



## **INDIA AND THE WORLD**

### **PREFACE TO THIS BOOKLET**

- *This is a BASIC material in India's Foreign Policy. However, data in the current scenario has been appended wherever possible to make the text more relevant.*
- *We have also included Tests at the end of Chapters so as to give you a Clue on what lines you need to think while reading Current Affairs. These tests are for self-evaluation only.*
- *Wherever possible, along with the historical Context the current scope of relations is also given to make the study more complete and to help the student in relating the history to the current context.*
- *Most of the Questions asked in GS on India's Foreign Policy are in Current Context BUT they require an understanding of the historical relation that we have with that particular country.*
- *If a question is asked pertaining to a country not mentioned in this document then a good approach would be to write everything in the current context.(For eg India- Mongolia relations)*
- *This Booklet has to be used along with your Current Affairs Notes to write a comprehensive well rounded answer*

*With Best Wishes*

## Chapter 1

### Principles and Objectives of India's Foreign Policy

The foreign policy of a country is determined by a number of historical and domestic factors. In case of India also several such factors have been responsible for the shaping of principles and objectives of the foreign policy. In this chapter we will discuss the objectives set out by the policy makers and the principles on which India's foreign relations are based. Every head of government and his foreign minister leave an impact of their personality, on the country's foreign policy. Nehru was not only the Prime Minister, but also Foreign Minister for over 17 years which were the formative years of independent India.

#### **Objectives of India's Foreign Policy:**

Foreign policy makers set out certain objectives before they proceed to lay down basic principles and formulate the policy. Several of these objectives are down basic principles and formulate the policy. Several of these objectives are common, though the degree of emphasis always varies. A former Foreign Secretary of India, Muchkund Dubey wrote:

*The primary purpose of any country's foreign policy is to promote its national interest—to ensure its security, safeguard its sovereignty, contribute to its growth and prosperity and generally enhance its stature, influence, and role in the comity of nations. A country's foreign policy should also be able to serve the broader purpose of promoting peace, disarmament and development and of establishing a stable, fair, and equitable global order.*

The purpose of peace, disarmament and an equitable global order may at times be in conflict with national security, sovereignty and development. But in medium and long run the former may also serve the national interest.

The goals of India's foreign policy are simple and straightforward. The primary and overriding goal has always been the maintenance and promotion of international peace and security. The ideals and objectives of our domestic as well as foreign policy are enshrined in the Constitution. India's foreign policy, designed mainly by Nehru, combines national interest with broader objectives mentioned above. Continuity in foreign policy is a tribute to maturity of a nation and wisdom of its leadership. The objectives of India's foreign policy are so fundamental and generally accepted by the people and different parties that they are known as bases of a national policy. That has resulted in continuity in India's foreign policy; "for no Government of India can afford to abdicate independence of judgement and action and compromise the basic values enshrined in our Constitution."

India, after independence, had to determine objectives of its foreign policy under very difficult circumstances. Internally, the partition of British India and creation of Pakistan left a deep wound of hatred and ill-will. India was till then one economic unit. Its division created many economic problems which were further complicated by the arrival of millions of Hindus and Sikhs displaced from Pakistan. They had to be rehabilitated.

Very soon the country was involved in a war in Kashmir imposed by Pakistan-backed tribals from North-West Frontier. Economy was further threatened by strikes organized by leftists. The country had to tackle the 'gigantic problem' of providing its vast population with the basic necessities of life, like food, clothing and shelter. Militarily, India was not strong. A hostile Pakistan compounded India's security problem. India did process "vast potential resources and manpower with which it could, in course of time, greatly increase its economic and

military strengths. India did possess “vast potential resources and manpower with which it could, in course of time, greatly increase its economic and military strengths.” There was another problem. It was related to internal consolidations. Even after British left Indian in 1947, there were small pockets of French and Portuguese possessions. India’s first efforts naturally were to negotiate with the two Powers. After prolonged negotiations, French agreed to withdraw, but military action had to be taken, in as late as 1961, to liberate Goa and other Portuguese pockets.

International situation was not very comfortable as the Cold War had begun and East-West relations were deteriorating very fast. It is in this situation that India decided that world peace would be a cardinal feature of India’s foreign policy. India desired peace not merely as an ideal but also as an essential condition for its own security. Nehru had said: “Peace to us is not just a fervent hope; it is an emergent necessity” As M.S. Rajan said: “For our country like India which is in urgent need of all round development, peace (as much external as internal) is a primary desideratum.” It is for this reason that India gave first priority to world peace. As Nehru opined, “India’s approach to peace is a positive, constructive approach, not a passive, negative, neutral approach.” India’s message to the world has been insistence on peaceful methods to solve all problems.

Peace meant not only avoidance of war, but also reduction of tension and if possible end of the cold War. A world order based on understanding and cooperation would require an effective United Nations. Therefore, India decided to give unqualified support and allegiance to the United Nations. International peace is not possible so long as armaments are not reduced. All the efforts at the reduction of conventional weapons had already failed despite a clear mandate in the Covenant of the League of Nations. The problem was further complicated by the nuclear weapons which threatened peace more than even before. Therefore, an important objective of India’s foreign policy has been elimination of nuclear weapons and reduction of conventional armaments. In other words, comprehensive disarmament has been an objective of our foreign policy.

A related objective was to root out other causes of war by measures such as liberation of subject peoples and the elimination of racial discrimination. In order to achieve this goal, India would follow an independent foreign policy without being any big Powers’ camp follower. It would also required total faith in, and support to the United Nations. Thus, pursuit of peace was not only directed by its self interest, but also by idealism imbibed from Mahatma Gandhi. Nehru once told an American audience that Gandhian ethics was the cornerstone of India’s foreign policy. Emphasising the intimate connection between means and ends.” He insisted that “physical force need not necessarily be the arbiter of man’s destiny and that the method of waging a struggle and the way of its termination are of paramount importance.”

Another objective of foreign policy was ‘elimination of want, disease and illiteracy.’ These are ills not only of Indian society, but also of most of the developing countries of Asia and Africa. While India’s domestic policy was directed at removal of want and Africa. While India’s domestic policy was directed at removal of want and disease, it was closely related with the question of foreign aid and assistance. Besides, India chose to cooperate with various international agencies so that it could make its contribution in fighting disease, starvation, poverty, illiteracy and famine in various underdeveloped countries. Organisations like WHO, FAO, UNICEF and UNESCO not only benefit India, but India also wants to use these institutions to help the entire mankind.

India has voluntarily chosen to remain a member of the Commonwealth of Nations. This association of free and sovereign countries who were colonies in the erstwhile British Empire now recognizes the British Queen only as Head of the Commonwealth, not as Crown of the Republics like India. Before 1949, only British Dominions were members of, what then known as, the British Commonwealth. All the dominions had the British Crown as their monarch also. India did not want to leave the Commonwealth even after it decided to become a republic and ceased to accept the British monarch as the head of state. India owed, along with some other countries,

common allegiance to a particular way of life. India considered the continued cooperation with the Commonwealth of mutual benefit to India and all other member countries.

Lastly, India's objectives has been to maintain friendly relations with all, avoid military alliances, follow non-alignment as a moral principle, seek peaceful settlement of international disputes and promote universal brotherhood and humanism by following and advocating the five principles contained in Panchsheel. India has tried to faithfully observe the ideals of non-interference and peaceful co-existence. All these objectives have been sought to be achieved through principles and decisions of India's foreign policy. Although wars were imposed upon India by Pakistan and China, India has been seeking to pursue friendly relations with all the countries, particularly with the neighbours. India still wishes to work in pursuit of world peace, and in search of that it has been insisting on complete elimination of nuclear weapons, and strengthening of the United Nations.

### **Principles of India's Foreign Policy:**

- 1) **Non-Alignment:** The policy of non-alignment is the most important contribution of India to international community. Immediately after the hostilities ended with the Second World War, a new and unprecedented tension developed between the erstwhile friends and allies. The acute state of tension came to be called the Cold war. The division of the world into two blocs led by the United States and the former Soviet Union respectively caused the Cold War. India made up its mind not join any of the power blocs. India's decision to follow an independent foreign policy was dictated essentially by its national interest, and also by its belief in moral value attached to the ideal of friendship among all, and pursuit of world peace. India had decided to devote its energies to its economic development. For that, India needed not only friendship with neighbours and big powers, but also economic assistance from different quarters. India made it clear that it would reserve the right to freely express its opinion on international problem. If it would join any of the power blocs then it would lose this freedom.
  
- 2) **Panchsheel and Peaceful Co-existence:** Peaceful co-existence of nations of diverse ideologies and interests is an important principle of our foreign policy. Indian philosophy of Vasudhaiva Kutumbakam promotes the feeling of 'one world'. In practice, it means that nations inhabited by peoples belonging to different religions and having different social systems can co-exist, live together in peace, while each follows its own system. This basic Indian philosophy was formally recognized when in 1954 India and China signed the famous declaration of five principles, detailed below, were formally enunciated in the Sino-Indian agreement of April 29, 1954 regarding trade and intercourse between the Tibetan Region of China and the Republic of India. The five principles mentioned in the Preamble of the agreement were:
  - a. mutual respect for each other's territorial integrity and sovereignty;
  - b. mutual non-aggression;
  - c. mutual non-interference in each other's internal affairs;
  - d. equality and mutual benefit; and
  - e. peaceful co-existence.
  
- 3) **Freedom of Dependent Peoples: Anti-Imperialism.** Anti-colonialism and anti-imperialism has been a matter of faith with India's foreign policy makers. Having been a victim of British imperialism for a long time, India decided to oppose all forms of colonialism and imperialism. Therefore, it decided to extend full support to the cause of freedom of dependent peoples of Asia and Africa. One of the first decisions that Nehru's Interim Government took was to recall the Indian troops sent by the British to suppress the freedom struggles in the Dutch and French colonies. The Dutch colony of Indonesia had been taken by

the Japanese during the Second World War. When after Japanese defeat, the Netherlands tried to establish its rule again, India opposed it even in the United Nations, and cooperated with Indonesia in its efforts to get independence. India fully supported the freedom struggles in Asian and African countries such as Indo-China, Malaya, Libya, Algeria, Tunisia, Gold Coast (now Ghana), etc. India fully supported the cause of independence of the people of Namibia who were under prolonged colonial rule of racist South Africa. Promotion of self-determination of all colonial peoples was, thus, an important objective and principles of India's foreign policy. India considered denial of freedom to colonial peoples as a violation of fundamental human rights, and a source of international conflicts.

- 4) **Opposition to Racial Discrimination:** India firmly believes in equality of all human beings. Its policy is aimed at opposition to all form of racial discrimination. South Africa was the worst example of discrimination against and exploitation of, the coloured peoples including the people of Indian origin. India gave full support to the cause of victims of racial discrimination. Not only India had cut off diplomatic relation with South Africa in 1949, but also used her influence (later) in the application of comprehensive sanctions against the white minority racist regime of South Africa.
- 5) **Foreign Economic Aid and India's Independent Policy:** India firmly believed that economic development of the country was an urgent necessity. Soon after independence, India devoted its energies to a planned and rapid all-round development. India was painfully aware of the lack of adequate resources and technical know-how. India had already decided on non-alignment as basic policy. That implied the adoption of an independent foreign policy. But, if India was to develop, it needed funds, machinery and technical known-how. India needed economic assistance as well as loans for numerous projects that it wanted to start in the process of multi-faceted development of the country.
- 6) **Peaceful Settlement of International Disputes:** Disputes among nations are unavoidable. There can be only two methods of settling international disputes: war, or peaceful settlement. War has been the most commonly used method of deciding disputes from the pre-historic days. War was considered the legitimate means of deciding disputes. It resulted in the victory of the nation over the other. By the end of First World War, destructiveness of this method had reached harrowing heights. Since then it has been increasingly realized by international community that peaceful settlement of disputes should be the goal of not only international organization, but also of all states. This includes, besides direct negotiations, means such as mediation, conciliation, arbitration and judicial decisions. The last mentioned method is used only in cases of legal disputes, whereas political disputes can be sought to be settled through other means.
- 7) **The Gujral Doctrine:** This doctrine is expression of the foreign policy initiated by I.K. Gujral, the Foreign Minister in Deve Gowda Government which assumed office in June 1996. Gujral himself later became Prime Minister. The essence of Gujral Doctrine is that being the largest country in South Asia, India decided on 'extension of unilateral concessions to neighbours in the sub-continent'. Gujral advocated people to people contacts, particularly between India and Pakistan, to create an atmosphere that would enable the countries concerned to sort out their differences amicably. It is in pursuance of this policy that late in 1996 India concluded an agreement with Bangladesh on sharing of Ganga Waters. This agreement enabled Bangladesh to draw in lean season slightly more water than even the 1977 Agreement had provided. The confidence building measures agreed upon by India and China in November 1996 were also a part of efforts made by the two countries to improve bilateral relations, and freeze, for the time being' the border dispute. Gujral Doctrine was vigorously pursued when India unilaterally announced in 1997 several concessions to Pakistan tourists, particularly the elder citizens and cultural groups, in regard to visa fees and policy reporting.

- 8) **India's Option of Nuclear Weapons:** Jawaharlal Nehru had initiated research in atomic energy. Dr. Homi Bhabha headed the Atomic Energy Commission as its first Chairman. Although Nehru never said that he wanted India to ever acquire nuclear weapons, yet he did not specifically reject the idea. Initially, the idea was to develop atom for peace, or use the atomic energy for peaceful purpose. Later, at some stage India began working on the nuclear power. After the Bangladesh crisis (1971) when it became clear that China (an ally of Pakistan) could assist Pakistan to develop nuclear weapons, India had to seriously think of nuclear option. China had exploded its first bomb in 1964, and it had become the fifth nuclear-weapon-state. In view of China-US strategic relationship evolving, India conducted its first nuclear test in 1974. But in view of hue and cry in international community, India declared that the 1974 test was only 'Peaceful Nuclear Explosion'. India had consistently refused to sign the discriminatory Non-Proliferation Treaty (1968) which recognized only five nuclear weapon states and abided the signatories not to proliferate nuclear weapons, Mrs. Gandhi led to abandon the idea of nuclear weapons for the time being, though India was getting enriched uranium and working on nuclear power, peaceful or otherwise. Successive governments maintained silence, but indicated that India was keeping its nuclear option open.

VISION IAS

## TEST 1

- Q.1. Panchsheel Principles applied in the current context of India's Foreign Policy

(Here you have to use your Current Affairs knowledge with the basic background given in this Booklet)

- Q.2. Enumerate the major principles of India's Foreign Policy (300 words)

- Q.3. Gujral Doctrine in UPA 2 (200 words)

(Here you have to use your Current Affairs knowledge with the basic background given in this Booklet)

VISION IAS

## Chapter 2

### The Policy of Non-Alignment

#### India's Policy of Non-Alignment:

India, under the leadership of Jawaharlal Nehru, was the first country to have adopted the policy of non-alignment. India's policy is **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. 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 had said, "She 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 had said 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 third 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."

India's foreign policy has always had certain priorities, viz., 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. But, 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. But, 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. India wants a world free from these evils. Secondly, non-alignment rejects the concept of superiority of Super Powers. It advocates sovereign equality of all states. Thirdly, 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. India's policy of non-alignment emphasizes the social and economic problems of mankind. India has been fully supporting 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.

#### **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, according to Professor Rajan, 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.

India was largely responsible for launching the Non-aligned Movement (NAM) in 1961. It was initiated by Nehru, Yugoslav President Tito and Egyptian President Nasser. Twenty-five countries attended the first NAM conference held at Belgrade and presided over by Tito. 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: (i) the country followed independent foreign policy based on non-alignment and peaceful co-existence; (ii) the country was opposed to colonialism and imperialism; (iii) it should not have been a member of a Cold War related military bloc; (iv) it should not have had a bilateral treaty with any of the Super Powers; and (v) NAM should not have allowed any foreign military base on its territory. It has grown both quantitatively and qualitatively. There are as many as 120 members of NAM in 2011. 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.

## **Current activities and positions of NAM:**

### **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. A resolution on the matter will be proposed on the XV Summit by the Hostosian National Independence Movement.

### **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 last meeting (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.

VISION IAS

## Test 2

- Q.1. Describe in brief the background, both national and International, that was responsible for India endorsing the NAM (300 words)
- Q.2. NAM in post cold war era (200 words)
- Q.3. Recent NAM Summit (200 words)
- Q.4. NAM -as it stands today (200 words)

(Here you have to use your Current Affairs knowledge with the basic background given in this Booklet)

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## Chapter 3

### India and Its Neighbours: Pakistan

**(Here you must focus on Issues and Disputes that we have with Neighbors)**

#### **Major Disputes between India and Pakistan:**

##### **Water Dispute:**

Kashmir and adjoining area is the origin point for many rivers and tributaries of the Indus River basin. They include the Jhelum and Chenab rivers, which primarily flow into Pakistan while other branches—the Ravi, Beas, and the Sutlej—irrigate northern India. The Boundary Award of 1947 meant that the headwaters of Pakistani irrigation systems were in Indian territory. Pakistan has been apprehensive that in a dire need, India (under whose portion of Kashmir lies the origins and passage of these rivers) would withhold the flow and thus choke the agrarian economy of Pakistan. The Indus Waters Treaty signed in 1960 resolved most of these disputes over water, calling for mutual cooperation in this regard. But the treaty faced issues raised by Pakistan over the construction of dams on the Indian side which limit water flow to the Pakistani side.

##### **The Indus Water Treaty**

The Indus Waters Treaty is a water-sharing treaty between the Republic of India and Islamic Republic Of Pakistan, brokered by the World Bank .

##### **Provisions of the Treaty**

The Indus System of Rivers comprises three Western Rivers the Indus, the Jhelum and Chenab and three Eastern Rivers - the Sutlej, the Beas and the Ravi; and with minor exceptions, the treaty gives India exclusive use of all of the waters of the Eastern Rivers and their tributaries before the point where the rivers enter Pakistan. Similarly, Pakistan has exclusive use of the Western Rivers. Pakistan also received one-time financial compensation for the loss of water from the Eastern Rivers.

The countries agree to exchange data and co-operate in matters related to the treaty. For this purpose, treaty creates the Permanent Indus Commission, with a commissioner appointed by each country.

The agreement set up a commission to adjudicate any future disputes arising over the allocation of waters. The Permanent Indus Commission has survived two wars and provides an on-going mechanism for consultation and conflict resolution through inspection, exchange of data, and visits. The Commission is required to meet regularly to discuss potential disputes as well as cooperative arrangements for the development of the basin. Either party must notify the other of plans to construct any engineering works which would affect the other party and to provide data about such works. In cases of disagreement, a neutral expert is called in for mediation and arbitration. While neither side has initiated projects that could cause the kind of conflict that the Commission was created to resolve, the annual inspections and exchange of data continue, unperturbed by tensions on the subcontinent.

## **Baglihar Dam Dispute**

Baglihar Dam, also known as Baglihar Hydroelectric Power Project, is a run-of-the-river power project on the Chenab River in the southern Doda district of the Indian state of Jammu and Kashmir. This project was conceived in 1992, approved in 1996 and construction began in 1999. The project is estimated to cost USD \$1 billion. The first phase of the Baglihar Dam was completed in 2004. With the second phase completed, on 10 October 2008, Prime Minister Manmohan Singh of India dedicated the 450-MW Baglihar hydro electric power project to the nation.

After construction began in 1999, Pakistan claimed that design parameters of Baglihar project violated the Indus Water Treaty of 1960. The Indus Water Treaty provided India with exclusive control over three eastern rivers, Neelum, Jhelum and Tawi while granting Pakistan exclusive control to three western rivers, including Chenab River. However it contained provisions for India to establish river-run power projects with limited reservoir capacity and flow control needed for feasible power generation. Availing this provision India established several run-of-the-river projects, with Pakistan objecting to these. Also in the case of the Baglihar and Kishan-Ganga projects, Pakistan claimed that some design parameters were too lax than were needed for feasible power generation and provided India with excessive ability to accelerate, decelerate or block flow of the river, thus giving India a strategic leverage in times of political tension or war.

During 1999-2004 India and Pakistan held several rounds of talks on the design of projects, but could not reach an agreement. After failure of talks on January 18, 2005, Pakistan raised six objections to the World Bank, a broker and signatory of Indus Water Treaty. In April 2005 the World Bank determined the Pakistani claim as a 'Difference', a classification between the less serious 'Question' and more serious 'Dispute', and in May 2005 appointed Professor Raymond Lafitte, a Swiss civil engineer, to adjudicate the difference.

Lafitte declared his final verdict on February 12, 2007, in which he upheld some minor objections of Pakistan, declaring that pondage capacity be reduced by 13.5%, height of dam structure be reduced by 1.5 meter and power intake tunnels be raised by 3 meters, thereby limiting some flow control capabilities of the earlier design. However he rejected Pakistani objections on height and gated control of spillway declaring these conformed to engineering norms of the day. India had already offered Pakistan similar minor adjustments for it to drop its objection. The Indus Waters Treaty of 1960 divided the Indus river— into which the Chenab flows — between the two countries and bars India from interfering with the flow into Pakistan while allowing it to generate electricity. However the key issue that any dam constructed by India should be strictly run of the river was rejected. Pakistan government expressed its disappointment at the final outcome. Both parties (India and Pakistan) have already agreed that they will abide by the final verdict.

The verdict acknowledged India's right to construct 'gated spillways' under Indus water treaty 1960. The report allowed pondage of 32,580,000 cubic metres as against India's demand for 37,500,000 cubic metres. The report also recommended reducing the height of freeboard from 4.5 m to 3.0 m.

On June 1, 2010 India and Pakistan resolved the issue relating to the initial filling of Baglihar dam in Jammu and Kashmir with the neighbouring country deciding not to raise the matter further. The decision was arrived at the talks of Permanent Indus Commissioners of the two countries who are meeting. "The two sides discussed the issue at length without any prejudice to each other's stand...Indian and Pakistani teams resolved the issue relating to initial filling of Baglihar dam after discussions," sources said. Pakistan also agreed not to raise the issue further.

### Kishanganga Dispute

The Kishanganga Hydroelectric Project is located on the Kishanganga River and was initially being constructed by the state government of Jammu & Kashmir and was subsequently transferred to NHPC for implementation. It is a 330 MW Kishanganga hydro project. For this project, India intends to divert the waters of the Neelam River. When Kishanganga River enters Pakistani Kashmir it is known as Neelam River. River Neelam is an important tributary of river Jhelum. Pakistan has articulated its objections in the form of six questions; three are related to the design, two on diversion and one on power house. The diversion tunnel would reduce the flow of water by 27%. Besides Pakistan has a plan to construct 969 MW hydropower project on the river Neelam. In fact they have already spent 71 million rupees on it. Similarly the Indians have completed 75% tunnel construction work. The dispute has been referred to World Bank. (Please update from Current Affairs Notes).

### The Tulbul Project

The Tulbul Project is a "navigation lock-cum-control structure" at the mouth of Wular Lake. According to the original Indian plan, the barrage was expected to be of 439 feet (134 m) long and 40 feet (12 m) wide, and would have a maximum storage capacity of 300,000 acre feet (370,000,000 m<sup>3</sup>) of water. One aim was to regulate the release of water from the natural storage in the lake to maintain a minimum draught of 4.5 feet (1.4 m) in the river up to Baramulla during the lean winter months. The project was conceived in the early 1980s and work began in 1984.

There has been an ongoing dispute between India and Pakistan over the Tulbul Project since 1987, when Pakistan objected that it violated the 1960 Indus Water Treaty. India stopped work on the project that year, but has since pressed to restart construction. The Jhelum River through the Kashmir valley below Wular Lake provides an important means of transport for goods and people. To sustain navigation throughout the year a minimum depth of water is needed. India contends that this makes development of the Tulbul Project permissible under the treaty, while Pakistan maintains that the project is a violation of the treaty. India says suspension of work is harming the interests of people of Jammu and Kashmir and also depriving the people of Pakistan of irrigation and power benefits that may accrue from regulated water releases.

### The Siachen Conflict

It is a military conflict between India and Pakistan over the disputed Siachen Glacier region in Kashmir. The conflict began in 1984 with India's successful Operation Meghdoot during which it wrested control of the Siachen Glacier from Pakistan and forced the Pakistanis to retreat west of the Saltoro Ridge. India has established control over all of the 70 kilometres (43 mi) long Siachen Glacier and all of its tributary glaciers, as well as the three main passes of the Saltoro Ridge immediately west of the glacier—Sia La, Bilafond La, and Gyong La. Pakistan controls the glacial valleys immediately west of the Saltoro Ridge. India gained more than 1,000 square miles (3,000 km<sup>2</sup>) of territory because of its military operations in Siachen.

The Siachen glacier is the highest battleground on earth, where India and Pakistan have fought intermittently since April 13, 1984. Both countries maintain permanent military presence in the region at a height of over 6,000 metres (20,000 ft). More than 2000 people have died in this inhospitable terrain, mostly due to weather extremes and the natural hazards of mountain warfare.

The conflict in Siachen stems from the incompletely demarcated territory on the map beyond the map coordinate known as NJ9842. The 1972 Simla Agreement did not clearly mention who controlled the glacier,

merely stating that from the NJ9842 location the boundary would proceed "thence north to the glaciers." UN officials presumed there would be no dispute between India and Pakistan over such a cold and barren region.

### **Sir Creek Dispute**

The Sir Creek is a 96 km (60 mi) strip of water disputed between India and Pakistan in the Rann of Kutch marshlands. The creek, which opens up into the Arabian Sea, divides the Kutch region of the Indian state of Gujarat with the Sindh province of Pakistan. Originally and locally it is called 'Baan Ganga'. Sir Creek is named after the British representative. The long-standing dispute hinges in the actual demarcation "from the mouth of Sir Creek to the top of Sir Creek, and from the top of Sir Creek eastward to a point on the line designated on the Western Terminus". From this point onwards, the boundary is unambiguously fixed as defined by the Tribunal Award of 1968.

The creek itself is located in the uninhabited marshlands. During the monsoon season between June and September, the creek floods its banks and envelops the low-lying salty mudflats around it. During the winter season, the area is home to flamingoes and other migratory birds.

The dispute lies in the interpretation of the maritime boundary line between Kutch and Sindh. Before India's independence, the provincial region was a part of Bombay Presidency of British India. After India's independence in 1947, Sindh became a part of Pakistan while Kutch remained a part of India.

Pakistan lays claim to the entire creek as per paras 9 and 10 of the Bombay Government Resolution of 1914 signed between then the Government of Sindh and Rao Maharaj of Kutch.

The resolution, which demarcated the boundaries between the two territories, included the creek as part of Sindh, thus setting the boundary as the eastern flank of the creek. The boundary line, known as the "Green Line", is disputed by India which maintains that it is an "indicative line", known as a "ribbon line" in technical jargon. India sticks to its position that the boundary lies mid-channel as depicted in another map drawn in 1925, and implemented by the installation of mid-channel pillars back in 1924.

India supports its stance by citing the Thalweg Doctrine in International Law. The law states that river boundaries between two states may be, if the two states agree, divided by the mid-channel. Though Pakistan does not dispute the 1925 map, it maintains that the Doctrine is not applicable in this case as it only applies to bodies of water that are navigable, which the Sir Creek is not. India rejects the Pakistani stance by maintaining the fact that the creek is navigable in high tide, and that fishing trawlers use it to go out to sea. Several cartographic surveys conducted have upheld the Indian claim. Another point of concern for Pakistan is that Sir Creek has changed its course considerably over the years. If the boundary line is demarcated according to the Thalweg principle, Pakistan stands to lose a considerable portion of the territory that was historically part of the province of Sindh. Acceding to India's stance would also result in the shifting of the land/sea terminus point several kilometres to the detriment of Pakistan, leading in turn to a loss of several thousand square kilometres of its Exclusive Economic Zone under the United Nations Convention on Law of the Sea.

In April 1965, a dispute there contributed to the Indo-Pakistani War of 1965, when fighting broke out between India and Pakistan. Later the same year, British Prime Minister Harold Wilson successfully persuaded both countries to end hostilities and set up a tribunal to resolve the dispute. A verdict was reached in 1968 which saw Pakistan getting 10% of its claim of 9,000 km<sup>2</sup> (3,500 sq. miles).

The disputed region was at the center of international attention in 1999 after Mig-21 fighter planes of the Indian Air Force shot down a Pakistani Navy Breguet Atlantique surveillance aircraft over the Sir Creek on August 10,

1999, killing all 16 on board. India claimed that the plane had strayed into its airspace, which was disputed by the Pakistani navy.

Though the creek has little military value, it holds immense economic gain. Much of the region is rich in oil and gas below the sea bed, and control over the creek would have a huge bearing on the energy potential of each nation. Also once the boundaries are defined, it would help in the determination of the maritime boundaries which are drawn as an extension of onshore reference points. Maritime boundaries also help in determining the limits of Exclusive Economic Zones (EEZs) and continental shelves. EEZs extend to 200 nautical miles (370 km) and can be subjected to commercial exploitation.

The demarcation would also prevent the inadvertent crossing over of fishermen of both nations into each others' territories.

Since 1969, there have been eight rounds of talks between the two nations, without a breakthrough. Steps to resolve the dispute include:

1. Allocation
2. Delimitation
3. Demarcation
4. Administration

Since neither side has conceded ground, India has proposed that the maritime boundary could be demarcated first, as per the provisions of Technical Aspects of Law of Sea (TALOS). However, Pakistan has staunchly refused the proposal on the grounds that the dispute should be resolved first. Pakistan has also proposed that the two sides go in for international arbitration, which India has flatly refused. India maintains that all bilateral disputes should be resolved without the intervention of third-parties.

(Please update from Current Affairs Notes)

### **The Kashmir Dispute:**

The erstwhile native state of Jammu and Kashmir, having total area of 86,024 square miles, has been described as 'heaven on earth'. But, unfortunately it has been the cause of hostile relations between India and Pakistan even since the partition in 1947. This northern state was populated predominantly by Muslims and was ruled by a Hindu Maharaja, Hari Singh. Maharaja Hari Singh did not take any decision regarding state's accession before, or immediately after, August 15, 1947. Pending final decision, the Maharaja concluded a standstill agreement with Pakistan. India did not accept such a temporary arrangement. The Maharaja was planning to declare his state an independent country. However, Pakistan began building pressure for accession of Kashmir to that country. Supply of several important requirements to Kashmir was stopped.

Earlier, in July 1947, the Viceroy Lord Mountbatten had visited Kashmir for four days. According to Mountbatten, he pleaded on each of these four days, with Hari Singh to quickly take a decision to accede either to India or Pakistan. The Maharaja did not realize gravity of the situation. He kept on evading discussion on accession. The Maharaja did not go to the airport to see Lord Mountbatten off when he was leaving for Delhi. The Maharaja sent a message that he was ill, but the Governor-General understood that Hari Singh was avoiding him. Mountbatten later regretted the Maharaja's indecision and said that had he decided before August 14, 1947 even to accede to Pakistan, India would have had no objection. Even Sardar Patel, the Home Minister, was reported to have told Mountbatten that India would have no objection if Kashmir voluntarily decided to join

Pakistan. But Hari Singh's ambition and indecision created a dispute between India and Pakistan which is the gravest of international disputes in which India has even been involved.

Immediately before the attack by Pakistan-sponsored tribals on Kashmir began, a senior official of Pakistan Foreign Office visited Kashmir and tried to persuade Hari Singh to agree to join Pakistan. Maharaja refused to take any decision in haste. Soon thereafter the aggression began. The invaders were tribesmen from North-Western Frontier Province. They launched the attack on October 22, 1947 in a number of sectors. They were well-trained and equipped. Within a short period of five days they reached Baramula, just 25 miles away from Srinagar. It is only after the commencement of aggression that a nervous Hari Singh signed the Instrument of Accession in favour in India.

Maharaja Hari Singh requested India to accept the accession and send armed forces immediately to repulse the attack and save the State of Jammu and Kashmir. He admitted that he had only two alternatives either to allow the aggressors to loot the state and kill its people or to join India as a part of the Dominion. He pleaded with the Government of India to accept his request immediately. The accession of Jammu and Kashmir to India was finalized by October 27, and the army was airlifted to clear the aggressions. While accepting the accession of Jammu and Kashmir, India said that after the aggression is vacated wishes of the people of state would be ascertained on the question of accession. In a letter written by Lord Mountbatten to Hari Singh the latter was assured of all help for the security of the state, and promised that, "the question of state's accession would be settled by a reference to the people." But Pakistan refused to accept the accession. The Prime Minister of Pakistan, Liaquat Ali Khan said that, "the accession of Kashmir to India is a fraud perpetrated on the people of Kashmir to India is a fraud perpetrated on the people of Kashmir by its cowardly ruler with the aggressive help of the Government of India." It is strange that the aggressors chose to describe India's help, to victim of Pakistan's invasion, as aggression.

The Indian army moved rapidly and the invaders began to retreat, but because they were receiving all help and supplies from Pakistan the pace of success of Indian army was slow. India did not want an open war with Pakistan. On January 1, 1948 India brought the matter to the notice of the United Nations Security Council under Article 35 of the charter. India sought UN assistance to have Pakistan-supported aggression vacate. India had tried earlier to reason with Pakistan, but to no avail. So, she now charged Pakistan with "an act of aggression against India." Pakistan denied India's allegations, framed several charges against it, and declared that Kashmir's accession to India was illegal. Meanwhile, Indian army had vacated about half of the area earlier taken by the tribals.

Pakistan had installed a so-called Azad Kashmir Government in the territory occupied by the invaders. Even today Pakistan insists that the area under its control is independent, or Azad Kashmir. In March 1948, a very popular leader of the Valley, and a friend of Nehru, Sheikh Abdullah took over as the Prime Minister of Jammu and Kashmir. During the pendency of the dispute in the Security Council, Liaquat Ali Khan, the Prime Minister of Pakistan, announced that his government was willing to accept the proposal of plebiscite, but stipulated certain conditions on which Azad Kashmir Government could be persuaded to accept cease fire. Liaquat Ali wanted withdrawal of Indian troops and immobilization of State's security forces, substitution of Sheikh Abdullah's government by a coalition including representatives of Azad Kashmir, and then holding of plebiscite under international supervision. These conditions were totally unacceptable to India. Thus, began a never-ending conflict between India and Pakistan.

The decision of Nehru and his Government to offer a plebiscite, to ascertain the wishes of the people, was a serious mistake. It has been responsible for prolonged dispute, occasional border clashes and terrorist attacks. Thousands of jawans and civilians have been killed even after the formal ceasefire on January 1, 1949.

After careful consideration, the Security Council appointed a three-member Commission on January 20, 1948. The Commission had one nominee each of India and Pakistan and the third member was to be chosen by the two nominees. India nominated Czechoslovakia and Pakistan's nominee was Argentina. As the two failed to agree on a third member, the Security Council nominated the United States as the third member. The Commission was to investigate and mediate in the dispute. The Security Council added two more members, Belgium and Colombia, by a resolution of April 21, 1948. The Commission was now called the United Nations Commission for India and Pakistan (UNCIP). The Security Council also resolved that Indian troops as well as tribesmen should be withdrawn, that an interim government, representing major political groups, be set up, and that the UNCIP should visit Jammu and Kashmir to exercise its good offices in helping the two countries restore peace and arrange a fair plebiscite. This resolution did not please either India or Pakistan.

The United Nations Commission for India and Pakistan (UNCIP) conducted enquiry, met representatives of both India and Pakistan and finally submitted a report on December 11, 1948. This report contained the following recommendations aimed at ending the hostilities and holding of plebiscite. First, Pakistan should withdraw its troops from Jammu and Kashmir as soon as possible after the ceasefire, and that Pakistan should also try for withdrawal of tribesmen and Pakistan nationals who are not ordinary residents of Kashmir. Second, the territory thus vacated by Pakistani troops should be administered by local officials under the supervision of the Commission. Third, after these two conditions are fulfilled and India is informed about their compliance by the UNCIP, India should also withdraw substantial strength of its troops. Finally, pending a final agreement India should maintain only such limited troops as should be essential for law and order.

After initial reluctance, Pakistan accepted these proposals and a cease fire agreement was signed which was implemented by the two commanders on the midnight of January 1, 1949. The war ended and a cease fire became effective. A plebiscite was to be held in Jammu and Kashmir after all the conditions stipulated by UNCIP were met. The Indian army was in a position to push the invaders out, and liberate the whole of state when suddenly the cease fire was announced. If the army would have got some more time, the entire state would have become free from invaders.

The cease fire line (now called the Line of Control) was drawn where the fighting ended. An agreement on cease fire line was reached in Karachi on July 27, 1947. It left 32,000 sq. miles of Jammu and Kashmir territory in possession of Pakistan which is called Azad Kashmir by Pakistan. It had 7 lakh (out of a total of 80 lakh) population. The UNCIP had recommended that disagreements between India and Pakistan over implementation of cease fire agreement would be brought to the notice of the Plebiscite Administrator, Admiral Chester Nimitz. India refused and the whole issue fell back on the Security Council. As Nimitz could not ensure compliance of UN resolutions regarding withdrawal of Pakistan troops, he resigned.

### **The Crisis of Bangladesh: India-Pakistan War of 1971:**

The crisis in India-Pakistan relations over the upsurge in East Pakistan and the emergence of Bangladesh has been described as the most critical crisis. The background of the crisis was essentially an internal matter of Pakistan, but its consequences became vital for Indo-Pak relations. When India was partitioned in 1947, the basis for partition was religion. The Muslim majority areas in the West as well as East constituted the new state of Pakistan. Eastern wing was carved out of Bengal. Between the two wings of Pakistan there was about 1200 miles of Indian territory. Professor Dutt wrote: "Psychologically, emotionally and even physically, East Bengal's participation in the Muslim League's concepts of politics even before partition and in the emergence of Pakistan was minimal." The demand of Pakistan was largely made by the Muslims of U.P. and Bombay. The majority of Pakistani population lived in the East, but the country's politics was largely controlled by leadership in the West, particularly Punjab. The notion that Islam would unite the two parts and that it was one nation proved to be a

myth. Languages and cultural traditions in the two parts of Pakistan were different. Rather than bringing about emotional integration, Pakistan's bureaucratic-military rulers sought to dominate East Bengal. Imposition of Urdu was totally unacceptable to people of East Pakistan. The immediate cause of conflict was denial of the office of Prime Minister of Pakistan to the leader of Awami League, Sheikh Mujibur Rehman, even when his party had won 160 out of 300 seats in Pakistan National Assembly elections held in December 1970. Meanwhile, President Ayub Khan had been replaced, in March 1969, by another army general Yahya Khan. The new President, in connivance with Pakistan People's Party leader Z.A. Bhutto, opted to crush the voice and choice of the people. This denial of the right to govern to democratically elected leadership became the cause of civil war in Pakistan leading to its breakup.

The details of developments leading to the Bangladesh crisis and Indo-Pak war are explained in Chapter 7 dealing with India's relations with Bangladesh. In the present section it will be sufficient to deal with matters directly concerned with India-Pakistan relations, the war of 1971 and Shimla Agreement. The National Assembly of Pakistan, elected in December 1970, was to frame a new Constitution within 120 days, but the Assembly session scheduled for March 3, 1971 was put off after President Yahya Khan realized that Mujib's six-point programme would be adopted and this would be a setback to Yahya-Bhutto team.

Sheikh Mujibur Rehman was arrested and detained, rather than allowed to form the government. Unprecedented violence erupted in East Bengal where Pakistani Security forces let loose a reign of terror. Hundreds of thousands of people were killed and wounded and women in very large numbers were raped. About one crore people arrived in India as refugees. This brought India into the picture. In April 1971, people of East Bengal declared themselves as belonging to Bangladesh, an independent country. India could not remain a silent spectator when there was violence on its borders and millions of Bangladeshis were pouring in as refugees. Pakistan decided to wage a war against India both in eastern and western sectors.

The Awami League leadership in East Pakistan declared independence of Bangladesh on April 12, 1971. But, no country granted formal recognition to Bangladesh. This was the success of Pakistani diplomacy. Even India did not recognize Bangladesh because it did not want to provoke Pakistan. The Deputy High Commissioner of Pakistan based in Calcutta and 70 members of his staff cut off their relations with Pakistan, and declared themselves to be citizens of independent Bangladesh. The new High Commissioner of Pakistan was greeted in Calcutta with demonstrations against him. India wanted to pull out its staff from Dhaka, but Pakistan created many difficulties. As diplomatic tension mounted and Bangla youth established a force, for independent state, called Mukti Bahini, Pakistani charged that India was responsible for the rebellion, and that Indian troops were being sent in the garb of Mukti Bahini.

Indian Prime Minister Mrs. Gandhi established contacts with all major Powers of the world to pressurize Pakistan to stop massacre of people in East Bengal so that Bangla refugees could be sent back to their homes. Mrs. Gandhi's visits to western capitals were not fruitful. The United States made it clear that if a war broke out between India and Pakistan and even if China supported Pakistan, India should not expect any aid from the United States, Pakistan President Yahya Khan repeatedly said that if India continued to encourage Bangla rebels, a war would soon commence. He said that Pakistan would not be alone in such a war. In such a situation India had to seek some powerful friend.

**The Shimla Accord:** Zulfiqar Ali Bhutto assumed office of Chief Marshal Law Administrator and President on December 20, 1971. He was leader of Pakistan People's Party which had won 80 seats in the National Assembly elections held a year earlier. He inherited a mutilated Pakistan. As President, Bhutto made numerous promises including his 'determination' to reunite Bangladesh with Pakistan. Several army commanders held responsible for Pakistan's defeat were removed from services and passport of many industrialists were seized. Sheikh Mujibur Rehman was released on January 8, 1972.

After diplomatic level negotiations for several months, India-Pakistan Summit was held at Shimla in the end of June 1972. Mrs. Indira Gandhi and Mr. Z.A. Bhutto, assisted by their high-level delegations, held complex and extensive discussions on various issues arising out of the war, as well as on general bilateral relations. The issues ranged from the repatriation of prisoners of war, the recognition of Bangladesh by Pakistan, normalization of diplomatic relations between India and Pakistan, resumption of trade and fixation of international line of control in Kashmir. After prolonged negotiations, Bhutto agreed on essentially a bilateral approach to Indo-Pakistan relations. The accord signed at the end of Shimla Conference provided that both the countries would work to end the conflicts and disputes between them and pledged to work for lasting friendship in the sub-continent. With these objectives in view Indira Gandhi and Bhutto agreed to (i) seek peaceful solutions to disputes and problems through bilateral negotiations, and neither India nor Pakistan would unilaterally change the existing situation, and (ii) not to use force against each other, nor violate the territorial integrity, nor interfere in political freedom of each other.

### **The Gujral Doctrine and Pakistan:**

When India initiated the policy of taking unilateral action to improve relations with the neighbours, the then Foreign Minister Gujral had gone virtually out of the way in the interest of lasting peace. India was aware of the fact that the sub-continent had been locked-up in a dangerous nuclear face off, amassed our armies on both sides of the border and drained our scarce resources. As Raj Chengappa wrote (India Today, April 15, 1997), "The continuing hostility is one of the main reasons why we find ourselves amongst the poorest of poor countries in the world." Numerous rounds of bilateral talks till 1994 had borne no fruits. A new initiative was taken when fresh Foreign Secretary-level talks were convened in March 1997. But a former Pakistan diplomat Abdus Sattar said that the same record had been played again and again. Similarly, India's former Foreign Secretary J.N. Dixit opined that it had been the dialogue of the deaf where both sides were talking at each other rather than to each other.

A number of vital points of disagreement persisted. Firstly, India insists that legally and constitutionally Kashmir is a part of its territory, but Pakistan continued to insist that it is a disputed territory, and only a plebiscite can determine its status. Secondly, Kashmir is also a "battle of antithetical ideologies". For Pakistan, it is the specimen of its two nation theory and that Muslims cannot live as equals in a Hindu-dominated India. For India, Kashmir is critical for maintaining its secular national character. Thirdly, at diplomatic plane, Pakistan defines Kashmir as the core issue and insists on its solution before any other bilateral dispute is taken up. However, India believes that normalization of relations, including better trade and insists on its solution before any other bilateral dispute is taken up. However, India believe that normalization of relations, including better trade and confidence-building measures, should precede discussion on Kashmir. A suggestion is at times made, which envisages Line of Control in Kashmir to become international border. This suggestion was also made by Kashmir Chief Minister Dr. Farooq Abdullah, but political leadership in both countries is allergic to this proposal for each of public revolt.

Commenting on Gujral Doctrine of "larger neighbor giving more", I.K. Gujral said (before he took over as Prime Minister) in March 1997 that, "I am willing to take concessions on anything, except the sovereignty or secular character of our nation. That is non-negotiable. There will not be another partition of India." Very high hopes were raised by the friendly meeting that Prime Minister I.K. Gujral had with his Pakistani counterpart Nawaz Sharif in May 1997 at Male during ninth SAARC summit. The two leaders appeared to be determined to work seriously to find a solution to all the outstanding disputes between India and Pakistan. The two Prime Minister carefully avoided mention of Kashmir in all public statements and comments.

The Gujral Doctrine was clearly sought to be applied by India in order to ease India-Pakistan relations and promote people to people contact between the two countries when, as Foreign Minister, I.K. Gujral had announced certain measures unilaterally in March 1997. A series of measures easing visa restrictions for Pakistani nationals were announced as “unilateral gesture of goodwill.”

**Vajpayee's Second Gamble:** Setting aside his opposition to talk to a military ruler, Vajpayee decided to invite General Parvez Musharraf to India for talks. This was “Vajpayee's second gamble in about two year on changing India's relationship with Pakistan.” Musharraf, who was Chief Executive, in addition to being Chief of Army Staff, made the Pakistani President resign on the eve of his visit to India, and he assumed the Presidency of Pakistan himself. General Musharraf was warmly welcomed in India, with lot of media hype in the hope of the beginning of a new chapter in the bilateral relations. The talks between Vajpayee and Musharraf, assisted by their respective high power delegations, took place in Agra. The Pakistani President insisted on right of self-determination for the people of Jammu and Kashmir which, according to him, was denied by India. He talked of the “core issue” of Kashmir, and harped on “repression of the people of state by India.” He refused to accept that there was any cross-border terrorism from Pakistani side. He told, not only his Indian hosts, but even the media in a directly telecast press conference, that the violence in Kashmir was nothing but “freedom struggle” by the suppressed people of the state. This was totally nature and unacceptable to India. The talks failed, and even a joint declaration could not be issued.

C. Raja Mohan summed up the outcome of Agra talks thus: “July 2001 is likely to go down as the cruellest month Atal Behari Vajpayee ever endured in his foreign policy endeavour ... After two days and nights of negotiations at Agra, Vajpayee realized his attempt at finding a breakthrough with Pakistan has collapsed, yet again. Indian Prime Minister refused to sign the joint declaration. Whatever was contained in the draft declaration was destroyed by Musharraf in his press conference in the morning by publicly blaming India for 1971 events leading to independence of Bangladesh, blaming India for, so called, suppression in Kashmir and denial of self-determination, and by supporting Pak-sponsored jihadis as “freedom fighters”. As Raja Mohan concluded, “Vajpayee's famous silence became even longer as the voluble general kept pushing the piece of paper in front of him. Vajpayee had made up his mind. The general had overplayed his hand and undermined the prospects for a broad agreement on initiating a comprehensive dialogue between the two nations.”

Prime Minister Vajpayee's Lahore initiative had been, as already mentioned, destroyed by Musharraf as Chief of Army Staff of Pakistan. Vajpayee's second gamble again met with Pakistani leader's adamant and provocative attitude. The quote C. Raja Mohan again:

Vajpayee thought he was being generous in his hospitality and the political substance that he was offering. The swaggering general saw this generosity as weakness, and he was determined to collect as much as he could for the investments his army had made in bleeding India for more than a decade in Jammu and Kashmir. Vajpayee's peace initiative turned to ashes ...

While the then US President Clinton was opposed to the military dictatorship in Pakistan, his successor George W. Bush was placed in a situation in which he decided to befriend Pakistan and go out of the way to please the military ruler. A massive terrorist strike took place on the US territory on September 11, 2001. Well-trained suicide-bombers hijacked four American aircraft full of fuel and large numbers of passenger and crew. Two of these aircraft were struck against the 108-storied twin towers of the World Trade Center in New York. The Centre was fully destroyed and over 7000 innocent people were killed. This included hundreds of people of Indian origin. A third plane was struck, the same morning, against a portion of Pentagon building in Washington D.C. The fourth plane was saved by a vigilant lady passenger and made to miss its target, the US President's residence the White House. The US intelligence had completely failed, and the airport security proved to be totally ineffective. President Bush and his administration concluded that the unprecedented terrorist and

supported by Pakistan, the Al Qaeda leadership were guests of the then Afghan fundamentalist rulers, the Taliban trained by Pakistan initially to fight against the Soviet forces, but later they had imposed severe rules, particularly on Afghan women, and were fighting against the government of President Rabbani. The Rabbani Government, recognized worldwide, had been forced to flee into the North with just five per cent territory left in its hands.

President Bush decided to organize an international coalition to attack the Taliban regime and its Al Qaeda supporters. Bush sought and got full support from Pakistan President Musharraf. Pakistan was the creator of Taliban and had been ignored by Clinton Administration. Musharraf grabbed the opportunity of winning over the support and friendship of the United States. Musharraf provided all assistance to Bush. Within short period of two months, beginning October 8, 2001, the Talibans were defeated, and their leaders as well as Osama were on the run. But the leaders could not be arrested. Afghanistan was apparently freed from terrorists. In the process Pakistan was the biggest beneficiary. It was emboldened and cross-border terrorism against India was increased so much that India had to prepare itself for a war against Pakistan.

Large number of innocent men, women and children, as also the men of security forces were killed in the renewed terrorism against India. Thus, on October 1, 2001 an attempt was made to destroy the Kashmir State Secretariat in Srinagar through a car-bomb explosion. The worst happened on December 13, 2001 when five very-well armed terrorists (all Pakistani nationals) tried to sneak into the Parliament House in New Delhi, when the Parliament was in session. Alert security men posted outside the Parliament House building challenged and engaged the terrorists in a big gun battle. Eventually all the five terrorists, including one human bomb, were killed. Seven of brave Indian security personnel lost their lives, but they save India's top political leadership and the Parliament House. Indian martyrs included one brave police woman.

There was clear proof of the terrorists being Pakistani nationals, yet Pakistan shamelessly called them Kashmiri freedom fighters. A number of persons arrested by police in Delhi as conspirators in this crime also gave evidence of Pakistani involvement. However, Pakistan refused to claim the bodies of killed terrorists just as many bodies of enemy killed in Kargil conflict earlier (1999) were not claimed. India could not tolerate this direct threat to its democracy. India withdrew its High Commissioner from Islamabad, and later asked Pakistan to recall its Deputy High Commissioner Gilani when his involvement in supplying money to terrorists was established after the arrest of a woman terrorist coming out of the High Commission of Pakistan in New Delhi. Soon after December 13 attack, India refused over flights of Pakistani aircraft, and cancelled its own flights using Pakistani airspace. The Delhi-Lahore bus service and Samjhauta Express were cancelled. India mobilized its troops on the international border as well as the Line of Control. India mobilized its troops. By the summer of 2002 a war between the two neighbours appeared imminent, but international concern and slight improvement in environment led India to withdraw its forces after they remained mobilized for almost ten months.

Even when the two armies stood face and international concern was being daily expressed Pakistan-sponsored terrorism kept bleeding innocent Indians. For example, terrorists managed to sneak into the famous Akshardham Temple in Ahmedabad. They fired indiscriminately, killing and wounding innocent Indians. Later, however, police managed to kill the terrorists. A similar incident took place in Raghunath Temple, in Jammu. On several occasions terrorists managed to take shelter in one mosque or the other. In practically all cases, the police had the last laugh as the security forces killed the terrorists without damaging the places of worship. In other incidents, the alert security forces killed two terrorists in the parking lot of New Delhi's Hans Plaza Complex before they could succeed in exploding the bombs and killing large number of shoppers. Their lives were saved. Intelligence sources were getting reports of terrorist plans to kill the Prime Minister and other leaders; and blow up places like the India Gate in Delhi, the Parliament House and the Gateway of India in Mumbai. In March 2003, Uttar Pradesh police arrested two terrorists in Muzaffarnagar after the intelligence

report of their plan to make a bid on India Gate and other places in the capital through fidayeen attacks. A dreaded terrorist was killed in Noida on the outskirts of Delhi.

Meanwhile, free and fair elections were conducted in the State of Jammu and Kashmir in 2002. Pakistan carried out massive propaganda through its modules in the State in asking people to boycott the elections. Violence was also taken to high pitch. But, people of Jammu and Kashmir braved all threats and use of force and came out in large numbers to vote. International community all over acclaimed the fairness of the elections. People voted freely and without fear and changed the state government. Participation of people in the elections was universally recognized as willing participation of people in the elections was universally recognized as willing participation of people in democratic process, giving a lie to Pakistani propaganda that the right of self-determination was being denied to be people of the state. The Prime Minister Mr. Vajpayee highlighted this point at NAM Summit at Kuala Lumpur in February 2003 in reply to General Musharraf's parrot-like allegation of suppression of Kashmiri people by India, denial of their rights and freedom and torture by the Indian security forces. Vajpayee gave a fitting reply in very strong words to Pakistani President's false allegations even in the 58<sup>th</sup> sessions of the United Nations General Assembly in September 2003. Indian Prime Minister reiterated that the people of the state had confirmed the accession of the State way back in 1956 through their freely framed Constitution, and frequent elections held including the Assembly election held in 2002. Prime Minister Vajpayee described this as proof of "determination and self-determination" of the people of Kashmir.

Meanwhile, the world leaders have been directly or indirectly condemning the cross-border terrorism. The Russian President Mr. Putin in December 2002, through the New Delhi Declaration, directly called upon Pakistan to end the cross-border terrorism. France, Germany, Vietnam are among many nations who see the reality of terror against India. The NAM Summit at Kuala Lumpur in February 2003 deplored the proxy war, and refused to endorse Pakistani President's argument that that freedom struggle must be distinguished from terrorism. The former US Ambassador to India Mr. Rober Blackwill (who returned home in mid-2003 to take up an important assignment in Bush Administration) made no secret of his conviction that militancy from across the border was continuing, and that it must end. Even President Bush was reported to have told Musharraf on the sidelines of UN General Assembly in September 2003 that he would have to stop terrorism both against India and Afghanistan. The Afghan President, Hamid Karzai, was very critical of the continued support to Taliban from certain quarters in Pakistan, though he did not directly blame the government of Pakistan.

India has always been keen for friendship with Pakistan. Even in April 2003, Prime Minister Vajpayee once again extended his hand of friendship during his visit to Kashmir. India agreed to exchange High Commissioners, encourage people of people contacts by liberating visa facilities, reintroduction of Delhi-Lahore bus service, and initiate dialogue for resumption of over-flights. But, Pakistan created difficulties in resumption of over-flights. As Pakistan did not stop harping on "denial of rights to the people of Kashmir", nor did the cross-border terrorism stop, India felt disgusted and disappointed. Vajpayee, therefore, told the international community in his address to the General Assembly in September 2003, that India would not talk to the terror. He said that the world did not talk to Al Qaeda and Taliban before taking action against them, then why did the world expect India to talk to the sponsors of terrorism. He said that India would talk to Pakistan on 'other issues' after the cross-border terrorism ended or after 'we crush' this. Vajpayee's third peace initiative appeared to be heading to yet another road-block, but Vajpayee-Musharraf Joint Statement of January 6, 2004, on the sidelines of SAARC Summit, again pledged to renew the peace process.

The U.P.A. Government headed by Dr. Manmohan Singh not only pursued vigorously the normalization process, but also initiated several other measures for people-to-people contact, and for resolution of several outstanding problems between India and Pakistan, including, what Pakistan calls, the core issue of Kashmir. Dr. Singh and President Musharraf had a number of meetings, for example on the sidelines of UN General Assembly sessions, and when Indian Prime Minister invited President of Pakistan to watch the India-Pakistan one-day cricket in New

Delhi in April 2005. Commenting on the discussion and the joint statement issued by the two leaders, Manmohan Singh told the Parliament that good progress had been made through “confidence building measures, people-to-people contacts, and enhancing areas of interactions ...” The two countries had agreed on enhanced bilateral economic and commercial cooperation. India and Pakistan agreed to restore the rail link between Khokhrapar and Munnabai to facilitate people of Sind (Pakistan) and Rajasthan to visit their relatives and friends and improve trade and commerce.

Earlier, a Srinagar-Muzaffarbad bus service was started (April 2005) to link the capital of Jammu and Kashmir with the Pakistan Occupied Kashmir (POK).

Pakistan has always insisted on resolution of the problem of Kashmir, and President Musharraf even suggested division of the state on the basis of religion with Tehsil being the unit of determination of the future of a territory. The suggestion was to have the Muslim majority areas of Kashmir and Muslim Majority Tehsils of Jammu to constitute one unit, the Hindu majority tehsils of Jammu and Buddhism majority tehsils of Ladakh to be separate units. They yet another partition of the state on communal lines was totally unacceptable to India, and was rejected. Manmohan Singh made it clear to Musharraf that redrawing of boundaries was out of the question.

In an interesting development, former deposed Pakistan Prime Minister Nawaz Sharif alleged in 2006, that during Kargil conflict in 1999, when he was the Prime Minister, Parvez Musharraf (then Chief of Army Staff) had even deployed nuclear weapons to be used against India. This highly provocative action was taken by Musharraf without the consent, or even, knowledge of the then Prime Minister. The Former Prime Minister, living in exile, said that he did not know anything about deployment of nuclear weapons, by Pakistan army chief, till this information was given to him by the then US President Bill Clinton.

It is not easy to trust a person (Musharraf) who could plan a nuclear attack on India (in his own creation of Kargil crisis), and who could keep his own Prime Minister in the dark about it, and later depose and arrest him.

Meanwhile, despite commitment made to Vajpayee by Pakistan in January 2004 that the territories under its control would not be allowed to be used for the promotion of terrorism, cross-border terrorism has continued unabated both in Kashmir and elsewhere in the country line Delhi, Mumbai, Varanasi, and other places. The bombing in Delhi on Diwali eve in 2005, and serial bombing in Mumbai on July 11, 2006 in the local trains had devastating effect on the peace process between India and Pakistan. Expulsion of an innocent Indian diplomat by Pakistan in August 2006 further aggravated the situation.

Surprisingly, President Musharraf and his foreign Minister Kasuri have been arguing that until the Kashmir dispute was resolved (meaning until Pakistan got Kashmir), militancy could not be checked. On the one hand Pakistan kept on saying that it had no hand in terrorist activities in India, on the other it implies continuation of terrorism (and killing of hundreds of innocent people) against India would end only if Kashmir issue is solved. This argument is enough to convince the impartial observer that terror in India had direct links and roots in Pakistan.

In mid-2006 Indo-Pak relations were in peculiar situation of formal peace process, including composite dialogue, not being abandoned, yet terrorism not being destroyed by Pakistan. After Mumbai serial bombing 11/7 India decided to postpone scheduled Foreign Secretary level talks, without calling off the peace process. Public anger forced the government in India to adopt tough stance on the question of terrorism.

The Pakistani President was asking proof of its agencies' role in serial bombings in Mumbai in July 2006, yet on a number of occasions in the past India had provided proof of continued terrorist training camps in Pakistan and POK with no evidence of Pakistan taking any steps to end cross-border terrorism, killings of security forces'

personnel and civilians in Jammu and Kashmir and repeated terrorist attack in other parts of the country including Delhi and Mumbai.

Meanwhile, composite dialogue at the officials' level to find solution to problems like Kashmir issue, peace and security, demilitarization of Siachin Glacier, demarcation of border of Sir Creek in Rann of Kutch, terrorism and militancy and, economic and commercial cooperation, border issues and Tulbul Project etc. was off and on going on. Just as Kashmir issue eluded a settlement, the other 'lesser important' problems also remained unsolved. Pakistan's insistence on the solution of "core" issue of Kashmir and its alleged support to terrorism were at the root of continued stalemate, in spite of confidence building measures and repeated attempts at peace process by India.

VISION IAS

## TEST 3

- Q.1. Role of International Bodies in resolving Indo Pak Disputes (200 words)
- Q.2. Kishanganga Dispute Resolution (200 words)
- Q.3. Recently announced Confidence Building Measures between India and Pakistan (200 words)
- Q.4. Water woes: Indo-Pak (200 words)

VISION IAS

## ***Chapter 4***

### **India and Its Neighbours: China**

#### **Tibet:**

Tibet touches the Indian borders in the north. Besides India, its southern borders touch Nepal and Burma, and in its north is Sinkiang, a province of China. It covers an area of about 47,000 sq. miles and is located so high in the Himalayas that it is often described as the roof, or terrace, of the world. Its political system was based on Buddhist faith. Its spiritual head, the Dalai Lama was also the temporal or political chief of the country. Tibet's social system resembled feudal order and its political connections with China were vague and varied from time to time.

Tibet was a powerful state for a long time. However, during the eighteenth century a conflict on the succession of the sixth Dalai Lama occurred between the Tibetans and the Mongols. China occupied Lhasa, the capital of Tibet and selected the seventh Dalai Lama of its choice. Tibet was recognized as part of China during most of the nineteenth century. In 1890, British rulers of India concluded a treaty with China demarcating the Indo-Tibetan border. This treaty was rejected by Tibetan rulers. Meanwhile, Russia had begun to interfere in Tibetan affairs with a view to bring it under its influence. Lord Curzon, who was Governor-General of India, sent British Indian troops, under the command of Young Husband, in 1904 to check Russian influence and bring Tibet under the British Husband, in 1904 to check Russian influence and bring Tibet under the British Umbrella. The Dalai Lama fled to China. In 1906 British India concluded a treaty with China whereby Britain accepted Chinese suzerainty over Tibet. This 'dictated' treaty also provided that a British Agent would be posted in Lhasa and India would construct postal system up to Gyantse. India also acquire the right to maintain troops in Tibet for the protection of trade routes. Anglo-Russian differences pertaining to Tibet were sorted out by an Entente signed in 1907, whereby both Britain and Russia accepted Chinese suzerainty in Tibet. Both the Powers also agreed that they would deal with Tibet only through China.

After the Chinese revolution of 1911, led by Dr. Sun Yat-sen, Tibet forced the Chinese troops to leave the plateau. Subsequent attempts by China to reestablish its authority failed. A meeting was held at Shimla in 1914 which was attended by the representatives of Britain, China and Tibet. This meeting confirmed the Chinese suzerainty, but divided Tibet into two parts — Outer Tibet and Inner Tibet. The autonomy of Outer Tibet was accepted, and China agreed not to interfere in its internal affairs, nor give it representation in Chinese parliament, nor station its troops nor appoint its civil servants, nor to turn it into a Chinese colony. During 1933-39 KMT China made repeated attempted to regulate Tibet's foreign affairs and even to regulate its domestic policy.

At the end of the Second World War, Chinese were unable to exercise their control over Tibet. Tibet insisted that it was an autonomous country. India was interested in an autonomous Tibet, which could be treated as a buffer state between British India and China. As civil war began in China between the KMT and the communists, Tibet's status remained rather vague.

The government of newly established People's Republic of China (PRC) announced on January 1, 1950 that one of the basic tasks of People's Liberation Army would be to 'liberate' Tibet. This determination was later reiterated by prominent Chinese leaders. When the Indian Ambassador K.M. Panikkar met Chinese Premier Chou En-lai to seek clarification, the Chinese Prime Minister made it clear that the 'liberation' of Tibet was 'a sacred duty' of China, but this government would seek its goal through negotiations, not by military action. India was satisfied with this assurance and suggested direct China-Tibet talks, when Dalai Lama sought India's assistance.

In October 1950, India learnt that China had launched a full scale invasion of Tibet. India protested and expressed ‘surprise’ and ‘regret’ at the Chinese action, particularly in view of Chinese assurance that the issue would be peacefully resolved. The Chinese Government rejected India’s protest, and accused India of being influenced by the imperialist Powers. India, in turn, recognized Chinese suzerainty and said that it had no intention of interfering in China’s internal affairs. The Dalai Lama left Tibet and then made unsuccessful attempts to raise the Tibetan issue in the United Nations. China refused to accept Tibetan autonomy. Eventually an agreement was signed by China and Tibet on May 23, 1951, which recognized full Chinese sovereignty over Tibet with limited Tibetan autonomy in certain matters. India’s desire of full Tibetan autonomy within Chinese suzerainty was not fulfilled. The agreement promised Tibetan ‘autonomy’ but provided that China would regulate Tibet’s external relations; that Chinese army would be posted in Tibet for its meaningful defence, for reorganization of the Tibetan army and to eventually merge it in the Chinese Army; that full respect would be given to the Dalai Lama who could return to Lhasa; that there would be full religious freedom in Tibet; that China would cooperate in Tibet’s development; and that an administrative and military mission of China would be based in Tibet. Thus, Tibet became, for all purposes, a Chinese territory.

India was criticized in several quarters both at home and abroad for having abdicated its legitimate interests in Tibet and for having sacrificed Tibetan autonomy in order to please the Communist rulers of China. India’s Tibet policy has still remained an item of severe criticism.

**The Panchsheel Agreement:** India was disappointed at China’s Tibet policy. But, it did not allow its friendship with China to be adversely affected. India continued to support China’s demand for representation in the United Nations, not only at this stage but even during and after China’s aggression on India in 1962. During the latter part of Korean crisis (1950-53) China appreciated India’s principled stand. Negotiations started for a comprehensive trade agreement between India and China. These resulted in the signing of an agreement by India and China concerning trade and intercourse between the “Tibet Region of China” and India. This agreement was signed on 29 April 1954, or a period of eight years. India surrendered its extra-territorial rights in Tibet, and accepted China’s full sovereignty over Tibet. Thus, it was accepted that Tibet was a region of China. India gave up the right to station Indian army units in Yatung and Gyantse, rationalised arrangement for border trade and pilgrimage. India also surrendered its control over post and telegraph administration in Tibet. The five principles of Panchsheel (see below) were also incorporated in the agreement. The Trade Agreement was followed by visits of Chinese Prime Minister Chou-En-lai to India in June 1954 and of Prime Minister Nehru to China in October. The two Prime Minister were warmly received in the host countries.

At the end of Premier Chou’s visit to New Delhi (June 1954), the Prime Ministers of India and China issued a joint statement emphasizing the five principles to guide and regulate the bilateral relations between the two neighbours. If formalized the famous five principles popularly known as the Panchsheel. The five principles are:

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 mutual benefit; and
5. Peaceful co-existence.

Nehru and Chou, besides reaffirming their faith in the five principles of Panchsheel, agreed that Tibet was a part of People’s Republic of China. The five principles of Panchsheel were adopted by the Bandung Conference (1955) with minor modifications. The principles were later adopted by many countries as the basis of their bilateral relations.

## The Border Disputes:

**The McMahon Line:** This is the boundary line between the two countries, east of Bhutan, India has always treated the McMahon Line as the lawfully demarcated border between India and China. But, China condemned it as 'imperialist line'. The McMahon Line was determined in 1914 at a conference of the representatives of British India, Tibet and China, held at Shimla. The conference was held to sort out border difference between Nepal, Bhutan, Sikkim and Tibet. The Secretary of State for India (in British Cabinet) Arthur Henry McMahon represented India in the Shimla Conference. An agreement was concluded which divided Tibet into Inner Tibet and Outer Tibet (see above). The boundary between Outer Tibet and India was demarcated at the high mountain peaks. The line was drawn on the suggestion of McMahon who himself drew a line by a red pen on the map. The line so drawn came to be known as the McMahon Line. It is in a way natural boundary also as it passes through Tibet Plateau in the north and Indian hills in the South. The map was signed by representatives of British India, Tibet and China. But, the Chinese Government did not ratify it. Nevertheless, no government of China ever disputes this boundary line; India always accepted it.



**Ladakh:** Ladakh is, and has always been, a part of the State of Jammu and Kashmir. The State was under British paramountcy till independence and later acceded to India, as an integral part of this country. Although Ladakh-China border was not demarcated by any treaty, yet India and China have accepted the existing boundary for centuries. This boundary was always shown by India in its maps. The tourists who came to India from time to time also mentioned this border in their writings. It was made clear in a note sent by India to China in 1899 that Aksai Chin was a part of Indian territory. The revenue records of the State of Jammu and Kashmir also confirm that Aksai Chin was always a part of Ladakh region of Jammu and Kashmir.

**Sikkim:** There was another vexed problem. China had refused to accept Sikkim as a part of India right from the time the tiny Himalayan state had formally merged in 1975 and became one of the states of Indian Union. Beijing (Peking) had then castigated it. However, lately the Chinese had played down the question of Sikkim. Throughout mid- 1990s, China sent, in the words of C. Raja Mohan, “tantalizing signals that it was prepared to recognize the state as part of India” (see below). The state had been a part of India now for nearly three decades. It was expected that China wanted India to categorically declare that Taiwan and Tibet were integral parts of China, before the latter could prepare a roadmap for recognition of Sikkim as part of India. In fact India has never questioned China’s claim over Taiwan. In regard to Tibet, India does recognize it as an autonomous region of Chin since the signing of Panchsheel Agreement in 1954. During Vajpayee visit, the Prime Minister put a new spin by stressing “Tibet autonomy” within China. A way out for Sikkim was found. The two countries agreed to a new trade route between them through Sikkim and Tibet, implying that China “accepted” Sikkim as an Indian state, without clearly saying so, and Tibet has always been accepted by India as a Chinese territory while emphasizing its autonomy. Thus, both on the question of the border and Sikkim, the Prime Minister said that India and China were moving in right direction. He said: “The road ahead is a long one, but a good beginning has been made.”

#### A note on Indo-China Border Dispute:

INDIA and China, home to 40% of the world’s people, are often unsure what to make of each other. Since re-establishing diplomatic ties in 1976, after a post-war pause, they and their relationship have in many ways been transformed. A war in 1962 was an act of Chinese aggression most obviously springing from China’s desire for a lofty plain that lies between Jammu & Kashmir and north-western Tibet.

The two countries are in many ways rivals and their relationship is by any standard vexed as recent quarrelling has made abundantly plain. If you then consider that they are, despite their mutual good wishes, old enemies, bad neighbours and nuclear powers, and have two of the world’s biggest armies with almost 4m troops between them this may seem troubling. One obvious bone of contention is the 4,000km border that runs between the two countries. Nearly half a century after China’s invasion, it remains largely undefined and bitterly contested. The basic problem is twofold. In the undefined northern part of the frontier India claims an area the size of Switzerland, occupied by China, for its region of Ladakh. In the eastern part, China claims an Indian-occupied area three times bigger, including most of Arunachal. This 890km stretch of frontier was settled in 1914 by the governments of Britain and Tibet, which was then in effect independent, and named the McMahon Line after its creator, Sir Henry McMahon, foreign secretary of British-ruled India. For China which was afforded mere observer status at the negotiations preceding the agreement the McMahon Line represents a dire humiliation.

China also particularly resents being deprived of Tawang, which though south of the McMahon Line was occupied by Indian troops only in 1951, shortly after China’s new Communist rulers dispatched troops to Tibet. This district of almost 40,000 people, scattered over 2,000 square kilometres of valley and high mountains, was the birthplace in the 17th century of the sixth Dalai Lama (the incumbent incarnation is the 14th). Tawang is a centre of Tibet’s Buddhist culture, with one of the biggest Tibetan monasteries outside Lhasa. Traditionally, its ethnic Monpa inhabitants offered fealty to Tibet’s rulers.

Making matters worse, the McMahon Line was drawn with a fat nib, establishing a ten-kilometre margin for error, and it has never been demarcated. With more confusion in the central sector, bordering India’s northern state of Uttarakhand, there are in all a dozen stretches of frontier where neither side knows where even the disputed border should be. In these “pockets”, as they are called, Indian and Chinese border guards circle each other endlessly while littering the Himalayan hillsides as dogs mark lampposts to make their presence known.

Despite several threatened dust-ups including one in 1986 that saw 200,000 Indian troops rushed to northern Tawang district there has been no confirmed exchange of fire between Indian and Chinese troops since 1967. It would be best if the two countries would actually settle their dispute, and, until recently, that seemed imaginable. The obvious solution, whereby both sides more or less accept the status quo, exchanging just a few bits of turf to save face, was long ago advocated by China, including in the 1980s by the then prime minister, Deng Xiaoping. India's leaders long considered this politically impossible. But in 2003 a coalition government led by the Hindu-nationalist Bharatiya Janata Party launched an impressive bid for peace. For the first time India declared itself ready to compromise on territory, and China appeared ready to meet it halfway. Both countries appointed special envoys, who have since met 13 times, to lead the negotiations that followed. This led to an outline deal in 2005, containing the "guiding principles and political parameters" for a final settlement. Those included an agreement that it would involve no exchange of "settled populations" which implied that China had dropped its historical demand for Tawang.

Yet the hopes this inspired have faded. In ad hoc comments from Chinese diplomats and through its state-controlled media China appears to have reasserted its demand for most of India's far north-eastern state. Annoying the Indians further, it started issuing special visas to Indians from Arunachal and Kashmir. In fact, the relationship has generally soured. Having belatedly woken up to the huge improvements China has made in its border infrastructure, enabling a far swifter mobilisation of Chinese troops there, India announced last year that it would deploy another 60,000 troops to Arunachal. It also began upgrading its airfields in Assam and deploying the Sukhois to them. India's media meanwhile has reported a spate of "incursions" by Chinese troops.

VISION IAS

## TEST 4

- Q.1. India: A challenge to rising China (200 words)
- Q.2. China: A challenge to rising India (200 words)
- Q.3. India's border disputes with China (200 words)

VISION IAS

## Chapter 5

### India and its Neighbours: Nepal, Bangladesh and Sri Lanka

#### **Indo- Nepal:**

Indian strategists and policy makers consider Nepal as critical to India's security. The British Indian Empire saw Nepal as the buffer with China and after 1947 India continued with that policy. Any signs of close ties between Nepal and China are anathema to New Delhi.

While Nepal and India have close historical, religious and cultural ties, Nepal's strategic ties with India date to the Treaty of Sugauli of 1816 signed between the Nepalese monarch and the British East India Company. As per the treaty, large parts of the Nepalese kingdom (including parts of present day Uttarakhand, Himachal Pradesh and Sikkim) were annexed by the British empire, a British resident was stationed at Kathmandu, Nepal agreed to defer to the British with respect to its foreign policy and Gorkhas were recruited in large numbers by the British for military service. Nepal regained some of the lost territory when the monarch helped the British during the 1857 uprising. However, even today Nepal lays claim to certain parts of Indian territory, like Kalapani, along the India-Nepal border.

Modern day India and Nepal signed a Treaty of Peace and Friendship in 1950 which in addition to respecting each other's sovereignty and territorial integrity granted rights to Nepalese and Indian citizens to reside and work (and even obtain citizenship) in India and Nepal respectively.

**Treaty of Peace and Friendship, 1950:** India was keen to redefine Indo-Nepalese relations on the basis of sovereign equality and good neighbourly relations between the two. After about nine months of diplomatic activity and negotiations, a Treaty of Peace and Friendship was finally concluded between India and Nepal on July 31, 1950. It was clearly provided in the Treaty that, "neither government shall tolerate any threat to the security of the other by a foreign aggressor," and the two countries promised to "consult each other and device effective counter-measures" in case of any threat from a third country. Nepal would ordinarily purchase war equipment from India. The treaty provided that Nepal would consult India before buying war material from any other country. After such consultation Nepal would "import from or through the territory of India, arms, ammunitions, or warlike material and equipment necessary for the security of Nepal." Indo-Nepalese relations have been based on this treaty.

After the signing of the treaty, India established seventeen check-posts to watch the passes between Tibet and Nepal and Bhutan. These posts were jointly manned by Indian and Nepalese personnel. An Indian military mission was also established in Kathmandu for the organization and training of Nepalese army.

The special relationship between India and Nepal was further underlined by the conclusion of a Treaty of Trade and Commerce, signed on the same day; i.e., July 31, 1950. India agreed to make available to Nepal, to the maximum extent possible, commodities essential to its economy, also secure their routes and method of transportation which were the most convenient and economical. The arrangements were reciprocal, but India was keen to help develop the economy of Nepal. As Nepal's "full and unrestricted right of commercial transit of all goods and manufactures through the territory and parts of India." There were two other important provisions. The treaty provided for fixing the same level of import duties on items imported from third countries. Nepal also agreed to levy on ground produce in that country, for export to India, export duties at rates that would enable Nepalese goods to be sold in India at prices not lower than the prices on which goods produced in

India were sold. Thus began an era of extensive economic cooperation and of economic assistance by India to Nepal.

Nehru was keen that Nepal must enjoy all the attributes of independence and sovereignty. Even during democratic movement against the autocratic regime of Ranas, India adopted the attitude of restrain and patience. Indian National Congress which had been in power at the Centre since 1947 was not only defeated and voted out of power, but even Prime Minister Indira Gandhi lost her seat in the Lok Sabha elections held in early 1977. The Janata Party Government that took over under the Prime Ministership of Morarji Desai pledged to give highest priority to friendly relations with India's neighbours. Foreign Minister Vajpayee reiterated India's resolve to improve relations with neighbours and forget the misunderstanding and tensions of the past. Without sacrificing India's national interests, Janata Government sought to undertake confidence-building measures with the neighbours.

The Desai Government tried to strengthen the cultural ties between India and Nepal. Prime Minister Desai's visit to Nepal opened the path for finding solution of the pending problems. Two trade agreements were concluded at the end of the visit. Nepalese Prime Minister Bista acknowledged in April 1978 that Indo-Nepalese relations had never been as cordial as they were at that time. India made no comments and took no action when movement for democracy began in Nepal. This was done to underline India's resolve not to interfere in the internal affairs of neighbouring countries.

The friendly relations with Nepal were further consolidated after Mrs. Gandhi returned to power in 1980. King Birendra visited India in 1981 and the visit was returned by President Sanjiva Reddy the same year. The King once again pressed for the acceptance of Nepal as the zone of peace but India stood for the entire sub-continent, or entire South Asia, as zone of peace. Being a big Power, and a neighbor of Nepal, China had been taking keen interest in Nepal. China had been trying to widen the rift between India and Nepal whenever tension developed in the bilateral relations. However, India continued to be Nepal's main trading partner. During 1984-85 Nepal's percent of total export-import trade was with India. Most of the goods produced in India and needed by Nepal are usually made available without much difficulty.

India and Nepal became founder-members of South Asian Association of Regional Cooperation (SAARC), set up in 1985. This further strengthened the bilateral trade and commerce. The decision to establish SAPTA to enable preferential trading within 7-nation SAARC was submitted lists of goods to be traded on preferential terms within South Asia and it was decided in 1997 that SAPTA would be replaced by SAFTA by 2001 AD to ensure for trading in the region.

When the Treaty of Trade and Transit expired in 1989 the Indo-Nepalese relations were once again strained. At that time Nepali Congress was engaged in struggle for multi-party democracy in Nepal. The King suspected that the Nepali Congress had the support of a good section of Indian people. The situation changed after the success of movement for democracy in April 1990.

The age-old system of absolute monarchy in Nepal was replaced by constitutional monarchy on April 8, 1990. King Birendra agreed to the demands for the people for putting an end to partyless Panchayat system. The King agreed to a new constitutional arrangement in which he would continue to be head of state, but the governance would be the responsibility of a Cabinet answerable to Parliament. Elections would be held on the basis of multi-party system. Even since B.P. Koirala-led Nepali Congress Government was dismissed in 1960, the agitation for restoration of democracy was going on. Eventually, partyless democracy was replaced by party-based parliamentary democracy. The King appointed the acting Chief of Nepali Congress K.P. Bhattarai as the Prime Minister and ordered general elections. Soon after assuming office as Prime Minister of India in December 1989, V.P. Singh expressed a desire to work sincerely for better Indo-Nepal relations. The process of normalized

friendly relations was accelerated when Prime Minister of Nepal came to India in June 1990. Two new agreements were concluded and signed by the two Prime Ministers on June 10, 1990.

In December 1991, the then Prime Minister of Nepal G.P. Koirala visited New Delhi and held talks with Prime Minister Rao. India was concerned about frequent attempts by Nepal to balance between India and China, by often leaning towards the latter. Prime Minister Koirala assured India that Nepal no longer depended on China to meet its security concerns. The first even communist Prime Minister of Nepal Manmohan Adhikary visited India twice within a period of six months in 1995. Narasimha Rao Government told Adhikary in April 1995 that India was going to allow port facilities for Nepalese goods in Bombay and Kandla also, in addition to existing facility in Calcutta. However, one of contention remained in regard to certain changes demanded by Nepal in Friendship Treaty of 1950. For example, Nepal wanted to drop the requirement of reciprocity in matters of citizens of two countries. Nepal's contention was that India being a large country can afford to absorb Nepalese settling in India, while it finds it difficult to absorb Indians living in Nepal. The temporary tension of 1989-90 had ceased by 1991, even though the issue of reciprocity remained unsolved.

Economic relations between the two countries improved on account of liberalization of their economies since 1991. The Treaties of Trade and Transit of 1991, and their amendments in 1993 have also had positive results. During 1992-94 period, India's commitment to Nepal's economic development continued to be expressed through various programmes. This included up-gradation of the Jayanagar railway through the supply of new locomotives and carriages as also the supply of city sanitation equipment to Kathmandu Municipality. Boundary pillars in demarcated stretch of Indo-Nepalese border were repaired, and steps were taken to extend cooperation in the field of ecological, soil conservation and other cross-border problems.

India and Nepal signed a treaty on the development of Mahakali Project during Prime Minister Deuba's visit to India in February 1996. This project represents a major breakthrough in the harnessing of river waters for mutual benefit. The two countries are working through Joint Technical Level India-Nepal Boundary Committee on a time bound programme for identification of boundary.

India-Nepal relations generally remained cordial since introduction of multiparty democracy in 1990. In 2001 murder of King Birendra, with his family, by the Crown Prince who also later died, brought Ganendra (younger brother of Birendra) to the throne. He, like his late father King Mahendra, had ambition of becoming real ruler. His tilt was towards China. Several governments changed as Maoist violence kept increasing, and seven-party-alliance of non-Maoist parties spearheaded movement for restoration of democracy. The King tried to crush both Maoist and popular agitation for restoration of democracy. The Palace was in danger and security forces were unable to control surging mobs. Indian Foreign Secretary Shyam Saran played an important role and persuaded the King to restore democracy. Finally, in April 2006, King Mahendra bowed to public and international pressure, and revived the dissolved Parliament and appointed seven-party alliance leader Girija Prasad Koirala as Prime Minister. The revived Parliament accepted Maoist demand, in principle, to convene a new Constituent Assembly. It deprived the King of almost all his powers. He was no more supreme commander. He became a mere figure head. The Parliament amended the succession law and ladies became eligible for the ceremonial throne. The Parliament converted the Hindu Kingdom into a secular state. India welcomed these changes. CPI(M) leader Sitaram Yachuri brought Maoist in the mainstream.

Even if growing Sino-Indian relations would mean no threat to India's interest in Nepal, the presence of terrorists in that country are a good enough reason for India to adopt a policy that would strengthen our traditional friendship with Nepal and yet crush and eliminate anti-India militants using Nepal as a safe route.

India's hand of friendship remains extended to Nepal.

India contributes to the development efforts of Government of Nepal (GoN) by undertaking various development projects in the areas of infrastructure, health, rural and community development, education, etc. The grant assistance extended to Nepal during 2009-10 under 'Aid to Nepal' budget was ` 161 crores. In addition, GOI has extended considerable economic assistance to the ongoing peace process in Nepal. The overall quantum of India's assistance to Nepal is approx. ` 3600 crores which includes the Small Development Projects scheme

offered by the Embassy of India delivers development assistance at grass-roots level in sectors identified with the local population. It now covers over 370 projects with an outlay of approx. ` 402 crores. As part of India's effort to assist with capacity building and development of Human Resources in Nepal, over 1500 scholarships are offered annually for Nepalese students to pursue various courses in India and Nepal.

India continues to be Nepal's largest trade partner, source of foreign investment and tourist arrivals. Bilateral trade between India and Nepal has increased substantially since the signing of the Trade Treaty in 1996 and received further impetus after the signing of the revised Trade treaty in 2009 which has provisions that allow Nepal greater access to the Indian market. According to figures for the Nepalese fiscal year 2066 (July 2010), bilateral trade with India accounted stood at ` 16129.7 crores which accounted for 58.7% of Nepalese total external trade. India and Nepal have a treaty of transit, which confers transit rights through each other's territory through mutually agreed routes and modalities. The treaty was last renewed for seven years in March 2006. The two countries have concluded a Rail Services Agreement (RSA) and a revised Air Services Agreement (ASA) to enhance bilateral connectivity. A Motor Vehicles Agreement (MVA) for passenger vehicles is awaiting formal signature. India also remains Nepal's largest source of foreign investment and Indian investments in Nepal amount to ` 1586 crores with 462 FDI projects. India accounts for 44% of the total foreign investments in Nepal.

India had played a leading role in helping the Nepal Army (NA) in its modernization through provision of equipment and training. More than 180 training slots are provided every year for training of NA personnel in various Indian Army training institutions. The Chief of Army Staff of the Indian Army is given the honorary rank of a General in the Nepal Army and a reciprocal honour is conferred on the Chief of the Nepal Army. India has always been proud to have Nepalese as soldiers in her Forces and has made every effort to ensure that they are looked after and cared for in their twilight years. As of now (in 2011), we have over 1.23 Lakh ex-servicemen residing in Nepal. In 2010-11 the payments of pensions to the Indian ex-service men in Nepal amounted to ` 1100 crores. The Government of India has made every effort to ensure that these exservicemen, their families and dependents are looked after in the best possible manner. To ensure this, the Government of India has established "The Indian Ex-Servicemen Welfare Organisation in Nepal (IEWON)".

### **India and Bangladesh:**

India's links with Bangladesh are civilisational, cultural, social and economic. There is much that unites the two countries – a shared history and common heritage, linguistic and cultural ties, passion for music, literature and the arts. With Bangladesh, India shares not only a common history of struggle for freedom and liberation but also enduring feelings of both fraternal as well as familial ties. This commonality is reflected in multi-dimensional relations with Bangladesh at several levels of interaction. High-level exchanges, visits and meetings take place regularly alongside the wide ranging people-to-people interaction. India's Missions in Bangladesh issue about half a million visas every year and thousands of Bangladeshi students study in India on self-financing basis and over 100 annual GOI scholarships.

**Indo-Bangladesh Treaty of Friendship and Peace:** Sheikh Mujib's visit to Calcutta was returned by Mrs. Indira Gandhi's official tour of Bangladesh in March 1972. At the end of Indo-Bangla summit talks the Treaty of Friendship and Peace was signed on March 19, 1972. It was stated in the joint declaration that the treaty was conclude "to give concrete expression to the similarity of views, ideals and interests." It was inspired by the ideals of peace, secularism, democracy, socialism and nationalism. Mrs. Gandhi assured Bangladesh of India's full support and cooperation in securing its admission to the United Nations. The two Prime Ministers declared that the Indian Ocean should be kept free of great power rivalries and competition, and that they would work for making Indian Ocean a nuclear-free zone. Indira Gandhi and Mujibur Rehman also decided to establish a Joint Rivers Commission on permanent basis to carry out a comprehensive survey of the rivers shared by the two countries and to formulate projects concerning both the countries in the field of flood control. They also promised consultations at official level for exchange in science and technology so as to promote speedy social and economic development.

**Sharing of Ganga Waters:** The most difficult and nagging problem between India and Bangladesh relates to sharing of Ganga waters. River Ganga originating at Gangotri flows in south-eastern direction through India and reaches Bangladesh. Ganga mainstream bifurcates 38 km south of Farakka in Murshidabad district of West Bengal. One of the two streams called Bhagirathi-Hoogly flows in the lower reaches of West Bengal, and the other called Padma flows along the India-Bangladesh boundary and then joins Brahmaputra. It meets River Meghna before it reaches the Bay of Bengal.

The Ganga water dispute between India and Bangladesh is mainly concerned with sharing of waters lean season, January to May, particularly mid-March to mid-May, when the flow of Ganga reduces to minimum level of 55,000 cusecs. "The fortunes of Calcutta port dependent on flow of river Hoogly have dwindled because of its decreased flow ... 40,000 cusecs is the bare minimum required to flush Hoogly to save Calcutta port. The crux of the problem is that if India withdraws 40,000 cusecs. Bangladesh receives only 15,000 cusecs which is highly insufficient to meet its needs. The extraction of this larger amount of water by India gives rise to multifarious problems in Bangladesh. Thus, the water by India gives rise to multifarious problems in Bangladesh. Thus, the dispute between India and Bangladesh relates to equitable sharing of Ganga waters by the two countries.

The Farakka Barrage was built by India, during 1962-71 when Bangladesh was still East Pakistan. The barrage is situated across Ganga on the Bengal-Bihar border near Farakka about 400 km north of Calcutta. The primary reason for the construction of this barrage was the preservation and maintenance of the Calcutta port and navigability of Bhagirathi-Hoogly. All the studies since mid-nineteenth century had concluded that safety of Calcutta port dependent on increase in the headwater supply through diversion of water, which could not be done except through a barrage. Thus, India's national interest and safety of Calcutta port demanded the proper utilization of water through Farakka barrage. The Calcutta port is not only vital for India's international trade, but also it was the only port (till recently) that Nepal and Bhutan used for their overseas trade. Once the barrage was constructed, Calcutta port was saved, but diversion of water for the port became an issue of international discord and misunderstanding.

In 1972 a Joint Rivers Commission was set up in accordance with Mujib-Indira agreement. It conducted detailed survey and identified weak point which could be strengthened and gaps that could be closed by further embankments. After Mujib's 1974 visit to India, an agreement was concluded on temporary basis for allocation of Ganga waters. It was signed in 1975 and was called a 'breakthrough'. India agreed to allow about 80% of water to Bangladesh in six weeks of lean period. This was a gesture of goodwill in the part of India. But, with the assassination of Mujibur Rehman in August 1975, India's attitude became hard, more so because anti-Indian forces had become active and vocal in Bangladesh. When the temporary agreement expired in May 1975, and till a new agreement was signed in 1977. India kept on drawing its normal requirement of 40,000 cusecs. Meanwhile, Maulana Bhashani of Bangladesh began mobilizing public opinion on alleged "devastation and

desertification" 'caused by reduced flow of Ganga water. In May 1976, Bhashani led a "Farakka Peace March" but no damage was done to the barrage because of vigilance by authorities. Bangladesh kept on raising the issue at international fora.

**The 1977 Agreement:** The Government of Morarji Desai in India accorded a high priority to the improvement of relations with India's neighbours. After negotiations between the two countries, an agreement for five years was concluded on sharing of Ganga waters in November 1977. It was a bilateral agreement signed at a time when Zia-ur-Rehman was working for stability of Bangladesh and regional cooperation in South Asia. The 1977 agreement offered partial solution as it dealt with only the sharing of water during the lean period. Attempt was made to regulate flow of Ganga at Farakka during five month period, January to May each year. Sharing of water was to be regulated for every 10-day period. Thus, for example, from January 1 to 10, out of a total flow of 98,000 cusecs, India would draw 40,000 cusecs and Bangladesh would share 58,000 cusecs. At the peak of lean period April 21 to 30, India share would be 20,500 cusecs and Bangladesh would get 34,500 cusecs. This was the best that India could offer to Bangladesh. Prime Minister Desai described this agreement as an achievement of India diplomacy. He emphasized that the agreement underlined the fact that developing countries are competent to resolve their bilateral disputes through negotiations. Mrs. Gandhi, however, felt that the national interest of India was being compromised. Critics pointed out that Farakka was constructed for safety of Calcutta port, and provision of less than 40,000 cusecs for India at any time was against the interest of India. West Bengal Chief Minister Jyoti Basu pointed out to the Prime Minister that steps should be taken to ensure 40,000 supply to West Bengal. He emphasized the need for augmentation of water at Farakka.

The agreement of 1977 expired on May 30, 1982. Fresh agreement had to be concluded. A meeting between Gen. H.M. Ershad, the then President of Bangladesh and Prime Minister Indira Gandhi opened new horizons in the bilateral relations. A fresh Memorandum of Understanding (MoU) was signed in 1982. The 1977 agreement was extended for 18 months. Meanwhile, MoU called for augmentation of water supply so as to reach a long term solution. But, the minimum availability of water during a 10-day period was higher or lower, then it would be shared proportion applicable to that period. The agreement was renewed in 1983 and again in 1986. It finally lapsed in 1988 and India began releasing water on ad hoc basis.

It was realized by both the countries that augmentation of water was essential for a permanent solution of the problem. India suggested diversion of Brahmaputra river waters to the Ganga above Farakka for limited discharge to Bangladesh during dry season. The proposal was to link Ganga with Brahmaputra through a link canal. India's argument was that the waters of Ganga basin are insufficient to meet the requirements of the two countries, whereas Brahmaputra and Meghna have surplus water which could be properly utilized. Bangladesh rejected Indian proposal describing it as "legally unjustifiable, technically impractical, economically and ecologically disastrous." Bangladesh put up its own scheme of building reservations in the upper reaches of the Ganga in India and Nepal, as there are no storage sites in Bangladesh. This would bring Nepal in the picture. The issue of Ganga waters could be easily resolved only if countries concerned rose above narrow political considerations.

India time and again reiterated its commitment to holding a constructive bilateral dialogue for arriving at a long-term comprehensive arrangement on sharing of Ganga waters. But, Bangladesh continued to raise the issue at international forums. Thus, in October 1974, the Foreign Minister of Bangladesh made a reference of the subject in a statement in the UN General Assembly. Again in October 1995, Prime Minister Khaleda Zia of Bangladesh raised the issue in General Assembly. However, India remained committed to finding a negotiated settlement to this bilateral problem. Earlier during SAARC summit at New Delhi in May 1995 Prime Ministers Rao and Khaleda Zia discussed various issues including sharing of rivers waters. It was decided by the foreign secretaries of the two countries to reconvene the Joint Rivers Commission at ministerial level as a confidence building measure.

From 1988 to 1996 India was releasing water on ad hoc basis. A fresh negotiated agreement was formally concluded in December 1996.

**The New Moore Island Dispute:** There have been tensions between India and Bangladesh over certain territorial claims also. These include the dispute over New Moore Island, the problem related to Teen Bigha corridor, and the clash in Muhuni Char in the Belonia Sector. Of the three, the dispute over New Moore Island persisted as a major problem.

Towards the end of 1979, India and Bangladesh got engaged in firing at the border town of Belonia in Southern Tripura. Tripura is a state of Indian Republic. The dispute arose over about 45 acres of land which emerged largely as a result of shifting of the course by river Muhari which forms the border between Bangladesh and Tripura (India). Here, security forces of the two countries clashed but the tension soon cooled down.

New Moore Island covering an area of 2 to 12 sq. km, depending on rising and receding tide, is located in the Bay of Bengal. It is about 5200 meters from the nearest Indian coastal point and about 7000 meters from Bangladesh coastal point. It emerged in the sea some years ago was built by millions of tons of silt swept down the Ganga. The Island was first noticed by India in 1971. It was notified to the British Admiralty for recording. The Admiralty chart included it a 'New Moore Island'. In 1974 during Indo-Bangladesh maritime talks India brought the existence of the Island to the notice of Bangladesh. Till 1979 Bangladesh did not question the Indian ownership of Island. The West Bengal Government did not question the Indian ownership of Island. The West Bengal Government named the Island as Purbasha (Hope of the East) and Bangladesh called it as South Talpatty. Indian flag was hoisted on the Island on March 12, 1980. It is at that stage that Bangladesh claimed its ownership and said that New Moore was a disputed territory. Bangladesh threatened to take the issue to the United Nations. In March 1980 there was a massive demonstration in front of Indian High Commission in Dhaka questioning India's hosting of its flag in New Moore. The situation became explosive in May 1981 when Bangladesh raised serious objections to the arrival of Indian ship I.N.S. Sankhyak in the Island waters. The dispute has remained unresolved though it has been discussed at different levels.

The reason behind the dispute is that the entire maritime boundary between India and Bangladesh has not been demarcated. The Island is not clearly located in the territorial waters of either country. It is in the Bay situated at the mouth of rivers Haribhanga. The bay being where the mainland masses of the two countries are joined by a line. It is situated 2 km away from the Redcliffe Line that marked the India-Pakistan border in 1947. Indian claim is based on the 'Median Line Principle'. This means as equidistant line drawn on plotted points on the sea from the nearest shores of the contending countries. It is on this basis that India's maritime boundary with Sri Lanka, Thailand and Indonesia has been demarcated. New Moore Island has become as Chandrika Gulati says, "a source of fear for Bangladesh, of India's domination over her." This is not a serious dispute. If both the sides are willing, a negotiated settlement can be easily found. As S.C. Gangal wrote in 1982, "When we are seeking to build a structure of peace, security and harmony in the region, we should not be playing tough when moderation or accommodation would seem the preferable alternative."

Indo-Bangla relations were adversely affected on account of dispute regarding Tin Bigha corridor also. Dahagram and Angarpota, the two enclaves of Bangladesh are separated from district Rangpur of Bangladesh by small patch of an acre of Indian territory called Tin Bigha. This is the nearest point between Bangladesh mainland and her two enclaves. The prolonged dispute regarding transit of Bangladeshis via Tin Bigha was sought to be settled when Mrs. Indira Gandhi and Bangladesh President H.M. Ershad signed an agreement in 1982. It confirmed permanent lease of Indian territory of Tin Bigha to Bangladesh. The rent for leased territory was fixed at Bangla Taka one per annum. But, India agreed not to charge the lease money. Bangladesh was given full possession of the area given to her on lease. People and security personnel of Bangladesh would have the right to free and unfettered movement and they would not be required to carry travel documents of any kind. Movement of

Indians across the leased area would also be free. The people of Dahagram and Angarpota welcomed the signing of the agreement. But, people of West Bengal had strong reservations. The agreement could not be implemented as leasing out an Indian territory required a constitutional amendment. The leasing out of Tin Bigha became an emotional issue for many Indians. A petition was filed in the Calcutta High Court challenging the leasing of Tin Bigha corridor. It was argued that leasing of Tin Bibha would not only make India's border insecure, but about 5000 Indian residents of 28 adjoining villages would be reduced to the level of refugees in their own country.

**Other Bilateral Issues:** Among other problems in India-Bangladesh relations in the problem of Chakma refugees who have mostly taken shelter in Indian state of Tripura. Negotiations during 1994 led to the repatriation of Chakma refugees from Tripura to Chittagong Hill tracts in Bangladesh. By August 1994 nearly 5100 such refugees were repatriated. Discussions for repatriation of nearly 50,000 more Chakma refugees were going on till 1996. Most of them were awaiting repatriation in Tripura camps. All repatriation has been on voluntary basis.

India is facing another problem concerning Bangladeshi nationals. A very large number of Bangladeshis, mostly belonging to economically weaker section, have been illegally entering India. It is difficult to distinguish between Indians belonging to West Bengal and Bangladeshi migrants. They have come in search of employment and have settled down mostly in slums. Some non-Muslims have been illegally coming as refugees because of occasional communal tensions. There are about 4 lakh such illegal migrants in Delhi alone. Their arrival without valid travel documents is made easy by the lack of any natural border between two countries. India's proposal to do fencing of the border with barbed wires was opposed by Bangladesh. India had made it clear to Bangladesh that it wanted barbed wires as a preventive measure against illegal migration. It was not contrary to 1975 treaty of friendship. Still, Bangladesh Rifles fired at the workers engaged in fencing in April 1984. This caused tension. India does not seem to be in a position to identify illegal entrants and to repatriate them.

Indo-Bangladesh Joint Business Council has been exploring possibilities for expansion of economy and commercial cooperation and for setting up of industrial projects and joint ventures. Bilateral trade has been gradually increasing. India's exports to Bangladesh in 1993-94 were valued at nearly Rs. 350 crores, and imports from Bangladesh were of the value of Rs. 56 crores. India has reduced tariffs on selected items of export in the interest of Bangladesh.

The Annual Report of India's Ministry of External Affairs for 1995-96 claimed that, "Relations with Bangladesh continue to be close and stable with regular interaction between the two Governments". Bangladesh, however, continued to internationalise the river water issue and occasionally raised it even in UN General Assembly, though India firmly believed that it could be solved through bilateral efforts. During 1994-95 India's exports to Bangladesh had increased to over Rs. 2000 crores. A Rs. 30 crore credit agreement and an agreement on avoidance facilities to Bangladesh personnel under the Technical Assistance Programme. SAARC has become an important forum for economic cooperation in South Asia. The decision to have preferential trading through SAPTA was likely to further increase economic cooperation between India and Bangladesh. The election of Sheikh Hasina Wajed (daughter of Bangabandhu Mujibur Rehman) as Prime Minister of Bangladesh in 1996 was likely to help in the improvement of India-Bangladesh relations. Soon after taking over as Prime Minister she had said that she would not allow anti-Indian activities on Bangladesh soil. She had taken strong exception to Pakistan intelligence agency, ISI's activities in Bangladesh. The Awami League Government led by Sheikh Hasina could give India a chance to turn the tide of anti-India rhetoric that had been spewing out of Dhaka in the past.

Sheikh Hasina Wajed visited New Delhi in December 1996, and signed an accord with India on the sharing of Ganga waters for next 30 years. India's difficulty is that it needs enough water for flushing the Hoogly to save future of Calcutta. The India-Bangladesh accord of 1996 was signed after the 1977 accord lapsed in 1982. Since then, India had been releasing water on ad hoc basis. The new accord can be utilized by both the countries in

finding solution of other bilateral issues such as integral economic development of the region, augmentation of water supply, transit facilities and efforts to end insurgency. Besides, the two countries will have to apply their mind to the problem of illegal migrants.

**Thirty-Year Water Sharing Agreement, 1996:** The India-Bangladesh treaty on sharing of Ganga waters signed in 1977 for five years expired in 1982, but was extended and remained operational with mutual consent till 1988. Since then India was releasing water on ad hoc basis. During 1988-96 period, several tensions developed as pro-Pakistan elements in Bangladesh kept on encouraging anti-India sentiments. Sheikh Hasina Wajed, daughter of Bangabandhu Mujibur Rehman, took over as Prime Minister in 1996. Although general environment in Bangladesh did not change, Hasina Government negotiated with India a treaty for sharing of Ganga waters for 30 years. The Treaty was signed in New Delhi December 12, 1996 by the two Prime Ministers, H.D. Deve Gowda and Sheikh Hasina Wajed. The treaty has a provision for mandatory review every five years. The review may take place even after two years with scope for adjustments, if required. The treaty may be renewed with mutual consent. Deve Gowda described the signing of the treaty as a "landmark event in Indo-Bangladesh relations". He told the Lok Sabha that it was "a fitting tribute to the special quality of our relations". However, general anti-India climate in Bangladesh was likely to take time to change. That would also be possible only if Sheikh Hasina could convince her people that there was no ill-will in India against that country.

The Treaty of 1996, like to one signed in 1977, recognized the period from January 1 to May 31, every year as the lean period, though the period from April 21 to 30 is the leanest period. Under the 1977 treaty, during ten-day period from January 1 to 10, out of a total flow of 98,000 cusecs, India was to draw 40,000 cusecs and Bangladesh was to be allowed 98,000 cusecs. But, during the leanest period (April 21 to 30), India's share was only 20,500 cusecs per day and Bangladesh received 34,500 cusecs. Bangladesh was given a much larger share of waters than India, although the minimum requirement to flush Hoogly and save Calcutta Port is 40,000 cusecs. When the treaty was renewed for 18 months in 1982, the clause guaranteeing fixed share to Bangladesh was allowed to lapse. Under the 1996 Treaty, during the leanest period Bangladesh would get 35,000 cusecs and India would have to contend with 25,992 cusecs.

The main features of 30-year treaty signed in 1996 are that sharing of Ganga water at Farakka would be determined by 15 blocs of 10-day period from January 1 to May 31 every year. The agreed formula gives India a constant 40,000 cusecs for first two months (January-February), whereas the share of Bangladesh would gradually come down from 67,516 cusecs to 39,106 cusecs during the same period. During March 1 to May 10 (excluding the leanest period of April 21-30) there will be six blocs of 10 days each. Three of these blocs will provide assured 35,000 to India, and three of these would give guaranteed 35,000 cusecs to Bangladesh. The two countries will have assured share in alternate blocs of 10 days. The country that gets less water in one bloc will be compensated in the next bloc. However, during leanest period Bangladesh would get 35,000 cusecs while India's share would be only 25,992 cusecs.

### India's Economic Assistance to Bangladesh

On the economic assistance side, India has extended a line of credit of US\$1 billion to Bangladesh for a range of projects, including railway infrastructure, supply of BG locomotives and passenger coaches, procurement of buses, and dredging projects. The Line of Credit Agreement was signed in Dhaka on August 7, 2010 between EXIM Bank of India and Government of Bangladesh. India has stood by Bangladesh in its hour of need with aid worth over Taka 250 crore (over US \$ 37 million) to help it cope with natural disasters and floods in 2007-08 including supply of 1,000 MT of skimmed milk powder, and 40,000 MT of rice. India is constructing 2,800 core shelters in the affected villages in Bagerhat district in southern Bangladesh. The first batch of core shelters have been handed over to Bangladesh at Sharonkhola, Bagerhat on July 9, 2011 thus facilitating rehabilitation of over

1600 families. Technical Cooperation Scholarships and training programmes under ITEC, TCS of Colombo Plan, ICCR, AYUSH, Commonwealth, SAARC and IOR-ARC scholarships/fellowship schemes are being offered to Bangladesh nationals.

India offers 100 slots under ITEC and 35 slots under Technical Cooperation Scheme of Colombo Plan every year to Bangladesh. In the last three years (2006-07 to 2009-10), 414 participants from Bangladesh have undergone training in India under ITEC Programme and Technical Cooperation Scheme of Colombo Plan. Muktijoddha Scholarship Scheme extended by the Government of India to Higher Secondary-level students(200 scholarships) and Graduate-level students (478 scholarships). So far three Bangladesh Diplomats have been imparted training at Foreign Service Institute, New Delhi in 2011.

### **Cultural Exchanges:**

Given the shared history and commonality of language, cultural exchanges form an important bond of friendship between the people of two countries. Special emphasis has been laid on promotion of exchanges in the fields of music, theatre, art, painting, books, etc. A bilateral Cultural Exchange Programme (CEP) 2009-2012 provides the framework for such exchanges. To promote bilateral cultural exchanges, the Indira Gandhi Cultural Centre (IGCC) of Indian Council for Cultural Relations was inaugurated at Dhaka on March 11, 2010. Secretary, Ministry of Culture visited Bangladesh from December 19-22, 2010 and Bangladesh Culture Secretary visited India on April 6-8, 2011 for holding talks on joint celebrations of 150 th anniversary of Rabindranath Tagore.

The joint inaugural ceremonies were held in Dhaka on 6 May and New Delhi on 7 May 2011 and year-long celebrations are underway. In order to promote people to people exchanges, hundred (100) scholarships are being granted by ICCR every year to students from Bangladesh for pursuing general courses in arts, sciences, engineering and also specialized courses for culture, drama, music, fine arts and sports, etc. During Bangladesh PM Sheikh Hasina's visit in January 2010, India has offered to provide 300 scholarships annually for five years to students from Bangladesh for studying and training in Universities and training institutions in India.

### **Trade relations with Bangladesh:**

It is an important trading partner for India. The two-way trade in FY 2010-2011 was US\$5.099 billion with India's exports to Bangladesh accounting for US\$ 4.586 billion and imports US \$ 0.512 million. The trade between the two countries in the last 5 years is as follows:

	05-06	06-07	07-08	08-09	09-10	10-11
India's exports	1864.70	2268.00	3364.00	2841.06	3202	4586.8
India's imports	241.96	289.42	358.08	276.58	305	512.5
Total trade	2106.70	2557.40	3722.08	3117.64	3507	5099.3

Source: Bangladesh Bank/EPB

Note: FY is July to June

### **India-Sri Lanka Relations:**

India is Sri Lanka's closest neighbour. The relationship between the two countries is more than 2,500 years old and both sides have built upon a legacy of intellectual, cultural, religious and linguistic intercourse. Relations

between the two countries have also matured and diversified with the passage of time, encompassing all areas of contemporary relevance. The shared cultural and civilizational heritage of the two countries and the extensive people to people interaction of their citizens provide the foundation to build a multi-faceted partnership. In recent years, the relationship has been marked by close contacts at the highest political level, growing trade and investment, cooperation in the fields of development, education, culture and defence, as well as a broad understanding on major issues of international interest.

India-Sri Lanka relations have generally been cordial, though there have been tensions caused mainly because of ethnic conflict between people of Indian origin—mainly Tamils—living in Sri Lanka and the Sinhalese. Usually a small country is suspicious of a big neighbor. But, India has never tried to play the role of a dominant big neighbor. India's foreign policy has always been based on friendship with all its neighbours. Despite ethnic problems of Sri Lanka, India has never sought to impose its will on Sri Lanka.

**Nehru-Kotelawala Agreement, 1953:** the earliest efforts made for finding a solution to the ethnic problem was an agreement signed in 1953 by the two Prime Minister Nehru and Kotelawala. The main features of the agreement were:

1. The Sri Lankan Government would register the names of all those people of Indian origin who desired to stay permanently in Sri Lanka.
2. Those who did not wish to become citizens of Sri Lanka would be sent back to India.
3. Illegal migration from India to Sri Lanka was to be effectively checked.
4. Sri Lanka was to quickly dispose off the applications for citizenship pending for two years or more.
5. A separate electoral register was to be maintained for people of Indian origin to enable them to elect their representatives proportionately.
6. Those persons of Indian origin who desired, but could not be granted, Lankan citizenship would be allowed to stay on as aliens.

Tamils alleged that Nehru-Kotelawala Agreement was not implemented sincerely. Consequently, large number of persons of Indian origin could not get citizenship of Sri Lanka and they became “stateless persons”. This caused serious tension in India-Sri Lanka relations which was aggravated by the 1956 language disturbances. Sri Lankans blamed India for these disturbances. India-Sri Lanka relations were normalized during the Prime Ministership of S.W.R.D. Bandaranaike (1956-59). He, like Nehru, believed in non-alignment and worked for closer friendship between the two countries. During Mrs. Bandaranaike’s leadership steps were taken to maintain friendly relations.

**Shastri-Sirimavo Agreement:** Mrs. Sirimavo Bandaranaike visited India in October 1964. After prolonged negotiations (at diplomatic level) an agreement was signed on 24 October 1964 by Prime Minister Lal Bahadur Shastri and Mrs. Bandaranaike. It sought to solve the problem of about 9 lakh 75 thousand stateless persons in Sri Lanka. About 3 lakh of these people were to be granted Sri Lankan citizenship, and about 5 lakh 25 thousand persons were to be given citizenship of India. These people were allowed 15 years time during which period they were to shift to India in installments. The fate of the remaining 1 lakh 50 thousand stateless persons was to be decided in future. During her second tenure as Prime Minister, Sirimavo Bandaranaike visited India in January 1974 and her talks with Prime Minister Indira Gandhi resulted in a fresh agreement, whereby half of these persons were to be given citizenship of Sri Lanka and the rest would become Indian nationals. Thus, his issue of stateless persons was sought to be peacefully settled.

**The Kacchativu Dispute:** A territorial dispute arose in regard to the ownership of a square mile uninhabited island, called Kacchativu, off the Jaffna coast in the Palk Straits. Pilgrims from both India and Sri Lanka used to go to Kacchativu Island every year in the month of March during the four-day St. Anthony's festival for worship at the local Roman Catholic Church. India protested over the presence of Sri Lankan police during the festival in

1968. This caused conflict. Both India and Sri Lanka were keen to avoid a serious situation. The Prime Ministers of India and Sri Lanka met twice and pending a final decision on the issue of island's title, resolved to maintain status quo in and around the island. Neither India nor Sri Lanka would send its policemen in uniform or custom officials, or resort to aerial reconnaissance or naval patrolling of adjacent waters during the St Anthony's festival.

It took another five years to conclude a final agreement in regard to Kacchativu Island. A whole range of issues involving territorial, navigational and fishing rights in the Palk Bay were discussed between the two countries. Finally, in June 1974 Mrs. Bandaranaike and Mrs. Gandhi concluded a comprehensive agreement on the demarcation of maritime boundary. Accordingly, India accepted Sri Lanka's ownership of the Kacchativu Island. The Joint communiqué issued after the India-Sri Lanka summit made it clear that there were no longer any serious road blocks in the bilateral relations. The major concern of the two countries now was enlarging the area of economic cooperation and coordinating the efforts of the two countries for a better deal for their marketable raw materials particularly tea.

**Leftist Revolt and the Bangladesh Crisis:** The developments of 1971 deserve brief mention at this stage. A serious insurgency, led by leftist youth, took place in Sri Lanka in March-April 1971. The Government of Sri Lanka was unable to handle the crisis all by itself. In response to request for help, India was the first to offer assistance to curb the insurgency. Although it was claimed that no Indian personnel would be involved in the operations, yet it was reported that some helicopters were supplied to Sri Lanka, and a small flotilla of Indian naval ships patrolled Lankan waters on the request of Sirimavo Bandaranaike. This was done to prevent the flow of illicit arms to insurgents from abroad. It was later reported that Indian military assistance was worth 55 million US dollars. This was the first time that India got involved in a neighbour's troubles. Government of India was criticised as it had no stakes in the Sri Lankan civil strife. However, it was done because Indira Gandhi Government felt that violent takeover of Sri Lankan government by radical leftist youth would be highly injurious to the national interest, stability and security of India. Interestingly even Chinese Government pledged support to the government of Sri Lanka, condemning the violent uprising.

During the Bangladesh crisis later in 1971, Sri Lanka observed total neutrality between India and Pakistan. Sri Lanka "did considerable, tight rope-walking, but its real sympathy lay with Pakistan". Sri Lanka itself was faced with ethnic conflict. Any indiscreet step on the part of Sri Lankan Government could have sent wrong signal to its ethnic minorities. Therefore, it turned blind eye to the suppression of the majority of population of East Pakistan by the military regime of Yahya Khan. The signing of Indo-Soviet Treaty of Friendship in August 1971 was criticized by some elements in Sri Lanka in the ground that it compromised with India's non-aligned position.

Sri Lankan approach was cautious. It was not until March 1972 that Sri Lanka recognized Bangladesh, although other neighbours including Burma and Nepal, besides Bhutan and India had already granted recognition.

Economic cooperation between the two countries began rather later. Both countries are major exporters of tea. Therefore, their relationship for sometime was competitive. China had established itself as an important factor in Sri Lanka's economy by offering stable prices for its rubber in return for rice shipments. India's economic relationship with Sri Lanka began expanding since 1966 when India extended a Rs 2 crore loan to enable Sri Lanka to import food products from this country. Dried fish, textiles and dried chilies were to be imported from India. India extended in 1967 another credit of Rs. 5 crores to finance the purchase of some electrical and telecommunication equipment, commercial vehicles, machines and machine tools, railway coaches and wagons, etc. Trade with India was improving.

**The Ethnic Conflict:** The ethnic conflict in Sri Lanka between Tamils and Sinhalese assumed serious proportions in 1983. It was described as "ethnic explosion" and the "Sri Lanka Carnage". It has already been explained that Tamils in Sri Lanka belong to two categories: the Ceylon Tamils whose forefathers had gone to Sri Lanka centuries ago. They are estimated to be about one million. The second category is of Indian Tamils whose

forefathers were taken by the British as plantation workers in the nineteenth century. They are another one million. The Ceylon Tamils are mostly concentrated in Jaffna and on the northern and eastern coast, while the Indian Tamils live mostly in the districts of Colombo, Kandy and Trincomalee in the traditional tea garden areas. The relations between Sinhalese majority and the minority have been gradual.

**Rajiv-Jayawardene Agreement, 1987:** An attempt was made by Prime Minister Rajiv Gandhi to help Sri Lanka find a solution to the ethnic violence. The Tamils were very hostile to the Sri Lankan security forces who were allegedly trying to eliminate them. It appeared that as a confidence building measure Indian troops would succeed in handling the situation. On the invitation of Sri Lankan Government, Rajiv Gandhi paid a two day visit to Colombo. He and President Jayawardene signed an agreement to provide for Indian Peace Keeping Force (IPKF) to be posted in Sri Lanka to restore normalcy in the strife-torn areas. The agreement provided that

1. An autonomous unit comprising northern and eastern provinces would be constituted. The proposal was to be submitted to a referendum by December 31, 1988. The referendum was to be supervised by a committee headed by the Chief Justice of Sri Lanka.
2. Elections to the provincial councils were to be completed by December 31, 1987 in the presence of Indian observers.
3. Emergency was to be lifted in the northern and eastern provinces by August 15, 1987.
4. Tamil, Sinhalese and English would be official languages in Sri Lanka.

In accordance with Rajiv-Jayawardene agreement hundreds of thousands Indian troops were sent to Sri Lanka for maintenance of peace. However, the agreement was vehemently opposed by the Sri Lankans. So much so that Sri Lankan Prime Minister Premadasa did not attend official functions, held in honour of Indian Prime Minister and an attack was attempted on Prime Minister Rajiv Gandhi when he was inspecting a guard of honour at the Colombo Airport before leaving for New Delhi. This agreement could not be effectively implemented as both Tamil and Sinhalese extremists were opposed to it.

The posting of IPKF proved to be very costly for India. Crores of rupees were spent on Indian troops trying to restore order. Hundreds of Indian soldiers were killed in clashes with the Tamil extremists. Presidents Jayawardene later said that the Sri Lankan troops were no more fighting the battle which was waged by Indians. Had IPKF not gone to Sri Lanka, the economy of the Island would have been adversely affected. India gained nothing. India lost its several hundred soldiers in Sri Lanka. Even then ethnic conflict could not be brought under control. Having realized the futility of IPKF, India decided to pull its troops out. By March 1990 all the Indian troops were recalled. Very effective political measures and will to implement them was required on the part of Sri Lankan authorities so that the strife could be ended and normalcy restored.

The separatist movement in Sri Lanka had an adverse effect on India-Sri Lanka relations, although India had taken all positive steps to ensure that Indian territory was not used for anti-Sri Lanka activities. In 1993, S.D. Muni had opined that, "The separatist movements or insurgencies have a tendency to reinforce India's own sectarian polarities... Sri Lanka's ethnic war is raging today with as much intensity as even before, and this presents a strange dilemma to India's policy; for India cannot be comfortable with the outright victory of either the LTTE or the armed forces of Sri Lanka. Whichever side wins, it will only reinforce Tamil alienation in India's state of Tamil Nadu."

In 1991 during the run-up to the Lok Sabha election, former Prime Minister Rajiv Gandhi was assassinated in an alleged human bomb explosion. The murder of Rajiv was allegedly the result of a conspiracy by certain elements involved in the Sri Lankan ethnic conflict. Later, U.N.P. candidate for presidency of Sri Lanka, Gamini Dissanayake fell victim to a terrorist attack.

Mrs. Chandrika Kumaratunga, daughter of S.W.R.D. and Sirimavo Bandaranaike, became Prime Minister and then the President of Sri Lanka in 1994. She visited India in March 1995. A better understanding was reached between the two countries on the handling of ethnic violence and terrorism. Sri Lanka continued to face secessionist movement led by Liberation Tigers of Tamil Eelam (LTTE). The Government of India assured President Chandrika that India would continue to support all efforts for a peaceful settlement of the ethnic issue. Sri Lanka's Foreign Minister Kadirgamar stressed his country's keenness for sound and cordial relations with India. Government of India fully reciprocated these sentiments. It was agreed in 1995 to strengthen and diversify bilateral economic cooperation. It was also decided that matters such as the security of Indian fisherman and the release of boats of Sri Lanka's refugees should be soon resolved.

India continues to favour a peaceful solution to ethnic crisis in Sri Lanka within the framework of sovereignty and territorial integrity of that country, through negotiation and without outside interference. India welcomed the proposal of Sri Lanka for devolution of power to secure some element of autonomy to the areas largely inhabited by Tamil minority. Problems pertaining to fishermen of the two countries straying into each other's territorial waters continued to draw the attention of the two governments.

#### **Indo- Sri Lanka Trade and Cultural Cooperation in current context:**

**Trade and investment Relations:** India and Sri Lanka enjoy a robust trade and investment relationship, with bilateral trade growing rapidly in the last decade and a number of leading Indian private sector companies investing in Sri Lanka and establishing a presence in this country. Sri Lanka is India's largest trade partner in SAARC. India in turn is Sri Lanka's largest trade partner globally. Trade between the two countries grew particularly rapidly after the entry into force of the India-Sri Lanka Free Trade Agreement in March 2000. Over the next eight years, bilateral trade multiplied nearly five-fold. Following a downturn in 2009 on account of the global economic recession, trade has rebounded and, according to Sri Lankan statistics, bilateral trade during in 2010 has reached 3.04 billion USD compared to 2.07 billion USD in 2009. The Indian exports to Sri Lanka stands at 2.57 billion USD compared to 1.73 billion USD in corresponding period in 2009 registering a growth of 32 %. The Sri Lanka exports to India stands at 471.23 million USD compared to 333.54 million USD in corresponding period in 2009 registering a growth of about 30%. Indian companies have also established a strong investment presence in Sri Lanka with FDI approvals of nearly \$500 million. India was the largest FDI contributor in 2010, contributing US \$110 million out of total US \$ 516 million received by Sri Lanka. Indian names such as IOC, Tatas, Bharti Airtel, Piramal Glass, LIC, Ashok Leyland, L&T and Taj Hotels are present in Sri Lanka. In recent months, the two countries have also resumed discussions on a Comprehensive Economic Partnership Agreement and steps to finalize the Agreement are expected to be taken in the near future.

**Cultural cooperation** is a very important aspect of the bilateral relationship and the Cultural Cooperation Agreement signed by the Government of India and the Government of Sri Lanka on 29 November, 1977 at New Delhi forms the basis on which the periodic Cultural Exchange Programmes (CEPs) between the two countries are signed and implemented. A Programme of Cultural Cooperation (PCC) for 2010-2013 was signed during the June 2010 State visit of President Rajapaksa. The PCC seeks to enhance the level of cooperation in a wide variety of fields such as performing arts, visual arts, libraries, museums, archives & cultural documentation, archaeology, handicrafts, sports and youth affairs, publications and professional exchanges and mass media. The Indian Cultural Centre in Colombo actively promotes awareness of Indian culture by offering classes in Indian music, dance, Hindi and Yoga. Every year, cultural troupes from both countries exchange visits. India is also committed to the restoration of important icons of cultural heritage of Sri Lanka and is setting up an Indian Gallery at the International Buddhist Museum in Kandy and working on the restoration of the Thirukeeteswaram Temple in Mannar.

Education is a core area of cooperation between India and Sri Lanka. Both countries agreed to launch an India Sri Lanka Knowledge Initiative during the visit of President Rajapaksa to India in June 2010. Under this programme, India proposes to double its programme of scholarships offered to Sri Lankan students for undergraduate studies in Indian universities. A significant number of scholarships are also offered by India in Sri Lanka itself to support needy and deserving students pursue 'A' Level as well as university education. In addition, under the Indian Technical and Economic Cooperation Scheme and the Colombo Plan, India offers nearly 200 slots annually to Sri

Lankan nationals for short and medium term training courses in a wide variety of technical and professional disciplines. Tourism also forms an important link between India and Sri Lanka and India is the largest source market for Sri Lankan tourism. More than 125,000 Indian tourists visited Sri Lanka in 2010, making up nearly 20% of the total tourist inflow into Sri Lanka. Sri Lankan tourists too are among the top ten sources for the Indian tourism market. In 2010, nearly 200,000 visas were issued by the High Commission in Colombo to facilitate travel between Indian and Sri Lanka. It is expected that two-way tourism and connectivity will get a further fillip with the commencement of ferry services between Colombo and Tuticorin, as well as Talaimannar and Rameswaram, an agreement on which has been signed recently between the two countries.

Today, the India-Sri Lanka relationship is strong and poised for a quantum jump by building on the rich legacy of historical linkages and strong economic and development partnerships that have been forged in recent years.

#### **Indian Assistance to Sri Lanka for Rehabilitation and Reconstruction:**

Students of contemporary South Asian history are aware of the fact that the Government of India has responded favourably and spontaneously to any appeal for assistance by the Sri Lankan Government to tackle its domestic problems. Two illustrations are in order.

Faced with the internal security threat posed by the Janatha Vimukti Peramuna (JVP) in April 1971 Prime Minister Sirimavo Bandaranaike asked for external assistance from India, United Kingdom, United States, Yugoslavia, Soviet Union and Pakistan. India was the first to respond sending five frigates to seal off approaches to Colombo. In addition, Indian assistance included military equipment for 5,000 troops, six helicopters with pilots for non-combat duties and 150 Indian troops to guard Katunayake airport. The revolt was crushed and the first long spell of emergency was proclaimed in Sri Lanka. The question may be legitimately asked, how did Colombo respond to Indian assistance? During the East Pakistani crisis, the Government of Sri Lanka provided refueling facilities for Pakistani air crafts on their way to East Pakistan to carry on savage reprisals against the Bangladeshi nationalists. It may be recalled that in February 1971, India withdrew landing and over flying facilities to the Pakistani International Airlines (PIA). To the shock and dismay of Indian observers, Sri Lanka granted these rights to the PIA. In March 1971, 16 east bound and 15 west bound Pakistani Air Force planes landed at Katunayake airport. Indian writers, especially Late K Subrahmaniam, India's foremost defence analyst, has maintained that these flights involved Pakistani soldiers and war materials. The incident illustrated complicity between Sri Lanka and Pakistan against India.

When the Tsunami struck Sri Lanka in December 2004, the Indian response was spontaneous. Though a victim of Tsunami itself, the Government of India immediately mobilized its resources and extended timely help to its maritime neighbours - Sri Lanka, Maldives, Thailand and Indonesia. India was the first country to send assistance to Sri Lanka – within hours – after the tsunami, which claimed over 30,000 lives in the coastal districts spread across northern, eastern, southwestern and southern parts of the island. Indian relief workers were involved in a range of operations, including emergency medical aid, setting up of relief camps, restoring ports and

reconstructing damaged bridges. The magnificent role played by the Indian Navy is one of the golden chapters in recent diplomatic history. It included the mapping of the bed of Colombo harbour, which was completed very effectively and swiftly. One difference between the Sri Lankan and Indonesian experience should be highlighted. The tsunami also brought havoc to Indonesia, but it triggered off a series of initiatives which paved the way for a settlement of the Achenese separatist problem. Hopes entertained by the Indian observers that a similar denouement will take place in Sri Lanka did not materialize due to the intransigence of both sides – the Sri Lankan Government and the Tigers. As a result Indian assistance extended to Sri Lanka did not reach the Tamils in the north and the east to the extent that we would have liked.

It is not our major focus in this essay to describe India-Sri Lanka co-operation during the Fourth Eelam War, but few points are in order. The Sri Lankan Government was deeply sensitive to the fact that if the war had to be pursued to its logical end, the Government of India should be on its side. In an address to the John Kotelawala Defence University few days ago, Prof. GL Peiris claimed that the conduct of international relations was done with “great finesse” with particular reference to India-Sri Lanka relations. It did not require much persuasion to convince New Delhi about the “justness of war against terrorism”. Colombo used to point out that in fighting the terrorist Tigers, Sri Lanka was, in many ways, fighting India’s battle against terrorism. But what New Delhi did not appreciate was the fact that the war against the Tigers was degenerating into a war against Tamil civilians. Thus a major change in India’s Sri Lanka policy took place. Unlike the pre-1987 period when New Delhi was determined not to permit a “military solution” to the ethnic problem, during the Fourth Eelam War India not only endorsed the war, but also provided assistance to Colombo in several ways.

It is well known that the Indian intelligence agencies provided vital information regarding the movement of Sea Tigers and the Sri Lankan Air Force was able to destroy the LTTE ships bringing arms supplies to the LTTE controlled areas. It may be recalled that when the Fourth Eelam War began, the Sea Tigers were in complete control of the Sri Lankan side of the Palk Bay, except the island of Mannar and the outer islands in the Jaffna peninsula. From 2006, the Sri Lankan armed forces began to extend its control from Mannar to Jaffna. One consequence was the umbilical cord which united the Tamil areas of Sri Lanka with Tamil Nadu was cut. Refugees could not escape from army atrocities and escape to Tamil Nadu as they used to do before. What is more, the Indian Coast Guard also extended a helping hand to Sri Lanka by undertaking co-ordinated patrolling in the Indian seas.

Because of pressure from Tamil Nadu, New Delhi understandably could not supply war materials to Sri Lanka, but it continued to supply non-lethal weapons. India gave vital radar equipments to the Sri Lankan defence forces and also undertook the modernization of the Palaly airport. The training of the Sri Lankan military personnel in the Indian military establishments continued unabated. According to the Annual Report of the Ministry of Defence, 2005, a total of 201 officers and 130 sailors from friendly countries were undergoing training in Indian naval establishments, of which 147 officers and 102 sailors were from Sri Lanka. We have not been able to get the latest statistics, but it is unlikely there is any major change in the overall situation. In other words, if we go by 2005 statistics, India provides training to more Sri Lankan naval personnel than all other countries put together.

And above all, the centre-state political dynamics in India worked to Sri Lanka’s advantage. The Dravida Munnetra Kazhagam (DMK), which was in power in Tamil Nadu, was more interested in fostering its political equation with the Central Government than in demanding that New Delhi should immediately take steps to halt the ongoing war. Because of the competitive nature of Tamil Nadu politics, Chief Minister Karunanidhi had to indulge in certain “political gimmicks”, like the famous hunger strike, which started after breakfast and concluded before lunch, so that he gave the impression that he continued to be the “saviour” of the Tamils. The Central Government understood the rationale behind these gimmicks and allowed the Chief Minister considerable leverage to pursue his political goals. The end result was that Tamil Nadu could not bring

about any change in New Delhi's Sri Lanka policy. A perceptive Sinhalese academic told Prof. Suryanarayan few months ago that Sri Lanka would remain eternally grateful to New Delhi for "checkmating" the DMK.

When a deep humanitarian crisis engulfed Sri Lanka at the end of the Fourth Eelam War, with nearly 300,000 Tamils herded in relief centres as Internally Displaced Persons (IDPs), India established an emergency medical unit in the IDP camps, which treated about 50,000 IDPs and carried out about 3000 surgeries. Medicines worth Indian rupees 9.2 crores were provided. Prime Minister Manmohan Singh announced an immediate grant of Indian Rupees 5 billion for relief and rehabilitation of the Tamils.

Since land mines were a major problem confronting the IDPs in returning to their original homes, India dispatched seven defining teams; they did commendable work in various parts of Sri Lanka. India also provided shelter assistance by way of supplying 10,400 tons of galvanized iron sheets for constructing temporary housing for the IDPs. In addition, 70,000 starter packs of agricultural implements have been supplied. The Government of India also supplied 400,000 bags of cement to assist IDPs rebuild their shelters.

One tragic dimension of the IDP situation in Vavuniya unfortunately has not attracted the attention of New Delhi and Colombo. When Prof. Suryanarayan did field work in Vavuniya in 2004 he found that majority of the IDPs in Poomthottam were people of Indian origin. These people were encouraged to migrate to the northern parts as agricultural labour following the ethnic riots in the plantation areas after 1977 elections. NGO's like the Gandhiyam were in the forefront championing integrated living between the Sri Lankan Tamils and the Estate Tamils. What is more, more and more land was being brought under the plough by Tamil landlords in Vavuniya area. Since the Sri Lankan Tamil middle class were unaccustomed to hard physical work, the Indian Tamil labourers filled the void. Whatever might have been the intentions of the NGO's like Gandhiyam the Indian Tamils soon became the cannon fodder in the fratricidal conflict between the Sinhalese Lions and the Tamil Tigers. Finally, after several trials and tribulations, they landed in Poomthottam camp as IDPs. In the course of Prof. Suryanarayan's conversation with them it became apparent that they did not have any roots in the hill country, therefore, the question of returning to the central province did not arise; they were also not keen to go back to Kilinochi and other places because they had no land to cultivate. Prof. Suryanarayan brought the tragic plight of these people to the attention of the leaders of the Ceylon Workers Congress (CWC), but they did not evince any interest in the subject. We feel that two remedial steps could be immediately initiated; first, the Government could start vegetable farms on a big scale and these people could be employed as labourers. Second, the Government should undertake a study of manpower requirements necessary for the rehabilitation and reconstruction of the north and the east, and after that these people could be provided with necessary skilled training and employed meaningfully. These unfortunate people deserve greater understanding and sympathetic attention from the Indian High Commission and the Government of India. A silver lining in the situation is that Amb. Ranjan Mathai, Foreign Secretary, having worked in Sri Lanka in the early 1980's, is not only familiar with their problems, but is also committed to their welfare. These people could be employed as labourers when construction of houses, to which the Government of India is committed, begins. The Indian High Commission should also impress upon the Sri Lankan Government the necessity to give citizenship papers and identity cards to those who do not have them.

The unfortunate side of the story is that many Indian projects, which were wholeheartedly welcomed by the Sri Lankan Tamils, have not been implemented due to bureaucratic bungling, red tapism and callous attitude of the concerned Sri Lankan authorities. In order to facilitate the resumption of agricultural operations, the Government of India gifted 95,000 agricultural starter packs, seeds and 500 tractors. The TNA members of Parliament have alleged that most of the tractors have not been sent to the Tamil areas, but to the southern parts for the benefit of Sinhalese farmers. The same holds true of 50,000 houses which the Government of India promised to construct for the benefit of the Tamil people. The land for the construction of the houses has not yet been allotted by the Government and the whole programme is proceeding at a snail's pace. Recently a parliamentary

panel of the Ministry of External Affairs has criticized the delay in the utilization of the allotted funds and has suggested the drawing of a time table for its speedy implementation. The same holds true of the railway line from Vavuniya to Jaffna and the development of the Kankesenthrurai harbour. The joint venture project to produce coal powered electricity between the National Thermal Power Corporation (NTPC) and the Government owned Ceylon Electricity Board (CEB) also ran into difficulties. At long last the clearance was issued and an Agreement was signed few days ago.

The blame game that India is dragging its feet in the development of Sri Lanka goes on and the critics compare the “tardy” Indian performance with the speedy progress of the projects undertaken by the Chinese Government. Whether it is the development of the Hambantota Port or the highway between Colombo and Kandy, the work sanctioned to China, according to them, gets completed swiftly and smoothly. They ignore the fact that the development of the Hambantota port was undertaken without proper environmental audit. In hindsight it could be said that if a proper study was undertaken the rock formations which act as a hindrance to the passage of ships to the port could have been detected. According to media reports, these rocks can be removed only by blasting them. Will blasting the rocks pose ecological hazards to the southern province in general and Hambantota port in particular?

VISION IAS

## TEST 5

- Q.1. Indo- Bangladesh recent exchanges on Border Dispute (200 words)
- Q.2. India's interest in a peaceful Nepal (200 words)
- Q.3. Indo- Nepal- China Triangle (200 words)
- Q.4. India's effort in rebuilding Sri Lanka (200 words)

VISION IAS

## ***Chapter 6***

### **India and the United Nations**

#### **India's Role in the United Nations:**

India has actively cooperated with various principal organs and specialized agencies of the United Nations. India has served a number of 2-year terms as a member of the General Assembly. India's Mrs. Vijay Lakshmi Pandit was elected as President of the eighth session of the UN General Assembly. The grace and dignity with which she conducted the proceedings of the General Assembly received all-round acclaim. India's association with the Economic and Social Council is almost permanent and it has offered such assistance in numerous social-economic activities as it is capable of. Eminent Indian jurists, such as B.N. Rau and Nagendra Singh, have served with distinction as judges of the International Court of Justice. Dr. Nagendra Singh was also President of the Court. Various specialized agencies have helped India overcome shortages and solve problems such as of health, malnutrition, food, child care etc.

Commenting on India's commitment to the UN ideals, Charles H. Heinsath and Suljit Mansingh wrote: "...after independence, the Charter became Nehru's most consistent criterion for judging international conduct and a compendium of ideals to which his Government could subscribe. He felt that if there was hope in the world for a new dispensation that might lessen conflict and promote international justice, it might lie in the reconstructive efforts that the UN could undertake". Nehru's faith in the United Nations and its reconstructive efforts remained the underlying principle of India's policy towards the United Nations, and seeking solution to various international problems through this organization. A brief discussion on India's contribution to the UN efforts is given below.

The issue of membership of several newly independent countries was one of the earlier issues that attracted India's concern. India fully supported the cause of admission of those sovereign states which were being denied admission. Their membership was being blocked, in the context of Cold War, by one Super Power or the other. These included Japan and a number of socialist countries. India led a group of developing countries whose support proved valuable in getting 16 countries admitted in 1956. India forcefully pleaded for representation of Communist China in the United Nations. The question of Chinese representation remained unresolved from the end of 1949 till October 1971 when finally the US allowed the expulsion of KMT China and its replacement by the People's Republic of China. India supported Chinese admission even after India was attacked by China in 1962. India argued that China as a large sovereign country could not be logically kept out of the world body.

India pleaded strongly for speeding up the process of de-colonisation in Asia and Africa. In such cases as Indonesia where imperial Powers tried to block their independence, India helped build public opinion in favour of independence and quick de-colonisation of Afro-Asia.

India came out strongly against the maintenance of colonial systems. Prime Minister Nehru had argued that colonialism had to disappear so that the world could achieve peace, and "a friendly relationship" could develop between Asia and Europe. He believed that colonialism was obsolete in the contemporary world. Under Nehru's leadership "India decided to create a historic process which, by the very fact of India's independence, was known to be well under way." The first major campaign that India initiated in the United Nations was aimed at forcing the Government of the Netherlands to give up its control over Indonesia. The attention of the Security Council was called by India and Australia, 'under Articles 34 and 39 of the Charter, to the fighting which had broken out in July 1947 between the Netherlands and Indonesian nationalist forces. Although the Government of the Netherlands sought to invoke provisions of domestic jurisdiction clause saying that Indonesia was its internal

matter, yet the Security Council took up the matter, called for an end to hostilities, and asked the parties involved to settle their dispute by peaceful means. Thus, the Security Council rejected the Dutch Contentions that UN did not have competence to deal with the case. The Conference on Indonesia convened by Prime Minister Nehru in New Delhi in January 1949 made significant contribution to the cause of Indonesia's Independence which became a reality by the end of 1949.

India, along with other like minded countries, played a significant role in the release of French colonies of Tunisia, Algeria and Morocco. India supported the cause of freedom of Cyprus. The Indian efforts in support of national self-determination in the General Assembly resulted in an overwhelming vote in favour of a resolution calling upon member countries to recognize the sovereign right of the peoples of non-self governing territories. The resolution against colonialism declared that "all peoples have an inalienable right to complete freedom, the exercise of their sovereignty, and the integrity of their national territory." By 1960s most of the colonies had achieved independence, and in the remaining areas the process of de-colonisation was nearing completion. As more and more erstwhile colonies emerged as independent states, India played a leading role in bringing them together in the non-aligned movement, which was based on India's policy of non-aligned movement, which was based on India's policy of non-alignment and was initiated as a movement by Nehru along with Egyptian President Nasser and Yugoslavia's Tito. Professor Satish Kumar points out that, "The Non-aligned Movement, while articulating the political and economic aspirations of its member states at its various conferences, assumed the role of an organized pressure group in the United Nations Conference on Trade and Development (UNCTAD). Later, it was on the initiative of NAM that the United Nations General Assembly adopted a resolution (1974) calling for the creation of a New International Economic Order (NIEO).

An interesting case that came up in the UN in its infancy pertained to controversy between the United States and other Powers such as Britain, Australia and Canada interested in the Pacific. A number islands in the Pacific which were made mandate territory after First World War and placed under Japan were now the subject of dispute as the mandatory to acquire these islands as the US Navy was insisting on their outright annexation, Britain proposed and Australia supported that all victorious Powers of Pacific War should be consulted on any trusteeship decision regarding these islands. Australia was keen to acquire islands south of Equator. India was not a member of the Security Council, but UK and Australia demanded that India and New Zealand should also be invited. The US reluctantly agreed. Thus in a matter pertaining to mandates trusteeship India came in the picture. US desire was against "democracy and justice" in the eyes of Canada and New Zealand. They said that US plea was not in conformity with international law. However, India disagreed with other Commonwealth members. Sir Ramaswamy Mudaliar taunted: "Law can be very pedantic and that this very pedantry can sometimes bring law into contempt". US was very adamant and it ultimately had its way.

India had cut-off diplomatic relations with South Africa in 1949. The Government of South African was not only in the hands of white minority and it denied the majority coloured people their legitimate right to govern, but it also continued to maintain its hold on Namibia (the former German Colony of South West Africa) which was made a mandated territory in 1919. India fully supported the cause of independence of Namibia and co-sponsored resolutions in the United Nations calling upon South Africa to grant independence to Namibia. The freedom fighters of Namibia recognized India's contribution in the cause of their struggle when they finally won their statehood in 1990.

India is a strong supporter of the UN efforts for protection of human rights. Even since the United Nations General Assembly adopted the Universal Declaration of Human Rights in December 1948, India has cooperated in implementation of human rights related decisions and resolutions. The two human rights covenants have received India's whole-hearted support. The Constitution of India, enacted in 1949, incorporated most of the human rights either as fundamental rights or as directive principles of state policy. Wherever there is violation of human rights, India has raised its voice against such violation. The human rights violation in South Africa is one

such case in which India played a leading role in demanding end of all such violations. India either sponsored or, at least, supported resolutions passed by the General Assembly condemning apartheid in South Africa. Apartheid was declared to be a crime against humanity. South African Government was excluded from the General Assembly since 1974. Mandatory arms embargo was imposed against South Africa in 1976 by a unanimous resolution of the Security Council. Led by the UN, several countries had applied comprehensive economic sanctions against South Africa and many did not maintain diplomatic relations with the racist regime. India's role was highly appreciated by Dr. Nelson Mandela who became the first non-white President of South Africa in May 1994, after an all-party election returned him to power. Thus, India led the movement against apartheid both in the United Nations and outside it. India has constituted its own National Human Rights Commission, chaired by a former Chief Justice of India. This Commission is expected to ensure that there are no human rights violations in India. It also suggests measures to check violations and protect human rights in India.

India has played a consistently positive and energetic role in UN efforts for disarmament and arms control. India stands committed to total nuclear disarmament. India pleaded the cause of disarmament and arms Control in Eighteen Nations Disarmament Committee, special sessions of the UN General Assembly and finally in Conference on Disarmament (CD). India had signed the Partial Test Ban Treaty, but firmly resisted all pressures to sign the Non-Proliferation Treaty and blocked the Comprehensive Test Ban Treaty in 1996.

India has always actively supported peace-keeping activities of the United Nations. Peace-keeping as a concept, though not spelt out in the Charter, has evolved over the years as an internationally acceptable way of controlling conflicts. UN directed forces have not been used to wage wars, but to control and resolve conflicts between states or communities within states. During the first 50 years of UN existence about 35 peace-keeping forces, and in others military observer missions. One of the first assignments given by the UN and accepted by India was Chairmanship of Neutral Nations Repatriation Commission (MNRC) for Korea. It was charged with the custody of the prisoners of war entrusted to its armed forces in 1953. Earlier, in its first action under collective security, the UN Security Council had asked member-nations of UN to resist North Korean aggression against South Korea, and India had responded with a token assistance by sending its army medical units. As Chairman of MNRC, India performed the difficult task of repatriation of the prisoners of Korean War.

India also acted as Chairman of the International Commission for Supervision and Control in Indo-China under the Geneva Agreement of July 1954.

Another important assignment was peace-keeping operations in the Congo by the Indian Independent Brigade during 1960-63. As in case of Korea, the Congolese assignment involved the use of Indian troops. The Republic of Congo (later the Republic of Zaire) became independent from Belgian rule in June 30, 1960. Soon afterwards disorder broke out and Belgian troops were sent 'to protect and evacuate Europeans'. On the Congolese request, the Security Council authorized the Secretary General to provide military assistance to the Congo. In less than 48 hours, UN forces made up of several Asian-African countries began arriving in the Congo. As situation became complex after the assassination of former Prime Minister Lumumba in Katanga province and attempted secession by Katanga, the UN forces at one time reached 20,000 troops. After Katanga was reintegrated in February 1963, phased withdrawal of UN troops began. The role of Indian peace-keepers was greatly appreciated.

Peace-keeping in West Asia after Anglo-French-Israeli aggression on Egypt, over the Suez Canal nationalization issue, was another case of India's contribution to the UN. Immediately after the cease fire on UN Soviet initiative, a United Nations Emergency Force (UNEF) was raised to supervise the observance of cease fire. The UNEF was constituted by a resolution of the General Assembly Soviet Union, Israel as well as Egypt abstained, as the USSR argued that only the Secretary Council could set up such a force. The UNEF included contingents from Canada, Denmark, Finland, Norway, Sweden, Brazil, Cambodia, India, Indonesia and Yugoslavia. All of them, like

India, were considered neutral in the Suez-related crisis. The UNEF ensured observance of cease fire, evacuation of Sinai area and Gaza strip from Israel and patrolled the 273-km long Egypt-Israel border.

The strife-torn former Yugoslavia presented a serious challenge to the UN and its ideal of international peace. The break-up of erstwhile Yugoslavia soon after the end of Cold War, and disintegration of USSR in 1991, resulted in unprecedented ethnic conflicts mainly between Serbs and Bosnian Muslims. The Serbs talked of ethnic cleansing and killed large numbers of Bosniaks or made them homeless and orphans in over three years of conflicts. The United Nations Protection Force for Yugoslavia was constituted in February 1992. It had a difficult task of maintaining peace in erstwhile Yugoslavia. The Force was headed by an Indian Army General. India, as usual, tried to make significant contribution to the cause of peace in the Balkans.

### **India and the UN Security Council Reform:**

U.S. President Barack Obama's surprise announcement of support for India's permanent membership in the United Nations Security Council (UNSC) is a bold foreign policy stroke. Beyond deepening the U.S.-India strategic partnership launched by the Bush administration, it may help break the logjam that has kept the UNSC's permanent membership mired in the world of 1945.

The rationale for India's candidacy is obvious. The world's largest democracy with more than 1.2 billion people, India has a dynamic, fast-growing economy, the world's fifth-largest navy, and an impressive army with a distinguished role in international peacekeeping. India is increasingly at the forefront of efforts to police the global commons and combat transnational terrorism and, although not a member of the Nuclear Nonproliferation Treaty regime, has established a strong record over the past decade in combating nuclear proliferation. India, simply put, has the assets to become a bulwark of world order.

Indians, who have long regarded permanent UNSC membership as the holy grail of Indian foreign policy, are naturally ecstatic. What Obama did not provide, however, was any strategy for bringing UNSC reform about. The president should follow up on his dramatic announcement by launching a comprehensive plan for Security Council enlargement, based on clear criteria for permanent membership.

The rationale for expanding the UN Security Council's permanent membership is powerful. To be effective and legitimate, the world's premier watchdog for international peace and security must reflect the contemporary distribution of power, so that it enjoys the political support (and draws on the resources) of the world's most capable states. The current list of "permanent five" members--the United States, Russia, China, the United Kingdom, and France--is notable for its omissions.

The United States has geopolitical interests in expanding the UNSC's permanent membership. The time for a globally dominant state to cede some power to rising ones is when it can still dictate the terms of the shift. As noted in a recent CFR workshop in New Delhi, the United States can help relieve its strained resources (PDF) by sharing some of the privileges and burdens of global leadership.

Because immediate UNSC enlargement would be a gamble, Obama should declare U.S. support for a gradual approach to expanding UNSC membership, based on clear criteria for membership (advocated in a forthcoming Council Special Report I co-authored with Kara McDonald: *UN Security Council Enlargement and U.S. National Interests*). These criteria would include a demonstrated capacity to contribute to international peace and security, including contributions to the UN and membership in good standing with major international security regimes.

Based on these criteria, the most logical candidates for permanent membership, in addition to India, would be Japan, Germany, and Brazil--four great democracies. By setting such criteria, and winning support among the veto-wielding P5 for their application, the United States can help ensure that candidates for UNSC permanent membership are prepared to accept not only the privileges, but the weighty obligations of membership.

## TEST 6

- Q.1. India's role in UNPKF (200 words)
- Q.2. India's bid for a UNSC reform (200 words)
- Q.3. India's performance as the UN Security Council member (200 words)

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## Chapter 7

### India and the United States of America

#### **Indo-US Relations During the Cold War Period:**

To put relations between India and the United States in perspective it is no longer necessary to go over the five decade-long estrangement between the world's most populous and most powerful democracies. This divergence, often sharp, but never so sharp as to drive the relationship to the breaking point, is a thing of the past. Its principal cause, the Cold War is over. Consequently, Indo-US relationship, good, bad or indifferent, has become the most important in the entire gamut of our relations with the outside world. It may not be a multipolar world just yet but is surely a perycentric one. Even so, American remains unquestionably the mightiest military power and has the world's largest economy at a time when globalization has become almost the universal economic creed.

The emergence of free India coincided with the emergence of the United States and the Soviet Union as two Super Powers. Both these powers with faith in their respective ideologies and way life looked with suspicion towards each other and set up military blocs like NATO, CENTO, SEATO, ANZUS, and the Warsaw Pact to meet the possible threat from the other. When India gained independence, there was the option of joining either of the two power blocs. However, India decided to keep away from both these blocs and follow an independent foreign policy.

Nehru opted for the policy of friendship with all, but enmity with none; the policy of seeking help, without strings for India's economic development; and the policy employing freedom to decide all issues on merit. This policy came to be known as the policy of non-alignment.

The adoption of policy of non-alignment did not imply that India declined to play a positive role in international sphere. It expressed positive opinion on the issues facing the world on the basis of merit. Though India has always wanted to have balanced relationship with both the Super Powers, it has not always succeeded in this mission.

India's relations with the USA have followed a zig-zag course during the First 50 years (1947-97). India's relations with three of the important neighbours — Pakistan, China and the Soviet Union in particular and the policy towards Asia and Africa, in general, have been the most significant determining factors in the Indo-US relations. Soon after independence, India developed very friendly relations with the USA. The Indian leaders acknowledged with gratitude the positive role played by America in exerting pressure on the British Government to expedite the grant of independence to India. The democratic ideals of America fascinated the Indian leaders. However, they decided to follow non-alignment, not favoured by America and hence considered as an unfriendly posture. Also, the refusal of India to join the military alliances sponsored by USA, and different stands taken by it on various international issues like the grant of independence to Indonesia and recognizing the communist regime of China were quite annoying to the American leaders.

India did not approve of the American policy of containment of communism against Soviet Union and China through a system of military alliances, and sought to promote a climate of peaceful co-existence and cooperation. Nehru's mild stand on the Chinese invasion of Tibet, disassociation with American not to brand China as an aggressor in Korea and opposition to the US sponsored Uniting for Peace Resolution of November 1950, irritated the United States. India's attitude towards the Peace Pact between the US and Japan also caused

bitterness. She did not even attend the conference convened by the US for the conclusion of US-Japan peace treaty.

The relations between the two countries in the economic, cultural and educational spheres continued to grow and the US provided valuable assistance to India under the Technical Cooperation Agreement of 1951. The US also made available to India huge quantities of food grains to tide over the problem of food shortage. India received enormous assistance from various private foundations, like the Ford Foundation, Rockefeller Foundation and Carnage. Earlier, when Nehru visited the United States in 1949 he was given warm welcome. Indo-US relations were friendly and cordial during the period 1951-54. When Britain, France and Israel launched an aggression on Egypt in 1956, because Suez Canal had been nationalized, the three aggressor countries were bitterly criticized by most countries. India did the same. India fully supported the US efforts to end the Suez conflict. But, India did not support the call to Soviet Union to end its military action in Hungary, also in 1956.

**Indira Gandhi and Indo-US Relations:** The Tashkent Agreement was signed in January 1966 by Prime Minister Lal Bahadur Shastri and Pakistan President Ayub Khan to normalize Indo-Pak relations. Within few hours of the signing of this agreement Shastri died at Tashkent. He was succeeded by Mrs. Indira Gandhi.

When Mrs. Indira Gandhi became the Prime Minister in January 1966, her first foreign policy move was to visit the US in March 1966. She was received warmly by President Johnson, who put pressure on India in regard to this country's relationship with the Soviet Union. This effort to pressurize India at a crucial moment for a major turning away from her policies left and undoubtedly mark on subsequent developments bringing about a resolve in New Delhi to urgently strive for self sufficiency in food grains. As V.P. Dutt opined, on the one hand India appeared to be going around with a begging bowl on the verge of an economic disaster, in need of American help and investment which was put in the context of shared values of democracy and human freedom, and on the other hand she had to point out and carry conviction about the basic health of the Indian economy and the strength of Indian democracy, a potentially major country plagued by temporary difficulties. Mrs. Gandhi welcomed foreign investments. She drew attention towards China's aggressive policies. Relations with Pakistan were also discussed. India moderated its stand on Vietnam. Mrs. Gandhi emphasized the need for a political solution and the helpful contribution that a cessation of US bombing of North Vietnam would make in the search of political solution. Mrs. Gandhi's visit in 1966 was perhaps the most serious, the most extensive and the most determined bid to establish and promote a close state of Indo-US relations. The new international situation, the US-Soviet détente, the Sino-Soviet split, the conflict with China and common opposition to Chinese policies, US economic and military assistance, it was believed by many in India, would justify the relationships and ensure a long spell of friendly relations with America.

India devalued its currency (rupee) apparently under the US pressure in 1966. The economic assistance to India that was suspended by the US during 1965 Indo-Pak war, was now resumed, though it was much less than the original assistance. Early Indira Gandhi period was marked by a major effort at aligning Indian and US policies as closely together as possible. The first formal bilateral talks were held in 1968. Talks took place in a changing international environment and political situations in the two countries. America was becoming heavily preoccupied with the war in Vietnam and, therefore, had to considerably cut short aid to India which affected India's five year plans also. America's consistent support to Pakistan on Kashmir issue and its decision to provide shelter to the Naga rebel leader Phizo in the US in 1967 caused strain in our bilateral relations but US Ambassador Chester Bowles was keen that talks should take place, hence he felt that America's preoccupation with war in Vietnam had led to a neglect of India during a critical period of political and economic transition. This was for the first time that an important American delegation had come to New Delhi without telling the Indians to settle the Kashmir problem. But differences remained wide. Johnson Administration was replaced by Nixon in 1969. Nixon stood for assistance to India. He visited India in August 1969. It was the first trip of a US President after Eisenhower's visit of 1955. While the visit helped clear some air, and narrow differences, it also underlined

the existence of differing approaches and the problems thus created. Indo-American relationship reached a low point during the June, 1967 war in West Asia when Mrs. Gandhi supported the Arabs. This had irked not only President Johnson but also Jewish members of the US Congress. President Nixon did not try to inject US into the seemingly unresolvable Kashmir question.

India and the US could not resolve their differences. Sharp differences remained on US arms supplies to Pakistan, the West Asian conflict and the war in Vietnam. The perception of the two countries of their interests in Asia in particular, and the developing countries and the world in general had for most of the time, been fairly divergent. Whether it was Kashmir, the Indian Ocean, the question of colonialism or international political and economic order, their outlooks have been wide apart.

**The Crisis of Bangladesh:** Indo-American relations were never as bad as they turned in 1971. The crisis in Bangladesh had started as domestic problem of Pakistan. But, it soon developed into a major uprising and resulted in India-Pakistan war in December 1971. Although President Nixon of the US had indicated that US might intervene on the side of Pakistan, yet in practice it refrained from doing that. Pakistan had always been at the root of Indo-American differences. Initially, Pakistan was not America's first choice. It is only after India declined to join the US sponsored SEATO that Pakistan was invited to join the Western alliance system. Pakistan had been receiving military assistance from the United States since 1954. Despite assurances given to India, Pakistan used the American weapons against this country both in 1965 and 1971. Pakistan was more openly supported by the United States in 1971 than during the 1965 war. There was a strange cooperation in 1971 between Pakistan, China and the United States of America. Pakistan was receiving massive military supplies from the US even before the Bangladesh Crisis began. America had decided in 1968 to send to Pakistan, via Turkey, 100 tanks of M-47 category. India had made it clear at that time itself that the supply of these tanks would make Pakistan stronger and India more vulnerable. But, US Administration was not bothered.

It was formally announced by the United States on October 7, 1970 that it would provide to Pakistan B-57 bomber aircraft and other lethal weapons. The then US Ambassador in India Keating said at a press conference that the purpose of providing this "limited" supply to Pakistan was to restrict Pakistan's dependence on China and the Soviet Union. India's protest was ignored. Unfortunately, at that time China, the United States and even India's friend Soviet Union were competing with each other for providing armaments to Pakistan. This caused anxiety in India, and could not convince this country that US assistance to Pakistan was meant to be used against communist countries. It was in this situation that the then East Pakistan became an area of serious domestic politics of Pakistan.

The Bangladesh crisis of 1971 created a big divide between India and the United States. We have explained the events leading to the 1971 crisis and its consequences in Chapter 5 and 7. President Nixon of the United States had adopted a clearly anti-India policy. A strange combination to Pakistan, China and the United States had emerged. Pakistan had been liberally receiving armaments from the United States. As the Pakistan President adopted stiff attitude and refused to appoint Sheikh Mujibur Rehman (whose party had won clear majority in Pakistan's National Assembly) as the Prime Minister of Pakistan, Bangla people launched agitation for an independent Bangladesh. President Yahya Khan was then acting on the advice of ambitious Z.A. Bhutto. When Mrs. Indira Gandhi visited Washington, she was told by President Nixon, of the US resolve to support the position of Pakistan. Encouraged by US support, President Yahya Khan launched military action on December 3, 1971. Meanwhile Indo-Soviet Treaty of Friendship and Cooperation had been signed which acted as a deterrent. US threatened intervention in the 1971 war, but did not carry out the threat. Meanwhile, for several months before the commencement of war, millions of Bangla refugees were arriving in India. It was a big burden on India to look after 10 million Bangla refugees. The Bangla struggle for freedom was sought to be suppressed by Yahya regime. Bangla youth set up their army called Mukti Bahini. But, Pakistan alleged that in fact it consisted of Indian troops which were fighting in the grab of Mukti Bahini. The Bangla crisis eventually led to India-Pak war in which

Pakistani army surrendered unconditionally in the Eastern sector. Thus, despite American support to Pakistani designs, Bangladesh emerged as an independent sovereign state.

### **Indo-American Relations Since the end of Cold War:**

The Cold War that had commenced soon after the termination of Second World War ended in 1989. The two Super Powers gave up the path of confrontation, but the Soviet Union soon began to collapse. It finally disintegrated in December, 1991. India, like rest of the world, was not prepared for this development. This left the United States as the only Super Power. It, therefore, became essential for most of the countries to review their foreign policies and diplomatic activities. It was natural that India's relations with the United States must also undergo substantial change.

Writing about the Indo-American relations in the post-Cold War period, Professor B.K. Shrivastava said that, "A new world much more chaotic than ever before and much more prone to violence emerged at the beginning of 1990s. "The world is no longer divided into two power blocs." Professor Shrivastava added: "With the end of the Cold War, the ideological confrontation between East and West has also ended. There are not many countries left in the world today which do not swear by democracy". Centrally controlled economies have moved towards market economies. With the disintegration of the Soviet Union and emergence of the US as the sole Super Power, India's relations with the United States have undergone significant changes.

Until 1996, when under the Gujral Doctrine relations were sought to be improved by India with all its neighbours. India viewed both Pakistan and China as threats to its security. The intensity of this perception has, however, varied from time to time. But India has never regarded the United States as a Power posing direct threat to its security. India has always regarded that the threat from the United States is indirect through its military alliance with Pakistan. For a long time since 1960s India had depended on the Soviet Union for its defence requirements. The United States saw India's special relations with the Soviet Union in the context of the Cold War as strengthening the Soviet position in South Asia. This view, as US perception, had taken particular exception to the Indo-Soviet relationship which had led India to support the Soviet policy in Afghanistan and opposed the United States even when India's interests were not directly involved. There was a particular interlocking of relationships as during the "Soviet invasion of Afghanistan." American provided huge military aid to Pakistan. This, according to India, constituted a clear threat to its security.

This inter-locking of relationships was done away with at the end of the Cold War. The Soviet forces were withdrawn from Afghanistan late in 1980s. After the disintegration of USSR, the closer cooperation and integration with the West became Russia's top priority. As Russia and America moved closer to each other there was a clear neglect of Russia's traditional relations with long-standing friends like India. The decline of Indo-Russian ties was clearly reflected in the trade relations of the two countries. For example, India's exports to Russia came down from 16.1 per cent of its total exports in 1989-90 to 9.1 per cent during 1991-92. India's long-standing defence relations with Russia also came under strain.

In April 1993, US Secretary of State Warren Christopher had said, of the US assistance to Russia that the programme of assistance, "will support Russia's long term transformation to the market and most importantly... directly serve US interest by reducing the former Soviet nuclear arsenal and opening new markets for our workers, farmers and businesses. The sudden improvement in relationship between Russia and America in the post-Cold War period had a profound impact on America's relations with India and Pakistan. After Soviet withdrawal from Afghanistan, importance of Pakistan in US strategic thinking had considerably declined. With the end of the Cold War the United States insisted that the goal of its policy in South Asia was promotion of

peace and stability in the region. It is in this background that the Americans brought the issue of nuclear proliferation to the top its list of priorities in Asia.

**The Problem of Nuclear Non-Proliferation:** India's decision not to suspend, or terminate, its nuclear programme was a major irritant in the Indo-American only if all the nuclear programme only if all the nuclear weapon states (NWS) made a commitment that they would, in course of time, bring about complete nuclear disarmament. This commitment should be time-bound so that the world knows by what time it would be free of nuclear weapons. But, India's views were not taken seriously by the United States. Meanwhile, India had not conducted any nuclear test since its only explosion in 1974. The United States believed that India's security could be ensured only if it gave up its nuclear programme.

The United States had always wanted that both India and Pakistan should sign Nuclear Non-Proliferation Treaty. This policy was vigorously pursued by Presidents Carter through Clinton. Pakistan had made it clear to Bush as well as Clinton that it would sign NPT only after India signed it. India consistently refused to sign the NPT because it regarded it as discriminatory. India has always argued that three countries in its neighbourhood had nuclear weapons and, therefore, it could not give up its nuclear option unilaterally. The United States went on putting pressure on India not only to sign NPT but also not to develop its missile programme. India's decision to test Prithvi and Agni missiles provoked serious criticism in American and elsewhere. India made no compromise on its stand on the question of signing of NPT and later on the proposed Comprehensive Test Ban Treaty (CTBT). India succeeded in blocking the CTBT in the Conference on Disarmament at Geneva in 1996 and voted against it even in the UN General Assembly. Thus, by 1997 Indo-US differences persisted on the question of NPT, CTBT, the missiles programme as also the whole issue of Kashmir and human rights. However, for the first time in September 1997, President Clinton told Pakistan Prime Minister Nawaz Sharif that Kashmir question must be bilaterally tackled by India and Pakistan, and that the US had no intention of mediating between the two countries. This was a welcome development. India's Prime Minister Inder Kumar Gujral also met President Clinton, on the latter's initiative, during UN General Assembly session in September 1997. In accordance with Gujral's wishes, President Clinton did not raise the issue of Kashmir. As mentioned above, US position now is that Kashmir question should be bilaterally dealt with by India and Pakistan. Later, during a visit to India and Pakistan, US Secretary of State Ms. Albright also said that US had no intention of mediating in the Kashmir question.

Although a clear shift in the American position in Kashmir was noticed yet, unlike India, the United States still regarded Kashmir as a disputed territory. But the changed US position on Kashmir did not permit Pakistan to raise the Kashmir question in the Security Council although it continued to support secessionist forces in Kashmir.

The Clinton Administration admitted that it considered the whole of Asia as an important region. It was of the view that it was willing to discuss the common interests of India and Pakistan. It was claimed on behalf of the Clinton Administration that the US wanted to ensure stability in India-Pakistan relations, so that the tension of the past could be eased. The United States was keen to strengthen friendship with all the countries of South Asia.

America felt that the Gujral Doctrine would be highly beneficial to the entire Asian region. The agreements that were concluded in 1996 between India and Nepal, and India and Bangladesh were appreciated by the United States and credit was given to the doctrine of developing good neighbourly relations with smaller nations advocated by the then Foreign Minister I.K. Gujral.

**The Question of Human Rights:** There have been serious differences between India and America and the question of human rights also. The world community, according to Prof. Srivastava "is not very sensitive to any serious violation of human rights". The organizations like Amnesty International and Asia Watch, focused attention on violation of human rights by India's security forces. Not only these organizations have demanded

repeal of laws like TADA, passed by Indian Parliament, but even the US Congress had expressed its concern over the violation of human rights time and again. India did not permit representative of Amnesty International for nearly 14 years to investigate cases of alleged violations of human rights. This provoked, in June 1990, the introduction of a bill in the American House of Representatives calling for suspension of developmental aid until India allowed Amnesty International — to investigate the cases of alleged violations of human rights. But a member of Bush Administration, Jennet B. Mullins opposing the bill had said, "India is a vigorous democracy and human rights are monitored there in much the same way as they are monitored in the US". Meanwhile, under the pressure of public opinion both inside and outside the country, a National Human Rights Commission was set up in India. This Commission functions under the chairmanship of a retired judge of the Supreme Court, and examines the allegations of violations of human rights. Even then, the United States always appears to be bothered about human rights in India.

Some of the pro-Pakistan members of American Congress have been making efforts to prevent India from getting US economic assistance on the ground of alleged violation of human rights. In this process, a prominent India-baiter Congress member Dan Burton performed his "annual duty" when he moved an amendment in the Foreign Operations Appropriation Bill. The purpose of this amendment moved in the House of Representatives was to punish India by preventing continuation of development assistance given by the United States. Burton suggested the stoppage of aid to India "Until it improves its human rights records." Such efforts are regularly made by a small coterie of "Pro-Pakistan" members of House of Representatives. Their aim is to harass India. A similar proposal made by Burton in 1996 was defeated as a result of vigorous efforts made by pro-India members of the US Congress. Once again in 1997, Kashmiri militants and Khalistan supporters started the campaign to stop or reduce the developmental aid to India. The members of the House of Representatives, including Chairman of the Rules Committee Gerald Solomon, wrote a letter to other members of the House in which they asked them to help them in sending a message to India that the United States "will not tolerate such a friend who has its own people killed." This false and baseless allegation was leveled only to defame India. The background of Burton Amendment was that Clinton Administration had proposed (1997) to provide an additional aid for economic development of over four and a half million dollars to India. While proposing their cut Burton and others said that they would not be able to justify this increased aid to India in view of its dismal human rights record. They argued that American people are sending a part of their hard-earned income to a country (India) that does not share their moral values. Despite support by some prominent members, Burton Amendment was rejected by the US Congress. Only 82 members of the House voted for the amendment and 342 voted against it. Thus, Dan Burton's "annual duty" failed once again.

**US Assistance to Pakistan after the Cold War:** We have mentioned above that the Pressler Amendment of 1985 had made it obligatory to certify that Pakistan did not possess nuclear bomb, so that US grant could be released. Not only Pakistan did not get assistance after President Bush refused to certify, but even aircrafts for which Pakistan had made payment were not certified, but even aircrafts for which Pakistan had made payment were not delivered. Pakistan had started campaign against the Pressler Amendment since 1991, and it suggested that South Asia might be declared a nuclear free zone. Pakistani Prime Minister Nawaz Sharif proposed in 1991 convening of 5 – nation conference to consider nuclear free zone of South Asia. Pakistan has always tried to raise the question of threat from India to her security. This is done to keep receiving US assistance. Bill Clinton, during presidential campaign of 1992 had hinted at pro-India approach. But, during his first tenure President Clinton took hardly any step to better ties with India. Pakistan was helped in 1995 when Brown Amendment authorized the US Administration to release assistance to Pakistan as well as make supplies for which Pakistan had made payment. India's Ambassador S.S. Ray had said at that time that the Brown Amendment was likely to adversely affect the Indo-US relations and economic cooperation. India's security was once again threatened because, as in the past, Pakistan could easily use the US weapons against India in any future conflict. Large scale US supplies to Pakistan were against India's national interest.

Pakistan was not satisfied with one-time waiver allowed by the Brown Amendment of 1995, which became law in 1996. Therefore, Pakistan lobby in the US prompted senators Tom Harkins, John Warner and others to propose in the Senate to provide for limited economic assistance and military training for Pakistan on regular basis. This would virtually negate the Pressler Amendment. The American multinational companies operating in Pakistan would be able to secure funds from the Overseas Private Investment Corporation. Also, Pakistan defence forces' officers would become entitled to advanced training in the United States under the International Military Education and Training Programme. The new arrangement, according to Senator Warner, would enable "constructive cooperation with Pakistan". He described Pakistan as a country with which US has had a long history of friendship. Thus, the US Government, (in any case, some of its leaders) had been constantly trying to strengthen Pakistan and weaken India.

These are sharp differences of opinion among for foreign policy experts as to actual US policy-intentions regarding India. In fact, the United States itself has given contradictory signals. P.K. Panigrahi had written in 1996 that there were enough indications of Washington trying to gradually move closer to India. He was of the opinion that India being better placed than Pakistan, economically, politically and strategically, US felt that India could play useful role as a leading third world nation. We do not feel that the US has actually opted for India, because (a) wherever possible, the United States has always tried to equate India and Pakistan, and (b) according to US strategic planning Pakistan has been more useful and important. Somewhat similar views were expressed by eminent journalist and a nominated member of Rajya Sabha (1997) Mr. Kuldip Nayar. In his opinion there were indications that the united States was likely to modify its policy, and improve Indo-US relations. The South Asian US experts have been busy evolving strategy for improvement in Indo-US relations without sacrificing their traditional friendship with Pakistan. Although it was realized in several US quarters that Pakistan was a "failed state", yet it must realized in several US quarter that Pakistan was a "failed state", yet it must continue to receive US military assistance, so that it does not develop into a pure military dictatorship. Thus, US would continue to provide assistance to Pakistan even after the collapse of communism in the post-Cold War period, yet she would try to "accommodate" India to the extent it is possible.

**Economic Liberalisation in India and the United States:** The United States has been very appreciative of the economic liberalization programme. Initiated in 1985, but vigorously pursued since 1991 by the Government of P.V. Narasimha Rao. The American government strongly supported India's case for financial assistance from the institutions like the World Bank and IMF. The Second Clinton Administration asserted that it would continue to work for better economic ties with India. According to the Secretary of State Mrs. Madeline Albright, the Clinton Administration, "will encourage US trade and investment with India as it continues to carry out path-breaking economic reforms." In the growing environment of interdependence of nations, greater capital investment will make for faster economic growth. According to US Secretary of Commerce, Ronald Brown trade agreements to the tune of 4 billion dollars had been concluded by 1995 and negotiations were going on for bilateral trade of about 16 billion dollars. It is generally believed that India urgently required US investments in this country, rather than the US wanting to invest in India. But, trade relations are normally for the benefit of both the countries. The Brown Delegation had accepted that, in the post-Cold War period, India, rather than China, was America's destination in respect of capital investment. Clinton Administration was of the opinion that India was one of the top ten emerging markets. As Secretary of State Ms. Albright had said in 1997, the US was likely to encourage commerce with Indian and increased investments in this country. Later, a senior State Department official Thomas Pickering also enthusiastically acknowledged that India had the potential to be an important pattern in the region. But, in view of the large size and potentials of India, the US assistance was still far from adequate.

### **George W. Bush and Indo-US Relations:**

The Bush Administration rapidly befriended Pakistan after September 11, 2001, as its leader Parvez Musharraf promised to join hands with the US and its allies in the fight against Taliban and other elements in international terrorism. It is well-known that the Taliban were largely created by Pakistan, but George W. Bush needed Pakistan and the latter needed him to change the US attitude of Clinton period. After September 11, 2001, the US gave up the not-so-friendly attitude towards China. Like most other countries, India promised support to the US in its struggle against terrorism, reminding the US that India had been a victim of cross-border terrorism for over two decades.

For the first time in September 2002, the Bush Administration put India in the category of great powers, and, according to C. Raja Mohan (Crossing the Rubicon), the US “suggested an Indian role in Asian balance of power and contrasted a positive approach towards India with a more critical one toward, China.” The Transformation in the US-India relations was based on the conviction that the US interest required a strong relationship with India. The then US Ambassador to India, Robert Blackwill declared in late 2002 that, peace within Asia was an objective that a transformed US-India relationship would help advance. Thus, both India and the United States began working to strengthen their relationship in various spheres. As Ambassador Blackwill said, “A strong US-India partnership contributing to the construction of a peaceful and prosperous Asia binds the resources of the world’s most powerful and most populous democracies in support of freedom, political moderation, and economic and technological development.

The process that was initiated by Clinton and Vajpayee was carried forward by Prime Minister Manmohan Singh and President George W. Bush. The two leaders met in Washington D.C. in July 2005 and in March 2006 in Delhi. In 2005 the two leaders declared their resolve to transform the relationship of US and India “to establish a global partnership”. As both are committed to values of human freedom, democracy and rule of law, the two countries will promote stability, democracy, prosperity and rule of law, the two countries will promote stability, democracy, prosperity and peace throughout the world.” The two countries pledged to create an international environment conducive to promotion of democratic values, and to combat terrorism relentlessly. The pledge was also to support and accelerate economic growth through greater trade, investment and technology collaboration. They also resolved to strengthen energy security.

What was highly significant was the signing of an Indo-American Nuclear Agreement to separate India’s civil and military nuclear facilities. The US Hoped that this would lead to prevention of proliferation of weapons of mass destruction.

### **Indo-US Nuclear Deal:**

An agreement of far-reaching consequences was concluded between India and the United States, during Manmohan Singh’s visit to the US, on July 18, 2005. The agreement known as Indo-US Nuclear Agreement aimed at separation of India’s civil and military nuclear facilities and at US resuming civil nuclear cooperation that was suspended after our first test conducted in 1974. This agreement provides for civilian nuclear cooperation on India fulfilling certain conditions, and on US Congress approving changes in their domestic laws to enable the cooperation.

It was announced on behalf on the US that President George W. Bush committed himself to work to achieve “full civil nuclear cooperation with India” on the ground that “as a responsible state with advanced nuclear technology India should acquire the same benefits and advantages as other states.” The main points in the deal were spelt out as under:

India will assume same responsibilities as other countries with advanced nuclear programmed, and that Indian agreed to:

- Identify and separate civilian and military nuclear facilities and programmes and file an IAEA (International Atomic Energy Agency) declaration regarding its civilian facilities;
- Place voluntarily its civilian nuclear facilities under IAEA safeguards.
- Sign and adhere to an Additional Protocol with respect to civilian nuclear facilities;
- Continue its unilateral moratorium on nuclear testing.
- Work with the US for the conclusion of a multilateral Fissile Material Cut Off Treaty;
- Refrain from the transfer of enrichment and reprocessing technologies to states that do not have them and support efforts to limit their speed; and
- Secure nuclear materials and technology through comprehensive export control legislation and adherence to the Missile Technology Control Regime and Nuclear Supplies Group.

The United States reciprocally promised that the Administration will:

- Seek agreement from Congress to adjust US laws and policies.
- Work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India; and
- Consult with partners on India's participation in the fusion energy consortium ITER and support India's part in work to develop advanced nuclear reactors.

To significant points must be highlighted. These are: (a) the United States refuses to accept India as a nuclear weapon state, and refers to it's as a state with 'advanced nuclear technology'; and (b) India agreed to separate its military nuclear facilities from civilian facilities which are to be placed under the International Atomic Energy Agency (IAEA) safeguards. Both these points are contrary to the national interest of India. The critics in India justifiably object to this country not being described as a nuclear weapon state, which is the status this country had acquired and announced in May 1998. India, as Prime Minister Vajpayee had declared, is indeed a nuclear weapon state, whether the world recognizes, that or not. In fact all the countries know that India possesses nuclear weapons, and that it would maintain only minimum nuclear deterrence. Vajpayee had also declared in 1998 that India would not conduct any more nuclear tests. Interestingly, this has been recognized by the Americans when they hoped India would continue its unilateral moratorium on nuclear testing. Secondly, why should India agree to separate its civil and military facilities? This was strongly criticized by former Prime Minister Atal Behari Vajpayee in July 2005 soon after the Deal was signed.

During President Bush's visit to India in March 2006, separation plan was announced, ignoring the sharp criticism of the deal. Indian leadership appeared to be happy that the USA would cooperate with India's civil nuclear programme, and ensure supplies for this programme from 44-nation Nuclear Suppliers Group (NSG). It was agreed under the Deal that out of 22 thermal power reactors in India, 14 civilian units would be identified and placed under the IAEA safeguards beginning in 2006. The process in a phased manner would be completed by 2014. However, India would not place its prototype Fast Breeder Reactors under the IAEA safeguards.

The deal required certain changes in American domestic laws to permit civilian nuclear cooperation. This was approved by the US Congress in November, 2006 but it did not fully address India's concern. The law enacted by US Congress is known as Hyde Act.

Under the agreement US promised to sell nuclear materials and equipment to India and also to involve it in 'advanced' areas research. In an article titled "US, India Open Can of Nuclear Arms", leftist commentator Praful Bidwas wrote "...this could add a role for India in the International Thermonuclear Experimental Reactor ... In return India would "assume the same responsibilities "and" acquire the same benefits and advantages as other

leading countries with advanced nuclear technology." This in effect means India as one of the nuclear weapon states, though the US is shy of admitting that India is a nuclear weapon state, but it treats us as such a state. India is sought to be brought into the non-proliferation regime even if it does not sign the NPT. Meanwhile a view was being expressed in India that it would be better to formally join the NPT rather than adhere to the Indo-US nuclear deal. India would be free to walk out of NPT, but cannot terminate its commitments under the Bush-Manmohan agreement.

Meanwhile, Russia and the US committed themselves to expand nuclear energy cooperation with India. Russia appeared to have fallen in line with the US Bush and Russian President Vladimir Putin said in a joint statement at St. Petersburg on the sideline of G-8, meeting in July 2006, "We look forward to reinforcing our partnership with India." According to Secretary of state, Condoleezza Rice, "Our civilian nuclear agreement is a critical contributions" to new US-India partnership.

**Criticism of the Nuclear Deal:** Former Prime Minister Vajpayee was the first to express concern at the separation of civil and military nuclear facilities. Former Foreign Minister Jaswant Singh later told the Time of India that the Indo-US agreement was likely to be the only achievement of Bush in matters of foreign policy, but India should be conscious about it. He added, "The signal achievement of 1998 was to give India strategic autonomy", but if India's U.P.A. Government diminishes that autonomy or squanders its gains" then this could not be condoned.

Even defence analysts and scientists expressed concern at the deal and said in July 2006 that the Indian Government still had time to "rethink" about it. They were of the opinion that the government was not paying sufficient attention to the "pitfalls and weaknesses" of the deal. According to defence analyst Bharat Karnad, "The kind of things mentioned in the Preamble of the deal has all things like the Nuclear Non-Proliferation Treaty, the Comprehensive Test Ban Treaty, Iran Issue, which we cannot ignore." Former Chairman of Atomic Energy Commission, P.K. Iyengar said, "It is now obvious that in spite of the exemptions to be approved by the US Congress, the American President will have to certify every year" ... that he is satisfied with the behaviour and programmes of India in nuclear field..." He was of the opinion that it would cap India's strategic programme for a minimum credible deterrent. This was also the opinion of Siddharth Vardarajan, and was even echoed by the B.J.P.

The nuclear scientist Homi Sethna went to the extent of suggesting that India would be better off signing the discriminatory NPT because we "Will still be allowed to exit whereas the Indo-US will remain bound in perpetuity." Eight top nuclear scientists urged the Indian Parliament (August 2006) not to allow lowering of the flag of Indian sovereignty in regard to scientific research and strategic policy-making. The conditionalities proposed by US House of Representatives were aimed at limiting our freedom, and "to restrain in perpetuity our nuclear strategic (arms) programme." The scientists included three former Chairmen of India's Atomic Energy Commission H.N. Sethna, M.R. Srinivasan and P.K. Iyengar. Their view was that external (IAEA) safeguards should be limited only to the facilities imported by us not to all our civilian facilities. It would be contrary to our national interest to agree to the conditionalities propounded by the US Congress.

The 123 Agreement envisaged to implement the nuclear deal was being negotiated for over two years. It is called 123 Agreement as an agreement to supply nuclear fuel etc. is essential under Article 123 of US Atomic Energy Act. The hopefults argued that it had taken 10 years for US-Japan 123 Agreement to be concluded after prolonged negotiations. India was not willing to accept conductionalities of the Hyde Act providing that US would stop civilians' nuclear cooperation if India conducted another test. Accepting this condition would be a compromise with India's sovereignty. In any case, India has a self-imposed voluntary moratorium on further nuclear tests. Secondly, India was not willing to accept the condition that it cannot reprocess the used fuel. In 2007, the agreement (123) and seeking approval of Nuclear Suppliers' Group (NSG) were being awaited. India would seek safeguards from International Atomic Energy Agency (IAEA) only after conclusion of Agreement 123.

## **INDO-US COOPERATION AREAS IN THE CURRENT CONTEXT:**

**(Covered till 31<sup>st</sup> May 2011- Add remaining from Current Affairs Notes)**

India-US relations have become increasingly broad based covering cooperation in areas such as trade and economic, defence and security, education, science and technology, high-technology, civil nuclear energy, space technology and applications, clean energy, environment and health.

People to people interaction provide further vitality and strength to bilateral relationship. There have been regular contacts at political and official levels and a wide-ranging dialogue architecture on bilateral, regional and global issues has been put in place.

The visit of Prime Minister Dr. Manmohan Singh to Washington from 22-26 November, 2009 as the first State Guest of President Barack Obama reaffirmed the global strategic partnership between India and the United States. President Obama's visit to India from 6-9 November 2010, imparted further momentum to bilateral cooperation and helped establish a long-term framework for India-US global strategic partnership. President Obama characterized India-US relationship as one of the defining partnerships of the 21st century.

Major areas of cooperation A "Strategic Dialogue" was established in July 2009 during the visit of US Secretary of State Hillary Clinton to India with the objective of strengthening bilateral cooperation across diverse sectors. The first round of the Strategic Dialogue was held in Washington DC in June 2010, followed by the second round in New Delhi in July 2011. The Minister of External Affairs led the Indian delegation for the Dialogue; US Secretary of State led the Dialogue from the US side.

### **Trade and Economic Relations**

The trade and economic partnership between the US and India has been a key component of the bilateral relationship. A new US Financial and Economic Partnership to strengthen bilateral engagement on macroeconomic, financial, and investment-related issues was launched in New Delhi in April 2010 by the Finance Minister Mr. Pranab Mukherjee and US Treasury Secretary Timothy Geithner. The Agreement on Framework for Cooperation on Trade and Investment was signed during the visit of Minister for Commerce & Industry, Mr. Anand Sharma to USA in March 2010. Bilateral trade has diversified and encompasses a wide range of products, services and technology. An expanding & vibrant architecture of dialogue on commercial, economic and technology related issues has given a fillip to this cooperation. India-US total merchandise trade was US \$ 48.75 billion in 2010.

The two way services trade was US \$ 38 billion in 2008. The two governments plan to resume technical-level negotiations on a bilateral investment treaty. A totalization agreement has also been under discussion for some time.

### **Bilateral Investments**

US is the third largest source of foreign direct investments into India. The cumulative FDI inflows from the US from April 2000 to March 2011 amounted to about \$ 9.44 billion constituting nearly 7.28 percent of the total FDI into India. During the financial year 2010-11 (from April 2010 to March 2011), the FDI inflows from US into India were \$ 1.17 billion contributing 7% of the total FDI inflow during this period. In recent years, growing Indian

investments into the US, estimated by independent studies to be around US\$ 26.5 billion between 2004-2009, has been a novel feature of bilateral ties.

### **Clean Energy and Climate Change Initiative**

An Agreement for Cooperation on Joint Clean Energy Research and Development Center (JCERDC) was signed between India and US in November 2010. The Center aims to help development of critical technologies for renewable energy, energy efficiency, clean coal, including carbon capture and storage, and other areas of clean energy. It has been announced that the two Governments would provide US\$ 5 million each annually for next five years towards their share of research cost under the Agreement while an equivalent cost will be borne by the Consortia which will carry out the research. The first joint Funding Opportunity Announcement for the JCERDC was made in May 2011 seeking research projects on consortia mode under PPP model of funding in the initial priority areas of solar energy; second generation biofuels; and energy efficiency of buildings. In response to the first call for proposals, 21 joint proposals from different consortia have been received. Maiden awards are expected to be announced by end 2011.

### **Counter-terrorism Cooperation**

Cooperation in counter terrorism has seen considerable progress over the last few years. A new India-US Counter-Terrorism Cooperation Initiative was signed in 2010 to expand collaboration on counter-terrorism, information sharing and capacity building. Separately functional level cooperation on counter-terrorism is being pursued through a Joint Working Group (JWG) on Counter Terrorism that was established in January 2000. The 12th meeting of the JWG was held in New Delhi in March 2011. A new Homeland Security Dialogue was also announced during President Obama's visit to India in November 2010 to further deepen operational cooperation, counter-terrorism technology transfers and capacity building. The US Secretary of Homeland Security Janet Napolitano visited India in May 2011 to hold the first round of this dialogue with Home Minister Mr. P. Chidambaram.

### **Defence Cooperation**

The 'New Framework for India-US Defence Relationship' was signed between the two sides on June 28, 2005. Both sides have agreed to pursue mutually beneficial defence cooperation through the existing security dialogue, servicelevel exchanges, defence exercises and defence trade and technology transfer and collaboration. India's defence orders from U.S. companies have reached a cumulative value of over USD 8.0 billion in the last decade. Defense Secretary Robert Gates visited India in January 2009. Raksha Mantri Shri A.K. Antony visited Washington in September 2010. Apart from the Ministerial level exchange, there are exchanges between each of the Services, with regular joint exercises.

### **Civil Nuclear Initiative**

The bilateral civil nuclear cooperation agreement was finalized in July 2007 and signed in October 2008 by EAM and then Secretary of State Condoleezza Rice. During the visit of President Obama to India in November 2010, the two Governments announced completion of all steps to begin implementation of the Civil Nuclear Agreement. Indian and US companies are now working towards early commencement of commercial

cooperation in this area. This initiative has been strengthened by the regular meeting of the Indo-US Civil Nuclear Working Group (CNWG). The 4th joint CNWG Meeting was held at Oak Ridge National Laboratory in July 2011. At the sideline of the recently held 2nd meeting of the India-US Strategic Dialogue, Department of Atomic Energy and US Department of Energy signed an Implementing Agreement on 'Discovery Science' that provides the framework for cooperation in accelerator and particle detector research and development with Fermi National Accelerator Laboratory, Stanford Linear Accelerator Laboratory, Thomas Jefferson National Accelerator Facility and Brookhaven National Laboratory.

### **Space Cooperation**

The two sides have had long history of cooperation in Civil Space arena. A bilateral Joint Working Group on Civil Space Cooperation has been established as a forum for discussions on joint activities in space. The Group had its 3rd meet at Bangalore from 13-14 July 2011. Both the sides have agreed to continue and expand their joint activities in the area of civil space cooperation. Major areas include: (i) exchange of scientists; (ii) OCM2, INSAT3D collaboration; (iii) future mission definition workshops; (iv) nanosatellites; (v) carbon /ecosystem monitoring and modelling; (vi) feasibility of collaboration in radio occultation; (vii) CSLA; (viii) international space station; (ix) global navigation satellite systems; (x) formation flying; (xi) space exploration cooperation; (xii) space debris mediation.

### **Education sector**

India-US Education Dialogue was announced by the two Governments in July 2009 during the visit of US Secretary of State to India. Both Governments have launched the "Singh-Obama 21st Century Knowledge Initiative" in November 2009 with funding of US\$ 5 million from both sides to increase university linkages and junior faculty development exchanges between US and Indian universities. The first joint request for proposals under the initiative has been published recently. India and the US have signed a new bilateral Fulbright Agreement that supersedes the Fulbright Agreement operating since 1950 with US funding. Under the Agreement, the Government of India and the United States will implement the scholarship programme as full partners. The amount has been increased to US \$7.06 million (from US \$ 5 million) from the financial year 2010-11. In the 2009/10 academic year, more than 100,000 students from India were studying in the US

To further boost our cooperation in this field, the First India-US Higher Education Summit is proposed to be held in Washington D.C. in October 2011.

### **Cooperation in Science & Technology**

India and the US signed a Science & Technology Agreement in October 2005 that encourages joint research and training, and the establishment of public-private partnerships. As a component of this agreement, the first meeting of the Joint Commission was held on 24-25 June 2010 in Washington D.C. A \$30 million Science & Technology Endowment for jointly promoting science & technology research, development and innovation was established in July 2009. The first call inviting Letter of Intent under the two priority areas namely, 'Healthy Individual' and 'Empowering Citizens' was made in May 2011. Out of 381 Letter of Intents received in response, 32 have been shortlisted for inviting full project proposals. The Indo-US cooperation in S&T is catalyzed by the bilateral Science and Technology Forum, which has enabled more than 10,000 scientists, technologists and students from the US and India to interact, established 24 virtual joint research centers and organized more than 30 training programmes and numerous bilateral conferences.

Collaboration between the Ministry of Earth Sciences and NOAA has been strengthened by signing of three Implementation Arrangements for collaboration in October 2010 on Tropical Cyclone Research; Tsunami Science - detection, analysis, modeling & forecasting; and INSAT 3D satellite data applications. In November 2010, a 'Monsoon Desk' has been established in NOAA for enhancing monsoon forecasting. This will also help in building India's capacity in developing and using a coupled ocean-atmosphere modeling system for strengthening the "National Monsoon Mission".

### **Cooperation in the Health Sector**

In July 2009, a 'Health Dialogue' was established between the two countries. To date, four working groups have been constituted viz. maternal and child health, non-communicable diseases, infectious diseases and health system strengthening. A Global Disease Detection - India Centre has been established vide a MoU between US Centers for Disease Control & Prevention and National Center for Disease Control. Recently, Department of Biotechnology and the National Institutes of Health have launched new bilateral cooperation on Low Cost Health Diagnostic Tools; Brain Research Collaborative Partnership on neuroscience; and International Cancer Genome Consortium.

### **Cultural cooperation**

There is considerable interest in Indian music, dance, art and literature in the United States. The Indian American community is also active in promoting Indian culture. In March 2011, the Kennedy Centre in collaboration with Indian Council for Cultural Relations and the Embassy hosted a three-week long mega festival "maximum India", that showcased the work and talents of renowned Indian artists, including Dr. L. Subramaniam, Ustad Zakir Hussain, Malavika Sarukkai, Naseeruddin Shah, Shabana Azmi and several others. The Embassy also regularly hosts cultural events, highlighting the work of Indian and Indian-American authors and artists. The Consulates too are active in organizing Indian cultural events, including in collaboration with local cultural institutions.

Indian PressPTI and IANS have their representatives in Washington DC. Several leading dailies [Times of India, Telegraph, Economic Times, The Hindu, Hindustan Times] have correspondents based in Washington DC. The Pioneer, Indian Express and New Indian Express, The Bengal Post, Outlook and The Week are also represented in US. The TV channels represented in the US are AAJ TAK, Headlines Today, Times Now, CNN-IBN and ZEE TV [through a tie-up with VOA]. NDTV has their full-time correspondent based in New York.

### **People-to-people ties**

As per the 2010 census figures of the United States, the Indian American community has grown to 2.84 million and is the second largest Asian community in the country. The Indian American community, which includes a large number of professionals, educationists and entrepreneurs, has been increasing its sphere of influence and gaining in political strength. With two Indian Americans occupying high level posts of Governor, a Congressman and several Representatives of State Legislatures and in the Federal Administration, the Community has thus assimilated into their adopted country and acting as a catalyst to forge closer and stronger ties between India and USA.

## TEST 7

- Q.1. Indo- US cooperation in Education (200 words)
- Q.2. US as a major role player in South Asia (200 words)
- Q.3. US – China- India Triangle (200 words)

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## ***Chapter 8***

### **India and the Soviet Union**

**Indo-Soviet Treaty, 1971:** The war that was actually forced upon India by Pakistan in December 1971 resulted in clear victory of India. Pakistani forces surrendered unconditionally to Indian army on December 16, 1971. The decisive defeat of Pakistan resulted in the birth of an independent sovereign state of Bangladesh. When Pakistan was determined to wage a war, and was preparing for it, India was left with no alternative but to seek the help of the Soviet Foreign Minister Andrei Gromyko to visit Delhi. As a result of urgent consultations between Indian and Soviet leaders, a Treaty of Peace, Friendship and Cooperation was signed on August 9, 1971. It was signed by the Foreign Ministers of two countries Sardar Swaran Singh and Gromyko. The provisions of the Treaty, in brief, are mentioned below. But, the gist of the treaty was that both India and the Soviet Union would respect each other's policy, and work for peace in the world. The two countries agreed to hold periodic consultations, and not to enter into any alliance against each other. The two countries agreed to hold reciprocal consultations in case either India or the USSR was subjected to external aggression. The conclusion of Indo-Soviet Treaty of Friendship acted as a deterrent and neither the USA nor China intervened on the side of Pakistan. The treaty was concluded for a period of 20 years.

#### **New Warmth in Indo-Russian Relations:**

In the aftermath of September 11, 2001 terrorist attack in New York and Washington D.C., Russia, like India, fully supported international struggle to defeat terrorism, though neither of the two countries contributed troops to the US-led coalition.

Meanwhile, as indicated above, Putin's emergence as President of Russia had heralded a positive phase in Indo-Russian relations which, for some time had come under strain when Yeltsin had tried to befriend the West even at the cost of warmth in Russian relations with India. Russia and refused to apply sanctions against India after Pokhran II. By 2001, Russian policy in regard to India's nuclear programme had become very cooperative. It was based on the premise that, as Raja Mohan opined (Crossing the Rubicon), "India was already a nuclear weapons power and denying it advanced" technologies in the name of preventing proliferation of nuclear weapons made no sense." Moscow decided to sell the enriched uranium to India in 2001, ignoring its western criticism in this regard. Both Russia and France argued that the restrictions against nuclear technology transfers must be relaxed. During his visit to India in 2000, President Putin visited the Bhabha Atomic Research Centre at Trombay, and the two countries moved ahead in cooperation in nuclear sector. During his next visit to India, in December 2002, Putin reaffirmed the Russian commitment to expand nuclear cooperation with India by selling additional nuclear reactors, but, he said, this would be within the framework of Russian obligations in the nuclear field.

By December 2002, when Putin paid another visit to India, both countries had clearly expressed themselves in favour of a multi-polar world. India was trying to normalize relations with China and further improve relations with the United States. Even border dispute between India and China was being dealt with by special representatives of two countries named in June 2003 during Vajpayee's China visit. They were required to examine the question from political perspective. At the same time, Russia was engaging not only China for further cooperation, but even Pakistan. Putin was of the opinion that despite these efforts India and Russia could continue to strengthen their cooperation, including strategic and nuclear cooperation. Putin had said in December 2002 on the eve of his visit to India that, "The collapse of the Soviet Union changed the ideological foundation of our state. The communist ideology no longer dominates in Russia." He said that Russia did not any

more consider the United States as an enemy or opponent. The US was now a partner of Russia. Therefore, he had said that, "So, we welcome the fact that India is developing its relations with all countries, including the US."

Earlier, when Prime Minister Atal Behavir Vajpayee went to Russia in November 2001, the two countries had issued a declaration condemning international terrorism and they had also issued a joint statement on strategic issues, calling for the establishing of a new "cooperative security order." The two countries were laying the foundation of a world order based on multi-polarity. During his December 2002 visit to India, Putin and Vajpayee signed a Delhi Declaration to enhance strategic cooperation and set up a join working group on combating terrorism. The two countries committed themselves to strengthening economic, scientific and cultural cooperation. Both the countries opposed double standards in fighting terrorism. They favoured strengthening the United Nations' central role in promoting international security in a multi-polar world.

Later, both Russia and India deplored unilateral military action taken under the leadership of the United States in March 2003 against Iraq, without authorization by the Security Council, for "regime change" and recovery of alleged weapons of mass destruction in Iraq. Earlier, both Russian and France had refused to support a UN Security Council resolution moved by the US, UK and Spain for Military action against Iraq, without waiting any more for the weapons inspectors to complete their work.

Russia has been promoting the ideal of greater cooperation between India, China and Russia in the interest of regional security and world peace. Every year since 2001, the Foreign Ministers of the three countries have been meeting in New York on the sidelines of the sessions of the UN General Assembly. This trilateral cooperation, or, as the media described, "the strategic triangle" will go a long way in promoting all-round cooperation, and may go an extra mile in sorting out the border dispute between India and China.

Indo-Russian friendship was demonstrated in May 2003 also when Prime Minister Vajpayee was invited, as one of the world leaders, to participate in the festivities connected with the 30<sup>th</sup> founding of the city of St. Petersburg. The bilateral dialogues that Vajpayee then had not only with Putin but also with President Bush of the US and Chinese Prime Minister Wen Jiabao were indicative of the increasing role of India in the new emerging world order.

The warmth in Indo-Russian relations has been maintained and sustained. The annual meetings between the Russian President and Indian Prime Minister appeared to have been institutionalized. At the end of their meeting in 2005, President Putin and Prime Minister Manmohan Singh called for a multilateral approach to address contemporary challenges. They said, "Multilateralism is an instrument to work towards the objective of multi-polar world." Both sides emphasizes the need for comprehensive reforms in the UN system. The Russian Federation reaffirmed its support to India "as a deserving and strong candidate for the permanent membership in an (expected) expanded UN Security Council." However, President Putin was not enthusiastic about "tools" such as Veto power enjoyed by P-5 to be modified or expanded.

Trade between two countries continued to grow. Russia stood firmly with India in its fight against terrorism caused by externally supported militancy as in cases of bomb blasts in Delhi in 2005, and serial bombing in Mumbai in 2006.

## **INDO- RUSSIA COOPERATION AREAS IN THE CURRENT CONTEXT:**

**(Covered till 31<sup>st</sup> May 2011- Add remaining from Current Affairs Notes)**

Bilateral ties with Russia are a key pillar of India's foreign policy. India views Russia as a time-tested, trustworthy and reliable strategic partner. Since the signing of the 'Declaration on the India Russia Strategic Partnership', in October 2000 (during the visit of then President Vladimir Putin to India), there has been a qualitative strengthening of the relationship. During the visit of President Dmitry Medvedev to India in December 2010, it was mutually decided to elevate the bilateral relationship to the level of a "Special and Privileged Strategic Partnership". The two countries closely cooperate in diverse spheres, including defence, civil nuclear energy, space, science and technology, hydrocarbons, trade and investment, cultural and humanitarian fields, etc. To consolidate and advance the multifaceted bilateral ties, several dialogue mechanisms, operating both at the political and official levels have been instituted to ensure regular interaction and follow up on our cooperation activities.

### **Annual Summits**

The system of Annual Summit meetings between the Prime Minister of India and the President of the Russian Federation is the highest and most important mechanism for bilateral interaction, with meetings held alternately in India and Russia. Since the year 2000, eleven Summits have taken place.

The 11<sup>th</sup> Summit was held in New Delhi in December 2010 between Prime Minister Manmohan Singh and President Dimitri Medvedev and 29 bilateral documents were signed at it. The 12<sup>th</sup> Annual Summit is likely to be held in late 2011 in Moscow.

### **Defence Cooperation**

India is one of the largest buyers of Russian military equipment and systems. Indo-Russian cooperation in this sphere has transformed from a simple buyer-seller framework to a more elaborate and advanced cooperation involving joint R&D and joint production and marketing of state of the art defence technologies and systems. During the 11th Annual Summit in New Delhi the two sides signed an agreement to jointly develop the Fifth Generation Fighter Aircraft. BrahMos missile system is another shining example of this collaboration. Several other joint projects for co-development of cutting edge technologies are being pursued under the aegis of the bilateral defence cooperation. The India-Russia Inter Governmental Commission on Military Technical Cooperation (IRIGC-MTC), co-chaired by Raksha Mantri and the Russian Defence Minister is the main institutional mechanism for interaction in this area; the 10th and the latest meeting of the IRIGC-MTC took place in New Delhi in October 2010. The next IRIGC-MTC meeting is scheduled to take place in Moscow in the second half of 2011.

### **Cooperation between the NSCS and the Russian Security Council**

Regular contacts are maintained between the National Security Advisor to the Prime Minister of India and the Secretary of the Russian Security Council. An institutionalized mechanism for interaction between NSCS and the Russian Security Council known as the "Joint Coordination Group" is also in operation at the Deputy National

Security Advisor level. The last meeting of the JCG took place in New Delhi from 22-24 November 2010. Deputy National Security Advisor visited Moscow from 24-26 July 2011 for regular consultations.

### **Foreign Office Consultations**

Under the Declaration of Strategic Partnership of the year 2000, a system for regular consultations between the Foreign Offices was instituted which provides for adoption of Protocol for consultations which is adopted by the Foreign Ministers and identifies specific subjects for closer bilateral Consultations. Once adopted the Protocol is valid for two years. The present Protocol covers the period of 2011-2012. In addition, regular consultations between the Foreign Secretary and the First Deputy Foreign Minister are held; the last round of such consultations was held in Moscow from 2-3 August 2010. Next round of Foreign Office Consultations are expected to be held in the later half of 2011 in New Delhi.

### **Nuclear Cooperation**

Russia has been trusted partner for India in the field of nuclear energy, the Kudankulam Nuclear Power Project is a fine example of this cooperation. Units 1&2 of the KKNP (VVER 1000 units) built with Russian collaboration are currently undergoing pre-commissioning testing and are expected to be commissioned in the near future. Negotiations for the start of construction work for Units 3&4 at Kudankulam are at an advanced stage and the construction work is likely to begin soon. During the visit of Prime Minister Putin to India in March 2010, an Inter Governmental Agreement on Cooperation in the Field of Use of Atomic Energy for Peaceful Purposes and a Road Map" for our future bilateral nuclear cooperation were signed.

Russia recognizes India's status as a country with advanced nuclear technology and vast industrial potential in the nuclear field, and also acknowledges India's clean track record in non-proliferation. Russia supports India's candidature to all export control regimes, including the NSG. In June 2011, the two countries signed a MoU on Russian cooperation in India's 'Global Centre for Nuclear Power' initiative.

### **Space**

India and Russia have been collaborating in several high-technology based space projects. Under the aegis of Inter Governmental Agreement signed in 2004, Russia and India cooperated in the Chandrayan-1 project and are currently involved in the joint development of the Chandrayan-2 project that will place an Indian rover-craft and a Russian lander-module on the surface of Moon.

Additionally the two countries have been cooperating on the Human Space Flight Project (HSP). On 20<sup>th</sup> April 2011, the jointly developed Indian-Russian Student Satellite "Youthsat" was successfully launched by India with its PSLV rocket. During the 11<sup>th</sup> Summit in New Delhi in December 2010 a formal agreement for provision by Russia to India of access to the high precision signals of the Russian GLONASS navigation system was signed. Simultaneously, the two countries have been cooperating on the civilian applications of GLONASS with programmes for joint development and launch of satellites, and joint manufacture of receiving equipments.

## **Economic Cooperation**

Bilateral trade in the year 2009 amounted to USD 7.46 billion and USD 8.535 billion in 2010, registering a growth of approximately 15 percent. During the year 2010 Russian exports to India amounted to USD 6.392 billion and imports from India to Russia amounted to USD 2.142 billion. The two-way investment between the two countries stood at approximately USD 7.8 billion. However, there is realization on both sides that there is a vast potential for substantial increase in the volumes of trade and investment, given the size of the two economies. In 2009, it was decided to set a target of USD 20 billion worth of bilateral trade by 2015. Both sides also realize that considerable potential exists for cooperation in the fields of modernization, energy, pharmaceuticals, IT, aerospace, agriculture etc.

The Indo-Russian Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC), co-Chaired by External Affairs Minister on the Indian side and the Deputy Prime Minister of Russia Sergei Ivanov on the Russian side, is the main institutional mechanism supervising cooperation in the area of economic cooperation. The IRIGC-TEC integrates inputs from six working groups on economic and trade cooperation, mines and metallurgy, energy, tourism and culture, science and technology, and IT. The sixteenth meeting of the IRIGC-TEC took place in New Delhi in November 2010 and its 17<sup>th</sup> meeting is to be held later this year in Moscow.

Indo-Russian Forum on Trade and Investment (established in 2007 and co-Chaired by the Commerce and Industry Minister of India and the Russian Minister for Economic Development) and the India-Russia CEO's Council (established in February 2008, co-chaired by Shri Mukesh Ambani, Chairman Reliance Industries Ltd. and Vladimir Yevtushenkov, CEO of AFKSISTEMA) are the two primary mechanisms for promotion of direct business to business contacts between the two countries. In addition, mechanisms such as the India-Russia Business Council (in partnership with FICCI of India and CCI of Russia) established in 2007; the India-Russia Trade, Investment and Technology Promotion Council (in partnership with CII of India and RUIE of Russia) established in 2007; and the India-Russia Chamber of Commerce (focusing on 4SMEs) supplement these efforts. In June 2011, 2nd India-Russia Business Dialogue was held within the framework of the St. Petersburg Economic Forum. Next meeting of the Forum is to be held in the 4th quarter of 2011.

## **Science and Technology**

The Working Group on Science and Technology under the aegis of IRIGCTEC, and the Integrated Long Term Programme (ILTP) are the two principle institutional mechanisms for S&T cooperation between India and Russia. The Working Group focuses on collaboration activities in mutually agreed priority areas of biotechnology, building materials, industrial realization of technologies, medical research, metrology & standardization, meteorology, oceanology and seismology. The ILTP programme focuses on the collaborative research in the basic sciences and on inter-academy exchange programmes.

## **Cultural Cooperation**

There is a strong tradition of Indian studies in Russia. Several prominent Russian academics involved in Indian studies have been given Padma awards. Jawaharlal Nehru Cultural Center (JNCC) of the Embassy maintains close links with six Russian institutions:-the Institute of Philosophy, Moscow, that has a Mahatma Gandhi Chair on Indian Philosophy; the Institute of Oriental Studies, Moscow; the Institute of Asian and African Studies of the Moscow State University; the School of International Relations, St. Petersburg University; the Kazan State University; and the Far Eastern National University, Vladivostok. ICCR is setting up Chair of Modern Indian

Contemporary Studies in leading Russian Universities and Institutions. There are also about 20 Russian Institutions, including leading universities and schools, where Hindi is taught to over 1500 Russian students at various levels. There are also many Russian experts in diverse Indian languages, including Tamil, Marathi, Gujarati, Bengali, Urdu, Hindi, Sanskrit and even Pali.

The year 2008 was celebrated as the Year of Russia in India, while 2009 was celebrated as the Year of India in Russia. Currently, as part of the celebrations of the 150<sup>th</sup> anniversary of Rabindranath Tagore, the JNCC has been organizing various cultural events around Russia. A mini Festival of Indian Culture in Russia is also being organized in Russia during the second half of 2011. On similar lines the Festival of Russian Cultural will be organized in India during 2012.

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## TEST 8

- Q.1. Indo – Russia Defence ties (200 words)
- Q.2. Post-cold war Indo Russia ties (300 words)
- Q.3. Indo- Russia Space Cooperation (200 words)

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## Chapter 9

### INDO- EU RELATIONS

India-EU relations go back to the early 1960s. India was among the first countries to establish diplomatic relations with the (then) European Economic Community (EEC).

The 1994 cooperation agreement signed between EU and India took bilateral relations well beyond trade and economic cooperation. The 5th India-EU Summit at The Hague in 2004 endorsed the EU's proposal to upgrade its relationship with India to a 'Strategic Partnership'. The two sides also adopted a Joint Action Plan in 2005 which provides for Strengthening Dialogue and Consultation mechanisms; Deepening political dialogue and cooperation; Bringing together People and Cultures; Enhancing Economic Policy Dialogue and Cooperation; and Developing Trade and Investment.

#### **Visit of the President of India:**

Rashtrapati visited Strasbourg from 25-26 April 2007 at the invitation of the President of the European Parliament (EP). During the visit, he addressed the Parliament and met with the President of the European Parliament. Members of the India Delegation of the EP, Vice President of the European Commission and Commissioner of enterprise and Industry called on him. It was the first ever visit by a President of India to the EP.

#### **Political Dialogue:**

The 11<sup>th</sup> India-EU Summit was held in Brussels on 10 December 2010. This was the first Summit after the entry into force of the Lisbon Treaty. India was represented by Prime Minister Dr. Manmohan Singh and the EU was represented by Mr. Herman Van Rompuy, President of the European Council and Mr. Jose Manuel Barroso, President of the European Commission. From the EU side, this was the first time that the President of European Council conducted the meeting along with President Barroso and not the head of the state or government of the rotating Presidency of the EU reflecting the changes brought about by the Lisbon Treaty. The Summit reviewed India-EU Relations: stressed the importance of an ambitious and balanced conclusion of the India-EU Broad-based Trade and Investment Agreement (BTIA) in the spring of 2011; welcomed the increasing cooperation in the field of security and defence; and issued a Joint Declaration on International Terrorism.

An India-EU Joint Declaration on Culture was also signed during the Summit. In the Joint Statement issued by the two leaders, it was agreed to present the results of the 2008 Joint Work Programme on Energy, Clean Development and Climate Change at the next India-EU Summit in 2011. The Joint Statement also called for an early conclusion of the India-EU Agreement for Research and Development Cooperation in the Peaceful Uses of Nuclear Energy; a swift finalization of the agreement on satellite navigation initialed in 2005; and an early implementation of the civil aviation agreement.

India and the EU also interact regularly at the Foreign Ministers level. The 21<sup>st</sup> India-EU Ministerial Meeting took place in New Delhi on 22 June 2010. External Affairs Minister Shri S.M. Krishna led the Indian delegation. The EU side was led EU High Representative Ms. Catherine Ashton. India-EU Relations, regional issues both around Europe and India and global issues including climate change, terrorism, global financial crisis and energy security were discussed at the Ministerial Meeting.

There is a regular mechanism of Senior Officials Meeting (SOM) between India and the EU. Nineteen SOMs have been held till date. The last meeting took place on 21 October, 2010 in Brussels.

### **Parliamentary Interaction:**

The European Parliament (EP) has established a India Delegation in the European Parliament which has 20 members and 20 substitute in the delegation. Mr. Graham Watson, British MEP is the current Chairperson and an EP India Delegation led by him visited India at the end of April, 2010.

### **India-EU Business Links:**

The EU, as a bloc of 27 countries, is India's largest trading partner while India was EU's 8<sup>th</sup> largest trading partner in 2009. The total bilateral trade increased by 28% to Euros 67.78 billion in 2010 compared to Euros 53.03 billion in 2009 (Indian exports of Euros 32.99 billion and Indian imports of Euros 34.79 billion). In 2010, total Indian exports to the EU in different services sector were Euros 8.1 billion whereas total Indian services imports from the EU were Euros 9.8 billion.

The EU is one of the largest sources of FDI for India. FDI inflows from the EU to India declined from Euro 3.4 billion in 2009 to Euro 3.0 billion in 2010. India's investment into EU has also seen a marginal decline from Euros 0.9 billion in 2009 to Euros 0.6 billion in 2010. The most important countries in the EU for FDI into India are Germany, UK, France and Italy.

### **Institutional Interactions:**

India and the EU have held thirteen rounds of negotiations for a bilateral Broadbased Trade and Investment Agreement. Negotiations commenced in 2007 and cover Trade in goods, Sanitary & Phyto-sanitary Measures and Technical Barriers to Trade, Trade in services, Investment, Intellectual Property Rights and Geographical Indications, Competition Policy, Customs and Trade Facilitation, Trade Defence, Dispute Settlement.

The last round of negotiations took place in New Delhi from 31 March to 5 April 2011. The India-EU Joint Commission and its three sub-commission on trade, economic cooperation and development cooperation meets annually. The Sub Commission on Trade had its last meeting in Brussels on 12 July 2011; the Sub Commission on Economic Cooperation had its last meeting in Brussels on 13 July 2011; and Sub Commission on Development Cooperation met in New Delhi on 4 May 2011. India and EU have set up an Energy Panel which also meets annually, the last meeting having been held in Brussels on 6 October 2009. In addition, both sides have set up Joint Working Groups/ Joint Committee on Counter Terrorism, the last meeting of which was held in New Delhi on 11 June 2009; Consular Issues, which met last in New Delhi on 25 May 2009; Agriculture and Marine Products, Energy, which had its last meeting in New Delhi on 19 May 2011; Coal, which met last in New Delhi on 5 April 2011; Environment, which last met on 4 Dec 2009 in Brussels; Technical Barriers to Trade and Sanitary and Phyto-sanitary Issues, which met last through video conferencing on 7 July 2011; Information Technology & Communications, which met last on 26-27 Mar 2009 in Brussels; Textiles, which met last on 22 November 2005 in Brussels; Pharmaceuticals & Biotechnology, which met on 21-22 Sept 2009 in New Delhi; Food Processing Industries, which had its last meeting in Brussels on 24 November 2006; and Customs Cooperation, which met last in New Delhi on 12 November 2009.

Both sides also have regular dialogues on Security (last dialogue held in New Delhi on 18 June, 2011), Human Rights (last dialogue held in New Delhi on 22 March, 2011), Macro-economy (last meeting held in New Delhi on 16-17 May 2011) and Science and Technology (last meeting held on 1 April 2011 in Brussels).

**Bilateral Agreements:**

India and the EU have signed bilateral agreements which includes cooperation in the field of Science & Technology in 2001 which was renewed in 2007; Joint Vision Statement for promoting cooperation in the field of information and communications technology in 2001; customs cooperation agreement in 2004; Memorandum of Understanding on Cooperation on Employment and Social Affairs in November 2006; Horizontal Civil Aviation Agreement in 2008; Joint Declaration in field of Education in 2008; Joint Declaration on Multilingualism in March 2009 and Agreement in the field of nuclear fusion energy research in November 2009 and Joint Declaration on Culture in December 2010. As mentioned earlier, India and EU are also currently negotiating the Broad-based Trade and Investment Agreement, the last round of negotiations held in New Delhi on 31 March – 5 April 2011.

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## **SUPPLEMENTARY MATERIAL (REFERENCE MATERIAL)**

### **G. S. PAPER I**

#### **Effect of Policies and Politics of Developed and Developing Countries on India's Interests**

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## Part 1. Developed Countries' policy and their impact on India's interests

**Q1. Identify some of India's strategic interest with major developed countries.**

### Answers

India's strategic interests with developed countries can be identified as follows:

#### 1.1 Technology

##### 1.1.1 USA:

The United States and India signed a bilateral **Agreement on Science and Technology Cooperation** in 2005. USA is amongst major defence suppliers of India. However, India's requirement is not only supply of high-tech goods for defence or other purposes, it is the technology related to such goods so that India may produce such goods in-house to avoid high costs. From, USA's perspective, it would be detrimental in long term if it offers technology. USA would never want to lose its core competitiveness and technological superiority in high tech goods. Therefore, there is no chance that it would re-examine domestic residual laws to allow dual-use technology and high technology trade with India.

##### 1.1.2 Japan

India is giving special attention to the promotion of Electronics system Design and Manufacturing sector in India. The demand of electronics hardware in India is projected to grow to USD 400 Billion by 2020. At the current rate of growth, the domestic production can cater to a demand of USD 104 Billion by 2020 and the remaining would have to be met by imports. The value addition in the domestically produced electronics goods is also very low varying from 5 to 15 percent. Consumer Electronics is anticipated to grow at a rate of 17% during 2012-2015 to reach over US\$ 15 Billion by the end of 2015. The Electronics System Design and Manufacturing (ESDM) is expected to attract investments of nearly USD 100 Billion and create direct and indirect employment for nearly 28 million people over the next decade. India offers 400,000 engineering graduates per annum and equally large skilled blue collar job force at one of the lowest wage rates in the world. India is already becoming a favoured destination for chip design, embedded software and board design which are important part of any electronic product. Government permits 100 percent FDI through the automatic route for most ESDM products. National Policy on Electronics (NPE) 2012 envisions making India a globally competitive destination in the sector and attracting investment of USD 100 billion by 2020 and several incentives have also been approved to attract investment in the sector. Joint Working Group between Ministry of Economy Trade and Industry (Japan) and Department of Electronics and Information Technology, Govt of India is established to facilitate the collaboration, coordination and linking activities in the ITC; R&D initiatives to identify and solve societal problems. India produced 20.4 million automobiles in 2012. 20%-40% values of these vehicles are electronics. Companies like Suzuki, Honda and Mitsubishi are doing manufacturing and assembly of vehicles in India. Automotive Electronics can leverage on India's Software Design and automobile manufacturing ecosystems.

#### 1.2 Military Cooperation

##### 1.2.1 USA:

China's emerging global clout is a threat to USA's leadership and her policy of containment of India is a threat to India's sovereignty and integrity. Both India and USA have joined the hands to tackle China in downsizing China's ambitions for being a global power. USA is augmenting India's naval power and reaches in the Indian Ocean. USA is now India's key military supplier for various defense acquisitions, long-range maritime surveillance, maritime interdiction and patrolling, air interdiction, amphibious assault ship, P8I, Poseidon maritime patrol aircraft; and C-130J and C-17 transport aircrafts etc.

Commissioning of USS Trenton (INS Jalasha, the second biggest vessel in the Indian fleet) in 2007 is an example of USA's helping hand to India in gaining a counter weight against China. Further, India got Boeing P-8 AWAC planes with long-range tracking Capabilities in 2009. India and USA are regularly engaged in bi-lateral military exercises such as The Malabar took place between the Indian and US Navies in the Western Pacific in 2007, Malabar- 2 in later 2007 in which Japan, Australia, and Singapore along with US and India Navies in the Bay of Bengal. USA's is India's major defence supplier. However, India did not shortlist USA for medium multi-role combat aircraft (MMRCA) fighter deal in 2011 which came as a shock to USA.

### **1.2.2 Russia**

Russia is India's trusted defence partner with 70 % of the latter's defence share. By 2020, the trade in defence and related products is going to be around USD 700 billion. Russia's major defence supplies to India include aircrafts (MIG 29, MIG 29 SMT, SU 30K, SU MK1), helicopters (Mi-17, Mi-18, etc.) and air-defence systems (AK 630 30mm, etc.), artillery and armoured vehicles (256M Tunguska), engines, sensors and a variety of missiles etc. Both the countries have signed technology transfer agreements for defence production. A striking point in Indo-Russian defence partnership is that there is a transition from buyer-seller relationship to joint design, development and production. India got the license for production of 140 fighters by Hindustan Aeronautics Limited in 2000. Su-30 MKI fighter plane and the T-90 tanks are also produced by India in-house under licensed agreements. Both countries agreed for a **new military technical co-operation** for the period 2011–20 in 2009. Submarine such as Talwar (stealth class), Kilo, Sindhughosh, Akula-2 (nuclear submarines) and an aircraft carrier **Gorshkov** are noticeable defence supplies to Indian navy. **Brahmos** is a joint venture for missile production in India. For army T72M1 tanks, radars, anti-ship and anti-tank missiles are major Russian supplements.

### **1.2.3 France**

France and India have extensive strategic co-operation in defence and military services. India is regular buyer of military equipments from France e.g. Mirage 2000 fighter aircrafts, Scorpene submarines. France and India have signed a transfer of technology contract for joint defence projects such as Scorpene submarines (P75), surface-to-air missile Maitri. France is also a major support in India's nuclear energy programs. Indo-French Air Force Exercise **Garuda IV** was held at Istres air base in France from 2010. The first India- France joint army exercise named **Shakti** was conducted in India at Chaubattia from 2011. Indo - French Naval Exercise, **Varuna** was held in the Mediterranean Sea off the port of Toulon from 2012.

France has emerged as the top player in India's defence deals which reflects India's unique confidence in France as a strategic partner. In 2013, India awarded the French company Rafale a contract of worth the US\$11 billion MMRCA (Medium Multi-Role Combat Aircraft) for the purchase of 126 fighter jets sidelining other major contenders from US, UK etc.

## **1.3 Energy Security**

### **1.3.1 Oil and Gas: Russia**

Russia's vast oil and natural gas reserves offer an opportunity to India's energy security. India's Oil and Natural Gas Corporation (ONGC) is actively engaged in oil exploration in Russia's Sakhalin-1 project since 2001. ONGC also acquired seven blocks in the Tomsk region of western Siberia in 2009. Russia has offered a stake in the Madagan 2 oil-field. GAIL, Indian Oil, Coal India are other public sector enterprises with investments in Russian market. GAIL and Russian company Gazprom have collaborated in joint development for oil and gas exploration activities in Bay of Bengal. GAIL has also got deal of 2.5 million annual tonnes-of LNG supply over 20 years from Gazprom.

### 1.3.2 Nuclear Energy: USA & France

#### i. USA

Nuclear non-proliferation remains one of Obama's priorities for maintaining long term peace in the world. The former USA President G.W. Bush had given a major thrust to India's nuclear ambitions by signing a bi-lateral agreement in nuclear energy cooperation. Proliferation of nuclear technology is against Obama's ideology and without forcing India to sign NPT; any further concession to India can't be expected. Therefore, India expects that considering the situation of India vis-a-vis Pakistan and China, India and USA would progress for further cooperation in nuclear energy.

#### ii. France

Another strategic area which is of immense priority for India's energy security is **civilian nuclear energy**. France has shown an out of the league exceptionalism in support of India's nuclear energy programs. France endorsed India's candidature for the four multilateral export controls regimes: the **Nuclear Suppliers Group** (NSG) which controls nuclear goods, the **Missile Technology Control Regime** which controls missile and space related goods, the **Australia Group** which controls chemical as well as biological agents, and the **Wassenaar Arrangement** which controls conventional weapons and other dual use goods. France is the largest suppliers of nuclear technology and fuel to India. A "Framework Agreement for Civil Nuclear Co-operation" was signed in January 2008. Subsequently, French nuclear group Areva joint venture with India's Nuclear Power Corporation of India Ltd (NPCIL) and early 2009 for nuclear power plant in Jaitapur, Maharashtra. After the waiver from Nuclear Supplier Group (NSG), the bi-lateral cooperation for nuclear technology has got a new shift. France commitment towards India's nuclear programs is unparalleled for which France challenged the authority of **Zangger Committee** and pressure of NPT signatories. Synergy with France can be a big push towards Indian-EU Trade and Investment Agreement for which France has offered its support for negotiation. India's emerging market is a big motivation to India but this in turn has also led a value addition in Indian economy.

#### iii. Germany

Although Germany had condemned India's nuclear tests; at the same time, Germany recognizes the importance of an effective national export control systems conforming to the highest international standards of trade in nuclear energy and related areas. India and Germany want the bilateral dialogue on export controls and international export control regimes to continue. Germany attaches high importance to the early entry into force of the Comprehensive Nuclear-Test-Ban Treaty. In this context, India reiterated its commitment for its unilateral and voluntary moratorium on nuclear explosive testing. Both sides express their full support for a multilateral, non-discriminatory and internationally and effectively verifiable treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices and call for the commencement of negotiations in the Conference on Disarmament.

Germany has carefully monitored ongoing intensified dialogues between India and the various export control regimes (NSG, MTCR, AG and WA). After India's satisfactory track record of non-proliferation and peaceful use of nuclear technology, Germany agreed to continue working together to prepare the ground for India to accede to the export control regimes as a full member and thereby strengthen the international non-proliferation regime.

Both sides committed to work together for a world without nuclear weapons, for universal and non-discriminatory global nuclear disarmament and a reduced salience of nuclear weapons in international affairs and security doctrines; and agree to cooperate in strengthening global non-proliferation efforts. They noted the contribution of initiatives such as the **Hague Code of Conduct** against Missile Proliferation and the Proliferation Security Initiative during the last decades and the potential for advancing them in the future and support the IAEA's Safeguards System including the Additional Protocol as the international verification norm. They participated in the discussions on a Draft International Code of Conduct on Outer Space with a view to its adoption as an agreed document of universal adherence.

### 1.3.3 Renewable energy: Japan & Germany

#### i. Japan

Jawaharlal Nehru national Solar Mission with target of 20 GW of Solar Power by 2022 and requirement to manufacture locally will provide a huge market for the domestic manufacturing segment. Japan is supporting India's Model Solar Project in Neemrana, Rajasthan, and the gas-fired independent power producer (IPP) project in Maharashtra. With plans to develop 63 GW by 2032, India has ambitious plans to develop Nuclear energy. 7 nuclear reactors are currently under construction. Japanese assistance is much required for technical support in local manufacturing of nuclear reactors and equipments.

#### ii. Germany

India has planned to roll out a Rs 43,000-crore '**green energy corridor**' project to facilitate the flow of renewable energy into the national grid. The blueprint for the project has been submitted to the Power Ministry by Power Grid Corporation of India Ltd (PGCIL). For implementation, the project would be split into intra- and inter-State. The 'green energy corridor' aims at synchronising electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid. The Green Energy Corridors would enable evacuation of over 30,000 MW of renewable energy generated from wind and solar power during the 12th Five Year Plan in India into the national grid. Germany has committed to provide developmental and technical assistance of Euro 1 billion. Germany has smart grids technology that integrates renewable energy into the national grid. India aims at strengthening the distribution network across the country making it 'smart' to handle fluctuations. In renewable energy, India has a lot to learn from Germany; Germany has set ambitious targets of producing 50% of its energy requirements from renewable sources by 2030 and 80% by 2050. The progress made in developing renewable energy through onshore and offshore wind, solar and bio-mass in the last decade has been impressive and Germany is well on its way to meeting its targets. Germany has developed 'smart grids' to integrate its growing share of renewable energy into the national grid and also significantly reduced carbon dioxide emissions by developing advanced gas turbines and trigeneration plants (for heating as well as cooling).

### 1.3.4 Thermal Energy: Germany

India and Germany commend the energy policy dialogue under way in the Indo-German Energy Forum (IGEF), which is coordinated by the Indian Ministry of Power and the Federal Ministry of Economics and Technology. IGEF Support Office is established in New Delhi. An "Excellence Enhancement Centre" is established for bilateral cooperation in sharing of best practices in the area of enhancing efficiency of thermal power plants under the aegis of IGEF. There are plans for private sector to participate to an even greater degree in the 6th Indo-German Energy Forum scheduled for the first quarter of 2014 in New Delhi. The ongoing policy dialogue between the relevant ministries will likewise be continued and expanded. This concerns in particular cooperation projects in the field of enhancing efficiency of thermal power plants, renewable energy and energy efficiency.

## 1.4 Security

### 1.4.1 Germany

Germany has expanded its co-operation with India in fighting terrorism and conducting joint military exercises. Defence co-operation agreement between the two nations signed in 2006. Both sides expressed their keenness to enhance cooperation in the defence sector through dialogue and exchanges on matters of mutual interest, including in the area of defence technology collaboration. Indian navy and the German navy conducted joint exercises for the first time in 2008. Both sides agreed to intensify further their exchange of views and experience on combating terrorism as well as their practical cooperation in this connection, also in the Indo-German Working Group on Counter-Terrorism as well as multilateral forums. The two countries are in favour of holding regular consultations on issues relating to international cyber policy. In the light of new security challenges both sides are keen to intensify their security policy dialogue and exchange of views. Both countries stress the importance of national and international efforts to reduce risks of nuclear and radiological terrorism. They

reaffirm their shared commitment to promoting the full and effective implementation of the Chemical Weapons and Biological and Toxic Weapons Conventions and coordinated efforts to promote their universalization.

#### 1.4.2 Japan

India and Japan reiterated the commitment of to the freedom of navigation and unimpeded commerce based on the principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS). They noted ongoing bilateral exchanges on maritime security including counter-piracy activities, participation in bilateral and multilateral exercises as well as sharing of information. Joint exercises between the Coast Guards of India and Japan were held off Chennai in early 2012 and in Tokyo Bay in later 2012 to further promote bilateral and multilateral cooperation on maritime issues. India and Japan concluded a security pact in 2008. Under the pact, India and Japan also have close military ties for shared interests in maintaining the security of sea-lanes in the Asia-Pacific and Indian Ocean; co-operation for fighting international crime, terrorism, piracy and proliferation of weapons of mass destruction. The two nations have frequently conducted joint military exercises.

#### 1.4.3 USA

Cyber wars and cyber crimes have become non-conventional challenges for India's security. Even though the India-USA jointly created a **Cyber Security Forum** in 2002 for cooperation in cyber and space security; recently, there have been incidents of U.S. spy agencies' snooping into India's cyber space. The accounts and online data of Indian citizens are spied by the USA's intelligence agencies. USA has technological proficiency in cyber warfare through cyber commands to launch onslaughts on targets. Such technologies are repeatedly used by USA in drone attacks against Taliban in Af-Pak region. However, India's concern is related to "**privacy**" and "**secrecy**" of information and data. Snooping by US National Security Agency (NSA) through data-vacuuming program called **Prism** endangers both these two.

#### 1.4.4 France

**Strategic Dialogue** takes place at the level of National Security Advisors to review the overall global security situation and emerging challenges. **High Level Committee for Defence:** At the level of Defence Secretaries that deals with issues related to defence cooperation.

#### 1.5 U.K.

Strategic Approach towards "Special Relations":

UK-India economic relations are geared up to make the most of the opportunities of India's emerging economic growth. UK is on the way to establish a '*relationship as special with India as the one enjoyed with the United States*'. The UK existing cultural, economic and personal links with India offers a sound platform for further strengthening these connections. Unlike, other trade partners of India, UK's share in India's trade is insignificant. Taking a determined approach, UK government is putting efforts to energize UK-India economic relations by reforming existing support structures and enhancing aid development. The Indo-British Partnership Network was transformed as UK-India Business Council with a larger budget. UK Trade & Investment (UKTI), a Government agency and UK-India Joint Economic and Trade Committee (JETCO) are supported by the govt. to encourage both inward and outward investment. Although export and import share of UK in India's trade is minimal but other flows such as capital, knowledge, people and services are relative comparative advantages in bi-lateral economic interface. Besides human capital, R&D, ITC are other convincing areas for valued addition. For this UK needs to offer India incentives in terms of labour migration, trade in services, skill provision and higher education and foreign direct investment. **Indian Diaspora** can help in promoting stronger regional links and trade facilitation especially for SMEs, media, entertainment industries, legal and retail sectors.

It is surprising the EU is India's one of largest trade partners while UK is not despite being the most powerful economy in the Europe. Therefore, EU can offer UK an opportunity of rehashing trade and investment.

EU and India are working on broad based trade and investment agreement for free trade. UK as a member of EU must engage in negotiation the agreement which would be a win-win situation for all. UK's role is also vital in significantly advancing trade in service liberalisation and modality-4 (people mobilization) by convincing other member states to agree on EU-India FTA.

## **Q2. How are strategic maneuvers of major developed powers in Asia affecting India's geo-political balance?**

### **Answer**

Major developed power active in geo-political landscape of Asia is US which affect India's geo-political balance. Russia is also a major developed partner which influences India's geo-political interests in Eurasia. Geo-political cooperation between India and Japan within multilateral frameworks in Asia, in particular the East Asia Summit, ASEAN Regional Forum and ReCAAP process is crucial apart from two plus two dialogue. Germany and India's geo-political interests in Asia are crucial in Afghanistan and North Korea.

#### **i. USA's foreign policy towards Asia and the Pacific:**

USA's rebalancing strategy in the Asia and the Pacific have following parameters:

- 1) strengthen the alliances;
- 2) Deepening partnerships with emerging powers across the world
- 3) Build a stable, productive, and constructive relationship with China
- 4) Empower regional institutions
- 5) Help to build a regional economic architecture

When it comes to Asia and the Pacific, the US has remained very close to Japan, South Korea, Thailand, Philippines and Australia which are its strategic partners. USA is also renovating ties emerging powers in the region like India and Indonesia. As discussed, US and India's interests converge in the Asia-Pacific for multiple reasons. USA has considered India and Indonesia as trusted global partners. As USA and China mutually depend upon each other, so, USA's approach towards China is of both cooperation and competition. The US dependence on China's is such that US would never offend China even in worse case.

Another trump card in USA's foreign policy towards Asia is Trans-Pacific Partnership (TPP) which provides opportunity to the US leverage economically with the Pacific as well as the Atlantic zones.

India and USA's interest in following areas are not converging:

#### **i. Pakistan**

USA's supply of sophisticated arms to Pakistan is India's major cause of anxiety to her security. India shares a tragic past with Pakistan and there is no denying of the certainty that those arms be used against India. India-US relations have been strained over USA's Af-Pak approach to deal Taliban insurgency in Afghanistan and Pakistan. USA has not even invited India in major conferences such as London conference, Istanbul conference etc. on Afghanistan. USA's intervention in bilateral dispute on Kashmir between India and Pakistan is also against India's interest.

#### **ii. Logistics Support Agreement (LSA)**

USA wants India to be a major ally in different critical geo-political issues. Logistics Support Agreement (LSA), CISMOA and the BECA etc. are some of the strategies that suits to USA's stewardship of power in major geo-political issues. USA insists India to sign agreements such as Communications and Information Security Memorandum of Agreement (CISMOA) and Basic Exchange Cooperation Agreement (BECA) for long term defence technology transfer partnership. Trade in high-tech goods is a long standing issue waiting for negotiation. India wants a change in some of the provisions of the agreements to avoid any obligation or political commitment which can endanger India's independence and autonomy on defence cooperation with other partners such as Russia, France or Israel. Similarly LSA is another element in USA's foreign policy through which

USA seeks support from its allies in launching war. India is not willing to sign such agreements as it may project India as a kingpin in USA's geo-political design.

### iii. Geo-political balance against China's hegemony

Chinese hegemony in the Asia and the Pacific is an increasing concern for both India and China. China's increasing intervention through strings of pearls strategy and naval ventures with island states in the Indian Ocean expose India's security to threat. Piracy, proliferation of weapons of mass destruction, threat to sea lanes of communications (SLOCs) are major threats. China has warned India to stop the commercial projects in South China Sea. Support of Pakistan, Nepal, Bangladesh and Sri Lanka etc towards China is another dilemma. Most of the countries are traditionally more close to China which in impediment to trade and economic relationship with ASEAN. For USA's part, its increasing interference in Taiwan's internal affairs and supply of military support is unacceptable to China as China asserts its sovereign claim over Taiwan.

However, Australia, Japan, South Korea, Vietnam, Thailand, Philippines are considered strategic partners by both India and USA. Growing economic potential and power imbalance in Asia offer opportunities and threat these two countries. India and USA are series of Indo-US strategic dialogue to provided new impetus to the relationship, particularly in outlining the future projection towards Asia-Pacific region. Western Pacific up to East Asia into the Indian Ocean region and South Asia is considered an "**arc of crisis**" by USA defence strategists.

USA has significant naval presence in this arc.

India is gradually transforming The Andaman and Nicobar islands into a strong 'iron choke' to counter the Chinese 'string of pearls' through effective anti-access and area denial strategy along her land borders in the Indian Ocean. Further, commonality of USA and India's interest and USA's support is a moral boost to India.

### iv. Russia and India's geo-political engagement in Eurasia:

Russia offers India an avenue for establishing her image in Central Asia and Eurasia. Most of the CIS states were formerly a part of USSR. Russia has ideological command (e.g. communism, common culture) over these states which augers well to India's Connect Central Asia policy. CIS is also marked by US-Russian competition since Budapest Summit in 1994. Both the countries are competing for establishing military bases in the region. Thus, it would not be an easy decision for India to collaborate with Russia. Apart from military engagement such as CSTO (Collective Security Treaty Organization) which is a Russian version of NATO, India must be pro-active in cooperating with Russia. The energy resources in Eurasia, particularly in the Caspian Sea basin is other factor for which India requires Russian support as India is already engaged with Russia on energy related projects. Russia has already well established container terminal at Ol'ia and Makhachkala on the Caspian Sea. INSTC may further enhance India's reach in the region with Russian expertise on the area.

**The Moscow Declaration on the Protection of Interests of Pluralist States** signed between India and Russia in 1994 offers a suitable platform for India to re-align bi-lateral relations with Russia vis a vis the CIS.

### v. Two-plus two dialogue between India and Japan

As part of the Action Plan to advance India-Japan Security Cooperation issued during the visit of Prime Minister of Japan to India in December 2009, India and Japan established a mechanism of Annual Subcabinet/Senior Officials two-plus two dialogue with Ministry of External Affairs and Ministry of Defence on the Indian side and Ministry of Foreign Affairs and Ministry of Defence on the Japanese side. Japan-US two-plus-two dialogue and Japan-Australia two-plus-two dialogue are both at Ministerial level. The Action Plan came into operation in 2009. The Action Plan, which identifies specific measures to advance security cooperation, promotes dialogue on peace and security and consolidates the India-Japan Global and Strategic Partnership.

### vi. Germany and India's geo-political interests in Asia

Germany and India agreed to contribute to a stable and peaceful future for Afghanistan. Both sides emphasize the importance of the regional Heart of Asia process, in which India coordinates confidence-building activities in the area of investment and trade promotion. All these activities are supported by Germany. Both sides have

further agreed to hold bilateral consultations on political issues, and social and economic development including cooperation in the sphere of trade and investment and capacity-building in various sectors.

Both the countries condemn the North Korean nuclear tests as a violation of DPRK's international commitments and call upon the DPRK to respect its international obligations as set out in several United Nations Security Council resolutions in this connection and to take urgent steps to deescalate the situation.

**Q3. How are India's interests in multilateral organizations, like the UN, being affected by the policies/politics of major developed countries?**

#### Answer

Russia, UK, Germany and Japan are major developed countries which affect India's interests at multilateral levels:

##### i. Russia

Due to India's diversification in interests with major powers of the world, India has come across at situations of losing the confidence of close allies. India's relations with Russia have faced such crossroads many times. As discussed above, India and Russia's strategic partnership is now special and privileged. China is an imposing threat to both the two countries. China's attitude toward India is acrimonious. Russia's closeness with China may further enhance India's apprehensions. India is contending for permanent membership on the UN Security Council, the Nuclear Suppliers Group (NSG) and the Shanghai Cooperation Organization (SCO). At all such platforms, Russia is a remedy. Multilateral groups such as **BRICS** (Brazil-Russia-India-China-South Africa), and **RIC** (Russia-India-China) offers India a unique opportunity to make the most of Indo-Russian friendship to hedge against China and pressing it towards the memberships in the mentioned organizations. . Afghanistan, Iran and Syria are other conflicting interests between India and Russia. In these cases, India's foreign policy needs to be prudent considering Russia.

##### ii. U.K.

Besides, interaction between India and the UK most often takes place at multilateral organizations such as Commonwealth of Nations, G8, and UN etc. Britain also supports India's candidature for permanent membership of the United Nations Security Council.

In addition to that UK has also supported increase in **India's IMF quotas**. This would help India to significantly increase the share and representation of dynamic emerging world markets. India and UK are fully committed to ensure the conclusion of an ambitious and balanced broad-based **EU-India Free Trade Agreement** by the end of the year and remain committed to achieving a development-focused outcome on the **Doha round**.

The Ministry of Housing and Urban Poverty Alleviation of India in partnership with the Department for International Development (DFID), UK, the World Bank, Asian Development Bank, the United Nations Development Programme, the Human Settlement Management Institute and the Support to National Policies for Urban Poverty Reduction project, held an International Conference on Inclusive Urban Planning in 2013. The objectives of the Conference included:

- Critical evaluation and introspection of the urban planning processes and outcomes;
- Cross-learning from select international experiences on the ways in which inclusion can be incorporated into urban planning;
- Exploring ways in which 'inclusion' can be firmly placed within the context of urban planning;

The conference adopted **Delhi Declaration** on inclusive Urban Planning.

G20, UK and India: UK and India are committed to multilateral co-operation through the G20 and International Financial Institutions e.g. IMF and Financial Security Board (FSB). Cooperation through G20 is more vital than

ever before. The UK and India are taking determined action to address fiscal imbalances and are working to strengthen the business environment. Both countries are committed to the implantation of credible, medium-term fiscal consolidation plans to meet commitments through the G20 Framework for strong, sustainable and balanced growth. Both the countries have agreed to work together in the G20, the IMF, the FSB and the other international financial institutions in the key areas of strengthening economic surveillance, capital flow management and financial sector reform, to increase the resilience of the global economic and financial system. India and UK also agreed to deepen our dialogue and technical cooperation to reduce distortions in commodity markets through the G20.

### iii. Germany

- Germany and India recalled their cooperation in the UN Security Council during 2011-12 and agreed to continue to collaborate in strengthening and reform of the United Nations and the multilateral system. They reaffirmed their commitment to continue their efforts through the G-4 to reform the United Nations Security Council by expansion of both categories of its membership, and underlined their support for each other's candidature for permanent membership of an expanded Security Council. As members of United Nations Human Rights Council, Germany and India seek to develop mutual understanding of positions and encourage initiatives so as to promote and protect human rights.
- Germany and India express satisfaction at the deepening comprehensive bilateral relations between India and EU and recognize that both India and EU, as long-standing strategic partners, are committed to working together to reinforce the relationship in all areas. India and Germany underline their strong commitment to a successful outcome to the EU India negotiations for a broad based, ambitious and balanced Free Trade Agreement that would generate jobs and growth in both countries and their hope for final agreement in 2013.
  - i. Germany and India seek to intensify consultations within the G20 and strengthen the G20's role as the premier forum for international economic and financial cooperation.
  - ii. Both sides commit to make strenuous efforts to achieve a consensus on trade facilitation by a balanced package of issues this year at the 9th WTO Ministerial Conference so as to ensure there is still a prospect of bringing the Doha Round to a conclusion.

### iv. Japan

India and Japan are contending for permanent seat in UN Security Council. They reemphasized their resolve to work towards early reform of the United Nations, including the expansion of the United Nations Security Council in both permanent and non-permanent categories. G-4 provides a platform in this context to reflect contemporary geopolitical realities. They confirmed that such reforms are necessary to make the Security Council more representative, effective, credible and responsive to the needs of its wider membership. Both the sides supported each other to take an active part in the inter-governmental negotiations in the United Nations General Assembly supporting the Chair to achieve meaningful progress and to strengthen their bilateral cooperation and consultation with other Member States. 1st India-Japan Consultation on UN Issues, including United Nations Security Council reform is held twice a year to further enhance cooperation between the two countries in the related matters.

*(Emerging issues in International Organizations such as WTO, EU etc. and India's interest are discussed in Part 4 in detail)*

## Part 2: Developing Countries' policy and their impact on India's interests.

### Q1. Examine the policy interests of key developing countries with India.

#### Answer

Following are the major interests of India with key developing countries:

#### 1.1 Promoting Cross Border Investment to Mutual Benefit:

Major developing countries recognize that cross-border direct investment is a major factor shaping the world's economy. Such inflows can make a major positive contribution to economic growth and sustainable development. India shares a common interest in promoting investment and to safeguard and further develop a sound global investment environment. To this end, India shall work together to promote more favourable conditions for investment, both domestic and foreign, with the aim of fostering economic growth and sustainable development. This may also include the encouragement of responsible business conduct.

#### 1.2. Promoting Research and Innovation:

Strategies to encourage and support research and innovation are key elements for future sustainable development of our economies. In this context, major developing partners underline the importance of integrating the promotion and protection of innovation in national policies and legislation. India encourages a positive exchange of views on international experiences related to the crucial role and economic value of intellectual property rights (IPR) protection and implementation of agreed international IPR protection standards. In this exchange India needs to consider the protection of IPRs in conjunction with common good of human kind for the purposes of protecting the environment and supporting public health. India recalls the **Doha Declaration** on the TRIPs Agreement and public health.

#### 1.3. Fighting Climate Change:

Developing world is facing a serious challenge in tackling climate change and achieving sustainable development globally. Both the developing partners and India reaffirm commitment to the United Nations Framework Convention on Climate Change (UNFCCC) and to its objective through both mitigation and adaptation in accordance with our common but differentiated responsibilities and respective capabilities. On this basis and taking into account the scientific knowledge as represented in the recent IPCC reports, India remains committed to contribute its share to tackle climate change in order to stabilize green house gas concentrations at a level that would prevent dangerous anthropogenic interference with the climate system.

#### 1.4 Energy

Major developing partners of India recognize the need for closer, more practical and result-oriented regional and international cooperation in the energy sector, especially in ensuring secure and affordable supplies of energy as well as in improving energy efficiency and the access to advanced and affordable energy technologies. India also confirms its commitment to promote energy efficiency, through cost-effective solutions, to advance the effective use of fossil fuels, such as the clean coal technology, and to increase the use of cleaner and renewable energy sources, such as biofuels and biomass, as an important step towards secure, stable and competitive energy supplies for achieving sustainable development.

#### 1.5. Development Initiatives:

Developing world reiterates its commitment to the Millennium Development Goals (MDGs), the eradication of poverty and sustainable global development. In view of its responsibility regarding the challenges of development India shall strengthen cooperation and coordination between to achieve these goals.

### 1.6 International Terrorism:

Key developing allies of India are in constant cooperation with the competent UN bodies, the G8 to play a key role in the global fight against terrorism. They support Counter Terrorism Action Group's at international level for enhanced outreach initiatives and its increased emphasis on regional and local technical assistance and capacity building. India emphasizes that special attention must also be paid to the victims of terrorist acts. India is further committed to advance developing initiatives that assist survivors and families of the victims, and India welcomes all efforts in this direction by other major international actors.

*(Similarly other different areas of major interests can be identified.)*

### **Q2. Discuss India's engagement at major multilateral platforms with key developing countries.**

#### **Answer**

Major Multilateral platforms for engagement with developing countries are:

#### **2.1 G-15**

Objectives of the G-15 are:

- To harness the considerable potential for greater and mutually beneficial cooperation among developing countries
- To conduct a regular review of the impact of the world situation and of the state of international economic relations on developing countries
- To serve as a forum for regular consultations among developing countries with a view to coordinate policies and actions
- To identify and implement new and concrete schemes for **South-South cooperation** and mobilize wider support for them
- To pursue a more positive and productive North-South dialogue and to find new ways of dealing with problems in a cooperative, constructive and mutually supportive manner.

#### **2.2 G-24**

G24 plays the following roles

- G24 has an important role to play in fostering dialogue amongst developing countries and in supporting a more inclusive approach in global economic and financial cooperation including on the development agenda.
- The present global economic order presents an opportunity for the G24 to devise strategies to enhance its effectiveness in the global policy making process.
- The G24 is uniquely positioned as it is well represented by all major emerging market developing countries. G24 has a bigger role in international financial inclusion.

#### **2.3 BASIC**

##### 2.3.1 Common stand on Climate Change:

BASIC leaders support for mutual cooperation on several key issues such as global goal and equity, Kyoto Protocol, international assessment and review including comparability and accountability of commitments of Annex-I parties, and international consultations and analysis of developing country actions. Commitment Period

under the Kyoto Protocol is critical to achieving the global goal of ambitious emissions reduction and global peaking of emissions.

### 2.3.2 Financial Support

The effective operationalization of the mechanisms for providing financial and technological support to developing countries is equally critical in enabling them to contribute to global efforts for addressing climate change. BASIC observes that issues like equity, intellectual property rights and trade, which are very important for developing countries, were not adequately addressed in the Cancun Agreements and should form part of the future work of the parties.

### 2.3.3 Technology Mechanism:

The BASIC Ministers noted the success of the creation of a Technology Mechanism at Cancun and felt that the Mechanism should go beyond providing technical assistance and capacity building to enable acceleration of the development and piloting the technologies that are appropriate for the developing countries. BASIC want actions should be taken to address the issue of Intellectual Property Rights (IPRs) and eligibility criteria in order to enhance and accelerate the development and transfer of mitigation and adaptation technologies. There was a direct link between the Technology Mechanism and the Financial Mechanism.

## **2.4 BRICS**

**The BRICS Forum**, an independent international organisation encouraging commercial, political and cultural cooperation between the BRICS nations was formed in 2011. In June 2012, the BRICS nations pledged \$75 billion to boost the lending power of the International Monetary Fund (IMF). After Yekaterinburg summit, the BRIC nations announced the need for a new global reserve currency, which would have to be 'diversified, stable and predictable'. In the latest one, 5th BRICS Summit **eThekwini Declaration** (the African name for Durban) and Action Plan were announced. A number of important steps have been taken such as agreement on Contingent Reserve Pooling arrangements, the announcement on the setting up of a BRICS Development Bank and the setting up of the BRICS Business Council and the BRICS Consortium of Think Tanks.

## **2.5 IBSA**

The objectives of IBSA are

- The IBSA Dialogue Forum aims to promote South-South cooperation and build consensus on issues of international importance such as climate change, Doha Round, reforms in the UN system etc.
- It also aims at increasing the trade opportunities among the three countries and facilitates the exchange of information, technologies and skills to complement each other strengths.
- To explore avenues to promote cooperation in broad range of areas, which include agriculture, climate change/global Warming, culture, defence, education, energy, health, information society, science and technology, social development, trade and investment, tourism and transport etc. are other key objectives.

*(Similarly other multilateral groups can be identified on different areas of interests.)*

## **Q3. Explain India's foreign policy interest in Central Asia.**

### **Answers**

India's foreign policy interests in Central Asia can be analyzed from the Connect Central Asia Policy. This policy is a variant of the foreign policy of India which seeks to engage the Central Asian economies (Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan and Uzbekistan). In June 2012, very first India-Central Asia Dialogue was

organized in Bishkek, the capital of Kyrgyzstan. The central Asia is important element in India's foreign policy because:

- Some of the Central Asian states, Kazakhstan for example, are **proven hydrocarbon reserves** which can pave the way for India's energy requirements.
- Central Asia can offer a space for India's SMEs and MSME's e.g. opportunity for investment in agriculture for India industries and **employment for Indian Diaspora**.
- **Membership** in Shanghai Cooperation Organization (SCO).
- **Market potential** for Indian products and services; tea, pharmaceuticals, food processing, information technology (IT), banking, health, tourism, consumer durables and automobiles industry.
- **Nuclear and Renewable Energy**: Central Asia is rich in nuclear and renewable energy resources. India is having an agreement with **Kazakhstan** on peaceful uses of **nuclear** energy

Other strategic interests are:

### 3.1 Trade

Potential Sectors for Trade between India and CIS countries are:

- Food Sector and Agribusiness: Food Processing, Agro Products, Machinery & Equipment, Packaging, Fertilizers, Irrigation, etc
- Pharmaceuticals & Healthcare: Medicines, Formulations, Medical devices, Hospitals, etc
- ICT: Telecom, Technology parks, e-governance, IT training, Business Processes, etc
- Textiles: Textile Machinery, Readymade garments, etc
- Energy: Power Generation & Transmission, Oil Refining & Petro-Chemicals, Oil & gas exploration

### 3.2 International Transit Agreement

International North South Transport Corridor Agreement (INSTCA) was signed between India, Iran and Russian Federation to facilitate movement of goods via Iran, Caspian Sea and Astrakhan to Russia and adjoining countries of the CIS region. The advantages of this Agreement (INSTCA) are that the agreement provides a shorter route for trade to Iran, Russian Federation and the CIS region. Once made fully operational, transit movement would be shorter and faster. The route is also likely to be cheaper & less time consuming by about 20% as compared to the present route; India's exports get a competitive advantage. Approval of the India's Ministry of Commerce & Industry to the accession of eight countries namely Kazakhstan, Belarus, Bulgaria, Armenia, Azerbaijan, Sultanate of Oman, Tajikistan and Syrian Arab Republic has already been conveyed to India's Ministry of Shipping which is nodal Ministry of Government of India for monitoring the development of the INSTC. The route of INSCTC is already been depicted in fig.-8. Other competitive advantage of this agreement is that India's trade in energy and related products would also get a boost which is important for India's energy security.

### 3.3 Comprehensive Economic Cooperation Agreement (CECA) with select CIS countries:

Recently, CECA between India and the Customs Union of Belarus, Kazakhstan and the Russian Federation were discussed to deepen the economic ties with the key CIS members. Eurasian Economic Commission further conceptualized a Comprehensive Economic Cooperation Agreement (CECA) between India and the Customs Union of Belarus, Kazakhstan and the Russian Federation. BRICS Partnership offers a platform through Russia-India synergy for the Potential of global stewardship. The fourth India-Russia Business Dialogue was organized in the framework of St. Petersburg International Economic Forum (SPIEF) i.e. SPIEF 2013. The Business Dialogue was attended by many prominent Indian as well as Russian companies. Both sides expressed satisfaction in the progress of bilateral trade and economic relations. There is significant potential for cooperation in areas such as infrastructure development, aviation, power generation, energy, information technology, bio and nano technologies, fertilizer, pharmaceuticals and chemicals, etc.

**Q4. Identify strategic partners of India in the Gulf Countries Council (GCC) highlighting their mutual interests with India.**

### Answers

#### 4.1 Saudi Arabia

Saudi Arabia has a unique status and privilege in GCC. The country is the largest oil producer in the OPEC. It controls the supply and pricing of the oil of the world being a member of the organization. India's relations with the country have been marked by mutual trust and reliance in political, economic and cultural areas. Pakistan being a Muslim republic gains natural sympathy of Saudi Arab and therefore at times, the bi-lateral relations have some hiccups over treatment to Pakistan. Inasmuch, this has not a substantial influence on the relations. The year 2006 was a watermark in India's engagement with Saudi Arabia.

King Abdullah visited Delhi and **Delhi Declaration** was signed. Two key issues in the declaration were energy security and terrorism. "Terrorism" was the central agenda of the declaration. The declaration highlighted that terrorism is the scourge of mankind and the urgent need to intensify and coordinate bilateral, regional and global cooperation to eradicate and combat the menace of terror. Commitment was made to extend co-operation in multifarious manners viz. health, research and education, IT, agriculture, sports, pharmaceuticals etc. The visit was reciprocated by the visit of Indian P.M. Dr. Manmohan Singh in 2010. The visit led to the signing of **Riyadh Declaration**, again a watershed moment in the bi-lateral relations. India and Saudi Arabia are amongst top trading and investment partners of each other.

Support to Saudi students to pursue postgraduate and doctorate level studies in technical institutions in India, cooperation in human resources development and ITC are the means through which India has consolidated the ties. Commitments of Saudi Arabia towards India have been time tested. For instance, the Saudi govt. has signed "evergreen long term contracts" with India for uninterrupted supply of oil. These two countries are also have joint ventures between their govt. agencies and companies in various sectors viz. telecommunications, pharmaceuticals, health services, information technology, education, biotechnology, agriculture, construction projects, fertilizer, energy and financial services. Besides these, military partnership between the two shows that the countries are strategic partners of each other also. In the Delhi Declaration, high level military exchanges, joint training of troops in Indian facilities and joint exercises by the navy in the Red Sea and in the Persian Gulf were also agreed.

The returns expected from the budding ties are: observer status in Organization of Islamic Conference (OIC). OIC can offer India a platform to have a better understanding and support of Islamic countries at other multilateral forums like U.N., African Union etc. of which Islamic states forms a significant proportion. Support of Saudi Arabia and Iran can help India to overcome Pakistan hurdle in the membership of the OIC.

India's look west policy gives an emphasis on West Asia and the major allies in the region, Saudi Arabia, Iran, UAE etc. Continuously changing international scenario and mutuality in interests have brought India closer to the GCC which is reflected from India's share of trade and other strategic partnership with major countries of the region. With a few of the countries, bi-lateral commitments have been time testing and infallible. India's relations with the region are historical.

India's look west policy has faced need of a shift in perspective during last decade. For example US pressure and her support to war (with Iraq), US backed U.N. sanctions on Iran, and Euro-Dollar crisis etc. are some of the tests of the policy. Nevertheless, India has overcome all these hurdles to testify her commitments for the region.

#### 4.2 United Arab Emirates (UAE)

In West Asia, UAE is the largest trading partner of India. Both countries offer each other a potential of emerging markets, trade and investment for example in Sharjah Airport International Free (SAIF) zone alone over 49% of the companies are from India and in the Fujairah Free Trade Zone, over 61%. Agreement for Defence cooperation was also signed between the two in 2003, mainly for supply of defence equipments. There are

opportunities for increased investments from UAE in India in infrastructure sector such as power and utilities, roads and highways, ports, aviation, telecommunications and urban infrastructure. India is committed to strengthening and expanding cooperation with UAE in other sectors such as construction, downstream products in the petroleum and natural gas sector, agriculture and food processing, science & technology, renewable energy, IT, education, training, health and financial services. Indian companies are expanding their business in UAE in energy intensive manufacturing, infrastructure, services, tourism and hospitality, pharmaceuticals and healthcare, financial services, agro-based value chain and education.

#### 4.3 Kuwait

With Kuwait, India's relations have been peaceful. The incidents of Iraq attack on Kuwait and demolition of Babri Masjid were the nadir of bi-lateral engagement. India's major contribution to Kuwait goes to science and technology, information technology and biotechnology sectors, health care, hospitality, pharmaceuticals, education, power sector in Kuwait. India and Kuwait are putting an endeavor to finalize Joint Venture Projects in oil & Gas Sector. India's petro-chemical projects at Dahej, Mangalore and Paradeep offer possibilities for Kuwaiti companies to pick up stakes for mutually beneficial cooperation. Similarly Indian companies are keen to participate and invest in various projects in Kuwait's E&P, refinery or Petro-Chemical sectors. Kuwait is an important partner in India's quest for energy security, annually providing 10-11% of India's crude oil imports. Major items exported from are iron or steel, nuclear reactors, boilers, machinery and mechanical appliances; parts thereof, cereals, meat and edible meat offal, electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers and parts. Major items (other than Petroleum & its products) imported by India are mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, organic chemicals, plastic and articles thereof, iron and steel, aluminium and articles thereof.

#### 4.4 Oman

India and Oman are linked by geography, history and culture. India's relation with Oman goes back to Indus Valley Civilization and then after medieval times; the evidences of Indo-Oman bi-lateral trade can be traced. Indian expatriates comprise the largest share of the external community in the country. Oman is a strategic partner in the Gulf and an important interlocutor in the bilateral, GCC and OIC contexts. Oman also accords a high priority to its ties with India. Both countries enjoy warm and cordial relations, which can be ascribed to historical maritime trade linkages, intimacy of the royal family with India and the seminal role of the Indian expatriate community in the building of Oman, which is acknowledged by the Omani Government. Key areas of bilateral cooperation are agriculture, health care, infrastructure, tourism, chemicals & fertilizers, education, oil & gas, power and mining. Annual **Strategic Consultative Group Meetings** started at the Secretary -level in 2003 to provide a forum for open and frank exchange of views on bilateral, regional and international issues.

The 9<sup>th</sup> meeting of IOSCG was held in Muscat on December 2, 2012. Under the ITEC program, during the year 2011-12 India provided 85 slots for Omani nationals to avail of training facilities in diverse areas. The slots for the year 2012-13 have been raised to 125. Major items of Indian exports are textiles and garments, machinery and equipment, electrical and electronic items, chemicals, iron and steel products in addition to traditional items like tea, coffee, spices, rice and meat products and seafood. Major Omani export commodities are urea, LNG (through spot purchase), polypropylene, lubricating oil, dates and chromite ore. There is prominent Indian presence in various sectors like oil & gas, mining, manufacturing, IT & telecom, power & water, construction, real estate & consultancy, healthcare, warehousing & logistics, railway sector and steel etc. Omani Companies in India are present in diverse areas like oil & gas, manufacturing,

#### 4.5 Bahrain

India signed an Agreement with the Government of the Kingdom of Bahrain for the Exchange of Information with respect to taxes (TIEA) in 2012. The Agreement is based on international standards of transparency and exchange of information. It incorporates provisions for effective exchange of information including banking information between tax authorities of the two countries. It has been provided that the Exchange of Information would be on request and without regard to the domestic interest. The Agreement is aimed to enhance mutual co-operation between the two countries by having effective exchange of information in tax matters. Bahrain is looking at India in a 'big way' and Kerala as a gateway. The two nations share 'strong' business relations. Bahrain hosts more than 120 Indian firms and Indian nationals are the largest expatriate community in the kingdom. 30 per cent of the population in Bahrain is from India. Bahrain's low cost of doing business, skilled local workforce and access to GCC market mean it can provide an excellent location from which Indian industries can access the fast growing Gulf market, worth well over a trillion dollars. The Gulf, India and Far East are regions where the opportunities exist. Total trade between Bahrain and India was 1.5 billion in 2012 and the country expects a 3-4 per cent growth in 2013. Bahrain is the most diversified economy suits to India's exports to the country.

#### 4.6 Qatar

India's bilateral trade with Qatar increased from \$1.2 billion in 2005 to \$14 billion in 2012. Bilateral trade between the two countries has been steadily increasing, crossing \$ 13.7 billion in 2011-12. Indian exports to Qatar posted a very little increase during this period; there was a massive jump in exports from Qatar to India. There are immense scopes for India in the Qatars' market. This may also help to improve this trade imbalance. Major items of Indian exports to Qatar are machinery and equipment, transport equipment, textiles, food products, ores and minerals. Other items plywoods, books, computer stationery, paper products, granite, tissues can also be exported from India to Qatar. The potential for India's SMEs need to be explored for further trade promotion.

### Part 3: India's Immediate Neighbourhood

#### Q1. Discuss India's disputes with key neighbouring states and implications.

##### Answers

###### 1.1 India's disputes with Pakistan

###### (i) Terrorism

Terrorism remains a central issue in India's relationship with Pakistan. India has repeatedly discussed the issue of Pakistan sponsored terrorism with Pakistan's top officials. Pakistan has made Pakistan Occupied Kashmir(POK) a base camp to launch the terrorist activities against India. Pakistan has been a safe heaven for terrorist who are launching anti-India militant operations. Militant organizations such as Lashkar-e- Taiba (LeT), Jamaatud-Dawaa (JuD), Jaish-i-Mohammadand, and Al-Kayda etc. are having their centers in Pakistan. India has been asking Pakistan to declare these organizations militant organizations and ban them.

###### (ii) Narcotics and Organized Crime

Narcotics and organized crime across border has increased continuously. India has been facing the issue of drug trafficking from Pakistan border areas for last three decades. Most of the illegal drugs from Pakistan percolate in Indian territory via Nepal and Bhutan; with these countries India have porous borders. In 2011, Director Generals of Narcotics Control Bureau of India and the Anti-Narcotics Force of Pakistan signed a Memorandum of Understanding on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics Drugs, Psychotropic

Substances and Precursor Chemicals and related matters for enhancing mutual cooperation through effective and sustained steps to control the growing menace of drug trafficking.

### (iii) Cross border insurgency

Pakistan-based anti-India militant groups operating from Pakistan Occupied Kashmir (POK) have been major drive for the insurgency in Kashmir. These organizations are even supported by the Pakistani intelligence agency Inter Service Intelligence (ISI). India and Pakistan signed ceasefire agreement on **November 26, 2003**. Despite that, there has been an alarming increase in the number of incidents of ceasefire violations by the Pakistan across the LoC. Many a times, Pakistani troops are also involved in unprovoked fire on Indian territory.

### (iv) Humanitarian issues

India has been consistently emphasizing Pakistan the issue concerning Indian prisoners, including fishermen in Pakistani jails. The concerned authorities of both the countries have been working to implement the humanitarian understanding. As an effort of this, both countries have decided to release fishermen and other prisoners. Both the countries have also decided to take steps for humane treatment and expeditious release of prisoners of each country in the others' jail. Women, elderly, juvenile, and ill or those suffering from serious illness or physical and mental disability have been given the top priority on humanitarian ground.

### (v) Separatism in Pakistan

Pakistan has some accusations on India in inciting anti-Pakistan sentiments in her territory. Pakistan blames India to support Sind and Baluchistan resurgence for independence. Paksitan's stand on rising issue of separatism is that the links of Indian agencies with separatist forces in these areas exciting the **Baloch Nationalist Movement**. In NAM, 2009 summit at Sharm el-Sheikh, Pakistan PM included the Baloch agenda along with Kashmir problems in the sideline meeting with Indian P.M. This is a propaganda of Pakistan to assert the Kashmir issue; also the Blaoch issue gives a counter weight to Pakistan in answering India's allegations that Pakistani intelligence agencies have been involved with anti-India agencies in North-East of India.

### (vi) The Kashmir Factor in India-Pakistan relations:

Hindu Maharaja Hari Singh of Kashmir signed the Instrument of Accession in the wake of Pakistan attack in 1947. Pakistan doesn't accept the instrument on the argument that it was forced by India and doesn't represent the natural will of the Muslim majority of the state. The Pakistan war on Kashmir continued till 1948 and finally India raised the issue in U.N. Security Council. The U.N. intervention resulted in the demarcation of U.N. cease fire line in 1949. U.N. also offered the plebiscite of the domestic populace as a methodology to gauge the inclination of domestic populace of Kashmir. The idea did not suit to Pakistan. Kashmir is a prominent issue in foreign policy of both India and Pakistan.

### (vii) Nuclear Proliferation

Both India and Pakistan are indulged in a nuclear race. Inspite of some agreements to reduce the nuclear weapons and not to use the same against each other, both the countries have not stopped replenishment of nuclear arsenal. Till, now India and Pakistan have showed a convincing record of using nuclear energy for peaceful purposes; but nuclear tests have been carried by them in the past. India carried nuclear tests in 1974 and 1998. Pakistan carried out nuclear tests at Chaghai Hills in Baluchistan in 1998. These nuclear tests were a befitting reply to India's 1998 nuclear test in the Pokhran. China is a major inspiration to Pakistan's nuclear aspirations, of which India is afraid that it may pass to anti-India agencies (Taliban) and may be used against India.

### (viii) Boundary disputes

The boundary related issues between India and Pakistan are the offerings of British colonial legacy. Pakistan and China's claim over the disputed Indian territories are basically duo to fungibility of the **Curzon and the McMahon** lines. Between India and Pakistan, Sir Creek, Kori Creek and Siachen Glacier are prominent boundary disputes. In Nov. 2012, the issue related to Siachen Glacier echoed in bi-lateral relations. Pakistan wants to retain **Saltoro**

**Ridge**, the lower side of the Siachin. Siachin is of immense geo-strategic advantage to both the countries. In fact this region is at the top agenda of Pakistan's foreign policy when it comes to boundary disputes.

#### **(ix) Indus Water Dispute**

Water sharing of Indus River is one of the many other core issues. The World Bank mediated Indus Water Treaty was signed between the two in 1960. The treaty provides Pakistan has exclusive use of the **Western Rivers** (Indus, Jhelum and Chenab) and India the exclusive rights over the **Easter Rivers** (Satluj, Beas and Ravi). 80 per cent flows through the Western Rivers and only 20 per cent through the Eastern River, Pakistan gets over 4/5th of the Indus basin water. Despite the treaty being in favour of Pakistan, Pakistan has apprehensions that India may push Pakistan in indefinite draught by stopping the supply of Indus water. Most of the basin of the river is under Indian territory and India controls most of its water supplies.

### **1.2 India's disputes with Bangladesh**

#### **(i) Illegal migration and Insurgency**

Bangladeshi migrants illegally cross Indian borders in search of job and livelihood. Other reason of migration may be population pressure of Bangladesh and scarcity of essential sources for livelihood etc. Their number is huge, there are more than 35 million illegal Bangladeshi migrants in India and more than 20 million of them are residing in India. The problem of illegal migration can not be deal by India with strict measures as most of the migrants are poor and the issue is sensitive. The problem is acute in North-Eastern states, particularly in Assam, Tripura and Meghalaya which has led a demographic change in ethnic composition to an extent.

#### **(ii) Border Demarcation**

Incidents of regular Illegal trade, informal economic activities, drug trafficking and smuggling have increased across the border. India's armed forces have sometimes indulged in dealing with the illegal migrants dealing in such activities strictly which as created propaganda of human right violation by Indian forces for Bangladesh. The lack of clarity of border demarcation has led the increase in criminal activities across the border.

Demarcation of 6.5 km stretch along the India-Bangladesh border and transfer of 162 enclaves (such as Tin Bigha Corrido) are the long standing boundary disputes between the two countries. Joint Boundary Working Group (JBWG) was created to conceptualize mutually acceptable solution to the boundary issues.

#### **(iii) Water issues**

There are around 54 rivers that flow across the boundaries of two countries. Bangladesh has been alleging India of unfair use of water resources of these rivers to her own unilateral advantage. The construction Farrakka Barrage in West Bengal by India may divert most of the water of Farrakka River to Hugli River which is criticized by Bangladesh as an illegal way of water dividing. Attempts have been made by both sides to resolve the issue by signing of a 30-year water-sharing agreement for the Ganges.

#### **(iv) Economic and Trade related Issues**

The trade between India's northeast states and Bangladesh takes mainly through informal channels and in illegal manner. The quantum of the informal trade and economic activities is measured to be at least three-fourth of the trade through formal channels. India has put proposals for curbing the illegal trade by creating transit and shipment from North-East states to mainland Bangladesh. As the volume of informal and illegal trade is huge; India is upgrading the existing land customs stations into Integrated Check Posts (ICP) and new land customs station (LCS) in areas such as Fulbari, Akoura etc. with a view to increase the extent of trade though formal channels in bilateral trade.

## (v) Regional Connectivity

Both countries have an opportunity to give new dimensions to bi-lateral trade and investment by enhancing connectivity through waterways, roadways railways and shipments. For example, linking **Chittagong Port with Agartala** would open new avenues for trade for India not only with Bangladesh but also with South East Asian countries. Insufficient connectivity has also limited people-to-people contact and exchange of media, journalists, administrators, students and local people. **Railway links** from Agartala (India) to Akhaura(Bangladesh), Rohanpur-Singala and Holdibari- Jhilaihati can reduce the distance dramatically.

## (vi) Maritime Boundary Issue

Demarcation of maritime boundary is another major challenge between India and Bangladesh. Ambiguity in marking the limits of territorial waters, the exclusive economic zone and continental shelves are essential for the exploitation of **marine resources**. Both the countries have raised the maritime boundary dispute in UN in 2009. Setting the maritime boundary has repercussions on the maritime boundary of other countries in the vicinity. India and Bangladesh have **around 18 blocks** with overlapping continental shelves which are estimated to have **oil and gas reserves**. Both the countries don't want to forgo the opportunity of geo-economic advantage.

## (vii) Transit and Transshipment Rights

Bangladesh has not given full transit rights to India for trade and economic matters. Under the Protocol on Inland Water Transit and Trade (PIWTT) between the two countries, India has only limited access to Bangladesh's transport media. The transport of goods from Northeastern states of India to the mainland of Bangladesh takes via Assam and West Bengal while here are other possible short routes exists. India has been asking Bangladesh for open transit for trade and economic activities for which India is willing to offer concessions to Bangladesh in other areas viz. power, credit lines and aid etc.

## 1.3 India's disputes with China

### 1.3.1 Boundary Dispute

China has been asserting its territorial rights over some of the Indian geographic area. Aksai Chin ,disputed areas located between Aksai Chin and Nepal, Trans-Karakoram Tract, Arunachal Pradesh, Depsang Plains are the areas claimed by China. **Most recently:** China intruded 20 km inside the Indian territory of **Daulat Beg Oldi in Eastern Ladakh**. China has constructed a road upto Finger-IV area which is under Siri Jap area, five km deep into the LAC; the Chinese army even prevented the Indian Army's routine patrol activities near LAC.

### 1.3.2 Tibet Factor

Tibet is one of the core issues in Indo-Sino relations. In-fact, the Mao regime admitted that 1962 Chinese attack on India was not on boundary issues but on India's covert support to the Tibetan religious leader Dalai Lama and Tibetan refugees. China has also accused India of supporting Tibetan in these revolutionary activities for independence, rising self immolation and inciting Tibetans against China. India's asylum to Dalai Lama is sorest issue that irks the Chinese more often.

### 1.3.3 Pakistan Pivot

China's all weather friendship with Pakistan has been a surge of concern for India. China is setting up military bases in POK, constructing rail links from Xinjian(China) to Kashgar( Pakistan) to get access to Gwadar port in Pakistan. The link passes through POK. Besides this, China is engaged in facilitating Nuclear power projects of Pakistan. India is afraid that the **Nuclear power may pass to anti-India elements**; and may be used against India.

### 1.3.4 South China Sea

China claims the sovereign rights over South China Sea. The ambiguity in Law of the Sea is the reason of which China is taking un-due advantage. The sea is considered a reservoir for energy and other resources. India in

sponsorship with Vietnam and Myanmar has been engaged in energy exploration activities in the sea. China has given overt warning to India to disband all commercial activities and presence in the South China Sea. If India bows to Chinese threat, India's energy security may be endangered.

### 1.3.5 String of the Pearls

String of the Pearls is the pseudonym used for China's infrastructure ventures in Bangladesh, Pakistan and Sri Lanka. **Chittagong** (Bangladesh), **Hambantota** (Sri Lanka), **Gwadar** (Pakistan) are the ports getting a facelift with Chinese assistance. Scholars in the field of international relations have examined that through these ports China may encircle India and make her a surrogate power which may be detrimental to India's trade in short term and security in long-term.

### 1.3.6 Resource Scarcity

Both India and China are among the world's largest and fastest growing economic powers. In order to maintain the growth momentum, both are under severe pressure of resources. India-China dispute over sharing of Brahmaputra river water emanates due to control scarce water resources. China's construction of dam in Tibet on the river Yarlung Tsangpo (Brahmaputra in Tibet) may lead to water scarcity in India. Major Himalayan Rivers have origin in Tibetan glaciers, such activities of China, if not controlled, may throw India in indefinite draught conditions.

## Q2.What are policy interests of Himalayan states with India?

### Answer

#### 2.1 Nepal's policy interests with India

##### (a) Re-negotiation 1950 Treaty

Nepal has been continuously pressing India to re-negotiate 1950 Treaty for peace and friendship. The treaty encourages free movement of people, goods and a close relationship and collaboration on matters of defence and foreign affairs. Under the obligation of the treaty two countries agreed mutually to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other. With the rise of communism in Nepal with China's backing, Nepal started considering the treaty an encroachment of its sovereignty and an unwanted extension of Indian influence.

##### (b) Economy and Trade

Nepal's economy is basically driven by Indian economic growth. Nepal is a poor and under developed country with 55 per cent of the people living below poverty and per capita income is around \$500. Nepal's GDP growth is 3.5 % on average. India has given Nepal a preferential trade opportunity. Bilateral Investment Promotion and Protection Agreement (BIPPA) and Double Taxation Avoidance Agreement (DTAA) are signed between the two. Both the countries provide freedom of people-to-people contact, provisions for citizenship and visa free entry into each others' territory which is unique to the bi-lateral relations.

##### (c) Governance in Nepal

India is playing a vital role in establishing democracy in Nepal. A historic **Comprehensive Peace Agreement** political stabilization in Nepal through peaceful reconciliation and inclusive democratic processes was signed in 2006. Under the agreement, India supports Nepal in the peace process and institutionalization of multi-party democracy through assistance in framing of a new Constitution by a newly elected Constituent Assembly. First democratic government was elected in the same year under the leadership of Pachanta as P.M. Right after the formation of new govt. He visited India and further tried to consolidate the relations. Newly elected govt. in 2011 Baburam Bhattarai has also shown a pro-India attitude and willingness to take India-Nepal relations to new heights.

#### (d) Hydel Projects:

There are three agreements between Nepal and India on river water management, Kosi Agreement, the Gandak Treaty and the Mahakali Treaty. The potential of electricity generation through these rivers is enormous. Hydroelectric projects are conceptualized for mutual benefit. Nepal has hydropower potential of 45,000 MWs. The political instability in Nepal has endangered the scope of progress in these projects. Despite India's being net hydro – electricity importer to these countries, there is no step taken forward which irks India.

#### (e) Madhesi Movement

Upper-caste Pahadi migrant communities show their affiliations to the monarchy. Their pursuance for **Madhesi identity** is creating a perplexity for India's security and economic interests in Nepal. The growing Madhesi movement has been backing the Maoist insurgency which is a constraint to peace building measures by the domestic political parties. The Madhesi accuses the Nepalese govt. of economic discrimination, disproportionate electoral representation and under-representation in the government, army, police and civil society organizations. Madhesi grievances are a major reason of kidnapping for ransom, extortion and killing of political leaders.

#### (f) Cross border insurgency

Under the Maoist regime of Parchanda there has been a start of anti-India sentiment in the nation. Apart from China, Nepal has also shown an attitudinal change in favour of ties with Pakistan which clearly indicates the pro-Pakistan and anti-India behavior. Nepal's role in providing safe heavens to Pakistani militant organizations to encourage insurgency in India, infiltration of arms, and drug trafficking has been major blow to the bilateral relations. Anti-national groups in India's territory ULFA, Naxalites are getting military and financial support from Nepal and Pakistan.

### 2.1 Bhutan's policy interests with India

#### (i) Hydel Projects

Bhutan's potential of hydro-electricity is one of the most important elements in India-Bhutan relations. India is pioneer in establishing large scale hydro power projects in India. Very first, Chukha Hydel Project was established in Bhutan under Jaldhaka agreement in 1961. India and Bhutan have identified 10 hydropower projects with a total capacity of 11,576 MW by 2020 in Bhutan to be developed in joint cooperation. Punasangchhu-I (1200 MW), Punasangchhu-II (1200MW) and Sankosh (4000MW) are some of the valuable hydel projects under consideration between the two countries.

#### (ii) Educational and Cultural Cooperation

India shares her technical expertise and services with Bhutan in various fields. Government of India offers scholarships to Bhutanese students at undergraduate and postgraduate programs in Indian Institutions. More than 1000 Bhutanese students are studying in India. The ITEC program and the Technical Cooperation Scheme (TCS) of the Colombo Plan are the two modalities of India's **Educational and Cultural Cooperation**. Ambassador's scholarships are granted to deserving students for studies in India.

#### (iii) Governance

There is a regular exchange of visits between the Chief Election Commissioners of the two countries for sharing their experiences of good governance for democracy. Top administrators from Bhutan have visited India to have a hand on experience of Indian democratic system. India has organized training program for media and journalists of Bhutan. Bhutanese Parliamentarians are also trained by the Bureau of Parliamentary Studies and Training (BPST) in the Indian Parliament. BPST has also organized Orientation Programs for Members of the Bhutanese Parliament. In addition to all this, India has also helped Bhutan in building public infrastructure.

#### **(iv) Fiscal consolidation**

Poor fiscal policies and mismanagement of economic affairs in Bhutan have created a dilemma in front of domestic economy. Bhutan on his part blames on excessive economic dependence on India. Over-dependence of the Bhutanese economy on imports from India has kept agriculture, Small scale sector, and allied industries under developed. Bhutan spends a lot of money (which basically comes from India's economic aid) on agricultural imports, which comprised meat items, dairy products, coffee, tea, rice, edible oil and sugar. All these can be domestically produced. Therefore, the excessive reliance has created a problem of unemployment also. There are other associated problems with poor fiscal policy: balance of payments, demand and supply side constraints, lack of public expenditure for health, education etc. Therefore, it is detrimental to Bhutan's sustainable growth.

#### **(v) Security across border**

Security across border has taken a centre stage in India and Bhutan bi-lateral relations. As stated above, China has notorious record of incursions in the territories of India and Bhutan. There have been occasional incidents of blasts in Bhutan, activity of insurgent groups across the India-Bhutan border is increasing. Indian intelligence agencies investigated **Paresh Barua** of the United Liberation Front of Assam(ULFA) is operating from bases in Bhutan.

#### **(vi) Democracy**

Although Bhutan is still having monarchy, at the same time, there has been attempt for democracy as a parallel system of governance. In-fact the monarchy in Bhutan has taken to implement measures for democratization of the governance. In the wake of contemporary challenges, it is general feeling in Bhutan that democracy may take Bhutan to the path of progress. Bhutan's experience in democracy is quite a new phenomenon. The constitution was enacted on July 18, 2008 by the first democratically elected government. Now, there is multi-party democracy and a national assembly in Bhutan. In 2011 general elections government had been democratically elected by 2011

### **Q3. Analyze India's water disputes with neighboring states.**

#### **Answer**

##### **3.1 Indus Water Dispute with Pakistan**

Water sharing of Indus River is one of the many other core issues. The World Bank mediated Indus Water Treaty was signed between the two in 1960. The treaty provides Pakistan has exclusive use of the **Western Rivers** (Indus, Jhelum and Chenab) and India the exclusive rights over the **Easter Rivers** ( Satluj, Beas and Ravi). 80 per cent flows through the Western Rivers and only 20 per cent through the Eastern River, Pakistan gets over 4/5th of the Indus basin water. Despite the treaty being in favour of Pakistan, Pakistan has apprehensions that India may push Pakistan in indefinite draught by stopping the supply of Indus water. Most of the basin of the river is under Indian territory and India controls most of its water supplies.

Under the obligation of the treaty, the countries have agreed to exchange data and co-operate in other matters related to the treaty through Permanent Indus Commission. The Indus water dispute also has its origin in British colonial legacy. Pakistan doesn't accept the partition of India as a method of dividing the river water as most of the river water came under India's territory. Pakistan has even sought the arbitration by International Court of Justice which India declines as the matter is bi-lateral in nature. Pakistan also wants to involve US and other international players in resolution of the dispute.

In 2009, Pakistani P.M. Zardari highlighted the dispute as following:

*"The water crisis in Pakistan is directly linked to relations with India. Resolution could prevent an environmental catastrophe in South Asia, but failure to do so could fuel the fires of discontent that lead to extremism and terrorism."*

Baglihar project (on Chenab) and Kishan Ganga Project (on Neelum River) in Kashmir have also been the bone of contention. There has been continuous warning from Pakistan that if dispute related to Indus water treaty is not resolved in near future it may lead to increase in conflict in the form of extremism and terrorism against India.

### 3.2 Water disputes with Bangladesh

There are around 54 rivers that flow across the boundaries of two countries. Bangladesh has been alleging India of unfair use of water resources of these rivers to her own unilateral advantage. The construction of Farrakka Barrage in West Bengal by India may divert most of the water of Farrakka River to Hugli River which is criticized by Bangladesh as an illegal way of water dividing. Attempts have been made by both sides to resolve the issue by signing of a 30-year water-sharing agreement for the Ganges. Right after the agreement, India started interlinking of major rivers across the border which has further given a jolt to economic and environmental considerations of Bangladesh. Till now, India and Bangladesh have no agreement related to sharing of Ganga river's water. Water scarcity is a challenge to both the countries; while most of India's eastern states suffer from draught like situation every year; the livelihood of majority of Bangladesh population depends on the water resources of these rivers. Teesta water sharing agreement is another deadlock. West Bengal (Paschimbanga) doesn't want the central government of India to offer Bangladesh major concessions ignoring state interests. This has created a situation for India that requires a choice between options that must seem equally favorable to both domestic and international interests; which is not easy. The unyielding attitude of West Bengal govt. is jeopardizing the bi-lateral relations.

## Q4. Examine the contours of India's engagement with the key regional organizations.

### Answer

#### 4.1 India and SAARC

Major areas of interests:

##### 4.1.1 Trade and Economy

In the recent years, the geographical proximity and economic growth of India have translated into growth of India's investment and interaction with all SAARC member countries. India's relations with other countries stand on their own footing. Disruptions in regional connectivity due to political agitations such as hartals in Bangladesh had impact on movement of goods across some Land Customs Stations. Transport disruptions were also reported throughout the region with varying effect depending on the locations across India's border.

##### 4.1.2 Energy Cooperation

India has taken forward the initiative of setting up of Climate Innovation Centres in South Asia to develop sustainable energy technologies based on indigenous resource endowments. SAARC also have a vast potential for the renewable energy front. India has expressed its willingness to share its best practices and energy efficiency programmes with the member countries. India offers to share its experience in managing best practices in renewable energy standards such as "Perform-Achieve-Trade" (PAT) Scheme under the National Mission on Enhanced Energy Efficiency (NMEEE) for energy intensive sectors in India.

##### 4.1.3 Technology

SAARC is emerging as the hub of technological innovations at grass root levels. The manner in which the region is able to harness technology for development is crucial for effecting in the livelihood of the disadvantaged people

in the region. Initiatives such as tele-medicine and tele-education are already having a profound effect on the life of people. There is much that SARRC members can do together and learn from the experiences of one another in all these areas. Health and human resource development are perhaps the most compelling of the areas that impact on the socio-economic development.

#### **4.1.4 Terrorism and insurgency**

Terrorism and insurgency across Indian borders is a routine problem faced by India. High level meetings of Group of Eminent Experts from SAARC countries to strengthen Anti-Terror Mechanism have been carried to deal with such problems. SAARC Terrorist Offences Monitoring Desk (STOMD) and the SAARC Drug Offences Monitoring Desk (SDOMD) are suitable platform to review the enabling legislation on SAARC Regional Convention on Suppression of Terrorism.

#### **4.1.5 Climate Change**

India has been supporting SAARC Forestry Centre (Thimphu) and SAARC Coastal Management Centre (Male) through grant-in-aids for cooperation in environment and specific joint actions to further strengthen environmental governance, biodiversity conservation and climate change cooperation. India has also been providing projects related expertise on biodiversity, solid waste management, training and capacity building programme for zoos of SAARC countries; establishment of weather stations for advance storm warning systems in SAARC Member. SAARC Countries regularly coordinate their position on climate change as members of the Group of 77 + China.

#### **4.1.6 Intra-regional connectivity**

For enhancing intra regional connectivity, a SAARC Motor Vehicle Agreement is drafted to strengthen the ties and promote multilateralism among member nations. The Sixteenth SAARC Summit in Thimphu, endorsed the recommendation to declare 2010-20 as the "Decade of Intra-regional Connectivity in SAARC". Members agreed on the need to expedite negotiations with a view to finalize the agreements on Motor Vehicles and Railways. Referring to positive response to the initiative received from all member states, India expressed hope to fulfill the Thimpu recommendation. SAARC economies are developing and roads propel the engine of growth.

### **4.2 India and ASEAN**

#### **4.2.1 Market Integration**

The very first step in facilitating trade in ASEAN or anywhere else is establishing a successful custom union. Then after, economic integration can be realized in full swing. India is having FTAs with ASEAN and with some of the largest ASEAN economies e.g. Malaysia, Singapore and Thailand. With a long phase for harmonization, benefits of the welfare appears to be negative for India; notwithstanding, the ASEAN economies are also not able to reap the advantage to the expected degree. India's trade with ASEAN has been over USD 80 bn for the current year; India's export has been on the rise.

#### **4.2.2 Regional Connectivity**

The ASEAN Travel & Tourism Competitiveness Report 2012 of WEF). Recently, India and ASEAN have agreed for a ASEAN-India plan of action of \$70 million projects being processed to enhance people to people contacts, institutional exchanges and regional under which India-Myanmar-Laos-Vietnam-Cambodia highway and India-Myanmar- Thailand Trilateral Highway are proposed. Indian ports on Eastern cost ( Ennore, Chennai and Vishakhapatnam ) can offer backyard space to congested ports of Thailand and Singapore and help resolving bottlenecks in streamlining trade logistics. If realized in near future, the highways must open the avenues for trade growth, checking the corridors of international terrorism, drug trafficking, maritime crime at the same time. The partners would also be able to address climate change, disaster management, and food and energy security.

#### 4.2.3 Regional Peace and Security

World's 60 % of trade takes place in Asian sub-continent. Threat to regional peace and security emanates from qualms and mis-calculation of accepted practices by nation-states. ASEAN states, including India are weary of any next step taken by China in the region. In toto, that's a reality that China is marked with habit of causing collateral damage. Nevertheless, China is equally dependent on rest of the world in general and on ASEAN in particular. The possibility of China's taking intrusive and hostile bid on ASEAN states is grim and self-defeating. Therefore, the ASEAN states can see themselves at par with China.

#### 4.2.4 Trade

As seen from the table given below, the India-ASEAN trade has grown from 18113.71 in 2009-10 to 62524.81 in the current year. The priority areas and sectors identified by the Government for expanding trade and economic cooperation with the ASEAN countries include Machinery & Machine parts, Transport Equipments, Petroleum and Petroleum Products, Electronic Goods, Agro Industries, Gems & Jewellery, Steel & Steel products, Oil Cake, Wheat, Meat & Meat Products, Automobiles & Auto Components, Chemicals, Synthetic Textile, Drugs & Pharmaceuticals etc.

### 4.2 India and BIMSTEC

#### 4.3.1 Trade and Economy prospects

India should take lead and provide a new meaning to the BIMSTEC engagement that has the potential to generate trade worth 75 billion dollars if the BIMSTEC free trade agreement becomes a reality. BIMSTEC countries together comprise 21 per cent of the world population, a GDP of 750 billion dollars and a considerable amount of complementarities for unleashing potential of the economic activities. Trade negotiating committee of the BIMSTEC has instrumental role to play in these areas.

#### 4.3.2 Strengthening multilateralism

BIMSTEC also provides India a scope of strengthening strategic cooperation with the other five members from the SAARC (South Asian Association for Regional Cooperation) and two members from the ASEAN (Association of South East Asian Nations) which are common with BIMSTEC. BIMSTEC is emerging as a significant trade bloc in Asia-Pacific. BIMSTEC's intra-regional trade potential is significantly higher than many other economic groupings in Asia-Pacific region. BIMSTEC is also a connecting link between South and South-East Asia.

#### 4.3.3 Strategic significance

The Bay of Bengal covers north-eastern part of the Indian Ocean in a triangle shape bordered by India, Sri Lanka, Bhutan, Bangladesh, Myanmar, Thailand, Malaysia and Indonesia. The geographical proximity, transshipment and transition of goods through the bay across these countries can help in achieving larger economies of scale in production, attain specialization, increase competitiveness, diversify export basket and make use of under-utilized economic potential in terms of human, technological and natural resources.

#### 4.3.4 North East of India and BIMSTEC

BIMSTEC regional connectivity offers a unique geo strategic advantage to India in connecting the historic **Stilwell Road** to the North-east and the neighbouring countries in South Asia and Southeast Asia. Increased connectivity between South Asia and Southeast Asia through highways and railways can unlock the full benefits of closer economic ties between the two sub-regions. This in turn can help the BIMSTEC countries in rebalancing and restructuring the regional markets and the disparities. Asian Development Bank and United National Economic and Social Commission for Asia and Pacific have conducted feasibility studies on Trans Asia highways and railways network in which BIMSTEC has a significant role and contribution.

#### **4.3.5 Trans BIMSTEC Energy Corridors**

BIMSTEC Trans Power Exchange and Development Project were led by Thailand MOU for grid interconnections with in BIMSTEC for flow of electricity on a non-discriminatory. Trans BIMSTEC Gas Pipeline(s) was suggested by all member countries for cooperation in energy sector. Petroleum Reserves in BIMSTEC Region can help India to meet energy security and developing joint hydro projects. BIMSTEC member are also exploring the potential of renewable sources of energy such as solar energy through developing systems/devices, standards, testing and harmonization of standards for various non-conventional energy sources.

### **4.4 MEKONG GANGA COOPERATION**

India hosted the 6th MGC Ministerial Meeting on September 4, 2012, in New Delhi. In addition to the existing 4 areas of collaboration under MGC, certain new areas were identified at this meeting for forging cooperation. These include health research relevant to the region and sharing of expertise on pandemic management, bringing together the complementarities that exist in the SME sector in India and the Mekong States, aspects related to food security and preserving the rich bio-diversity of our region. India's initiative in Setting up of the Traditional Asian Textiles Museum at Siem Reap, Cambodia was highly appreciated. India announced a commitment of USD 1 million annually for the India-CLMV Quick Impact Projects Revolving Fund. This fund would be for short gestation projects that could directly benefit local communities, with results that are immediate and visible. These additional elements were seen as a clear reiteration of members' commitment towards the MGC.

#### **4.4.1 Look East Policy and MGC**

The Mekong-Ganga Cooperation (MGC) brings together India and five ASEAN countries and was launched in 2000. MGC initiative is a vehicle for 'soft diplomacy' in countries that have had considerable cultural influence from India. Both the Ganga and the Mekong are ancient rivers and the MGC initiative is indicative of the cultural and commercial linkages between the member countries of the MGC down the centuries. MGC has identified tourism, culture, education and transport & communication as priority areas of cooperation. Six meetings of the MGC have been held so far. India through initiatives under the Look East Policy is striving to attract optimum investments from the neighbouring countries to the North Eastern Region, which will be visible in the long run. To actualize the dreams enunciated in the NER Vision 2020, the Ministry of Development of North-Eastern Region has constituted 17 Thematic Working Groups which are headed by officials of the line Ministries and also includes representatives of State Governments of the North-Eastern States, various other organizations and eminent experts. These Thematic Working Groups have been constituted on various sectors which include Look East Policy, Industry, Connectivity (major roads), Connectivity (inland waterways), Connectivity (air), Connectivity (railways), Connectivity (rural roads), Financial Services, Panchayati Raj & Local Self Government, Poverty Eradication, Human Resource Development, Tourism, IT enabled services and Cyber Connectivity, Power, Health, Rural Sector, Sports, Art & Culture. These Thematic Working Groups have prepared sectoral Plans of Action based on the objectives in the Vision Document. These plans of action were presented before public representatives and media of the North East in Shillong in 2008. After the Action Plans are finalized by the Thematic Groups, these will be implemented by different Ministries in the North Eastern region from the gross budgetary allocation made to them by the Planning Commission.

#### **4.4.2 Regional Connectivity: A Strategic Advantage**

MGC members emphasized the importance of enhancing connectivity between the two countries through regional cooperation and the development of road and shipping infrastructure linking Thailand and India. India welcomed the setting up of the Thailand-India Joint Working Group on Connectivity and Infrastructure to help expedite cooperation on connectivity initiatives in both countries as well as in third countries. They took note of the fruitful outcomes of the first meeting held in New Delhi in September 2012, including the possibilities for cooperation on the Dawei Deep Sea Port and Special Economic Zone projects. The members reaffirmed the importance of the India-Myanmar-Thailand Trilateral Highway Project, as it would greatly enhance the connectivity between the Mekong sub-region and India. They also noted that the Joint Task Force Meeting on

the Trilateral Highway, held in New Delhi in September 2012 agreed to make all efforts to complete the trilateral road connectivity by 2016. The meeting also emphasized the necessity to develop the infrastructure to ensure fast and seamless transit along the Trilateral Highway as well as an increase in trade, investment, services and tourism activities. In this connection, the Indian side welcomed the proposal to host the next India–Myanmar–Thailand Joint Task Force Meeting on the Trilateral Highway Project, as well as the second Meeting of the Thailand-India Joint Working Group on Connectivity and Infrastructure in June-July 2013.

## Part-4: India's interest in International Organizations

### Q1. Discuss India's key interests in European Union.

**Answer**

#### 1.1 Indo-EU Free Trade Agreement

India is negotiating a bilateral Broad Based Trade and Investment Agreement (BTIA) with the European Union (EU). Negotiations were launched in Brussels in June, 2007 based on the recommendations of the High Level Trade Group at the 7th India-EU Summit in October, 2006 in Helsinki. Negotiations across a number of sectors including Trade in Goods, Trade in Services, Investment, Sanitary and Phyto-sanitary Measures, Technical Barriers to Trade, Trade Remedies, Government Procurement, Customs Cooperation and Trade Facilitation, Dispute Settlement, Competition and Intellectual Property Rights etc. are under negotiations. By now, fifteen rounds of negotiations have been held. Negotiating stands on market access issues are crystallized after extensive consultations with stakeholders with a view that the agreement must lead to positive outcomes for the country as a whole including particular crucial sectors.

#### 1.2 WTO related Issues

EU as well as India was amongst the founding members of the modern international system of trade rules. Both EU and India are firm supporters of the WTO system and key actors in the Doha round of negotiations launched in 2001. A successful conclusion of the Doha round would contribute significantly to a more open and stable environment for trade and investment for both the EU and India. India as a leader of the group of (advanced) developing countries known as the G20, and also as part of G4 (along with the EU, the US and Brazil) is steering the negotiations for mutual benefit. The two sides need to resolve the above mentioned issues at earliest to make the most of trade potential.

#### 1.3 Skill Development

India and European Union launched project on skill development in May 2012 which is a 6 million Euro project to be carried out in the next four and a half years. Skills development is the central thread of 'Europe 2020' strategy as well as the Indian National Skills Development Mission. With this project both EU and India would engage in tackling challenging issues like new skills for the ever changing employment market. This multifaceted project would create an opportunity to "learn by doing" and build competence in the development of occupational standards, training standards, programmes and improved curricula for the formal sector. It would also endeavour to improve the quality and relevance of training provision and increase the number of certified skilled labourers in the identified sectors of employment.

## 1.4 Technology

EU's Seventh Framework Programme (FP7) for Research and Technological Development 2007-2013 offers a "windows of opportunity" for a significant increase in the breadth and depth of EU-India S&T cooperation. Computation materials science, biotechnology, food, health, energy, and the environment are major areas of joint cooperation in science and technology. Technological cooperation remains one of the main pillars of the Indo-EU strategic partnership. India's participation in the EU's global navigation system (Galileo); contribution in International Thermonuclear Experimental Reactor [ITER]; interlinking of India's Education Research Network, ERNET, to its pan European equivalent GEANT2 manifest a transformation in India and EU relations in changing global dynamics. European space agency and Indian counterpart have been carrying various space related missions at times. EU's defence industry has won major contracts in India's defense bids. EU-India Aviation Summit has opened up new avenues in up-gradation of India's aircraft technology.

## 1.5 Environment

EU's objective related to environment cooperation is to support India's efforts towards sustainable growth and to build mutual understanding on global environmental issues including climate change. Environment is recognised as a strategic area for dialogue in the EU-India Partnership and the Joint Action Plan. EU-India Environment Forum; EU-India Initiative on Clean Development and Climate Change are some of the major commitments to strengthen bilateral cooperation for urgent action necessary to address climate change. Further; EU organised in New Delhi a Workshop on Market Based Mechanisms as a Tool to Address Climate Change. Confederation of Indian Industry in cooperation with the European Chemicals Agency and the Delegation of the European Union to India organized a Symposium on REACH Regulations & their Future Impact on Export of Chemicals & Articles to Europe.

## 1.6 Counter-Terrorism

India as well as EU is facing a challenge of international terrorism. EU faces challenges from the Islamic fundamentalism, religious radicalism, Iran, WMD, illegal migration, trafficking and nexus between terrorist organizations. India is troubled from the terrorism mainly emanating from the neighbourhood. Joint Action Plan (JAP) adopted at the Sixth EU-India Summit promotes cooperation for information exchange and related matters between Europol of EU and India's Central Bureau of Investigation (CBI) to tackle terrorism related activities. Further initiating the cooperation between SITCEN (the largest intelligence gathering agency of EU) and its Indian counterparts is a pre-requisite to take the joint anti-terrorism operations at next level. The cooperation between the anti-terrorism agencies of the two sides needs to be activated such as EU-India Joint Working Group on Counter-Terrorism.

## 1.7 Human Rights

EU gives a special regard to human rights, specifically child rights and rights of the indigenous people across world. EU launched the European Instrument for Democracy and Human Rights (EIDHR) which with a total budget of €1.1 billion for 2007-2013 to provide direct funding to civil society organisations and human rights defenders throughout the world. The EU's approach towards human rights is directed to mainstream human rights concerns into its policies and programmes; and financing specific projects to promote and protect human rights. EU has funded to the tune of over €5 million in numerous projects covering a wide range of activities such as monitoring violation of human rights, providing legal aid and services, advocacy, awareness generation, empowerment and capacity building of local communities, human rights defenders and national institutions, and rehabilitation of victims of torture, trafficking and child labour, etc. Under EIDHR, these projects for funding are selected through global and national level calls for proposals usually on an annual basis.

## **Q2. Evaluate India's multilateralism in United Nations System.**

### **Answer**

India is a founder member of the United Nations Organization joining in October 1945. India is a member of major UN bodies which are Economic and Social Council, the Human Rights Commission, and the Disarmament Commission. India is also the board of governors of the International Atomic Energy Agency (IAEA). India has been playing a prominent role in articulating the economic concerns of developing countries in UN-sponsored conferences as the triennial UN Conference on Trade and Development (UNCTAD) and UNFCC.

#### **2.1 Peacekeeping**

Since the UN's inception, India has been continuously participating in the UN system pro-actively. India is amongst the major contributors of the peacekeeping forces for the UN led missions across world. In past, India contributed significantly to the UN's peacekeeping operations in Egypt, Congo, Angola, and Rwanda and more recently in Haiti etc. Indian peacekeeping forces had been entrusted with UN peace missions in the Middle East, Cyprus, and the Congo (since 1971, Zaire). The numbers of troops contributing to UN peacekeeping operations as of March 2007 were highest at 9,471. India suffered the death of 127 soldiers who died while serving on peacekeeping missions. India is currently the third largest contributor of troops (military and police) to the United Nations Peacekeeping Operations with a total strength of 8919 personnel serving in 9 out of 15 UN Peacekeeping Missions around the world.

#### **2.2 India to the UN Regular Budget and other supports**

India is one of the largest contributors to the UN regular budget. Indian contribution to United Nations Democracy Fund was USD 16 million for 2009. The last review of the rates of contribution by the UN member states to the UN regular budget was conducted in February 2010. India's rate of assessment for the UN regular budget for 2009-2012 remained at **0.534 %**. Each member state's contribution to the UN budget is determined by standard criteria; and it is mandatory for every UN member state to contribute its share to the UN regular budget. India's contribution has always been over and above the scale of assessment criteria determined by the UN.

#### **2.3 United Nations Population Fund:**

India's contribution to United Nations Population Fund during last four years towards the Reproductive Child Health Programmes is as follows:

<b>Year</b>	<b>Amount in US \$</b>
2008	44,00,000
2009	50,00,000
2010	31,19,475
2011	33,00,000
Total	1,58,19,475

#### **2.4 Reforms related to Security Council**

India has been a non-permanent member of the UN Security Council for six terms and was a member for 2011-12. India is one of the members of the G4(India, Germany, Japan, Brazil) of nations who are mutually supporting each other's candidature for a permanent seat in the security council; and its reformation. India has been asserting its candidacy for a permanent seat on the United Nations Security Council. India along with G-4 proposes that UN Security Council should be expanded beyond the current fifteen members to include twenty-

five members. It would lead an equitable representation of the various regions in the Security Council such as South Asia, Latin America and the Pacific. It would also lead to greater representation of developing nations rather than the a few developed and industrialized countries.

## 2.5 India's leadership in UN System

India has been representing the interests of the developing countries, third world countries since the formation of the UN. India supported their struggle against colonialism, apartheid and quest for freedom. India played a vital role in resolving the stalemate over prisoners of war during the 1953 Korean War. India led the five-member Neutral Nations Repatriation Commission and supervised the process of repatriation. India also head the three international commissions for supervision and control for Vietnam, Cambodia, and Laos established by the 1954 Geneva Accords on Indochina. Ex-CAG Vinod Rai of India briefed UN Secretary General on Conduct of UN Audit. Vinod Rai was re-elected as Chairman of United Nations' Panel of External Auditors. The United Nations' Panel of External Auditors which comprises Supreme Audit Institutions (SAIs) engaged in auditing United Nations, its specialised agencies and the International Atomic Energy Agency, held its 53rd meeting which concluded last night at the UN Headquarters in New York. General Secretary of the UN, Ban Ki Moon appreciated the Panel of External Auditors headed by Shri Vinod Rai and the yeoman service rendered by the external auditors in improving governance in the United Nations system.

## 2.6 Recent Progress

### i. Election Commission of India and UNDP MoU to Support Electoral and Democratic Practices

Election Commission of India and the United Nations Development Programme UNDP signed an MOU for cooperation in election management, particularly for supporting elections and democratic process in other countries in 2012. Election commission observed that the transparency and strict enforcement have been the strength of ECI which have lent total credibility to Indian elections. The Commission affirmed its commitment to work along South-South cooperation and extend support to electoral process wherever there is a need. ECI and UNDP have been working jointly in to harness ECI's competence in election management to the benefit of several countries across world. The collaboration is specially built around Commission's one year old India International Institute of Democracy and Election Management, IIIDEM which offers courses for international election practitioners. Election Commission has also signed MOUs with fourteen countries for sharing electoral practices and extending electoral assistance.

### ii. Conference of the Parties (COP 11); Hyderabad, India 2012

COP 11 on Cartagena Protocol on Convention on Biodiversity took place in Hyderabad in India in 2012. At United Nations Biodiversity Conference countries agree to double resources for biodiversity protection by 2015. They agreed to increase funding in support of actions to halt the rate of loss of biodiversity. Leading developed countries agreed to double funding to support efforts in developing states towards meeting the internationally-agreed biodiversity targets as per the Strategic Plan for Biodiversity 2011-2020. Initiatives taken under the conference were:

- The online forum provides easy-to-access, targeted information such as best practices, guidelines and learning tools for countries.
- UNEP's Economics of Ecosystems and Biodiversity (TEEB) Initiative presented a series of practical guides for governments at COP 11 for integrating the economic, social and cultural value of ecosystems into national biodiversity plans.
- COP 11 agreed to engage business and development organizations, to integrate biodiversity objectives in their plans and programmes.

- COP 11 developed new work in support of achieving Aichi Target 15 which calls for the restoration of 15% of degraded lands. UNFCCC and UN Convention to Combat Desertification (UNCCD) agreed for supporting this program.
- A decision on climate change and biodiversity called for enhanced collaboration between the CBD and UN climate change initiatives including Reducing Emissions from Deforestation and Forest Degradation (REDD+).
- The COP adopted recommendations for improving the sustainable use and management of species hunted for 'bushmeat' in tropical and sub-tropical regions, where large-scale hunting and trade of animals has led to 'empty forest syndrome' and is increasingly threatening food security and ecological stability of forests and other ecosystems. Together with FAO, the CBD Secretariat would establish a global 'Collaborative Partnership on Sustainable Wildlife Management' to support developing countries in the implementation of relevant CBD provisions.

*(Similarly other areas of cooperation can be identified from current international affairs.)*

**Q3. What are the major issues between developing countries such as India, China and Brazil and developed countries in Doha Round of the WTO?**

### **3.1 Agriculture and Subsidies**

Domestic support, market access, subsidies and export competition are the major factors of trade in agricultural related goods. India's position and strategy in the negotiations in the WTO are guided by its concerns relating to the food, income and livelihood security of its farmers and the need to secure additional markets for agricultural products. Substantial and effective reductions in domestic support, subsidies and customs tariffs by developed countries to protect and promote the interests of their low income is a key priority for India and other developing countries in the agriculture negotiations. Huge subsidies and domestic support to domestic industry by developed countries lead to decline in trade and economic activities of the developing and poor countries. United States negotiated successfully for a permanent waiver from substantial obligations in agriculture in 1955 and EU is following an elaborate system of protection for its farmers through high subsidy programs. EU and the US have the flexibility to provide \$ 100 billion and \$ 50 billion as domestic support, under the WTO regime. Developed countries have similar accusation on India. They have been consistently demanding India to reduce their agricultural tariffs and subsidy programs which is not a prudent choice for India as it can lead to large scale unemployment, poverty and hunger.

### **3.2 Non-Agricultural Market Access (NAMA)**

Non-agriculture market access seeks to eliminate or reduce the tariff as well as non-tariff barriers on products of export interest to developing countries; comprehensive product coverage; interests of developing countries and Least Developed Countries (LDCs) to be given priority with non-reciprocal commitments. India wants a simple percentage reduction in tariff on each product instead of tariff reduction through average tariff cuts for which India has recommended a non-linear ABI (Argentina-Brazil-India) Formula over Swiss formula. Apart from that India advocates the removal of quantitative restrictions and non-tariff barriers and this provision to be reserved for the countries with poor current account balance.

### **3.3 Services**

Services sector contributes to around 55% of India's GDP. India seeks more liberal commitments on the part of developed countries for cross-border supply of services, including the movement of 'natural persons' (Mode 4) and Mode 2(consumption of services abroad) exemptions. Export in services (Mode-1) is other area which India tends to consider for negotiations. Mode-1 covers Business Processing Outsourcing. Actions of developed economies such as USA of increasing visa fee, restriction on outsourcing have been against the provision of

General Agreements on Trade in Services(GATS) of the WTO which India has joined in the WTO. For increasing trade in services, India has suggested lowering import duty on 357 information technology products and 54 environmental goods.

### 3.4 TRIPS

Developed countries have used provisions of trade related intellectual property rights to safeguard their own interests. For an example: WTO obligations are breached repeatedly by EU; there are repeated instances of detention of Indian generic medicines in the EU ports which is a violation under Article V of GATT which enshrines freedom of transit of goods through the territory of each contracting party of GATT via the routes most convenient for international transit. These detentions are also inconsistent with under Articles 41 and 42 of the TRIPS Agreement.

### 3.5 Food Security

Recognizing the importance of Trade Facilitation (TF) and upgrading infrastructure at border, ports and custom procedures for giving a boost to exports, there is a need for addressing the concerns of food security which have been outlined in a proposal presented by developing countries. This is essential to protect the interest of the subsistence farmers in developing countries and also the responsibility of the state for assuring food security for the poor and vulnerable section of the society. India is predominantly an agricultural economy; over 70% of the population depends upon agriculture. Free trade has some distorting effect on India's agriculture. Government procurement of food grains for public distribution system under MSP mechanism cannot be diluted for more free trade. Food security is also a question of existence for Least Developed Countries (LDCs). WTO must address the concerns of Least Developed Countries (LDCs) and small and vulnerable economies to ensure that the development dimension of Doha Round is retained. India is not opposed to trade facilitation; there is a need for an internal balance in the Trade Facilitation proposal with adequate special and differential treatment for developing countries and LDCs. Technical and financial support to such economies should be provided so that they benefit from trade facilitation. A LDC Package including Duty Free Quota Free market access is advocated for the vulnerable economies. India supports G-33's proposal for food security and flexibility in their public stock holding operations for public distribution system.

What developed countries propose in the round:

- Reduce *all forms* of tariffs and export subsidies
- *Ambitious market access* to the developing countries market
- SSM for *selected* agricultural commodities
- *Reduction in the list of sensitive products* and tariff related quotas to only those products

What developing countries want out of the round?

- Tariff cuts in differential manner favouring DCs and LDC
- *Non-tariff barriers* to be addressed
- Export and domestic subsidies by developed countries to be eliminated or *substantially* restricted
- *Longer implementation timeframe* for developing countries
- *Preferential access* to developed country market

The key agriculture negotiations in Doha round are based on:

- reducing agricultural subsidies
- the access to global markets and
- liberalization in the global trade respects and sustainable economic growth in developing countries

The major issues of conflict are:

- **Special safeguard mechanism:** Developing countries insist if taking safeguard mechanism if trade causes injury. Developed states decline it on the basis of offering scope of protectionism.
- **Formula for designing tariffs:** Developed countries want mixed formula (a mix of the Uruguay Round 9 formula, Swiss formula and duty free for a minimum percentage of tariff lines for tariff reduction). DCs prefer Uruguay Round formula which favours them.
- Schedule of the tariff reductions.

Various international think tanks and organizations have predicted a huge forgone loss by not concluding the round. World Bank has already concluded that the damage of delaying the conclusion of Doha Negotiations may run into hundred of billion of dollars. Considering agriculture the loss may be unrepentantly severe. The DCs and LDCs would suffer from the increasing protectionism by the developed countries. The level of protectionism would in-fact double of the current level. Estimates show that the quantum of loss could be up to US\$809 billion in world trade volume and US\$184 billion in real income by 2025 which would endanger DCs and LDCs particularly.

#### **Q4. Critically evaluate India's approach in key international groups such as G15; G20; G24 etc.**

**Answer**

##### **4.1 G-15**

The Group of 15 G-15 is an informal forum set up to foster cooperation and provide input for other international organizations such as the World Trade Organization, UN and the G-8 etc. It was established at the Ninth Non-Aligned Movement Summit Meeting in Belgrade, Yugoslavia in 1989, and is composed of countries from Latin America, Africa, and Asia with a common goal of enhanced growth and prosperity. The G-15 focuses on cooperation among developing countries in the areas of investment, trade, and technology. Actual membership is 17 countries but the name has remained unchanged. Chile, Iran and Kenya have since joined the Group of 15 whereas Yugoslavia has left it. India is an active member of the group.

Objectives of the G-15 are:

- To harness the considerable potential for greater and mutually beneficial cooperation among developing countries
- To conduct a regular review of the impact of the world situation and of the state of international economic relations on developing countries
- To serve as a forum for regular consultations among developing countries with a view to coordinate policies and actions
- To identify and implement new and concrete schemes for **South-South cooperation** and mobilize wider support for them
- To pursue a more positive and productive North-South dialogue and to find new ways of dealing with problems in a cooperative, constructive and mutually supportive manner.

G-15 has a Technical Support Facility (TSF) located in Geneva which works under the direction of the Chairman to provide necessary support for the various activities. The G-15's summit is organized biennially. G-15 Ministers of Foreign Affairs typically meet once a year. A Steering Committee or Troika is composed of three Foreign Ministers for oversight and coordination. Federation of Chambers of Commerce, Industry and Services (FCCIS) is a private sector forum of G-15 member countries. The purpose of the FCCIS is to coordinate and maximize efforts which promote business, economic development and joint investment in G-15 nations.

## 4.2 G-20

G-20 is a group of finance ministers and central bank governors from 20 major economies. The G-20 heads of government are periodically conferred at summits since 2008. G-20 economies account for approximately 80 % of the gross world product (GWP), 80% of world trade, and two-thirds of the world population. As per IMF, G-20 accounts for 84.1 % and 82.2% of the world's economic growth by nominal GDP and GDP (PPP) respectively from the years 2010 to 2016.

The G-20 was proposed by former Canadian Prime Minister **Paul Martin** as a forum for cooperation in matters pertaining to the international financial system. The group was formally inaugurated in 1999 and held its first meeting in December 1999. The group reviews and promotes high-level discussion of policy issues pertaining to the promotion of international financial stability. The heads of the G-20 nations meet annually.

The G-20 Summit was created as a response both to the financial crisis of 2007–2010 and to a growing recognition that key emerging countries were not adequately included in the core of global economic discussion and governance. The G-20 Summits of heads of government were held in addition to the G-20 Meetings of Finance Ministers and Central Bank Governors who continued to meet to prepare the leaders' summit and implement their decisions. The G-20 works without any permanent secretariat. The chair rotates annually among the members and is selected from a different regional grouping of countries.

## 4.3 G-24

The Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24) was established in 1971. The purpose of the group is to coordinate the position of developing countries on monetary and development issues, particularly issues on the agendas of the International Monetary and Financial Committee (IMFC) and the Development Committee (DC), and to ensure increased representation and participation of developing countries in negotiations on the reform of the international monetary system.

Member countries are as follows (divided by region):

- Region I (Africa): Algeria, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Ghana, Nigeria, South Africa and the Democratic Republic of Congo.
- Region II (Latin America and the Caribbean): Argentina, Brazil, Colombia, Guatemala, Mexico, Peru, Trinidad and Tobago and Venezuela.
- Region III (Asia): India, Iran, Lebanon, Pakistan, Philippines, Sri Lanka and Syria.

In addition, all members of the Group of 77 that are not members of the G-24 are eligible to participate in G-24 meetings. China attends as a "**Special Invitee**" and addresses the plenary level meetings of Ministers. The G-24 Secretariat is one of the two executive arms of the G-24 Bureau. The functions and activities of the Secretariat include: supporting the Chair and the Bureau by providing logistical and secretarial support for the various meetings of the G-24; ensuring effective liaison among G-24 members, with a view to facilitating consensus on issues of common interest; providing logistical support on the implementation of the research program; and building strategic partnerships and coalitions with other forums engaged in the same spheres of interest.

The G-24 operates at two levels:

- The political level, comprised of Ministers, their Deputies, the Bureau, and other Washington-based representatives who participate in the Committee of the Whole and in any ad hoc meetings;
- The operational level, which is run by the G24 Liaison Office, and includes the G24 Secretariat and the Research Coordinator.

The governing body of the G-24 meets twice a year, preceding the Spring and Fall meetings of the International Monetary and Financial Committee and the Joint Development Committee of the World Bank and the International Monetary Fund. The plenary G-24 meetings are addressed by the heads of the IMF and the World Bank Group as well as by senior officials of the UN system. Issues are first discussed by the Deputies and

culminate at the Ministerial level by the approval of a document that sets out the consensus views of member countries. The Ministerial document is released as a public Communiqué at a press conference held at the end of the meetings. Decision-making within the G-24 is by consensus.

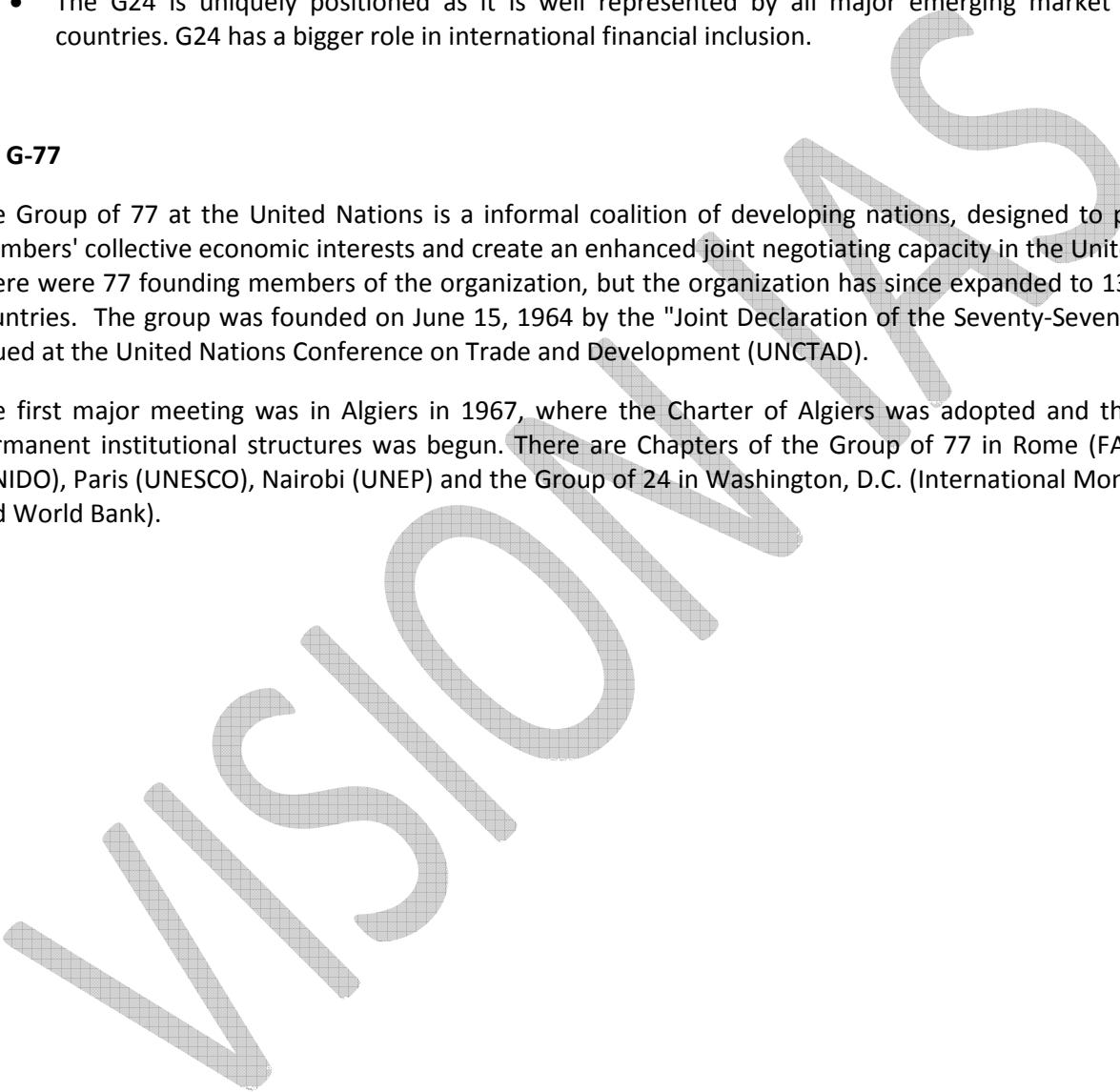
#### Role of G24

- G24 has an important role to play in fostering dialogue amongst developing countries and in supporting a more inclusive approach in global economic and financial cooperation including on the development agenda.
- The present global economic order presents an opportunity for the G24 to devise strategies to enhance its effectiveness in the global policy making process.
- The G24 is uniquely positioned as it is well represented by all major emerging market developing countries. G24 has a bigger role in international financial inclusion.

#### **4.4 G-77**

The Group of 77 at the United Nations is an informal coalition of developing nations, designed to promote its members' collective economic interests and create an enhanced joint negotiating capacity in the United Nations. There were 77 founding members of the organization, but the organization has since expanded to 132 member countries. The group was founded on June 15, 1964 by the "Joint Declaration of the Seventy-Seven Countries" issued at the United Nations Conference on Trade and Development (UNCTAD).

The first major meeting was in Algiers in 1967, where the Charter of Algiers was adopted and the basis for permanent institutional structures was begun. There are Chapters of the Group of 77 in Rome (FAO), Vienna (UNIDO), Paris (UNESCO), Nairobi (UNEP) and the Group of 24 in Washington, D.C. (International Monetary Fund and World Bank).



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## G. S. PAPER I

Indian Diaspora

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## INDIAN DIASPORA

According to Ministry of Overseas Indian Affairs, India has the **second largest diaspora** in the world after Overseas Chinese. The overseas Indian community estimated at **over 25 million** is spread across every major region in the world. By creating an independent **Ministry of Overseas Indian Affairs**, India has given mainstream attention to this 25 million strong Overseas Indian community. The experience gained from bilateral and multilateral engagement with the Diaspora, and with migration related institutions *has helped India develop appropriate and well-calibrated institutional responses both for Diaspora engagement and migration management*. The **common thread** that binds India with its Diaspora together is the idea of India and its **intrinsic values**.

*The primary motivation for migration is economic and, at the heart of migration management, is the imperative to maximise the development impact of international migration for all.*

### Definition and concepts

#### PIO:

A person of Indian origin (PIO) is a person of **Indian origin or ancestry** (other than from Pakistan, Bangladesh, and some other countries) who was or whose ancestors were born in India but **is not a citizen of India and is the citizen of another country**. A PIO might have been a citizen of India and subsequently taken the citizenship of another country.

The Indian government considers anyone of Indian origin up to four generations removed to be a PIO, with the exception of those who were ever nationals of **Afghanistan, Bangladesh, Bhutan, Nepal, Pakistan, or Sri Lanka**. The prohibited list periodically includes **Iran as well**.

The government issues a **PIO Card** to a PIO after verification of his or her origin or ancestry and this card entitles a **PIO to enter India without a visa**. *The spouse of a PIO can also be issued a PIO card though the spouse might not be a PIO.* This latter category includes foreign spouses of Indian nationals, regardless of ethnic origin, so long as they were not born in, or ever nationals of, **the aforementioned prohibited countries**. *PIO Cards exempt holders from many restrictions that apply to foreign nationals, such as visa and work permit requirements, along with certain other economic limitations.*

#### NRI:

A non-resident Indian (NRI) is a citizen of India who **holds an Indian passport** and has temporarily emigrated to another country for six months or more for work, residence or any other purpose.

The term non-resident refers only to the tax status of a person who, as per section 6 of the **Income-tax Act of 1961**, has not resided in India for a specified period for the purposes of the Income Tax Act. The rates of income tax are different for persons who are "**resident in India**" and for NRIs.

For the purposes of the Income Tax Act, "residence in India" requires stay in India of at **least 182 days in a calendar year or 365** days spread out over four consecutive years. According to the act, any Indian citizen who does not meet the criteria as a "resident of India" is a non-resident of India and is treated as NRI for paying income tax.

Other terms with vaguely the same meaning are **overseas Indian and expatriate Indian**. In common usage, this often includes Indian-born individuals (and also people of other nations with Indian ancestry) who have taken the citizenship of other countries.

## Emigration, Immigration, and Diaspora Relations in India

During the 19th century and until the end of the British Raj, much of the migration that occurred was of **poor workers to other British colonies under the indenture system**. The major destinations, in chronological order, were **Mauritius, Guyana, the Caribbean, Fiji, and East Africa**. Before the larger wave of migration during the British colonial era, a significant group of South Asians, especially from the west coast (Sindh, Surat, Konkan, Malabar and Lanka) regularly travelled to East Africa, especially Zanzibar. It is believed that they travelled in Arab dhows, Maratha Navy ships (under Kanhoji Angre), and possibly Chinese junks and Portuguese vessels. Some of these people settled in East Africa and later spread to places like present day Uganda. Later they mingled with the much larger wave of South Asians who came with the British.

Indian migration to the modern countries of Kenya, Uganda and Tanzania started nearly a century ago when these were part of **British East Africa**. Most of these migrants were of **Gujarati or Punjabi origin**. *Indian-led businesses are the backbone of the economies of these countries*. These ranged in the past from small rural grocery stores to sugar mills. After independence from Britain in the 1960s, the majority of Asians, as they were known, moved out or were forced out from these countries (in 1970's by **Idi Amin in Uganda**). Most of them moved to Britain, or India, or other popular destinations like the USA and Canada.

**Gujarati and Sindhi merchants and traders settled in Iran, Aden, Oman, Bahrain, Dubai, South Africa and East African countries, most of which were ruled by the British.** Indian Rupee was the legal currency in many countries of Arabian peninsula.

*After the 1970s oil boom in the Middle East, numerous Indians emigrated to work in the Gulf countries.* With modern transportation and expectations, this was on a contractual basis rather than permanent as in the 19th century cases. These Gulf countries have a common policy of not naturalizing non-Arabs, even if they are born there.

**The 1990s IT boom** and rising economy in the **USA** attracted numerous Indians who emigrated to the United States of America. *Today, the USA has the third largest number of Indians.* Also, as per UNESCO Institute for Statistics the number of Indian students make **India second after China** among the world's largest sending countries for tertiary **students**.

In addition, Indian professionals, such as doctors, teachers, engineers, also played an important part in the development of these countries.

Thus, contemporary flows from India are of **two kinds**:

- The first is the emigration of **highly skilled professionals**, workers and students with tertiary and higher educational qualifications migrating to developed countries, particularly to the USA, UK, Canada, Australia and New Zealand. As discussed, this flow started after Indian independence and gathered momentum with the emigration of IT professional in the 1990s.
- The second is the flow of **unskilled and semi-skilled workers** going mostly to the Gulf countries and Malaysia, following the oil boom in the Gulf countries, mainly from Kerala and other south Indian states. Of late, however northern states in India like Uttar Pradesh and Bihar have also emerged as the leading states of origin for such migration.

## Role of the Diaspora as development partners

### Building transnational networks

The Diasporas provide important links and contact points between home and host societies by building transnational networks which transact not only emotional and familial bonds, but also cultural, social and economic interests. With advances in information technology and cheaper transport services, the Diaspora, as

compared to situations prevailing earlier, are able to maintain connections with people and networks back home more effectively. Such *Diaspora associations in host countries impact and influence local businesses, even political decisions, thereby ensure a friendlier environment and outcomes for the existing and prospective migrants.*

### Channel remittances, capital and investments

Diaspora associations help to channel remittances, capital and investments to benefit not only home communities, but also by developing partnerships with host country counterparts, benefiting both. *The same can be said of the exchange of skills, cuisines, ideas, knowledge and technology.*

### Development-migration paradigm

With the second-largest overseas population, India has the status as the country that receives amongst **the highest remittances**, its experience in effectively addressing the problems of poverty, inequality and unemployment in an unfailingly democratic manner, India can provide the much needed impetus to meaningfully reinforce the **symbiotic development-migration paradigm**.

### Sources of investment, expertise, knowledge and technology

These '**Global Indians**' can serve as bridges by providing access to markets, sources of investment, expertise, knowledge and technology; they can shape, by their informed participation, the discourse on migration and development, and help articulate the need for **policy coherence** in the countries of destination and origin.

To capitalize on such a vast base of Indian Diaspora requires not only the home country to establish conditions and institutions for a sustainable, symbiotic and mutually rewarding engagement with the Diaspora—which are central to govt. programmes and activities; *but for the Diaspora to project themselves as intrinsically motivated and progressive communities as well.*

### Key initiatives led by the Indian Diaspora

- **Diaspora philanthropy**

Diaspora philanthropy is not a new phenomenon. In recent years it has emerged as an integral part of the social development effort in the country. *Many overseas Indians and organisations donate generously to various social causes.* The recent experience with the post –**tsunami relief** efforts and more recently the **earthquake in Kashmir** has shown how the Diaspora can be mobilized at short notice to respond **to natural calamities and emergencies.**

- **Development**

Social enterprises for development such as health, education, water etc. are led by Indian Diaspora in their motherlands. For a case in point: a pioneering social enterprise **bringing clean water to villages in Rajasthan** grew out of a casual conversation among Indian-American NRIs about the societal problems plaguing their country of heritage. It marked the birth of **Aakash Ganga project**, domestic rainwater harvesting scheme, and my own transition from commercial to social ventures.

- **Social entrepreneurship**

For example: **Ashoka**, a Diaspora led international organization is the largest network of social entrepreneurs worldwide, with nearly 3,000 Ashoka Fellows in 70 countries putting their system changing ideas into practice on a global scale. Ashoka has provided start-up financing, professional support services, and connections to a global network across the business and social sectors, and a platform for people

dedicated to changing the world. Ashoka launched the field of social entrepreneurship and has activated multi-sector partners across the world who increasingly look to entrepreneurial talent and new ideas to solve social problems.

- **Political lobbying**

The Indian diaspora, especially those who have been educated and are politically influential in their country of residence, as in the United States; or who are connected to specific states in India (such as Kerala for migrant workers in the Gulf states, and Punjab for young students and working-class migrants in Australia) and able to rely on family and community connections **to lobby local politicians e.g. Indians for democrats in USA** and their influence on US presidential elections.

- **Business delegation**

Indian Diaspora has opened **bi-lateral business chambers** at local, regional and international level e.g. Indian Business Chamber Of Luxembourg based in Strassen, Luxembourg; India-Thai Chamber of Commerce and Indo Canada Chamber of Commerce – Brampton etc.

### **Emerging issues and challenges**

A wide range of considerations shape the public discourse on international migration such as:

- The growing mobility of labour in a globalizing economy,
- Emerging population and demographic dynamics,
- Integration issues
- Enhanced security concerns.

*The question is no longer whether to allow migration, but rather how to manage migration effectively to enhance its positive aspects.* The challenge is to maximise the benefits from migration and transform it into a win-win process for the countries of origin, destination and the migrants themselves. Yet, realities, such as internal concern and economic downturns, the barriers to the movement of people also crop up.

### **Some of the current issues are as follows:**

- Lower skilled migrants, in particular, are often seen as **displacing local workers** and **abusing social welfare systems** and this mistrust grows with economic insecurity.
- Following the **global economic downturn**, the discourse on migration has again become victim to populist and ill-informed debate with rising **anti-immigrant sentiments** spouted by fringe parties in many countries.
- **Even amongst moderates**, the issue of integration of the overseas community with the host society continues to be a concern.

### **Host country rules and policy**

- **Nitaqat:** ( Read current affair notes for full detail on this)

### **However, govt.'s stand on this is as follows:**

There is no significant adverse impact of New Labour Policy of Saudi Arabia on Indian Workers. The grace period for implementation of the 'Nitaqat' policy of Saudi Arabia has been extended twice,-first to 3rd July 2013 and then to 3rd November 2013 and hence, the policy has not had any significant adverse impact on Indian workers except on those who were working there without valid papers. The grace period allows even workers without valid papers to have their status regularized.

- US H1B Visa and Outsourcing related issues( Ref. current affairs notes)
- UK's increase in education fee and visa bond fee. ( Ref. current affairs notes)

### Other issues

- Mode 4 issues in India-EU BTIA:

In the India-EU bi-lateral trade and investment agreement, India is also concerned with the proposed **Safeguard Clause for Mode 4** commitments for contractual Services Supplies & Independent Professionals as this will greatly reduce potential benefits.

<b>Mode 4: Presence of a natural person</b>	Service delivered within the territory of the Member, with supplier present as a natural person.
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- Racial attacks and killings ( Ref. current affairs notes)

### **Role of Ministry of Overseas Indian Affairs**

Established in May, 2004 as the 'Ministry of Non-Resident Indians' Affairs, it was renamed as the 'Ministry of Overseas Indian Affairs' (MOIA) in September, 2004. The erstwhile NRI Division of the Ministry of External Affairs now functions as the **Diaspora Division** in the Ministry. **Small and unconventional**, the Ministry is headed by a Cabinet Minister and has five functional divisions: *Diaspora Services, Financial Services, Emigration Services, Economic Division and Management Services*. A small team of 22 officers (Under Secretaries and above) works at the Ministry in a **de-layered and multitask mode**, leveraging the power of partnership and outsourcing. The Ministry has **physical presence** in **Abu Dhabi and Washington** in the form of Counsellors Community Development and Community Affairs respectively.

### **Policy framework of the ministry**

The Ministry is guided by **four key policy imperatives**:

- Offer **customised solutions** to meet the varied expectations of the Overseas Indian community.
- To **bring a strategic dimension** to India's engagement with its Diaspora.
- **Tap the investible diasporic community** in terms of knowledge and resources in diversified economic, social and cultural areas.
- **Anchor diasporic** initiatives in the States.

### **Institutional Mechanism**

- **The Prime Minister's Global Advisory Council (PMGAC) :**

PMGAC serves as a **high-level body** to draw upon the talent of the best Overseas Indian minds wherever they might reside.

- **The India Center for Migration**

Earlier called Indian Council of Overseas Employment (ICOE), a not-for-profit society, it serves as a '**strategic think tank** on matters relating to overseas employment markets for Indians and overseas Indian workers.

- **The Overseas Indian Facilitation Centre (OIFC)**

OIFC is a not-for-profit trust in partnership with the Confederation of Indian Industry (CII), to serve as a one stop shop for economic engagement, investment and business.

- **The India Development Foundation (IDF)**

It is also a not-for-profit trust to serve as a credible single window to facilitate Diaspora philanthropy and lead Overseas Indian philanthropic capital into India's social development effort.

- **The Global Indian Network of Knowledge**

Global-INK is an electronic platform to facilitate transfer of knowledge with the objective of leveraging the expertise, skills and experience of Overseas Indians.

- **Overseas Indian Centres (OIC)**

OIC at the Indian Missions in Washington and Abu Dhabi, to begin with, to serve as field formations on matters relating to Overseas Indians.

### **Flagship Schemes for Indian Diaspora**

- **Pravasi Bharatiya Divas**

Since 2003, the Pravasi Bharatiya Divas (Overseas Indians' Day) sponsored by Ministry of Overseas Indian Affairs, is being celebrated on **9 January** each year in India, to "mark the contribution of Overseas Indian community in the development of India". The day commemorate the arrival of Mahatma Gandhi in India from South Africa, and during three-day convention held around the day, a forum for issues concerning the Indian diaspora is held and the annual Pravasi Bharatiya Samman Awards are given away.

- **"Overseas Citizenship of India (OCI)" scheme**

As of January 2006, The Indian government has introduced the "Overseas Citizenship of India (OCI)" scheme to allow a limited form of **dual citizenship to Indians**, NRIs and PIOs for the first time since independence in 1947. *The PIO Card scheme is expected to be phased out in coming years in favour of OCI.* It is proposed to merge the PIO card and OCI card scheme and call it **Overseas Indian Card Scheme**.

- **Pravasi Bhartiya Bima Yojana (PBBY)**

The Pravasi Bharatiya Bima Yojana is a **compulsory insurance scheme** for overseas Indian workers having Emigration Check Required (ECR) passport going to ECR countries.

- **Mahatma Gandhi Pravasi Suraksha Yojna**

A pension and life insurance scheme called "**Mahatma Gandhi Pravasi Suraksha Yojna**" for the Overseas Indian workers having Emigration Check required passports has been introduced on a pilot basis in Kerala from 1st May, 2012. *The objective of the scheme is to encourage and enable such overseas Indian workers to save for old age, save for their return and Resettlement by giving government contribution, and obtain a life insurance cover against natural death.*

- **Swarnpravas Yojna**

The Planning Commission accorded 'in principle' approval to the proposed plan Scheme namely '**Swarnpravas Yojna**' to be launched in the 12th Five year Plan. The scheme aims to facilitate creation of a framework of internationally acceptable standards of training, certification etc. so that Indian youth are able to find employment in the International market. Outlays to be provided to MOIA during the 12th Five Year Plan for the Scheme are decided by the Planning Commission in due course.

- **Study India programme**

The program was launched for the first time in Oct. 2012, Symbiosis University, Pune, Maharashtra with participation of 9 youths of Indian origin from four countries like Trinidad & Tobago, Malaysia, Fiji and South Africa.. The youths had undergone short term course to familiarize *them with the history, heritage, art, culture, socio-political, economic developments etc. of India.* Like KIP, SIP has immense potential of connecting youth Indian Diaspora with India through the channel of educational institutions. SIP will be held twice a year for a period of four weeks involving maximum 40 Diaspora youths in the age-group of 18-26 years.

- **Scholarship Programme for Diaspora Children (SPDC)**

A scheme called 'Scholarship Programme for Diaspora Children (SPDC)' was launched in the academic year 2006-07. Under the scheme 100 scholarships upto US\$ 4000 per annum are granted to PIO and NRI students for undergraduate courses in different verticals. The scheme is being implemented by **Educational Consultants India Limited (Ed. CIL)**, a Government of India Enterprise under the Ministry of Human Resource Development. The scheme is open to NRIs / PIOs/ OCIs from 40 countries with substantial Indian Diaspora population. *The applications from students who meet the prescribed eligibility criteria are to be evaluated and short listed by a selection committee consisting of officers from the Ministry of Human Resource Development, Ed.CIL (India) Ltd. and MOIA.*

- **Know India Programme**

The objective of the Ministry's Know India Programme is to help familiarize Indian Diaspora youth, in the age group of 18-26 years, with developments and achievements made by the country and bringing them closer to the land of their ancestors. *KIP provides a unique forum for students and young professionals of Indian origin to visit India, share their views, expectations and experiences and to bond closely with contemporary India.* The Ministry has conducted 23 editions of KIPs so far and a total of 700 overseas Indian youth have participated in these programmes.

- **Problems relating to the Overseas Indian Marriages**

Issues related with desertion of Indian women by their overseas spouses are complex and sensitive. They also fall within the purview of private international law. The approach of the Ministry in addressing these issues is to create awareness amongst prospective brides and their families regarding their rights and responsibilities and the

safeguards to be adopted while entering into matrimonial alliances with grooms residing overseas. *The objective of the scheme is to provide financial assistance to needy women in distress due to being deserted/divorced by their overseas spouses, for getting access to counseling and legal services. The counseling and legal services are provided through credible Indian Women's Organisations/Indian Community Associations and NGOs empanelled with the Indian Missions/ Posts abroad in the countries like USA, UK, Canada, Australia, New Zealand, Bahrain and Qatar.*

- **Overseas Indian Youth Club (OIYC)**

MOIA has also launched a new scheme named '**Overseas Indian Youth Club**' through our Missions abroad. Purpose is to keep the *overseas Indian youth in touch with the developments in India & create a sense of belongingness towards their Country of origin.*

In order to continue the momentum of affinity and networking of the Diaspora youth with their ancestral motherland, MOIA has supported opening of Overseas Indian Youth Club (OIYC) in various countries across world.

- **Tracing the Roots**

Tracing the Roots Scheme has been launched by MOIA in October 2008. Persons of Indian Origin (PIOs) desirous of **tracing their roots in India** may fill up the prescribed application form enclosing relevant information/documents available with them and deposit it with the concerned Indian Mission located in that country along with a fee.

- **e-Migrate**

The Ministry is implementing a comprehensive e-governance project on migration. The e-Migrate Project aims to transform emigration into a simple, transparent, orderly and humane process. The Project is aimed at improving the quality of services to emigrant workers and helps reduce, to a great extent, corruption, malpractices and irregular migration and thereby facilitate legal and orderly migration.

*Apart from the above mentioned flagship schemes, MOIA also provides the financial support through Indian Community Welfare Fund (ICWF).*

## **International Agreements**

- **Social Security Agreements**

Besides concluding **Labour Welfare and Protection Agreements** with the Gulf countries and Malaysia for the benefit of skilled and semiskilled workers, the Ministry has successfully entered into bilateral **Social Security Agreements (SSA)** with various countries across world. The Ministry is also negotiating bilateral SSAs with countries in Europe, North America and the Asia Pacific for the benefit of Indian professionals.

- **Human Resource Mobility Partnership (HRMP)**

An Agreement on **Human Resource Mobility Partnership (HRMP)** is signed with Denmark. *The Ministry has initiated the process for negotiating HRMP agreements to enhance overseas employment avenues with the Netherlands, Australia, France, Italy, Norway, Switzerland, Hungary, Sweden, Belgium, Romania, Mauritius and European Union.* It is in the process of finalising an HRMP with The Netherlands and France.

## **Bi-lateral Memorandum of Understanding on Labour**

India has signed such MOUs with various countries. The following **broad principles** have been built into these MoUs:

- Declaration of mutual intent to **enhance employment opportunities** and for bilateral cooperation in protection and welfare of workers.
- Host Country to take measures for **protection and welfare of the workers** in organized sector.
- Statement of the broad procedure that the foreign employer shall follow to **recruit Indian workers**.
- The recruitment and terms of employment to be in **conformity of the laws** of both the Countries.
- A Joint Working Group (**JWG**) to be constituted to ensure implementation of the MoU and to meet regularly to find solutions to bilateral labour problems.

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