was felt that India's alignment with either the US or the USSR bloc would aggravate international tension, rather than promote international peace. Besides, the Indian Government left later than in view of size, geopolitical importance and contribution to civilization, India had "a positive role to play in reducing international tension, promoting peace and serving as a bridge between the two camps."
- Secondly, India was neither a great power, nor could she allow herself to be treated as a nation of no consequence. India was, however, potentially a great power. Non-alignment suited India's "present needs to keep out national identity" and on the other hand not to compromise "out future role of an acknowledged Great Power."
- Thirdly, India could not join either of the power blocs because of emotional and ideological reasons. We could not join the Western (American) Bloc because many of its member countries were colonial powers or ex-colonial powers, and some still practiced racial discrimination. We could not join the Eastern (Soviet) Bloc because communism, as an ideology, was completely alien to Indian thinking and way of life.
- Fourthly, like any sovereign country, India, who had just become sovereign, wanted to retain and exercise independence of judgement, and not to "be tied to the apron-strings of another country." It meant that India wanted freedom to decide every issue on its merit.
- Fifthly, once India launched economic development plans, we needed foreign economic aid "it was both desirable politically not to depend upon aid from one bloc only, and profitable to be able to get it from more than one source."
- Sixthly, non-alignment is in accordance with India's traditional belief that "truth, right and goodness" are not the monopoly of anyone religion or philosophy. India believes in tolerance. Therefore, the world situation, called for tolerance and peaceful co-existence of both the systems, with India not aligning with any of the blocs, nor being hostile to them.
- Lastly, the domestic political situation was also responsible for the adoption of the policy of non-alignment. According to Professor Rajan, "By aligning India with either of the Blocks, the Indian Government would have sown seeds of political controversy and instability in the country..."

Whatever the actual reasons that may have promoted Nehru and his Government to adopt the policy of non-alignment, it is obvious that the people of India by and large supported the policy. Many other countries found it in their national interest to adopt this policy which led to the establishment of the Non-Alignment Movement.

4.3. The Non-Aligned Movement

India was largely responsible for launching the Non-aligned Movement (NAM) in 1961. The basic concept for the group originated in 1955 during discussions that took place at the Asia-Africa Bandung Conference held in Indonesia. Subsequently, a preparatory meeting for the First NAM Summit Conference was held in Cairo, Egypt from 5-12 June 1961. It was initiated by Nehru, Yugoslav President Joseph Brez Tito and Egyptian President Colonel Nasser.

Twenty-five countries attended the first NAM conference held at Belgrade and presided over by Tito in September 1961. Invitations were sent out by Nehru, Nasser and Tito after careful scrutiny of foreign policies of proposed participants of the first NAM Summit.

The **five criteria for joining NAM were:**

- the country followed independent foreign policy based on non-alignment and peaceful co-existence;
- the country was opposed to colonialism and imperialism;
- it should not have been a member of a Cold War related military bloc;
- it should not have had a bilateral treaty with any of the Super Powers; and
- NAM should not have allowed any foreign military base on its territory.

NAM **does not have a formal constitution or permanent secretariat**, and its **administration is non-hierarchical and rotational**. Decisions are made by **consensus**, which requires substantial agreement, but not unanimity.

At each Summit, a new Head of State formally becomes the chair, and assumes that position until the next Summit. The chair is responsible for promoting the principles and activities of NAM, and the **Foreign Ministry and Permanent Mission in New York of the Chair's State assumes administrative responsibility**.

Coordinating Bureau is an ambassadorial-level body, based at the United Nations in New York, reviews and facilitates activities between the working groups, contact groups, task forces, and committees. It is also charged with strengthening coordination and cooperation among NAM States. The Chair's Permanent Representative to the UN in New York functions as the CoB chair. **Troika Created in 1997**, this body consists of past, serving and future Chairs, and operates at the discretion of the incumbent chair.

The Non-Aligned Security Council Caucus consists of **NAM countries who are elected to the UN Security Council as rotating members**. These States seek to adopt unified positions and to reflect the decisions and positions adopted at NAM Summits and Ministerial Conferences.

The Joint Coordinating Committee of NAM and the Group of 77 members meets regularly in New York to coordinate and promote the interests of developing countries in the international community. It was established in 1994.

From its inception in 1961, the NAM has grown both quantitatively and qualitatively. **In 2015, there were as many as 120 members of NAM, 17 Observer States and 10 observer organizations**.

Its summits are periodically held in which issues concerning international politics are discussed, and attempts are made to evolve a common approach to various issues. Since the number of members has grown very large, it often becomes difficult to adopt an approach that all countries can follow. **The NAM lost some of its fervor after the end of Cold War, though its relevance is claimed by various leaders**.

NAM: Role after the Cold War

Since the end of the Cold War and the formal end of colonialism, the **Non-Aligned Movement has been forced to redefine itself and reinvent its purpose in the current world system**. A major question has been whether many of its foundational ideologies, principally national independence, territorial integrity, and the struggle against colonialism and imperialism, can be applied to contemporary issues.

The movement has emphasised its **principles of multilateralism, equality, and mutual non-aggression in attempting to become a stronger voice for the global South**, and an instrument that can be utilised to promote the needs of member nations at the international level and strengthen their political leverage when negotiating with developed nations. In its efforts to advance Southern interests, the movement has stressed the importance of cooperation and unity amongst member states, but as in the past, cohesion remains a problem since the size of

the organisation and the divergence of agendas and allegiances present the ongoing potential for fragmentation.

While agreement on basic principles has been smooth, taking definitive action vis-à-vis particular international issues has been rare, with the movement preferring to assert its criticism or support rather than pass hard-line resolutions. The movement continues to see a role for itself, as in its view, the world's poorest nations remain exploited and marginalised, no longer by opposing superpowers, but rather in a uni-polar world, and it is Western hegemony and neo-colonialism that the movement has really re-aligned itself against. It opposes foreign occupation, interference in internal affairs, and aggressive unilateral measures, but it has also shifted to focus on the socio-economic challenges facing member states, especially the inequalities manifested by globalisation and the implications of neo-liberal policies. **The Non-Aligned Movement has identified economic underdevelopment, poverty, and social injustices as growing threats to peace and security.**

Recent activities and positions of NAM:

Summits

13th Summit: 13th Summit of the Non-Aligned Movement was held in **Kuala Lumpur, Malaysia from 24-25 February 2003**.

14th Summit: The 14th Summit Conference of Heads of State or Government of the Non-Aligned Movement was held in Havana, **Cuba, from 11-16 September 2006**.

15th Summit: On **15 July 2009**, NAM concluded its 15th summit meeting at an Egyptian Red Sea Resort in **Sharm el-Sheikh**.

16th Summit: from 26-31 August 2012, the 16th Summit Conference of Heads of State or Government of the Non-Aligned Movement was held in **Tehran, Iran**. During the conference, the Heads of State or Government discussed a variety of issues, The Final Document contained positions on global, regional and sub-regional and development, social and human rights issues.

17th Summit: On **17 September 2016**, **Venezuela** hosted the 17th summit of the Non-Aligned Movement. Attendance at the summit has dwindled in recent years; **thirty-five heads of state attended in 2012 and only ten attended in 2016**. Discussions covered Palestine, the U.S.-Cuba relationship, and Venezuela's political climate.

18th Summit: Proposed to take place in Azerbaijan in 2019

Positions:

Criticism of US policy

In recent years the organization has criticized US foreign policy. **The US invasion of Iraq and the War on Terrorism**, its attempts to stifle Iran and North Korea's nuclear plans, and its other actions have been denounced as human rights violations and attempts to run roughshod over the sovereignty of smaller nations. The movement's leaders have also criticized the American control over the United Nations and other international structures.

Self-determination of Puerto Rico

Since 1961, the group have supported the discussion of the case of Puerto Rico's self-determination before the United Nations.

Self-determination of Western Sahara

Since 1973, the group have supported the discussion of the case of Western Sahara's self-determination before the United Nations. The Non-Aligned Movement reaffirmed in its meeting at (Sharm El Sheikh 2009) the support to the Self-determination of the Sahrawi people by

choosing between any valid option, welcomed the direct conversations between the parts, and remembered the responsibility of the United Nations on the Sahrawi issue.

Sustainable development

The movement is publicly committed to the tenets of sustainable development and the attainment of the Millennium Development Goals, but it believes that the international community has not created conditions conducive to development and has infringed upon the right to sovereign development by each member state. Issues such as globalisation, the debt burden, unfair trade practices, the decline in foreign aid, donor conditionalities, and the lack of democracy in international financial decision-making are cited as factors inhibiting development.

Reforms of the UN

The Non-Aligned Movement has been quite outspoken in its criticism of current UN structures and power dynamics, mostly in how the organisation has been utilised by powerful states in ways that violate the movement's principles. It has made a number of recommendations that would strengthen the representation and power of 'non-aligned' states. The proposed reforms are also aimed at improving the transparency and democracy of UN decision-making. The UN Security Council is the element considered the most distorted, undemocratic, and in need of reshaping.

South-south cooperation

Lately the Non-Aligned Movement has collaborated with other organisations of the developing world, primarily the Group of 77, forming a number of joint committees and releasing statements and documents representing the shared interests of both groups. This dialogue and cooperation can be taken as an effort to increase the global awareness about the organisation and bolster its political clout.

Cultural diversity and human rights

The movement accepts the universality of human rights and social justice, but fiercely resists cultural homogenisation. In line with its views on sovereignty, the organisation appeals for the protection of cultural diversity, and the tolerance of the religious, socio-cultural, and historical particularities that define human rights in a specific region.

Feel Free to add your Own Notes in blank Spaces

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LECTURE-2

INDIA NEIGHBORHOOD: RELATIONS

Contents

1. India-Bangladesh Relations: Fraternal Friendship.....	23
1.1. Background	23
1.2. Evolution	23
1.3. Recent Top Level Visits	24
1.4. River Waters.....	24
1.4.1. The Teesta Dispute	24
1.5. The Border Issue	25
1.6. The Borders and Boundaries: Key Agreements.....	25
1.6.1. The LBA	26
1.6.2. The Maritime Boundary Award.....	26
1.7. Economic Cooperation and Trade	27
1.8. Energy	28
1.9. Connectivity	28
1.10. Security	29
1.11. Issues to resolved and future challenges	29
2. India and Bhutan.....	30
2.1. Background and Evolution	30
2.2. Recent Dynamics.....	31
2.3. Hydropower	31
2.4. Economic Development	31
2.5. Security	31
2.5.1. Incidents in Doklam Area 2017- India-Bhutan-China:	32
2.6. Concerns	32
3. India and Nepal	33
3.1. Background	33
3.2. The Evolution of Democratic Process in Nepal	33
3.2.1. After 2015	34
3.2.2. Elections	35
3.3. Recent Visits.....	35
3.4. Security	35
3.5. Water Resources	36
3.6. Power	36
3.7. Trade	36
3.8. Connectivity	37
3.9. Border Dispute	37
3.9.1. Challenges.....	37
4. The BBIN Framework	38
4.1. Vision of BBIN	38
4.2. Potential.....	38
4.2.1. Recent Developments	38
5. India-Sri Lanka	39
5.1. The Background	39
5.2. Evolution of India Sri Lanka Relations	40
5.2.1. Recent Visits.....	40

5.3 Ethnic Issue	40
5.3.1. Fishermen Issue	40
5.4. Economic Cooperation and Trade	41
5.4.1. Development Cooperation.....	42
5.5. The China Factor	42
5.5.1. India Interest.....	42
6. India-Maldives	43
6.1. Background	43
6.2. Security	44
6.3. Economic and Development Cooperation	45
6.4. Democratic Transition in Maldives.....	45
6.5. Recent Dynamics.....	45
6.5.1. Options for India	46
7. South Asian Association for Regional Cooperation (SAARC)	47
7.1. Background	48
7.2. The Organisation	48
7.3. Evolution	48
7.3.1. Factors Shaping the Agenda: Initial Phase	48
7.3.2. The SAARC Agenda.....	49
7.3.3. Principles of the SAARC Charter.....	49
7.3.4. SAARC Regional Centres.....	49
7.4. Trade and Commerce: The SAARC Preferential Trade Arrangement (SAPTA)	50
7.4.1. Lack of Progress in SAPTA.....	50
7.5. South Asian Free Trade Agreement (SAFTA)	50
7.5.1. Steps to Strengthen SAFTA.....	51
7.5.2. SAFTA: Key Challenges	51
7.5.3. Way Forward	51
7.6. SAARC: Comparative Assessment	51
7.6.1. Sluggish Progress: Views from Within.....	52
7.7. Causes for the Limited Progress of SAARC	52
7.7.1. Making SAARC Work	53
7.8. India's Contributions	53
7.9. Recent Developments within SAARC	54
7.10. Deadlock at SAARC: Options for Regional Cooperation in South Asia	54
7.11. India's Neighbourhood Policy: Neighbourhood First	55

1. India-Bangladesh Relations: Fraternal Friendship

Map 2.1: Bangladesh



Image Source: <https://www.cia.gov/library/publications/the-world-factbook/graphics/maps/bg-map.gif>

1.1. Background

- India and Bangladesh **share land and maritime boundaries, ethnic ties** across borders as well as **trans-boundary rivers**. Similarities in **language, culture and development trajectory** makes the relations special
- **Geographical locations complement each other** and present an opportunity for both to further develop their **connectivity links and economies**.
- India played a significant role in the **creation of Bangladesh in 1971** by providing moral, material, military and diplomatic support to the **Mukti Bahini** and the leadership of the Awami League, especially **Sheikh Mujibur Rahman**.
- **India was the first country to recognize Bangladesh** as a separate and independent state.
- The **1972 India Bangladesh Treaty of Peace and Friendship** laid the foundations of good relations between the two Countries

1.2. Evolution

- Despite the **bonhomie of initial years** the relations soured especially since the **military coup** and **assassination of Sheikh Mujibur Rahman** and the ascendance of the **Military ruler Zia ur Rahman in the year 1975**.
- Bangladesh remained under **Military or Quasi Military rule for 1975 to 1990**.
- This period, for most part, the relations were marked by brief periods of raised expectations and longer period coldness.
- **Begum Khaleda Zia of Bangladesh Nationalist Party (BNP)** became the Prime Minister in 1991. In 1996 **Awami League came to Power under Sheikh Hasina**. In 2001 she lost to the BNP and Khaleda Zia. 2008 Saw the victory of Awami league under Shiekh Hasina

- One of the worst periods in India-Bangladesh relations was between 2001 and 2006. Only minor protocols or agreements were signed during this time and there was a surge in insurgency activities in the Northeast with the United Liberation Front of Assam and the Nationalist Socialist Council of Nagaland, among other outfits, crossing the border for training.
- From 2009 onwards, as cross-border issues were addressed, bilateral relationship improved and progress was made in some key areas.
- Recent years have seen remarkable shift in these relations, under different governments in New Delhi.

1.3. Recent Top Level Visits

- Bangladesh's Prime Minister Sheikh Hasina Visited India in April 2017. Both Countries signed 22 agreements.
- Prime Minister Narendra Modi visited Bangladesh in June 2015
- Prime Minister Manmohan Singh Visited Bangladesh in 2011

1.4. River Waters

- India and Bangladesh share 54 common rivers: Ganga and Brahmaputra are chief among them. Bangladesh is a lower riparian state.
- Joint Rivers Water Commission was formed in 1972 for carrying out survey of the shared river systems.
- Farrakka Barrage constructed in 1975 by India to use water from Ganges to flush the Hooghly river and keep the Kolkata Port operational, became a bone of contention. Bangladesh under general Zia confronted India and tried to internationalise the issue.
- A settlement was finally reached in 1977, with a new government in India led by the Janata party, known as the Farakka accord.
- The Ganges Waters Treaty was signed in 1996 for the sharing of waters of the River Ganges during the lean season (January 1-May 31).
- On the Teesta River, an interim agreement was reached by both sides for water sharing in 1984. However, a final agreement has been elusive. The West Bengal's government's opposes any such agreement perceived to be unjust & insensitive to West Bengal's water needs & demands.

1.4.1. The Teesta Dispute

- Historically, the root of the disputes over the river can be located in the report of the Boundary Commission (BC), which was set up in 1947 under Sir Cyril Radcliffe to demarcate the boundary line between West Bengal (India) and East Bengal (Pakistan, then Bangladesh from 1971). During East Bengal's days as a part of Pakistan, no serious dialogue took place on water issues between India and East Pakistan. In 1972, the India-Bangladesh Joint Rivers Commission was established.
- The Teesta river originates in Sikkim and flows through West Bengal as well as Bangladesh. India claims a share of 55 percent of the river's water.
- The river is Bangladesh's fourth largest transboundary river for irrigation and fishing. The Teesta's floodplain covers 2,750sq km in Bangladesh. Of the river's catchment - an area of land where water collects - 83 percent is in India and 17 percent is in Bangladesh. That means more than one lakh hectares of land across five districts in Bangladesh are severely affected by withdrawals of the Teesta's waters in India, said the Observer Research Foundation. These five Bangladesh districts then face acute shortages during the dry season, it added.

- In 1983, an ad hoc arrangement on sharing of waters from the Teesta was made, according to which Bangladesh got 36% and India 39% of the waters, while the remaining 25% remained unallocated.
- After the Ganga Water Treaty, a Joint Committee of Experts was set up to study the other rivers. The committee gave importance to the Teesta. In 2000, Bangladesh presented its draft on the Teesta. The final draft was accepted by India and Bangladesh in 2010. In 2011, during then Indian Prime Minister Manmohan Singh's visit to Dhaka, a new formula to share Teesta waters was agreed upon between the political leadership of the two countries.
- The 2011 interim deal - that was supposed to last 15 years - gave India 42.5 percent of the Teesta's waters and gave Bangladesh 37.5 percent.
- West Bengal CM, Mamata Banerjee opposed this deal so it was shelved and remains unsigned. In fact, she was scheduled to accompany the then PM Manmohan Singh to Bangladesh to sign that deal in 2011, but cancelled the trip.
- West Bengal CM Mamata Banerjee has in the past countered Bangladesh's argument citing the amount of Teesta waters India already gives Bangladesh. "When we need a certain quantity of water to maintain our Kolkata Port and fulfil the need of farmers, water is released from Teesta and Farakka barrages to Bangladesh sacrificing the state's interest" she said in 2013.
- Hydropower on the Teesta is another point of conflict. There are at least 26 projects on the river mostly in Sikkim, aimed at producing some 50,000MW.
- Mamta Banerjee has proposed sharing the waters of other rivers. As north Bengal is completely dependent on the Teesta, she said, rivers like the Torsa and Manshai, which are closer to the border of India and Bangladesh, are good options. The Torsa, in fact, has connectivity with Bangladesh's Padma river. The West Bengal CM proposed that the two countries set up a commission to ascertain the level of water flowing through the Torsa and the quantum of water that can be shared.

1.5. The Border Issue

- India and Bangladesh share 4096.7 km. of border, which is the longest land boundary that India shares with any of its neighbours.
- Before the Land Boundary Agreement (LBA) came into effect in 2015, the border was contentious due to numerous exclaves and enclaves.
- For allowing Bangladesh access to its exclaves in West Bengal, the Government of India had agreed to lease out a small corridor of land (Teen Bigha Corridor) in 1974, however, it faced strong domestic opposition within India & the matter was finally resolved only in 1982. This generated needless friction over the delay in implementation of the agreement

1.6. The Borders and Boundaries: Key Agreements

- A Coordinated Border Management Plan (CBMP) was signed in 2011 to synergize the efforts of both Border Guarding Forces for more effective control over cross border illegal activities and crimes as well as for the maintenance of peace and tranquility along the India-Bangladesh border.
- The Land boundary agreement (LBA) was implemented in 2015.
- Government of India has sanctioned barbed wire fencing to the extent of 3326.14 km along the Indo-Bangladesh border. Out of this, fencing to the extent of 2731 km has been completed till March 2017.
- The settlement of the maritime boundary arbitration between India and Bangladesh, as per UNCLOS award on July 7, 2014, paved the way for the economic development of this part of the Bay of Bengal and is seen as beneficial to both countries.

1.6.1. The LBA

India-Bangladesh Land Boundary Agreement (LBA), was first signed in 1974. A protocol to this agreement was signed in 2011.

The three outstanding issues were:

- an un-demarcated land boundary of approximately 6.1 km
- exchange of enclaves
- unresolved adverse possession
- The agreement was, Implemented in 2015, with the passage of relevant Act (100th Amendment Act) by the Indian Parliament and exchange of instruments the same year.
- This step not only removed all hurdles for the final settlement of borders, but also ensured the way for exchange of Enclaves and merger of Adverse Possessions by **re-drawing the International Boundary (IB), also known as the Radcliffe Line.**
- India transferred 111 enclaves with a total area of 17,160.63 acres to Bangladesh, while Bangladesh transferred 51 enclaves with an area of 7,110.02 acres to India.
- As for Adverse Possessions, India received 2777.038 acres of land and transferred 2267.682 acres to Bangladesh.
- **Thus, the 2015 LBA implements the unresolved issues stemming from**
 - **the un-demarcated land boundary—approximately 6.1-km long—in three sectors, viz. Daikhata-56 (West Bengal), Muhuri River–Belonia (Tripura) and Lathitala–Dumabari (Assam);**
 - **exchange of enclaves; and**
 - **Adverse possessions, which were first addressed in the 2011 Protocol.**
- The nearly 14,000 residents of the Bangladeshi enclaves in India have decided to stay on and become citizens as per the option given to them under the LBA. 971 residents of the Indian enclaves in Bangladesh, out of the nearly 37,000, opted for Indian citizenship.

1.6.2. The Maritime Boundary Award

- On 7 July 2014 a landmark judgment of the Hague-based Permanent Court of Arbitration (PCA) awarded Bangladesh an area of 19,467 sq km, four-fifth of the total area of 25,602 sq km disputed maritime boundary in the Bay of Bengal with India.
- The UN Tribunal's award clearly delineated the course of maritime boundary line between India and Bangladesh in the territorial sea, Exclusive Economic Zone (EEZ) and continental shelf within and beyond 200 nautical miles (nm).
- Now, Bangladesh's maritime boundary has been extended by 118,813 sq km comprising 12 nm of territorial sea and an EEZ extending up to 200 nm into the high seas. In addition, the ruling acknowledged Bangladesh's sovereign rights of undersea resources in the continental shelf extending as far as 345 nm in the high seas, taking Chittagong coast as the base line.
- **The verdict has been broadly accepted by both the countries as a positive development for further consolidation of friendly relations**
- **India is also happy with the ruling and considers it as a diplomatic breakthrough** for various reasons. Among other gains, the **verdict has recognised India's sovereignty over New Moore Island and awarded nearly 6000 sq km of the contested zone where the island had once existed.**

Map 2.2 India Bangladesh Maritime Boundary award

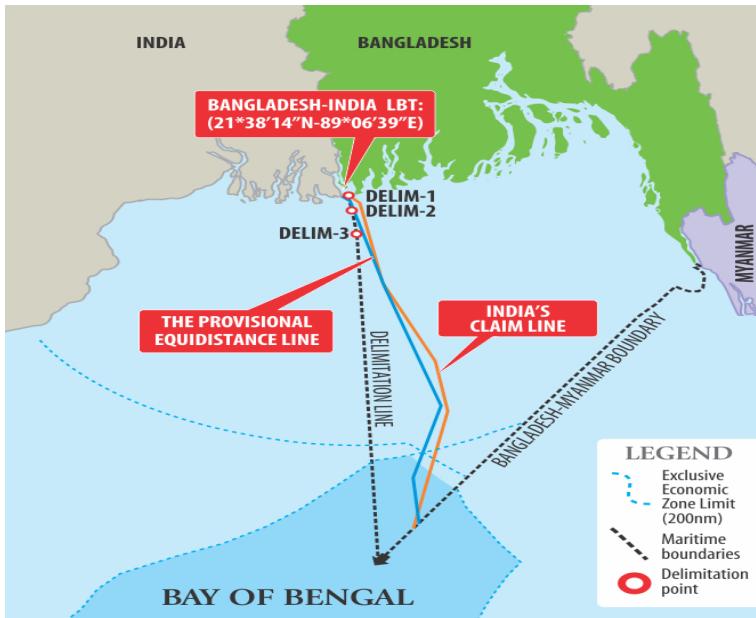


Image Source: <http://www.thedailystar.net/sites/default/files/upload-2014/gallery/image/arts/bay-win-cheers.jpg>

1.6.2.1. Significance of the Maritime Boundary Award

The award is significant given the geo-strategic/political significance of greater Indian Ocean region and South Asian sub-region. Moreover, the award has wide security and economic implications not only for India and Bangladesh but also for the entire Bay of Bengal region.

- The verdict would contribute towards establishing strategic partnerships among the nations sharing borders in the Bay. The award is expected to have positive impact on emerging multilateral forum like BIMSTEC.
- The verdict has been broadly accepted by both the countries as a positive development for further consolidation of friendly relations especially given the geo-strategic/political significance of greater Indian Ocean region and South Asian sub-region.
- By clearly delineating the maritime boundary between the two nations, the verdict could help boosting coastal and maritime security in the region.
- It opened the door for exploration of oil and gas in the Bay—the site of huge energy reserves. India's discovery of natural gas in 2006 took place in a creek which is situated about 50 km south of the mouth of the Hariabanga river within the contested zone.
- The development of Fishery resources is another prospect.
- The award is expected to have positive impact on regional integration and emerging multilateral forum like BIMSTEC. It may be noted that India has already settled its maritime borders with Sri Lanka, Myanmar and Thailand.

1.7. Economic Cooperation and Trade

- Bilateral trade between India and Bangladesh has grown steadily over the last decade. In the last five years, total trade between the two countries has grown by more than 17%. India's exports to Bangladesh in the period July 2016 – March 2017 stood at US\$ 4489.30 million and imports from Bangladesh during FY 2016-17 stood at US\$ 672.40 million.
- There are estimates that the trade potential is at least four times the present level.
- Lines of Credit: In recent Year India has extended three lines of credit worth US\$ 8 billion to Bangladesh for a range of projects, including railway infrastructure, supply of Broad

Gauge microprocessor-based locomotives and passenger coaches, procurement of buses, and dredging projects. This is the **largest quantum of credit India has extended to any other country** by far and comes at a **highly concessional rate of interest**.

- Despite **duty-free access**, Bangladeshi exporters face **high non-tariff barriers** in the form of **bureaucratic and customs bottlenecks**, delays due to manual clearance, visa problems, lack of banking services and warehouse facilities at the border. The **cost of cross-border trade is quite high**.
- ‘**Border Haats**’, or markets across the India-Bangladesh border (currently **four such haats are functional**), were a **successful solution to increase legal business on the borders**. Recently, Bangladesh and India have agreed to set up six more haats along their borders.

1.8. Energy

- Power:** Government-to-government power trade is 1,300 MW from India to Bangladesh.
- India’s state-run Bharat Heavy Electricals Limited (BHEL) is building the **Rampal coal-fired power plant in Bangladesh**.
- In the private sector, **Reliance Power has won approval to set up a 750 MW LNG-based power plant and an LNG terminal in Bangladesh**, paving the way for \$1.3 billion investment, and **Adani Group is set to sell 3,000 MW power to Bangladesh**.
- Connectivity:** the focus has been **road, rail, rivers, sea, transmission lines, petroleum pipelines, and digital links** that would give India access to the Northeast and to Southeast Asia through Bangladesh.

1.9. Connectivity

- Two Trains services, Maitri and Bandhan, run between Kolkata and Dhaka.**
- The **new Kolkata-Dhaka-Agartala bus service via Dhaka was started in 2016**.
- Trains are planned to run from **Kolkata to Agartala via Dhaka**, a project to be completed in 2019. on the Completion of **the Akhaura-Agartala section** the railway distance between Tripura and Kolkata would be reduced by over 1,000 km
- The two sides agreed to examine the request of Bangladesh to establish a **new rail link between Panchagarh (Bangladesh) to Siliguri (India)**.
- Bangladesh-India coastal shipping began operationalisation in March 2016**.
- In 2017 Bangladesh allowed Indian vessels to dock at Chittagong Port, the first time after 40 years. Indian companies are interested in developing **Payra Port**.
- Trucks carrying Indian goods reached Tripura from **Ashuganj port in Bangladesh** on June 19 2016, making the long-cherished idea of **transshipment** into reality
- Grid Connectivity:** Bangladesh already draws 600 megawatt from the Indian grid, with another 500 megawatt to be added through the **Bheramara-Baharampur inter-connection**.
- Diesel Pipeline:** India is already constructing a **Indo-Bangla friendship pipeline from Siliguri to Parbatipur (In Bangladesh)** for supply of high speed diesel as a grant-in-aid.
- If the two neighbors have their way, by mid-2020 India will cease to depend only on the Siliguri Corridor or the Chickens Neck, the 22-km corridor near Siliguri in West Bengal that connects the Northeast with the rest of the country.
- Waterways:** Once the dredging in Bangladesh is complete, large vessels can move from Varanasi in National Waterway 1 (NW-1, the Ganga) to NW-2 (Brahmaputra) and NW-16 (Barak) via Bangladesh river channels, thereby reducing the over-dependence on the narrow stretch.
- An ambitious **gas pipeline project with Bangladesh and Myanmar has been revived in 2017 at the conceptual level**. India can take this opportunity forward to consolidate regional connectivity.
-

Map 2.3 : India-Bangladesh Connectivity

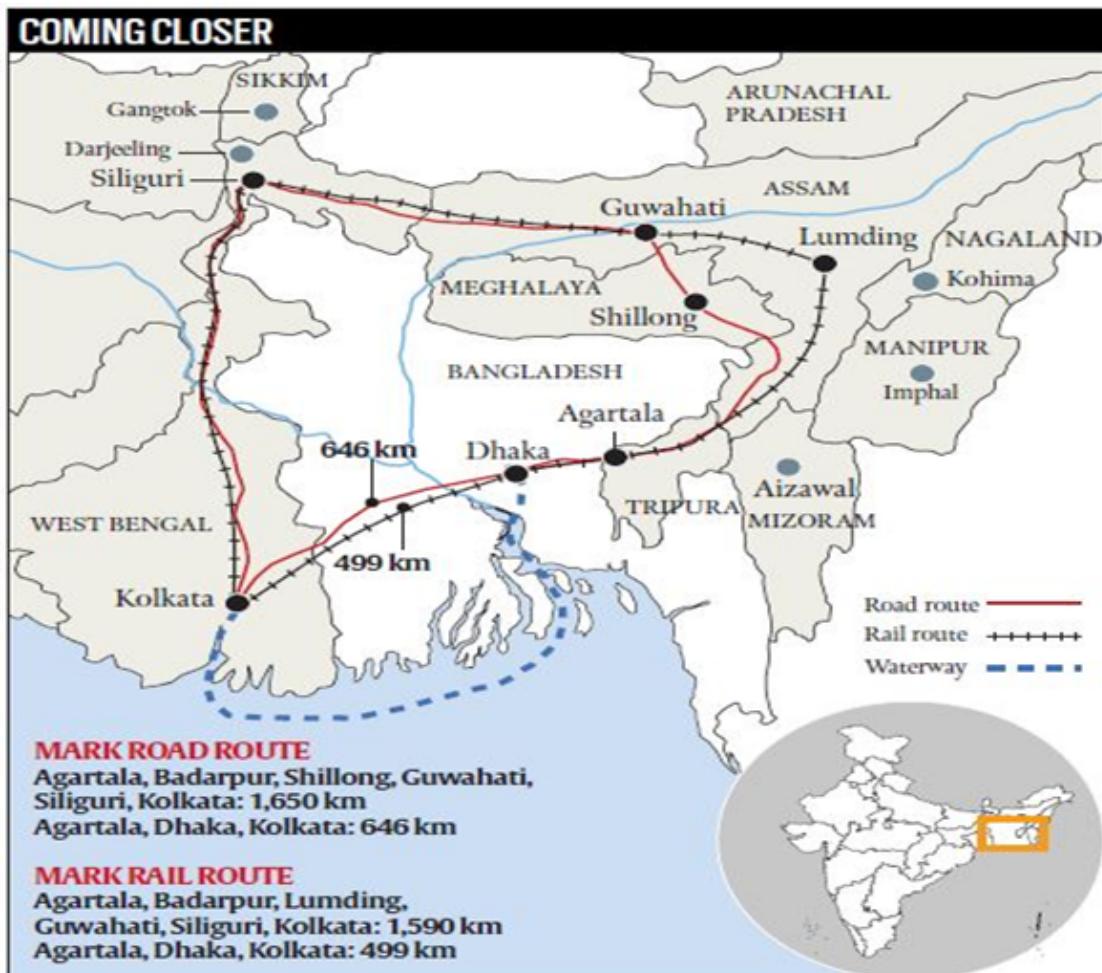


Image Source: <http://images.indianexpress.com/2015/11/bangala.jpg>

1.10. Security

Security cooperation is a key area in the relations between the two countries.

- In 2013 the **extradition treaty** between the two countries came into effect. The implementation of this treaty saw the **extradition of figures such as Anup Chetia of the ULFA**.
- A MoU on **Cyber Security** was signed between the two countries in 2017.
- In recent years Bangladesh has also faced some serious **challenges from terrorism** and is an invaluable partner in our fight against terrorism by India.
- The two countries cooperate on checking the **smuggling and circulation of fake currency notes and narcotics**.
- Standard Operating Procedures for operationalisation of the MoU on Cooperation between the Coast Guards between the two countries is in place.

1.11. Issues to resolved and future challenges

- The **Teesta River Water issue** remains to be resolved
- The **Tipaimukh project on the Barak River** has been a sensitive issue for Bangladesh.
- The **issue of illegal immigration** is a sensitive issue for India and especially in states such as Assam. Where India remains sensitive to the issue of illegal immigrants, Bangladesh has consistently denied that Bangladeshis are illegally migrating.

- Favourable Trade conditions are especially important for Bangladesh
- **Rohingya issue-** it is a sensitive issue involving the migration of Rohingya refugees from Myanmar to Bangladesh. India as key regional player is expected to play a positive role in the issue in which China is also actively involved.
- **Bangladesh goes to elections in 2018.** It would be especially sensitive time for the relations.
- The Agreement on Ganges Water would expire in 2026.

2. India and Bhutan

Map 2.4: Bhutan



Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/bt.html>

2.1. Background and Evolution

- From 1949 onwards the relations were governed by a **Treaty of Perpetual Peace and Friendship of 1949**. Article 2 of the treaty was significant wherein “the Government of Bhutan agrees to be guided by the advice of the Government of India in regard to its external relations.”
- **Diplomatic relations between India and Bhutan were established in 1968** with the appointment of a resident representative of India in Thimphu.
- The Kingdom of Bhutan was admitted as a member of the United Nations on 21st September 1971.
- The first democratic elections in Bhutan began in 2007
- **The Indian-Bhutan Friendship Treaty**, which was signed in New Delhi on 8th February 2007, has come into force following the exchange of Instruments of Ratification between the two governments in Thimphu on 2nd March 2007.
- In the revised treaty of 2007, Article 2 was replaced with: “In keeping with the abiding ties of close friendship between Bhutan and India, the Government of the Kingdom of Bhutan and the Government of Republic of India shall cooperate closely with each other on issues relating to their national interests. Neither Government shall allow the use of its territory for activities harmful to the national security and interest of the other.” The 2007 Treaty has begun a new era in bilateral cooperation.

- On June 21, 2012, during a meeting on the sidelines of the United Nations Rio+ 20 conference, Chinese Premier Wen Jiabao met Bhutanese Prime Minister Jigmi Y. Thinley for the first time.
- In June-July 2013 LPG and Kerosene subsidy withdrawal** by India marked a brief episode of acrimony in the relationship.

2.2. Recent Dynamics

- It was the first country visited by Prime Minister Narendra Modi in 2014.
- King of Bhutan, Jigme Khesar Namgyal Wangchuk, visited India in November 2017.
- Prime Minister of Bhutan Tshering Tobgay visited India in February 2018.
- Bhutan opened consulate office on 2 February 2018, in Guwahati, Assam.

2.3. Hydropower

- Extensive cooperation in the field of development extends to the mutually beneficial sector of hydropower.
- Three Hydropower projects developed with Indian assistance** are 1020 MW Tala Hydroelectric Project, 336 MW Chukha Hydroelectric Project, 60 MW Kurichhu Hydroelectric Project.
- Ten more projects have been agreed to.** Of these three are already under construction – Punatsangchhu-I Hydro Electric Project, Punatsangchhu-II and Mangedechhu HEPs.
- The Union Cabinet has approved the signing of an Inter **Government Agreement (IGA) on four JV-mode HEPs** (Kholongchu, Wangchhu, Bunakha and Chamkharchhu) with Bhutan, and 15% GOI funding (DGPC's equity) for the 600 MW Kholongchhu HEP.
- Both countries have set a goal of **goal of 10,000MW in hydropower by 2020**

2.4. Economic Development

- India continues to be the largest trade and development partner of Bhutan.**
- Planned development efforts in Bhutan began in the early 1960s. **The First Five Year Plan (FYP) of Bhutan was launched in 1961.** Since then, **India has been extending financial assistance to Bhutan's FYPs.**
- Standby Credit Facility:** GoI extended a standby credit facility of Rs 1000 crores to RGoB to help Bhutan overcome the rupee liquidity crunch. This Credit Facility was provided at a concessional interest rate of 5% per annum. It is valid for 5 years.
- The new **free trade agreement is in force since 29 July 2017,** provides for a **free trade regime between the territories of India and Bhutan.** The agreement also provides **for duty-free transit of Bhutanese merchandise for trade with third countries.**

2.5. Security

- President Ram Nath Kovind, in 2017, termed the **security of India and Bhutan is “indivisible and mutual”-**
- The Eastern Army Command and the Eastern Air Command** both have integrated protection of Bhutan into their role.
- The Indian Military Training Team (IMTRAT),** headed by a Major General, plays a critical role in training Bhutanese security personnel.
- Recent **incidents in the Doklam area** underlined the significance of security cooperation between the two countries.
- Both Countries maintain high level coordination on security issues.** In this context the foreign Secretary, National Security Advisor and Army Chief visited Thimphu in February 2018.

2.5.1. Incidents in Doklam Area 2017- India-Bhutan-China:

Map 2.5: India-Bhutan-China



Source:

http://www.thehindu.com/news/national/article12665125.ece/alternates/FREE_660/India%20Bhutan%20China

- Lacking any treaty describing the boundary, **Bhutan and China continue negotiations to establish a common boundary alignment to resolve territorial disputes** arising from substantial cartographic discrepancies, the **most contentious of which lie in Bhutan's west along Chumbi salient**.
- The incidents in Doklam area in 2017, involving Indian armed forces confronting the Chinese, to prevent unilateral changes in the tri-junction border area, marked the example of close security cooperation between India and Bhutan based on the treaty of friendship between the two countries.

2.6. Concerns

- As of July 2017, **Bhutan's debt to India** for the three major ongoing projects: Mangdechhu, Punatsangchhu 1 and 2 is approximately ₹12,300 crores which accounts for 77% of the country's total debt, and is 87% of its GDP.
- While the cost of the **720 MW Mangdechhu project has nearly doubled in the past two years of construction**, both Punatsangchhu 1 and 2, each of 1200 MW have trebled in cost and been delayed more than five years over the original completion schedule.
- Meanwhile, the **interest repayment on projects that are being financed by India as 30% grant and 70% loan at 10% annual interest is piling up**.
- The demarcation of boundaries of Bhutan with China under the **1988 and 1998 agreements remain process in waiting**. This has security implications for India and requires a new formulation.

3. India and Nepal

Map 2.6: Nepal



Image Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/np.html>

3.1. Background

- As **close neighbours**, India and Nepal share a **unique relationship of friendship and cooperation** characterized by **open borders and deep-rooted people-to-people contacts of kinship and culture**.
- Nepal has an area of 147,181 sq. kms. and a population of 29 million. It **shares a border of over 1850 kms** in the east, south and west with five Indian States – Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand – and in the north with the Tibet Autonomous Region of the People's Republic of China
- The **India-Nepal Treaty of Peace and Friendship of 1950** forms the bedrock of the special relations that exist between India and Nepal.
- Under the provisions of this Treaty, the **Nepalese citizens have enjoyed unparalleled national treatment in India, availing facilities and opportunities at par with Indian citizens**. Nearly 6 million Nepali citizens live and work in India. Around 6,00,000 Indians are living/domiciled in Nepal.

3.2. The Evolution of Democratic Process in Nepal

- In 1951, the Nepali Monarch, King Tribhuwan, ended the century-old system of rule by hereditary Prime Ministers (the Ranas) and instituted a cabinet system that brought political parties into the government.
- In December 1960, the then King Mahendra suspended the constitution, dissolved the elected parliament and dismissed the cabinet. He instituted a **Panchayat system-hierarchical system** of village, district and national councils.
- In 1990 pro-democracy agitation co-ordinated by Nepali Congress Party(NCP) and leftist groups erupted. Street protests were suppressed by security forces resulting in deaths and mass arrests. King Birendra eventually bows to pressure and agrees to **new democratic constitution**.
- 1991 - NCP won first democratic elections.** Girija Prasad Koirala becomes prime minister.

- **The Maoist revolt began in 1995**, it dragged on for more than a decade and resulted in the death of thousands. Among other things, the rebels wanted the monarchy to be abolished.
- **The Royal Family Massacre**: On 1 June 2001 - **Crown Prince Dipendra killed King Birendra, Queen Aishwarya and several members of the royal family, before shooting himself**. The king's brother, **Gyanendra was crowned king**.
- 2005 February - King Gyanendra dismisses the government, restores an absolute monarchy and declares a state of emergency, citing the need to defeat Maoist rebels.
- **2005 November - Maoist rebels and Seven Party Alliance (SPA) of parliamentary parties agreed on a programme intended to restore democracy**.
- 2006 April - King Gyanendra agreed to reinstate the parliament following weeks of violent strikes and protests against direct royal rule as part of the **Loktantra Movement**.
- 2006 May - **Parliament voted unanimously to curb the king's political powers**. The government holds peace talks with the Maoist rebels.
- **Peace deal**. In November 2006- The government signed a peace deal with the Maoists. **The Comprehensive Peace Agreement (CPA)** - formally ended the decade-long insurgency.
- **2007 January - Maoist leaders entered parliament under the terms of a temporary constitution**. In April the Maoists joined an interim government, a move which brought them into the political mainstream. Later, Maoists quit the interim government, demanding the abolition of the monarchy.
- **End of monarchy**: In December 2007 - Parliament approved the abolition of monarchy as part of peace deal with Maoists, who agree to rejoin government.
- **Elections to New Constituent Assembly**: In April 2008 - Former Maoist rebels won the largest bloc of seats in elections to the new Constituent Assembly (CA), but failed to achieve an outright majority. **2008 May - Nepal became a republic**.
- 2008 June - Maoist ministers resigned from the cabinet in a row over who should be the next head of state. In July 2008 - **Ram Baran Yadav becomes Nepal's first president**.
- 2008 August - Maoist leader Pushpa Kamal Dahal aka Prachanda formed coalition government, with Nepali Congress going into opposition. Later the same year Maoists left the government
- 2009 May - Prime Minister Prachanda resigned following a row with President Yadav over the integration of former rebel fighters into the military and impasse over constitution continued.
- 2010 May - **The Constituent Assembly (CA) voted to extend the deadline for drafting the constitution**, the first of four extensions.
- **2012 May - The Constituent Assembly (CA) is dissolved** after failing to produce a draft constitution.
- **Second Constituent Assembly**: In November 2018 - The Communist Party of Nepal (UML) and Nepali Congress shared the win in the second Constituent Assembly elections, pushing the former ruling Maoists into third place and leaving no party with a majority.
- 2014 February - Nepali Congress leader Sushil Koirala was elected prime minister after securing parliamentary support.
- 2014 November - **Nepal and India sign a deal to build a \$1bn hydropower plant on Nepal's Arun river** to counter crippling energy shortages.

3.2.1. After 2015

- **Earthquake**: In April 2015 - A 7.8-magnitude earthquake struck Kathmandu and its surrounding areas killing more than 8,000 people, causing mass devastation and leaving millions homeless.
- **Donors Conference**: At an international Donor's conference in July 2015 in Nepal, India pledged 1 billion US\$ in support of the reconstruction efforts. China was the Second

largest donor with over 480 million US\$

- **Landmark constitution:** in September 2015 Nepal adopted a landmark constitution, which defined Nepal as a secular country, despite calls to delay voting after more than 40 people are killed in protests in Madhesi dominated Terai region.
- This period also saw downturn in India Nepal relations based on blockade on the movement of goods from India to Nepal due to violence in the bordering areas dominated by the Madhesis.
- 2015 October - K.P. Sharma Oli becomes the first prime minister to be elected under the new constitution.
- 2016 February - Government lifts fuel rationing after the ethnic minority Madhesi communities, partially backed by India, end a six-month border blockade in protest over the new constitution which they say is discriminatory.
- 2016 July - Maoist party pulled out of the governing coalition. Prime Minister K.P. Sharma Oli resigns ahead of a no-confidence vote in parliament.
- 2016 August - Parliament elects former communist rebel leader and Maoist party leader Pushpa Kamal Dahal aka Prachanda as prime minister for the second time. **In 2016, China and Nepal hold their first ever joint military exercise.**
- 2017 June - Pushpa Kamal Dahal was replaced as prime minister by the Congress leader Sher Bahadur Deuba under a rotation agreement.

3.2.2. Elections

- In December 2017, Nepal held Parliamentary Elections. The Lower House, House of Representatives (Pratindhi Sabha), comprises of 275 seats, out of which 165 are elected on the FPTP system and 110 through the proportional representation system.
- Elections for Upper house, National Assembly (Rashtiriya Sabha,) were held in February 2018, it has 59 members.
- The victory of left alliance including the Communist Party of Nepal and the Maoist Party ensured swearing in of K.P. Oli as the new Prime Minister.
- It is apparent that the Mr. Oli has a clear tilt towards China, this perhaps adds to challenges in India Nepal Relations.

3.3. Recent Visits

- In 2014, Prime Minister Shri Narendra Modi visited Nepal twice – in August for a bilateral visit and in November for the SAARC Summit – during which several bilateral agreements were signed.
- The Nepalese Prime Minister, Mr. K.P. Oli, was on a State visit to India from 19 to 24 February 2016. During his visit several bilateral agreements were signed.
- Nepalese Prime Minister, Mr. Pushpa Kamal Dahal ‘Prachanda’ paid a state visit to India from 15-18 September 2016.
- Shri Pranab Mukherjee, Hon’ble President of India paid a state visit from 2-4 November, 2016
- Prime Minister Sher Bahadur Deuba Visited New Delhi in 2017.
- Minister of External Affairs Sushma Swaraj visited Nepal in February 2018
- Prime Minister K.P. Oli made his first state visit to India in April 2018, this marks the occasion for both sides to take the relationship forward

3.4. Security

- India has played a leading role in helping the Nepalese Army (NA) in its modernization through provision of equipment and training. About 250+ training slots are provided every year for training of NA personnel in various Indian Army Training institutions.

- The 10th Indo-Nepal Army Battalion level Joint Exercise was conducted at Saljhandi (Nepal) from 31 October to 13 November 2016. The 11th Indo-Nepal Army Battalion level **Joint Exercise, Surya Kiran**, was conducted at Pithoragarh (India) in March 2017.
- The **Gorkha Regiment of the Indian Army** is raised partly by recruitment from hill districts of Nepal. Currently, about **32,000 Gorkha Soldiers from Nepal are serving in the Indian Army**.

3.5. Water Resources

- Cooperation in Water Resources primarily concerning **the common rivers is one of the most important areas of our bilateral relations and has immense potential**.
- It is estimated that around **250 small and large rivers flow from Nepal to India** and constitute an **important part of the Ganges river basins**.
- These rivers have the potential to become major sources **of irrigation and power for Nepal and India**, but without planning, are a **source of devastating floods in Nepal's Terai region, and the Indian States of Bihar and Uttar Pradesh**.
- A **three-tier bilateral mechanism established in 2008**, to discuss issues relating to **cooperation in water resources and hydropower** between the two countries, has been working well.
- In November 2014 **Nepal and India sign a deal to build a \$1bn hydropower plant on Nepal's Arun river** to counter crippling energy shortages.
- The **Commencement of Work on the Pancheshwar Multipurpose project on Mahakali river in 2017** is expected to provide impetus to water resource cooperation between India and Nepal.

3.6. Power

- India and Nepal have a Power Exchange Agreement since 1971** for meeting the power requirements in the border areas of the two countries, taking advantage of each other's transmission infrastructure.
- There are more than twenty **132 KV, 33 KV and 11 KV transmission interconnections** which are used both for **power exchange in the bordering areas and for power trade**. For enhanced transmission of electricity, short term augmentation of the existing grid has been completed.
- Under mid-term augmentation, with grant assistance from GoI, **132 KV Kataiya-Kushaha and 132 KV Raxaul-Parwanipur transmission lines** are being operationalized.
- For long-term augmentation of the cross-border grid infrastructure, with a funding of US\$ 13.2 million (from GoI's US\$ 100 Million LoC), the construction of a **400 KV Muzzafarpur-Dhalkebar transmission line** is in progress.
- On completion, the **Muzzafarpur-Dhalkebar transmission line would allow import of up to 1000 MW of power by Nepal from India** and also export from Nepal to India.
- At present, the total supply of electricity to Nepal from India is about 400 MW.
- An **Agreement on 'Electric Power Trade, Cross-border Transmission Interconnection and Grid Connectivity'** between India and Nepal was signed on **21 October 2014**.

3.7. Trade

- Since 1996, Nepal's exports to India have grown more than eleven times and bilateral trade more than seven times**; the bilateral trade that was 29.8% of total external trade of Nepal in year 1995-96 has reached 61.2% in 2015-16.
- The bilateral trade grew from IRs. 1,755 crores in 1995-96 to IRs.32294Crores (US\$ 4.8 billion) in 2015-16**.

- **Indian firms are the biggest investors in Nepal**, accounting for about 40% of the total approved foreign direct investments. There are about 150 Indian ventures operating in Nepal. They are engaged in manufacturing, services (banking, insurance, dry port, education and telecom), power sector and tourism industries. Some large Indian investors include ITC, Dabur India, Hindustan Unilever, VSNL, TCIL, MTNL, State Bank of India, Punjab National Bank, Life Insurance Corporation of India, Asian Paints, CONCOR, GMR India etc.
- **The Union Budget 2018 increased the funding allocation of Nepal from 375 crores to 650 crores**
- **India accounts for 2/3rd of Nepals trade in Merchandise, 1/3rd in Services and 46% of FDIs.** Almost 100 percent petroleum supplies to Nepal are from India.
- **India's FDI in Nepal till May 2017 stood at 5159.86 crores.**
- **98 per cent of Nepal's third country trade goes through India and to the port of Kolkata.**
- **In February 2016 India agreed on giving dedicated access to Nepal to the port of Vizag.**

3.8. Connectivity

- The Augmentation of **Jayanagar-Janakpur Railway line** is in Progress between the two countries. Originally built during the British rule this line was functional till 2014, when it was closed for up gradation.
- In 2017 India has also proposed a direct rail link to Kathmandu from Delhi & Kolkata.
- Currently India and Nepal are connected by a directed **bus service launched in 2014**.
- Both the countries are **signatories to the BBIN Motor Vehicle Agreement** as part of sub regional-connectivity efforts.

3.9. Border Dispute

- Delineation of boundary between India and Nepal is subject to the resolution over the **territorial dispute on Susta and Kalapani areas**.
- The **Kalapani row** is over a **35 square km disputed area** where the border is **marked by the river Mahakali**.
- The changing course of the **Gandak river, known as Narayani in Nepal**, has caused **controversy around Susta**. Gandak forms the international boundary between Nepal and India.
- A **British era agreement**, known as the **Treaty of Sugauli (1816)**, led to the demarcation of the international boundary between India and Nepal. Another Supplementary Boundary Treaty was signed in December 1816 to settle the border dispute.
- **In 1981, a Joint Technical Level Nepal-India Boundary Committee was set up**, which after years of surveying and deliberations **delineated 98% of the India-Nepal border on 182 strip maps**. But, Susta was not part of this delineation.
- **In 2007, these strip maps were presented to both countries for ratification.**
- **Nepal refused to sign the documents without resolving the Susta and Kalapani disputes** India, too, did not endorse the maps.

3.9.1. Challenges

- **Political transition in Nepal**: Constitutional process and ethnic linkages involving Madhesis, Tharus and janajatis pose a key challenge to the future of the bilateral relations.
- **Cooperation in developing water resources**: Nepal has 43,000 MWs hydropower potential that is known to be technically feasible and economically viable. However, major projects have not taken-off due to considerations outside the realm of economics. Ironically, India is a net exporter of power to Nepal. Over the years differences over the 1954 Kosi Agreement and the 1959 Gandak Agreement, have become cause of resentment in. Three large projects namely — Saptakosi with 5,000MW, Karnali-Chisapani with 11,000MW, and

Pancheshwar with 6,500MW — have been stuck for 30 years. 27 survey licenses were granted to India companies, but none of them is in the construction phase.

- **The China Factor:** China has showed renewed interest in Nepal following the constitutional logjam, the earthquake in 2015 and the blockade on the Indo-Nepal borders in the same year. Changing political leadership in Nepal has shown inclination to use the China factor vis-a-vis India.
- In 2012, Nepal approved a \$1.8 billion contract to China for the West Seti Hydropower Project.
- In November 2017 in a decision which could have far reaching consequences in the region and for China, Nepal cancelled the Budhi Gandaki hydropower project which had been contracted to a Chinese company Chinese company.
- In January 2018 China began providing broadband connectivity to Nepal which had been an Indian monopoly hitherto.
- According to a World Bank report, Nepal needs to invest up to \$18 million in infrastructure projects by 2020 to remove binding constraints to economic growth.

4. The BBIN Framework

- In **eastern sub-region comprising Bangladesh, Bhutan, India and Nepal (BBIN)**, the four South Asian nations signed the BBIN Agreement in Thimphu and it was seen as a significant **symbol of sub-regional unity**.
- The BBIN initiative, for the time being, operates through inter-governmental **Joint Working Groups (JWG)** comprising senior officials of respective governments, under the aegis of their respective Foreign Affairs ministries but drawing in representatives of other concerned ministries/agencies of the government.
- Two such JWG's were set up, one on **Trade, Connectivity and Transit**, the other on **Water Resources Management, and Power/hydropower trade and Grid Connectivity**.

4.1. Vision of BBIN

- BBIN vision for the sub-region rests on **Four pillars**
 - Trade, connectivity and transit.
 - Investment in power generation and water management sectors.
 - Cooperation in energy area, in power trade and converting national grids into a sub-regional grid.
 - Contact between the peoples of the region.

4.2. Potential

- Once implemented thoroughly, they have the **potential to increase India's-regional trade within South Asia by almost 60% and with the rest of the world by over 30%**.
- This would be a visible **advantage for South Asia with transport corridors transformed into economic corridors**.
- The BBIN Agreement signals that **relations which were earlier characterized by trust-deficit among countries are now decisively moving towards a national political consensus for cooperation** among the neighbours.

4.2.1. Recent Developments

- India proposed a **SAARC Motor Vehicle Agreement** during the **SAARC Summit in Kathmandu in November 2014**. Due to **objections from Pakistan**, an agreement could not be reached.
- **India instead pursued a similar motor vehicle agreement with the BBIN**. The Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement was signed on 15 June 2015.

- However, in 2017 Bhutan backed out from joining this agreement asking the other countries to continue with operationalisation.
- India approved \$1.08 Billion for construction and upgradation of 558 km long roads that join Bangladesh, Bhutan and Nepal.
- The project will receive 50% funding from Asian Development Bank. The project is scheduled to be completed by 2018.

5. India-Sri Lanka

5.1. The Background

- As Ceylon, it became independent in 1948; its name was changed to Sri Lanka in 1972.
- **Ethnic issues**-Sri Lanka comprises of various ethnic groups- Sinhalese 74.9%, Sri Lankan Tamil 11.2%, Sri Lankan Moors or Muslims 9.2%, Indian Tamil 4.2%, other 0.5%
- **Tamils were disenfranchised in 1949.** The **1956 Sinhala Only Act** further institutionalised the discrimination.
- **Liberation Tigers of Tamil Eelam (LTTE)** was formed in 1976 and it was involved in an armed conflict with Sri Lankan armed forces from 1983 to 2009.

Map 2.7: Sri Lanka



Map Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/ce.html>

- In 1987 India-Sri Lanka Agreement signed between Prime Minister Rajiv Gandhi and President J.R. Jayewardene sought to end the civil war in the island nation.
- This agreement envisaged the creation of provincial councils with autonomy enabled by the 13th amendment to the Sri Lankan constitution.
- Also under the agreement, Indian Peace Keeping Force (IPKF) was sent to Sri Lanka's Northern and Eastern provinces, to "guarantee and enforce the cessation of hostilities" between the Tamil separatist groups and the government.
- However, the situation turned into a military confrontation between the IPKF and the Liberation Tigers of Tamil Eelam (LTTE), which refused to disarm and join the political mainstream.
- The IPKF-LTTE conflict that began on October 10, 1987, and lasted till 1990 saw the death of over 1,200 Indian soldiers and 660 LTTE cadres.
- The assassination of former prime minister Rajiv Gandhi in 1991 further changed India's attitude towards the ethnic conflict in Sri Lanka
- Civil War in Sri Lanka ended through military operation in 2009.

5.2. Evolution of India Sri Lanka Relations

- The relationship between India and Sri Lanka is more than 2,500 years old and both sides have built upon a legacy of intellectual, cultural, religious and linguistic interaction.
- India and Sri Lanka commemorated the 2600th year of the attainment of enlightenment by Lord Buddha** (Sambuddhatva Jayanthi) through joint activities. These included the exposition of Sacred Kapilavastu Relics in Sri Lanka that took place in August - September 2012.
- A Maritime agreement was signed by India and Sri Lanka in 1974.** Where in India handed over the uninhabited Kacchateevu.
- Signed in 1999, the India-Sri Lanka FTA entered into force in 2000**
- 2009, 2012 and 2013** India votes in favour of resolutions asking for probe in Sri Lanka's war against the LTTE at the Human Rights Council.
- Change of governments in India in 2014 and Sri Lanka in 2015 provided an opportunity for fresh engagement.**
- A Civil Nuclear Agreement was signed between the two countries in 2015.**

5.2.1. Recent Visits

- Prime Minister Modi was the Chief Guest at the International Vesak day Celebrations in Colombo in May 2017.** It is PMs second trip to Sri Lanka since March 2015.
- Sri Lankan Prime Minister Ranil Wickremesinghe visited India in April 2017, his third visit to the capital since January 2015.
- India's Sri Lanka policy, following the defeat of Mahinda Rajapaksa, has been centred on economic cooperation and security concerns, and far less on political matters.

5.3 Ethnic Issue

The nearly three-decade long armed conflict between Sri Lankan forces and the LTTE came to an end in May 2009. During the course of the conflict, India supported the right of the Government of Sri Lanka to act against terrorist forces. At the same time, it also conveyed its deep concern at the plight of the mostly Tamil civilian population, emphasizing that their rights and welfare should not get enmeshed in hostilities against the LTTE. In this context India has undertaken the following efforts.

- India supported the 13th Amendment** which involves autonomy to provinces and rights of the Tamil minorities
- India is involved in the **resettlement and rehabilitation efforts** in the Northern and Eastern provinces of Sri Lanka with Tamil Population
- The need for **national reconciliation through a political settlement of the ethnic issue** has been reiterated by India at the highest levels. India's consistent position is in favour of a **negotiated political settlement**, which is **acceptable to all communities** within the framework of a united Sri Lanka and which is **consistent with democracy, pluralism and respect for human rights**.
- Domestically, **sensitivity on ethnic ties continues to be evident in Tamil Nadu**, e.g. the fishermen issue.

5.3.1. Fishermen Issue

- Both Indian and Sri Lankan fishermen have been fishing into Palk Bay area for centuries. **Problem emerged only after a maritime agreement was signed by India and Sri Lanka in 1974.** In fact, initially the 1974 border agreement did not affect fishing on either sides of the border.
- In 1976, through an exchange of letter, both India and Sri Lanka agreed to stop fishing in each other's waters.** However, the agreement could not stop the fishermen from fishing in these waters, as fishermen know no boundary.

- Both India and Sri Lankan fishermen have been known for entering into each other's waters.
- However, cases of **arrest of Sri Lankan fishermen by Indian authorities** are comparatively less since they mostly fish in the high seas by using multi-day crafts.
- On the other hand, due to the dearth of multi-day fishing capability, Indian fishermen cannot shift their fishing effort from the Palk Bay area to the offshore areas of the Indian waters or way beyond the continental shelf.
- Therefore, **Indian fishermen have no other option but to fish into the Sri Lankan waters**. While for the Sri Lankan authorities protecting their maritime boundary is important, for the Indian fishermen the priority is of securing their livelihood.
- In early 2017 India raised at the highest level the killing of an Indian fisherman near Katchatheevu islet in Palk Straits by the Sri Lankan navy. Tamil Nadu Chief Minister Palaniswami wrote to Prime Minister Narendra Modi seeking the release of 85 fishermen and their 128 boats under Sri Lankan custody.
- On the other hand **Sri Lankan Fishermen too have been concerned about increasing trawling activities from Indian boats in the region**.
- The two countries set up a **Joint Working Group in November 2016**, and India has assured Sri Lanka to phase out bottom trawling.

Map 2.8: Katchatheevu



Source:

[http://images.tribuneindia.com/cms/gall_content/2017/3/2017_3\\$largeimg08_Wednesday_2017_023048576.jpg](http://images.tribuneindia.com/cms/gall_content/2017/3/2017_3$largeimg08_Wednesday_2017_023048576.jpg)

5.4. Economic Cooperation and Trade

- Sri Lanka is one of the largest trading partners of India in South Asia.
- 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**.
- Bilateral trade in 2015 amounted to US \$ 4.7 billion. Exports from India to Sri Lanka in 2015 were US\$ 4.1 billion (up by 2.1%), while exports from Sri Lanka to India were US\$ 645 million (up by 3.2%) (MEA December 2016).
- According to Sri Lankan Customs, bilateral trade in 2016 amounted to US \$ 4.38 billion. Exports from India to Sri Lanka in 2016 were US\$ 3.83 billion, while exports from Sri Lanka to India were US\$ 551 million.
- India is among the top four investors in Sri Lanka with cumulative investments of over US\$ 1 billion since 2003.

5.4.1. Development Cooperation

- The conclusion of the armed conflict saw the emergence of a major humanitarian challenge, with nearly 300,000 Tamil civilians housed in camps for Internally Displaced Persons (IDPs). The Government of India put in place a robust programme of assistance to help the IDPs return to normal life as quickly as possible. This included:
 - construction of 50,000 housing units,
 - rehabilitation of the Northern Railway lines,
 - wreck-removal and rehabilitation of the KKS Harbour,
 - establishment of Vocational Training Centres,
 - construction of a Cultural Centre at Jaffna, restoration of Thiruketheeswaram Temple,
 - establishing an Agricultural Research Institute in the Northern Province
- Sri Lanka is one of the major recipients of development credit given by the Government of India, with total commitment of US\$2.6 billion, including US\$ 436 million as grants.
 - A line of credit of \$800 million for track laying and supply of rolling stock to support construction railway lines in Northern Sri Lanka is already operational.
 - In October 2014 the Pallai-Jaffna reconstructed railway track and signal system was inaugurated thereby reconnecting Jaffna to Colombo by rail.
 - Emergency Ambulance Service was launched in Sri Lanka on 28th July 2016 under Indian Grant Assistance of US \$ 7.55 million. The project involves deployment of 88 ambulances Western and Southern provinces, setting up of an Emergency Response Center and first year of operations.
 - Under another line of credit of \$167.4 million, the tsunami-damaged Colombo-Matara rail link has been repaired and upgraded.

5.5. The China Factor

- During the Mahinda Rajapaksha tenure(2005-2015) Tilt towards China was evident. This era saw projects such as the Hambantota port and Colombo port City granted to the Chinese.
- The construction of the Hambantota port was completed and operations began in 2010. It was part of a slew of mega infrastructure projects launched by then Sri Lankan president Mahinda Rajapaksa, whose family hailed from the coastal city of Hambantota. All of them were funded by Chinese loans, which stoked apprehension in New Delhi about the Rajapaksa government's red carpet for Beijing.
- During the Current government: The Hambantota port has been handed over to China on 99 year lease as part of a debt for equity swap.
- In May 2017, Sri Lanka had rejected Chinese request to dock a submarine on its port. However, in [previous years sightings of Chinese submarine on the Sri Lankan coast has been reported multiple times.
- Sri Lanka is also a keen supporter of the Belt and Road Initiative (BRI)of China.
- Sri Lanka's estimated national debt is \$64.9 billion, of which \$8 billion is owed to China—this can be attributed to the high interest rate on Chinese loans. For the Hambantota port project, Sri Lanka borrowed \$301 million from China with an interest rate of 6.3%, while the interest rates on soft loans from the World Bank and the Asian Development Bank are only 0.25–3%. Interest rates of India's line of credit to the neighboring countries are as low as 1%, or even less in some cases.

5.5.1. India Interest

- The Mattala Rajapaksa International Airport (MRIA) in Hambantota, 250 km south from Colombo, was built with Chinese assistance of \$190 million, more than 90 per cent of

the total cost. Today, MRIA is running into losses and Sri Lanka is unable to pay back dues to China's EXIM Bank. Ironically, Sri Lanka may now hand over the airport to India so that it can repay the Chinese loan. **India is in advanced talks with Sri Lanka to operate the airport.**

- **India is also interested in developing container facilities at the Colombo Port and developing the Trincomalee harbour**
- **The RBI initiative-** Sri Lanka's location is strategic for India's maritime security, and China's RBI – Maritime Silk Route. **India is strongly asserting against China which is trying to build strategic assets in the garb of infrastructure projects all around India.** India has conveyed to Sri Lanka its concerns about security and Sri Lanka has assured of not allowing anything against India's security interests. In the context of the Hambantota port India hopes that the security assurances inserted in the concession agreement would be scrupulously upheld in the future.

6. India-Maldives

Map2.9: Maldives



Image Source: <https://www.mapsofindia.com/neighbouring-countries-maps/maps/india-maldives.jpg>

6.1. Background

- An archipelago of 1,200 coral islands, spanning roughly 115 square miles, **Maldives is Asia's smallest nation, both by area and population.**
- **India was among the first to recognise Maldives after its independence in 1965** and to establish diplomatic relations with the country.
- India established its mission at Malé in 1972.

- Indian Army's 'Operation Cactus' foiled a coup in Maldives that was attempted by a pro-Eelam group in 1988.
- Indian Coast Guard's Dornier was the first to land at the Ibrahim Nasir Airport with relief and supplies after the tsunami of December 26, 2004.
- India maintains a naval presence in Maldives, at the request of the Maldives, since 2009.
- On December 5, 2014, India dispatched "water aid" to the Maldivian capital of Male, after a fire destroyed the generator of its biggest water treatment plant.
- The first-ever presidential elections under a multi-candidate, multi-party system were held in October 2008 only to be removed in 2012 and replaced by Abdulla Yameen Abdul Gayoom in a 2013 election.
- Abdulla Yameen has sought to weaken democratic institutions, jail his political opponents, restrict the press, and exert control over the judiciary to strengthen his hold on power and limit dissent.
- The democratic turmoil caused the cancellation of Indian Prime Ministers Visit to the island nation in 2015.
- President Yameen visited India in April 2016.
- In 2018 the proclamation of emergency by President Yameen further stirred the situation in the island country

6.2. Security

- The location of Maldives in the Indian ocean makes it important from the perspective of maritime security. It is situated in a mid-way between Strait of Malacca and Suez, which are the world's busiest trade routes and thousands of cargoes pass through these trade routes.
- At the same time, as Kerala and Lakshadweep are in close proximity to the Maldivian islands, there are always India's concerns about the possible use of Maldives' territory against it.
- Maldives also occupies a special place in India's foreign policy priority list because of increasing cases of piracy in the Indian Ocean near Somalia and Strait of Malacca, which has made the position of Maldives very important for establishing Naval bases for security in the Indian Ocean.
- The Trilateral Maritime Security Co-operation Initiative was launched by India, Sri Lanka and Maldives in October 2011 at Male during the first National Security Adviser (NSA) level meeting on the subject. This initiative involved the three littoral states to enhance maritime security in the neighborhood. There were two subsequent meetings in 2013 and 2014.
- In 2014 it was decided that next meeting would be held in Maldives. However, it remains to be held.
- Prime Minister Modi was also scheduled to visit Maldives as part of his visit to the other three Indian Ocean countries that took place in March 2015, but it was cancelled at the last moment due to internal political developments in the Maldives.
- India has espoused SAGAR – Security and Growth for all in the Region – vision for the Indian ocean
- Indo-Maldivian Action Plan for defence that was concluded in 2016, The Action Plan envisages an institutional mechanism at the level of the Defence Secretaries to further bilateral defence cooperation, according to the Ministry of External Affairs. Development of ports, continuous training, capacity building
- India has installed three Coastal Surveillance Radar Systems in Maldives and had plans to setup 10 more such facilities. However, further movement on this front has been delayed by recent events in Maldives.

6.3. Economic and Development Cooperation

- India is a leading development partner and has established many of the leading institutions of Maldives including the Indira Gandhi Memorial Hospital (IGMH), Faculty of Engineering Technology (FET) and Faculty of Hospitality & Tourism Studies (IMFFHTS).
- Currently, India has provided US \$ 100 million Stand-by Credit facility (SCF) to Maldives, including long-term loans and revolving credit for trade.
- Under new Line of Credit worth US\$40 million offered by the Government of India to Maldives, the Overseas Infrastructure Alliance (OIA) of India has been given a contract to construct 485 housing units in Maldives.
- India and Maldives signed a trade agreement in 1981, which provides for export of essential commodities. Growing from modest beginnings, India-Maldives bilateral trade stood at Rs.700 crores (MEA, 2015).

6.4. Democratic Transition in Maldives

- Maumoon Abdul Gauoom served as the president of Maldives from 1978 to 2008.
- In 2008 under pressure from the civil society democratic reforms were initiated and a new constitution was adopted
- Mohamed Nasheed was the first democratically-elected President of Maldives in 2008. He was made to step down after a series of events that has been described in some quarters as a coup in 2012.
- Ever since the Indian Ocean archipelago is witnessing political tussles.
- Nasheed had taken refuge at Indian High Commission once, fearing arrest under the regime of his successor.
- In 2013 Abdulla Yameen was elected president in 2013
- Nasheed Was jailed for 13 years in 2015 on terrorism charges, his conviction was widely condemned internationally. In 2016 Mohd. Nasheed received political asylum in the UK.
- In June 2016 opposition groups united to form the Maldives United Opposition, with a purpose of restoring democracy by removing Yameen.
- In recent times, India has been largely silent on the major assault on democratic institutions and the Opposition in the archipelago nation, while most countries which have a stake in the region, including the US, UK, and the European Union, have condemned the Yameen Government's transgressions.
- In February 2018 the Maldivian Supreme Court quashed the convictions of 9 opposition leaders including Mohd. Nasheed and ordered their release. The court also reinstated 12 MPs disqualified by the election commission, this meant the United Opposition would have majority in the majlis or parliament with the power to impeach the president.
- President Yameen responded by declaring a state of emergency and ordering the arrest of chief justice Abdulla Saeed and another judge. This forced the remaining three judges to change court's previous orders to release opposition leaders.

6.5. Recent Dynamics

- For China Maldives is a key link in its maritime silk road plan under the Belt and Road Initiative (BRI)
- In December 2017, Maldives Signed a Free Trade Agreement with China, while endorsing its Maritime Silk Road project shunned by India for its strategic implications in the Indian Ocean. Maldives' strategy of achieving economic progress by making use of its geographic advantages.
- In 2012 relations between India and Maldives came under a strain after Male had terminated the agreement it entered into with GMR in 2010 for the modernisation of the

Ibrahim Nasir International Airport. The airport was taken over by the Maldives Airports Company Limited after legal tussle in which GMR challenged the government's decision. Maldives government maintains the reason for cancellation of the project was because "the contract was illegally awarded" by the then President Nasheed.

- The country's anti-graft watchdog has ruled out any corruption in the leasing of the international airport to GMR. **The airport expansion project was subsequently given to the Chinese company, which will plough in US \$ 800 million.**
- GMR, meanwhile, won arbitration against the Maldives at Singapore based International Arbitration Tribunal which awarded \$270 million as compensation to the company.
- India is uneasy with Maldives's relationship with China. It is also believed that **the new law passed by Maldives, allowing absolute foreign ownership of land** on the conditions that interested parties would make a minimum investment of one billion dollar and reclaim 70 per cent land from the sea, **will greatly benefit China in expanding its foothold in the Indian Ocean.**
- India's concern is that China, with its strategic ally Pakistan, could use the Maldives as a strategic choke point for India
- Country's former President Mohamed Nasheed has more than once even commented on Maldives' 'pro-China' tilt.

6.5.1. Options for India

- In the crisis ensued, in February 2018, since the judicial verdict and followed by announcements by President Yameen of emergency, there were calls for India to intervene. **Global and regional commentary on the issue has focused on what India's options are for intervening in the Maldives.**
- Former President Mohamed Nasheed, who is in exile in Sri Lanka, **requested India to send an envoy, backed by its military, to release the judges and political prisoners.**
- India on its part displayed its dismay over the imposition and then extension of emergency.
- After the **emergency was lifted on 22 2018, India welcomed it even while calling upon the Maldivian government to restore all Articles of the Constitution**, to allow the Supreme Court and other branches of the judiciary to operate in full independence, to promote and support the free and proper functioning of Parliament, to implement the Supreme Court's Full Bench order of 1 February 2018 and to support a genuine political dialogue with all opposition parties.
- As a neighbour whose security is closely intertwined with that of the Maldives, India wishes to see a stable, peaceful and prosperous Maldives that meets the aspiration of its citizens.
- In this context the following aspects are key for understanding India's position:
 - International actors such as the EU and USA have echoed India's position.
 - Direct intervention though seemed attractive was ruled out for the time being unlike in 1988, it is not the Maldivian government but opposition that has asked for intervention. Also, it will further enhance ties between China and Maldives.
 - Conventional wisdom and recent experience confirm that foreign-imposed regime changes, overt or covert, are doomed to failure.
 - Furthermore, hard action could also be ruled out as India could not be sure how a new Government in Malé, after a regime change, will behave with regard to Indian interests.
 - New Delhi is wary of instability taking root in island nation where the radical Islamic State (IS) has been making inroads.
- **Maldives is a nascent democracy and is in the process of strengthening its institutions and capacity building.** In recent times also Maldives has professed an "India first" policy.

- India should remain committed to assist the Government and people of Maldives in their endeavours to build a stable, democratic, peaceful and prosperous country. **India needs to tread with extreme caution in this sensitive area** because the developments, so far, in the Maldives are a **domestic issue and remain within the ambit of the nation's "internal affairs"**.
- In this context, India should be actively engaged with all stakeholders in the reconciliation process in the wake of recent developments, in order to ensure that they continue to take the democratic process forward.
- Coordination with international community would add to India's options.
- Now, it remains to be seen how India manages to keep China at a distance, reinforcing its position of an ultimate security provider in the South Asia region. • As the strategic competition between India and China in the Indian Ocean gathers pace, we must be prepared to face such situations more frequently. **We need to craft a creative and dynamic strategy to counter them.**
- As Admiral Arun Prakash has observed, **certain fundamentals of geography and history are key to remember here:**
 - From Male, the nearest Chinese port, Haikou (Hainan), is 2,700 miles as the crow flies and 3,400 miles by sea. An aircraft would take 7-8 hours to cover this distance, overflying three countries, and a ship would take 8-10 days to reach Male. Compare this to the flying time.
 - From India the flying time is just over an hour, and sailing time of a little over 24 hours to cover the 500 miles between Male and the nearest Indian port/airport of Kochi.
- Indian Navy's sterling performance in the 2004 tsunami relief effort is a reminder of how close India is to Maldives both geographically and metaphorically.

7. South Asian Association for Regional Cooperation (SAARC)

Map2.9: SAARC countries



Image Source:

http://media.economist.com/sites/default/files/cf_images/20051119/cas941.jpg

7.1. Background

- South Asian Association for Regional Cooperation (SAARC) was founded in Dhaka on 8 December 1985. Its secretariat is based in Kathmandu, Nepal.
- SAARC has eight members (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka).
- These eight nations of South Asia constitute 3 per cent of the world's area, but house 21 per cent of the global population. India, significantly, constitutes 70 per cent of SAARC's area and population.
- The organization promotes multilateral cooperation and regional integration. It launched the South Asian Free Trade Area in 2006.
- SAARC also has nine Observers (Australia, China, European Union, Iran, Japan, Mauritius, Myanmar, South Korea and USA). SAARC maintains permanent diplomatic relations at the United Nations as an observer and has developed links with multilateral entities.
- 19th SAARC Summit, scheduled to take place in 2015 in Islamabad, was postponed due to non participation of India and other countries owing to Pakistan's interference in the domestic affairs of other countries.

7.2. The Organisation

- The Charter Bodies are the main mechanisms of SAARC. These include the Summit, Council of Ministers, Standing Committee, Programming Committee, Technical Committees and Action Committees.
- The Summit is the highest decision making authority in SAARC. These meetings are hosted biennially by the Member States in rotation in alphabetical order. The Member State hosting the Summit assumes the Chair of the Association until the next such meeting hosted by another Member State.
- The key outcome of the SAARC Summit is the Declaration. It contains decisions and directives of the Heads of State or Government to strengthen regional cooperation in the agreed areas.

7.3. Evolution

- The idea of SAARC itself was put on the table by Bangladeshi leader Ziaur Rehman in the late 1970's and it was Bangladesh which had actually pushed forward the idea of SAARC at initial stages.
- Dhaka pursued the idea of SAARC initially with a view to containing the "hegemony" of India in South Asia, a view fuelled by the structural asymmetry between India and its smaller South Asian neighbors.
- India also on the other hand was not very enthusiastic about the idea of SAARC as it believed that given the fact that its neighbors harboured too many apprehensions about it and this will hamper the prospects of India at the organization, rather it will become a platform for bashing India.
- Pakistan also was not very enthusiastic about SAARC since its inception as it knew that SAARC would be dominated by India (due to its sheer size).

7.3.1. Factors Shaping the Agenda: Initial Phase

The initial phase gave shaped the functioning of SAARC future as seen in the following:

- No Bilateral Issues: From the very inception of SAARC as an idea, India insisted that it would not agree to the use of any international forum for discussion of bilateral disputes and would prefer to resolve them on a bilateral level only.
- Small countries Apprehensive on Trade: The smaller countries on the other hand were not

interested in putting trade & commerce on the agenda of SAARC as they were apprehensive that such a move will flood their market with Indian goods given the relatively larger size of Indian economy.

- **Non-Controversial issues only:** The SAARC agenda has focus on nine **non-controversial** areas of cooperation known as- “SAARC integrated programme of action” or “Regional Program of action”. The nine areas were- Agriculture & Rural development, Transport & Communication, Science & Technology, Culture, Health, Population control, Sports and Arts.

7.3.2. The SAARC Agenda

- Regional Cooperation
- Regional Integration
- Multilateralism

7.3.3. Principles of the SAARC Charter

- Keeping the apprehensions of both India and its smaller neighbours in mind, SAARC developed a charter which would guide its functioning based on:
 - Sovereign equality.
 - Territorial integrity.
 - Political independence.
 - Non interference in domestic matters.

7.3.4. SAARC Regional Centres

Since 1989, a number of Regional Centres with specific mandates have been established to strengthen and promote regional cooperation. The Regional Centres implement programme activities and are expected to evolve into Centres of excellence in their respective areas.

- **SAARC Agriculture Centre (SAC), Dhaka**

Established in 1989 with the mandate to provide timely, relevant and universal access to information and knowledge resources to all the agricultural practitioners of the SAARC Member Countries to achieve their respective goals through networking agricultural knowledge and information systems by adopting the appropriate information and communication technologies, management practices and standards.

- **SAARC Energy Centre (SEC), Islamabad**

Established in 2006 with the mandate to act as a catalyst for the economic growth and development of South Asia region by initiating, coordinating and facilitating regional as well as joint and collective activities on energy. SEC would provide technical inputs for the SAARC Working Group (and other) meetings on Energy, and will facilitate accelerating the integration of energy strategies within the region by providing relevant information, state-of-the-art technology and expertise.

SAARC Cultural Centre (SCC), Colombo, Sri Lanka

This center was established in 2009 with the mandate to promote regional unity through cultural integration and intercultural dialogue and contribute towards preservation, conservation and protection of South Asia's cultural heritage within the framework of the SAARC Agenda for Culture.

- **SAARC Tuberculosis and HIV/AIDS Centre (STAC), Kathmandu**

This center was established in 1992 with the mandate to prevent and control Tuberculosis in the region by coordinating efforts of the National TB Programmes of Member States;

exchange of information, research, capacity building and implement activities; collects, collates, analyses and disseminates information on the latest developments and findings in the field of tuberculosis in the region and elsewhere.

- **SAARC Disaster Management Centre (SDMC), Delhi, India**

This Centre was re-established in November 2016 for expanded role by merging four erstwhile SAARC Centres viz. (1) SAARC Disaster Management Centre (SDMC – New Delhi, India); (2) SAARC Meteorological Research Centre (SMRC – Dhaka, Bangladesh); (3) SAARC Forestry Centre (SFC – Thimphu, Bhutan); (4) SAARC Coastal Zone Management Centre (SCZMC – Male, Maldives) with the mandate to support Member States in their Disaster Risk Reduction initiatives through application of Science & Technology, knowledge from multiple disciplines, exchange of best practices, capacity development, collaborative research and networking in line with the Global Priorities / Goals and other relevant frameworks adopted by Member States.

7.4. Trade and Commerce: The SAARC Preferential Trade Arrangement (SAPTA)

- The idea of including trade and commerce on the agenda of SAARC was first given a concrete form in 1993 with the signing of (SAARC Preferential Trading Arrangement (SAPTA) signed in Dhaka on the 11th of April 1993 which provided for the adoption of various instruments of trade liberalization on a preferential basis. Another aspect was SAARC's more economically developed countries agreed to assist the less developed countries in the region. SAPTA was launched in 1995.

7.4.1. Lack of Progress in SAPTA

- However, SAPTA could not make any desired progress promotion of intra-regional trade.
- The volume of intra-regional trade increased only marginally. The list of concessions offered under SAPTA included 3857 tariff lines but the major limitation was the actual trade coverage of preferential trade granted. The concessions granted by the countries were not substantial enough to increase the overall trade of the region.
- Moreover, considering the poor state of relation among the member states of SAARC, SAPTA continued to be a trade arrangement with very limited ambitions.
- Commodities that could actually be traded between countries were not included in the positive lists of the countries.
- SAPTA had no mechanism to resolve trade related disputes.

SAPTA Suffered from the Following Drawbacks

1. No targets for tariff reduction were earmarked for individual countries.
2. Countries were meant to reduce tariff and non-tariff barriers in a gradual manner with no time limits.
3. Countries provided a positive list (rather than a negative list of items) which could be traded under PTA.

7.5. South Asian Free Trade Agreement (SAFTA)

- Another attempt was made to strengthen the economic integration of SAARC members with the implementation of the South Asian Free Trade Agreement (SAFTA) in 2006.
- In 2004, SAARC summit at Islamabad SAFTA was signed and it was seen as an effort to give a new lease of life to the idea of SAARC.
- **SAFTA was operationalised from 2006 onwards & has the following features:**

- Member states will reduce tariff barriers in a time bound manner. Maximum tariff will be in the range of 0-5%.
- Non LDC's of SAARC (India, Pakistan, Srilanka) had a timeframe of 7 years to reduce tariffs, while the LDC's were provided a time frame of 10 years. As per SAFTA, South Asia was to become a free trade zone by 2016.
- Instead of positive list, concept of sensitive list was introduced (sensitive list would include items which would not be subjected to time bound commitment with regard to tariff reduction). However, it was agreed upon that sensitive list would be revised regularly with the objective of bringing reductions.
- A dispute resolution mechanism for tariff and non-tariff barriers related disputes was agreed upon.
- A compensation clause was introduced- under SAFTA a compensation clause would be introduced to make up for the loss of revenue of LDC's as they maybe adversely impacted initially by FTA. They are to be compensated with a development aid for a limited period.

7.5.1. Steps to Strengthen SAFTA

At SAARC summit 2011- India has announced the removal of 46 textile items from India's negative list

- (a) India has also removed all the 25 items on sensitive list for Least Developed Countries (LDC's) of SAARC.
- (b) Steps have been taken to revive border hats at Meghalaya & Tripura border b/w India & Bangladesh.
- (c) India has given five South Asian partners duty free access to 99.7% of their goods

7.5.2. SAFTA: Key Challenges

However, SAFTA has continued to face certain challenges:

1. The nature of relations between India & Pakistan will always remain a crucial factor for the success of SAFTA.
2. FTA's have greater chances of success when the economies are complimentary, whereas South Asian economies are more competitive in nature.
3. Absence of strong rail, road, air and port connectivity links between the various south Asian countries.
4. Number of non-tariff barriers exists that include strict visa-regime, differences in standardization and customs practices.

7.5.3. Way Forward

In a context when less than 10% of the region's internal trade takes place under SAARC Free Trade Area it is imperative to look for ways to make SAFTA work. In recent times Track 2 initiatives, in the context of SAARC, like the South Asian Forum have put forward following recommendations-

3. Enhancing connectivity across borders.
4. Creation of a South Asian brand
5. Liberalized visa regime for businesses & freedom to invest across borders.

7.6. SAARC: Comparative Assessment

- As compared to other regional organizations SAARC is deemed to be an under performer.
- Least integrated Region: When compared to other regions at the global level, South Asia is one of the least integrated regions of the world (as compared to Europe or South East Asia), as also argued by the World Bank.

- Political issues between member countries have constantly superseded SAARC's economic interests. The SAARC has not been able to significantly further economic integration. Nor has it been able to enhance trade considerably.
- The volume of Intra SAARC stands at 5%, in contrast EU countries trade about 66% of their goods and services in their region, NAFTA reaches 53%, while ASEAN reaches 25%.
- Ease of Movement: Under EU, European countries have established a common market for goods, a common currency, also it provides visa free travel for countries which are part of Schengen Agreement.
- Managing differences: ASEAN has moved forward to unify the region under what was called the 'ASEAN Way' based on the ideals of non-interference, informality, minimal institutionalisation, consultation and consensus, non-use of force and non-confrontation.

7.6.1. Sluggish Progress: Views from Within

- For the first time member countries at the Thimpu Summit in Bhutan, marking the 25th anniversary, in 2010 expressed their frustration with SAARC's sluggish progress.
- The then Prime Minister of India Manmohan Singh expressed his disappointment by saying that "the glass of regional cooperation, regional development and regional integration is half empty" and emphasized that "the region must be better connected, empowered, fed and educated" to achieve comparable success with other regional organizations.
- In 2014 PM Narendra Modi in his speech at the 18th SAARC Summit in Kathmandu observed that "nowhere in the world are collective efforts more urgent than in South Asia; and, nowhere else is it so modest."
- He also observed that "Each of us (South Asian Countries) has taken our own initiatives. However, as SAARC we have failed to move with the speed that our people expect and want".
- In the inaugural conference of the SAARC in 1985, poverty eradication and improving the living standards through mutual cooperation were the main themes. However, SAARC has clearly not been able to achieve tangible outcomes on these fronts.

7.7. Causes for the Limited Progress of SAARC

Some of the major reasons for the limited progress on the part of SAARC to take off in any concrete manner has been due to-

1. Origin of SAARC- since its inception, SAARC was seen as a tool by some countries to contain India, while India also harbored its own apprehensions that the organization may be used by smaller states to score political points against it at multilateral forums.
2. India- Pakistan relations: bilateral difficulties between two of the largest members of SAARC have had casted a long shadow over the idea of SAARC. Other members of SAARC have often argued that the SAARC grouping has been crippled/ has been held back because of the fluctuating nature of their relationship. Moreover, Pakistan has never supported the idea of strengthening SAARC as it fears that India will occupy centre stage within the grouping.
3. The structural asymmetry between size of India & its South Asian neighbors provides a fertile ground for apprehensions/insecurities to crop up between nations. In this context the advocacy of inclusion of China as a member by Pakistan and now Nepal in recent times is to be seen as an attempt to counter India's role.
4. High level of trust deficit between South Asian nations- as a result of pending border conflicts, water sharing conflicts etc between the members of the region.
5. Lack of Political Stability amongst member states of SAARC- almost all the SAARC states have suffered from political instability over the past two decades and this further complicates the efforts aimed at building sustainable partnerships between South Asian states.

6. Lack of Implementation: What bars SAARC from achieving the desired effectiveness or speed is the **lack of implementation of the agreements on the part of the member states.**

7.7.1. Making SAARC Work

- A number of initiatives have been agreed upon by the member countries in the 16th SAARC summit held at Thimpu in 2010 & 17th summit at Addu in 2011.
- Following steps have been **suggested at the 16th summit-**
 - It was also realised that **effective communication and public diplomacy is essential to reach out to students, youth, private media, think tanks, civil society and institutions for economic development.** This would be important to popularize the concept of regional cooperation and generate an interest among the people of the region on the activities of SAARC. It would essentially build the image of the organization which many consider as a dead horse.
 - An ambitious vision has been adopted. For example: **2010-2020 has been declared “Decade of Intra-regional Connectivity in SAARC”** when member countries themselves are hesitant to provide even bilateral connectivity.
 - On the positive side, the **SAARC Development Fund (SDF) was ratified and its secretariat was inaugurated in Thimpu.** It will finance regional and sub-regional projects.
 - **India did put forward a proposal for developing a SAARC Market for Electricity trading** assumes importance as the region is reeling under power shortages.
- As Prime Minister Manmohan Singh said, the challenge is “to **translate institutions into activities, conventions into programmes, official statements into popular sentiments.** Declarations at summits and official level meetings do not amount to regional cooperation or integration.”
- **Instead of taking up new areas in its summit declarations, SAARC should focus on trade, connectivity and security and the need to develop a regional identity.**
- **In this context increasing people to people ties is paramount.**
- **Only a regional identity will generate a regional approach** and not the other way around.
 - Time line for rail, sea connectivity-has to be determined and implemented seriously
 - Need is to finalise a **Regional Railways Agreement and complete the preparatory work on an Indian Ocean Cargo and Passenger Ferry Service.** Timely completion of demonstration run of a Bangladesh- India-Nepal container train as envisaged in the Addu declaration needs to be taken up.
 - On the trade front, the emphasis has to be on **effective implementation of the free trade pact, paring the sensitive lists, eliminating non-tariff barriers and harmonising standards and customs procedures.**

7.8. India's Contributions

India has made unilateral offers and contributions of:

- Offer of setting up a **Special Purpose Facility to finance infrastructure projects** in the region and of **business visa for 3-5 years for SAARC** (At the 2014 Summit)
- **upgradation of the SAARC Supra Reference Laboratory at Kathmandu,**
- **supplying vaccines for the children of South Asia,**
- **tele-medicine projects in Afghanistan, Bhutan and Nepal,**
- **launching of SAARC satellite in 2017,**
- **building of South Asian University, at new Delhi, at the cost of around USD 240 million and**
- **voluntary contribution of US \$ 100 million to the SAARC Development Fund.**

It is expected these initiatives will increase mutual trust and confidence amongst citizens of SAARC.

7.9. Recent Developments within SAARC

- At the 18th Summit of SAARC in 2014, at Kathmandu, a **SAARC Framework Agreement on Energy Cooperation (electricity)** was signed. The rationale for signing the SAARC electricity trade agreement was the impending domestic energy crisis faced by individual member countries. For instance, Pakistan is struggling to meet its rising energy demands. Under this agreement:
 - agreement is meant to be an **overarching cooperative scheme that aims to address broad issues such as the enabling of cross border trade in electricity, the development of a common regulatory mechanism and the waiving of customs fees**
- 18th summit decided to **close down three regional centres**, namely the SAARC Documentation Centre (SDC) in New Delhi, SAARC Human Resource Development Centre (SHRDC) in Islamabad and SAARC Information Centre (SIC) in Kathmandu and **transfer their mandates to the secretariat and other mechanisms**.
- it also decided to **merge four regional centres**, namely the SAARC Coastal Zone Management Centre (SCZMC), SAARC Meteorological Research Centre (SMRC), SAARC Forestry Centre (SFC) and SAARC Disaster Management Centre (SDMC), and **create a new centre named 'SAARC Environment and Disaster Management Centre' (SEDMC)**.
- Against the backdrop that only 18 summits could be held in the last 29 years - although the SAARC Charter mandates the regional body to meet every year - this time the regional leaders decided to hold the summit every two years.
- Two other agreements, the **SAARC Motor Vehicles Agreement for the Regulation of Passenger and Cargo Vehicular Traffic** and the **SAARC Regional Agreement on Railways** could to be signed at the 18th Summit due to last minute objections to them by Pakistan.
- The 19th summit scheduled to be hosted by Islamabad scheduled in November 2017 was postponed after request from four nations- Afghanistan, Bhutan, Bangladesh and. This was following escalation of tension between India and Pakistan owing to the issue of cross border terrorism.

7.10. Deadlock at SAARC: Options for Regional Cooperation in South Asia

India's decision to skip the South Asian summit in Islamabad in November 2016 was, in essence, about the deteriorating relationship with Pakistan. However, it also **underlined the growing irrelevance of the SAARC for India's regionalism**. In this context **search for alternatives to SAARC has acquired a new momentum**. In this context SAARC minus one formulation refers to **moving ahead in regional cooperation without Pakistan**. examples are:

- **The BBIN framework:** A formulation involving **sub-regional cooperation** on connectivity, trade and energy, people to people ties between **Bhutan, Bangladesh, India and Nepal**. The BBIN, however, was **very much part of the SAARC framework**. The SAARC charter allows two or more countries of the forum to embark on what is called 'sub-regional cooperation'.
- **The South Asia Subregional Economic Cooperation (SASEC) program of Asian Development Bank:** this brings together **Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka** in a **project-based partnership** that aims to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion. In 2016, the SASEC countries approved the **SASEC Operational Plan 2016-2025**, a 10-year strategic roadmap, which introduced **Economic Corridor Development** as a sectoral area of focus. **Since 2001, SASEC countries have implemented 49 regional projects worth over \$10.74 billion** in the energy, economic corridor development, transport, trade facilitation, and information and communications technology sectors.
- **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC):** dates back to 1997, the forum that brings **five South Asian countries (Bangladesh, Bhutan,**

India, Nepal and Sri Lanka) together with two south east Asian countries (Burma and Thailand). It had remained dormant for long, however in recent times India has taken initiative to revive cooperation at this forum. In this context India had invited the BIMSTEC leaders to join the BRICS leaders at the Goa summit in 2016.

- However, these options do not resolve **India's Pakistan problem** in promoting economic cooperation with Afghanistan. With no physical access to Afghanistan, India needs to find creative ways to deepen bilateral economic engagement with Kabul bilaterally and through trilateral cooperation with other partners like Tehran.
- **India can't compel Pakistan to join the project of South Asian integration.** SAARC for the time being seems to be becoming redundant. However, success in other regional integration initiative might help Pakistan see the benefit and then SAARC can be revived. Thus instead of focusing on Pakistan **India must devote itself to bilateral, sub-regional and trans-regional cooperation with our neighbors**, all of whom except Pakistan want India to do more.

7.11. India's Neighbourhood Policy: Neighbourhood First

- When PM Narendra Modi took oath as the 14th Indian Prime Minister in May 2014, he made a significant diplomatic outreach to India's neighbours by inviting their heads of government.
- The PM soon made his first foreign visit to Bhutan. Minister of External Affairs Sushma Swaraj too, made her first official foreign visit in the neighbourhood, to Bangladesh. The **diplomatic priority that government attached to the neighbourhood** is evident from the PM's visit to all of India's neighbours, except Maldives, and the numerous leaders hosted in New Delhi and meetings at other multilateral fora.
- These developments have given rise to the term '**neighborhood first**' as India's policy in its **periphery**.
- India's neighbourhood first policy has **four aspects**.
 - The **willingness to give political and diplomatic priority** to its immediate neighbours and Indian Ocean island states,
 - **providing them with support as needed**
 - **greater connectivity and integration**
 - to **promote a model of India-led regionalism** with which its neighbours are comfortable.
- **India realises that development and rapid economic growth cannot be fulfilled without a stable and conducive neighbourhood.** India shares borders, rivers, climatic zones, cultural and ethnic ties with its neighbors which can be a source of both conflict and cooperation.
- The centrality of India's neighborhood in its foreign policy has become ever more **critical in the context of the changing geopolitical landscape**. The rise of China, an important neighbor and domestic changes in neighboring South Asian countries provide the backdrop of these developments.
- **Growing development need of India's smaller neighbours** and the increasing desire to fulfil them has made Chinese access easier. In this context **India's needs to focus on the growing aspirations of its smaller neighbours**. The simple logic that drives smaller neighbours is how to maximise benefits from the two rising Asian giants.
- **India needs to create a narrative that reassures its smaller neighbours that it wants to contribute to their rise as well.** Development partnerships, trade, people to people ties can pave the way ahead.

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LECTURE-3

INDIA NEIGHBOURHOOD RELATIONS: PAKISTAN AND AFGHANISTAN

Contents

1. India and Pakistan	57
1.1. The Background	57
1.2. India-Pakistan Relations A Framework: Dialogue-Disruption-Dialogue	60
1.3. Key Issues.....	61
1.4. The Indus Water Treaty.....	62
1.4.1. Significance	62
1.4.2. Important Provisions.....	62
1.4.3. Indus, Jhelum and Chenab: Western Rivers and India	62
1.4.4. Recent Disagreements	63
1.4.5. What are Indian Concerns in Recent Times?	64
1.4.6. Increasing Questions on the Treaty.....	64
1.4.7. Should the Treaty be Revoked?.....	65
1.4.8. India's Options	65
1.5. Sir Creek Dispute.....	65
1.5.1. India's Claims v Pakistan's Claims	66
1.5.2. The Sir Creek Issue: Significance	66
1.6. Siachen.....	67
1.6.1. India v Pakistan Claims	67
1.6.2. India's Position on the Way Forward.....	68
1.7. The China-Pakistan Economic Corridor (CPEC)	68
1.8. The Kulbhushan Jadhav Issue.....	69
1.9. Trade	69
1.10. Vision and Reality.....	70
2. India and Afghanistan	70
2.1. Background	70
2.2. Strategic Partnership Agreement (SPA).....	71
2.3. Heart of Asia Process	71
2.4. India's Contribution in Reconstruction Efforts	72
2.4.1. Challenges of Connectivity.....	72
2.5 Multiple Aspects of Cooperation	73

1. India and Pakistan

Map3.1 India-Pakistan and Afghanistan



Source: Modified from http://lcweb2.loc.gov/frd/cs/pakistan/pk00_07a.pdf.

Image Source: <http://www.essential-humanities.net/img/history/his119.png>

1.1. The Background

- **Pakistan resolution** passed in the annual session of the All India Muslim League held in Lahore on 22–24 March 1940.
- **Partition of India 1947:** Creation of Pakistan
- **Kashmir issue** was taken up at the UN 1948 and Ceasefire came into existence in 1949.
- **Pakistan Joins the SEATO (1954)** and **Baghdad Pact or CENTO (1955)**
- **The Indus Water Treaty** was signed in 1960 with the Mediation of the World Bank
- **6 rounds of talks in 1962-64**
- **The India-Pakistan War 1965-**
 - Tashkent agreement 1966- Both sides giving up territorial claims, withdrawing their armies from the disputed territory.
- **The Bangladesh War 1971:** Defeat and loss of territory marks a new phase in Pakistan's politics and relations with India
- **The Simla Agreement 1972:** Signed between Prime Minister Indira Gandhi and Zulfikar Ali Bhutto from Pakistan
 - The Simla Agreement designates the ceasefire line of December 17, 1971, as being the new "Line-of-Control (LoC)" between the two countries, which neither side is to seek to alter unilaterally, and which "shall be respected by both sides without prejudice to the recognised position of either side".
 - It also contains a, mutual commitment to the peaceful resolution of all issues through direct bilateral approaches.
- **Domestic turmoil in Pakistan-** Zulfikar Ali Bhutto is removed by General Ziaul Haq who becomes the president in 1978 and launches Islamic legal system. Bhutto is hanged in 1979.

- Operation Meghdoot in 1984 brought the Siachen Glacier under India's control.
- **1988 Agreement** - The two countries signed an agreement that neither side will attack the other's nuclear installations or facilities. These include "nuclear power and research reactors, fuel fabrication, uranium enrichment, isotopes separation and reprocessing facilities as well as any other installations with fresh or irradiated nuclear fuel and materials in any form and establishments storing significant quantities of radio-active materials". Since January 1992, India and Pakistan have exchanged lists of their respective civilian nuclear-related facilities.
- **1989** - Armed insurgency the Kashmir valley begins. Muslim political actors, after accusing the state government of rigging the 1987 state legislative elections, form militant wings.
- In 1991 - The two countries signed agreements on providing advance notification of military exercises, manoeuvres and troop movements, as well as on preventing airspace violations and establishing overflight rules.
- A joint declaration prohibiting the use of chemical weapons is signed in New Delhi in 1992.
- In 1998 India detonates five nuclear devices at Pokhran. Pakistan responds by detonating six nuclear devices of its own in the Chaghai Hills. The tests result in international sanctions being placed on both countries. In the same year, both countries carry out tests of long-range missiles.
- **1999** - Indian Prime Minister Atal Bihari Vajpayee meets with Nawaz Sharif, his Pakistani counterpart, in Lahore. The two sign the Lahore Declaration, the first major agreement between the two countries since the 1972 Simla Agreement. Both countries reaffirm their commitment to the Simla Accord, and agree to undertake a number of 'Confidence Building Measures' (CBMs).
- Some of the diplomatic gains are eroded, however, after the Kargil conflict breaks out in May 1999. Pakistani forces occupy strategic positions on the Indian side of the LoC, prompting an Indian counter offensive in which they are pushed back to the other side of the original LoC. Kargil was the first armed conflict between the two neighbours since they officially conducted nuclear weapons tests.
- In October 1999, General Pervez Musharraf, the Pakistani chief of army staff, leads a military coup, deposing Nawaz Sharif, the then prime minister, and installing himself as the head of the government.
- Hijacking of Indian Airlines Flight IC 814 in Indian airspace by members of Harkat-ul-Mujahideen, a Pakistan-based extremist group, highlighted Pakistan's role in the supporting terrorism against India.
- **2001** - Tensions along the Line of Control remain high, with 38 people killed in an attack on the Kashmiri assembly in Srinagar. In July, Indian Prime Minister Atal Behari Vajpayee and Pakistani President Pervez Musharraf meet for a two-day summit at Agra. That summit collapses after two days, with both sides unable to reach agreement on the issue of Kashmir. On December 13, an armed attack on the Indian parliament in New Delhi leaves 14 people dead. India blames Lashkar-e-Taiba and Jaish-e-Muhammad for the attacks. The attacks lead to a mobilization of India's (referred to as Operation Parakram) and Pakistan's militaries along the LoC. The standoff only ends in October 2002, after international mediation.
- **2002** - President Musharraf pledges that Pakistan will combat extremism on its own soil, but affirms that the country has a right to Kashmir.
- **2003** - After Musharraf calls for a ceasefire along the LoC during a UN General Assembly meeting in September, the two countries reach an agreement to cool tensions and cease hostilities across the LoC.

- **2004 - Vajpayee and Musharraf hold direct talks at the 12th SAARC summit in Islamabad** in January, and the two countries' foreign secretaries meet later in the year. This year marks the beginning of the **Composite Dialogue Process**, in which bilateral meetings are held between officials at various levels of government (including foreign ministers, foreign secretaries, military officers, border security officials, anti-narcotics officials and nuclear experts). In November, on the eve of a visit to Jammu and Kashmir, the new Indian prime minister, Manmohan Singh, announces that India will be reducing its deployment of troops there.
- 2006 - India redeloys 5,000 troops from Jammu and Kashmir, citing an "improvement" in the situation there, but the two countries are unable to reach an agreement on withdrawing forces from the Siachen glacier.
- In September, President Musharraf and Prime Minister Singh agree to put into place an India-Pakistan institutional anti-terrorism mechanism.
- 2007 - On February 18, the train service between India and Pakistan, the Samjhauta Express, is bombed near Panipat, north of New Delhi. Sixty-eight people are killed, and dozens injured.
- The fifth round of talks regarding the review of nuclear and ballistic missile-related CBMs is held as part of the Composite Dialogue Process. The second round of the Joint Anti-Terrorism Mechanism (JATM) is also held.
- 2008 - India joins a framework agreement between Turkmenistan, Afghanistan and Pakistan on a \$7.6bn gas pipeline project (TAPI).
- A series of Kashmir-specific CBMs are also agreed to, including the approval of a triple-entry permit facility with leniency for senior citizens.
- In July, India blames Pakistan's Inter Services Intelligence (ISI) directorate for a bomb attack on the Indian embassy in Kabul, which kills 58 and injures another 141.
- In September, Pakistani President Asif Ali Zardari and Indian Prime Minister Singh formally announce the opening of several trade routes between the two countries.
- In October, cross-LoC trade commences, though it is limited to 21 items and can take place on only two days a week.
- **On November 26, armed gunmen open fire on civilians at several sites in Mumbai, India.** The attacks prompt an almost three-day siege of the Taj Hotel, where gunmen remain holed up until all but one of them are killed in an Indian security forces operation. More than 160 people are killed in the attacks. Ajmal Kasab, the only attacker captured alive, says the attackers were members of Lashkar-e-Taiba. In the wake of the attacks, India breaks off talks with Pakistan
- **2009 - The Pakistani government admits that the Mumbai attacks may have been partly planned on Pakistani soil**, while vigorously denying allegations that the plotters were sanctioned or aided by Pakistan's intelligence agencies. **Indian Prime Minister Manmohan Singh and Pakistani Prime Minister Yousuf Raza Gilani meet on the sidelines of a Non-Aligned Movement (NAM) summit in Sharm el-Sheikh**, Egypt, issuing a joint statement charting future talks. Singh rules out, however, the resumption of the Composite Dialogue Process at the present time. The Indian government continues to take a stern line with Pakistan and maintains that it is up to Pakistan to take the first step towards the resumption of substantive talks by cracking down on terrorist groups on its soil. In August, India gives Pakistan a new dossier of evidence regarding the Mumbai attacks, asking it to prosecute Hafiz Mohammad Saeed, the head of Jamaat-ud-Dawa, an Islamic charity with ties to Lashkar-e-Taiba.
- 2010 - In January, Indian and Pakistani forces exchange fire across the LoC in Kashmir, the latest in a string of such incidents that have led to rising tension in the area. In February, India and Pakistan's foreign secretaries meet in New Delhi for talks. This meeting is followed

by the two countries' foreign ministers meeting in Islamabad in July. In May, Ajmal Kasab is found guilty of murder, conspiracy and of waging war against India in the Mumbai attacks case. He is sentenced to death.

- 2011 - In January, Indian Home Secretary GK Pillai says India will share information with Pakistan regarding the 2001 Samjhauta Express bombing. The two countries' foreign secretaries meet in Thimpu, in February, and agree to resume peace talks "on all issues".
- 2013 - In January, India and Pakistan trade accusations of violating the cease-fire in Kashmir, with Islamabad accusing Indian troops of a cross-border raid that killed a soldier and India charging that Pakistani shelling destroyed a home on its side.
- 2013 - In September, the prime ministers of India and Pakistan meet in New York on the sidelines of the UN General Assembly. Both the leaders agree to end tension between armies of both sides in the disputed Kashmir.
- 2014 - On February 12, India and Pakistan agree to release trucks detained in their respective territories, ending a three week impasse triggered by seizure of a truck in India-administered Kashmir coming from across the de facto Line of Control for allegedly carrying brown sugar.
- 2014 - On May 1, Pakistan's Army chief General Raheel Sharif calls Kashmir the "jugular vein" of Pakistan, and that the dispute should be resolved in accordance with the wishes and aspirations of Kashmiris and in line with UNSC resolutions for lasting peace in the region.
- 2014 - On May 25, Pakistan releases 151 Indian fishermen from its jails in a goodwill gesture ahead of swearing-in ceremony of Narendra Modi as prime minister.
- 2014 - On May 27, Indian Prime Minister Narendra Modi holds talks with Pakistan's Prime Minister Nawaz Sharif in New Delhi. Both sides express willingness to begin new era of bilateral relations.
- In December 2015 PM Modi makes a surprise visit to Lahore on Nawaz Sharif's birthday and the wedding of his granddaughter.
- In January 2016 Six gunmen attack an Indian air force base in the northern town of Pathankot, killing seven soldiers in a battle that lasted nearly four days.
- In July 2016, Indian soldiers kill Hizbul Mujahideen's terrorist leader Burhan Wani, sparking months of anti-India protests and deadly clashes.
- In September 2016 Suspected terrorists sneak into an Indian army base in Kashmir's Uri and kill 18 soldiers. Four attackers are also killed. 11 days later, Indian Army said it has carried out "surgical strikes" to destroy terror launch pads across the Line of Control in Pakistan.

1.2. India-Pakistan Relations A Framework: Dialogue-Disruption-Dialogue

- The relations between India and Pakistan are **marked by divergent narratives starting with the very beginning of these countries as independent nations in 1947** in the backdrop of the colonial rule, the two nation theory and the partition of India. This had made it difficult to reconcile positions on issues ranging from territory (J&K), boundaries (Sir Creek and Siachen) and Security (Terrorism).
- The **foundational apprehensions of Pakistan against India** and its **quest for defining itself as the opposite has led to its intransigence on many issues**.
- The **structure of this relation has been conflict prone and marked by asymmetry**.
- The **pattern in the decades since independence has shown a cycle of Disruption-Dialogue-Disruption. This means cooperation and peace have often taken place parallel to the threats of war or have been disrupted by violent episodes of terrorism**.
- Though there had been **sporadic agreements and treaties signed between India and Pakistan such as the Indus Water Treaty of 1960, the Tashkent Agreement of 1966**, and the

Shimla Agreement of 1972, a systematic peace-process between the two adversarial neighbours had never taken off till the **Composite Dialogue Process (CDP)** in the late **1990s'**

- Idea of a “composite dialogue process” (CDP) was articulated at the 1997 Male meeting between Indian Prime Minister I.K. Gujral and Pakistani Prime Minister Nawaz Sharif.
- However the composite dialogue process has also been disrupted by events such as the Kargil war of 1999, the attack on India parliament in 2001 and the 26/11 attack in Mumbai in 2008.
- When the two countries again started engaging in 2010 it the name of CDP was changed to the ‘Resumed Dialogue’, with some changes in the content, including progress on Mumbai trial.
- Two rounds of resumed dialogue took place and the foreign ministers analyzed the developments. But it stopped in 2012 post the incident of firing on the border and beheading of India soldier Hemraj following which then Prime Minister Dr. Manmohan Singh said 'that there cannot be business as usual with Pakistan'
- When Prime Ministers Narendra Modi and Nawaz Sharif met in Ufa in 2015, on the sidelines of the SCO summit, It was decided that the two sides will hold one discussion on terrorism and the other for peace on the border.
- In 2015, during Foreign Minister Sushma Swaraj's recent visit to Islamabad on 8-9 December 2015 for the 'Heart of Asia' Conference, it was decided that India and Pakistan would hold discussions on wide-ranging issues under the rubric of a 'Comprehensive Bilateral Dialogue' as opposed to the nomenclature of 'Composite Dialogue' or 'Resumed Dialogue' used earlier.
- In the latest stage the dialogue between the two countries that resumed in 2015 was again disrupted by the terrorist attack in Pathankot and Uri in 2016.
- India desires peaceful, friendly and cooperative relations with Pakistan, in an environment free from terrorism and violence.
- According to the MEA Indian Policy on Pakistan is as follows:
 - Issues can be resolved through dialogue;
 - There are only two parties to such dialogue-India and Pakistan;
 - However, terror and talks cannot go together.

1.3. Key Issues

The India-Pakistan joint statement on 23 September 1998, following the meeting of the two Foreign Secretaries in New York, identified the issues to be included in the CDP between the two countries and the levels at which they were to be addressed.

1. Peace and Security including Confidence Building Measures (CBMs) — Foreign Secretaries
 2. Jammu and Kashmir — Foreign Secretaries
 3. Siachen — Defence Secretaries
 4. Wular Barrage/Tulbul Navigation Project — Secretaries, Water & Power
 5. Sir Creek — Additional Secretary (Defence)/Surveyors General
 6. Terrorism and Drug Trafficking — Home/Interior Secretaries
 7. Economic and Commercial Cooperation — Commerce Secretaries.
 8. Promotion of Friendly exchanges in various fields — Secretaries, Culture.
- Terrorism: India has been pressing its concern on the role of Pakistan based actors in terrorism in India. This is backed by the US as well. Terrorism emanating from Pakistan and territory under its control has, however, severely limited and disrupted initiatives to build a stable relationship.

- **Kashmir:** Following the Indo-Pakistan War of 1947 over the former princely state of Jammu and Kashmir, its territory has remained divided between India and Pakistan. A ceasefire line (1949), later known as the Line of Control (LoC, since 1972), separates the Indian-administered and Pakistan-administered parts. Pakistan has been trying to internationalise the issue at forums such as the United Nations. However this has produced diminishing returns. **CDP remains the only bilateral forum where Kashmir is formally brought to the table by India and Pakistan**
- **Normalization:** Normalization refers to the process of making progress on the contentious issues between the country. It involves, trade, cultural exchanges and resolving the issues known as 'low hanging fruits' such as Siachen and Sirceek issues.
- In the context of the recent acrimony in relations issues related to the Indus Water Treaty have gained salience.

1.4. The Indus Water Treaty

- The Indus Waters Treaty was signed in 1960 after nine years of negotiations between India and Pakistan with the help of the World Bank, which is also a signatory. **Signed by India's Prime Minister Jawaharlal Nehru and the then President of Pakistan, Ayub Khan.**
- The treaty pertains to most complete and satisfactory utilisation of the waters of the Indus system comprising of the six rivers running across the Indus basin.
- The negotiations were the initiative of former World Bank President Eugene Black.
- Former U.S. President Dwight Eisenhower described it as "one bright spot ... in a very depressing world picture that we see so often."

1.4.1. Significance

- It is Seen as one of the most successful international treaties,
- It has survived frequent tensions, including conflict, and
- It has provided a framework for irrigation and hydropower development for more than half a century.
- It is a generous treaty in terms of both the sharing ratio (80.52 per cent of the aggregate water flows in the Indus system reserved for Pakistan) and the total volume of basin waters for the downstream state.
- It is the first and only treaty that goes beyond water sharing to partitioning rivers.

1.4.2. Important Provisions

- The three western rivers (Jhelum, Chenab and Indus) were made available to Pakistan for unrestricted use.
- Three eastern rivers (Ravi, Beas and Sutlej), were made available to India for unrestricted use.

1.4.3. Indus, Jhelum and Chenab: Western Rivers and India

- Under the treaty obligation India shall not permit any interference with these waters except for the following uses defined under the treaty:
 - Domestic Use;
 - Non-Consumptive Use;
 - Agricultural Use, as set out in Annexure C; and
 - Generation of hydro-electric power, as set out in Annexure D.
- Except as provided in Annexure D and E, India shall not store any water of, or construct any storage works on, the Western Rivers.
- Thus, while India could use the western rivers, restrictions were placed on building of storage systems.

- The treaty states that **except in certain cases, no storage and irrigation systems can be built by India on the western rivers.**
- India is **permitted to construct hydroelectric power facilities** on these rivers subject to constraints specified in Annexures to the Treaty.

Working of the treaty:

- Treaty sets out a mechanism for cooperation and information exchange between the two countries regarding their use of the rivers, known as the **Permanent Indus Commission**, which has a **commissioner from each country**.
- The Treaty also sets forth distinct procedures to handle issues which may arise:**
 - “questions”** are handled by the Commission;
 - “differences”** are to be resolved by a Neutral Expert; and
 - “disputes”** are to be referred to a seven-member arbitral tribunal called the “Court of Arbitration.”
 - The World Bank’s role in relation to “differences” and “disputes” is limited to the designation of people to fulfill certain roles when requested by either or both of the parties.**

Map3.2-The Indus River System

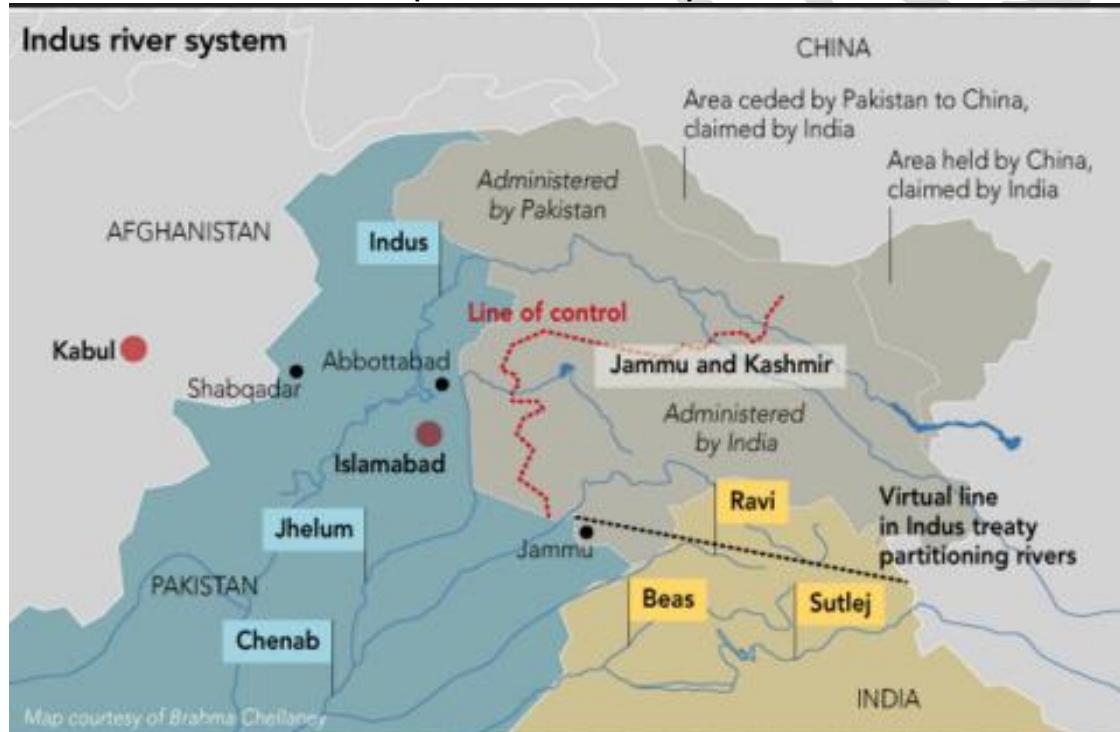


Image Source: <http://nriachievers.in/wp-content/uploads/2017/03/1.jpg>

1.4.4. Recent Disagreements

- India and Pakistan disagree about the construction of the Kishenganga (330 megawatts) and Ratle (850 megawatts) hydroelectric power plants being built by India.**
- The two countries **disagree over whether the technical design features of the two hydroelectric plants contravene the Treaty.**
- The plants **are on respectively a tributary of the Jhelum and the Chenab Rivers.**
- The Treaty designates these **two rivers as well as the Indus as the “Western Rivers”** to which Pakistan has unrestricted use.
- Among other uses, under the Treaty, India is permitted to construct hydroelectric power facilities on these rivers subject to constraints specified in Annexures to the Treaty.

- Talks related to the Kishenganga and Ratle hydroelectric power plants are ongoing. However, different treaty mechanisms are sought by India and Pakistan.
- Pakistan asked the World Bank to facilitate the setting up of a Court of Arbitration to look into its concerns about the designs of the two hydroelectric power projects. India asked for the appointment of a Neutral Expert for the same purpose.
- The Treaty does not empower the World Bank to choose whether one procedure should take precedence over the other.
- On December 12, 2016, World Bank Group President Jim Yong Kim announced that the World Bank would pause before taking further steps in each of the two processes requested by the parties

1.4.5. What are Indian Concerns in Recent Times?

- From the Indian point of view, the basic dissatisfaction with the treaty arises from the fact that it prevents the country from building any storage systems on the western rivers. Even though the treaty lays out that under certain exceptional circumstances storage systems can be built, the complaint raised by India is that Pakistan deliberately stops any such effort due to the political rivalry it shares with India.
- The Treaty has too many engineering provisions and gives Pakistan undue right to vet the designs of the Indian projects. India has been attempting to construct run of the river projects on the western rivers. Run-of-the-river projects are permitted by the Indus treaty within defined limits. But Pakistan wants no Indian works on the three "western rivers" and seeks international intercession by invoking the treaty's dispute-settlement provisions. This has in effect denied J&K the limited benefits permissible under the treaty, Pakistan wishes to further its strategy to foment discontent and violence there.
- Since the treaty's conception in 1960, the two countries have been embroiled in conflicts over a number of projects including the Baglihar, the Kishenganga and Ratle (Chenab river) hydroelectric plants proposed by India on the west flowing rivers.
- Given that water is J&K's main natural resource and essential for economic development, the there. gifting of its river waters to Pakistan by treaty has fostered popular grievance.

1.4.6. Increasing Questions on the Treaty

- In the context of terrorism being used as an instrument of state policy by Pakistan questions have been raised about the treat
- In 1960, India accepted the treaty as a goodwill gesture trading water for peace. Within five years of the treaty's entry into force, Pakistan launched a war to grab the Indian part of J&K in 1965.
- Pakistan insists on rights without responsibilities. Many argue, that use of state-reared terrorist groups can be invoked by India, under Article 62 of the Vienna Convention on the Law of Treaties, as constituting reasonable grounds for withdrawal from the Indus treaty. The International Court of Justice has upheld the principle that a treaty may be dissolved by reason of a fundamental change of circumstances.
- As argued by David Lilienthal "No Armies with bombs and shellfire could devastate a land so thoroughly as Pakistan could be devastated by simple expedient of India's permanently shutting off the source of water that keeps the fields and people of Pakistan green."
- If Pakistan wishes to preserve the Indus treaty, despite its diminishing returns for India, it will have to strike a balance between its right to keep utilising the bulk of the river system's waters and a corresponding obligation (enshrined in international law) not to cause "palpable harm" to its co-riparian state by exporting terror.

1.4.7. Should the Treaty be Revoked?

- Any calls for revoking the treaty needs to be tempered with multiple factors:
- **Revoking the treaty could be used by the Pakistani side to draw into another limited conflict** or further boost its attempts to foment trouble in Kashmir.
- **Given the China-Pakistan axis, revoking the treaty maybe used to portray India as attempting to arm-twist the lower riparian in the region.** Moreover, **China can use this as a precedent** for refusing to change their current stand of refusing to enter into a water sharing agreement on Brahmaputra river.
- **The treaty has prevented water conflicts and created incentive for Peace.** For over five decades, both India and Pakistan are peacefully sharing the water of Indus and its tributaries, thanks to **The Indus Water Treaty**. It may be noted that both India and Pakistan are still at loggerheads over various issues since Partition, but there has been no fight over water after the Treaty was ratified.
- **The treaty has survived India-Pakistan wars of 1965, 1971 and the 1999 Kargil standoff besides Kashmir insurgency since 1990** and is considered as the most successful water treaty in world. **Upholding the treaty even under adverse circumstances has added to the international image and India prides itself in being a responsible country**
- Short of abrogation, **the Treaty may be modified under the existing provisions of article 12.**

1.4.8. India's Options

- Utilizing the eastern river waters optimally.
- Ensure that the infrastructure which needs to be developed to fully exploit the capacity as provisioned as part of the IWT with respect to both western and eastern rivers should be completed expeditiously in a time bound manner.
- Utilizing the existing dispute resolution mechanism judiciously.
- India needs to continue its engagement with Afghanistan and assist in dam construction, notwithstanding protestations by Pakistan.

1.5. Sir Creek Dispute

- **The 96-km estuary between India and Pakistan**, cutting through where Gujarat State and Sindh province meet, has had a dramatic impact on Indian security, though it's always been seen to be relatively simple to resolve.
- **It was one of the subjects in the India-Pakistan composite dialogue that resumed under Atal Bihari Vajpayee's government in 2004.**
- **Six rounds of talks have taken place**, the two sides have **conducted a joint survey of the creek and exchanged maps showing their respective positions.**
- **The issue remains unresolved.**
- **Map3.3 Sir Creek**

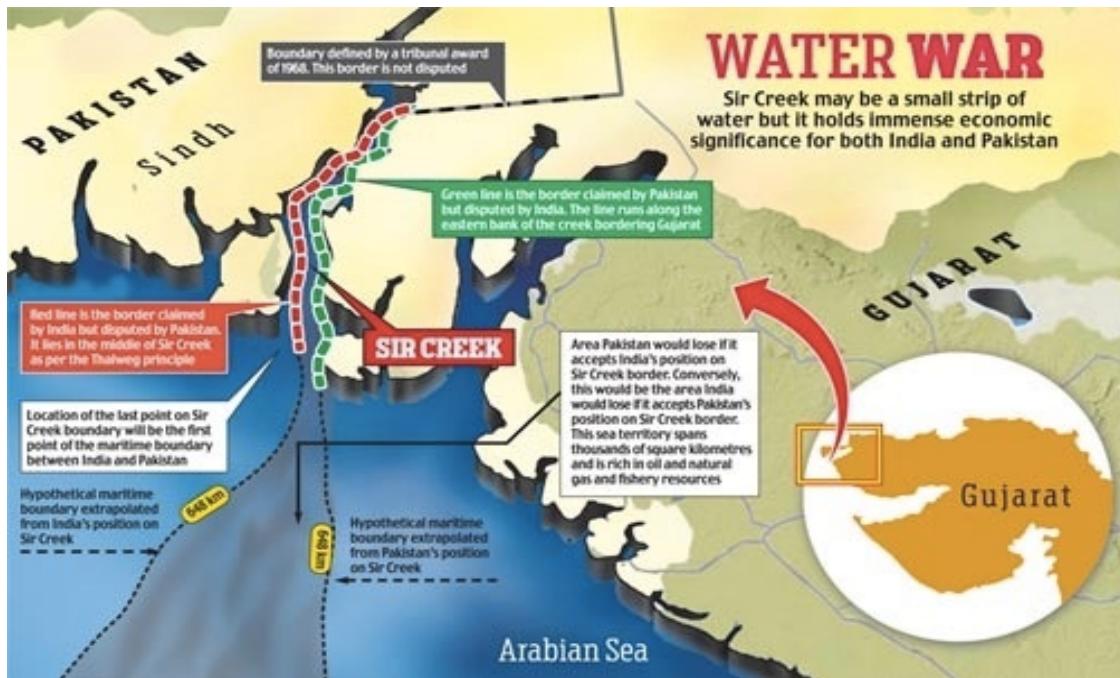


Image Source:

http://media2.intoday.in/intoday/images/stories//2012december/sircreek02_small_121612120133.jpg

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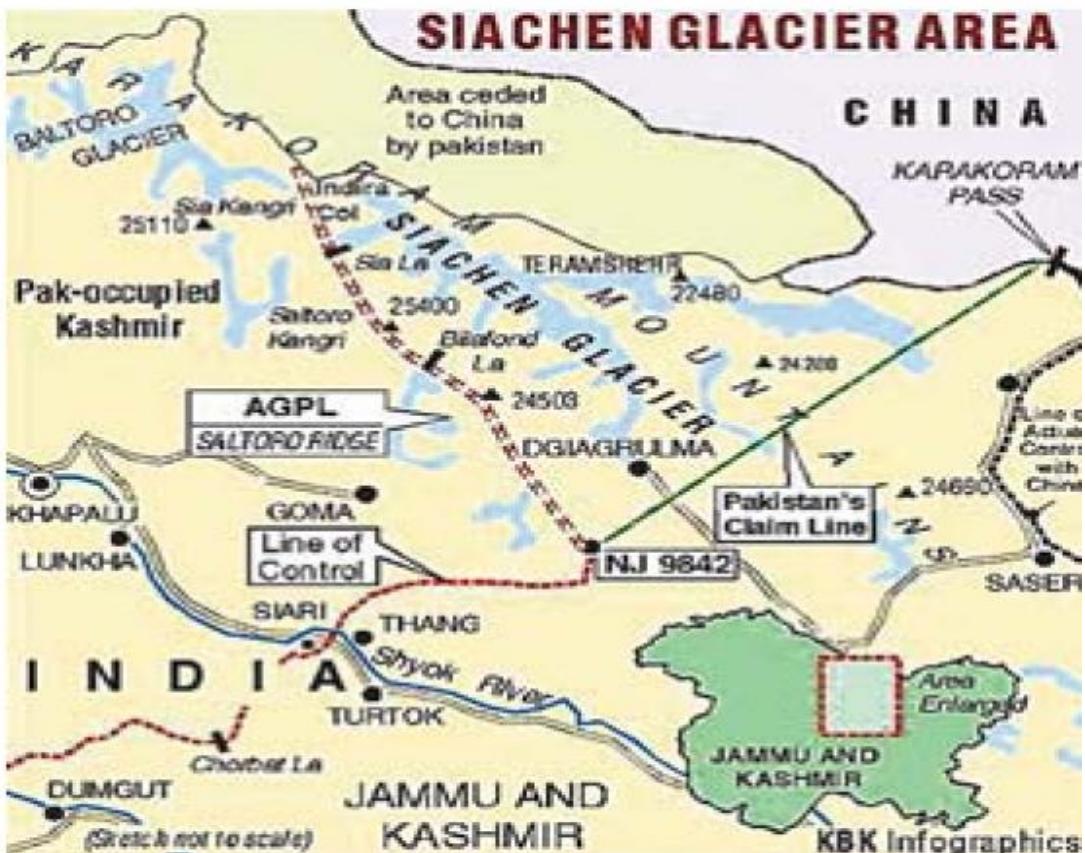
1.5.1. India's Claims v Pakistan's Claims

- The Provisions of two **contradictory paragraphs** in the **1914 Verdict of the Bombay Government**, make India and Pakistan contenders on the same issue.
- Paragraph 9 of this verdict states that the boundary between Kutch and Sindh lies 'to the east of the Creek,' (Green Line)** which effectively implied that the creek belonged to Sindh and, therefore, to Pakistan.
- On the other hand, **Paragraph 10 states that since Sir Creek is navigable most of the year. According to international law and the Thalweg principle, a boundary can only be fixed in the middle of the navigable channel**, which meant that it has to be divided between Sindh and Kutch, and thereby India and Pakistan. This is **the basis of India's claim (red line)** which is also bolstered by a map dating back to 1925.

1.5.2. The Sir Creek Issue: Significance

- Over the years, the creek has also changed its course considerably. If one country agrees to the other's traditional position, then the former will end up losing a **vast amount of Exclusive Economic Zone (EEZ)**. A vital reason for two countries locking horns over this creek is the possible **presence of great oil and gas concentration under the sea**, which are currently unexploited thanks to the impending deadlock on the issue.
- Because of various factors, the Sir Creek area is also a **great fishing destination for hundreds of fishermen from both India and Pakistan**. Sir Creek is considered to be among the largest fishing grounds in Asia. In the desperation for a great catch, many of their boats stray across the perceived boundaries, and they end up being arrested by the other side.
- Maritime security concerns were heightened since November 2008**, when 10 terrorists from the Lashkar-e-Taiba left in a Pakistani boat for Mumbai. They captured an Indian fishing vessel, Kuber, off Sir Creek, and used it to attack Mumbai.
- Drug trade:** Officials monitoring the phone conversations in the disputed waters off Sir Creek say the indications are that drug cartels are active in the region, and the quantity and frequency show that the area could be among the world's most active for trading centres.

Map3.4 Siachen Glacier



Source: <http://img01.ibnlive.in/ibnlive/uploads/875x584/jpg/2016/03/siachen-map.jpg>

1.6. Siachen

- The Siachen dispute is a direct result of the ambiguity that exists in the Karachi ceasefire agreement of July 1949. The agreement, which established the ceasefire line, the positions of the two militaries at the end of the 1947-1948 war, did not delineate beyond grid reference NJ 9842, which falls south of the Siachen glacier,
- The 1972 Simla Agreement mentions the boundary after this point to extend "north to the glaciers".
- India established its ground position in 1984, a response to Pakistan's Oropolitics, through the Operation Meghdoot in 1984 and remains in control of the glacier
- Divergent positions held by India and Pakistan on the dispute is one of the primary reasons why the negotiations on demilitarising the Siachen glacier and the adjoining areas have not progressed much.

1.6.1. India v Pakistan Claims

- Indian and Pakistani sides have interpreted the phrase "North to the glaciers" very differently. Pakistan argues that this means that the line should go from NJ 9842 straight to the Karakoram pass on the Sino-Indian border. India, however, insists that the line should proceed north from NJ 9842 along the Saltoro range to the border with China. Between these two interpretations lies a substantial amount of glaciated territory that both sides want control of.
- These contrasting interpretations have made it difficult for a final resolution of the dispute even though it is possible to mutually demilitarise the region given that both Indian and Pakistani soldiers regularly lose their lives there due to harsh climatic

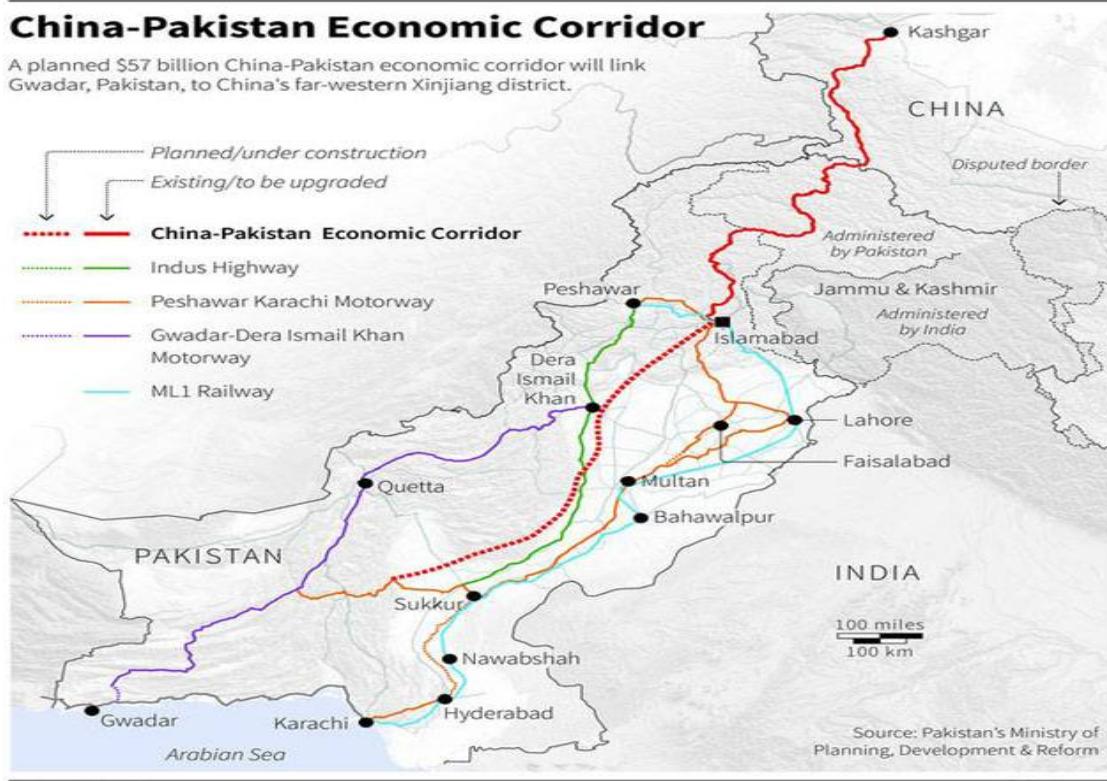
conditions. However, demilitarization talks in the past have met with major roadblocks owing to mutual distrust in the relationship

1.6.2. India's Position on the Way Forward

- **India has stated that the present ground positions on the Saltoro ridge should be demarcated and authenticated on a map before any demilitarisation** could be conducted, fearing that once India withdraws from the region, the Pakistan Army could occupy the high ground, something the latter was weeks close to doing when the Indian occupation took place in 1984 after operation Meghdoot.
- **India has therefore insisted that joint demarcation of the Actual Ground Position Line (AGPL) on the ground as well as the map should be the first step to be followed by a joint verification agreement and redeployment** of forces to mutually agreed positions.

1.7. The China-Pakistan Economic Corridor (CPEC)

Map 3.5: The CPEC



W. Foo, 28/03/2017

REUTERS

Image Source: http://media2.intoday.in/intoday/images/stories//2017May/cpec-mos_051317113948.jpg

- The China Pakistan Economic Corridor (CPEC) is part of the larger OBOR or the Belt and Road(BRI) project of China.
- It aims to connect Kasgar in the Xinxiang province of China to the warm water port of Gwadar in the Baluchistan province of Pakistan. It involves multiple infrastructure projects including, highways, railroads, waterways and pipelines. The Project investment estimates range from US\$ 40 billion to 60 billion.
- Gwadar deep sea port, a culmination point of the ambitious China-Pakistan Economic Corridor (CPEC), which will be able to handle 13 million tonnes of cargo annually within five years — and an astounding 400 million tonnes annually by 2030 to be transported to landlocked Central Asia and to western China.

- The project through the development of Gwadar port also has strategic significance as it provides China a presence in the Indian Ocean.
- India's main concern is regarding the alignment of the Project that passes through the Gilgit-Baltistan region of Jammu and Kashmir and thus violates India's sovereign claims.

1.8. The Kulbhushan Jadhav Issue

- Pakistan claimed to have arrested Jadhav from Balochistan on March 3, 2016. India maintains that Jadhav was kidnapped from Iran where he was involved in business activities after retiring from the Indian Navy in 2002.
- In April 2017 Pakistan's military establishment announced that Jadhav would be hanged.
- Shortly after India approached the International Court of Justice (ICJ). As India was denied Consular access to Jadhav. India has accused Pakistan of violating the Vienna Convention.
- Pakistan contended that the Vienna Convention provisions on consular access were not intended for a "spy" involved in subversive activities.
- India believes the ICJ can look into Jadhav's case as both the countries are signatories to the optional protocol of the Vienna convention on consular relations (VCCR). The protocol says any dispute arising out of the interpretation or application of VCCR shall lie within the jurisdiction of the ICJ.
- On 18 May 2017 International Court of Justice stays death sentence given to Kulbhushan Jadhav by Pakistani military court until further notice.
- This is the first time after 1971 that India has turned to the ICJ in a dispute with Pakistan.
- In September 1974, India spelt out the matters over which it would accept the jurisdiction of the ICJ, replacing a similar declaration made in 1959.
- Among the matters over which India does not accept the ICJ jurisdiction are: "Disputes with the government of any state which is or has been a member of the Commonwealth of Nations".
- Moving the ICJ amounts to taking disputes with Pakistan to a multilateral forum, which New Delhi tends to avoid.

1.9. Trade

- Trade relations remained vibrant for an extended period after Partition. As noted by former Pakistan commerce secretary Zafar Mahmood, in 1948-49, India accounted for around 56% of Pakistan's total exports and 32% of its total imports. Indeed, despite the hostilities of 1948, India remained Pakistan's largest trading partner until 1955-56.
- The trade relationship took a nosedive with the 1965 and 1971 wars, and only resumed, on a limited scale, after the Shimla Agreement was signed in 1972.
- India unilaterally accorded Most Favoured Nation (MFN) status to Pakistan in 1996. There is increased question mark on this in recent years.
- Withdrawing MFN status to Islamabad could mark an important – even if symbolic – attempt by New Delhi to demonstrate that it is taking tough action.
- But it won't have any real effect: volumes of trade between the two countries are too small for sanctions to actually make a difference.
- While India's exports to Pakistan have marginally grown from 0.78% of total exports in 2007-'08 to 0.88% in the year 2015-'16, India's imports from Pakistan remain negligible at 0.12% of total exports, according to the data for the last financial year.
- Pakistan's total import from South Asia itself is less than 4 per cent.
- By not revoking the MFN status India can legitimately claim the moral high ground in fulfilling WTO obligations while Pakistan does not

1.10. Vision and Reality

- As Prime Minister Manmohan Singh said in January 2007, he dreamt of a day when “while retaining our respective national identities, one can have breakfast in Amritsar, lunch in Lahore and dinner in Kabul. That is how my forefathers lived. That is how I want my grandchildren to live.”
- According to TCA Raghavan: from 2008 till the present day “enough has changed to make sure older solutions will not work.” Nonetheless, “the cyclical pattern” of reconciliatory moves and hawkish standoffs will go on.

2. India and Afghanistan

Map3.6-Afghanistan



2.1. Background

- Relations between the people of Afghanistan and India traces to the Indus Valley Civilisation.
- The Durand Line is the 2,430-kilometre International border between Pakistan and Afghanistan. Sir Mortimer Durand had drawn this line in 1893 between Afghanistan and then British India, which later got divided into two countries India and Pakistan in 1947.
- The Durand Line cuts through the Pashtun tribal areas and further south through the Balochistan region. It politically divides ethnic Pashtuns, as well as the Baloch and other ethnic groups, who live on both sides of the border in Afghanistan as well as in Pakistan.

- During the **Soviet intervention (1979-89)**, India was the only South Asian nation to recognise the Soviet-backed Democratic Republic of Afghanistan. India also provided humanitarian aid to then Afghan President Najibullah's government. Following the withdrawal of the Soviet forces, India continued to provide humanitarian aid.
- In 1990s, India became one of the key supporters of the anti-Taliban Northern Alliance.
- In 2005, India proposed Afghanistan's membership in the South Asian Association for Regional Cooperation (SAARC).
- Both nations also developed strategic and military cooperation against Islamist militants.
- Indo-Afghan relations have been strengthened by the **Strategic Partnership Agreement signed between the two countries in 2011**.
- As Afghanistan was undergoing three simultaneous political, security and economic transitions in 2015.
- India had allayed its fears about its future by making a long-term commitment to the security and development of Afghanistan.
- Afghanistan President Ashraf Ghani visited India for his first state visit in April 2015 and in October 2017
- Prime Minister Modi visited Afghanistan in December 2016.

2.2. Strategic Partnership Agreement (SPA)

The Strategic Partnership Agreement (SPA) between the two sides, inter alia, provides for

- **assistance to help rebuild Afghanistan's infrastructure and institutions**, education and technical assistance to re-build indigenous Afghan capacity in different areas,
- **encouraging investment in Afghanistan's natural resources, providing duty free access to the Indian market for Afghanistan's exports**
- **support for an Afghan-led, Afghan-owned, broad-based and inclusive process of peace and reconciliation**,
- **advocating the need for a sustained and long-term commitment to Afghanistan by the international community**.

2.3. Heart of Asia Process

- Heart of Asia process or the Istanbul Process, started in 2011 to provide more assistance to Afghanistan. The process has **three main pillars**:
 - **Political consultations**
 - **Confidence Building Measures (CBMs)**
 - **Cooperation with Regional Organizations**
- This platform was established to address the shared challenges and interests of Afghanistan and its neighbors and regional partners. The Heart of Asia is comprised of **14 participating countries**, 17 supporting countries, and 12 supporting regional and international organizations.
- The Heart of Asia provides a platform for results-oriented regional cooperation by placing **Afghanistan at its center**, in recognition of the fact that a secure and stable Afghanistan is vital to the prosperity of the Heart of Asia region.
- **India is the lead country for Trade, Commerce and Investment CBM of Heart of Asia Process**,
- **India hosted Senior Officials Meeting of the Heart of Asia countries in New Delhi in January 2014 and with the help of FICCI**, India organized a 6th Regional Technical Group (RTG) in New Delhi on November 2015.
- **India hosted the Sixth Ministerial conference of Heart of Asia in December 2016 at Amritsar**. It was Jointly Inaugurated by PM Modi and President Ashraf Ghani of Afghanistan

2.4. India's Contribution in Reconstruction Efforts

- India has committed over 2 billion US\$ for development efforts in Afghanistan.
- It has financed and built significant projects such as:
 - Delaram Zaranj Highway,
 - Parliament Building,
 - India Afghanistan Friendship Dam/Selma Dam, Hari River, Heart Province
 - Transmission lines to Kabul.
- While it has avoided its own military presence, India views foreign military presence in Afghanistan as indispensable in promoting political stability and development in the country. The USA has also urged India to get involved more.
- India believes in invest and endure strategy for Afghanistan.

2.4.1. Challenges of Connectivity

- Pakistan, in particular, has been opposed to any growth in Indian influence and views Afghanistan as essential for achieving strategic depth.
- Despite India's requests for direct land access to Afghanistan, Pakistan has refused to provide such facility over its strategic concerns.
- Alternate routes India could use to access Afghanistan: in the absence of direct land access, India is also working with Afghanistan and Iran to develop trilateral transit. Participation in development of Chabahar port will augment our connectivity with Afghanistan and beyond.
- India in October 2017 began shipment of wheat to Afghanistan through the Iranian port of Chabahar.
- India and Afghanistan have also established two air corridors - one between Delhi and Kabul and the other Kandahar to Delhi - to carry goods at subsidised rates.

Map 3.7 Connecting Afghanistan



Image Source:

http://www.thehindu.com/news/national/article19945496.ece/alternates/FREE_660/Geo-strategiccol

2.5 Multiple Aspects of Cooperation

- India delivered three Russia-made Mi-25 attack helicopters to Afghanistan in 2015 and 2016. Reports suggest it is to deliver an additional helicopter soon.
- India remains wary of any efforts to reconcile with Taliban. In course of time India reconciled with the fact that others including the US wanted to include Taliban in the talks, however the Indian position includes the Taliban who renounce violence.
- For India any process of reconciliation should remain Afghan led, transparent and inclusive. Thus, India stresses so much on the capacity building of the Afghan government.
- India is also considering a run of the river project on the Kabul river. This can put pressure on Pakistan in the context of the Indus Water Treaty. Pakistan and Afghanistan have now river water treaty.



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LECTURE-4

INDIA AND CHINA

Contents

1. India and China	75
1.1. Background	75
1.1.1. Evolution	75
1.2. Boundary Question and Territorial Integrity	78
1.3. India-China Border: Specific Sectors	79
1.3.1. Western Sector	79
1.3.2. The Eastern Sector	80
1.3.3. The Middle Sector	80
1.4. Current Negotiation Framework.....	80
1.4.1. Progress in Negotiations Since 2005	80
1.5. The Incident in Doklam Area-2017	81
1.5.1. Confrontation at the Borders: A Pattern	82
1.6. Rivers.....	83
1.7. Trade and Economy.....	84
1.8. Geo-Strategic Competition	84
1.9. India's Response Mechanism	85
1.10. Multilateral Engagement	85
1.10.1 The BCIM Corridor	86
1.11. OBOR/BRI.....	87
1.11.1. Early Assessment of OBOR/BRI	87
1.11.2. India and the OBOR.....	88
1.12. The Pakistan Factor	88
1.13. The USA Factor.....	88
1.14. The Russia Factor	89
1.15. The Japan Factor	89
1.16. The Rise of China and India.....	89

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1. India and China

Map 4.1- China



1.1. Background

- India shares total border of around 3,488 km with China (second largest after Bangladesh).
- The border is not fully demarcated and the process of clarifying and confirming the Line of Actual Control is in progress. It is characterized by high altitude terrain and inadequate development of infrastructure in these regions. The Sino-Indian border can be divided into three sectors namely: Western sector, Middle sector, and Eastern sector
- 5 states viz. Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and Arunachal Pradesh share border with China.
- Major rivers such as Indus, Brahmaputra originate in China. India is a lower riparian state.
- China is not an Indian Ocean littoral country, neither is India a Pacific littoral countries.
- In 2005- During Premier Hu Jintao's visit to India, the two sides signed the strategic partnership agreement

1.1.1. Evolution

- 30 December 1949: India became the second non-communist nation to recognize the Peoples' Republic of China after its proclamation on 1 October.
- 7 October 1950: The Peoples Liberation Army, Chinese troops, crossed the Sino-Tibetan boundary, and moved towards Lhasa, Tibet. This was for the first time since 1793 when a Chinese Tibetan army had marched till Kathmandu to punish Nepal's rulers, India faced large Chinese army on its northern borders. The British policy had aimed at making Tibet a buffer to avoid such a scenario.
- May 1951: China forced the Tibetan Governor of Chamdo to concede full suzerainty over Tibet.
- 15 May 1954: China and India signed the Panchsheel document.
- 2 March 1955: India objects to the inclusion of a portion of India's northern frontier on the official map of China, saying it was a clear infringement of Panchsheel.
- 1 April 1955: India signs a Protocol at Lhasa handing over to China the control of all communication services in Tibet.

- **November 1956: Zhou Enlai visits India for the second time on a goodwill mission.**
- 18 December 1956: Chinese nationals who entered Ladakh were illegally detained and later sent back to China.
- September 1957: Indian Vice-President S. Radhakrishnan's visits China.
- **4 September 1958: India officially objects to the inclusion of a big chunk of Northern Assam and NEFA in the China Pictorial - an official organ of the Chinese Peoples' Republic.**
- **23 January 1959: Zhou Enlai spells out for the first time China's claims to over 40,000 square miles of Indian territory both in Ladakh and NEFA.**
- **3 April 1959: Dalai Lama escapes from Lhasa and crosses into Indian territory.** India's decision to grant asylum to him sours relations with Beijing.
- 8 September 1959: China refuses to accept the Mc Mohan Line with Zhou Enlai stating that China was not a signatory to the 1842 Peace Treaty between British India and England. Further, Beijing laid claims to almost 50,000 square miles of Indian territory in Sikkim and Bhutan.
- 19 April 1960: A meeting in New Delhi between Zhou Enlai and Nehru to address the boundary question ends in deadlock.
- **February 1961: China refuses to discuss the Sino-Bhutanese and Sino-Sikkimese boundary disputes and further occupies 12,000 square miles in the western sector of the Sino-Indian border.**
- **15-18 November 1962: A massive Chinese attack on the eastern front, Tawang, Walong in the western sector over run, Rezang La and the Chushul airport shelled. Chinese troops capture Bomdila in the NEFA region**
- **21 November 1962: China declares a unilateral ceasefire along the entire border and announces withdrawal of its troops to position 20km behind the LAC.**
- 8 December 1962: China sends a note signed by Zhou Enlai to India reiterating the three-point ceasefire formula.
 - Both parties would respect the Line of Actual Control,
 - the armed forces would withdraw 20km from this line and;
 - talks between the prime-ministers of both countries to seek a friendly settlement.
- India accepts and later on 10 December endorses Colombo proposals.
- 2 March 1963: China and Pakistan sign a boundary settlement in Beijing between Kashmir and Xinjiang where Pakistan ceded 5080 sq. km of Pakistan occupied Kashmir territory.
- 27 August 1965: China accuses India of crossing the Sikkim-China boundary.
- 30 November 1965: Chinese troops intrude into north Sikkim and NEFA once again.
- 1986: Differences surface over the precise limits of the McMahon Line in the Sumdorong Chu area of Arunachal Pradesh.
- 8 December 1986: Beijing express strong condemnation over the establishment of Arunachal Pradesh as a full fledged State of the Indian Union.
- **December 1988: Prime Minister Rajiv Gandhi visits China.** Agreement to set up a **Joint Working Group on Boundary question** and a Joint Group on Economic Relations, Trade, Science and Technology signed.
- December 1991: Chinese premier Li Peng visits India after a gap of 31 years, pledges to resolve the boundary question through friendly consultations.
- **September 1993: Prime Minister P.V. Narasimha Rao visits China, signs agreement on Border Peace and Tranquility and the setting up of the India-China Expert Group of Diplomatic and Military Officers to assist the work in Joint Working Group.**
- 1994: Vice-President K R Narayanan visits China.
- August 1995: India and China agree to pull back their troops on the Sumdorong Chu Valley in the eastern sector.

- **November 1996: Chinese President Jiang Zemin visits India, signs Agreement on Confidence Building Measures (CBM) in the military field along the LAC in the India-China Border Areas.**
- August 1997: The India-China Joint Working Group meets in New Delhi. Instruments of ratification in respect to Confidence Building Measures agreement exchanged.
- May 1998: Defence minister George Fernandes reported claim that China was India's threat number one offends China.
- 14 May 1998: China strongly condemns India's second peaceful nuclear tests.
- July 1998: China urges India and Pakistan to give up their nuclear ambitions and sign the NPT.
- August 1998: India officially announces talks with China on the reopening of the Ladakh-Kailash-Mansarovar route.
- June 1999: China displays neutrality on the Kargil conflict and agrees to establish a security mechanism with India.
- 28 September 1999: China asks New Delhi to stop the 'splitting activities' of Dalai Lama from Indian soil to improve bilateral relations.
- 24 November 1999: India and China hold detailed discussions in New Delhi on ways to settle their border row.
- 7 January 2000: Karmapa Lama flees China, reaches Dharamshala and joins the Dalai Lama.
- 11 January 2000: Beijing warns that giving political asylum to the Karmapa would violate the five principles of peaceful coexistence.
- 4 January 2000: India officially declares to China that the 17th Karmapa has arrived in Dharamshala, but has not been granted refugee status.
- 22 January 2000: The Dalai Lama writes to the Prime Minister urging him to accord protection to the 17th Karmapa.
- 31 January 2000: The Chinese Peoples Liberation Army build a permanent road network and sets up bunkers 5km in the Indian side of the LAC in Ladakh's Aksai Chin area.
- 22 February 2000: India and China sign a bilateral trade agreement in Beijing to facilitate China's early entry into the WTO and an MOU for setting up a Joint Working Group in the field of steel.
- 1 April 2000: India and China commemorate 50th anniversary of their diplomatic relations.
- 13 January 2002: Chinese premier Zhu Rongji visits India.
- 29 March 2002: India and China agree in Beijing to quicken the pace of LAC delineation in order to resolve the vexatious border dispute within a reasonable time-frame.
- **23 June 2003: Indian Prime Minister Atal Bihari Vajpayee makes a landmark visit to China. This marks the Beginning of the Special Representatives framework on Border negotiations**
- **April 9, 2005: Chinese Premier Wen Jiabao visits Bangalore to push for an increase in Sino-Indian cooperation in high-tech industries. India and China also sign an agreement aimed at resolving disputes over their Himalayan border.**
- 6 July 2006: China and India re-open Nathu La Pass, which was closed since the Sino-Indian war in 1962.
- 25 May 2007: China denies a visa to Arunachal Pradesh chief minister, arguing that since the state is in fact a part of China he would not require a visa to visit his own country.
- 13 October 2009: China objects to Prime Minister Manmohan Singh's visit to Arunachal Pradesh.
- 3 January 2009: Indian Prime Minister Manmohan Singh visits China. Bilateral trade surpasses \$50 billion and China becomes India's largest trading partner in goods.
- 27 August 2010: India cancels defense exchanges with China after Beijing refuses to permit Lt. Gen. B.S. Jaswal, head of the northern command, a visa because he "controlled" the

disputed area of Jammu and Kashmir. India subsequently refuses to allow two Chinese defense officials to visit New Delhi.

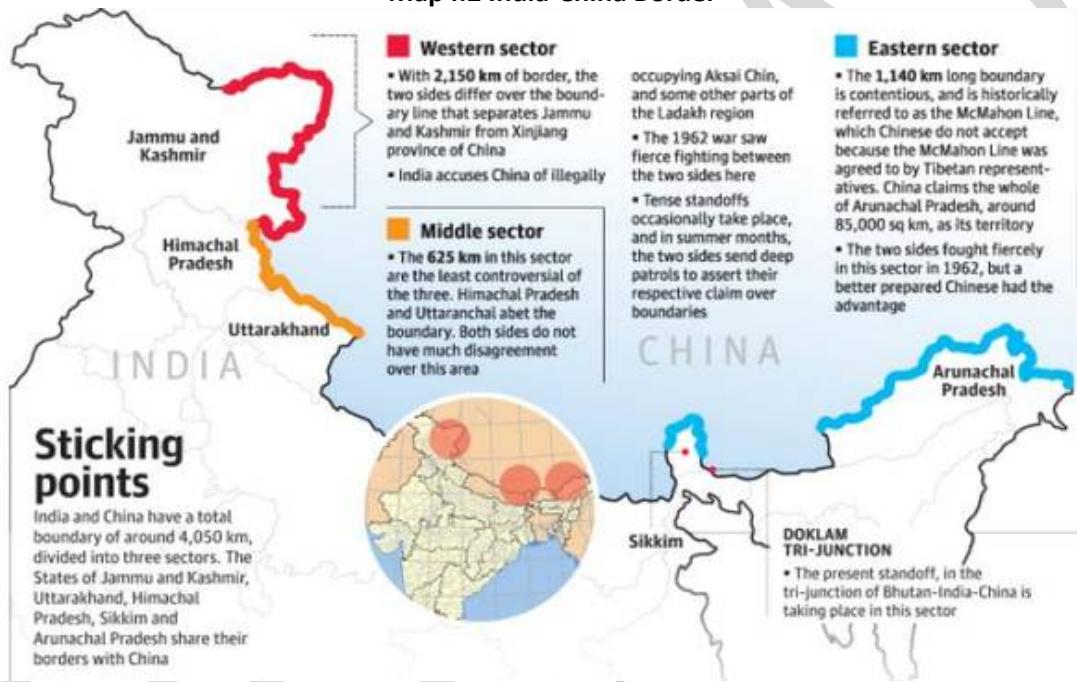
- November 2010: China started the practice of issuing stapled visas to people from Jammu and Kashmir.
- **April 2013: The Chinese troops intruded into Depsang Bulge in East Ladakh**, approximately 19 km inside our perception of the Line of Actual Control (LAC) claimed it to be a part of its Xinjiang province. They were, however, pushed back.
- May 2014: China congratulates Modi's election victory. Later in the month, Modi's visit to Arunachal Pradesh, which China considers disputed territory, invites remarks from the Chinese foreign ministry.
- June 2014: China's foreign minister Wang Yi visits New Delhi to hold talks with his Indian counterpart Sushma Swaraj and Modi. Later in June, India's vice president, Hamid Ansari, travels to Beijing on a five-day visit.
- July 2014: India's army chief Bikram Singh travels to Beijing for a three-day trip. Later that month, P.M. Modi meets Xi for the first time during the BRICS summit in Brazil. The two meet for almost 80 minutes.
- August 2014: PM Modi visits Japan for five days and makes a speech describing the world as divided into two camps.
- September 2014: **President Xi visits India, and P.M. Modi, breaking protocol, receives him in Ahmedabad**. They spend an evening strolling on the banks of the Sabarmati river. China promises \$20 billion worth of investments in India over five years. Both countries, however, remain engaged in a face-off at the border in Ladakh, after Chinese troops allegedly crossed over to the Indian side, through the entire visit.
- November 2014: President Xi invites P.M. Modi to attend the APEC (Asia Pacific Economic Cooperation) summit in Beijing. Modi declines the offer, but travels to Myanmar, Australia and Fiji. India also appoints its national security advisor, Ajit Doval, as the country's special representative for Sino-India boundary negotiations.
- January 2015: During US president Barack Obama's Republic Day visit, Obama and Modi reportedly spend some 45 minutes talking about China, and both express concern about Beijing's expansionist stance, especially in the South China Sea.
- February 2015: Less than a week after Obama's departure visit, foreign minister Swaraj leaves for Beijing and meets president Xi.
- March 2015: India starts the 18th round of talks with China over the land boundary issue. National security advisor Doval and China's special representative Yang Jiechi meet in Delhi.
- May 2015: **P.M. Modi visited China. His first stop is Xian, Xi's home town, after which he'll head to Beijing**.
- **October 2016: P.M. Modi meets Chinese president Xi Jinping on the sidelines of the Goa BRICS Summit**.
- May 2017: India declines Chinese invitation to attend the Belt and Road Initiative summit in Beijing and issues a detailed statement listing its objections.
- **8-9 June 2017: India admitted to the Shanghai Cooperation Organisation as full-member along with Pakistan**. Modi meets Chinese president Xi Jinping and thanks for his country's support for India's full membership in SCO.

1.2. Boundary Question and Territorial Integrity

- despite over 30 years of regular dialogues, Sino-Indian border issues remain complicated and difficult.
- **China continues to be in illegal occupation of approximately 38,000 sq. kms. in the Indian state of Jammu and Kashmir**. In addition, under the so-called 'Sino-Pakistan Boundary Agreement of 1963', **Pakistan illegally ceded 5180 sq. kms. of Indian territory in Pakistan Occupied Kashmir to China**.

- China honed its "salami tactics" in the Himalayas in the 1950s, when it grabbed the Aksai Chin plateau by surreptitiously building a strategic highway through that unguarded region. Aksai Chin, part of the original princely state of Jammu and Kashmir, provided China with the only passageway between its restive regions of Tibet and Xinjiang.
- In 1993, the signing of an Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control (LAC) on the India-China Border Areas.
- The LAC currently represents the de-facto border between India and China and is divided into three sectors: the western, middle, and eastern
- As many as 15 rounds of negotiations were held under the JWG mechanism between 1988 and 2003.
- The talks were rebooted to the current Special Representative (SR) mechanism in 2003 after prime minister AB Vajpayee's China visit.
- Between 2003 and 2005, Beijing incrementally and implicitly but formally recognized Sikkim as a state of the Indian Union, changing a 20 year long policy.

Map4.2 India-China Border



Image

http://www.thehindu.com/news/national/article19180924.ece/alternates/FREE_615/ChinaJPG

Source:

1.3. India-China Border: Specific Sectors

1.3.1. Western Sector

- Aksai Chin is the biggest disputed territory is 38,000 sq km in size. It is under the occupation of China but claimed by India as part of the Ladakh district of Jammu and Kashmir
- Neither of the countries have sufficient documents to make strong historical claims in the area. However, more than the legal claims, the region has huge strategic significance for China to gain access to Tibet region.
- Historically British always wanted to create outer Tibet as a buffer zone. Boundaries in the western sector were hardly demarcated.
- In 1957, China built its Western Highway that connects Xinjiang with Tibet, cutting across Aksai Chin. Eventually occupied it after 1962.
- In the Ladakh sector, the question of where exactly Chinese forces stood after the war

remains contested.

- Demarcating boundary in Aksai Chin is more complicated because it has never been an inhabited area & no markers really exist to demarcate their sovereignty.

1.3.2. The Eastern Sector

- At the 1914 China-Tibet-Britain Simla Convention, Sir Henry McMahon, foreign secretary of British India, drew up the 890-km McMahon Line as the border between British India and Tibet.
- The line, drawn primarily on the highest watershed principle, marked out previously unclaimed/undefined borders between Britain and Tibet.
- The line put Tawang and other Tibetan areas in the British empire. The line was forgotten until the British government published the documents in the 1937 edition of Aitchison's Collection of Treaties. Subsequently, China refused to accept the line.
- In the Arunachal sector, China treats the McMahon Line as the LAC. But it challenges India's claim that it should follow the watershed. China lays its claim on Arunachal as "South Tibet" and is specifically keen on the Tawang area.

1.3.3. The Middle Sector

- Disagreement between in certain areas such as the Barahoti plains in Uttarakhand
- Sikkim sector is considered to be settled by China. For a long time, China did not accept Sikkim's accession to be a legitimate territory of India. It was only after the joint statement of 2005, China formally accepted Sikkim as a state of India.
- The basic problem is lack of any formal treaty defining the boundaries & varying interpretation of Indo-China border. Both the countries went for a full fledged war in 1962 over the issue.

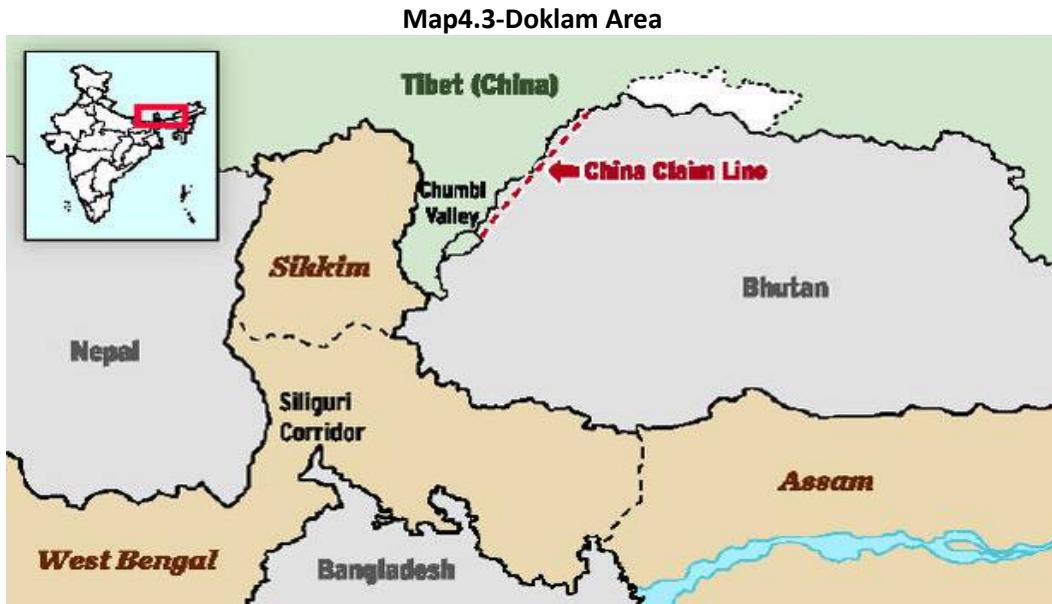
1.4. Current Negotiation Framework

- In 2003 during PM Vajpayee's visit to China the 1st comprehensive document for development of bilateral ties was signed at the highest level. During this visit both sides agreed to establish a special representative mechanism for settling the boundary dispute issue.
For resolving the border dispute the talks are supposed to proceed through a three staged process-
 - Stage 1- agreement on the broad principles and political parameters that will be followed for resolving the border dispute.
 - Stage 2- negotiating the broad framework for resolving disputes in all sectors
 - Stage 3- delineating the border in maps and on ground
- In 2005, an agreement was reached on the "political parameters & guiding principles" (stage 1 of negotiations was completed) that should be followed to resolve the boundary dispute.

1.4.1. Progress in Negotiations Since 2005

- Currently the talks are in the second stage. In December 2017 SR meeting was the 20th round of negotiations to come to an agreement upon the broad framework, after which the talks can enter the last stage.
- Some observers have voiced their opinion that the talks have been stuck in a deadlock in the 2nd stage of the three staged process.
- In November 2013, when Prime Minister Manmohan Singh visited Beijing, both sides signed a Border Defence Cooperation Agreement (BDCA) aimed at expanding on the ground engagement and formalising patrolling rules to prevent recurrence of stand-offs.

1.5. The Incident in Doklam Area-2017



Source:

http://www.thehindu.com/news/national/article12665125.ece/alternates/FREE_660/India%20Bhutan%20China

- The land in question spans 269 square kilometres on a sparsely populated plateau in western Bhutan, which has no diplomatic ties with China and coordinates its relations with Beijing through New Delhi.
- In 1890, convention Between Great Britain and China relating to Sikkim and Tibet was signed which delimited the boundary between the Tibet region of China and Sikkim. China claimed India violated this convention.



Disputed areas between Bhutan and China

Image Source: https://i0.wp.com/thewire.in/wp-content/uploads/2017/07/Chinese_incursion_Bhutan.jpg?resize=648%2C505&ssl=1

- In June 2017 the Indian troops thwarted Chinese attempts to build a road in this area which constitutes the trijunction between the three countries and is close to India's Siliguri corridor. This led to a 73-day-long military standoff between the two countries which ended in August 2017 with the disengagement of the Indian and Chinese forces.
- Bhutan said the road China has been building would run from the town of Dokola to the Bhutanese army camp at Zompelri.
- India argued that the two governments reached an agreement in 2012 that the status of the Doklam area which falls between China and India on a Bhutanese plateau would be finalised only through joint consultations involving all parties.
- Bhutan's Foreign Ministry called it a "direct violation" of agreements reached in 1988 and 1998 to maintain peace and refrain from unilateral action in the area pending a final border settlement.
- Chinese Foreign Ministry spokesman Lu Kang argued that India had "illegally trespassed the boundary into Chinese territory" when they confronted the Chinese army construction team.
- The Chinese have responded by suspending the Kailash-Mansarovar yatra through the Nathu La pass and even warning India to not forget "historical lessons" from the 1962 war.
- For India, securing the Doklam Plateau is seen as essential to the Siliguri corridor, that connects to its remote northeastern States.
- India has said the Chinese road project threatens its access to the corridor, while China has questioned why India should even have a say in a matter that concerns only Beijing and Bhutan.
- Indian analysts said China appeared to be trying to pre-empt settlement negotiations by establishing its presence in Doklam, As Beijing has been trying long to gain a tactical advantage in this sector.
- The dispute was discussed briefly without resolution by Chinese President Xi Jinping and Prime Minister Narendra Modi on the sidelines of the G-20 summit.
- With the August 28, 2017 disengagement while the crisis has been defused for the time being, the probability of a future flare up cannot be ruled out.

1.5.1. Confrontation at the Borders: A Pattern

- There have been other such skirmishes in the past too;
- Military stand-off in Chumar-Demchok area in Ladakh region 2014. Chumar area, on the other hand, was never contested till recently and was beyond the Chinese claim line of 1960.
- In the Depsang incident 2013, Area intruded was beyond the 1960 claim line of China and also beyond the farthest line up to which Chinese army had reached during 1962 War, the LAC in this area has not been mutually agreed upon.

1.6. Rivers



Image Source:

http://www.thehindubusinessline.com/multimedia/dynamic/01418/brahmaputra_new_1418338f.jpg

- India and China Share major River Systems such as the Indus and the Brahmaputra. The two countries do not have any treaty arrangements on the river for water sharing. Under existing bilateral MoU, China provides to India hydrological information of Brahmaputra River (Yarlong Zangbo) and Sutlej River (Langqen Zangbo) during the flood seasons.
- Brahmaputra, originates in Tibet, known as the Yarlung Tsangpo there, and flows down to India and further enters Bangladesh where it joins the Ganges and empties into the Bay of Bengal. About 18 percent of Brahmaputra's water is contributed by glacial melt in Tibet. Most of its water is contributed by rainfall in the Indian territory.
- India, China and Bangladesh don't have a joint treaty for the management of Brahmaputra.
- India and China, in 2006, set up an expert level mechanism to discuss interaction and cooperation on sharing flood season hydrological data, emergency management, and other issues regarding trans-border rivers.
- Hydrological data of the river is shared by China, under a MoU signed in October 2013, during monsoon season between 15 May and 15 October. The data is mainly of the water level of the river to alert downstream countries in case of floods.
- Delhi has also asked for data for non-monsoonal flows of the river, because there are suspicions in India that China could divert the waters of the Brahmaputra to its parched regions during dry seasons.
- In 2017 monsoon season India did not receive hydrological data - for the Brahmaputra river from upstream China, despite the agreement.
- Beijing has constructed several hydropower dams on the river, which is known as Yarlung ZangboTsangpo in Tibet. The Zangmu dam was operationalised in 2015.
- China says the dams do not store or divert water and they will not be against the interest of downstream countries. But in recent years, particularly in northeastern India, fears are also growing that China could suddenly release a huge amount of water.
- The issue of the pollution of the Siang river which has contaminated the flow of the Brahmaputra in Assam. Though India has raised the issue during December 2017 discussion with visiting foreign minister Wang Yi, the Chinese foreign ministry's spokesperson has dismissed the report.

- Experts argue that in view of China's dam building- which causes concerns of diversion of river water, lack of non-monsoonal data and interruption in data sharing, **India should push for a comprehensive river water treaty for Brahmaputra. However, the impending border dispute is a hurdle fro any such dispute.**
- Pending such comprehensive treaty **India must use available technological resources, satellite imagery etc. to monitor the river flow.**
- In this context involving Bangladesh, which is also a co-riparian can be considered to strengthen India's position.**

1.7. Trade and Economy

- Rapid Growth:** Trade volume between the two countries in the beginning of the century, year **2000, stood at US\$ 3 billion. In 2008, bilateral trade reached US\$ 51.8 billion** with China replacing the United States as India's largest "Goods trading partner." **In 2011 bilateral trade reached an all-time high of US\$ 73.9 billion.**
- According to recently released data by Chinese Customs, India-China trade in 2016 decreased by 0.67% year-on-year to US\$ 71.18 billion. India's exports to China decreased by 12.29% year-on-year to US\$ 11.748 billion while India's imports from China saw a year-on-year growth of 2.01% to US\$ 59.428 billion.
- The Indian trade deficit** with China is a matter of concern. It stood at \$51.08 billion in 2016-17 and \$52.69 billion in 2015-16. India is discussing the issue of allowing greater access to Indian products and services in the Chinese market with its neighbour.
- In 2016, India was the 7th largest export destination for Chinese products, and the 27th largest exporter to China.
- India-China trade in the first eight months of 2017 increased by 18.34% year-on-year to US\$ 55.11 billion.** India's exports to China increased by 40.69% year-on-year to US\$ 10.60 billion while India's imports from China saw a year-on-year growth of 14.02 % to US\$ 44.50 billion.
- The India-China Economic and Commercial Relations are shaped through various dialogue mechanism such as:**
 - Joint Economic Group led by the Commerce Ministers of both sides,
 - Strategic Economic Dialogues led by the Vice Chairman of NITI Ayog and the Chairman of National Development and Reform Commission of China,
 - the NITI Aayog and the Development Research Center Dialogue and
 - the Financial Dialogue led by Secretary Department of Economic Affairs of India and Vice Minister, Ministry of Finance of PRC.
- Some of the **other institutionalized dialogue mechanisms** between the two countries include the **Joint Working Group (JWG) on Trade**, JWG on Collaboration in Skill Development and Vocational Education, Joint Working Group on Information and Communication Technology & High-Technology, Joint Study Group and Joint Task Force on Regional Trading Agreement (RTA), India-China Joint Working Group on Agriculture, India-China Joint Working Group on Cooperation in Energy and the.

1.8. Geo-Strategic Competition

- The relation between India and China are shaped and influenced by perceived and real competition that can turn into conflict and needs to be managed.
- The rise of China and India coincide**, historically rise of powers has resulted in conflict. South Asia, South-East Asia, Indo-Pacific and Africa are certain regions wher this pattern can be seen.
- Recent decades have seen the emergence of ideas, such as the **String of Pearls**, a term coined by US based academics, **which refers to the network of Chinese military and commercial facilities and relationships along its sea lines of communication.** The sea lines

run through several major maritime choke points such as the Strait of Mandeb (connects the Red Sea to the Gulf of Aden), the Strait of Malacca (stretch of water between the peninsular Malaysia and the Indonesian island of Sumatra).

- The **One Belt One Road** initiative also involves building maritime infrastructure in the Indian Ocean; this has strategic implications for India. Key countries in India's neighbourhood- Pakistan, Sri Lanka, Maldives, Myanmar, Bangladesh- are important locations for OBOR.

1.9. India's Response Mechanism

- Malabar Exercise Since 1992:** Multi lateral Naval exercise including Japan and the USA. Past non-permanent participants are Australia and Singapore.
- India-Japan-Australia trilateral**
- India-Japan-Australia-US Quadrilateral**, Quad Met at the Sidelines of the ASEAN summit at Manila in November 2017. It is perceived as a coming-together of likeminded Asia-Pacific democracies to balance China.
- Metal Chain and Iron curtain:** Naval analyst Zhang Ming recently proclaimed that the Islands of **India's Andaman and Nicobar Archipelago** could be used as a 'metal chain' to block Chinese access to the Straits of Malacca. China has gone further to claim that India is building an 'Iron Curtain' in the Indian Ocean, which is debatable.
- String of flowers:** since 2015, agreements have been signed by India to develop infrastructure on **Agalega islands in Mauritius and Assumption Island of Seychelles**. They add to an **Indian listening post on Madagascar**, off the coast of Africa, commissioned in 2007 to monitor activities of foreign navies in the Indian Ocean Region (IOR). These are termed as the emergence of an **Indian 'String of Flowers'** to counter China's **'String of Pearls'**.
- However both countries have denied having either a string of pearls or a string of flowers strategy.

1.10. Multilateral Engagement

- Being significant international actors in their own right, **India and China interact at various multilateral forums on multiple issues**. There are many instances of **cooperation but also a few key issues of difference** in this context.
 - Anti-Piracy operations:** in Gulf of Aden and horn of Africa naval coordination between India and China.
 - BCIM corridor:** Both countries have been engaging in dialogue on promoting regional connectivity through the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor
 - BRICS:** Multilateral Cooperation on the issues of common concerns is promoted at this forum which also includes Russia, Brazil and South Africa e.g. the NDB as alternative to the Brettonwoods institutions
 - BASIC:** bloc of four large newly industrialized countries – Brazil, South Africa, India and China – formed by an agreement on 28 November 2009. The four committed to act jointly at the Copenhagen climate summit.
 - RIC:** Russia-India-China Foreign Ministerial Forum is the platform of the three major countries is aimed at facilitating common position on key global challenges -- radical ideas, terror threats, Afghanistan and West Asia.
 - SCO:** The central Asia based organisation is a forum at which both India and China are members. Countering terrorism is one of the prime objectives of this organisation.
 - AIIB:** It is a Chinese multilateral initiative which India has joined as the second largest capital contributor and shareholder.
 - G-20:** Both the nations are member of this grouping of developed and emerging economies for deliberating of global economic issues.

- **United Nations:** The China being a permanent member of UNSC is important for India achieving its aims such as UNSC reforms and action against terrorism. However, in recent times Chinese attitude towards India's candidature and UNSC reforms has been ambiguous. It has also been blocking India's requests at the 1267 committee to consider banning of Masood Azhar, the head of the Jaish-e-Mohammed,
- **OBOR/BRI:** The Chinese connectivity initiative was not joined by India which remains sceptical about the aims and methods of the initiative.
- **NSG: China has been blocking India's entry into the Nuclear Suppliers Group.** It has reiterated that India's inclusion in the Nuclear Suppliers Group is contingent upon the country signing the Nuclear Non-proliferation Treaty.

1.10.1 The BCIM Corridor

- One of the key policy initiatives among national governments in Asia in recent years is directed towards developing sub-regional, regional and trans-regional corridors with the aim to further connect and integrate their economies.
- One such corridor is the **proposed Bangladesh, China, India and Myanmar-Economic Corridor (BCIM-EC)** involving four nations and has generated much interests as well as concerns.
- **Conceived as a sub-regional economic cooperation**, BCIM initiative was **launched in 1999 in Kunming**, the capital of Chinese Yunnan province.
- **Two prominent objectives** had driven the BCIM- one is **economic integration of the sub-region** that would also enable integration of Asia and the other is **development of the border regions**. The BCIM **priority agenda has evolved** over time. From the 3-T's of Trade, Transport, and Tourism, the BCIM priority agenda has moved to **TTE (Trade, Transport, and Energy)**.
- **The year 2013 was crucial in the development of BCIM initiative.** In February that year a **car rally from Kunming to Kolkata (K2K)** was organised with great success. The idea was first mooted in 2006 by Prime Minister Manmohan Singh during Chinese President Hu Jintao's visit to New Delhi. In October 2013, during Indian Prime Minister Manmohan Singh's visit to China, Kolkata and Kunming as sister-cities was unveiled.
- India and China have a **Joint Study Group on BCIM Economic Corridor**. The **first meeting of the study was held in December 2013 in Kunming** officially set the mechanism to promote cooperation.
- **These developments have given a clear indication that India and China are prepared to work together in their common peripheries.**
- **Challenges: The relations between India and China**, the strategic implications it might have on the region and the conditions in the region through which the proposed corridor passes through are the major challenges.
- **There are various political and security issues at the local, national, regional levels** that need to be addressed before discussing the commercial prospects of the BCIM-EC.
- Trade architectures, transit facilities, infrastructure capabilities are all important but these operational aspects of economic corridor **need to be discussed within the larger societal context**. Perhaps, the question boils down to **who gets what, and at what cost** if the BCIM-EC is seen purely from the economic perspective.
- **If one expands the scope of the BCIM framework to the society there is a lot that the BCIM initiative could offer to all stakeholders.** While top-down governmental initiatives are important, it is the society that determines the success or failure of any national and transnational initiatives.

Map4.6-The BCIM Corridor

HURDLES TO PROGRESS

Security concerns might stall the BCIM project		PROBLEMS & PROSPECTS
<p>Dhaka (Bangladesh) Kunming (China) Mandalay (Myanmar) Kolkata (India)</p>		<ul style="list-style-type: none"> ➡ Ethnic insurgency, terrorism, smuggling, cross-border human trafficking main threats ➡ Project connects China, Myanmar, India and Bangladesh ➡ Corridor aims to form a thriving economic belt with focus on cross-border transport

Image Source: http://www.thehindu.com/migration_catalog/article10441468.ece/alternates/FREE_660/HURDLES-TO-PROG+HURDLES-TO-PROGRESS.jpg

1.11. OBOR/BRI

- 6 September 2013, Astana, Xi Jinping's Speech-Land based silk road economic belt
- In October 2013, his speech at the Indonesian parliament spelled out the idea of Maritime silkroute.
- These two ideas combined to form the ambitious One Belt One Road (OBOR) also known as the Belt and Road Initiative (BRI)
- Considered as the Chinese President Xi Jinping's ambitious project, the One Belt One Road initiative focuses on:
 - On improving connectivity and cooperation among Asian countries, Africa, China and Europe.
 - The emphasis is on enhancing land as well as maritime routes. The policy is significant for China since it aims to boost domestic growth in the country.
- It will impact 4.4 billion people.
- China is said to be spending \$1 trillion on it.
- It is not one project but six major routes which will include several railways line, roads, ports and other infrastructure.
- Experts have noted that also a part of China's strategy for economic diplomacy. Considering China's exclusion from G7, OBOR policy might just provide China an opportunity to continue its economic development.
- China claims these economic corridors will not only build infrastructure in countries that cannot afford to do it themselves but also boost global trade.
- Beijing hosted the two-day Belt and Road Forum (BRF) in May 2017 facilitating high-level delegations talks among leaders, including 29 Heads of State, on OBOR. It also marked the official launch of the OBOR. India did not attend the forum.
- Audit firm PwC estimates that currently about US\$ 250 billion worth of projects are either underway or signed off.

1.11.1. Early Assessment of OBOR/BRI

- **China's strategy:** China's strategy to grab land and assets in smaller, less-developed countries is simple: it gives them loans on high rates for infrastructural projects, gets equity into projects, and when the country is unable to repay the loan, it gets ownership

- of the project. Thus, it is also seen as a unilateral and exploitative project that involves strategic footholds in important locations around the world**
- **China's image:** Many expect this scenario to unfold in dozens of small countries in Asia and Africa if OBOR project becomes a reality. **Touted as a global partnership by China, many including the United States, believe that OBOR is actually an exploitative, colonial stratagem to gain vital assets in small countries.**
- **The investment:** the investment estimates for project of such a magnitude are touted to be in excess of US\$ 5 trillion, whereas **current Chinese commitment stands at estimated US\$ 1 trillion**
- **Early indicators:** In November 2017, Pakistan turned down China's offer of assistance for the \$14-billion Diamer-Bhasha Dam. Pakistan has asked China to take the project out of the nearly \$60 billion China Pakistan Economic Corridor a part of OBOR—and allow it to build the dam on its own. The reason: it found China's conditions exploitative. From its early reception, it is clear OBOR faces difficulties even in countries that count China as a friend. **Incidents in Sri Lanka, Nepal and Pakistan have cast serious doubts over China's project to dominate the world through investments in infrastructure.**

1.11.2. India and the OBOR

- **India is the only South-Asian country, apart from Bhutan, not to be involved in the Asian superpower's ambitious project.**
- **The main reason behind India's opposition towards the policy is the China-Pakistan Economic Corridor (CPEC), which is a part of OBOR.**
- Accordin to the MEA India is all for promoting connectivity, however the problem with the OBOR, is that **since the so-called CPEC forms a part of OBOR, and it passes through Indian territory.**
- **Citing sovereignty issues, India has raised objections over CPEC projects in Pakistan-occupied Kashmir (PoK).**
- China, however, initially did not try to attenuate India's concerns. "The CPEC is a flagship project, but all countries in South Asia have now confirmed participation in the Belt and Road Forum and are making use of the initiative," Wang Dehua, Director, Institute for South and Central Asia Studies in Shanghai.
- In November 2017, the Chinese Ambassador to India indicated that China" can change the name of CPEC" and "create an alternative corridor through Jammu & Kashmir, Nathu La pass or Nepal to deal with India's concerns".
- **Recognizing the significance of connectivity and infrastructure India is putting forward alternatives such as the INSTC, Cahabahar corridor and the Asia-Africa growth corridor**

1.12. The Pakistan Factor

- With its strategic position, **Pakistan offers China an opportunity to expand its influence against India in South Asia.**
- **Beijing has been showering Islamabad with military and economic aid**, such as the multibillion dollar **China-Pakistan Economic Corridor**, which concerns India as it traverses through PoK.
- **Pakistan's support to China over the South China Sea issue** and its willingness to provide China a foothold in the Indian Ocean throught the Gwadar port also add to the concerns of India.

1.13. The USA Factor

- The USA and China are **strategic rivals**. As china rises and asserts itself the US would be trying to contain it. **India seeks good relations with both**

- The indication of rising tensions can be found in the recently released (December 2017) Nations Security Strategy document of the USA as well as tariff escalation in 2018.
- In policy terms it is reflected in the **Pivot to Asia of the Obama administration** and the **Indo-Pacific formulations of the Trump administration**.

1.14. The Russia Factor

- **Russia and China had frosty relations for much of the Soviet era (Sino Soviet rift of the 1960s).** The two countries faced off in 1969 border skirmishes. This led China to open up to the USA in 1971.
- However, **in the recent years there has been a greater convergence between the two countries on the issues of western interventionism, SCO, Syria, Crimea and South China Sea.** In 2014 the two sides inked a **30-year, \$400bn (£237bn)** deal for Gazprom to deliver Russian gas to China in a deal that underscores Russia's shift towards Asia amid strained relations with the west.
- Thus, there **seems to be a short term convergence, however this sits on deep seated geographical realities that can change the scenario.**
- The RIC forum is a key to this triangular interaction for India.

1.15. The Japan Factor

- **Japan and China have a complex relationship.** The era of Japanese imperialism between the two world wars is a source of bitter memory.
- **The dispute over the Senkaku (japan)/Diaoyu (China) islands** is a sign of increasing tension.
- **In such a scenario Japan has started courting India.** This scenario has both opportunities and challenges for India.
- Japan had strongly supported India during the Doklam Standoff.

1.16. The Rise of China and India

- President Xi- Jinping, is considered to be the strongest leader since Deng Xiaoping and by some after Mao. OBOR is his brainchild.
- **At the recent 19th Party Congress in October 2017-Xi Jinping thought was included in the constitution along with the OBOR.** Xi further consolidated his power at the weeklong leadership reshuffle event, held every five years.
- Xi underlined the theme of this year's congress as never forgetting the party's founding purpose, including realization of "the great rejuvenation of the Chinese nation"—also known as the "Chinese Dream".
- **Under Xi China's rise has acquired assertive tone and this is expected to continue.** e.g. the South China sea issue.
- China under Xi has caused alarm, interest and caution in the international community.
- **India needs to continue cooperation wherever possible, augment its own strength and resolve border and river disputes amicably.** A framework is available for such a strategy.
- For India, **the first step is to understand China better**, the recent move by the Ministry of External affairs to establish a think tank dedicated to China with experts fluent in Chinese is perhaps a good start.

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LECTURE-5

INDIA AND SOUTH EAST ASIA

Contents

1. India and South East Asia	91
1.1. Myanmar: The Gateway to South East Asia	91
1.2. India-Myanmar Relations.....	91
1.2.1. Key Visits	92
1.2.2. Trade	92
1.2.3. Development Assistance	92
1.2.4. Security	94
1.2.5. Bilateral Cooperation in Regional/Sub-Regional Context.....	94
1.2.6. Chinese Involvement in Myanmar	94
1.2.7. Significance of Myanmar.....	94
1.2.8. What Should India Do?	94
1.3. BIMSTEC.....	95
1.4. Mekong-Ganga Cooperation	95
2. Association of South East Asian Nations (ASEAN).....	95
2.1. What is ASEAN?	95
2.2. India and South East Asia	98
2.2.1. Background	98
2.2.2. From Look East to Act East: Evolving Policy Framework	98
2.2.3. The Look East Policy	99
2.2.4. Taking the Look East Forward: Look East 2.0 or the New Look East.....	99
2.2.5. The Act East: Action and Implementation Oriented Approach to a Wider East.....	100
2.3. India-Asean	100
2.3.1. India-ASEAN: Recent Developments	101
2.3.2. Trade	101
2.3.3. Investment	102
2.4. RCEP Negotiations: From Trade to Economic Partnership	102
2.4.1. Significance of RCEP	102
2.4.2. RCEP and India's Current Concerns	103
2.5. Connectivity	104
2.6. Security Factor in the region	104
2.6.1. The South China Sea Disputes.....	105
2.6.2. India's Position	106
2.6.3. Need for Further Action:	107
2.7. Cultural Ties Between India and South East Asia	107
2.8. India and Singapore	107
2.8.1. Background	107
2.8.2. Trade & Investment.....	108
2.8.3. Smart Cities	108
2.8.4. Defence Cooperation	108
2.9. India and Vietnam.....	109

1. India and South East Asia

1.1. Myanmar: The Gateway to South East Asia

Map5.1 Myanmar



Image Source: <https://www.cia.gov/library/publications/the-world-factbook/graphics/maps/bm-map.gif>

1.2. India-Myanmar Relations

- India shares a long **land border** of over 1600 Km with Myanmar (previously known as Burma) as well as a **maritime boundary** in the Bay of Bengal. Four north-eastern states (**Arunachal Pradesh, Nagaland, Manipur and Mizoram**) share **boundary** with Myanmar.
- India and Myanmar share **close cultural ties** and a sense of deep kinship given India's **Buddhist heritage**.
- Over a period of 62 years (1824-1886), Britain conquered Burma and incorporated the country into its Indian Empire. Burma was administered as a province of India until 1937
- There are varying estimates of 1.5-2.5 million people of Indian origin living and working in various parts of Myanmar
- Myanmar is the **only ASEAN country adjoining India** and, therefore, **India's gateway to South East Asia** with which we are seeking greater economic integration through India's '**Look East**' and now '**Act East**' Policy.
- The landslide victory by Aung San Suu Kyi-led National League for Democracy (NLD) in November 2015 general elections and the formation of NLD government has provided opportunities to strengthen the engagement building on previous efforts.

- Various **institutional mechanisms**: The first meeting of the **India-Myanmar Joint Consultative Commission (JCC)** was held on 16 July 2015 at New Delhi.
- **Secretary-level meetings** include **Foreign Office Consultations** at the level of Foreign Secretary/Dy Foreign Minister.
- Myanmar side has provided assurances at the highest levels that it will cooperate with India in taking necessary action in **preventing the use of Myanmar territory for anti-India activity**.

1.2.1. Key Visits

- Then PM Dr. Manmohan Singh's State Visit to Myanmar took place (May 2012) after 25 years.
- Prime Minister Narendra Modi attended the 12th ASEAN-India Summit and 9 th East Asia Summit (Nov 11-13, 2014, Nay Pyi Taw).
- Myanmar President U Htin Kyaw undertook a State Visit to India from August 27-30, 2016.
- State Counsellor Daw Aung San Suu Kyi undertook a State Visit to India on 17- 19 October 2016 after participating in the BRICS-BIMSTEC Outreach Summit in October, at Goa.

1.2.2. Trade

- **A bilateral Trade Agreement was signed in 1970.** Bilateral trade has been growing steadily to reach US\$2178.44 million (2016-17), of which Indian exports amounted to US\$1111.19 million and Indian's imports to US\$1067.25 million.
- **India is the fifth largest trading partner of Myanmar** but trade remains below potential. **Agriculture sector dominates trade**, particularly supply of beans & pulses to India (\$ 809million, 2016-17) and timber (\$ 156 million).
- India's exports to Myanmar include sugar (\$ 424 million), pharmaceuticals (\$ 184 million), etc.
- **Border trade via Moreh and Zawkhatar** reached to \$ 87.89 million; Indian exports being \$ 24.44 million and Indian imports being \$ 63.46 million.
- **India is presently the tenth largest investor** with an approved investment of US\$ 740.64 million by 25 Indian companies (as of 30Jun 2017). Most India's investments have been in oil & gas sector. 100% FDI is allowed in select sectors. Indian companies have evinced interest in investing in Myanmar and major contracts have been won by Indian companies.

1.2.3. Development Assistance

- Currently, according to the MEA, **India's commitment to Myanmar's development stands at over US\$ 1.726 billion**, which is more than the assistance offered by other countries.
- India has committed to provide **grant-in-aid assistance amounting to almost Rs 4000 crore**. These include support for:
 - the **Kaladan Multimodal Transit Transport Project**;
 - the **Trilateral Highway Project**, which is an East-West corridor connecting our Northeast with Myanmar and Thailand;
 - the **Rhi-Tiddim road**;
 - supply of Bailey bridges;
 - assistance for **border area development in the Naga Self Administered Zone** by financing bridges, roads, schools and small health centers;
 - assistance in **setting up institutions for higher learning and research**, namely Myanmar Institute of Information Technology, Advance Centre for Agricultural Research and Education, Myanmar-India Entrepreneurship Development Centre, Myanmar-India Centre for English Language Training, India-Myanmar Industrial Training Centres, assistance in public health by supporting upgradation of Yangon Children's Hospital,

Sittwe General Hospital etc.

- **Disaster Relief:** India has responded promptly and effectively to assist Myanmar in humanitarian relief operations following natural calamities like Cyclone Mora (2017), Komen (2015), Cyclone Nargis in 2008, and earthquake in Shan Statein 2010.
- On 20 December 2017, India and Myanmar an MoU, as a government-to-government (G2G) agreement on long-term socio-economic development of Rakhine, with US\$ 25 million commitment from India.

Map5.2 Kaladan Multimodal Transit Transport Project



Image Source: http://www.myanmarmatters.com/wp-content/uploads/2014/04/Vol6_014.jpg

1.2.3.1. Kaladan Multi Modal Transit Transport Project

- The project includes a waterways component of 158 km on Kaladan river from Sittwe to Paletwa in Myanmar and a road component of 109 km from Paletwa to Zorinpui on the India-Myanmar border in Mizoram State. The waterways component comprises Sittwe Port, Inland Water Transport (IWT) terminals, backup facilities and navigational channel.
- Mooted in 2003, India entered a framework agreement with Myanmar for Kaladan project in 2008. Construction began in 2010 with a deadline in June 2015. However, the project faced delays especially on the road project. Inadequate fund allocation and planning failure were seen as major reasons for the delay.
- The project is being implemented with GoI's grant assistance under the head of 'Aid to Myanmar'
- By Early 2017, Under waterways component, Port and Inland Water Transport (IWT) terminal at Sittwe and related infrastructure/back up facilities; IWT/trans-shipment terminal and related facilities at Paletwa; navigational channel along Kaladan river from Sittwe to Paletwa and six self-propelled IWT vessels have been completed.
- The construction of the road component is behind schedule. The work on road construction has already been awarded on 17 March 2017 and the construction period is 36 months.
- According to sources, as per the framework agreement, India should also set up an SEZ at Sittwe, which is located closer to the Chinese port and SEZ at Kyaukphyu.

1.2.4. Security

- The Indian Armed Forces have traditionally had friendly relations with their Myanmar counterparts.
- Both countries face problems of armed separatist groups using each other's soil.
- The KIA, an insurgent group in Myanmar, has backed India's north-eastern separatist groups such as ULFA and the NSCN (Khaplang), in consultation with government officials in China's neighbouring Yunnan province.

1.2.5. Bilateral Cooperation in Regional/Sub-Regional Context

- Myanmar's membership of ASEAN, BIMSTEC and Mekong Ganga Cooperation has introduced a regional/sub-regional dimension to bilateral relations and imparted added significance in the context of our "Act East" policy.
- Myanmar has generally been supportive of India's stand to various international organisations.
- India supported the inclusion of Myanmar as an observer in SAARC in 2008

1.2.6. Chinese Involvement in Myanmar

- Large Chinese infrastructure and mining projects in Myanmar have come up since the early 1990s, with scant regard for environmental degradation and displacement.
- China has increased its economic profile in the country in recent times pushing for a special economic zone at Kyauk Phyu among other projects. The special economic zone, expected to cover more than 4,200 acres (17 sq. km), includes the \$7.3 billion deep sea port and a \$2.3 billion industrial park, with plans to attract industries such as textiles and oil refining, a Reuters report said.
- It also used short-sighted western aid policies to acquire considerable leverage within Myanmar.
- China now has an ability to significantly influence Myanmar insurgent groups such as the United WA State Army (UWSA) and Kachin Independence Army (KIA).
- Its navy recently held joint exercises along Myanmar's shores.

1.2.7. Significance of Myanmar

- Myanmar is seen as a crucial partner in the fight to end insurgency in India's north-east,
- as a gateway to South-East Asia and
- a key component of new vision for South and South-East Asian regional cooperation and India's Act East Policy.
- It has significant hydrocarbon resources
- It is also a neighbor that is increasingly being wooed by China.

1.2.8. What Should India Do?

- India needs to review and restructure its economic cooperation with Myanmar, with an increasing focus on assisting the populations living close to our borders through imaginative schemes for education, health, communications and small/village industries.
- India has already extended nearly \$2 billion in soft loans. It has offered to help Myanmar developmental assistance in the areas it wants rather than be prescriptive.
- Here the need is to address delays in project implementation.
- India is keen to signing an agreement with Myanmar to streamline the free movement of people within 16 km along the border. A MoU was signed between the countries in this context in September 2017. In January 2018 the Union Cabinet had approved proposed agreement between India and Myanmar on land border crossing to enhance economic interaction between people of the two countries. However, This agreement is yet to be signed between the two countries.

India has shown understanding of Myanmar's internal problems of insurgency and the Rohingya issue. Cooperation can be furthered in accordance with the **Key Points of Joint Statement Issued in 2017 during P.M. Modi's visit to Myanmar**

- "India condemned the recent terrorist attacks in northern Rakhine State, wherein several members of the Myanmar security forces lost their lives. Both sides agreed that terrorism violates human rights and there should, therefore, be no glorification of terrorists as martyrs."
- On its part, Myanmar "reaffirmed its respect of the sovereignty and territorial integrity of India and steadfastly upheld the policy of not allowing any insurgent group to utilise Myanmar's soil to undertake hostile acts against the Indian Government.

1.3. BIMSTEC

- India's strategy is to bridge south and South-East Asia. In this context groupings such as the BIMSTEC and Mekong Ganaga Cooperation are significant.
- The **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) formed in 1997**.
- It comprises **Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand**, and brings together 1.5 billion people or 21% of the world population and a combined gross domestic product (GDP) of over \$2.5 trillion.
- For India, making BIMSTEC work is important as for years it has blamed Pakistan for holding back the SAARC.
- India's leadership in activating the BIMSTEC was evident in the **BRICS-BIMSTEC outreach hosted in Goa in 2016**.

1.4. Mekong-Ganga Cooperation

- The **Mekong-Ganga Cooperation (MGC)** is an initiative by six countries – India and five ASEAN countries, namely, Cambodia, Lao PDR, Myanmar, Thailand and Vietnam for cooperation in tourism, culture, education, as well as transport and communications.
- It was launched in 2000 at Vientiane, Lao PDR. Both the Ganga and the Mekong are civilizational rivers, and the MGC initiative aims to facilitate closer contacts among the people inhabiting these two major river basins. **The MGC is also indicative of the cultural and commercial linkages among the member countries of the MGC down the centuries.**
- Indian drafted a Plan of Action (POA) 2016-18 which was endorsed to become the core guideline for future action. On the future direction of MGC, it was recommended that POA 2016-18 may be continued.

2. Association of South East Asian Nations (ASEAN)

2.1. What is ASEAN?

- The **Association of South East Asian Nations (ASEAN)** was founded in 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand to promote political and economic cooperation and regional stability. It based on the vision of an ASEAN Community comprised of three pillars, the Political-Security Community, Economic Community and Socio-Cultural Community.

Map 5.3 ASEAN Members



Image Source:

https://assets.weforum.org/editor/i4SuKiQBoWo0xuL_rK4bt5ymoHAc14VZxI_r976m-P4.PNG

- In 1976, the members signed the Treaty of Amity and Cooperation, emphasizing ASEAN's promotion of peace, friendship, and cooperation to build solidarity.
- The members signed a deal in 1995 to create a nuclear-free zone in Southeast Asia
- It has evolved into a **regional grouping that promotes economic, political, and security cooperation among its members.**
- **10 States are part of the ASEAN** (Myanmar, Thailand, Laos, Cambodia, Vietnam, Malaysia, Singapore, Indonesia, Brunei, Philippines). East Timor is an observer state.
- **It's secretariat is based in Jakarta.**
- ASEAN is chaired by an annually rotating presidency. Decisions are reached through consultation and consensus guided by the principles of noninterference in internal affairs and the peaceful resolution of conflicts.
- In 2007, the ten members adopted the ASEAN Charter
- ASEAN countries have a population of nearly 640 million people and a combined GDP of \$2.57 trillion. Since the start of the **ASEAN free trade area in 1993**, intra-ASEAN trade has grown from 19.2 percent to 25.9 percent in 2016.
- The group has **spurred economic integration**, signing **six free-trade agreements with other regional economies (Australia, China, India, Japan, New Zealand and South Korea)**
- Critics argue that ASEAN's impact is limited by a lack of strategic vision, diverging national priorities, and weak leadership. The bloc's **biggest challenge is negotiating a unified approach to China**, particularly in response to its widespread maritime claims in the South China Sea.

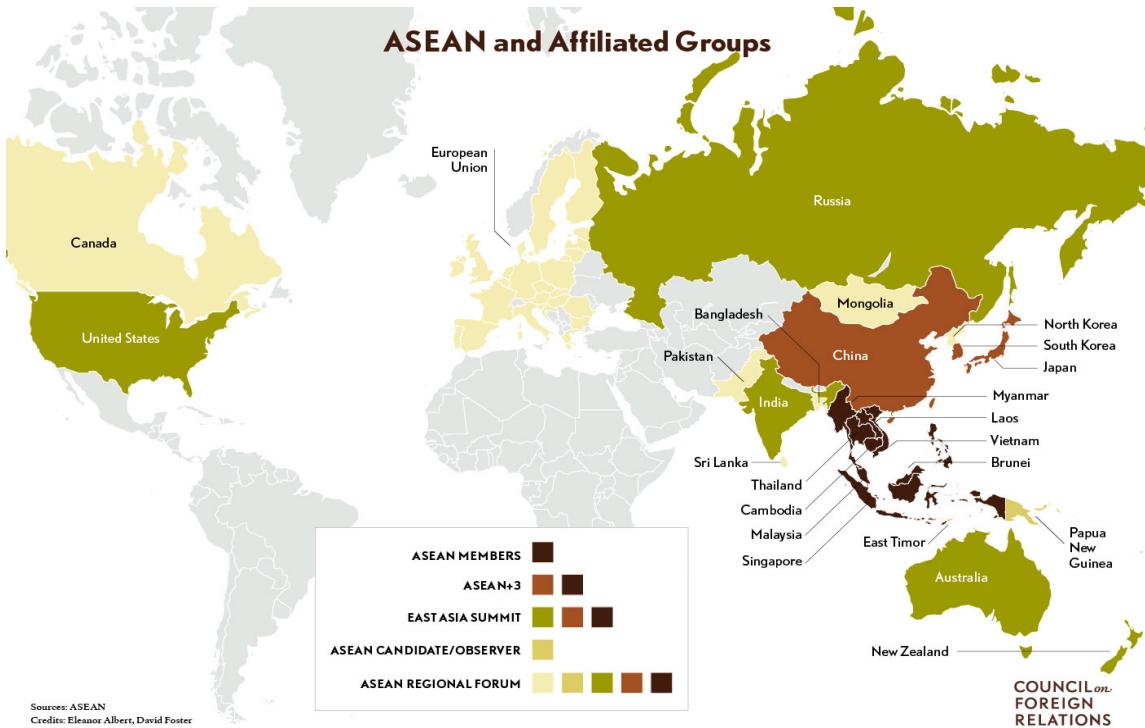
Map 5.4-ASEAN and Affiliated groups

Image Source: <https://www.cfr.org/content/publications/ASEAN-Affiliated-Groups-Final.jpg>

- **ASEAN security challenges** include border disputes, human trafficking, natural and manmade disasters, food security, and cross-border terrorism and insurgencies.
- **Regional security issues are dealt with through ASEAN or the following ASEAN-led forums**

ASEAN Regional Forum (ARF)-

- **the twenty-seven-member multilateral grouping** was developed to **facilitate cooperation on political and security issues** to contribute to regional confidence-building and preventive diplomacy.
- **First meeting Held at Bangkok, Thailand, in 1994.**
- It includes **ASEAN and 10 dialogue partners** i.e Australia, Canada, China, the European Union, India, Japan, South Korea, Russia, New Zealand, and the United States. Also included are the Papua New Guinea, Democratic People's Republic of Korea, Mongolia, Pakistan, Timor-Leste, Bangladesh and Sri Lanka.
- Unique among international organizations of its type, the ARF is characterized by minimal institutionalization, decision making by consensus, and the use of both "first track" (official) and "second track" (nonofficial) diplomacy.

East Asia Summit (EAS)

- **Established in 2005**, EAS is a **unique Leaders-led forum of 18 (10+8)**. It seeks to **promote security and prosperity** in the region and is usually attended by the heads of state from **ASEAN, Australia, China, India, Japan, New Zealand, Russia, South Korea, and the United States**.
- It has evolved as a **forum for strategic dialogue and cooperation** on political, security and economic issues of **common regional concern** and plays an important role in the regional architecture.

ASEAN+3

- The ASEAN Plus Three (APT) cooperation process began in December 1997 with the convening of an Informal Summit among the Leaders of ASEAN and China, Japan and the South Korea. The APT Summit was institutionalised in 1999 when the Leaders issued a Joint Statement on East Asia Cooperation at the Third APT Summit in Manila.

2.2. India and South East Asia

2.2.1. Background

- India and South East Asia have age old cultural and civilisation ties. Hinduism, Buddhism and Islam spread from India to the region and the imprint of this shared cultural heritage is also seen in art forms and architecture.
- Geography** played an important role in the maritime connectivity through the Monsoon.
- British colonial period saw many from India to migrate to the region and the Indian National Army received support from this region.
- Cold war period saw estrangement as the region came under the American influence and India charted its own path. Nonetheless Indonesia was an important part of the NAM.
- The End of Cold war brought new orientation and India moved ahead with the “Look East Policy” to cement ties with the region
- In recent times the Act East policy of India accords greater significance to the region.
- 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 (ASEM), East Asia Summit (EAS), ASEAN Regional Forum (ARF), ASEAN Defence Ministers' Meeting + (ADMM+) and Expanded ASEAN Maritime Forum (EAMF).
- In the present geopolitical situation, Southeast Asia is the most important focal point of India's foreign policy.
- By focusing on connectivity, the government wants to make the point that it considers the region a part of its immediate, not extended, neighbourhood, given that it shares maritime boundaries with some countries and also land boundary in the case of Myanmar.
- India and ASEAN have just completed 25 years of dialogue partnership, 15 years of summit-level interaction and five years of strategic partnership.
- The P.M participated in the 15th ASEAN-India Summit and 12th East Asia Summit in Manila, Philippines (November 14, 2017)
- India hosted the leaders of all 10 ASEAN nations for the 2018 Republic Day. As part of a commemorative summit.

2.2.2. From Look East to Act East: Evolving Policy Framework

In the context of South East Asia, India's Look East Policy (LEP) has been a major pillar of our foreign policy since the early 1990s. In the second half of 2014, LEP was upgraded to Act East Policy which focuses on the extended neighbourhood in the Asia-Pacific region. The policy which was originally conceived as an economic initiative, has gained political, strategic and cultural dimensions including establishment of institutional mechanisms for dialogue and cooperation.

The key principles and objectives of "Act East Policy" is to promote economic cooperation, cultural ties and develop strategic relationship with countries in the Asia-Pacific region through continuous engagement at bilateral, regional and multilateral levels thereby providing enhanced connectivity to the States of North Eastern Region with other countries in our neighbourhood.

2.2.3. The Look East Policy

- Under PM Narasimha Rao & finance minister Manmohan Singh, India initiated upon the “look east policy”- The principal aim of the policy was to pursue a policy of active engagement with countries of South East Asia. Primary focus of this policy was the fast growing economies of Association of Southeast Asian Nations (ASEAN) and its member-countries, particularly Malaysia, Singapore, Thailand, Indonesia and Burma/Myanmar.
- Factors responsible for India’s Look East Policy:
 - Collapse of Soviet Union- the collapse of India’s long term ally left India isolated on the International arena. Moreover, the gulf crisis, the spike in oil prices, the collapse of rupee-ruble agreement, all left India on its own, without an ally on the international scene. This made search for new partners imperative.
 - Balance of Payment crisis- The BoP crisis & the conditions imposed upon it for obtaining loans from IMF resulted in India opening up its market by reducing tariffs to the world. Thus providing a ready market for goods.
- During this initial phase the focus was on establishing trade & economic linkages with East Asian countries & for achieving this aim, it went ahead to foster greater trade & economic linkages with ASEAN group of countries.
- In this period India became a sectoral dialogue partner of ASEAN in 1992 and then becoming a Summit level partner in 2002.
- Trade between India and ASEAN multiplied fourfold — from \$ 3.1 billion in 1991 to about \$ 12 billion in 2002.

2.2.4. Taking the Look East Forward: Look East 2.0 or the New Look East

While the focus of First phase of Look East policy was primarily on economic engagement, in the second phase along with deepening of the economic ties, strategic & domestic dimensions gained salience.

- Thus the three guiding parameters for Look East 2.0 were-
 - Deeper & wider economic engagements- Deeper economic engagements would involve establishing institutional linkages between India & ASEAN group of countries. **2010- India signed a Free Trade Agreement (FTA) with ASEAN in goods.** (This is the first trade bloc with which India finalized a FTA). In 2012, trade between India and ASEAN stood at \$80 billion. Following the implementation of FTA in goods, trade grew by 41 per cent in 2011-12. Two-way flows in investments have also grown rapidly to reach \$43 billion over the past decade.
 - Strategic & Security Component- The phenomenal rise of China has been a cause of concern for many ASEAN countries & also for other East Asian one’s including Japan, South Korea etc. **The rise of China has been accompanied by its growing assertiveness** in its backyard is seen in the frequency with which it has asserted claims in south china sea & east china sea. These countries view India as a possible partner in their effort to maintain balance of power & peace in the region. India tacitly seems to share this concern as was reflected in PM’s speech in 2012- “**India looks at ASEAN not simply as an institution of economic development but also as an integral part of India’s vision of stable, secure & prosperous Asia**”. However, India does not see itself as adopting a confrontationist attitude with China, even as it steps up engagement with both ASEAN & countries like Japan.
 - Domestic dimension- **Looking East through the North East.** India has lagged behind in economic growth, trade, industrialization & connectivity. Apart from this, the long porous borders have been a security issue. These factors coupled with ethnic issues have fuelled insurgency in the region. **Establishing trade & connectivity links with South East Asian countries via North East has been one of the focus areas under the**

Look East policy 2.0. This aimed at economically strengthening the region. For this purpose, the following initiatives came up in this period suggested-

- (a) Trilateral Highway- India-Myanmar-Thailand
- (b) Kaladan Multi Modal Transport
- (c) Mekong Ganga Corridor
- (d) Bangladesh-China-India-Myanmar Corridor

2.2.5. The Act East: Action and Implementation Oriented Approach to a Wider East

- The Look East Policy has today matured into a dynamic and action oriented 'Act East Policy. PM at the 12th ASEAN India Summit and the 9th East Asia Summit held in Nay Pyi Taw, Myanmar, in November, 2014, formally enunciated the Act East Policy.
- India's Act East Policy focusses on the extended neighbourhood in the Asia-Pacific region.
- The policy which was originally conceived as an economic initiative, has gained political, strategic and cultural dimensions including establishment of institutional mechanisms for dialogue and cooperation.
- India has upgraded its relations to strategic partnership with Indonesia, Vietnam, Malaysia, Japan, Republic of Korea (ROK), Australia, Singapore and Association of Southeast Asian Nations (ASEAN) and forged close ties with all countries in the Asia-Pacific region.
- Further, apart from ASEAN, ASEAN Regional Forum (ARF) and East Asia Summit (EAS), India has also been actively engaged in regional fora such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Asia Cooperation Dialogue (ACD), Mekong Ganga Cooperation (MGC) and Indian Ocean Rim Association (IORA).
- Act East Policy has placed emphasis on India-ASEAN cooperation in our domestic agenda on infrastructure, manufacturing, trade, skills, urban renewal, smart cities, Make in India and other initiatives.
- Connectivity projects, cooperation in space, S&T and people-to-people exchanges could become a springboard for regional integration and prosperity.
- **The North East of India has been a priority in our Act East Policy (AEP).** AEP provides an interface between North East India including the state of Arunachal Pradesh and the ASEAN region. Various plans at bilateral and regional levels include steady efforts to develop and strengthen connectivity of Northeast with the ASEAN region through trade, culture, people-to-people contacts and physical infrastructure (road, airport, telecommunication, power, etc.). Some of the major projects include Kaladan Multi-modal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway Project, Rhi-Tiddim Road Project, Border Haats, etc.

2.3. India-Asean

- India's relationship with ASEAN is a key pillar of our foreign policy and the foundation of our Act East Policy.
- The up-gradation of the relationship into a Strategic Partnership in 2012 was a natural progression to the ground covered.
- India became a Sectoral Partner of the ASEAN in 1992, Dialogue Partner in 1996 and Summit Level Partner in 2002.
- There are, in total, 30 Dialogue Mechanisms between India and ASEAN, cutting across various sectors.

- **Mission to ASEAN:** India has set up a **separate Mission to ASEAN and the EAS** in Jakarta in April 2015 with a dedicated Ambassador to strengthen engagement with ASEAN and ASEAN-centric processes.
- **Delhi Dialogue:** India has an annual **Track 1.5 event** Delhi Dialogue, **for discussing politico-security and economic issues** between ASEAN and India. Since 2009, India has had nine editions of this event. The 9th edition of Delhi Dialogue was hosted by the MEA on 4-5 July 2017 in New Delhi.

2.3.1. India-ASEAN: Recent Developments

- India hosted leaders of the 10 ASEAN nations **ASEAN-India Commemorative Summit** to mark the **25th Anniversary of ASEAN-India Dialogue Relations in January 2018**. This occasion marked the release of **Delhi declaration**.
- In November **2017 PM participated in the 15th ASEAN-India** Summit on the sideline of the **31st ASEAN** Summit in Manila.
- The **ASEAN-India connectivity summit in Delhi from December 11-12 2017** saw participation from all the 10 ASEAN countries along with Japan.
- The summit also focused on **ensuring better digital connectivity as the government looks to align its initiative with ASEAN's Master Plan on Connectivity, 2025**, which centres on **five strategic areas**:
 - sustainable infrastructure,
 - digital innovation,
 - seamless logistics,
 - regulatory excellence and
 - people's mobility.
- The summit looked at regulatory frameworks to support digital technologies, financing of digital infrastructure and use of technology by MSMEs
- **India had, in 2015, proposed a \$ 1 billion line of credit to promote projects with ASEAN.** In addition.
- India has also set up a **project development fund of \$77 million for developing manufacturing hubs in CLMV (Cambodia, Laos, Myanmar and Vietnam) countries**.
- **Japan had inaugurated an Act East forum with India on 5 December 2017.** The forum is also meant to **expand cooperation with the Japan in the north east**.
- India and Japan seek to counter balance China's OBOR that is often accused of following exploitative debt financing practice.
- **Japan's Free and Open Indo-Pacific strategy converges with India's Act East Policy**, and this is specifically beneficial for India's Northeast where these initiatives geographically converge.

2.3.2. Trade

- India-ASEAN trade and investment relations have been growing steadily.
- **ASEAN is India's fourth largest trading partner.**
- India's trade with ASEAN has increased to US\$ 70 billion in 2016-17 from US\$ 65 billion in 2015-16.
- India's export to ASEAN has increased to US\$ 31.07 billion in 2016-17 from US\$ 25 billion in 2015-16.
- India's import to ASEAN increased by 1.8% in 2016-17 vis-à-vis 2015-16 and stood at US\$ 40.63 billion.
- The trade represents 10.85% of India's total trade with the world.

2.3.3. Investment

- Investment flows are also substantial both ways:
- With ASEAN accounts for approximately 12.5% of investment flows into India since 2000.
- FDI inflows into India from ASEAN between April 2000 to August 2017 was about US\$ 514.73 billion,
- FDI outflows from India to ASEAN countries, the from April 2007 to March 2015, as per data maintained by DEA, was about US\$38.672 billion.
- The final agreement on ASEAN-India Free Trade Area signed on was on 13 August 2009. The free trade area came into effect on 1 January 2010. ASEAN-India Free Trade Area has been completed with the entering into force of the ASEAN-India Agreements on Trade in Service and Investments on 1 July 2015.
- **India has setup Project Development Fund with a corpus of INR 500 crores to develop manufacturing hubs in CLMV countries** at the 13th ASEAN India Summit held in Malaysia in November 2015.

2.4. RCEP Negotiations: From Trade to Economic Partnership

- While the India-ASEAN Trade in Goods Agreement was inked and enforced from January 1, 2010, India's goods trade deficit with ASEAN widened from \$4.98 billion in 2010-11 to \$14.75 billion in 2015-16, and then narrowed to \$9.56 billion in 2016-17.
- **The huge goods trade deficit has led to questions on whether the pact is only helping ASEAN nations and not benefiting India.**
- **In this context the Proposed Regional Comprehensive Economic Partnership (RCEP) is significant.** The 19th round of the Trade Negotiating Committee (TNC) meetings and other related meetings were held from 17 to 28 July 2017 in Hyderabad, India. 20th round of negotiations for RCEP were held in Incheon, Korea, from October 17 to 28, 2017.
- **RCEP is a proposed comprehensive regional economic integration agreement or a mega Free Trade Agreement amongst the 10-ASEAN countries** (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam) **and its six Free Trade Agreements.**
- The RCEP involves **negotiations in goods, services, investment, economic and technical cooperation, intellectual property rights, competition, dispute settlement and other issues like Rules of Origin, customs procedures and trade facilitation measures.**
- The RCEP involves 16 countries:
 - China, Japan and South Korea in North-east Asia;
 - the ten ASEAN members in South-east Asia; and
 - three non-East Asian countries -- India, Australia and New Zealand.

2.4.1. Significance of RCEP

- The economies of **countries involved in RCEP negotiations account for about half of the world's population, and about 30% of the global GDP.**
- After the USA pulled out of the Trans Pacific Partnership (TPP) under President Trump, the **RCEP is the most significant integration platform for the whole of the Asia-Pacific, including most of the countries that were involved in the TPP.**
- Why should India Join RCEP:
- India should join it because it will mean
 - **Access to the Asia Pacific region** which will be important for its future economic and strategic status in the region.
 - **It will deepen its ties with the ASEAN further.**

- RCEP is also an important opportunity for India to meet the higher standards promoted by a mega Regional Trading Agreement (RTA) while it continues to support its domestic industries and promotes the development dimensions of trade.
- India has indicated its interest especially in expanding trade in services, removing trade barriers as well as specific interest in trade in goods like pharmaceuticals and textiles.

2.4.2. RCEP and India's Current Concerns

- India currently faces a demand to eliminate duties on 92% of its products and perhaps keep very low duties on another 7%, covering a total of 99% of all its agricultural and industrial products.
- What is troubling the government is the fact that other **RCEP countries have so far been lukewarm to India's demands for greater market access in services**, particularly on easing norms on the movement of professionals and skilled workers across borders for short-term work.
- **India has said no to e-commerce negotiations at the WTO and any difference in its stance at the RCEP is likely to have repercussions.**
- **RCEP has been criticized by global and Indian health activists for potentially forcing India to end its cheap supply of drugs**, specially related to HIV/AIDS to developing countries, especially Africa. **India has to be wary of measures that may lead to its losing the right to produce cheap generic drugs due to the enforcement of a strict IPR regime related to patent term extension and data exclusivity.**
- **In 2017 the Ministry of External Affairs (MEA) has taken a strong stand that the country should restrain itself from concluding any such pact from which it would not gain in the medium term.**
- Foreign Secretary S. Jaishankar's comments before **Department Related Parliamentary Standing Committee on Commerce** in June 2017, called for observance of due restraint and not conclude trade arrangements which are not to our medium term advantage." **The panel's report is on 'trade with Association of South East Asian Nations (ASEAN)' was released on December 18 2017.** According to the report, the senior official "submitted that a lot of our [India's free trade] agreements have not served as well as they could have."
- Referring to the RCEP before the standing committee, Mr. Jaishankar had said that "**though larger FTAs are important for getting preferential access to the markets, it is important to be cautious about the manner in which such arrangements work out in respect of our imports** as well as on our efforts to increase the share of manufacturing sector in our economy."
- Mr. Jaishankar stressed that **India's external trade arrangements must be supportive of the Make in India initiative.** As per the committee's report, he pointed out that "emphasis in these trade arrangements is mostly on trade in goods and the same enthusiasm is not shared for trade in services. The reluctance in giving market access for trade in services is a big challenge."
- The official added that such a strong stand would also be adopted in other negotiations including those on the proposed India-European Union Broad Based Trade and Investment Agreement.
- **At the ASEAN-India commemorative summit held on January 25 2018**, the issue of the long-delayed Regional Comprehensive Economic Partnership (RCEP) was taken up and **India has maintained commitment to take the process forward.**

2.5. Connectivity

ASEAN-India connectivity is a priority for India as also the ASEAN countries.

- In 2013, India became the third dialogue partner of ASEAN to initiate an ASEAN Connectivity Coordinating Committee-India Meeting.
- India has made considerable progress in implementing the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multimodal Project,
- issues related to increasing the maritime and air connectivity between ASEAN and India and transforming the corridors of connectivity into economic corridors are under discussion.
- **A possible extension to India-Myanmar-Thailand Trilateral Highway to Cambodia, Lao PDR and Viet Nam is also under consideration.**
- A consensus on finalising the proposed protocol of the India-Myanmar-Thailand Motor Vehicle Agreement (IMT MVA) has been reached. This agreement will have a critical role in realizing seamless movement of passenger, personal and cargo vehicles along roads linking India, Myanmar and Thailand.
- In 2015 PM announced a Line of Credit of US\$ 1 billion to promote projects that support physical and digital connectivity between India and ASEAN and
- India has also organized a Connectivity Summit in December 2017.

2.6. Security Factor in the region

Faced with growing traditional and non-traditional challenges, politico-security cooperation is a key and an emerging pillar of this relationship:

- Maritime security-Safeguarding Sea lanes of communication and combating piracy
- Radicalisation and terrorism
- Drug trafficking and Human trafficking
- South China Sea disputes
- In this context India has following attributes that can enhance cooperation:
 - **Tri services command in Andaman and Nicobar**
 - Participation in forum for ASEAN security dialogue such as the **ASEAN Regional Forum (ARF)**. India has been attending annual meetings of this forum since 1996 and has actively participated in its various activities.
 - **The ASEAN Defence Ministers' Meeting (ADMM) Plus** is the highest defence consultative and cooperative mechanism in ASEAN. The ADMM+ brings together Defence Ministers from the 10 ASEAN nations plus Australia, China, India, Japan, New Zealand, Republic of Korea, Russia, and the United States on a biannual basis.
 - **Expanded ASEAN Maritime Forum (EAMF)** is an avenue for track 1.5 diplomacy focusing on cross cutting maritime issues of common concern.
 - **CSCAP: Council for Security and Cooperation in the Asia Pacific**, is a **Track-2 organ of the security related bodies, such as ARF, EAS and the ADMM**. India was given a membership of the CSCAP in 2000 and participates in periodic conference that acts as forum for regional scholars and experts to exchange views and often provide useful policy option for Track-1.
- In the **Delhi declaration 2018** the two sides reaffirmed the:
 - **commitment to work closely together on common regional and international security issues of mutual concern** and ensure an open, transparent, inclusive and rules-based regional architecture through existing ASEAN-led frameworks and mechanisms
 - importance of **maintaining and promoting peace, stability, maritime safety and security, freedom of navigation and overflight in the region** and other lawful uses of the seas and unimpeded lawful maritime commerce and to **promote peaceful resolutions of disputes, in accordance United Nations Convention on the Law of the**

- Sea (UNCLOS)**, and the relevant standards and recommended practices by the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO).
- **Strengthen maritime cooperation through existing relevant mechanisms and work together to prevent and manage accidents and incidents at sea** and promote effective coordination between ASEAN and India in maritime search and rescue.
 - **Deepen cooperation in combating terrorism in all its forms and manifestations, violent extremism and radicalisation** through information sharing, law enforcement cooperation and capacity building under the existing ASEAN-led mechanisms.
 - **Support the implementation of the Langkawi Declaration on the Global Movement of Moderates** to promote peace, security, upholding rule of law,
 - **Commitment and promote comprehensive approach to combat terrorism** through close cooperation by **disrupting and countering terrorists, terrorist groups and networks**, including by **countering cross border movement of terrorists** and foreign terrorist fighters and **misuse of Internet including social media** by terror entities; strengthen cooperation to stop **terrorism financing efforts, and prevent recruitment of members of terrorist groups**; support efforts in targeting terrorist groups and sanctuaries; and take further urgent measures to counter and prevent the spread of terrorism, while stressing that there can be no justification for acts of terror on any grounds whatsoever.
 - **Work together with the international community to ensure compliance with the relevant United Nations Security Council resolutions** regarding counter-terrorism, and to note efforts on the negotiations of the **Comprehensive Convention on International Terrorism (CCIT) at the United Nations**.
 - **Strengthen cooperation between ASEAN and India on cyber-security capacity building** and policy coordination, including through supporting the implementation of the ASEAN Cybersecurity Cooperation Strategy. **The declaration also proposed First ASEAN-India Cyber Dialogue in 2018.**

2.6.1. The South China Sea Disputes

- Since the 1970s, the South China Sea has been a nest of competing sovereignty claims over the island features and ocean spaces by a number of adjacent countries.
- The South China dispute is over territory, sovereignty and maritime rights and entitlement, particularly along the Paracel and the Spratly island chains.
- These island chains are claimed by a number of countries in the region including China, Vietnam, the Philippines, Malaysia, Indonesia and Brunei.
- China through its unilateral 9 dash lines, declared in 1947, claims nearly the entire south China Sea.
- The islands lie among the world's busiest shipping lanes and have vast mineral resources around them, making them highly strategic assets.
- In addition, China has recently engaged in, amongst other things, the physical enhancement of many of the small features of the Spratly Islands and enforcement of a moratorium on fishing in the South China Sea.

Map 5.5 South China Sea



Image Source:

https://cdn.staticeconomist.com/sites/default/files/images/2017/05/blogs/economistexplains/20170527_sm909.png

2.6.1.1 Recent Dispute and International Ruling

- In 2013, the Philippines commenced a case against China under the provisions of UNCLOS, to the Permanent court of Arbitration in the Hague. Although a long-standing party to the Convention, China declined to participate in the establishment of the Tribunal or to appear before it.
- An Arbitral tribunal was constituted under annex vii to the 1982 UNCLOS.
- Issues concerned: legal basis of maritime rights and entitlements in the South China Sea, the status of certain geographic features in the South China Sea, and the lawfulness of certain actions taken by China in the South China Sea.
- China viewed the principal subject matters in dispute as political and beyond the jurisdiction and competence of the Tribunal.
- The tribunal, issued in 2015 an Award on Jurisdiction, stating that it had jurisdiction to consider the merits of almost all the Submissions made by the Philippines.
- In 2016 a final Award ruled that many of China's maritime claims in the South China Sea were contrary to the United Nations Convention on the Law of the Sea (UNCLOS) and had thereby violated Philippine sovereign rights and freedoms.
- China states that the both awards are "null and void" and have "no binding force".

2.6.2. India's Position

- More than 55 % of India's trade passes through the region.
- India has significant investments in the hydrocarbon sector along the Vietnam coast, in South China Sea.
- Thus, India has advocated a peaceful resolution of differences in the framework of international law.

- At the same time India has expressed its **resolute position supporting the freedom of navigations and open Sea lanes of Communication**. India's reaction to the PCA verdict emphasized on **freedom of navigation, over-flight and the rule of law**.
- Chinese maritime power in South East Asia has a direct bearing on the it navies' power projection plans in the Indian Ocean. From an Indian perspective, **China's growing military presence in the South China Sea has a destabilizing effect on the wider Asian littorals**, as it exacerbates existing power asymmetries.
- By taking a principled stand on the territorial disputes, India must contribute to the restoration of strategic equilibrium in the Indo-Pacific.**
- In the Delhi declaration 2018 India supported the **full and effective implementation of the Declaration on the Conduct of the Parties in the South China Sea (DOC)** and look forward to an early conclusion of the **Code of Conduct in the South China Sea (COC)**.

2.6.3. Need for Further Action:

- It is essential to recognize that **India's domain of maritime interest- now stretching across the Indo-Pacific provides multiple opportunities**
- India needs to **expand the vision of SAGAR (Security and Growth for All in the Region)** from its Indian Ocean underpinnings to an all-round maritime outreach.
- Promote **collaborative multilateral action** for sustaining "good order at sea". This can be done by fostering cooperation among **regional actors on safety of shipping, anti-piracy operations, search-and-rescue and disaster relief are responsibilities**.
- Without relying too much on US endorsement **India should initiate an "Indo-Pacific Maritime partnership" that seeks mutually-beneficial maritime security cooperation with ASEAN nations**.
- The Delhi Declaration 2018 flags much of these ideas. However ideas need to converted into action and fro that India needs to **craft a National Maritime Strategy**.

2.7. Cultural Ties Between India and South East Asia

- 3 Cs – commerce, connectivity and culture – are at the core of India's Act East policy.
- India's soft power is reflected in**
 - Buddhism, yoga,
 - Revival of Nalanda University,
 - Chairs of Indian studies in universities (Singapore, Malaysia, Indonesia)
 - Indian cultural centres (Jakarta, Bali, Bangkok, Kuala Lumpur, Suva, Lautoka), and
 - joint restoration of monuments (Cambodia, Vietnam, Laos).
- India has been organizing a large number of programmes to boost People-to-People Interaction with ASEAN,
 - such as inviting ASEAN students to India each year for the Students Exchange Programme,
 - Special Training Course for ASEAN diplomats,
 - Exchange of Parliamentarians, Participation of ASEAN students in the National Children's Science Congress, ASEAN-India Network of Think Tanks,
 - ASEAN-India Eminent Persons Lecture Series, etc.
 - In 2017 As part of commomerative events India organised Youth centric Programs such as youth summit, artists camp and music band festival.

2.8. India and Singapore

2.8.1. Background

- Singapore was established as a trading post in 1819.** It became a colony under British India, governed from Calcutta (1830-1867). It became an independent state in 1965.

- Even though small, 700 Sq Kilometre area, Singapore is **strategically located**.
- It has become a melting pot of multiracial and multi cultural identities including people of Indian origi.
- Subhash Chandra Bose had resided in Singapore. Jawahar Lal Nehru visited in 1937 and 1946**
- Founding Prime Minister Lee Kuan Yew** is credited with transforming Singapore into the modern city state with economic might.
- Singapore has been a **staunch supporter of India in ASEAN**. Singapore believes in pivotal role for India in Asia. **Singapore a hub of India's political, economic, security engagement in South East Asia**. Singapore views India as a stabilising force. "India is Neither dominantly western nor eastern oriented, India is India"
- 2015 marked 50th anniversary of the bilateral relations and bilateral ties were elevated to a Strategic Partnership.**
- Relations are underpinned by the **Defence cooperation agreement 2003** and **Comprehensive Economic Cooperation Agreement (CECA)** of 2005.
- The 5-S Plank - Five areas of cooperation to enhance bilateral relations – referred to as 5-S Plank** were agreed during the visit of EAM to Singapore in August 2014. 5S Plank directs the relationship towards- (i) Scale up Trade & Investment; (ii) Speed up Connectivity; (iii) Smart Cities and Urban Rejuvenation; (iv) Skill development; and (v) State focus.

2.8.2. Trade & Investment

- Bilateral trade expanded after the conclusion of CECA from US\$ 6.7 billion in 2004-05 to reach US\$ 16.7 billion in 2016-17.
- Singapore is India's 10th largest bilateral trade partner (2016-17) and the 2nd largest among ASEAN countries with a share of 2.5 % and 2.6 % of overall trade of India and Singapore respectively
- Total foreign direct investments from Singapore into India was USD 57.6 billion (till June 2017) which was 16.8% of total FDI inflow. The outward Indian FDI to Singapore was USD 49.45 billion (till June 2017), making Singapore one of the top destinations for Indian investments.
- 6000, Indian companies are registered in Singapore

2.8.3. Smart Cities

- Singapore has expressed interest in working with India on the Smart Cities initiative. A consortium of Singapore companies is working to develop Amaravati, new capital city of Andhra Pradesh. Singapore is also working with Government of Rajasthan in preparing Concept Plans for townships in Udaipur and Jodhpur and with the Government of Himachal Pradesh for developing an integrated township of Greater Shimla.

2.8.4. Defence Cooperation

- Defence Cooperation Agreement (DCA), signed in October 2003**, and the enhanced DCA signed in November 2015 provides an overarching framework for bilateral defence including includes conduct of policy dialogues, working group and staff talks, exercises, training activities, exhibitions and conferences.
- Pursuant to the enhanced DCA, the inaugural **Defence Minister Dialogue** was held on 3 June 2016.
- Exchange of visits and exercises are regularly held between armed forces of two countries.
- Singapore Armed forces have unique relation.

- Navies have mutual logistical support. Indian Navy can base its Naval vessels at the Changi Naval base permanently. The agreement was strengthened in 2017.
- **Singapore India Maritime Bilateral Exercises (SIMBEX)** Naval exercise was conducted in 2017 in South China Sea. Air force Agreement.
- In November 2017 the two countries signed an **agreement to deepen cooperation in the maritime security domain and called for ensuring freedom of navigation in critical sea lanes** against the backdrop of China's.
- **Agreement provides for** naval cooperation through increased engagement in the maritime security sphere, joint exercises, temporary deployments from each other's naval facilities and logistics support. Increasing military manoeuvres in the India-Pacific region.

2.9. India and Vietnam

- Vietnam declared independence in 1945. Resistance of the French Rule continued after that which ended in the defeat of the French in 1954
- Jawahar Lal Nehru became first foreign leader to visit Vietnam in 1954
- **Doi-Moi reforms**: economic reforms initiated in Vietnam in 1986 with the goal of creating a "socialist-oriented market economy".
- Vietnam much deeper and historical hostility towards China exacerbated by a 1979 war
- A **Strategic Partnership agreement** was signed between India and Vietnam in **2007**.
- A pivot to India's role in South East Asia. Export of technology. Possibility of Export of Brahmos missile
- The two countries had signed a civil nuclear cooperation agreement in 2016, pursuant to which a MoU on Cooperation between the Global Centre for Nuclear Energy Partnership (GCNEP) and the Vietnam Atomic Energy Institute (VINATOM) was signed in 2018.
- **Petroleum Exploration**: In 2006, OVL won a contract to jointly explore, along with PetroVietnam, Blocks 127 and 128 in the Phu Khanh basin, Vietnam. It then signed a three-year deal with Petrovietnam in September 2011 to jointly explore for oil and gas in these blocks. OVL later relinquished Block 127 after it encountered dry wells.
- India signed an agreement with Vietnam in October 2011 to expand and promote oil exploration in South China Sea and stood by its decision despite China's challenge to the legality of Indian presence.
- P.M. Narendra Modi visited Vietnam September 2016, on his way to China for the G-20 summit.
- **PM Modi announced a new line of credit of \$500 million** for Vietnam to facilitate deeper defence cooperation.
- **India already provides Vietnam a \$100 million concessional line of credit**, some of which has been used for procuring Offshore Patrol Vehicles (OPVs),
- Talks continue on Akash Surface to Air Missile systems (SR-SAMS) and Dhruv advanced light helicopters.
- India's outreach to Hanoi comes at a time when the United States has lifted its long-standing ban on the sale of lethal military equipment to Vietnam.
- While India may want to downplay the Brahmos sale at this point in its engagement with Vietnam, a final decision will have to be made soon.

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LECTURE-6

INDIA AND THE INDO-PACIFIC

Contents

1. India and Japan	111
1.1. Background	111
1.1.1. New Era of Relationships	112
1.2. Economy	112
1.2.1. Bilateral Assistance and Investment	112
1.3. Technology Cooperation	113
1.4. The Geo-Strategic Dimension	113
1.4.1. The Island Dispute with China.....	114
1.5. Expanding Scope	114
1.6. Issues to Address	115
2. India and South Korea.....	115
2.1. Background	115
2.1.1. New Era of Relationships	116
2.2. Economy	116
2.3. Cultural Ties	116
3. India-Australia.....	117
3.1. Background	117
3.2 India-Australia: Institutional Mechanisms	117
3.3 India-Australia: Recent Ties.....	118
3.4 India-Australia: Political Cooperation.....	118
3.5 Economic and Trade Relations	118
3.6 Civil Nuclear Cooperation	119
4. India and the Pacific Island Countries	119
4.1. Pacific Ocean and Island Countries	119
4.2. India and the Pacific Island Countries	119
4.2.1. India and Pacific Island Countries: FIPIC	120
4.3 The Concept of Indo-Pacific	120

1. India and Japan

Map 6.1-Japan



1.1. Background

- The friendship between India and Japan has a long history rooted in spiritual affinity and strong cultural and civilizational ties. India's earliest documented direct contact with Japan was with the Todaiji Temple in Nara, where the consecration or eye-opening of the towering statue of Lord Buddha was performed by an Indian monk, Bodhisena, in 752 AD.
- In contemporary times, among prominent Indians associated with Japan were Swami Vivekananda, Gurudev Rabindranath Tagore, JRD Tata, Netaji Subhash Chandra Bose and Judge Radha Binod Pal.
- The Japan-India Association was set up in 1903, and is today the oldest international friendship body in Japan.
- Japan's victory in its war against Russia in 1905 served as an inspiration to many Asian's including in India.
- The two countries have never been adversaries. Bilateral ties have been singularly free of any kind of dispute – ideological, cultural or territorial.
- Post the Second World War, India did not attend the San Francisco Conference, but decided to conclude a separate peace treaty with Japan in 1952 after its sovereignty was fully restored.
- The sole dissenting voice of Judge Radha Binod Pal at the War Crimes Tribunal struck a deep chord among the Japanese public that continues to reverberate to this day.
- Today, India is the largest democracy in Asia and Japan the most prosperous.**
- In the first decade after diplomatic ties were established, several high level exchanges took place, including Japanese Prime Minister Nobusuke Kishi's visit to India in 1957, Prime Minister Nehru's return visit to Tokyo the same year (with a gift of two elephants) and President Rajendra Prasad's visit in 1958.

- A transformational development in the economic history of India was Suzuki Motor Corporation's path breaking investment in India in the early 1980s that revolutionized the automobile sector, bringing in advanced technology and management ethics to India.
- A test of the reliability of Japan as a friend was witnessed in 1991, when Japan was among the few countries that unconditionally bailed India out of the balance of payment crisis.

1.1.1. New Era of Relationships

- The beginning of the 21st century witnessed a transformation in bilateral ties. During Prime Minister Mori's path-breaking visit to India in 2000, the Japan-India Global Partnership in the 21st century was launched.
- The Joint Statement signed by Prime Ministers Manmohan Singh and Shinzo Abe in 2006 factored in the new challenges, and the relationship was upgraded to a Global and Strategic Partnership with the provision of annual Prime Ministerial Summits.
- A Comprehensive Economic Partnership Agreement (CEPA) between Japan and India was concluded in 2011.
- PM Shinzo Abe paid an official visit to India for the 8th Annual Summit with Prime Minister Dr. 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 9th Annual Summit Meeting with Prime Minister Shinzo Abe.
- During the visit in 2014, the two sides upgraded the relationship to a 'Special Strategic and Global Partnership'. Both sides also 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.
- Prime Minister Shinzo Abe Visited India in September 2017

1.2. Economy

- Economic relations between India and Japan have vast potential for growth, given the complementarities that exist between the two Asian economies.
- Japan's interest in India is increasing due to a variety of reasons including India's large and growing market and its resources, especially the human resources.
- The India-Japan Comprehensive Economic Partnership Agreement (CEPA) that came into force in August 2011 is the most comprehensive of all such agreements concluded by India.
- CEPA 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.
- In the Financial Year (FY) 2015-16, India-Japan trade reached US\$ 14.51 billion, showing a decrease of 6.47% over FY 2014-15, when the total bilateral trade was US\$ 15.51 billion. The bilateral trade in the period April-September 2016 was US\$ 6.48 billion. India's export to Japan for 2015-16 was US\$ 4.66 billion; whereas India's Import from Japan for 2015-16 was US\$ 9.85 billion.

1.2.1. Bilateral Assistance and Investment

- Japan has been extending bilateral loan and grant assistance to India since 1958, and is the largest bilateral donor for India.
- Japanese Official Development Assistance (ODA) supports India's efforts for accelerated economic development particularly in priority areas like power, transportation,

environmental projects and projects related to basic human needs. **Multiple mega projects are on the anvil which will transform India in the next decade.**

- The Ahmedabad-Mumbai High Speed Rail,
- the Western Dedicated Freight Corridor (DFC),
- the Delhi-Mumbai Industrial Corridor with twelve new industrial townships,
- the Chennai-Bengaluru Industrial Corridor (CBIC)
- Delhi Metro Project has also been realized with Japanese assistance.
- Last year has seen the highest ever disbursement of official development assistance from Japan in a financial year 2016-17
- **The amount of Japan's cumulative investment in India since April 2000 to September 2016 is US\$ 23.76 billion**, which is nearly 8 per cent of India's overall FDI during this period. Japanese FDI into India has mainly been in automobile, electrical equipment, telecommunications, chemical and pharmaceutical sectors.
- **FDI flows from Japan have almost tripled in last three years (2014-2017).**

1.3. Technology Cooperation

- The bilateral **Science & Technology Cooperation Agreement signed in 1985** underpins the bilateral S&T cooperation. The **India-Japan Science Council (IJSC) was established in the year 1993.**
- In 2006, Department of Science and Technology (DST) initiated a value based partnership working on the principles of 'reciprocity and co-funding with the Japan Society for the Promotion of Science (JSPS) and Japan Science and Technology Agency (JST) through MEXT (Ministry of Education, Culture, Sports, Science and Technology).
- Since May 2015, about 250 students have visited Japan under the annual "**Japan-Asia Youth Exchange Program in Science**" also known as the "**SAKURA Exchange Program**" implemented by DST and JST.
- During the September 2017 visit of Abe to India marked the commencement of the **Mumbai-Ahmedabad high speed rail project (bullet train) with financial and technological support of Japan.**

1.4. The Geo-Strategic Dimension

- The strategic logic underpinning the cooperation between India and Japan is based on:
- **China:** The recent joint statement, 2017, calls for "a free, open and prosperous Indo-Pacific region where sovereignty and international law are respected, and differences are resolved through dialogue, and where all countries, large or small, enjoy freedom of navigation and overflight, sustainable development, and a free, fair, and open trade and investment system." This is an **obvious reference to Chinese assertion in recent times.** The joint statement also endorses the principles on which India decided to sit out the Chinese Belt and Road Initiative (BRI).
- The joint statement is also much more direct in **condemning North Korea and Pakistan.** The statement also hints at the **role of China in creating the international problems that North Korea and Pakistan are today.** In a way, India and Japan show themselves to be an open and democratic bulwark against the conduct of the Rawalpindi-Beijing-Pyongyang axis.
- **Japan has been unsure of the US commitment to its allies ever since Donald Trump started his presidential campaign.** The ICBM (intercontinental ballistic missile) capability of North Korea has aggravated Tokyo's worries about the decoupling of the US-Japan alliance.
- **India-Japan Act East Forum was launched in 2017** to build synergy between India's Act East and Japan's Free and Open Indo-Pacific policies.

1.4.1. The Island Dispute with China

Map 6.2: Japan-China Island dispute



Image Source: https://cdn.static-economist.com/sites/default/files/images/print_edition/20131130_ASM111.png

- Ties between Japan and China have been strained by a **territorial row over a group of islands, known as the Senkaku islands in Japan and the Diaoyu islands in China.**
- At the heart of the dispute are **eight uninhabited islands and rocks in the East China Sea.** They have a total area of about 7 sq km and lie north-east of Taiwan, east of the Chinese mainland and south-west of Japan's southern-most prefecture, Okinawa. The islands are controlled by Japan.
- They matter because they are close to **important shipping lanes, offer rich fishing grounds and lie near potential oil and gas reserves.**
- They are also in a **strategically significant position**, amid rising competition between the US and China for military primacy in the Asia-Pacific region.
- In **2013, China declared a formal Air Defense Identification Zone (ADIZ)** covering airspace over the islands and overlapping with airspace claimed by Japan. The ADIZ declaration required airlines flying over the waters to first notify China.
- The two countries are often at loggerheads with violation of each other's line and scrambling of fighter jets

1.5. Expanding Scope

- In the few years the momentum in relationship is marked by the following developments:
 - Since **2015 Japan has been made a permanent participant in the Malabar naval exercises** which also involves the US;
 - the two countries have inked a **civil nuclear deal in 2016**—Japan's first with a non-signatory to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT);
 - the **India-Japan-US trilateral** has been upgraded to ministerial level; and
 - a new **trilateral at the foreign secretary level has been initiated with Australia as the third country.**
 - two countries are **exploring cooperation on infrastructure and human development projects beyond India.** The **Asia-Africa Growth Corridor (AAGC)**, if pursued with an unwavering focus, has the potential to become a serious counterweight to China's BRI. Unlike BRI, the AAGC promises to evolve a consultative mechanism towards identification and implementation of projects.

1.6. Issues to Address

- The burgeoning relationship needs to address a few issues to develop optimally:
 - Bilateral trade** —below \$15 billion annually in the last two years—do not reflect the economic ties between the third and the fourth largest (on purchasing power parity terms) economies in the world. In this context it must be noted that China is Japan's biggest trading partner; the two have a bilateral trade of above \$300 billion.
 - Long pending defence deals**—especially the sale of US-2 amphibious aircraft to India—too hasn't moved forward.
 - UNSC reforms:** The cooperation of two countries as part of G-4 needs further momentum.
- However, these areas of slow growth cannot take away from the tremendous distance that has been covered elsewhere.

2. India and South Korea

Map 6.3-South Korea



2.1. Background

- According to "SamgukYusa" or "The Heritage History of the Three Kingdoms" written in the 13th century, a Princess from Ayodhya (**Suriratna**) came to Korea, married King Kim-Suro, and became Queen Hur Hwang-ok in the year 48 AD.
- Korean Buddhist Monk Hyecho (704–787 CE) or Hong Jiao visited India from 723 to 729 AD** and wrote travelogue "Pilgrimage to the five kingdoms of India" which gives a vivid account of Indian culture, politics & society.
- Nobel Laureate Rabindranath Tagore also composed a short but evocative poem – 'Lamp of the East'** - in 1929 about Korea's glorious past and its promising bright future.
- India played an important and positive role in Korean affairs after Korea's independence in 1945.** Mr K P S Menon of India was the Chairman of the 9-member UN Commission set up in 1947 to hold elections in Korea. During the Korean War (1950- 53), both the warring sides accepted a resolution sponsored by India, and the ceasefire was declared on 27 July 1953. Lt. General K.S. Thimayya of India, served as the chairman of the **Neutral Nations Repatriation Commission [NNRC]**, after the armistice and contributed to resolving the humanitarian issues arising out of the War, which won appreciation from all quarters.

- Consistent Indian support for peaceful reunification of the two Koreas has been well received in this country.
- Bilateral consular relations were established in 1962 which was upgraded to Ambassador-level in 1973.

2.1.1. New Era of Relationships

- RoK's open market policies found resonance with India's economic liberalization and 'Look East Policy'
- The visit of President APJ Abdul Kalam in 2006, led to the launch of a Joint Task Force to conclude a bilateral **Comprehensive Economic Partnership Agreement (CEPA)** operationalized on 1st January 2010.
- In 2010, the bilateral ties were raised to the level of Strategic Partnership.
- 2011 two sides signed a Civil Nuclear Energy Cooperation Agreement was signed.
- Prime Minister Narendra Modi paid a state visit to Korea during 18-19 May 2015, taking place within the first year of his government. During the visit the **bilateral relationship was upgraded to 'special strategic partnership'**. In the 'Joint Statement for Special Strategic Partnership' PM and President Park Geun-hye agreed to establish a 2+2 consultation mechanism at Secretary/Vice Minister of Foreign Office and Defence Ministry.

2.2. Economy

- Trade and economic relations have started to gather momentum again following the implementation of CEPA in 2010
- A revised trade target of USD 40 billion by 2015 was set by PM Singh and President Lee on 25 March 2012. However, bilateral trade has since declined to USD 18.13 billion in 2014-15, USD 16.56 billion in 2015-16, **USD 16.82 billion in 2016-17**, which finally recovered and posted a positive growth of 30% in the first seven months of 2017.
- Shipbuilding, automobile, electronics, textiles, food processing and manufacture being sectors of particular interest.
- Separately, an updated India ROK Bilateral Air Services Agreement was revised in October 2015 in New Delhi, tripling the number of flight connections to 19 per week
- An Indian Chamber of Commerce in Korea was established in January 2010 to help Korean companies interested in doing business with India.
- India and South Korea launched an initiative 'Korea Plus', in June 2016 in India to promote and facilitate Korean Investments in India.
- Major Korean conglomerates such as Samsung, Hyundai Motors and LG have made significant investments into India, estimated at over \$3 billion. Indian investments in ROK have already exceeded \$2 billion.
- Mahindra & Mahindra acquired a majority stake in SsangYong Motors, the country's 4th largest auto manufacturer, in March 2011, with an investment of about \$360 million. Tata Motors acquired Daewoo Commercial Vehicle Company for \$102 million in March 2004.
- In 2017 the two countries also signed agreements to establish \$9 billion in concessional credit and \$1 billion in Official Development Assistance (ODA) funding for infrastructure development projects in India.

2.3. Cultural Ties

- To further enhance cultural exchanges between India and Korea, an Indian Cultural Centre (ICC) was established in Seoul in April 2011.
- Another Culture Centre was established in Busan in December 2013 on Public Private Partnership mode.

- A bust of Rabindranath Tagore was unveiled in Seoul by the Speaker of the Lok Sabha Smt. Meira Kumar in May 2011.
- A bust of Mahatma Gandhi, presented by ICCR, was unveiled at the Hongbeop-sa temple in Busan on 21 July 2014.
- ICC in Seoul and Busan offers regular classes on yoga and dance, both contemporary and classical for promotion of Indian culture.

3. India-Australia

Map 6.4: Australia



3.1. Background

- The India-Australia bilateral relationship has undergone evolution in recent years, developing along a positive track, into a friendly partnership.
- The two nations have much in common, underpinned by **shared values of a pluralistic, Westminster-style democracies, Commonwealth traditions**, expanding economic engagement and increasing high level interaction.
- Their several commonalities including **strong, vibrant, secular and multicultural democracies, free press, independent judicial system and English language**, serve as a foundation for a closer co-operation and multifaceted interaction.
- The **long-standing people-to-people ties, ever increasing Indian students going to Australia for higher education, growing tourism and sporting links, especially Cricket and Hockey**, have played a significant role in further strengthening bilateral relations between the two countries.
- With the **changing global scenario, Australia has come to look at India as a potential partner in promoting regional security and stability**.
- This led to **upgradation of bilateral relationship between the two nations to a 'Strategic Partnership'**, including a Joint Declaration on Security Cooperation in 2009.

3.2 India-Australia: Institutional Mechanisms

- Over the years an **array of institutional mechanism** has been put in place to promote bilateral co-operation such as exchange of high level visits, **Foreign Ministers' Framework**

Dialogue, Joint Trade & Commerce Ministerial Commission, Defence Policy Talks including Policy talks at the level of Senior Officials, Staff Talks, Energy Security Dialogue and Australia-India Education Council, Track-2 Dialogues like Australia-India Leadership Dialogue, Youth Dialogue.

- **Foreign Ministers' Framework Dialogue (FMFD)**, the central mechanism for advancing the bilateral agenda, is held annually, alternatively in India and Australia.
- **The India-Australia Dialogue on East Asia is also held at senior official level.**

3.3 India-Australia: Recent Ties

- The two way **Prime Ministerial visits in 2014** built significant momentum in the bilateral relationship.
- Prime Minister Mr. Tony Abbott visited India from 04-05 September 2014, During the visit, four Agreements/ MoUs on Civil Nuclear Cooperation, Sports, Water resources and Skills were signed along with a number of significant initiative were launched.
- **Prime Minister Narendra Modi visited Australia for G20 Leaders' Summit at Brisbane in November 2014**, followed by bilateral visit from 16-18 November 2014. During the visit, he held wide-ranging talks with then PM Abbott and addressed a joint sitting of both houses of Parliament, the first by an Indian PM. Five Agreements/MoUs on Social security, Tourism, Arts & Culture, Sentenced persons and combating Narcotics were signed on this occasion.
- On his **State Visit to India during 09-12 April 2017**, **Prime Minister Malcom 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.
- **Inaugural Secretary-level Trilateral talks between India, Australia and Japan held in New Delhi in June 2015**. The second Foreign Secretary level trilateral talks were held in Tokyo on 26 February 2016 and the third took place in Canberra on 29 April 2017.

3.4 India-Australia: Political Cooperation

- **Australia supports India's candidature in an expanded UN Security Council.**
- Both India and Australia are **members of the Commonwealth, IORA, ASEAN Regional Forum, Asia Pacific Partnership on Climate and Clean Development**, and have participated in the East Asia Summits.
- Both countries have also been cooperating as **members of the Five Interested Parties (FIP) in the WTO context**.
- **Australia is an important player in Asia-Pacific Economic Cooperation (APEC)** and supports India's membership of the organisation.
- In 2008, Australia became an Observer in SAARC.

3.5 Economic and Trade Relations

- **Bilateral Trade: India's trade in goods and services with Australia was approximately US\$ 15.6 billion (A\$20.7 bn) in 2016.** India's exports to Australia stood approximately at US\$4.6 billion (A\$6.1 bn) in 2016 while India's import from Australia during the same period stood at US\$11 billion (A\$14.6 bn).
- The two countries are **currently discussing a Comprehensive Economic Cooperation Agreement (CECA)** which will provide greater market access to exporters of goods and services.
- The two sides have exchanged their goods and services offer lists. It is expected that the conclusion of the CECA will expand the base of merchandise trade, remove non-tariff barriers, encourage investment and address the border restrictions to trade.

- India is also seeking to address its adverse balance of trade in Goods and Services through specialized market access for its products. During his recent visit to India, Prime Minister Turnbull confirmed that CECA was still “on the agenda” and both countries remained committed to it.

3.6 Civil Nuclear Cooperation

- A Civil Nuclear Cooperation Agreement between the two countries was signed in September 2014 during the visit of then PM Tony Abbott to India.
- The agreement came into force from 13 November 2015
- provides the framework for substantial new trade in energy between Australia and India. The Australian Parliament passed the “Civil Nuclear Transfer to India Bill 2016” on 01 December, 2016 which ensures that Uranium mining companies in Australia may fulfil contracts to supply Australian uranium to India for civil use with confidence that exports would not be hindered by domestic legal action challenging the consistency of the safeguards applied by the IAEA in India and Australia’s international non-proliferation obligations.
- It also ensures that any future bilateral trade in other nuclear-related material or items for civil use will also be protected.

4. India and the Pacific Island Countries

4.1. Pacific Ocean and Island Countries

- The Pacific Ocean is the earth's largest ocean covering 46 per cent of water surface and 33 per cent of the earth's total surface, making it larger than the entire earth's land area.
- It is bounded by 41 sovereign states plus Taiwan, and 22 non-independent territories.
- It is rich in marine resources and accounts for 71 per cent of the world's ocean fishery catch.
- The Pacific has for long been an area of geostrategic interest for countries such as the US, Japan, China, Russia, Australia, and Indonesia – large economies which lie on its boundary. The 14 PIF members are being wooed by these powers.
- The Pacific Islands Forum (PIF) is a political grouping with 18 Members: Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.
- The Pacific Islands Forum was founded in 1971 as the South Pacific Forum. In 2000, the name was changed to the Pacific Islands Forum to better reflect the geographic location of its members in the north and south Pacific. Its secretariat is based in Suva, Fiji
- Two developed Pacific Island countries – Australia and New Zealand – have tended to dominate regional cooperation forums such as the Pacific Islands Forum (PIF).

4.2. India and the Pacific Island Countries

- India's focus has largely been on the Indian Ocean where it has sought to play a major role and protect its strategic and commercial interests.
- In recent times India's interest in the region to its east has expanded to include the Pacific Ocean as well.
- India has had a long history of cooperation and close engagement with Fiji, which has a large population of Indian origin.
- In 2016, the state visit by President Pranab Mukherjee to Papua New Guinea (PNG) and New Zealand marked an important milestone in India's extended 'Act East' policy.

- India has participated in Pacific Islands Forum (PIF), meetings as one of the 17 dialogue partners (including US, EU and China).
- The Forum for India Pacific Cooperation (FIPIC) initiative marks a serious effort to expand India's engagement in the Pacific region.

4.2.1. India and Pacific Island Countries: FIPIC

- Forum for India Pacific Cooperation (FIPIC) includes 14 of the island countries – Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. It was launched during the visit of Prime Minister Modi to Fiji in November 2014.
- The second summit of the Forum for India Pacific Cooperation (FIPIC-2) was organised in Jaipur on 21-22 August 2015.
- The Ministry of External Affairs, hosted the 'India-Pacific Islands Sustainable Development Conference' in Suva, Fiji from 25 to 26 May, 2017. The conference was held under the framework of FIPIC.
- Though these countries are relatively small in land area and distant from India, many have large exclusive economic zones (EEZs), and offer promising possibilities for fruitful cooperation.
- Transport, communications, renewable energy, health services, fisheries ("blue" economy), and agro-based industries are areas where India can make an impact.
- In this context India has envisaged following steps:
 - Setting up of a 'special fund of \$1 million' for adapting climate change vis-a-vis clean energy,
 - establishing a 'trade office' in India,
 - 'Pan Pacific Islands e-network' to close the physical distance between the islands by improving digital connectivity,
 - extending visa on arrival at Indian airports for all the fourteen Pacific Island countries,
 - 'space cooperation' in space technology applications for improving the quality of life of the islands,
 - 'training to diplomats' from Pacific Island countries to increase mutual understanding.
- These countries range in land area from the largest Papua New Guinea (461,700 sq km) to the smallest Nauru (21 sq km). The size of their population ranges from Papua New Guinea (7.7 million) to Niue (1,500).
- Development indicators also vary widely with per capita income ranging from USD 27,340 (Cook Islands) to USD 1020 (Papua New Guinea). These figures highlight the wide disparities among these countries.

4.3 The Concept of Indo-Pacific

- The emergence of the Indo-Pacific as a new geopolitical frame of reference is embedded in the growing strategic importance of the maritime domain and the rise of states that have demonstrated the ability to 'transcend' their respective sub-regions.
- The term "Indo-Pacific" has long been in vogue among marine biologists and ichthyologists to define the stretch of water from the tropical Indian Ocean, through the equatorial seas around the Indonesian archipelago, the South China Sea, and to the western and central Pacific Ocean.
- In geopolitical terms it has come in vogue in the early 21st century and, predictably, has proved to be far more contentious than its scientific definition.
- It was first brought up by Japanese Prime Minister Shinzo Abe in 2007 in a speech to the Indian Parliament to represent the vast swathe of water that connects the Pacific and the Indian Oceans.

- It has recently got some traction after Rex Tillerson, the US Secretary of State, used it in a major policy speech in Washington. Trump in his visit to China also referred to the Indo-Pacific.
- The first ever use of the term in the National Security Strategy Document of the USA, released in 2017, has provided the term new salience.
- Against this backdrop, efforts to rejuvenate the Quadrilateral Security Dialogue (or the “Quad”) between Australia, India, Japan and the US on the sidelines of the Association of South East Asian Nations (ASEAN) and the East Asia Summit (EAS) in Manila in 2017 is of notable significance.
- The rise and increasing assertion of China has provided the current context for the salience the term has acquired in geo-strategic circles.
- In this context apart from the Quad, the ASEAN and institutions centred around it can play a key role in evolving an economic, security and political architecture in the Indo-Pacific.
- India is already a part of Quadrilateral, and engages with ASEAN and institutions such as the EAS as well as ARF.
- Asia-Pacific Economic Cooperation (APEC): is a regional economic forum established in 1989 to leverage the growing interdependence of the Asia-Pacific among 21 members. The APEC process is supported by a permanent secretariat based in Singapore.
- India is not a member of the APEC. Given its significance in the emerging architecture of the Indo-Pacific India's membership in the forum dominated by China can be a positive step.
- Over the years ideas such as the Indo-Pacific Economic Corridor has been put forward by the USA.
- In recent times the USA has also underlined India's significance in this region.
- The idea of Indo-Pacific thus is gaining momentum, the need is to
 - Evolve an inclusive, multi-stakeholder approach towards this region of global significance.
 - Identify key areas of cooperation and encourage multilateralism
 - Avoid narrow goals such as containing China and prevent power struggle
 - Ensure rules based order and address security issues jointly.

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LECTURE-7

INDIA AND THE INDIAN OCEAN

Contents

1. India and the Indian Ocean.....	123
1.1. The Indian Ocean	123
1.1.1. Significance of the Indian Ocean.....	123
1.1.2. India Ocean: People and Regions.....	124
1.1.3. India and the Indian Ocean.....	125
1.1.4. Push for A Comprehensive Maritime Policy.....	125
1.1.5. The Geo-Strategic Dimensions.....	125
1.1.6. India's Vision for Maritime Security	126
1.1.7. India as Net-Security Provider.....	126
1.1.8. Key Developments	127
1.2. Prime Ministers Visit to the Indian Ocean Countries 2015	127
1.2.1. India-Mauritius	127
1.2.2. India-Seychelles	127
1.2.3. Project Mausam	128
1.3. Blue Economy	129
1.4. The Indian Ocean Rim Association (IORA)	129
1.5. Indian Ocean Naval Symposium (IONS)	129

1. India and the Indian Ocean

Map7.1-The Indian Ocean



1.1. The Indian Ocean

- Indian Ocean, covers approximately one-fifth of the total ocean area of the world.
- It is the smallest, geologically youngest, and physically most complex of the world's three major oceans.
- It stretches for more than 6,200 miles (10,000 km) between the southern tips of Africa and Australia and, without its marginal seas, has an area of about 28,360,000 square miles (73,440,000 square km).
- The decision by the International Hydrographic Organization in 2000 to delimit a fifth ocean, the Southern Ocean, removed the portion of the Indian Ocean south of 60 degrees south latitude.
- The Indian Ocean's average depth is 12,990 feet (3,960 metres), and its deepest point, in the Sunda Deep of the Java Trench off the southern coast of the island of Java (Indonesia), is 24,442 feet (7,450 metres).

1.1.1. Significance of the Indian Ocean

- Four critically important access waterways are the Suez Canal (Egypt), Bab el Mandeb (Djibouti-Yemen), Strait of Hormuz (Iran-Oman), and Strait of Malacca (Indonesia-Malaysia).

- **The Indian Ocean provides major sea routes** connecting the Middle East, Africa, and East Asia with Europe and the Americas. It carries a particularly heavy traffic of petroleum and petroleum products from the oilfields of the Persian Gulf and Indonesia.
- **It has significant fisheries resources** to the bordering countries for domestic consumption and export. Fishing fleets from Russia, Japan, South Korea, and Taiwan also exploit the Indian Ocean, mainly for shrimp and tuna.
- **Large reserves of hydrocarbons** are being tapped in the offshore areas of Saudi Arabia, Iran, India, and western Australia. An estimated 40% of the world's offshore oil production comes from the Indian Ocean.
- **Beach sands rich in heavy minerals and offshore placer deposits** are actively exploited by bordering countries, particularly India, South Africa, Indonesia, Sri Lanka, and Thailand.
- **Major Seaports:** Chennai (India); Colombo (Sri Lanka); Durban (South Africa); Jakarta (Indonesia); Kolkata (India); Melbourne (Australia); Mumbai (India); Richards Bay (South Africa)
- **International Trade:** Indian Ocean and its various channels are responsible for two-thirds of world's oil shipment, one third of world's cargo movement and nearly half of its container traffic movement.

1.1.2. India Ocean: People and Regions

- Home to **nearly 2.7 billion people**, states whose shores are washed by the ocean are **rich in cultural diversity and richness in languages, religions, traditions, arts and cuisines**.
- They **vary considerably in terms of their areas, populations and levels of economic development**.
- They may also be divided into a number of sub-regions (Australasia, Southeast Asia, South Asia, West Asia and Eastern & Southern Africa), each with their own regional groupings (such as ASEAN, SAARC, GCC and SADC, to name a few). Despite such diversity and differences, these countries are bound together by the Indian Ocean.

1.1.2.1. Piracy in the Indian Ocean

- **More than eighty countries, organizations, and industry groups participate in operations in the IOR under the auspices of the ad hoc, voluntary Contact Group on Piracy off the Coast of Somalia (CGPCS), created in January 2009 in response to UN Security Council Resolution 1851 on Somali piracy and armed robbery at sea.**
- The International Maritime Bureau continues to report the territorial waters of littoral states and offshore waters as high risk for piracy and armed robbery against ships, particularly in the Gulf of Aden, along the east coast of Africa, the Bay of Bengal, and the Strait of Malacca;
- the presence of several naval task forces in the Gulf of Aden and additional anti-piracy measures on the part of ship operators, including the use of on-board armed security teams, have reduced incidents of piracy; in response, Somali-based pirates, using hijacked fishing trawlers as "mother ships" to extend their range, shifted operations as far south as the Mozambique Channel, eastward to the vicinity of the Maldives, and northeastward to the Strait of Hormuz;
- Operation Ocean Shield, the NATO naval task force established in 2009 to combat Somali piracy, concluded its operations in December 2016 as a result of the drop in reported incidents over the last few years; the EU naval mission continues its operations in the Gulf of Aden and Indian Ocean;
- the first half of 2017 has seen an increase in attacks with two incidents in the Gulf of Aden, one in the Red Sea, and four off the coast of Somalia

1.1.3. India and the Indian Ocean

- **India has a coastline of 7,500 km** and is surrounded by Oceans and Seas in three sides of its international boundaries.
- **Independent India was a typical continental power**, mostly due to its difficult land border disputes with China and Pakistan.
- **During the Cold War days, India wanted that the major world powers should withdraw themselves from the Indian Ocean**, presence of whom was actually a threat to India's ideological inclination to the non-aligned movement.
- The end of Cold War brought few changes in Indian policy making, including **economic liberalisation and enhanced supply of oil through Oceans and Seas** in an order that increasing domestic demand for energy is satisfied.
- **Approximately 80 percent of India's energy imports traverse through the Indian Ocean** and its different channels.
- **In the 1990s, India became enthused about regional maritime cooperation** as well, thanks to the increasing number of regional trading blocs across the world that played a stimulator for India's integration with various regional groupings. Given this context, **India's interests in the Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC, now Indian Ocean Rim Association- IORA) and Indian Ocean Naval Symposium** are well founded.
- As Expressed by Prime Minister Modi "For us, it also serves as a strategic bridge with the nations in our immediate and extended maritime neighbourhood ..."
- The **Indian Ocean Region is one of India's foremost policy priorities**.
- India's approach is evident in **the vision of 'sagar'**, which means ocean and stands for **Security and Growth for all in the region**.

1.1.4. Push for A Comprehensive Maritime Policy

- There are several factors that are pushing India towards a more comprehensive maritime policy.
 - **India's own desire to play a significant role in the Indo-Pacific region**, which is supported by regional powers like United States, Australia and Japan.
 - **China's special emphasis towards Indian Ocean** (through its Silk Road project and growing cooperation with the littoral nations) as well as its formation of the blue water navy was perhaps a reminder to New Delhi that stirred the latter to strengthen its maritime capability in the Indian Ocean, considered to be its 'strategic backyard'.

1.1.5. The Geo-Strategic Dimensions

- During his 2015 visit to Mauritius and Seychelles, Prime Minister Mr. Modi underlined that **India is now ready to mark its presence in the wider geographic region of the Indo-Pacific and India may even consider building military bases outside its own national territory**.
- This changed perception should be understood in the **context of Mumbai 2008 attack, perpetrators of which came through the Seas** and revealed that India still has to overcome few challenges in terms of safeguarding its coastlines and national interests.
- **India's Goal is to:**
 - seek a climate of trust and transparency
 - respect for international maritime rules and norms by all countries;
 - sensitivity to each other's interests;
 - peaceful resolution of maritime security issues;
 - increase in maritime cooperation

1.1.6. India's Vision for Maritime Security

- India's new vision for maritime security is comprehensively articulated in Ensuring Secure Seas: **Indian Maritime Security Strategy, a 2015** document by the Indian Navy.
- The document clarifies that the Indian Navy's interest areas now cover
 - **The Red Sea, Gulf of Oman, Gulf of Aden, IOR Island nations, Southwest Indian Ocean and East Coast of Africa littoral countries among many other nations and areas.**
 - **The South China Sea, East China Sea and Western Pacific Ocean and their littoral nations are included in the Indian Navy's secondary priority areas.**

By these, one expert has argued that **India is trying to satisfy ASEAN** which advocates for a larger Indian role in South China Sea on the one hand and on the other, content **US-Australia-Japan**, countries that want to see India as a net security provider in the Indian Ocean.

1.1.7. India as Net-Security Provider

- **The 2015 IMSS Document explains that the term Net Security Provider Includes**
 - "...the state of actual security available in an area, upon balancing prevailing threats, inherent risks and rising challenges in the maritime environment, against the ability to monitor, contain and counter all of these."
- In the process, India's role in this context also stands clarified. **India seeks a role as a 'net security provider' in the region, rather than being a 'net provider of security'** as a regional 'policeman.'
- The **Joint Strategic Vision with the US (2015)**, Japan's inclusion into the Malabar Exercise, bilateral exercises with countries like Japan, Australia and Indonesia and **re-engaging with the Indian Ocean Region (IOR) and South Pacific island nations** – all signal **India's preparedness for a critical role in the Indo-Pacific region.**

1.1.7.1. Issues to Address

- To prepare for a larger role India is:
 - considering **indigenisation of defence capabilities**,
 - diversifying sources for its naval hardware,
 - Increasing number of joint exercises with IOR partner countries,
 - Promote blue economy and sustainable use of marine resources in a cooperative manner.
- There are **Certain challenges**:
 - **One of the challenges is the ambitions and activities of China.** China's ambition to control the Sea Lanes of Communications (SLOCs) in the Indian Ocean and its creation of a chain of friendly island countries only escalates the existing bilateral tensions between India and China.
 - Another **challenge emanates from Pakistan.** Pakistan considers India as a constant threat which has to be deterred.
 - **India's poor record in forming multilateral mechanisms** (example, SAARC, BIMSTEC etc.) is another concern as due to its failure in the aforementioned institutions India is mostly viewed as a country of bilateral choice. Holistic maritime cooperation, on the other hand, is based on multilateralism.
- However, India is constantly learning, for instance the **International Fleet Review in February 2016 in Vishakhapatnam**, India exhibited firm commitment towards intensified maritime cooperation with the IOR partner nations.

1.1.8. Key Developments

- **U.S.-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region** released in January 2015.
- **In March 2015 Prime Minister Modi Visited the Indian Ocean Neighbours: Mauritius, Seychelles and Sri Lanka**
- In May 2015, it was reported that China was going to establish a naval base in the East African nation of Djibouti.

1.2. Prime Ministers Visit to the Indian Ocean Countries 2015

India's role as the "net security provider" in the Indian Ocean region received a major boost when Prime Minister Narendra Modi visited three India Ocean nations of Seychelles, Mauritius and Sri Lanka from March 10-14 2015.

1.2.1. India-Mauritius

- The national day of Mauritius is celebrated every year on March 12. This day was selected as a tribute to Gandhiji as he had launched the famous Dandi March.
- 68 per cent of the inhabitants are of Indian origin.
- Mauritius has a vast 2.3 million sq km of Exclusive Economic Zone (EEZ). Mauritius by virtue of its strategic location is recognised as a hub of maritime activities in Indian Ocean.
- **Two Countries in 2015, signed five agreements, one on opening up the “ocean economy”, or “blue economy”.**
- Another is a key memorandum of understanding that will see **India taking over responsibility to build transport infrastructure (sea and air links) for the Agalega Islands**.
- **The induction of an India-built naval patrol vessel 1,300-tonne vessel ‘Barracuda’** for the Mauritian National Coast Guard marked the first of such sales to this strategic island nation, which include fast attack craft under construction in Indian shipyards.
- In addition, India has extended a **US\$500-million Line of Credit** for development or security projects that Mauritius will decide on.

1.2.2. India-Seychelles

- **P.M Modi became the first Indian Prime Minister to visit Seychelles in 34 years.**
- Modi announced that India will give a **second Dornier aircraft to the Island nation for coastal surveillance**
- The two nations signed four **agreements for cooperation in hydrography, renewable energy, infrastructure development and hydro-graphic survey**.
- Another important agreement is for **infrastructure development in the Assumption Island**.
- P.M. also inaugurated the **first of the eight Coastal Surveillance Radar Systems (CSRS) being set up by India**. India is helping Indian Ocean littorals as part of capacity and capability enhancement in strengthening their maritime domain awareness capabilities. In addition to Seychelles, an agreement for setting up similar systems in Maldives is pending and six Automatic Identification System (AIS) stations have been set up in Sri Lanka.

Map7.2 Various Strategic Posts in The Indian Ocean

Image Source: http://static.indianexpress.com/m-images/M_Id_8720.jpg

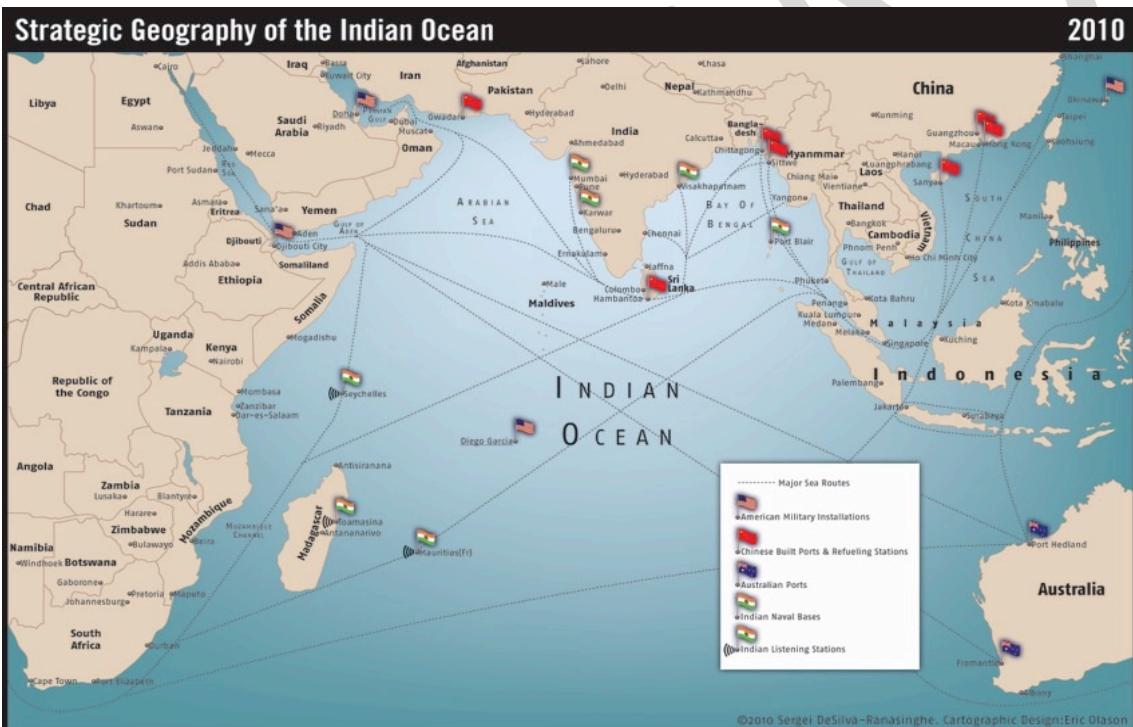
Map 7.3: Strategic Geography of the Indian Ocean

Image Source: <http://navalinstitute.com.au/wp-content/uploads/Strategic-Geography-of-the-Indian-Ocean-2010.jpeg>

1.2.3. Project Mausam

- Project 'Mausam' is the initiative of Ministry of Culture to be implemented by the Archaeological Survey of India (ASI) as the nodal agency with research support of the Indira Gandhi National Centre for the Arts (IGNCA) and National Museum as associate bodies.
- Project 'Mausam' was launched in the 38th Session of World Heritage Committee meeting which was held at Doha in June, 2014.
- This project aims to explore the multi-faceted Indian Ocean 'world' – collating archaeological and historical research in order to document the diversity of cultural, commercial and religious interactions in the Indian Ocean – extending from East Africa, the Arabian Peninsula, the Indian Subcontinent and Sri Lanka to the Southeast Asian archipelago.

- It also aims to promote research on themes related to the study of Maritime Routes through international scientific seminars and meetings and by adopting a multidisciplinary approach.
- **39 Indian Ocean countries identified under Project Mausam.**

1.3. Blue Economy

- **The Blue Economy is sustainable use of ocean resources for economic growth**, improved livelihoods and jobs, while preserving the health of marine and coastal ecosystem. The Blue Economy encompasses many activities that impact every one. (World Bank)
- **The objective of the Blue Economy is to promote smart, sustainable and inclusive growth and employment opportunities within the Indian Ocean region maritime economic activities.** The Blue Economy is determined to initiate appropriate programs for sustainable harnessing of ocean resources, research and develop relevant sectors of oceanography, assess stock marine resources, introduce marine aquaculture deep sea/long line fishing and biotechnology and develop human resources. (IORA)
- This special area of focus was recognised at the 14th IORA Ministerial Meeting in Perth, Australia, on 9 October 2014.

1.4. The Indian Ocean Rim Association (IORA)

- **The Indian Ocean Rim Association (IORA) is an inter-governmental organisation which was established on 7 March 1997.**
- The vision for IORA originated during a visit by late President Nelson Mandela of South Africa to India in 1995, where he said:

"The natural urge of the facts of history and geography should broaden itself to include the concept of an Indian Ocean Rim for socio-economic co-operation"

- his sentiment and rationale underpinned the Indian Ocean Rim Initiative in March 1995, and the creation of the Indian Ocean Rim Association (then known as the Indian Ocean Rim Association for Regional Co-operation), in March 1997.
- **The IORA has 21 Member States and 7 Dialogue Partners**
- IORA's apex body is the Council of Foreign Ministers (COM) which meets annually. The Republic of South Africa will assume the role for 2017-2019, followed by the United Arab Emirates.
- A committee of Senior Officials (CSO) meets twice a year to progress IORA's agenda and consider recommendations by Working Groups and forums of officials, business and academics to implement policies and projects to improve the lives of people within the Indian Ocean Member States.
- **The year 2017 is a landmark for IORA, celebrating the 20th Anniversary of the Association as a proactive inter-governmental organisation**
- The Vice-President of India led the Indian delegation to the first Indian Ocean Rim Association (IORA) Leaders' Summit held on 7 March 2017 in Jakarta to commemorate the 20th Anniversary of the Association.

1.5. Indian Ocean Naval Symposium (IONS)

- **The 'Indian Ocean Naval Symposium' (IONS) is a voluntary initiative that seeks to increase 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.**

- In the process, it endeavors to **generate a flow of information between naval professionals** that would lead to common understanding and possibly cooperative solutions on the way ahead.
- The **inaugural IONS-2008 was held in New Delhi**, India on 14 Feb 08. CNS, Indian Navy was designated the Chairman IONS for the period 2008-10. A ‘Charter of Business’ was mutually agreed to by the Chiefs of the member-navies, which has been forwarded to all the member navies for ratification. The theme of the IONS-2008 was “Contemporary Trans-national Challenges – International Maritime Connectivities”.
- That the launch of so important a regional initiative was able to meet with such wide acceptance across the length and breadth of the Indian Ocean was in itself a unique phenomenon. **There are 35 members** - navies of the IONS which have been geographically grouped into the following four sub-regions:
 - **South Asian Littorals-** Bangladesh, India, Maldives, Pakistan, Seychelles and Sri Lanka
 - **West Asian Littorals-** Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, UAE and Yemen
 - **East African Littorals-** Comoros, Djibouti, Egypt, Eritrea, France, Kenya, Madagascar, Mauritius, Mozambique, Somalia, South Africa, Sudan and Tanzania
 - **South East Asian and Australian Littorals-** Australia, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Timor Leste.

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LECTURE-8

INDIA AND WEST ASIA

Contents

1. India and West Asia.....	133
1.1. West Asia	133
1.2. India's Focus In West Asia	133
1.3. India And West Asia: A Background	133
1.4. The GCC.....	135
1.5. India-GCC Relations: Key Aspects.....	136
1.6. Basis of Expanding Cooperation.....	136
1.6.1. Energy Security	137
1.6.2. People to People Ties.....	137
1.6.3. Economic Ties	137
1.6.4. Security Ties	137
2. India-Saudi Arabia.....	138
2.1. Background	138
2.2. Economy	138
2.3. The People	138
2.4. Security	139
3. India-UAE	139
3.1. Background	139
3.2. Recent Momentum	140
3.3. Economy: Trade and Investment.....	140
3.4. The People	140
3.5. Energy	141
3.6. Strategic Partnership.....	141
3.7. Key areas to Work on	141

4. India-Iran.....	141
4.1. Background	141
4.2. Recent Momentum.....	142
4.3. The Chabahar Port	142
4.4. Economy: Energy Trade.....	143
4.5. Iran: New Opportunities?	143
4.6. Challenges.....	144
4.7. Potential: Way Forward.....	145
5. India-Israel	145
5.1. Background	145
5.2. Defence and Security	145
5.3. People	146
5.4. Trade	146
5.5. Agriculture	146
5.6. Recent Momentum: The Visits of Prime Ministers	146
5.7. Way Forward.....	147
6. India-Palestine	147
6.1. The Palestinian Issue.....	147
6.2. India's Position	148
6.3. Financial Assistance	149
6.4. Recent developments and the Future: De-Hyphenation	149
6.4.1. Two-State Solution.....	150
7. India's Look West Policy: An Evolving Framework	150

1. India and West Asia

1.1. West Asia

- **Western Asia, West Asia, Southwestern Asia or Southwest Asia** is the westernmost subregion of Asia. The concept significantly overlaps with the Middle East (or the Near East), the main difference usually being the exclusion of the majority of Egypt (which would be counted as part of North Africa) and the inclusion of the Caucasus.
- The term is sometimes used for the purposes of grouping countries in statistics. **The total population of Western Asia is an estimated 300 million as of 2015.**
- **The World Economy: Historical Statistics (2003) by the Organisation for Economic Co-operation and Development (OECD)** only includes Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Palestinian territories (called West Bank and Gaza in the latter), Saudi Arabia, Syria, Turkey, UAE, and Yemen as West Asian countries.
- **The WANA [West Asia & North Africa] Division of MEA** deals with all matters relating to Algeria, Djibouti, Egypt, Israel, Libya, Lebanon, Morocco, Syria, Palestine, Sudan, South Sudan, Somalia, Jordan and Tunisia
- **The Gulf Division of MEA** includes all matters relating to Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, Yemen, UAE, GCC and OIC].

1.2. India's Focus In West Asia

- The region is significant for India's energy security, people to people ties, trade and investment and security relations.
- Key actors from India's perspective in this region are the regional organizations such as the Gulf Cooperation Council, States such as: Saudi Arabia, UAE, Iran, and Israel.
- India has a historic and abiding interest in the Palestinian issue.
- In this diverse region India's policy is to seek regional stability which is threatened by regional rivalries (Iran-Saudi Arabia; Israel-Iran etc) and emergence of non state extremist groups such as the ISIS.

1.3. India And West Asia: A Background¹

- Until the end of the Cold War India's relations with West Asia were primarily shaped by India's policy responses to evolving geopolitical ground realities internationally and in the region.
- When India became independent, the West exercised almost unchallengeable influence and control over West Asia. All independent West Asian countries then had strongly anti-Communist, pro-West regimes and had become a part of the American-led bloc in the context of the newly emerged Cold War. However, to the West's great disappointment, even anger, India adopted a unique approach - not being aligned with either camp.
- India's consistent support for the Palestinian cause and pan-Arab nationalism with strong denunciations of Israeli and Western policies further angered Western powers.
- India had consistently provided a welcoming haven to Jewish people going back 2000 years. But having strongly denounced the Balfour Declaration (1917) during India's freedom struggle, it was inevitable for India to oppose the creation of Israel and its admission to the United Nations as a matter of principle.

¹ This section is based on Ambassador Ranjit Gupta's article available at:
<http://www.mei.edu/content/map/india-s-relations-west-asia> India and West Asia

- **Britain had deliberately created Pakistan as an independent Muslim State.** Pakistan's belligerent hostility to India from day one was also manifested in its malevolent use of the Islamic card against India. **There was automatic Western and Arab/Iranian/Turkish support for the emergence of Pakistan** and in the many disputes that Pakistan created with India and in the wars that it initiated against India starting from its brazen invasion of Kashmir on October 22, 1947.
- **Britain sponsored the Baghdad Pact (1955), a military alliance with the region's heavyweights — the Shah's Iran and Iraq (until 1958 a pro-Western monarchy) as well as Pakistan and Turkey** — in order to ensure its continued strategic control over the region and particularly to prevent the ingress of any Soviet influence. However, Pakistan's sole motivation to join the alliance was the "India factor." Unsurprisingly, India strongly denounced the formation of this military alliance.
- **In the context of non alignment India had viewed the advent of Gamal Abdel Nasser in Egypt very positively** and had great empathy with the Nasserite ideology of pan-Arab nationalism, socialism, secular and republican governance. **India supported Egypt strongly during the Suez crisis (1956)** and against the consequent Anglo-French-Israeli invasion of Egypt and later in the 1967 war with Israel.
- **In 1969 after the Saudi Arabia, Jordan and Morocco invited India to the summit of Muslim countries in Rabat**, which led to the formation of the Organization of Islamic Cooperation (O.I.C.), **India was not allowed to participate after the inaugural session due to Pakistan's threat to walk out.**
- To India's great annoyance, the O.I.C. and its Contact Group (established at the O.I.C. summit in Tehran in 1994) adopted, at Pakistani instigation, strongly worded anti-India recommendations, resolutions and statements regularly on Kashmir and on the supposed plight of Indian Muslims. Iran, Saudi Arabia and Turkey have been proactively involved throughout.
- **India's relationship with Iraq under Saddam Hussein was close, multidimensional and fruitful.** Indeed, it was probably India's most valuable and productive bilateral relationship in West Asia during the Cold War period. India implemented dozens of projects in Iraq and provided military training, particularly for the Iraqi air force. Iraq was India's leading oil supplier. And Saddam Hussein extended explicit political support in the context of India's problems with Pakistan. Both countries were close to the Soviet Union. However, this was viewed negatively by almost all West Asian countries.
- **The 1979 Soviet invasion and occupation of Afghanistan and the consequent mounting of the modern jihad by the United States, Saudi Arabia and Pakistan** to evict Soviet forces became a particularly strong cementing factor between them while becoming yet another source of severe dissonance between India on the one hand, and West Asian countries and the West on the other.
- As the war against the Soviets in Afghanistan intensified, the United Arab Emirates (U.A.E.) also became a particularly strong Pakistan supporter. These same two Arab countries became the staunchest supporters of the Taliban regime.
- **Iran was also conspicuously pro-Pakistan during both the Shah and Khomeini eras** — in the former as part of the alliance with the West, and in the latter due to Iran's ambition to become the leader of the Islamic world and hence its strong support to all 'Muslim' causes.
- **When the Cold War ended, India's only friends in West Asia were Palestine Liberation Organization (P.L.O.) Chairman Yasir 'Arafat**, who was gravely compromised due to his support for Saddam's invasion of Kuwait; a greatly weakened and strategically besieged Saddam; and Oman and Syria.

- **India's lone pillar of strategic support in the world, the Soviet Union, disintegrated.** So dire was the state of the economy that India's gold reserves were physically airlifted to Europe in 1990 in order to enable an International Monetary Fund (I.M.F.) loan.
- **Post Cold War India ceased viewing West Asia through the prism of its issues with Pakistan,** discontinued the use of strong rhetoric denouncing other countries' policies, and abandoned defensive, reactive policy approaches.
- **India also started consciously courting the United States,** now the lone global superpower. Importantly, **India began to reach out to all West Asian countries** without picking and choosing between them, and on the basis of mutual benefit.
- **In particularly audacious moves in December 1991, India reversed its earlier vote in the United Nations that had equated Zionism with racism.** After personally obtaining P.L.O. Chairman Arafat's full concurrence, **Narasimha Rao established full diplomatic relations with Israel in January 1992**, disregarding extremely strong domestic criticism. The relationship has flourished since then.
- **In December 1992, Rao, courageously risking a potential rebuff, reached out to Iran;** his visit the next year turned out to be exceedingly satisfying. A great rapport was established between him and President Ali Akbar Hashemi Rafsanjani.
- **The Indian economy began to grow impressively,** even as Pakistan became increasingly enmeshed in Afghanistan and mired in internal political instability. The spreading Islamist extremist militancy and terrorism in Pakistan and West Asia — while the world's third largest Muslim community in India remained immune to this danger — presented a particularly strong and impressive contrast internationally.
- Taken together, these developments constituted public recognition that the world welcomed India's rise, in contrast with growing anxieties about China's rise. **These same circumstances also persuaded Saudi Arabia and its Gulf allies to look at India very differently.**
- **In response to Pakistan's adventurism in Kargil in 1999, West Asian countries and the West declined to support Pakistan** — the first time such response in the long history of the India-Pakistan conflict.
- With the advent of the new millennium, **there has been an extraordinary turnaround in the relationship between the Gulf Cooperation Council (G.C.C.) countries and India.**
- **The Indo-Iranian economic relationship is also poised for a dramatic upsurge.** On May 24, 2016, Prime Minister Modi and Iranian President Hassan Rouhani signed a **historic deal to develop the strategic port of Chabahar** and thereby open transport-and-trade corridor to and through Afghanistan to Central Asia and Europe.
- **First ever visit by an Indian Prime Minister to Israel in 2017** and reciprocal visit of Israel's prime minister in 2018 have moved relations with Israel in to the fore.
- **Prime Minister Modi's stand alone visit to Palestine in 2018** again reiterated India's support for a Palestinian state and completed what is known as **de-hyphenation of relations** between India on the one hand and Israel and Palestine on the other.
- **Wars in Syria and Yemen, emergence of ISIS, difference between Iran and Arab States as well as political transition, mark different aspects of current conflicts in West Asia.** However, by a large India and leadership in these countries have consciously not allowed this to adversely affect their bilateral relations.

1.4. The GCC

- **Gulf Cooperation Council (GCC),** is political and economic alliance of **six West Asian countries:**
 - **Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman.**

- The GCC was established in Riyadh, Saudi Arabia, in May 1981. officially it is known as Cooperation Council for the Arab States of the Gulf
- The purpose of the GCC is to achieve unity among its members based on their common objectives and their similar political and cultural identities, which are rooted in Islamic beliefs.
- Presidency of the council rotates annually.
- The GCC also has a defense planning council that coordinates military cooperation between member countries.
- The highest decision-making entity of the GCC is the Supreme Council, which meets on an annual basis and consists of GCC heads of state. Decisions of the Supreme Council are adopted by unanimous approval.
- Some of the most important achievements of the GCC include the creation of the Peninsula Shield Force, a joint military venture based in Saudi Arabia, and the signing of an intelligence-sharing pact in 2004.
- At a GCC summit in December 2009, an agreement was reached to launch a single regional currency similar to the euro. This agreement remains unimplemented yet.

1.5. India-GCC Relations: Key Aspects

- Collectively, the G.C.C. countries have become India's preeminent oil and gas supplier and leading trade partner.
- Indians are the largest expatriate group in each of the six G.C.C. countries.
- 3,050,000 Indians live and work in Saudi Arabia constituting the largest number of Indian passport holders abroad, followed by 2,800,000 in the U.A.E.
- The processes propelling this movement took place because of the high comfort level with Indians due to the millennia old people to people interaction and their reputation for being law abiding and hard-working. There was no Indian government role in sending them to the region.
- Significantly, the number of Indians in G.C.C. countries has continued to rise notwithstanding the tightening of domestic policies to curtail the influx of expatriate manpower and despite the ongoing wars in West Asia from early 2011 onwards.

1.6. Basis of Expanding Cooperation

- No major power has the kind of people-to-people socio-cultural compatibility and socio-economic interdependence with countries of the Gulf region, in particular with G.C.C. countries that India has.
- Except for continuing O.I.C. activism relating to Kashmir in particular, there are no bilaterally contentious political issues between India and the G.C.C. countries.
- India is very proud of being the world's largest democracy but India believes strongly that it is not the business of foreign countries to impose forms of government on other countries; in fact,
- India believes that monarchies in G.C.C. countries are a factor of stability, fully in keeping with the customs, ethos and traditions of the Arabian Peninsula.
- The deadly terrorist attacks in November 2008 in Mumbai was a watershed — the G.C.C. countries finally recognized the potential dangers to the region of Pakistani-sponsored terrorism against India.
- Since then in particular Saudi Arabia and the U.A.E. have provided excellent and expanding anti-terrorism cooperation by repatriating those India wanted for terrorist activity .
- P.M.s historic visits to the U.A.E., Saudi Arabia, Iran, and Qatar between August 2015 and June 2016 have marked renewed cooperation.

1.6.1. Energy Security

- The IEA defines **Energy Security** as uninterrupted availability of energy sources at an affordable price.
- **India is a net importer of energy resources.**
- Much of this import is sourced from West Asia, specifically the Gulf countries.
- In 2001, the region accounted for **66 percent of oil imports** and in 2016 it accounted for **64 percent**. Saudi Arabia has been the largest oil supplier to India over the years.
- **The Gulf Arab states 85 percent of its natural gas requirements**
- **India is the third largest export destination for gas from Qatar** (behind Japan and South Korea). Qatar is the largest supplier of LNG to India, accounting for over 65 per cent of India's global import and 15 per cent of Qatar's export of LNG.

1.6.2. People to People Ties

- **GCC countries are host to the over 8 million strong and growing Indian expatriate community**
- **This is also reflected in** about US\$ 35 billion annual remittances.
- Hajj- In 2017 India's Haj quota increased from 1,36,020 to 1,70,520.
- **The Indian workers in Gulf countries face various issues:**
 - Delayed or non payment of Wages;
 - Exit Visa issues;
 - non-fulfilment of contracts;
 - filing of false police cases etc
- India has signed **Labour Agreements with multiple GCC countries including Saudi Arabia and the UAE.**

1.6.3. Economic Ties

- The **GCC region remains a top priority region for India**, being one of the our largest trading partners with bilateral trade over US\$ 97 billion in 2015-16. In 2013-14 It was India's largest trading partner group with a trade of US\$ 171 billion (MEA).
- India is also seeking to tap the G.C.C. countries' sovereign wealth funds (**SWFs**) for its **domestic investment and infrastructural development**.
- Negotiations for and India-GCC FTA is expected to boost business and economic cooperation between the two sides.

1.6.4. Security Ties

- **Security Challenges:** Radicalisation and terrorism, regional wars and maritime security remain key security challenges in the region.
- Wars in Syria and Yemen, emergence of ISIS, difference between Iran and Arab States as well as political transition, marks different aspects of current conflicts in West Asia.
- India's maritime doctrine of 2009 and 2015 state that the Gulf and Arabian Sea are vital to India's interests, including securing choke points.
- In recent years, India has signed security and defense agreements with Saudi Arabia, the UAE, Oman, and Qatar.
- The naval engagement with Oman has been most notable. While India and Oman entered into a "strategic partnership" in 2008, naval cooperation has been on since 1993 in the form of a biennial exercise, Naseem Al-Bahr.
- More significantly, 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. In 2018 India and Oman signed an agreement allowing Indian Naval vessels to use the Duqm Port.

2. India-Saudi Arabia

2.1. Background

- **Visit of King Abdullah to India in 2006** resulted in signing of ‘**Delhi Declaration**’ imparting a fresh momentum to the bilateral relationship. The visit provided the framework for cooperation in all fields of mutual interest.
- **The reciprocal visit by Prime Minister Dr. Manmohan Singh to Saudi Arabia in 2010** raised the level of bilateral engagement to ‘**Strategic Partnership**’ and the ‘**Riyadh Declaration**’ signed during the visit captured the spirit of **enhanced cooperation in political, economic, security and defence realms**.
- **The visit of Prime Minister Narendra Modi to Riyadh from April 2-3, 2016** could be seen as a taking forward the momentum.

2.2. Economy

- **Saudi Arabia today is India’s 4th largest trade partner (after China, USA and UAE)** and
- **The value of India Saudi Arabia bilateral trade during 2016-17 decreased to USD 25.079 billion**, a slight decrease from USD 26.71 billion in 2015-16, as per figures provided by the Directorate General of Foreign Trade.
- During this period, our **imports from Saudi Arabia reached USD 19.94 billion**, registering a decline of 1.85% over previous year (USD 20.32 billion) whereas our **exports to Saudi Arabia reached USD 5.13 billion** registering a decline of 19.70% over previous year (USD 6.39 billion). The current bilateral trade (April-May 2017) is valued USD 4.063 billion.
- **Saudi Arabia is the 8th largest market in the world for Indian exports and is destination to more than 1.86% (2016-17) of India’s global exports.** On the other hand, **Saudi Arabia is the source of 5.19% (2016-17) of India’s global imports**.
- **For Saudi Arabia, as per 2016 data, India is the 4th largest market** for its exports, accounting for 9.3 % of its global exports. In terms of imports by Saudi Arabia, India ranks 7th and is source of around 3.7 % of Saudi Arabia’s total imports.

2.3. The People

- **The 3.2 million strong Indian community in Saudi Arabia** is the **largest expatriate community in the Kingdom** and is the ‘most preferred community’ due to their expertise, sense of discipline, law abiding and peace loving nature.
- **Saudi Arabia continues to be among the most preferred destinations for Indians seeking jobs abroad**, resulting in the Gulf kingdom becoming among the highest sources of remittances to India, according to official data. **According to figures provided by the Embassy of India in Riyadh**, the number of **expatriate Indians in Saudi Arabia increased from 3,039,193 in March 2017 to 3,253,901 in October 2017**, a rise of over 200,000 within seven months.
- **However, there are issues pertaining to employment and living conditions**, that the two countries engage in to resolve bilaterally
- **Agreement on Labour Cooperation for Domestic Service Workers Recruitment**, was signed in 2014.
- **In 2016 external affairs ministry and the Saudi labour ministry** also signed an **agreement on labour cooperation for recruitment of general category workers**
- In April 2013, King Abdullah announced a grace period allowing overstaying expatriates to correct the status, get new jobs or leave the country without facing penal action till the end of the grace period i.e. November 3, 2013. More than 1.4 lakh Indians availed the amnesty and returned back to home without facing penalty.

- **Saudization**, officially known as **Saudi nationalization scheme, or Nitaqat system** in Arabic, is the **newest policy of the Kingdom of Saudi Arabia** implemented by its Ministry of Labor.
- The Government of the Kingdom of Saudi Arabia has been following the policy of Nitaqat (Saudization), since 2011. This broadly aims at increasing the employment opportunities of the Saudi citizens both in the public and private sectors by reducing dependence on the expatriate workers.
- These efforts of the Saudi side have of late gained momentum after the **ongoing slowdown of the economy due to continued low crude oil prices**. From September 2017, only a handful of organisations with high grades - based on number of Saudi nationals employed by them and other criteria - will be able to apply for new block visas for migrant employees.
- **The policy is not specifically directed at Indian** nationals and the Saudi Government is exercising its prerogative and sovereign right by following this policy uniformly in respect of all foreign nationalities.
- **However, full implementation of the policy has implications for Indians in Saudi Arabia.**
Thus:
 - The Government has been in regular contact with the Saudi Government towards safeguarding the interests and welfare of the resident Indian community.
 - There is a need for a comprehensive policy response at the level of the Union government
 - Since the welfare of any of the Indian's returning from Saudi Arabi lies with their respective state, there is a need to prepare the states for such eventuality and enhance Union State cooperation.

2.4. Security

- **The 2010 Riyadh Declaration has been termed as 'a new era of strategic partnership'** between the two countries. The visit of Prime Minister Narendra Modi to Riyadh from April 2-3, 2016 could be seen as a taking forward the momentum in India's growing engagement with the Kingdom of Saudi Arabia, which has taken an upward strategic direction.
- **Terrorism** is an important issue on which cooperation between India and Saudi Arabia is crucial. Collaborating with each other in combating terrorism has become necessary keeping in view the transnational nature of terrorist funding, operation and ideology.
- **In 2015 the Saudis deported Abu Jundal**, who was wanted in the 26/11 Mumbai attacks, making counter terrorism a key area of cooperation between the two countries.
- The visit of A. K. Antony to Saudi Arabia on February 13-14, 2012 was the first ever visit by an Indian Defence Minister to the Kingdom.
- **Only in recent years that the two countries have begun to conduct joint naval exercises.** Indian ships have visited Saudi Arabia on port calls and India has been providing training to some Saudi defence personnel.

3. India-UAE

3.1. Background

- India and United Arab Emirates (UAE) enjoy strong bonds of friendship based on age-old cultural, religious and economic ties between the two nations.
- The relationship flourished after the accession of H.H. Sheikh Zayed Bin Sultan Al Nahyan as the Ruler of Abu Dhabi in 1966 and subsequently with the **creation of the UAE Federation in 1971**.
- **Both countries soon established diplomatic relations in 1972** with UAE Embassy in India opening in 1972 and Indian Embassy in UAE opening in 1973. Since then, both sides have made sincere efforts to improve relations in all fields.

3.2. Recent Momentum

- The visit Prime Minister of India to UAE on 16-17 August 2015 marked the beginning of a new comprehensive and strategic partnership.
- Sheikh Mohammed bin Zayed Al Nahyan, crown prince of Abu Dhabi and deputy supreme commander of the UAE armed forces, visited India twice — once in February 2016 and then as chief guest at the Republic Day celebrations in 2017.
- P.M. Modi visited UAE in February 2018. This was his second visit to the UAE, which has emerged as a key strategic partner of India. After their talks, the two sides signed five agreements related to energy sector, railways, manpower and financial services.

3.3. Economy: Trade and Investment

- India-UAE bilateral relationship has evolved into a significant partnership in the economic and commercial sphere. India-UAE trade is around US\$ 52 billion (2016-17) making India the largest trading partner of UAE, while UAE is India's third largest trading partner (after China and US).
- UAE is the second largest export destination of India of over US\$ 30 billion for the year 2016-17.
- Investment: There is an estimated US\$ 8 billion UAE investment in India of which around US\$ 4.03 billion (Mar. 2016) is in the form of foreign direct investment, while the remaining is portfolio investment.
- UAE is the tenth biggest investor in India in terms of FDI. UAE's investments in India are concentrated mainly in five sectors: Services (10.33%), Construction Development (9.97%), Power (9.54%), Air Transport (8.44%) and Hotel & Tourism (7.82%).

3.4. The People

- UAE is home to 2.8 million Indian expatriates, the largest expatriate community in the UAE.
- Professionally qualified personnel constitute about 15 & 20 percent of the community, followed by 20 percent white-collar non-professionals (clerical staff, shop assistants, sales men, accountants, etc.) and the remainder 65% comprises blue-collar workers.
- There is a significant business community from India. The Indian community has played a major role in the economic development of the UAE.
- The annual remittances made by the large Indian community in UAE amount to over US\$ 13.75 billion (2015).
- The contribution of Indian community in development and prosperity of UAE was also acknowledged by UAE Government during the discussions in recently concluded 2nd India-UAE Strategic Dialogue.
- In 2018 India and the UAE signed an MoU that aims to institutionalize the collaborative administration of contractual employment of Indian workers in the Gulf country.
- IN 2015 government of Abu Dhabi announced plans for building the first Hindu temple in Abu Dhabi and allocated land for it. The Ground breaking took place in 2018.
- There are 1,076 flights a week between India and the UAE, which is the largest operation of its kind. More than 50 percent of Indians, who travel outside India to different destinations, such as Europe or America, use Dubai and Abu Dhabi as their transit hub.

3.5. Energy

- The UAE contributes significantly to India's energy security and was the **fifth-largest supplier of crude oil to India in 2016-17.**
- The UAE accounts for 8 percent of India's oil imports.**
- India is the second-biggest buyer of U.A.E. crude** behind Japan.
- Significantly, the **Abu Dhabi National Oil Company (ADNOC)**, in a first of its kind deal, has agreed to store crude oil in India's strategic storage facility at Mangalore.
- In 2018 consortium of Indian oil companies led by ONGC videsh ltd. signed an agreement for **10% stake in one of Abu Dhabi's offshore Lower Zakum Concession.**
- This is the first Indian Investment in upstream oil sector of UAE**, transforming the traditional buyer-seller relationship to a long-term investor relationship.

3.6. Strategic Partnership

- India and UAE signed an agreement to upgrade the relations to **Comprehensive Strategic Partnership**, apart from 13 other MoUs, in **2017**.
- the first **Strategic Dialogue** meeting between the two Foreign Offices was held in New Delhi on January 20, 2017. The second Meeting took Place in October 2017 in Abu Dhabi
- India and UAE see each other as important players in maintaining peace and stability in their respective regions** and have reinforced their partnership in countering terrorism, combating radicalization and preventing terror finance through intelligence sharing and close contacts between their National Security Councils.
- The most significant **support from the UAE came to India after the Uri attack** when Abu Dhabi sent out a very clear public statement suggesting India to take decisive action against perpetrators of the attack. Even on Pathankot attack, the UAE supported India.

3.7. Key areas to Work on

- UAE also has the large sovereign wealth fund that India IS looking for investments.** There is an agreement that UAE will invest nearly \$75 billion in India over the next few years
- In 2017, the Abu Dhabi Investment Authority became the first institutional investor in the National Investment and Infrastructure Fund's Master Fund**, with an investment of \$1 billion.
- In January 2018 Dubai Ports (DP) World**, the top port operator in the United Arab Emirates (UAE), announced that has partnered with NIIF to invest in India's infrastructure projects.

4. India-Iran

4.1. Background

- India-Iran relations span millennia** marked by meaningful interactions. The two countries shared a border till 1947 and share several common features in their **language, culture and traditions**.
- Independent India and Iran established diplomatic links on **March 15, 1950**. In addition to the Embassy in Tehran, India has two Consulates in Iran, one in Bandar Abbas and other in Zahedan.
- In recent times Iran has emerged as a **key location for India's connectivity initiatives** for Afghanistan and Central Asia.
- Thus, **connectivity, commerce, culture, and energy** are key pillars of India Iran relation in the current context.

4.2. Recent Momentum

- The trend was enhanced at the turn of the millennium with the **visit of Prime Minister Shri Atal Bihari Vajpayee to Tehran in April 2001** wherein the two countries signed the “**Tehran Declaration**” which set forth the areas of possible cooperation between the two countries.
- President Mohammad Khatami visited India from January 24-28, 2003 as the Chief Guest at the Republic Day parade.** Both sides signed “**The New Delhi Declaration**” which set forth the **vision of strategic partnership between India and Iran**.
- Prime Minister Dr. Manmohan Singh visited Iran to attend the 16th NonAligned Movement (NAM) Summit held in Tehran from August 28-31, 2012.**
- Prime Minister Shri Narendra Modi paid a bilateral visit to Iran from May 22- 23, 2016.** 12 MoUs/Agreements were signed between India and Iran.
- External Affairs Minister Smt. Sushma Swaraj visited Iran on December 2, 2017** on her return journey from SCO Summit at Sochi.
- Chabahar Port was inaugurated by the President of the Islamic Republic of Iran H.E. Mr Hassan Rouhani on December 3 in the presence of Ministers from India, Afghanistan and the region.**
- President Hassan Rouhani, President of the Islamic Republic of Iran, paid his first State Visit to India from 15-17 February 2018.**

4.3. The Chabahar Port

- Trilateral Transit and Trade Agreement signed in May 2016** between India, Iran and Afghanistan.
- Under the agreement signed between India and Iran in May 2016 , **India is to equip and operate two berths in Chabahar Port Phase-I with capital investment of USD 85.21 million and annual revenue expenditure of USD 22.95 million on a 10-year lease.**
- Chabahar port's location on the south-eastern coast of Iran** is expected to open up greater opportunities for promotion of trade and commerce, especially from the ports along India's western coast, with Iran, Afghanistan, Central Asia and beyond.
- India's participation in the development of **Chabahar Port will provide India an alternative and reliable access route into Afghanistan** utilizing India's earlier investment in Zarang-Delaram road built in Afghanistan, and also a reliable and more direct sea-road access route into Central Asian Region.
- The first shipment of wheat assistance to Afghanistan was realised though Chabahar port in November 2017.** This has demonstrated that Chabahar port is a viable and secure alternative for promoting regional connectivity among India, Iran and Afghanistan and possibly to Central Asia.
- The port in the Sistan-Balochistan province on the energy-rich nation's southern coast is easily accessible from India's western coast and is **increasingly seen as a counter to Pakistan's Gwadar Port, which is being developed with Chinese investment** and is located at distance of around 80 kms from Chabahar.

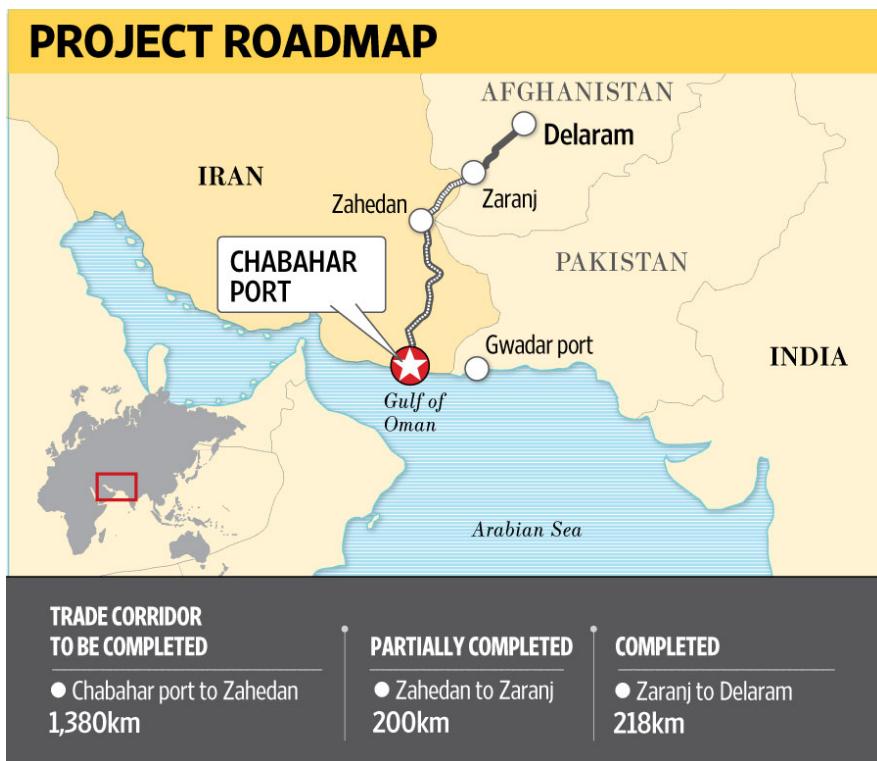


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4.4. Economy: Energy Trade

- India-Iran commercial ties have traditionally been dominated by Indian import of Iranian crude oil.
- India is the second largest buyer of Iranian crude after China and Iran was the third largest supplier of crude to India (April-Sep 2016).
- The India-Iran bilateral trade during the fiscal year 2015-16 was USD 9.054 billion. India imported USD 6.2 billion worth of goods mainly crude oil and exported commodities worth USD 2.7 billion.
- Major Indian exports to Iran include rice, tea, iron and steel, organic chemicals, metals, electrical machinery, drugs/pharmaceuticals, etc.
- Major Indian imports from Iran include petroleum and its products, inorganic/organic chemicals, fertilizers, plastic and articles, edible fruit and nuts, glass and glassware etc.
- Indian exports to Iran have steadily declined from \$4.9 billion in 2013-14 to \$2.379 billion in 2016-17, increasing the trade deficit. There is need to address the problem of declining Indian exports to Iran by putting in place a robust payment mechanism.
- A provision for investments in rupees has already been made between the two countries to take care of contingency if dollar payments are stopped because of sanctions.

4.5. Iran: New Opportunities?

- Iran, with the world's second largest gas reserves and fourth largest oil reserves.
- Iran has a diversified economy with substantial scope for investments in sectors like tourism, healthcare, manufacturing, transportation, finance, etc., that has started attracting many major global players. Its other major advantage is its demographics: 60% of its population is below 30 years of age.
- Much of this potential was subdued by the international sanctions targeted at Iran's nuclear programme. India voted against Iran in 2005, 2006, 2009, and 2011 for failing to

- comply with its NPT obligations. India reduced oil imports in this period- importing 21.20 million tonnes of crude oil from Iran in 2009-10, which was reduced to 18.50 million tones in 2010-11, 18.11 million tones in 2011-12 and 13.14 million tonnes in 2012-13.**
- **Nuclear sanctions imposed against Iran were finally lifted on January 16, 2016** after it was certified by the International Atomic Energy Agency (IAEA) that Iran had met its obligations under the **Joint Comprehensive Plan of Action (JCPOA)** reached in July 2015 among six world powers.
 - **The deal has not only allowed Iran access to the billions of dollars of assets in international bank accounts that were frozen during the sanctions period,** but will also possibly see **thousands of barrels of Iranian crude added to its current exports of 2.9 million barrels per day (mb/d), with the possibility of 1 million barrels extra per day (mb/d) by the end of 2016.**
 - The economic situation in Iran has been improving from early 2016 after the lifting of international sanctions following the implementation of the nuclear deal by this oil exporting nation.
 - **The Iran-Pakistan-India (IPI) gas pipeline project:** In 1993, **Pakistan and Iran announced a plan to build a gas pipeline, which Iran later proposed extending into India.** Dubbed the "peace pipeline".
 - **New Delhi has not been participating in talks on the 1,036-km Iran-Pakistan-India gas pipeline since 2007 citing security and commercial concerns but has never officially pulled out of the \$7.6 billion project.**
 - **It had succumbed to the sanctions regime as well as fierce opposition from the US,** with Washington pushing for the rival Turkmenistan-Afghanistan-Pakistan-India (TAPI) project. **Lifting of sanctions provide an opportunity to consider this project afresh.**
 - **The Farzad-B gasfield, according to India holds reserves of almost 19 trillion cubic feet.** The consortium, which includes Indian Oil Corp. and Oil India Ltd., has been trying to secure development rights to the Farzad-B gas field since at least 2009. OVL also leads a group that discovered Farzad B natural gas field off Iran under an exploration services contract. ONGC Videsh and Indian Oil each own 40 percent interest in the Farsi block that holds Farzad-B field, while Oil India has 20 percent.
 - The joint statement in 2018 makes a reference to the Farzad B gas field, **there is need to do more to bring the negotiations to a conclusion.**
 - Recently, Iran has signed an initial pact with Russia's Gazprom for developing Farzad B, discovered by ONGC. France's oil major Total and the China National Petroleum Corporation have already signed agreement for South Pars, Phase 11

4.6. Challenges

- European sanctions linked to human rights and US sanctions linked to terrorism are still in place.
- Embargoes on the sales and exports of conventional weapons and ballistic missile technology also remain.
- US administration under president Trump has been dissatisfied with the nuclear agreement or JCPOA, lifting sanctions on Iran.
- Iran's rivalry with its Arab neighbours i.e Saudi Arabia, UAE etc. and its confrontation with Israel remain a key issue for regional stability.
- The Chinese are building a refinery in Chabahar Free Trade Zone, and Iran has also joined China's OBOR.

4.7. Potential: Way Forward

- Iran is poised to become India's "gateway" to Central Asia, Europe and Russia as a result of the future construction of the ports at Chabahar and Bandar Abbas and the International North-South Transport Corridor (INSTC).
- Iran is a valuable ally in the fight against the Taliban in Afghanistan. Finally, Iran is an emerging regional power with wide-ranging influence in West Asia that could contribute to regional stability.
- It is for these reasons that India worked assiduously to sustain its relationship with Iran in the face of pressure by the U.S., Israel, and the G.C.C. countries regarding the Iranian nuclear program.

5. India-Israel

5.1. Background

- India formally recognised Israel on September 17, 1950. Soon thereafter, the Jewish Agency established an immigration office in Bombay. This was later converted into a Trade Office and subsequently into a Consulate. Embassies were opened in 1992 when full diplomatic relations were established.
- Since the upgradation of relations in 1992, defence and agriculture have been the main pillars of bilateral engagement. In recent years, ties have expanded to areas such as S&T, education and security.
- Two Israeli Presidents have visited India - Ezer Weizmann in 1996 and Reuven Rivlin in 2016. Prime Minister Ariel Sharon visited India in 2003.
- From India, President Pranab Mukherjee visited Israel in October 2015.
- Prime Minister Narendra Modi's visit in 2017, marked the first such visit from India at the head of government level.
- Prime Minister Benjamin Netanyahu Visited India in January 2018.
- These visits provided much public visibility to this relationship.

5.2. Defence and Security

- India imports important defence technologies from Israel.
- India is the number one export target of the Israel defence industry. Nearly 41 % of Israel defence exports are to India hence, India's defence import sustains Israel, defence industry.
- However, between 2005 and 2014, it accounted for 7 percent of military equipment deliveries, the third highest after Russia and the United States.
- There are regular exchanges between the armed forces and defence personnel. Air Chief Marshal, Arup Raha, visited Israel in March, 2016 while Israeli Naval and Air Force Chiefs visited India in 2015. INS Trikand made a port call at the Haifa port in August, 2015.
- In February 2014, India and Israel signed three important agreements on:
 - Mutual Legal Assistance in Criminal Matters,
 - Cooperation in Homeland and Public Security, and
 - Protection of Classified Material.
- Under Cooperation in Homeland Security, four working groups in the areas of border management, internal security and public safety, police modernization and capacity building for combating crime, crime prevention and cyber crime were established.
- IPS officer trainees visited Israel in 2015 and 2016 for foreign exposure visit.
- There is ongoing cooperation on counter-terrorism issues, including through a Joint Working Group on Counter-Terrorism which held its last meeting in July, 2015.

5.3. People

- Major waves of immigration of Jews from India to Israel took place in the 1950s and 1960s. **There are approximately 85,000 Jews of Indian-origin in Israel.** The majority is **from Maharashtra (Bene Israelis)** with relatively smaller numbers from **Kerala (Cochini Jews)** and **Kolkata (Baghdadi Jews).**
- In recent years, some **Indian Jews from North Eastern states of India (Bnei Menashe) have been immigrating to Israel.** While the older generation still maintains an Indian lifestyle and strong cultural links with India, the younger generation is more fully integrated into Israeli society. However, the Know India Programme, which provide Indian origin persons opportunities to visit India, have been received well by the younger generation of Indian jews.
- There are about 12,500 Indian citizens in Israel**, of whom around **11,500 are care-givers**. Others are diamond traders, some IT professionals, and students.
- For Israelis India has emerged as a key tourist destination.**
- The launch of direct flight between Delhi and Tel Aviv on 22 March 2018 is expected to give major push to people to people ties.

5.4. Trade

- From US\$ 200 million in 1992 (comprising primarily trade in diamonds), bilateral merchandise reached US\$ 5.19 billion in 2011. Since then, it has, however, stagnated around US\$ 4 - 4.5 billion with bilateral trade (excluding defence) for 2015 being US\$ 4.14 billion.
- Though **trade in diamonds constitutes more than half of bilateral trade**, trade has diversified in recent years to include sectors such as pharmaceuticals, agriculture, IT etc.
- Major exports from India to Israel include diamonds and metals, chemical products and textiles. Major imports by India from Israel also include diamonds and metals, chemicals (mainly potash) and machinery and transport equipment. Though reliable figures of services are unavailable, it is estimated that almost 75% of bilateral trade in services flow from India to Israel.

5.5. Agriculture

- India and Israel have a **bilateral agreement for cooperation in agriculture**. The **bilateral action plan for 2015-18 is currently operational**.
- India and Israel agreed to establish a "Strategic Partnership in Water and Agriculture" in 2017. This will focus on water conservation, waste-water treatment and its reuse for agriculture, desalination, water utility reforms, and the cleaning of the Ganges and other rivers using advanced water technologies.
- 10 out of the proposed 26 Centers of Excellence in agriculture being developed in India with Israeli help have already been commissioned** across different states such as Haryana, Maharashtra, Rajasthan, Gujarat etc.
- India has benefited from Israeli expertise and technologies** in horticulture mechanization, protected cultivation, orchard and canopy management, nursery management, micro-irrigation and post-harvest management.
- Israeli drip irrigation technologies and products** are now widely used in India.

5.6. Recent Momentum: The Visits of Prime Ministers

- P.M. visited Israel in July 2017, marking 25 years of exchange of embassies.
- A Memorandum of Understanding was signed for establishing the **India-Israel Industrial R&D and Innovation Fund (I4F)** by the Department of Science and Technology, India and

the National Authority for Technological Innovation, Israel with a **contribution of US\$ 20 million from each side**.

- Both the countries also agreed for **India-Israel Development Cooperation**, a three-year work programme in the agriculture sector. They also launched a five-year technology fund.
- MoUs were signed in 2017 on Plan of Cooperation Between the **Indian Space Research Organisation (ISRO) and the Israel Space Agency (ISA)** regarding cooperation in **Atomic, Clocks, GEO-LEO Optical Link and Electric Propulsion for Small Satellites**.
- India-Israel CEO Forum, was established in July 2017 during Prime Minister Modi's visit to Israel
- However, certain developments such as on the **vote at the UN on Jerusalem issue in December 2017** and the news of **India cancelling a \$ 500 million deal to buy 1,600 Spike anti-tank guided missiles from Israel**, indicated the issues of friction in the bilateral relations.
- The two Prime Ministers discussed the developments pertaining to the **Israeli-Palestinian Peace Process**. They underlined the **need for the establishment of a just and durable peace in the region**. They reaffirmed their **support for an early negotiated solution between the sides based on mutual recognition and security arrangements**.
- However, these issues did not cause much concern as seen during the January 2018 visit of Prime Minister Benjamin Netanyahu to India.
- During this visit, The two prime ministers noted with satisfaction the commencement and implementation of India-Israel development cooperation - three-year work programme in Agriculture (2018-2020)
- **MoU on Cooperation in the Oil and Gas sector was signed.**
- Security cooperation was taken further by signing of the **MoU on Cooperation in Cyber Security between India and Israel**.
- The two sides affirmed commitment to enhanced people-to-people contacts, through signing of a **Protocol Amending Air Transport Agreement to expand the scope of cooperation in the civil aviation sector**.
- Both sides have signed an **MoU in Film Co-Production** in recognition of the role that films play in promoting people-to-people contact.
- A decision was made on holding Festivals of India and Israel in their respective countries in the Year 2019.

5.7. Way Forward

- **India's flourishing relationship with Israel has not damaged its relations with other West Asian countries**; on the contrary, the scale and scope of these relationships have been expanding
- Stand alone visit of the Prime Minister to Israel in 2017 marked the de-hyphenation of relation with Israel from that with Palestinians and other Arab countries. This needs to be taken forward in a balanced way.

6. India-Palestine

6.1. The Palestinian Issue

- **Mandate of Palestine was to be partitioned into Jewish and Arab states under United Nations Resolution 181**, approved in November 1947. Jerusalem is put under international control.
- **The state of Israel was finally created on May 14, 1948**, provoking an eight-month war with Arab states.

- The war resulted in the West Bank including east Jerusalem going to Jordan and the Gaza Strip to Egypt. Israel ended up occupying more territory than the resolution 181 had visualized.
- Thus, the First Arab-Israeli war resulted in statelessness for Palestinian people with many becoming refugees in the neighboring Arab states.
- The Palestine Liberation Organisation (PLO) is created in 1964 with the aim of liberating the whole of historical Palestine.
- In the June war of 1967 between Israel and its Arab neighbors, Israel defeated Egypt, Jordan and Syria and occupied east Jerusalem, the West Bank, the Gaza Strip and the Golan Heights. This war brought the Palestinians under Israeli occupation.
- The first intifada, or Palestinian uprising against Israeli rule, rages from 1987 to 1993.
- In 1993, Israel and the PLO sign a declaration on principles for Palestinian autonomy after six months of secret negotiations in Oslo, launching an abortive peace process.
- PLO leader Yasser Arafat returns to Gaza in July 1994 to create the Palestinian National Authority (PNA or PA). Self-rule is established for the first time in the Gaza Strip and the West Bank town of Jericho.
- The Oslo Peace process broke down in 1999-2000. This was followed by a violent second intifada and Israeli response to it
- Mahmud Abbas took over the leadership of the Palestinian Authority in January 2005, after the death of Arafat.
- The last Israeli forces left Gaza after a 38-year occupation in September 2005.
- In June 2007, Islamist movement Hamas seized control of the Gaza Strip after ferocious fighting with its rivals in the Fatah faction led by Abbas, who remains in power in the West Bank. Hamas is a Palestinian Islamist political organization and militant group that has waged war on Israel since the group's 1987 founding, most notably through suicide bombings and rocket attacks. It seeks to replace Israel with a Palestinian state. It also governs Gaza independently of the Palestinian Authority.
- In 2014, Israel launched a new operation against Gaza in an attempt to stop rocket fire and to destroy tunnels from the Palestinian territory.
- Hamas and Fatah sign a reconciliation accord in October 2017 aimed at ending a decade of discord.
- Thus, the Palestinians remain stateless and the territory which is expected to become a future state of Palestine, i.e. West Bank and Gaza Strip remain separated and under Israeli occupation (West Bank) or blockaded (Gaza strip).
- The Palestinian
- International community including India supports a peaceful negotiated resolution of the issue with the Palestinian state, security and recognition for Israel remaining the end goal.

6.2. India's Position

- India's solidarity with the Palestinian people and its attitude to the Palestinian question was given voice during our freedom struggle by Mahatma Gandhi. Since then, empathy with the Palestinian cause and friendship with the people of Palestine have become an integral part of India's foreign policy.
- India was the first Non-Arab State to recognize PLO as sole and legitimate representative of the Palestinian people in 1974. India was one of the first countries to recognize the State of Palestine in 1988.
- In 1996, India opened its Representative Office to the Palestine Authority in Gaza, which later was shifted to Ramallah in 2003.

- India has always played a proactive role in garnering support for the Palestinian cause in multilateral fora. India co-sponsored the draft resolution on “the right of Palestinians to self determination” during the 53rd session of the UN General Assembly and voted in favour of it.
- India also voted in favour of UN General Assembly Resolution in October 2003 against construction of the separation wall by Israel and supported subsequent resolutions of the UNGA in this regard. India voted in favour of accepting Palestine as a full member of UNESCO in 2011.
- At the United Nations General Assembly on November 29, 2012 the status of Palestine was upgraded to a ‘non-member state’. India co-sponsored this resolution and voted in favour of it. India supported the Bandung Declaration on Palestine at Asian African Commemorative Conference in April 2015. India supported installation of Palestinian flag at UN premises along with other observer states, like the flags of member states, in September 2015.

6.3. Financial Assistance

- India has so far extended budgetary and project support of US\$ 60 million to Palestine. During the visit of President Abbas to India in the year 2008, India announced a grant of US\$ 10 million as budgetary support and this was transferred to Palestine in March 2009. During the visit of President Abbas to India in February 2010, India announced a budgetary support of US\$ 10 million and this was transferred in the month of March 2010.
- Again in 2012, during the visit of President Abbas India announced a grant of US\$ 10 million as budgetary support to Palestine.
- During the year 2015, India provided a total of US\$ 9 million as financial assistance to Palestine; US\$ 4 million was provided as project assistance towards the reconstruction of Gaza (on 12 January 2015), and US\$ 5million was provided as budgetary assistance (on 12 October 2015).
- In 2018, during the PMs visit a total of 50 million US\$ was committed by India as assistance to Palestine.
- A MoU was signed between India and Palestine for setting up of India-Palestine Super-specialty hospital at Beit Sahour in Bethlehem Governorate at a cost of US\$ 30 million.
- Construction of India Palestine Centre for Empowering women, "Turathi" at a cost of US\$ 5 million.
- India also earmarked funds for Palestine for setting up of new National Printing Press at Ramallah at a cost of US\$ 5 million.

6.4. Recent developments and the Future: De-Hyphenation

- The prime Minister during his 2018 visit observed that: “India hopes that Palestine soon becomes a sovereign and independent country in a peaceful atmosphere... permanent solution to the issue of Palestine is ultimately contained in negotiations and understanding through which a path to a peaceful coexistence can be obtained.”
- According to recent MEA Statement “India’s position on Palestine is independent and consistent. It is shaped by our views and interests and not determined by any third country,” said the Official Spokesperson in a statement to the media. India has traditionally supported an independent Palestine as part of a two-state solution.
- The recent vote in the UN on the issue of Jerusalem is also consistent with India’s longstanding view on the matter.
- PM Modi’s trip to Palestinian 2018 was a standalone visits just like his visit to Israel in 2017. This was seen as the completion of the de-hyphenation process.

6.4.1. Two-State Solution

- The "two-state solution" would create an independent Israel and Palestine, and is the internationally accepted approach to resolving the conflict. The idea is that Israelis and Palestinians want to run their countries differently; Israelis want a Jewish state, and Palestinians want a Palestinian one. Because neither side can get what it wants in a joined state, the only possible solution that satisfies everyone involves separating Palestinians and Israelis.
- Most polling suggests that both Israelis and Palestinians prefer a two-state solution.** However, the inability of Israelis and Palestinians to come to two-state terms has led to a recent surge in interest in a one-state solution, partly out of a sense of hopelessness and partly out of fear that if the sides cannot negotiate a two-state solution, a de facto one-state outcome will be inevitable.
- The "one-state solution" would merge Israel, the West Bank, and the Gaza Strip into one big country.** It comes in two versions. One, favored by some leftists and Palestinians, would create a single democratic country. Arab Muslims would outnumber Jews, thus ending Israel as a Jewish state. The other version, favored by some rightists and Israelis, would involve Israel annexing the West Bank and either forcing out Palestinians or denying them the right to vote. Virtually the entire world, including most Zionists, rejects this option as an unacceptable human rights violation.

7. India's Look West Policy: An Evolving Framework

- Despite long historical ties, India's links to the Gulf countries in the last few decades had come to be defined by the twin factors of energy imports and labour exports.
- In 2005 P.M. Manmohan Singh officially argued 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, similarly, come closer to our western neighbours in the Gulf."
- This statement had the elements of the "Look West Policy" which further received momentum and shape through Prime Minister Modi's trips to Saudi Arabia, UAE, Iran and Israel since 2014.
- PM Modi had used the phrase "Link West" in earlier speeches as well, In May 2017, the Indian foreign ministry spokesperson promoted the policy further by referring to a "Go West" connectivity and outreach policy with West Asia
- The phrase Think West was used for the first time in the inaugural Raisina Dialogue (March 2016) by foreign secretary S. Jaishankar.
- The key factor here is not just a "shared" past but of shared challenges in the present and a shared future. Proximity, history, cultural affinity, strong links between people, natural synergies, shared aspirations and common challenges create boundless potential for a natural partnership between India and the region.
- This view is defined not just by India's "Look West" policy, based on its energy and financial needs, but that it is equally defined by the GCC's "Look East" policy, soliciting greater Indian engagement with West Asia. Several factors have contributed to this fundamental shift in West Asian strategic thinking:
 - the desire of the US to cut down its global security role is timed with India's aspiration to play a greater role in the Indian Ocean.
 - The fall in commodity prices, has driven down the logic of diversification among the oil-rich nations in West Asia.

- the rise of religious radicalism globally and India's ability to largely escape that ominous trend has underlined the success of India's multicultural social fabric.
- in a world reeling under the long-term negative effects of the financial crisis, India is a remarkable anchor of stability as it continues to be a fast growing economy
- Thus, West Asia, especially the gulf states, is 'looking east' concerned about the emerging strategic instability in its own neighbourhood and the structural shift in the global energy market.
- In this context the need there has been increased engagement with the region with that also needs to be taken further through:
 - Closer government-to-government (G2G) relations,
 - attention to the vibrant business-to-business (B2B) and
 - people-to-people (P2P) relationships.
- Further one can see elements of a think west or look west strategy in:
 - India is building infrastructure in Iran while also sharing intelligence with Saudi Arabia.
 - And while the UAE is cooperating with India on maritime security, Israel is selling arms to New Delhi.
- The next logical step may be for India to assume a catalytic role in promoting an inclusive Gulf security arrangement...in concert with principal Asian countries—China, Japan, and Republic of Korea.
- Thus the making of a look west or think west is based on the need to harness common objectives and potentials and complementarities and it involves:
 - Energy Security
 - Investment opportunities
 - Security Cooperation
 - Connectivity
 - Cultural contacts

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LECTURE-9

INDIA AND CENTRAL ASIA

Contents

1. India and Central Asia	153
1.1. Background	153
1.2. India and Central Asia	154
1.2.1. India-Tajikistan	154
1.2.2. India-Turkmenistan	155
1.2.3. India-Kazakhstan	155
1.2.4. India-Uzbekistan	156
1.2.5. Ashgabat Agreement	156
1.2.6. India-Kyrgyzstan	156
1.3. The Connect Central Asia Policy.....	157
1.3.1. Some Limitations	157
1.4. Shanghai Cooperation Organisation	157
1.4.1. India at the SCO	158
1.4.2. Limitations of India at SCO.....	158
1.5. What Should India Do?	159
1.6. The International North South Transport Corridor (INSTC).....	159

1. India and Central Asia

Map 9.1-Central Asia



Image Source: <http://open.lib.umn.edu/worldgeography/wp-content/uploads/sites/181/2016/04/9752c66d3ef6a53cee2f78a606aff33c.jpg>

1.1. Background

- Central Asia stretches from the Caspian Sea in the west to China in the east and from Afghanistan in the south to Russia in the north.
- Central Asia was located on what was known as the Silk Road between Europe and the Far East and has long been a crossroads for people, ideas, and trade
- The region is rich in diverse energy resources.
- It is a landlocked region. The region consists of the former Soviet republics of Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.
- The Central Asian Republics (CARs) emerged as independent states in 1991, after the disintegration of Soviet Union
- Central Asia has a population of about 70 million, consisting of five republics:
 - Kazakhstan (18 million),
 - Kyrgyzstan (6 million),
 - Tajikistan (9 million),
 - Turkmenistan (6 million), and
 - Uzbekistan (31 million).
- Afghanistan (pop. 35 million) is also sometimes included
- In the post cold war period, the Central Asian countries have engaged themselves in nation building and consolidation of their statehoods.
- The pessimistic scenarios feared in the early nineties of Central Asia disintegrating have not fortunately been realized. No state has become a failing state. On the contrary, countries like Kazakhstan have made great strides.
- At the same time, the Central Asian countries continue to face daunting socio-economic and security problems.

- The relations among themselves are far from smooth. Issues like water security, borders, environmental degradation and migration have become acute and pose serious challenge to regional stability. Religious extremism & fundamentalism.

1.2. India and Central Asia

- Energy-rich Central Asia, with which India **shares historical linkages, holds great strategic importance.**
- The flow of Buddhism from India to Central Asia and Sufi ideas from Central Asia to India are examples of age old relations.** These deep rooted linkages are evident even today in similarities in food, language, dress and culture.
- India's disconnect with Central Asia came with Partition and the loss of direct geographical links.**
- Although Central Asia is highly endowed with natural resources, the ongoing conflict in Afghanistan and Pakistan's denial of transit prevent India from directly accessing these resources and deepening economic ties with the countries of the region. This is an important factor that led India to seek membership in SCO.
- India hopes to
 - build closer political, security, economic and cultural relations.**
 - based on ancient civilisational linkages.**
- Three countries, Kazakhstan, Tajikistan and Uzbekistan have enhanced relations to strategic partnership level.**
- The '**Connect Central Asia**' policy was first unveiled in 2012. The policy is often seen by many as an alternative to China's earlier New Silk Road and current One Belt One Road (OBOR) initiatives.
- Though India no longer shares physical boundaries with the region. This challenge is sought to be overcome **enhancing connectivity i.e. land based, maritime, air, digital.**
- Prime Minister Modi's Visit to all the 5 Central Asian Republics in 2015 was a significant moment in these relations.**

1.2.1. India-Tajikistan

- Tajikistan, which borders Pakistan, Afghanistan and China (and Kyrgyz Republic and Uzbekistan), has been a close ally of India and is a "valued friend and strategic partner in Asia".** It declared its independence on 9 September 1991.
- The country served as **an important link for India in the 1990s when India recognised and supported the Northern Alliance government in Afghanistan** and practically had no ties with Taliban government.
- Tajikistan has set up a field hospital in Farkor at the border with Afghanistan to treat Northern Alliance fighters.** India, it also has a "quietly functional" small base to aid the Afghan government, and helped service and repair Mi fighter planes.
- In 1995, India extended a \$5 million credit line to Tajikistan to set up a joint venture with a private Indian company for the production of pharmaceuticals.
- Despite these links, bilateral trade is not too high at a little over \$58 million of which \$53.7 million are export from India.
- India and Tajikistan elevated their bilateral relations to the level of a "Strategic Partnership" during the visit of President Rahmon to India in 2012.
- Till date, 993 slots for ITEC and 339 ICCR scholarships have been utilized by Tajik candidates** to study in India. Tajikistan is one of the largest beneficiaries of the ITEC programme (ITEC training slots were increased from 100 to 150 during the visit of President Rahmon to India in September 2012).

1.2.2. India-Turkmenistan

- Turkmenistan, one of the Republics of the former USSR, was proclaimed as an independent State on 27 October 1991.
- It shares borders with Kazakhstan in the north, Uzbekistan in the north and North-east, Iran in the South and Afghanistan in the Southeast. It has an area of 488,100 square kms and stretches 650 kms from north to south and 1,100 km from east to west. The main river of Turkmenistan is Amu Darya, which enters the country from Afghanistan and flows along the north-eastern borders before it enters Uzbekistan.
 - TAPI- Turkmenistan, Afghanistan, Pakistan and India (TAPI countries) signed two basic documents on 11 December 2010, making a beginning to the TAPI project.
 - The TAPI Gas Sales & Purchase Agreement (GSPA) was signed in May 2012. At the 22nd Steering Committee Meeting of TAPI held in Ashgabat on 06 August, 2015, Turkmenistan offered to lead the Consortium. In 2015 groundbreaking for the Turkmenistan leg was held. Transit fee payable by India to Pakistan and Afghanistan has also been agreed.
 - The groundbreaking ceremony for the Afghan section of an ambitious, multi-billion dollar gas pipeline was conducted in the presence of Minister of State for External Affairs M.J. Akbar for the ceremony at gas-rich on 23 February 2018.
 - 1,840-km pipeline aims to transport natural gas from Turkmenistan's Galkynysh gas fields by the beginning of 2020. It is expected to help ease energy deficits in South Asia. The bulk of the 33 billion cubic metres of gas to be pumped annually through the conduit will be purchased by South Asian rivals Pakistan and India.
 - For Turkmenistan it provides an avenue for diversification of gas deliveries.
 - The pipeline will traverse Afghanistan, raising security concerns, and specifically for India the passage through Pakistan is of key concern.
 - The overall funding picture for the mammoth gas pipeline, with an estimated requirement of 15 billion US\$ remains unclear, with commercial energy giants such as France's Total failing to follow up on reported interest in the project.
- **India provides ITEC training for Turkmen nationals in India.** In the year 2016-17, 30 ITEC slots were offered to them. In all, since the inception of the programme for Turkmenistan in 1994, over 380 Turkmen nationals have been trained in various courses.
- **Agreement for the Lapis Lazuli Corridor was signed in November 2017. It seeks to foster transit and trade cooperation between Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey by reducing barriers facing transit trade.** Providing for a major international trade and transport corridor stretching from Turkey to Afghanistan via Central Asian republics
- **India is not a part of the Lapis Lazuli corridor.**

1.2.3. India-Kazakhstan

- Kazakhstan became independent on 16 December 1991. Diplomatic relations were established in February 1992.
- President Nazarbayev of Kazakhstan to be the Chief Guest at our 60th Republic Day celebrations in 2009. A Joint Declaration on Strategic Partnership was adopted during the visit.
- **Issues of mutual concerns are :regional peace, connectivity and integration; reforms in the United Nations; and, combating terrorism.**
- An Agreement between ONGC Videsh Limited and KazMunaiGaz on the purchase of 25% stake in the Satpayev Oil Block in the Caspian Sea marked a new beginning in cooperation in the hydrocarbon sector.
- In 2015 India and Kazakhstan inked five key agreements including a defence pact to enhance military cooperation and a contract for supply of uranium.

- Kazakhstan was one of the first countries with which India launched civil nuclear cooperation through a uranium purchase contract.
- A 14-day joint training exercise between Indian and Kazakhstan armies, Prabal Dostyk, was conducted at Bakloh in HP in November 2017. This was the second joint exercise between the two countries.
- Kazakhstan is India's largest trade and investment partner in Central Asia. Bilateral trade amounted to US\$ 461 mln in 2015 and US\$ 618 mln in 2016.
- India provides capacity building assistance to Kazakhstan in various specialized fields under ITEC program. Since 1992, more than 1000 specialists have undergone training under ITEC programme. A total of 31 ITEC slots were utilized in 2016-17.

1.2.4. India-Uzbekistan

- Uzbekistan is bordered by five landlocked countries: Kazakhstan to the north; Kyrgyzstan to the northeast; Tajikistan to the southeast; Afghanistan to the south; and Turkmenistan to the southwest. Uzbekistan is a major producer and exporter of cotton. The country also operates the largest open-pit gold mine in the world.
- Uzbekistan became independent on 1st September 1991. Consulate General of India in Tashkent was formally inaugurated on 7th April 1987. Indian leaders often visited Tashkent and other places. **Prime Minister, Shri Lal Bahadur Shastri passed away in Tashkent on 11 January 1966 after signing the Tashkent declaration with Pakistan.**
- **Mirza Ghalib and Amir Khusro are notable Indians of Uzbek parentage.**
- In August 1991, as the events leading to the disintegration of the USSR unfolded, President Islam Karimov, in his then capacity as Chairman of Supreme Soviet of Uzbekistan, was visiting India.
- Prime Minister Dr. Manmohan Singh on April, 2006. First, Central Asian country that Prime Minister Narendra Modi Visited in July 2015.
- **Uzbekistan, the seventh biggest uranium exporter in the world, will be a key player in India's plan to procure nuclear fuel to create a strategic uranium reserve.**
- **Trade relations between India and Uzbekistan are governed by the Agreement on Trade and Economic Cooperation signed in May 1993.**
- Uzbekistan is a partner of India's ITEC Programme since 1993-1994. Currently 150 slots are being allotted annually.

1.2.5. Ashgabat Agreement

- It is a transit pact established in 2011 between Uzbekistan, Iran, Turkmenistan, and Oman. Kazakhstan joined subsequently and Pakistan joined in 2016. India joined the agreement in 2017.
 - Ashgabat Agreement is a transit pact signed in 2011 between Uzbekistan, Iran, Turkmenistan, and Oman and Qatar. While Qatar subsequently withdrew from the agreement in 2013, Kazakhstan and Pakistan joined the grouping in 2016.
 - The Ashgabat Agreement came into force in April 2016.
 - Its objective is to enhance connectivity within the Eurasian region and synchronize it with other regional transport corridors, including the International North-South Transport Corridor (INSTC).
 - India joined the Agreement in 2018.
 - Accession to the Agreement would diversify India's connectivity options with Central Asia and have a positive influence on India's trade and commercial ties with the region.

1.2.6. India-Kyrgyzstan

- Since the independence of Kyrgyz Republic on 31st August, 1991, India was among the first to establish diplomatic relations on 18 March 1992; the resident Mission of India was set up on 23 May 1994.

- Several framework agreements, including on Culture, Trade and Economic Cooperation, Civil Aviation, Investment Promotion and Protection, Avoidance of Double Taxation, Consular Convention etc.
- In 1995, India had extended a US\$ 5 million line of credit to Kyrgyzstan; out of this, US\$ 2.78 million were disbursed for four project.
- India announced its Connect Central Asia Policy during the visit Minister of State for External Affairs, Shri E. Ahamed to Kyrgyzstan in 2012.
- India-Kyrgyz trade was US\$ 24.98 million in 2016-17. India's exports to Kyrgyzstan was US\$ 22.66 million whereas Kyrgyz exports to India was US\$ 2.32 million. Apparel and clothing, leather goods, drugs & pharmaceuticals, fine chemicals, and tea are some of the important items in our export basket to Kyrgyzstan. Kyrgyz exports to India consist of raw hides, metaliferous ores & metal scrap etc.
- **The "Khanjar" series of India-Kyrgyzstan military exercises** has become an annual event. "Khanjar-II" exercises were held in March 2015 in Kyrgyzstan, "Khanjar III" in March-April 2016 in Gwalior, India. The "Khanjar-IV" exercises are scheduled to be held in Kyrgyzstan in February-March 2017.
- **Technical assistance under the Indian Technical and Economic Cooperation (ITEC) Program, particularly in terms of human resources development, is the cornerstone of India's economic involvement in Kyrgyzstan.** Kyrgyzstan has utilized 58 slots for 2016-17. More than 1040 professionals from Kyrgyzstan have received training in India since 1992. 80 ITEC slots have been sanctioned for 2017-18.

1.3. The Connect Central Asia Policy

- The 'Connect Central Asia' policy (CCAP) was first in June 2012 in Bishkek, Kyrgyzstan to fast-track India's relations with the Central Asian Republics (CAR) – Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Kazakhstan.
- The policy calls for:
 - Human resource cooperation through setting up universities, hospitals, information technology (IT) centers, an e-network in telemedicine connecting India to the CARs,
 - joint commercial ventures,
 - improving air connectivity to boost trade and tourism,
 - joint scientific research and strategic partnerships in defense and security affairs.

1.3.1. Some Limitations

- In 2015 the five Central Asian republics account for trade of only about \$1.6 billion with India, compared to about \$50 billion with China that has made them a key to its Silk Road Economic Belt (SREB) initiative.
- Despite bonhomie and much celebration, India has lacked presence on the ground in terms of G2G, B2B and P2P linkages.
- Connectivity is the key weakness in India's quest for increasing cooperation with Central Asia.

1.4. Shanghai Cooperation Organisation

- SCO was formulated in 1996 with five countries- Kazakhstan, Kyrgyzstan, Russia, China, Tajikistan.
- Uzbekistan joined in the group in 2001. Its headquarters is in Beijing.
- India and Pakistan, became permanent members of the body in 2017.
- The primary motive behind the formation was to ensure stability along the borders.
- SCO now represents over 40 per cent of humanity and nearly 20 per cent of global GDP.
- **Tashkent-based Regional Anti-Terrorism Structure (RATS) is the security apparatus of the SCO.**

1.4.1. India at the SCO

- The Astana summit in June 2017 fulfilled India's long-time desire to attain full membership of Shanghai Cooperation Organisation (SCO).
- India had been an observer of SCO meeting since 2005 and participated in ministerial-level meetings, which focused on security and economic co-operation in the Eurasian region.
- With India gaining a full membership, the **country aims to achieve regional and global stability and prosperity**. But, Pakistan's inclusion in the body poses potential difficulties in India's plan.
- It is expected that **becoming a full member of the body will strengthen India's position and reach in Central Asia**.
- it will help India engage the Central Asian Republics (CARs) on a regular basis every year, something which has proved rather difficult in a bilateral format
- Membership in SCO is likely to help India fulfil its aspiration of playing an active role in its extended neighborhood as well as checking the ever growing influence of China in Eurasia by intensifying regional integration, promote connectivity and stability across borders.
- SCO countries have a significant role in stabilising Afghanistan, membership would provide India another avenue to remain engaged in this process.
- SCO also provides a platform for India to simultaneously engage with its traditional friend Russia as well as its rivals, China and Pakistan
- India could gain from SCO's Regional Anti-Terrorist Structure (RATS) – manned by 30 professionals analysing key intelligence inputs on the movements of terror outfits, drug-trafficking, cyber security threats and public information in the region that we in India know little about.
- Likewise, participation in SCO's counter-terror exercises and military drills could be beneficial to the Indian armed forces.
- SCO membership could help advance talks on the construction of stalled pipelines like TAPI (and possibly IPI later) which is of considerable importance to India's natural gas needs.

1.4.2. Limitations of India at SCO

- Since China and Russia are co-founders of SCO and its dominant powers, **India's ability to assert itself would be limited** and it may have to content itself to playing the second fiddle.
- In addition, **India may also have to either dilute its growing partnership with the West or engage in a delicate balancing act**.
- Except India, all the other members of SCO have endorsed China's BRI initiative. India's primary concern is related to the China Pakistan Economic Corridor (CPEC). Infact, Kyrgyzstan and Kazakhstan had long crossed India's sovereignty red lines when they signed the Quadrilateral Traffic in Transit Agreement (QTAA) with Pakistan in 1995 to use the Karakoram Highway (KKH) passing through Gilgit-Baltistan as a transit corridor.
- Given the state of **relations between India and Pakistan**, many assume that **the spotlight would shift away from Central Asia towards tensions in South Asia**, thus making regional cooperation hard to foster.
- With regards to RATS, India **might face difficulties as the Indian understanding of terrorism is different from the other members of SCO**. Whereas for India it is related to state sponsored cross border terrorism. SCO's targets are groups like East-Turkestan Islamic Movement (ETIM) and Al-Qaeda, whereas groups like Lashkar-e-Taiba, Jaish-e-Mohammad, Harkat-ul-Mujahideen, Afghan Taliban and Haqqani Network do not come under the ambit of the SCO anti-terror structure

1.5. What Should India Do?

- Profiting in terms of **energy security** would be critical, but the **idea of a SCO “Energy Club” will gain full meaning only if Iran joins the grouping eventually.**
- It is imperative to look at central Asia through the Eurasian prism. India would do well to enter into the Eurasia integration path by seeking an early conclusion of a Free Trade Agreement with the Eurasian Economic Union (EEU) in order to enable unhindered flow of goods, raw-materials, capital and technology.
- The commissioning of the International North South Transport Corridor (INSTC) along with the proposed Chabahar project would enable Indian goods to gain better access to the untapped markets of the entire Eurasian region including Russia's Far East.
- India should rope in one or more SCO countries, preferably Uzbekistan and Kazakhstan, in its effort to project Chabahar as India's gateway to Eurasia.
- In the meantime, it should seek to benefit from maintaining a regional presence, tracking regional trends in security, energy, trade, connectivity and cultural interests.
- India should use the SCO atmosphere for building better convergences with China and Russia as well as to minimise the intensity of China-Pakistan alignment which actually undercuts India's direct access to Eurasia.

1.6. The International North South Transport Corridor (INSTC)

Map9.2-The INSTC



Image Source: <https://cdn.rbth.com/web/in-rbth/images/2016-11/top/north-south-transport-corridor.jpg>

- The **7,200 km** International North South Transport Corridor (INSTC) is a **multimodal transport network** linking Indian Ocean and Persian Gulf to the Caspian Sea via Iran, and onward to northern Europe via St. Petersburg, Russia.
- The INSTC is a **joint initiative launched by India, Iran, and Russia in September, 2000 to facilitate shipments and logistics.** The **agreement came into effect in May, 2002** after being ratified by all three signatory states.

- This corridor connects India Ocean and Persian Gulf to the Caspian Sea via Iran, further connected to St. Petersburg and North European via Russian Federation. From St Petersburg, North Europe is within easy reach via the Russian Federation. The estimated capacity of the corridor is 20-30 million tonnes of goods per year.
- The INSTC was expanded to include 10 new members, namely: Republic of Azerbaijan, Republic of Armenia, Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Republic of Turkey, Republic of Ukraine, Republic of Belarus, Oman, Syria. Bulgaria joined the initiative as an observer as.
- The International North South Transportation Corridor (INSTC) connecting Mumbai with St Petersburg and beyond – which has been 17 years in the making – is set to be operationalised in 2018 with the first consignment from India to Russia.
- INSTC will not only help cut down on costs and time taken for transfer of goods from India to Russia and Europe via Iran but also provide an alternative connectivity initiative to countries in the Eurasian region.
- It could help India and Russia boost up their bilateral trade and help to reach their target of USD 30 billion over the next 10 years from the current trade of less than USD 7 billion in 2016.
- It will be India's second corridor after the Chabahar Port to access resource rich Central Asia and its market.
- INSTC is widely argued as best possible response to China's 'One Belt' initiative.

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